



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to social protection for young people

Lithuania

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EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
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European Commission
B-1049 Brussels

European Social Policy Network (ESPN)

**ESPN Thematic Report:
Access to social protection for
young people**

Lithuania

2021

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Manuscript completed in June 2021

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QUOTING THIS REPORT

Žalimienė, L., Navickė, J. and Lazutka, R. (2021). *ESPN Thematic Report on Access to social protection for young people – Lithuania*, European Social Policy Network (ESPN), Brussels: European Commission.

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SUMMARY

Contributory benefits are organised through a compulsory insurance system and cover individuals receiving remuneration for work from employers, including persons on fixed-term contracts, those working part time and apprentices. Those eligible are working-age people, and there are no age-specific rules. Self-employed persons and persons working under specific contracts referred to as *consumer contracts* (see Section 2.1.1) of all age groups are covered for sickness, maternity, paternity and parental cash benefits, but not for contributory unemployment benefits. Thus, the main gap in access is only for unemployment social insurance benefits for self-employed persons and those working on consumer contracts. People who hold business certificates¹ and very small farmers are also not covered by sickness or maternity/paternity insurance. Trainees are only covered by social insurance for accidents at work and occupational disease.

The contributions record required to access social insurance benefits is not age specific, and nor are the waiting periods, replacement rates/benefit levels or the duration of payments. The previous contributions record required for all contributory benefits is the same for people aged 15–29 and for those aged 30+. The main obstacle facing newcomers to the labour market is related to their shorter careers and contribution periods. There are no reliable statistics on the number of young people facing this obstacle. However, we would recommend shortening the statutory contribution period or introducing alternative, basic non-contributory benefits.

Non-contributory benefits are supposed to cover gaps in contributory social protection coverage. In the sphere of unemployment, there is only a temporary scheme called jobseeker's allowance, which was introduced in 2020 as a COVID-19 measure. There is no permanent non-contributory unemployment benefit scheme in Lithuania. Nor is there one for sickness benefits. In the sphere of access to maternity, paternity and parental benefits, the gaps in the contributory scheme are covered for those in education and for 12 months after graduation by a non-contributory parental benefit for students, which was introduced in 2017. For those who do not qualify, there is only a non-contributory maternity benefit, which offers a token one-off payment.

Age is not a criterion for eligibility for social assistance: the general conditions apply to young people aged 18 or over. Young people can apply for social assistance individually or as part of their family if they are still considered to be dependent children. The main obstacles to accessing social assistance include strict income testing (its low threshold) and the stigma of receiving social assistance, as well as of performing unpaid community service, which often includes routine manual work.

In the sphere of housing, there are both standard schemes and schemes specifically targeted at young people. Age is not a criterion for eligibility for the standard housing schemes; hence, age does not exclude young people from receiving these benefits. However, the standard housing benefits are targeted only at those who are at risk of poverty, whereas housing-related issues are important for much wider groups of young people. Age-specific eligibility conditions apply to partial subsidies on loans for compensated housing and partial subsidies for young families purchasing their first dwelling in regional localities. The latter subsidies are fairly symbolic in their scope and coverage.

Reforms pursued since 2015 have enhanced access to contributory social benefits in Lithuania. The inclusion of the self-employed of all age groups in the contributory sickness, maternity, paternity and parental benefit schemes since 2017 is a major change that has improved the social protection of young people. Access was also extended by the

¹ A business certificate is a document certifying that you have paid a fixed fee for a business certificate and have the right to perform the activities indicated in the business certificate for a certain period of time, to sell the goods you have produced and to render services to residents and legal entities. Business certificates are issued only for certain types of activities. A person can perform activities under a business certificate only when he is not required to register as a VAT payer or is not registered as a VAT payer.

introduction of a non-contributory parental benefit for students, as well as by the inclusion in the unemployment insurance system of students with a social insurance contributions record. Access to housing has been extended by providing special subsidies for young families purchasing their first dwelling in regional localities. Access to non-contributory benefits and minimum income protection has been further extended since 2020 as a result of COVID-19. However, the latter measures are mostly temporary and non-age specific.

1 KEY FIGURES ON THE SOCIO-ECONOMIC SITUATION OF YOUNG PEOPLE²

1.1 Distribution of young people (aged 15–29) by main activity status

Table 1a: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Lithuania, % 15-29 and 30-64)

	LITHUANIA											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.5	47.7	48.9	50.7	50.4	47.6	75.8	77.5	78.2	79.8	80.4	79.3
<i>Paid employment**</i>	92.0	92.2	92.3	92.6	92.0	91.0	87.1	87.0	87.5	87.6	87.8	88.0
<i>Self-employment**</i>	5.8	6.5	6.7	6.2	6.8	7.5	10.8	11.1	10.8	11.0	11.0	10.6
<i>Contributing family work**</i>	2.2	1.2	1.0	1.3	1.2	1.5	2.1	1.8	1.6	1.4	1.2	1.4
UNEMPLOYMENT***	12.7	10.4	8.6	7.5	8.7	13.4	8.5	7.5	7.0	6.1	6.0	7.9
INACTIVITY****	48.0	46.8	46.5	45.2	44.8	45.0	17.1	16.2	15.9	15.0	14.5	13.9
	EU-27											
	15-29						30-64					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	45.0	45.9	46.9	47.7	48.2	46.1	71.4	72.4	73.5	74.5	75.3	74.9
<i>Paid employment**</i>	91.8	92.2	92.4	92.6	92.8	92.5	83.0	83.3	83.7	84.0	84.1	84.2
<i>Self-employment**</i>	5.3	5.2	5.2	5.2	5.1	5.4	14.6	14.5	14.3	14.2	14.2	14.1
<i>Contributing family work**</i>	2.9	2.6	2.4	2.2	2.1	2.1	2.4	2.2	2.0	1.8	1.7	1.7
UNEMPLOYMENT***	17.3	15.8	14.2	12.8	11.9	13.3	8.5	7.7	6.9	6.1	5.6	5.8
INACTIVITY****	45.6	45.4	45.3	45.3	45.3	46.8	22.0	21.6	21.0	20.6	20.2	20.5

Notes: (*) The employment rate is expressed as a share (%) of the total population in the age group. The 3 categories of employment (paid employment [i.e. employees], self-employment and contributing family work) are expressed as a share (%) of the population in employment in the age group. Contributing family work is a form of labour (generally unpaid, although compensation may come indirectly in the form of family income) that supports another member of the family to run an agricultural holding or another business. (**) The unemployment rate is expressed as a share (%) of the active population, i.e. the population that is either in employment or unemployed (not the total population), in the age group. (***) The inactivity rate is expressed as a share (%) of the total population in the age group.

Reading note: In 2020, in Lithuania, 47.6% of people aged between 15 and 29 were in employment, compared to 79.3% of those aged 30-64. In the EU-27 as a whole, these figures were 46.1% and 74.9%, respectively. The share of people unemployed in the active population in Lithuania was 13.4% of the 15-29 age group and 7.9% of the 30-64 age group (EU-27 average: 13.3% and 5.8%). The shares of people economically inactive in Lithuania in the 15-29 and 30-64 age groups were 45.0% and 13.9%, respectively (EU-27 average: 46.8% and 20.5%).

Source: Eurostat, ESPN Network Core Team calculations based on LFS indicators [lfsa_eegais], [lfsa_egaps], [lfsa_pganws] and [lfsa_igan]. Data downloaded on 24 May 2021.

² Except where otherwise specified, the indicators presented in Section 1 of this report were computed by the ESPN Network Core Team on the basis of data coming from two data sources coordinated at the European level by the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>): European Union Labour Force Survey (EU-LFS) and European Union Statistics on Income and Living Conditions (EU-SILC). These indicators were computed for all the 35 ESPN countries for which the data needed were available. All these ESPN countries' estimates are presented in Annex B of the following Synthesis Report: Dalila Ghailani, Stéphanie Coster, Ramón Peña-Casas and Pietro Regazzoni (2021), "Access to social protection for young people. An analysis of policies in 35 countries", European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This Synthesis Report can be downloaded [here](#).

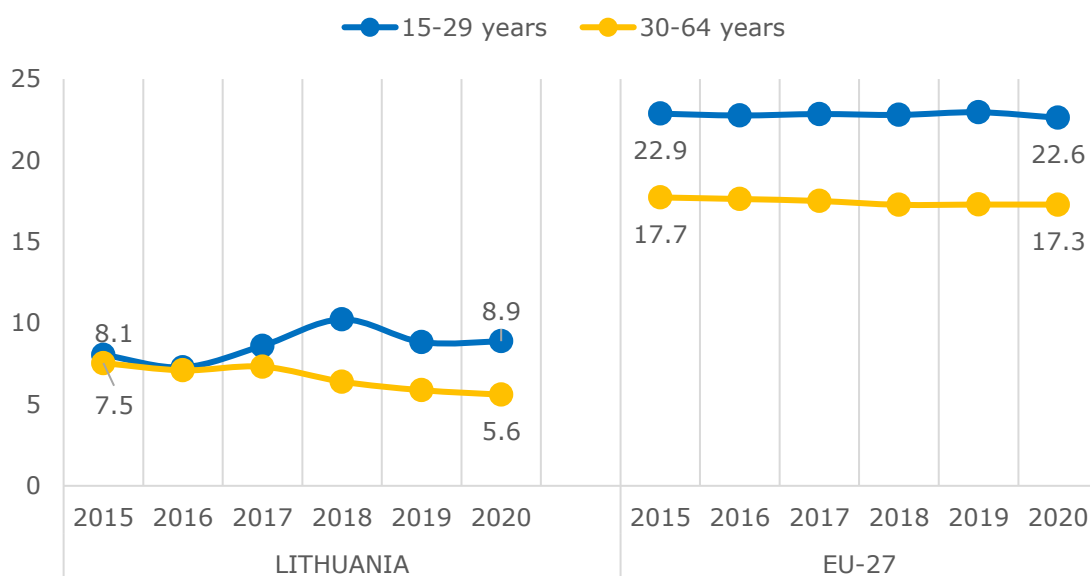
Table 1b: Main activity status of people aged 15-29 and 30-64 (2015-2020, EU-27 and Lithuania, ratios 15-29/30-64)

	LITHUANIA						EU-27					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
EMPLOYMENT RATE*	0.60	0.61	0.63	0.64	0.63	0.60	0.63	0.63	0.64	0.64	0.64	0.62
Paid employment**	1.06	1.06	1.05	1.06	1.05	1.03	1.11	1.11	1.10	1.10	1.10	1.10
Self-employment**	0.54	0.59	0.62	0.56	0.62	0.70	0.36	0.36	0.36	0.36	0.36	0.38
Contributing family work**	1.07	0.68	0.63	0.89	0.97	1.13	1.21	1.20	1.21	1.24	1.24	1.20
UNEMPLOYMENT***	1.49	1.39	1.22	1.24	1.44	1.70	2.04	2.06	2.06	2.09	2.10	2.29
INACTIVITY****	2.80	2.89	2.92	3.01	3.09	3.23	2.07	2.11	2.16	2.20	2.24	2.29

Notes: To obtain the ratio of 15-29 to 30-64, the 15-29 percentage is divided by the 30-64 percentage: a value below (above) 1 in a given activity status therefore means that 15-29-year-olds are proportionally less (more) numerous in that activity status than 30-64-year-olds. See also Notes to Table 1a above.

Reading note: In 2020, in Lithuania, 47.6% of people aged between 15 and 29 were in employment compared to 79.3% of those aged 30-64 (see Table 1a) – i.e. a 15-29:30-64 ratio of 0.60. In the EU-27 as a whole (see table 1a), these figures were 46.1 and 74.9% respectively (ratio 0.62).

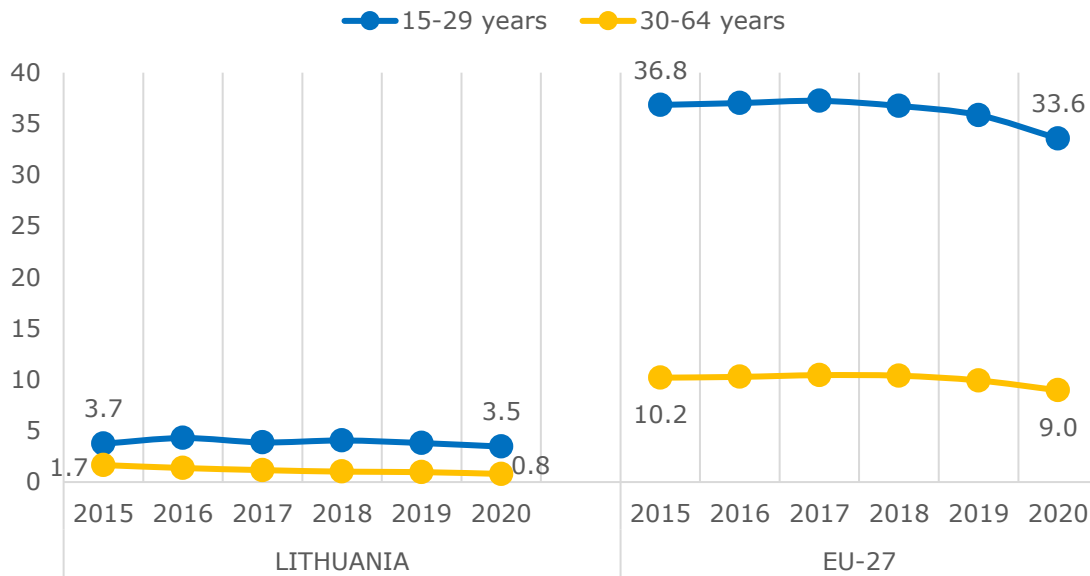
Source: See Table 1a.

Figure 1: Part-time employment as a share of the population in employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Lithuania, %)

Reading note: In 2020, in Lithuania, the share of part-time employment in total employment was 8.9% for the 15-29 age group and 5.6% for the 30-64 age group. For the EU-27 as a whole, these shares were 22.6% and 17.3%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicator [lfsa_epgn62]. Data downloaded on 24 May 2021.

Figure 2: Temporary employment as a share of population in paid employment - comparison of the 15-29 and 30-64 age groups (2015-2020, EU-27 and Lithuania, %)

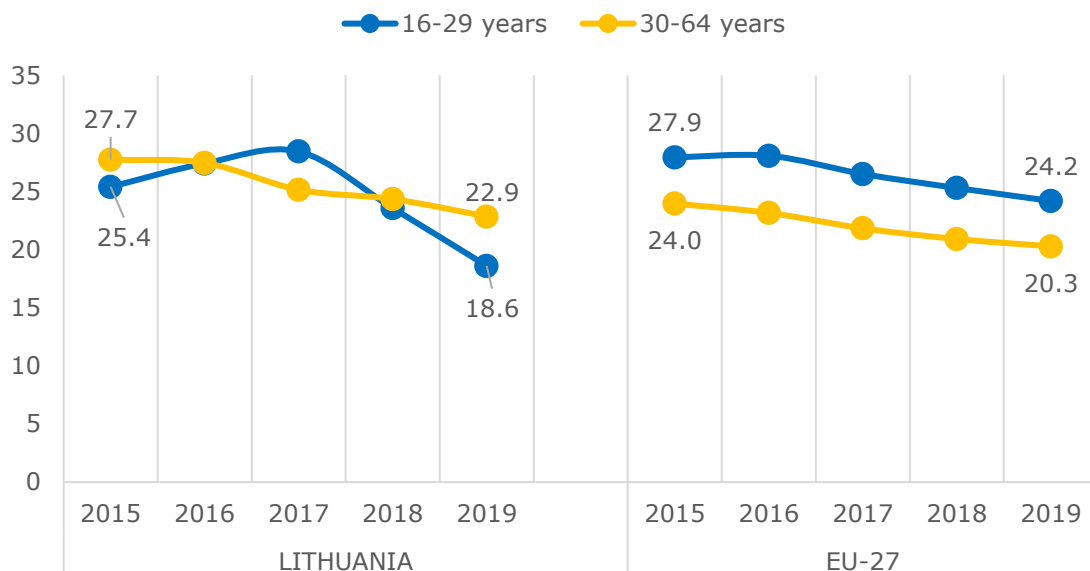


Reading note: In 2020, in Lithuania, the share of temporary workers among employees was 3.5% for the 15-29 age group and 0.8% for the 30-64 age group. For the EU-27 as a whole, these shares were 33.6% and 9.0%, respectively.

Source: Eurostat, ESPN Network Core Team calculations based on Eurostat LFS indicators [Ifsa_epgn62] and [Ifsa_egaps]. Data downloaded on 24 May 2021.

1.2 Young people (aged 15–29) at risk of poverty or social exclusion

Figure 3: People at risk of poverty or social exclusion - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Lithuania, %)

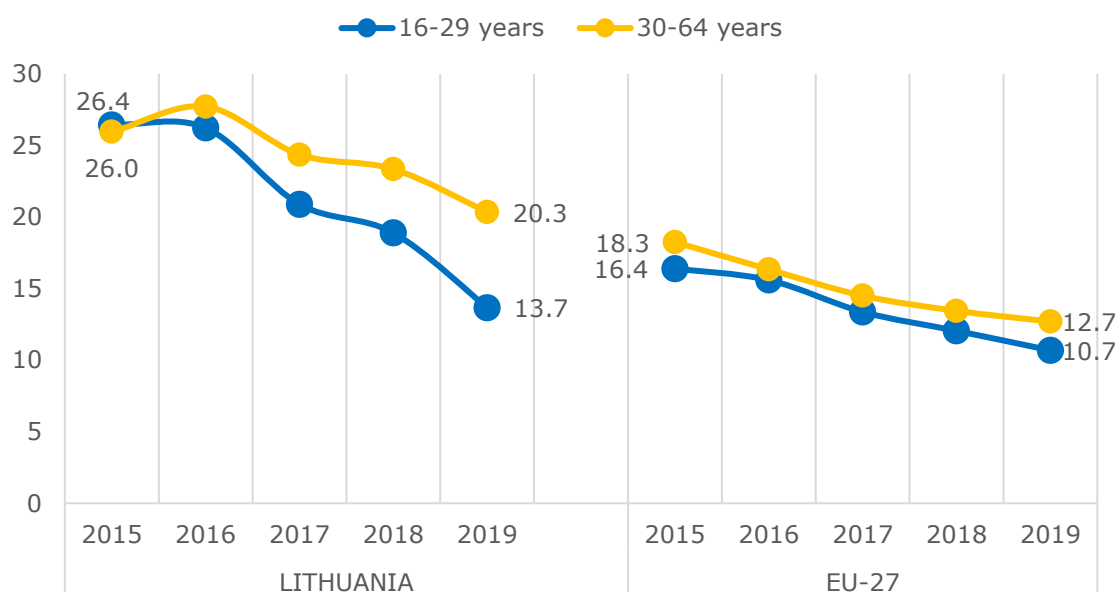


Reading note: In 2019, in Lithuania, 18.6% of the 16-29 age group were at risk of poverty or social exclusion (i.e. they were living in a household that was at risk of poverty and/or severely materially and socially deprived and/or (quasi-)jobless according to the EU definition of these indicators) compared to 22.9% of the 30-64 age group. For the EU-27 as a whole, these figures were 24.2% and 20.3%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_peps02]. Data downloaded on 24 May 2021.

1.3 Young people (aged 15–29) materially and socially deprived

Figure 4: People materially and socially deprived - comparison of the 16-29 and 30-64 age groups (2015-2020, EU-27 and Lithuania, %)

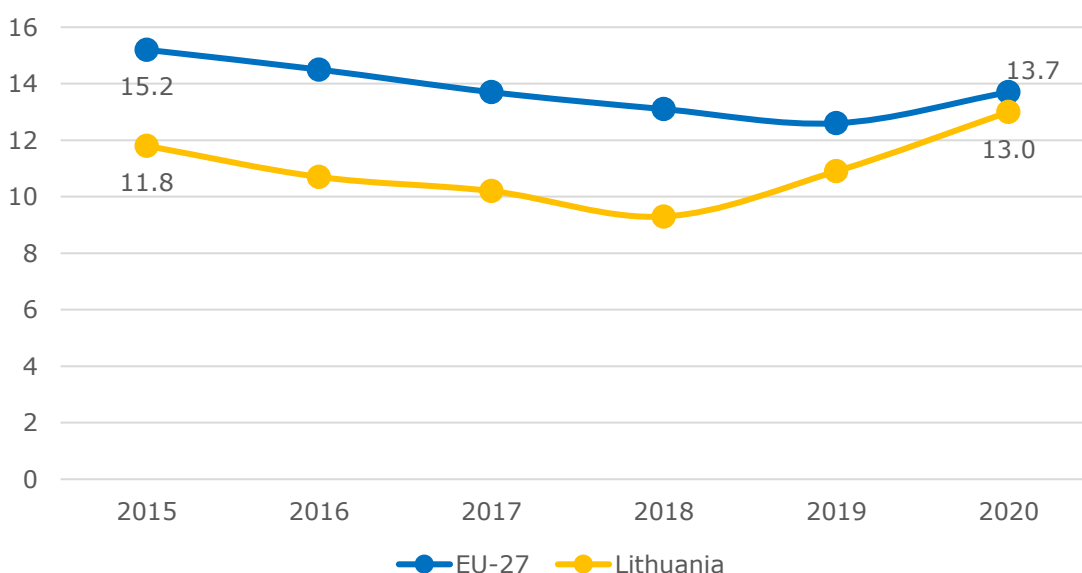


Reading note: In 2019, in Lithuania, 13.7% of the 16-29 age group were materially and socially deprived (according to the EU definition of this indicator) compared to 20.3% of the 30-64 age group. For the EU-27 as a whole, these figures were 10.7% and 12.7%, respectively.

Source: Eurostat, EU-SILC ad hoc extraction - indicator [ilc_mdsd]. Data downloaded on 24 May 2021.

1.4 Young people (aged 15–29) neither in employment nor in education or training (NEETs)

Figure 5: People aged 15-29 neither in employment nor in education or training (NEETs) (2015-2020, EU-27 and Lithuania, %)

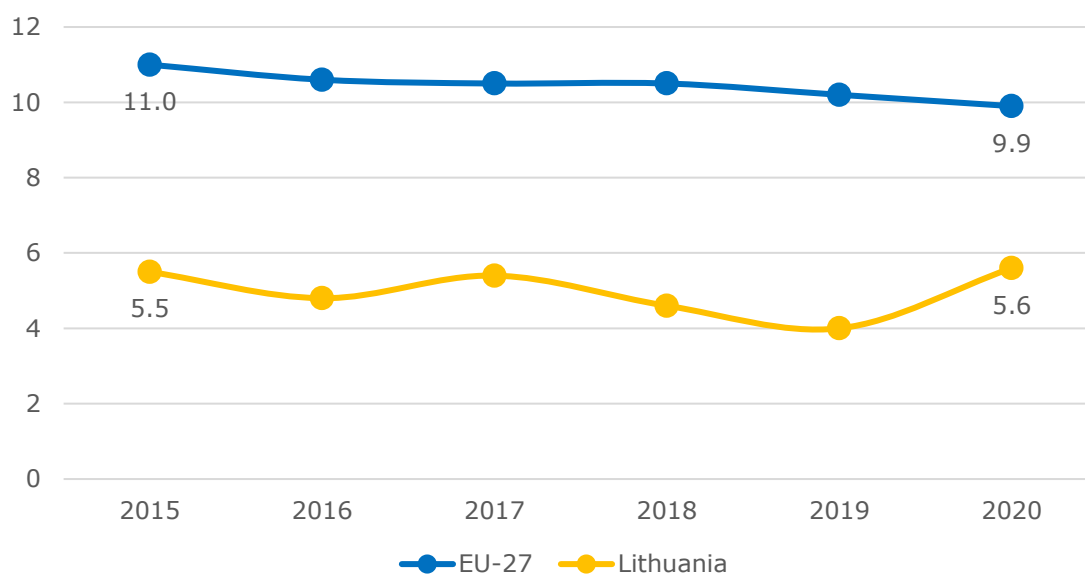


Reading note: In 2020, in Lithuania, 13.0% of the 15-29 age group were neither in employment nor in education or training (NEET) compared to 13.7 for the EU-27 as a whole.

Source: Eurostat, LFS - indicator [lfse_20]. Data downloaded on 24 May 2021.

1.5 Early leavers (aged 18–24) from education and training

Figure 6: Early leavers from education and training for the 18-24 age group (2015-2020, EU-27 and Lithuania, %)

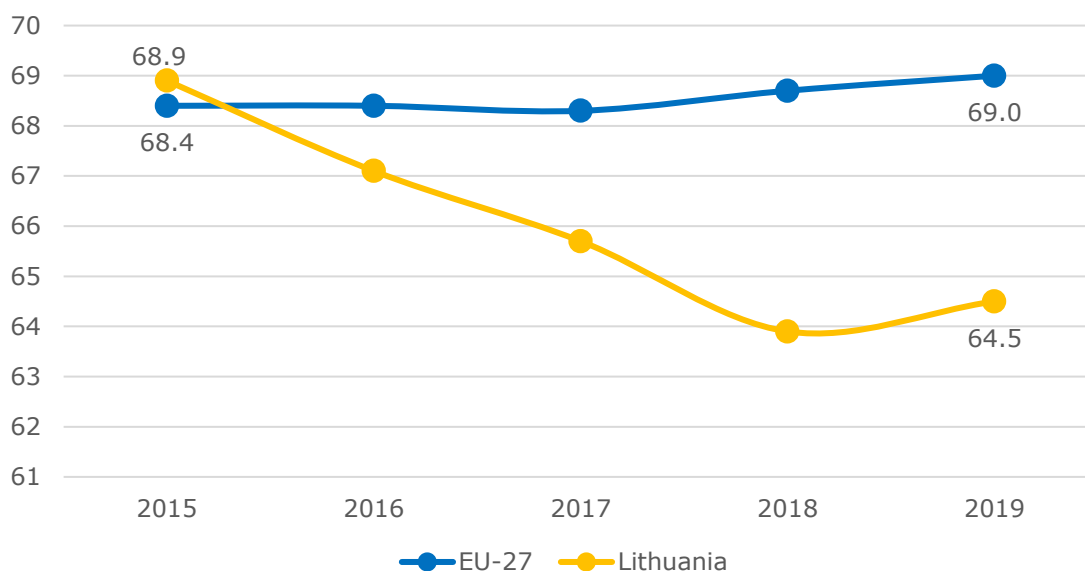


Reading note: In 2020, in Lithuania, 5.6% of the 18-24 age group were early leavers from education and training – i.e. they had completed, at most, lower secondary education and were not in further education or training. For the EU-27 as a whole, this figure was 9.9%.

Source: Eurostat, LFS - indicator [edat_lfse_14]. Data downloaded on 24 May 2021.

1.6 Young people (aged 16–29) living with their parents

Figure 7: Young people aged 16-29 living with their parents (2015-2019, EU-27 and Lithuania, %)



Reading note: In 2019, in Lithuania, 64.5% of the 16-29 age group were living with their parents, compared to 69.0% for the EU-27 as a whole.

Source: EU-SILC - indicator [ilc_lvps08]. Data downloaded on 24 May 2021

2 ACCESS TO UNEMPLOYMENT BENEFITS

This section describes the contributory and non-contributory benefits available in the event of unemployment in Lithuania. The contributory scheme includes an unemployment social insurance benefit. The non-contributory scheme includes a temporary jobseeker's allowance. The unemployment rate in the age group 15–29 was 13.4% in 2020 in Lithuania (see Section 1 for details).

2.1 Contributory unemployment benefits

An unemployment social insurance benefit (*nedarbo draudimo išmoka*) is a monthly benefit organised through a compulsory insurance system, which covers individuals who receive remuneration for work. Those eligible are working-age unemployed persons, defined as people aged from 16 up to the statutory retirement age, who are registered with the local Employment Service and who are not in receipt of an early retirement benefit; they must be actively looking for a job and be ready to start working.³

2.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the **unemployment social insurance benefit** in Lithuania in respect of young people are the following:

a) Age

Age is not a criterion for this scheme. However, only working-age individuals (from 16 years to retirement age) are treated as unemployed, under the Employment Law of the Republic of Lithuania.⁴

b) Activity status requirement

Employed persons who receive remuneration for work from employers, including those on fixed-term contracts, part-time employees and apprentices,⁵ are eligible for unemployment benefit. Self-employed persons, persons working on consumer contracts⁶ and trainees⁷ are not covered. All these rules are general and non-age specific.

c) Contributory history required to access the scheme

The general rule is the same for people aged 15–29 as it is for those aged 30+: the statutory service record is at least 12 of the last 30 months.

There is no required employment record for unemployed persons who have completed initial mandatory military service or alternative national defence service. They are entitled to unemployment insurance benefit, if they register with the Employment Service no later

3 Based on the following law: Lietuvos Respublikos Nedarbo socialinio draudimo įstatymas [Law on Unemployment Social Insurance of the Republic of Lithuania]. 16 December 2003. No. IX-1904. URL: <https://www.e-tar.lt/portal/lt/legalAct/TAR.FDF42614DE52>

4 Based on the following law: Based on the following law: Lietuvos Respublikos užimtumo įstatymas. Suvestinė redakcija nuo 2020-07-01 iki 2020-07-31 [Law on Employment. Version consolidated since 01-07-2020 to 31-07-2020]. 21 July 2016. Nr. XII-2470. URL: <https://www.e-tar.lt/portal/lt/legalAct/422c8b5042b811e6a8ae9e1795984391/fDzKxwyNIF>

5 Throughout, apprentices are regarded as people employed on apprenticeship contracts (pameistrystės sutartis), as envisaged by the Labour Code of the Republic of Lithuania.

6 The Civil Code provides for consumer contracts (vartojimo sutartys), under which a natural (or legal) person undertakes to provide goods or services to a client, and the client undertakes to accept them and pay the agreed price (Lietuvos Respublikos Civilinio kodekso patvirtinimo, [sigaliojimo ir gyvendinimo įstatymas [Civil Code of the Republic of Lithuania]. 18 July 2000. No. VIII-1864. URL: <https://www.e-tar.lt/portal/lt/legalAct/TAR.8A39C83848CB/asr>). Those providing goods or services under a consumer contract can also be employed and/or self-employed, though that is not an obligation. There are no statistics known to the authors of this report on the share of people who provide goods or services under a consumer contract and who are also employed and/or self-employed.

7 Throughout, trainees are regarded as students or registered unemployed people who undertake professional practical work or professional rehabilitation programmes and those who carry out voluntary practical work.

than 6 calendar months after discharge from initial mandatory military service or alternative national defence service.

d) Waiting period

The general rule is the same for people aged 15–29 and for those aged 30+: the benefit is payable from the eighth day after registration with the Employment Service.

e) Replacement rate/benefit level

The calculation of benefit levels is not age specific.

f) Duration

The duration of benefit payment is not age specific.

2.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles to access for young people identified for the **social insurance unemployment benefit** in Lithuania are the following:

a) Main gaps in access for young people

Self-employed persons, persons working on consumer contracts and trainees in all age groups are not covered. There are no gaps specific to the age group 15–29. The self-employment rate in the age group 15–29 was 7.5% in 2020 in Lithuania (see Section 1 for details).

b) Main obstacles in access for young people

The required previous contributions record of at least 12 months is an obstacle to newcomers to the labour market, because of their shorter careers and contribution periods.

2.2 Non-contributory unemployment benefits

A temporary flat-rate jobseeker's allowance (*Darbo paieškos išmoka*) was introduced from 12 June 2020 for 6 months, until the end of the year, and was extended to 2021 for the duration of the state of emergency or lockdown plus 1 month.

2.2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the **jobseeker's allowance** in Lithuania in respect of young people are the following:

a) Age

Age is not a criterion for this scheme.

b) Activity status requirement

In 2020, the benefit was paid to all registered unemployed, irrespective of their previous employment status or social insurance record. Eligibility conditions as of January 2021 are:

- The person has been granted unemployed status by the Employment Service. He/she does not receive early retirement benefit and is ready to start working;
- The unemployed person is not participating in active labour market policy measures at the time of application for the benefit;
- The person's employment contract (or a legal relationship deemed equivalent to employment relations) expired not more than 3 months before the government introduced the state of emergency or quarantine (lockdown);

- The person is not entitled to unemployment social insurance benefit, or the benefit payment period has expired.⁸

Employed persons who receive remuneration for work from employers, including those on a fixed-term contract, part-time employees and apprentices, are eligible for the allowance. Self-employed persons (except for in the period between 1 July and 31 August 2021 (Employment Service, 2021a)), persons working on a consumer contract and trainees are no longer covered in 2021. All these rules are general and non-age specific.

c) Contributory history required to access the scheme

There is no statutory contributions record required.

d) Waiting period

There is no waiting period.

e) Replacement rate/benefit level

The calculation of benefit levels is not age specific. Since January 2021, the amount of the allowance has been €211.86 per month (45% of the net minimum wage).

f) Duration

The duration of benefit payment is not age specific. The payment duration is equal to the duration of lockdown or the state of emergency, plus 1 extra month.

2.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles to access for young people identified for the **jobseeker's allowance** in Lithuania are the following:

a) Main gaps in access for young people

Self-employed persons (except for in the period between 1 July and 31 August 2021), persons working on a consumer contract and trainees (of all age groups) are not covered in 2021. There are no gaps specific to the age group 15–29. The self-employment rate in the age group 15–29 was 7.5% in 2020 in Lithuania (see Section 1 for details).

b) Main obstacles in access for young people

There are no obstacles to access for young people. There are no special rules for young people in the scheme and no statistics on the number of beneficiaries by age. However, this non-contributory benefit is certainly more important for young people, as their access to contributory unemployment benefits is constrained as a consequence of their shorter careers and contribution periods.

2.3 Overall gaps/obstacles in access for young people

The main gap in access to contributory unemployment benefits is for the self-employed, those working on consumer contracts and trainees. But this affects all age groups: there are no gaps specific to the age group 15–29. Non-contributory benefits cover the gap in contributory social protection for previously employed people who do not qualify for social insurance unemployment benefit, due to their short contribution records. Moreover, non-contributory jobseeker's allowance may be received once the payment period for unemployment social insurance benefit has expired. Hence, it extends the maximum duration of social transfers in the event of unemployment.

As of 2021, many of the unemployed have been excluded from the jobseeker's allowance scheme, because it is paid only if the person's employment contract expired not more than

⁸ Based on the following law: Lietuvos Respublikos užimtumo įstatymas. Suvestinė redakcija nuo 2020-07-01 iki 2020-07-31 [Law on Employment. Version consolidated since 01-07-2020 to 31-07-2020]. 21 July 2016. Nr. XII-2470. URL: <https://www.e-tar.lt/portal/lt/legalAct/422c8b5042b811e6a8ae9e1795984391/fDzKxwyNIF>

3 months before the government introduced the state of emergency or quarantine (lockdown). The self-employed were covered by this allowance only for the period between 1 July and 31 August 2021. Besides, the non-contributory jobseeker's allowance is a temporary scheme, which only functions during the state of emergency or quarantine (lockdown) plus 1 extra month. There is no permanent non-contributory unemployment benefit scheme in Lithuania.

3 ACCESS TO SICKNESS AND HEALTHCARE BENEFITS

This section describes the contributory sickness benefit scheme and the compulsory health insurance scheme in Lithuania. It should be noted that the healthcare insurance scheme does not provide any in-cash benefits, though it covers the cost of health services and reimburses the cost of medication.

3.1 Sickness benefits

3.1.1 Eligibility conditions and benefit entitlements

Sickness benefit (*ligos išmoka*) is a contributory sickness benefit granted on the basis of the Law on Sickness and Maternity Social Insurance. It is available to people with statutory social insurance coverage. The main eligibility conditions and benefit entitlements that apply to sickness benefit in Lithuania in respect of young people are the following:

a) **Age**

Age is not a criterion for this scheme.

b) **Activity status requirement**

Employed persons who receive remuneration for work from employers, including those on fixed-term contracts, part-time employees and apprentices, are eligible for sickness benefit. Most types of the self-employed have been covered by sickness insurance since 1 January 2017.⁹ All these rules are general and non-age specific. Trainees are not covered.

c) **Contributory history required to access the scheme**

The statutory social insurance coverage period required is at least 3 months in the last year, or at least 6 months in the last 2 years, except for those who were previously in full-time secondary, professional or higher education (up to the age of 26), or in civil or military service, provided the gap between their change in status and the start of their insurance record is no greater than 3 months.

d) **Waiting period**

There is no waiting period.

e) **Replacement rate/benefit level**

The calculation of benefit levels is not age specific.

⁹ Those insured for sickness benefit include: the owners of individual enterprises, members of small partnerships, general partners in general partnerships and limited partnerships, persons engaged in individual activities as defined in the Law on Personal Income Tax (lawyers, assistant lawyers, notaries, bailiffs), natural persons who are engaged in individual agricultural activities, where the economic size of an agricultural holding or farm is – according to the calculations carried out by the state enterprise Agricultural Information and Rural Business Centre for the previous tax year (1 January to 31 December) – at least equal to four economic size units, and members of social families as defined by the Law on Social Families. Not insured for sickness benefit include: persons holding business certificates and natural persons who are engaged in individual agricultural activities, where the economic size of an agricultural holding or farm is assessed as less than four economic size units.

f) **Duration**

The duration of benefit payment is not age specific.

3.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for sickness benefit in Lithuania are the following:

a) **Main gaps in access for young people**

There are no youth-specific gaps in legislation.

b) **Main obstacles in access for young people**

The statutory social insurance record, which is at least 3 months in the last year, or at least 6 months in the last 2 years, is an obstacle to newcomers to the labour market who are not graduates of an educational programme, former soldiers in previous compulsory military service or beneficiaries of social insurance schemes (unemployment, maternity, paternity and parental).

3.2 Healthcare benefits

Healthcare insurance is compulsory for everyone in Lithuania, including the economically inactive. Numerous groups, including students, children and the registered unemployed, are insured by the state. The scheme does not provide any in-cash benefits, but it covers the costs of health services and provides reimbursement for the cost of medication. People who do not pay compulsory health insurance contributions and are not insured by the state must cover their healthcare costs in full. Urgent healthcare is free for all residents, independent of their insurance status.

3.2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to healthcare in Lithuania in respect of young people are the following:

a) **Age**

Age is not a criterion for this scheme.

b) **Activity status requirement**

The main groups covered by health insurance are: persons in paid employment; the self-employed; economically inactive residents who pay compulsory health insurance contributions; and economically inactive residents whose compulsory health insurance is paid by the state (21 categories of socially vulnerable residents are identified, including children under 18, students and the registered unemployed).

c) **Contributory history required to access the scheme**

There is no requirement related to the period of insurance. However, people must join the health insurance scheme and pay contributions.

d) **Waiting period**

There is no waiting period.

e) **Replacement rate/benefit level**

Basically, health care is free of charge. But there is a list of healthcare services that must be paid for entirely by the patient, according to a price list approved by the Ministry of Health. Dental treatment is partially covered for adults, but is free for children under 18. Prostheses and other orthopaedic technical devices are reimbursed at a rate of 80% or 100% for insured patients suffering from illnesses included on special lists approved by the Ministry of Health; full coverage is provided for disabled children. Medication for inpatient treatment is free of charge. The costs of medication included on the Ministry of Health list

for outpatient treatment are reimbursed at a rate of 50–100%. Also, all medication for outpatient treatment is reimbursed at 50–100% for some vulnerable groups. The costs of medication are fully reimbursed for children. Patients cover the difference between the price of the medicine and the amount reimbursed.

f) Duration

No specific limits.

3.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for health care in Lithuania are the following:

a) Main gaps in access for young people

There are no youth-specific gaps in legislation. Young employees and self-employed are required to join the public health insurance scheme. Children and students are insured by the state.

b) Main obstacles in access for young people

The gap in access to free healthcare services relates only to economic inactivity and undeclared work, where participation in compulsory health insurance is avoided and such persons are not covered by the state. This problem is not related to age.

4 ACCESS TO MATERNITY, PATERNITY AND PARENTAL CASH BENEFITS

This section presents the contributory maternity, paternity and parental benefits in Lithuania, as well as the non-contributory maternity benefit and the non-contributory parental benefit for students.

4.1 Contributory maternity, paternity and parental benefits

There are three types of contributory benefits in the case of childbirth in Lithuania: maternity (*motinystės*), paternity (*tėvystės*) and parental (*vaiko priežiūros*) benefits.

4.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to **contributory maternity, paternity and parental benefits** in Lithuania in respect of young people are the following:

a) Age

The calculation of benefit levels is not age specific.

b) Activity status requirement

Employed persons who receive remuneration for work from employers, including those on a fixed-term contract, part-time employees and apprentices, are eligible for contributory maternity, paternity and parental benefits. Most types of self-employed people have been covered by maternity, paternity and parental insurance since 1 January 2017. All these rules are general and non-age specific. Trainees are not covered.

c) Contributory history required to access the scheme

All three benefits are paid if applicants have a sickness and maternity social insurance record for at least 12 of the last 24 months, except those who were previously in full-time secondary, professional or higher education (up to the age of 26), or in civil or military service, provided the gap between the change in their status and the start of their insurance record is no longer than 3 months.

d) Waiting period

There is no waiting period.

e) Replacement rate/benefit level

The calculation of benefit levels is not age specific.

f) Duration

The duration of benefit payment is not age specific.

4.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for **contributory maternity, paternity and parental benefits** in Lithuania are the following:

a) Main gaps in access for young people

There are no youth-specific gaps in legislation.

b) Main obstacles in access for young people

The statutory service record may prove an obstacle for young people. Students, including PhD students, are not covered by social insurance in Lithuania (apart from the compulsory health insurance). Hence, they face major obstacles in accessing social insurance maternity, paternity and parental benefits. Those not covered can apply for a lump-sum non-contributory maternity benefit or for non-contributory parental benefit for students (the amount of which is lower) (see below).

4.2 Non-contributory maternity, paternity and parental benefits

There are several types of non-contributory maternity and parental benefits in Lithuania. These include:

- **Non-contributory maternity benefit** (*vienkartinė išmoka nėščiai moteriai*): described in this section. This benefit is a lump-sum cash benefit paid to a pregnant woman in the 28th week of her pregnancy, if she is not eligible for a contributory maternity benefit;
- **Non-contributory parental benefit for students** (*išmoka besimokančio ar studijuojančio asmens vaiko priežiūrai*): described in Section 4.3.

Parents who do not qualify for the contributory paternity and parental benefits do not have access to non-contributory benefits – with the exception of students (see Section 4.3).

4.2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the **non-contributory maternity benefit** in Lithuania in respect of young people are the following:

a) Age

The calculation of benefit levels is not age specific.

b) Activity status requirement

There are no activity status requirements.

c) Contributory history required to access the scheme

No previous contribution record is required.

d) Waiting period

There is no waiting period.

e) Replacement rate/benefit level

The calculation of benefit levels is not age specific.

f) Duration

The duration of benefit payment is not age specific.

4.2.2 Gaps/obstacles in access for young people

a) Main gaps in access for young people

There are no gaps, as every pregnant woman who is ineligible for the contributory maternity benefit is eligible for the non-contributory maternity benefit.

b) Main obstacles in access for young people

While every woman has access to either contributory or non-contributory benefits, the amount of the non-contributory lump-sum benefit is very low, i.e. €257.20 (55% of the net monthly minimum wage).

4.3 Maternity, paternity and parental benefits targeted at young people

This section describes the **non-contributory parental benefit for students** (*išmoka besimokančio ar studijuojančio asmens vaiko priežiūrai*). This is a monthly benefit paid to one of the parents (lone parent, guardian, foster parent) during his/her time studying or for 12 months after graduation, until the child is 2 years old.¹⁰

4.3.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the **non-contributory parental benefit for students** in Lithuania in respect of young people are the following:

a) Age

The benefit is payable to one parent who is (was) in full-time formal vocational training or a programme of higher education until he/she reaches the age of 26, or is (was) in doctoral studies or medical residency until the age of 30.

b) Activity status requirement

The benefit is paid during the period of study and for 12 months after completion or graduation.

c) Contributory history required to access the scheme

No previous contribution record is required. A person must be ineligible for the contributory parental benefit (i.e. have a social insurance record of less than 12 months in the last 24 months prior to the first day of parental leave).

d) Waiting period

There is no waiting period.

e) Replacement rate/benefit level

The calculation of benefit levels is not age specific (same amount for all who qualify), i.e. €240 per month (51% of the net monthly minimum wage).

f) Duration

The duration of benefit payment is not age specific (same duration for all who qualify), i.e. until the child is 2 years old.

¹⁰ Based on the following law: Lietuvos Respublikos išmokų vaikams įstatymo No. I-621 1, 3, 10, 12, 13 straipsnių, ketvirtojo skirsnio pavadinimo pakeitimo ir įstatymo papildymo 10-1 ir 10-2 straipsniais įstatymo Nr. XII-2500 5 straipsnio pakeitimo įstatymas [Amendment to the Law on Child Benefits of the Republic of Lithuania]. 28 June 2016. No. XII-2500. URL: <https://www.e-tar.lt/portal/legalAct.html?documentId=250ebe404a6e11e6b5d09300a16a686c>

4.3.2 Gaps/obstacles in access for young people

a) Main gaps in access for young people

The benefit is only targeted at full-time students or pupils (extending to the first year after their graduation), not at other youth groups.

b) Main obstacles in access for young people

There are no obstacles.

4.4 Overall gaps/obstacles in access for young people

Contributory maternity, paternity and parental benefits are organised through a compulsory insurance system and cover individuals who receive remuneration for work from employers, including persons on a fixed-term contract, those working part time and apprentices. Self-employed persons, persons working on a consumer contract and trainees of all age groups are also covered for sickness, maternity, paternity and parental cash benefits. Eligibility conditions do not include any age-specific rules. Anyone who holds a business certificate and very small farmers (natural persons who are engaged in individual agricultural activities, where the economic size of an agricultural holding or a farm is lower than four economic size units) are not covered.

The gaps in the contributory scheme are covered for those in education and for 12 months after graduation by a non-contributory parental benefit for students. It should be noted that the amount of the benefit is quite low (€240 per month, i.e. 51% of the net minimum monthly wage). For those who do not qualify, there is only a non-contributory maternity benefit offering a token one-off payment. Hence, young people who are not eligible for the non-contributory parental benefit for students and have an inadequate contributions record remain vulnerable. Contributory and non-contributory maternity and parental benefits cannot be combined. Non-contributory benefits can be combined.

5 GUARANTEED MINIMUM INCOME SCHEMES

Social assistance (*piniginė socialinė pašalpa*) is a monthly means-tested benefit that is granted to families or single persons in case of income maintenance needs. Social assistance benefit is granted for 3 months. When the benefit expires, an application must be resubmitted, unless the local authorities have granted the benefit for a period exceeding 3 months. It should be noted that in Lithuania the severe material and social deprivation rate for the age group 16–29 stood at 5.4% in 2019, which is similar to the EU-27 average of 5.1%. The rate was substantially higher than the EU-27 average in previous years (see Section 1 for details).

5.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the **social assistance** scheme in Lithuania in respect of young people are the following:

a) Age

Age is not a criterion for eligibility for social assistance. Young people can apply for social assistance individually or as part of their family, if they are still considered to be dependent children. That is, dependent children are persons under 18, or under 24 if in full-time higher/vocational education (including periods of academic leave due to illness or pregnancy, and between the date of completion of a general education programme and 1 September of the same year); they cannot be married, cohabiting with a partner or be a parent themselves.¹¹ Since 1 January 2019, children (adoptees) aged 18 or over are only

¹¹ Based on the following law: Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 2 ir 8 straipsnių pakeitimo įstatymas [Amendment to the Law on Cash Social Assistance

included in the family if they receive (self-)employment income below the income test threshold set.¹² Otherwise, they have to apply for social assistance in their own right. This enables families to remain eligible for social assistance, even if young people who are still regarded as dependent children have their own income.

b) Activity status requirement

To be eligible, persons between the ages of 16 and 18 have to attend an institution of formal education; they can also be eligible if they are disabled, registered with the Employment Service (i.e. unemployed) or pregnant. General conditions apply to young people aged 18 or over. Young people who are unemployed, employed, self-employed or economically inactive may receive the benefit if they meet general activity status requirements. That is, unemployed persons must be registered with the Employment Service; employed persons should work for at least two thirds of the duration of the working time or earn at least two thirds of a monthly minimum salary (MMS); self-employed persons should have declared income equal to at least the MMS. Apprentices are regarded as employed, but trainees are considered to be in education – except for those carrying out voluntary practical work. Economically inactive young people must satisfy the conditions applied to dependent children (see point (a) for details) or satisfy other activity conditions applied to the general population.

c) Other eligibility conditions

The benefit is granted to families or individuals if they pass asset (temporarily not applied during the COVID-19 pandemic) and income tests. The tests are not age specific, except to the extent that the income from individual activities of a person under the age of 18 is disregarded. Social assistance recipients are required to perform unpaid community service, unless they are employed, are regarded as dependent children or are members of a vulnerable group. Social assistance is suspended for 3 months for those who do not comply. Municipalities have discretion in granting social assistance to those who do not meet the eligibility conditions on a case-by-case basis. There is no obligation for young adults to live with their parents or for parents to support their adult children. Nationality is not among the eligibility conditions.

d) Benefit level

The calculation of social assistance amounts does not depend on age. However, the amount of social assistance is reduced for the second (and any subsequent) family member. Hence, if a young person is still regarded as a dependent child (see point (a) for details), he/she would qualify for a reduced amount of social assistance, compared to the parent/parents (i.e. 90% of 1.1*SSI if he/she is the second member of the family, and 70% of 1.1*SSI if he/she is the third (or subsequent) member of the family).¹³

e) Distinctions between different groups of young people

Except for the above-mentioned eligibility conditions, there are no distinctions between eligible groups of young people that would lead to different coverage and entitlement to social assistance.

for Poor Residents of the Republic of Lithuania]. 5 November 2020. No. XIII-3375. URL: <https://www.e-tar.lt/portal/legalAct.html?documentId=732a064025be11eb932eb1ed7f923910>

¹² Based on the following law: Lietuvos Respublikos pinigines socialines paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 17 straipsnio pakeitimo įstatymas [Amendment to the Law on Cash Social Assistance for Poor Residents of the Republic of Lithuania]. 11 December 2018. No. 20995. URL: <https://www.e-tar.lt/portal/legalAct.html?documentId=e40fa680044b11e9a5eaf2cd290f1944>

¹³ SSI – state supported income, which equals €128 (27% of the net minimum monthly wage) in 2021.

5.2 Gaps/obstacles in access for young people

a) Main gaps in access for young people

The condition of age does not exclude young people from receiving social assistance.

b) Main obstacles in access for young people

The main obstacles to accessing social assistance include strict income testing (its low threshold) and the stigma of receiving social assistance, as well as of performing unpaid community service, which often includes manual work (e.g. sweeping streets, other maintenance tasks in public areas and buildings). The requirements to work for at least two thirds of the duration of working time or to earn at least two thirds of the MMS, and the requirement to have declared income at least equalling the MMS for the self-employed, exclude single young (self-)employed people, as their incomes effectively are above the income test threshold. This condition also excludes young people who work fewer hours than the set threshold, unless they satisfy other eligibility conditions for social assistance (e.g. are full-time students). There are no statistics available on the extent of the phenomenon.

6 HOUSING BENEFITS

There are two types of housing benefits in Lithuania: standard schemes and schemes specifically targeted at young adults. The share of young people aged 16–29 and living with their parents was 64.5% in Lithuania in 2019 – below the EU-27 average of 69% (see Section 1 for details).

6.1 Standard housing scheme

The standard in-cash housing scheme includes: (a) compensation for utility charges, i.e. heating, hot water and drinking water (*būsto šildymo išlaidų, karšto vandens išlaidų ir geriamojo vandens išlaidų kompensacijos*);¹⁴ (b) a partial subsidy on the loan for compensated housing (*subsidijas valstybės iš dalies kompensuojamo būsto kredito daliai apmokėti*); (c) partial compensation for rent-to-buy costs of housing (*išperkamosios būsto nuomos mokesčio dalies kompensacija*); and (d) partial compensation for housing rental costs (*būsto nuomos mokesčio dalies kompensacija*).¹⁵

In addition, there is a social housing scheme that targets low-income families. That scheme falls outside the scope of this report, as it provides in-kind housing support. Nevertheless, it can be noted that young families are one of six social groups that are prioritised for social housing.

6.1.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the standard in-cash housing scheme in Lithuania in respect of young people are the following:

a) Age

Age is not a criterion for eligibility for compensation for utilities, partial compensation for rent-to-buy costs of housing or partial compensation for housing rental costs. Minors below the age of 18 are considered to be dependent children, unless they are emancipated by a

¹⁴ Based on the following law: Lietuvos Respublikos piniginių socialinės paramos nepasiturintiems gyventojams įstatymas [Law on Cash Social Assistance for Poor Residents of the Republic of Lithuania]. 1 July 2003, No. IX-1675. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.215633/asr>

¹⁵ Based on the following law: Lietuvos Respublikos Paramos būstui įsigyti ar išsinuomoti įstatymo Nr. XII-1215 pakeitimo nauja redakcija [Law on Support for Housing Acquisition and Rent]. 12 February 2019, No. XIII-1959. URL: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/673dbcc230f911e9a5_of_the_Republic_of_Lithuania05bd13c24940c9

court decision (i.e. when there are sufficient grounds to believe that they can exercise their full civil rights and discharge their obligations).¹⁶

The partial subsidy on the loan for compensated housing is age specific. That is, it can be claimed by persons under 36 who have been removed from parental care and by young families with children.¹⁷ Other groups that are non-age specific are families with three or more children, people with a disability or families with disabled members, and families with children where one of the parents has died.

b) Activity status requirement

There are no specific requirements for the age group 15–29. Compensation for utilities is subject to the same rules and conditions as in the case of social assistance benefit (see Section 5.1(b)). There are no activity status requirements for the partial subsidy on the loan for compensated housing, the partial compensation for rent-to-buy costs of housing and the partial compensation for housing rental costs.

c) Other eligibility conditions

There are conditions relating to income and assets, but they do not differ for young people. An additional age-specific eligibility condition is applied to partial subsidies on the loan for compensated housing (see Section 6.1.1 (a)).

d) Benefit level

The amount of the compensation for utilities, the partial compensation for rent-to-buy costs of housing and the partial compensation for housing rental costs are not age specific. In the case of partial subsidies on the loan for compensated housing payable to persons under 36 who have been removed from parental care, families with three or more children and the disabled, the amount is up to 20% of the housing loan or loan balance, including the housing loan interest. In the case of young families with one or more children and families with children where one of the parents has died, the amount is up to 10% of the housing loan or loan balance, including the housing loan interest.

e) Distinctions between different groups of young people

There are distinctions which apply to the partial subsidy on the loan for compensated housing only (see Section 6.1.1 (d)).

6.1.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Lithuania are the following:

a) Main gaps in access for young people

The condition of age does not exclude young people from receiving the above-mentioned benefits.

b) Main obstacles in access for young people

The above-mentioned housing benefits are targeted at narrow groups of young people at risk of poverty, but the housing problem is also relevant to other groups of young people (e.g. young professionals who have just completed higher education and started out on their careers). The partial subsidy on the loan for compensated housing is symbolic in its scope and coverage. It has been fiercely debated and criticised, as it is more difficult for young families to purchase housing in large cities, due to the high housing prices and the

16 Based on the Civil Code of the Republic of Lithuania. Book two. Article 2.8; Article 2.9.

17 The Law on State Support for the Acquisition or Rental of Housing (2018) defines a young family as a family where both the spouses or persons in a registered partnership are under 36 years of age, as well as a family where a lone parent or guardian (curator) under the age of 36 is raising one or more children and/or one or more children who are placed under permanent guardianship (curatorship).

relatively low amounts available for the partial subsidy on the loan for compensated housing.

6.2 Scheme specifically targeted at young people

There is a financial incentive for young families to acquire their first home. A partial subsidy on the housing loan is available for young families acquiring their first home in regional localities.¹⁸

6.2.1 Eligibility conditions and benefit entitlements

The main eligibility conditions and benefit entitlements that apply to the scheme in Lithuania in respect of young people are the following:

a) Age

Young families that qualify for this benefit include families where both spouses are aged under 36, as well as families where the mother/father (guardian) is aged under 36 and is single-handedly raising one or more children (one or more children who have been placed under permanent guardianship). If a third or subsequent child is born into the qualifying family, the age limit for eligibility to the subsidy is extended to the age of 40.

b) Activity status requirement

There are no activity status requirements for this scheme.

c) Other eligibility conditions

The family should not own its own housing. Support is provided for the purchase of a first dwelling in regional localities, but not in the major cities. Information on the location of dwellings that are available to families that are eligible for the state subsidy can be found on a map provided by the public authorities. As of 2019, the state has subsidised housing in regional localities, where the normative value per square metre is 65% lower than the nationwide maximum value per square metre that has been set in Lithuania.

d) Benefit level

The housing loan that is the basis for calculating the subsidy for a young family must not exceed €87,000. Subsidies for housing loans are granted to: young families without any children – 15% of the housing loan for the purchase of a first dwelling; young families with one child of their own (or a child placed under permanent guardianship) – 20% of the housing loan for the purchase of a first dwelling; young families with two children of their own (or two children, at least one of whom has been placed under permanent guardianship) – 25% of the housing loan for the purchase of a first dwelling; and young families raising three or more children of their own (or three or more children, at least one of whom has been placed under permanent guardianship) – 30% of the housing loan for the purchase of a first dwelling.

e) Distinctions between different groups of young people

The amount of the subsidy for the housing loan is dependent on the number of children in a family (see Section 6.2.1 (d)).

18 According to the following law: Lietuvos Respublikos finansinės paskatos pirmąjį būstą įsigyjančioms jaunoms šeimoms įstatymas [Law on Financial Incentives for Acquisition of the First Dwelling by Young Families]. 21 June 2018. No. XIII-1281. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/fbabd7a2785011e89188e16a6495e98c?jfwid=-q0zrzji9g>

6.2.2 Gaps/obstacles in access for young people

The main gaps and obstacles in access for young people identified for this scheme in Lithuania are the following:

a) Main gaps in access for young people

Support is provided only to families, not to young individuals living independently (for example, persons may be willing to work in a regional locality after graduation, but they are not eligible for the subsidy, unless they have a family).

b) Main obstacles in access for young people

Although the Law on the Financial Incentive for Young Families Acquiring a First Home (2018) does not set out the income or assets required by a young family that wishes to apply for state support for loans, banks do assess the family's financial ability to repay the loan. This means that lower-income families may not be granted a loan, once the bank has assessed their income. In addition, real estate experts note that young families are often mistaken in calculating whether they have enough savings to equip the dwellings they have purchased, as houses in Lithuania are often sold semi-equipped.

7 REFORMS, NATIONAL DEBATES AND RECOMMENDATIONS

7.1 Reforms implemented since 2015

There have been several changes that have enhanced access to unemployment benefits in Lithuania since 2015. In autumn 2019, the Constitutional Court of Lithuania recognised that students who have worked and paid social security contributions are entitled to unemployment benefits. Other changes have been non-age specific, but they nevertheless facilitate access to unemployment benefits for young people. That is, the reduction in the minimum contributory period for unemployment benefit for all age groups since mid-2017 is beneficial for young people. Similarly, the inclusion since 2017 of self-employed people of all ages in contributory sickness, maternity, paternity and parental benefit schemes has improved the social protection of young people. In 2020, a non-contributory jobseeker's allowance was introduced in response to the COVID-19 crisis (see Section 2.2 for more details). This benefit has had a major effect on access to non-contributory unemployment protection, especially in 2020, when jobseeker's allowance was available to any registered unemployed individual. The rules were modified in 2021 and coverage has been severely reduced. The number of beneficiaries fell from 252,200 in December 2020 to 45,400 in April 2021.

There have been no age-specific changes in access to sickness and healthcare benefits in Lithuania since 2015. Still, access to sickness insurance for young people was facilitated by the sickness insurance extension that covered most types of self-employed persons from 1 January 2017. In 2020, there were several COVID-19 related changes to sickness benefit in Lithuania, though none of them were youth specific.

The access of young people to maternity, paternity and parental cash benefits was mainly facilitated by the inclusion of most types of the self-employed in the maternity, paternity and parental insurance schemes, and by the introduction of the non-contributory parental benefit for students on 1 January 2017. This latter benefit has been important in plugging the gap for those young parents who have insufficient contributions to access contributory benefits in the event of childbirth. There have been no changes related to COVID-19 in the sphere of maternity, paternity and parental benefits.

As for access to guaranteed minimum income, the scheme has undergone numerous amendments since 2015. However, those were not directly targeted at increasing access for young people, and did so only indirectly. For example, many of the amendments were aimed at increasing work incentives among social assistance recipients. That is, an income disregard was introduced from 1 January 2018. The part that is disregarded has the

potential to increase access for young people and young families with children. The statistics, however, show no substantial effect. Changes related to COVID-19 could have facilitated access to the guaranteed minimum income for young people, as the income test level was increased and asset tests were temporarily suspended. But again, the statistics show no substantial increase in social assistance reciprocity in 2020 and 2021.

There have been several changes in the sphere of access to housing for young people. The Action Plan for 2017–2019 of the National Youth Policy Development Programme 2011–2019 states that it is necessary to facilitate access to housing for young people and young families.¹⁹ In 2015, an action plan for the development/expansion of access to social housing for 2015–2020 was approved. Amendments to the Law on State Support for the Acquisition or Rental of Housing, introduced in 2019 and 2020, have increased housing support. But there is no focus on youth-specific measures in these improvements. The Law on the Financial Incentive for Young Families Acquiring a First Home, adopted in Lithuania in 2018, introduced measures to support young families who wish to buy their first home outside Lithuania's major cities.²⁰ There have been several COVID-19 related changes in the sphere of housing support. None of those, however, has been age specific. Yet, young people could benefit from the COVID-19 measures, which included an extension for people made redundant of the grace period repayments on mortgage loans, from 3 to 6 months; the opportunity to defer payments to the public provider for electricity and gas, or to arrange to pay in instalments; and the reimbursement of a larger share of domestic heating costs for single persons. There are no statistics on the extent to which these measures were taken up by different age groups.

7.2 National debates

Lithuania has experienced massive outward migration in recent decades. That was the top-priority issue for national debates until the COVID-19 crisis. Most emigrants are young people, who are vulnerable on the labour market. Thus, the improvement of unemployment protection is an important measure that could protect young people and reduce their migration. The standard unemployment benefit scheme is not strong enough. Only a third of those unemployed who are registered with the Employment Service receive unemployment social insurance benefits (Employment Service, 2021b; Open Sodra, 2021). This is mainly determined by two features of the social insurance system. First, only those with a contribution record in at least 12 of the previous 30 months are eligible for social insurance unemployment benefits. Secondly, the maximum duration of the benefit is 9 months. Hence, a proportion of the unemployed do not have the statutory contribution record, and a proportion of them are unable to find a job within 9 months. Only 55% of the unemployed received contributory unemployment benefit in 2020.²¹ There are two options available: to reduce the obstacles to accessing the standard scheme, or to create special provisions for young people, who are traditionally more vulnerable in the labour market. This logic was followed by the temporary jobseeker's allowance, introduced in 2020 in response to the challenges of COVID-19. Still, no adjustments to the unemployment insurance system have been made to increase the coverage of the unemployed and to reflect the difficult situation on the labour market. The national debates focus more on job creation issues, and less on unemployment benefits.

19 According to the following law: Lietuvos Respublikos Socialinės apsaugos ir darbo ministro įsakymas dėl Nacionalinės jaunimo politikos 2011–2019 metų plėtros programos įgyvendinimo 2017–2019 metų veiksmų plano patvirtinimo [Order Approving the Action Plan of 2017–2019 for Implementation of the National Youth Policy Development Programme 2011–2019]. 13 April 2017. No. A1-181. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/a905d6a0214d11e79f4996496b137f39?jfwid=-3cj8oquq>

20 According to the following law: Lietuvos Respublikos finansinės paskatos pirmąjį būstą įsigyjančioms jaunoms šeimoms įstatymas [Law on Financial Incentives for Acquisition of the First Dwelling by Young Families]. 21 June 2018. No. XIII-1281. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/fbabd7a2785011e89188e16a6495e98c?jfwid=-q0zrzj9q>

21 Statistikos departamentas, 2020: <https://osp.stat.gov.lt/statistiniu-rodikliu-analize#/>; Open Sodra, Statistinių duomenų portalas: <https://atvira.sodra.lt/lt-eur/>

Debates on the gaps in the extent to which those young people who lack social insurance contribution records are covered by maternity, paternity and parental benefits culminated in the introduction of a non-contributory parental benefit for students on 1 January 2017. Further debates in this sphere focused on the possibility of more flexibly combining contributory benefits with work-related income, rather than on access. However, young people who are not eligible for the non-contributory parental benefit for students and who have an inadequate contributions record remain vulnerable.

There has been somewhat more debate in the area of support for youth housing, especially related to rent compensation and subsidies for young families to purchase their first dwellings in regional localities. However, research suggests that Lithuanian social policy does not pay enough attention to access to housing for young people, and that young people are not a priority group in housing policy. Empirical studies show that young people often purchase housing with support from their parents. 'Youth housing in Lithuania has turned into an increasingly relevant social problem: together with youth vulnerability in the labour market it increases youth emigration' (Brazienė, 2018). One of the research results shows 'that the main issues for the youth of housing provision and the transition to an independent residence are the lack of financial resources and stability on the labour market, constantly rising house prices and rents ...' (Brazienė, 2019).

Looking at the political agenda, the 17th and 18th Government Programmes (2016, 2020)²² envisage, in a rather fragmentary manner, such measures as increasing the active citizenship of young people in general; the development of services for the promotion of youth employment and integration into the labour market; the improvement in access to housing for young people; the promotion of entrepreneurship; and the facilitation of youth business. The programmes also mention that incentives for young people to live and work in regional localities (including in rural areas) will be strengthened. In 2014–2020, a number of projects to improve the labour market integration of young people aged 15–29 and neither in employment nor in education and training (NEET) were implemented and financed through the European Social Fund.

7.3 Good practices and recommendations

While there are not so many age-specific income protection schemes that target young people in Lithuania, one good practice is the almost universal coverage of all forms of employment, atypical workers and apprentices by social insurance. This situation guarantees entitlement to social insurance benefits for young people, even if they are not in full-time employment or are self-employed. The main gap in access concerns unemployment social insurance benefits, which do not cover self-employed persons,²³ persons working on consumer contracts and trainees of all age groups. People who hold business certificates and very small farmers are not covered for unemployment, sickness, maternity/paternity or parental benefits.

The main obstacle to access to the social insurance schemes is the required period of contributions. We recommend solving this problem, at least partly, by relaxing the contribution requirements or by introducing wider coverage of categorical benefits for those who do not meet the requirements of the contributory schemes. This latter approach was followed when the non-contributory parental benefit for students and the temporary jobseeker's allowance related to COVID-19 were introduced. While both these schemes plug gaps in social insurance, the latter is only temporary and the former tackles the

22 Based on the following laws: Septynioliktos Lietuvos Respublikos Vyriausybės programa [Programme of the 17th Government of the Republic of Lithuania]. 13 December 2016. No. XIII-82. <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/886c7282c12811e682539852a4b72dd4> and Aštuonioliktos Lietuvos Respublikos Vyriausybės programa [Programme of the 18th Government of the Republic of Lithuania]. 11 December 2020. No. XIV-72. URL: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/973c87403bc311eb8c97e01ffe050e1c>

23 It is planned to cover the self-employed by unemployment social insurance by Q1 of 2023 in the framework of the RRF plan submitted by Lithuania.

problem of access only for those who are in education. People who qualify neither for contributory maternity or parental benefit nor for non-contributory parental benefit schemes can only benefit from the lump-sum non-contributory maternity benefit, which is very low.

The main obstacles to accessing social assistance include strict income testing (its low threshold) and the stigma of receiving social assistance, as well as of performing unpaid community service, which often includes routine manual work. Further restrictions include the requirement to work for at least two thirds of the duration of working time or to earn at least two thirds of the MMS, and the requirement for the self-employed to have declared income that at least equals the MMS. We recommend addressing these obstacles by revising the above-mentioned rules for social assistance and minimising the stigma associated with its receipt.

An example of good practice is the compulsory universal healthcare insurance coverage in Lithuania. Every person, including those who are inactive, must contribute to the compulsory healthcare insurance scheme. This motivates young unemployed people to register with the Employment Service, as the registered unemployed are provided with healthcare insurance by the state. Importantly, the compulsory healthcare insurance scheme provides universal healthcare coverage.

Another example of good practice is the support for young families to take out housing loans to buy their first home in regional localities. This scheme not only supports families in acquiring housing, but also helps to tackle demographic problems by attracting young people to rural areas. The main limitation of the scheme is that the programme is quite narrow in its scope and coverage. The Ministry of Social Affairs and Labour forecast that in 2020 there would be 800–900 young families who wished to receive financial support from the state to buy their first home. It is projected that in subsequent years, the number will be about 500–600 families a year and that €6-8 million will be needed in subsidies per year. Importantly, the scheme is not available to young people who live in cities – where housing is most expensive and least accessible. Finally, partial subsidy on the loan for compensated housing is symbolic especially in the large cities, due to the high cost of housing. We recommend evaluating the effectiveness of this subsidy and increasing its amount, especially in the large cities.

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