

WELFARE BUDGET OF LATVIA

- PLANNED BUDGETS, ACTUAL RESULTS,
DEVIATIONS
- DEVIATIONS EXPLAINED BY POLICY
CHANGES

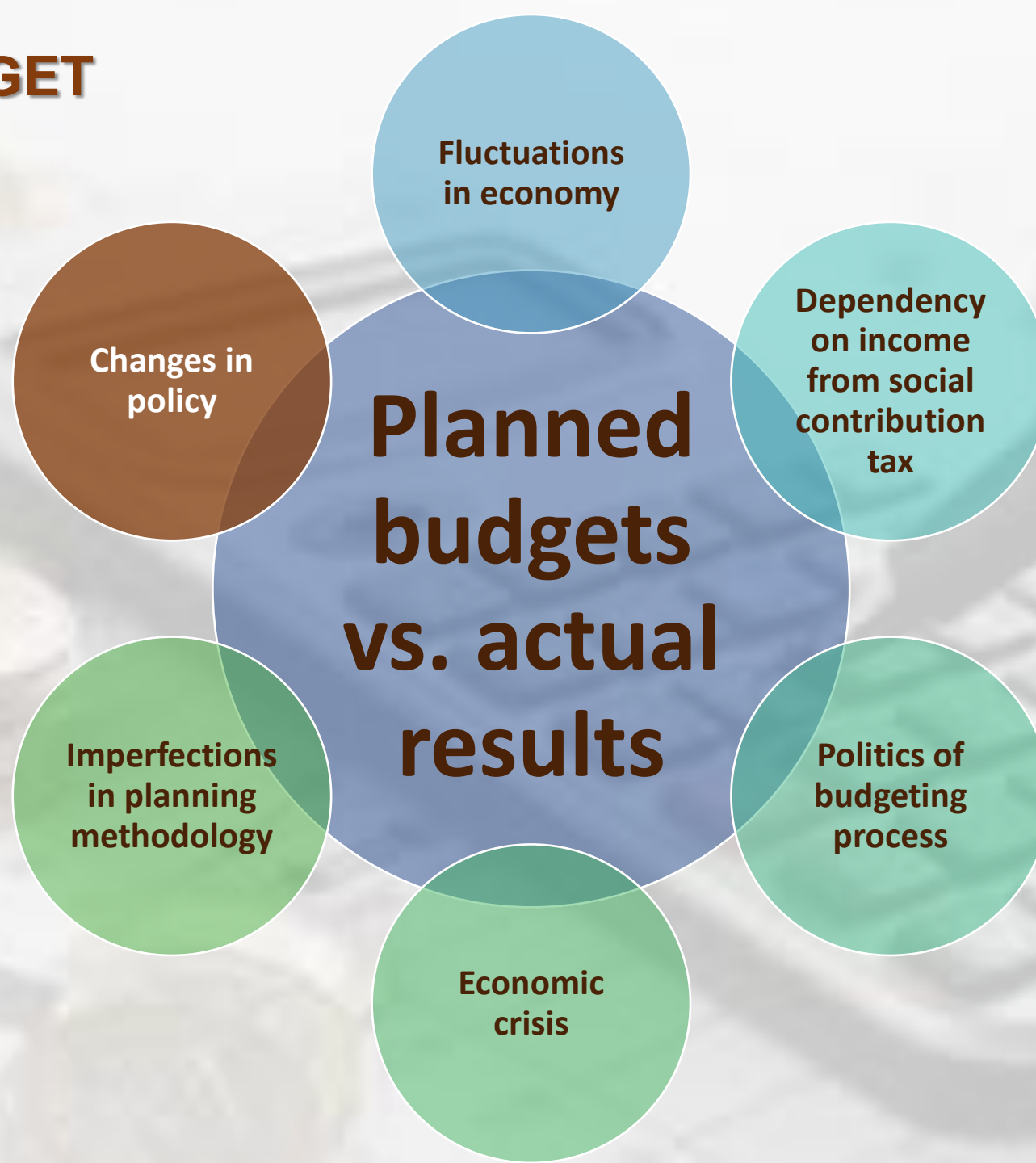


FISCAL DISCIPLINE COUNCIL
OF THE REPUBLIC OF LATVIA

*In co-operation with:
SIA RVJ, Mrs Elīna Veide*

21.11.2014

WELFARE BUDGET



PURPOSE OF THE SURVEY

- 1) To present deviations of actual results from planned budgets of welfare budget in Latvia
- 2) To evaluate to what extent deviations can be explained by policy changes

Four budgets of State special budget:

- Employment social benefit special budget
- Disability, maternity and illness social benefit special budget
- Work accident social benefit special budget
- State pension special budget

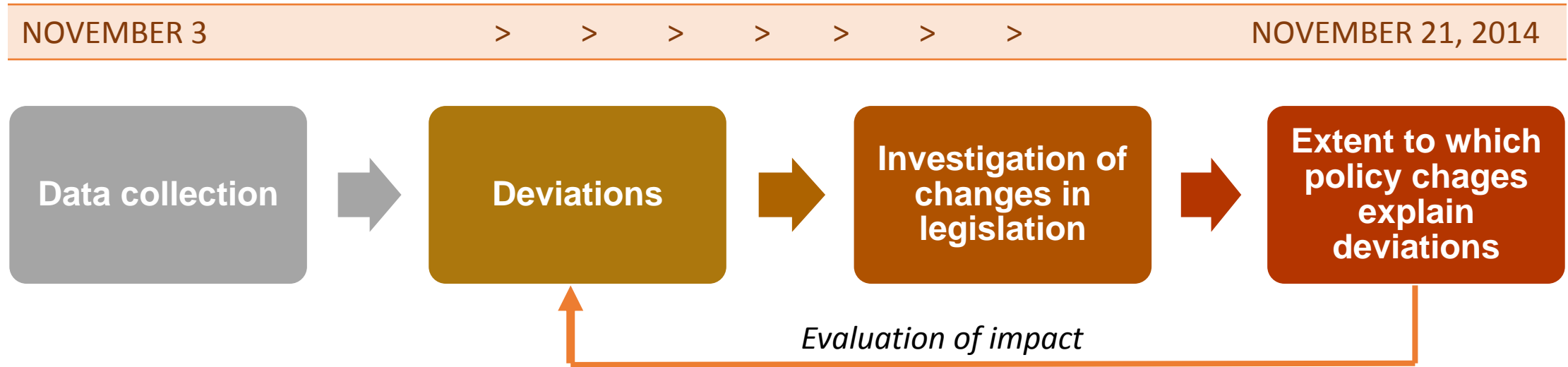
Deviations presented: **2003 – 2013**

Policy change impact analyzed for **2008 – 2013**

CONTENTS

1. Methodology
2. Planned budgets, actual results and deviations
3. Policy changes that explain deviations of actual results from planned budgets
4. Discussion and further steps

METHODOLOGY AND SCOPE



Main sources of information

1. Planned budgets for 2003 – 2013 (Saeima regulatory enactment data base www.saeima.lv).
2. Actual budget results data for 2003 – 2013 (Treasury data base www.kase.gov.lv)
3. Policy changes for 2008 – 2013 (regulatory enactment amendments) (www.likumi.lv and Saeima regulatory enactment data base)

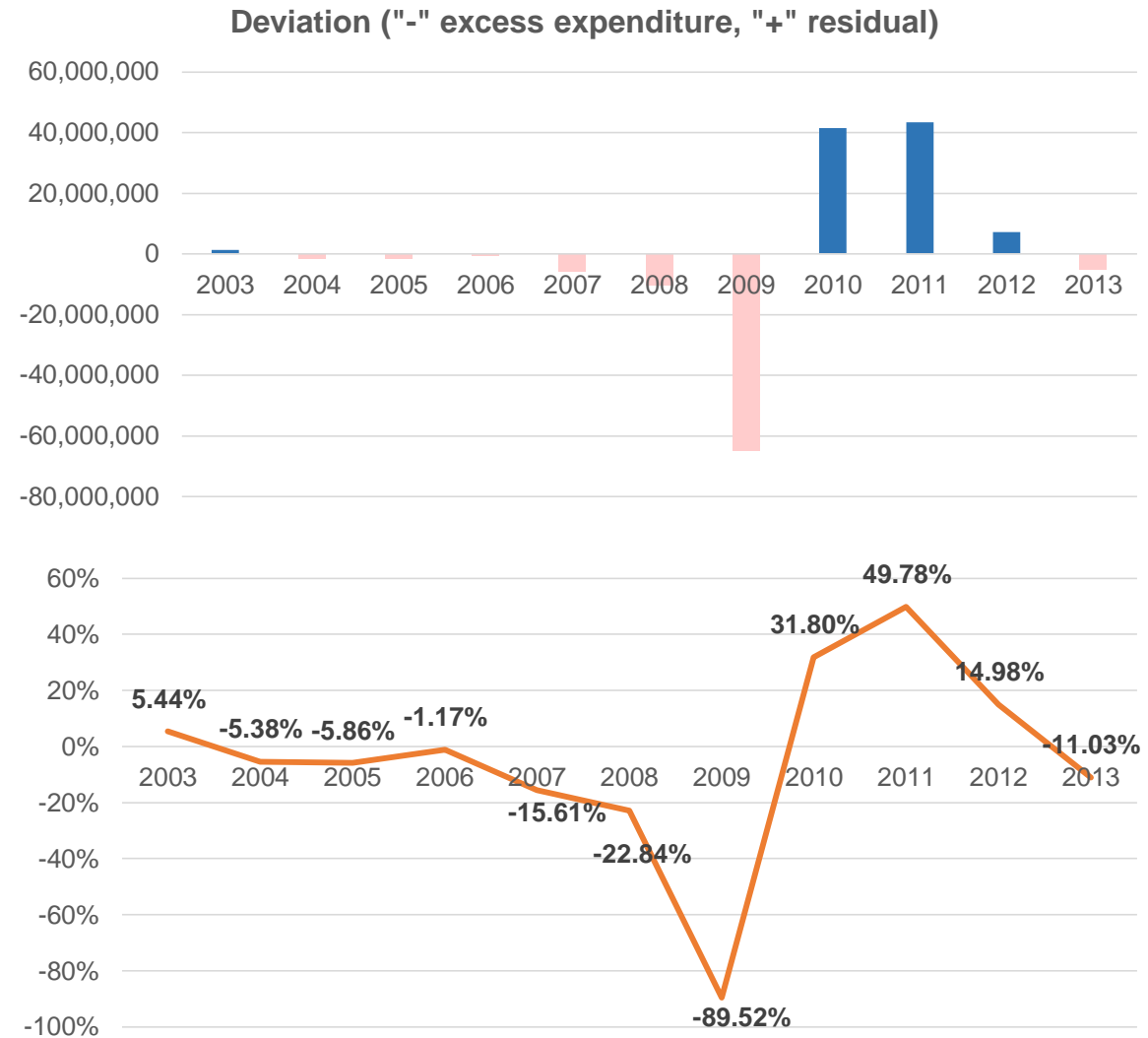
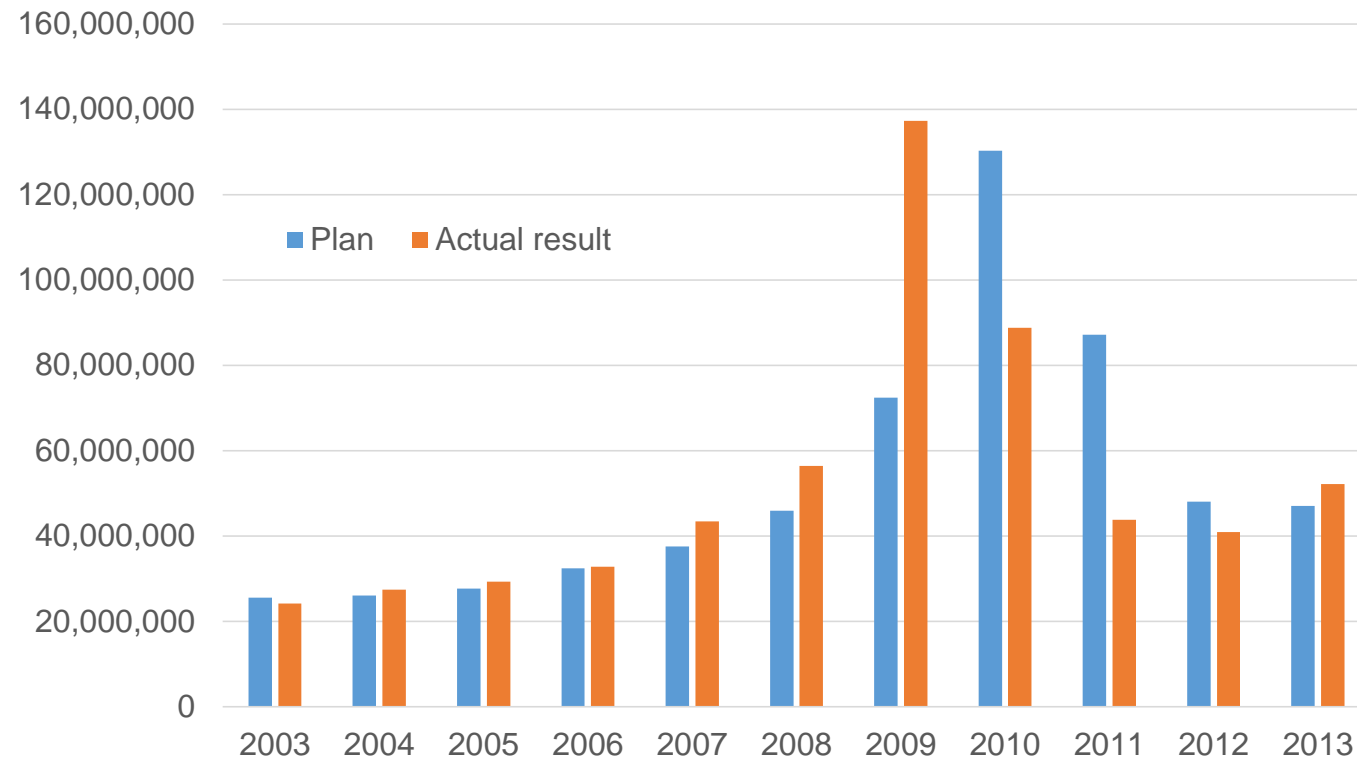
Survey covers

99% of State special budget
30% of State consolidated budget

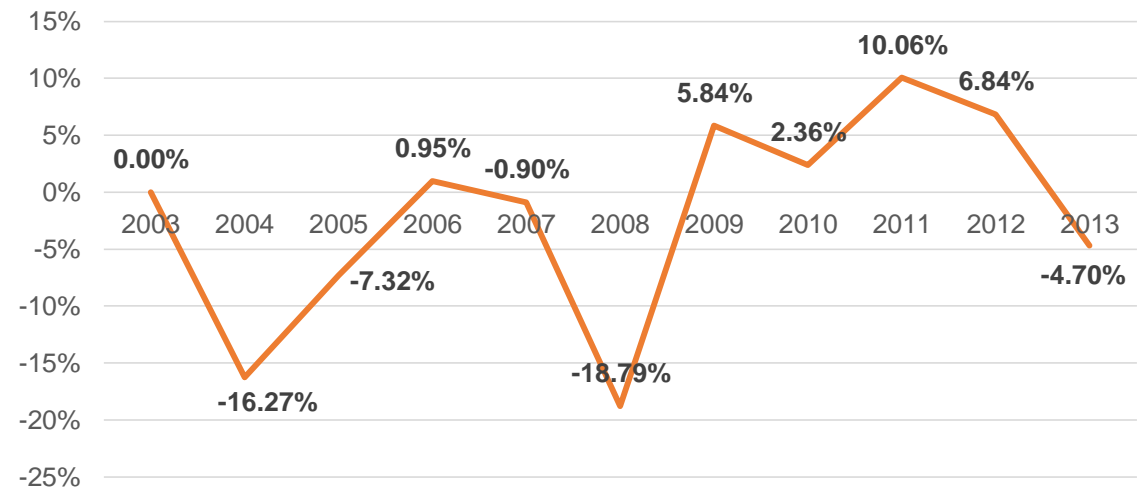
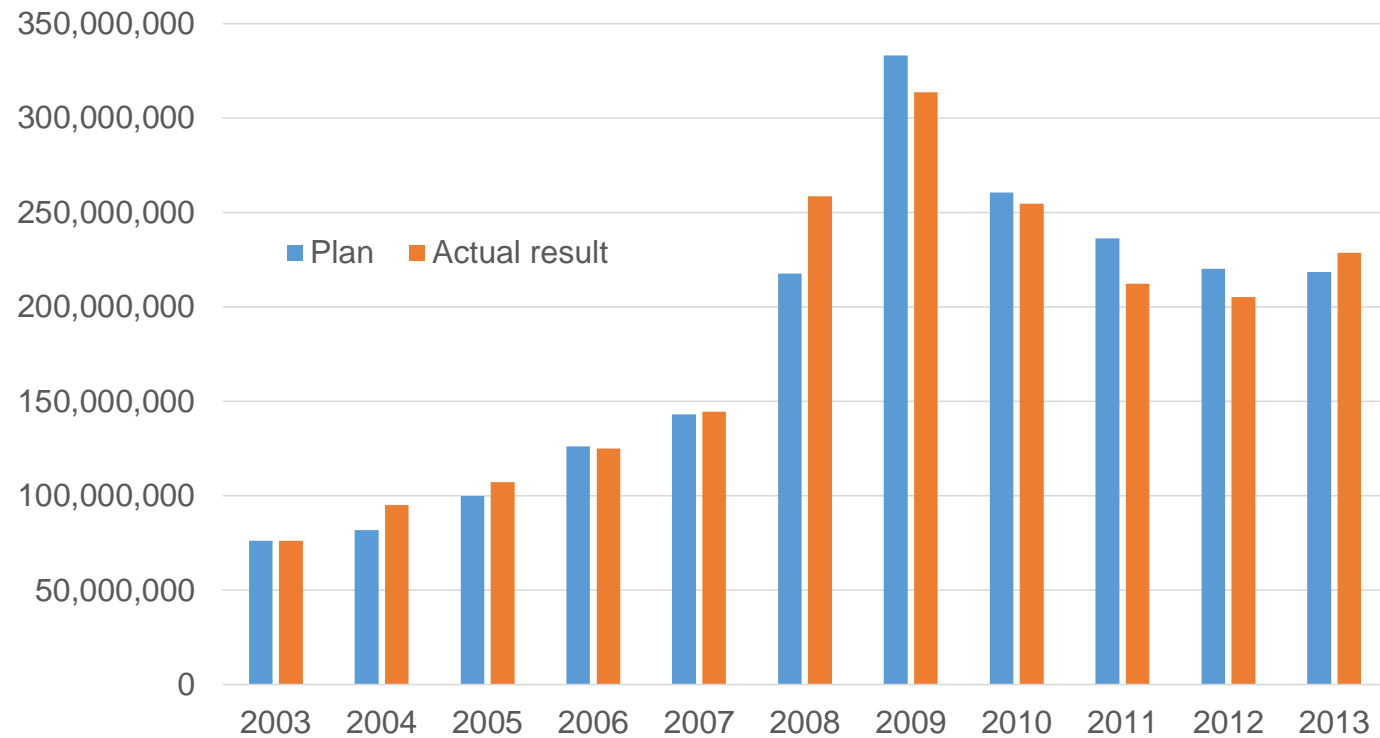
PLANNED BUDGETS, ACTUAL RESULTS, DEVIATIONS

2003 - 2013

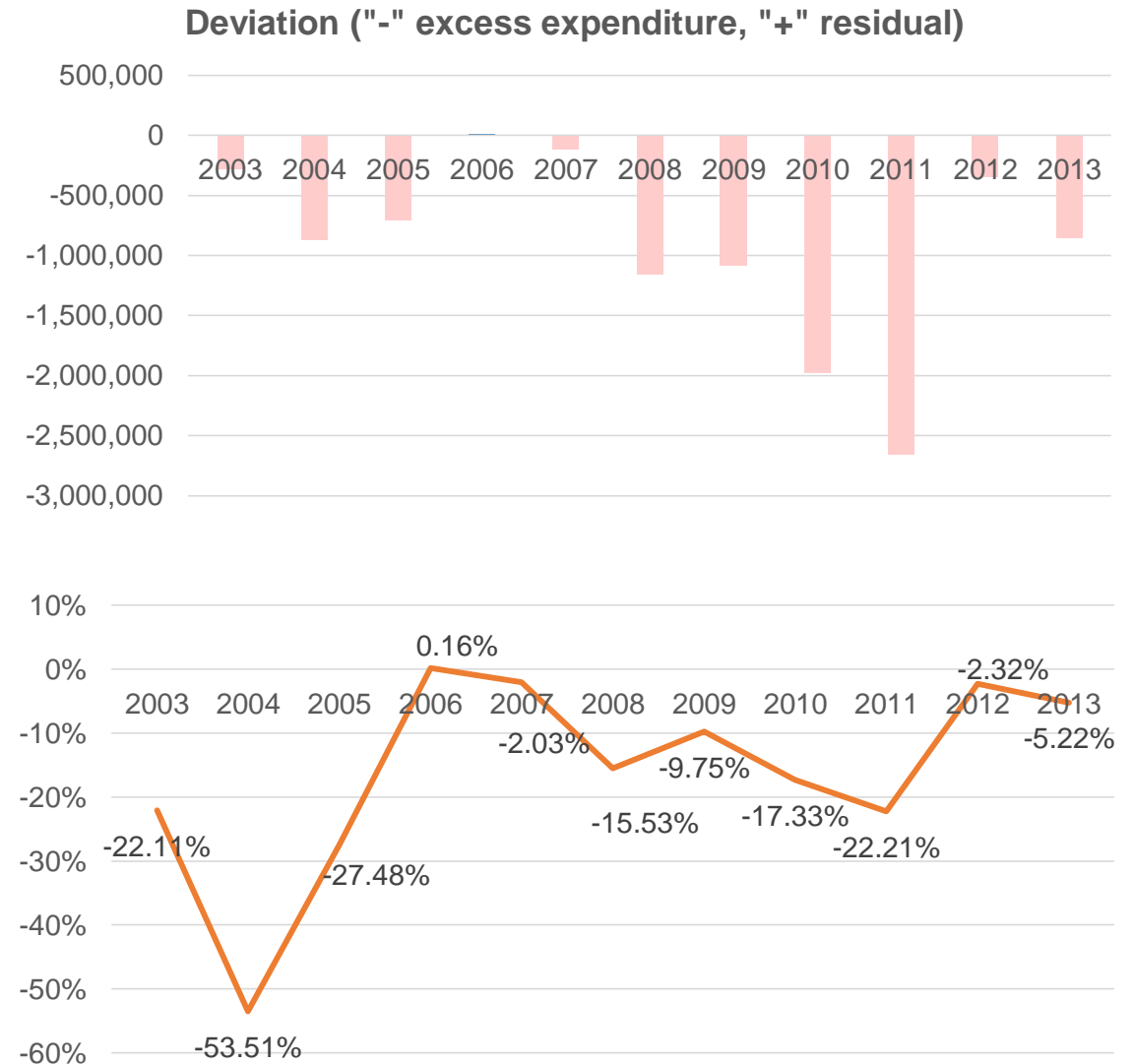
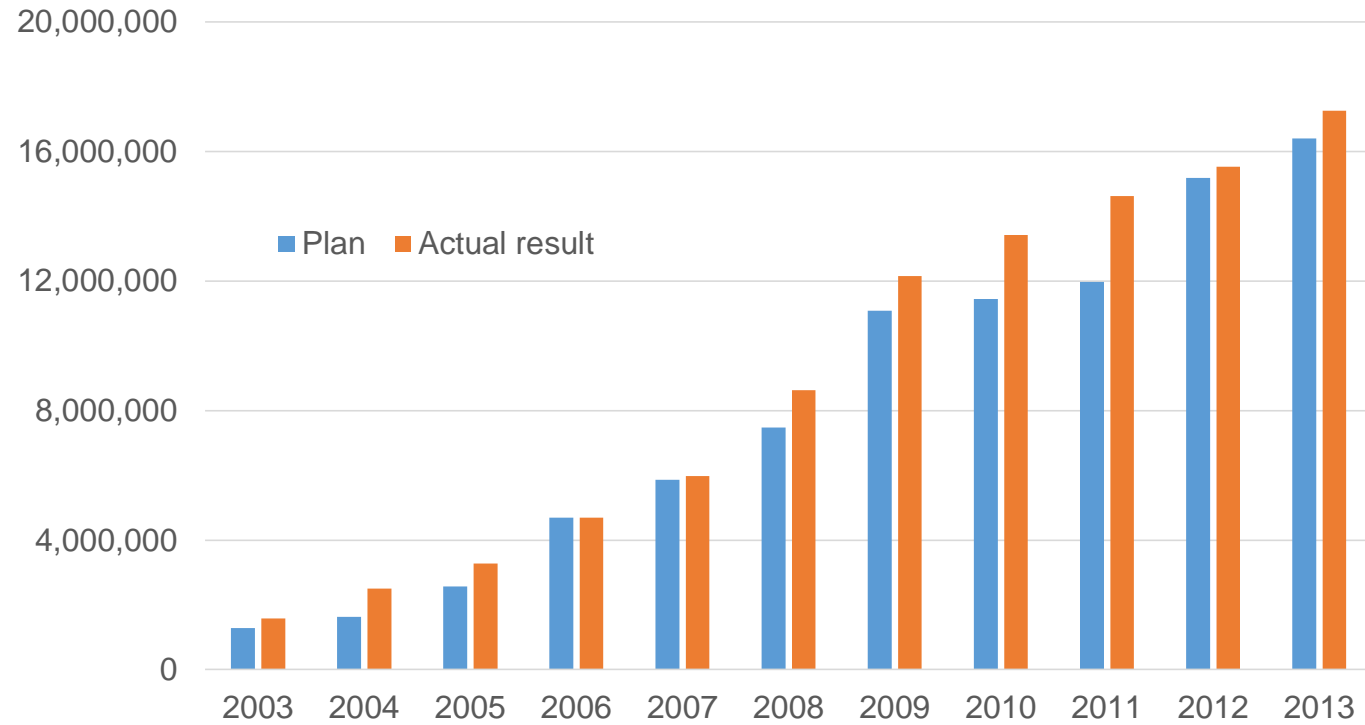
EMPLOYMENT SOCIAL BENEFIT SPECIAL BUDGET, LVL



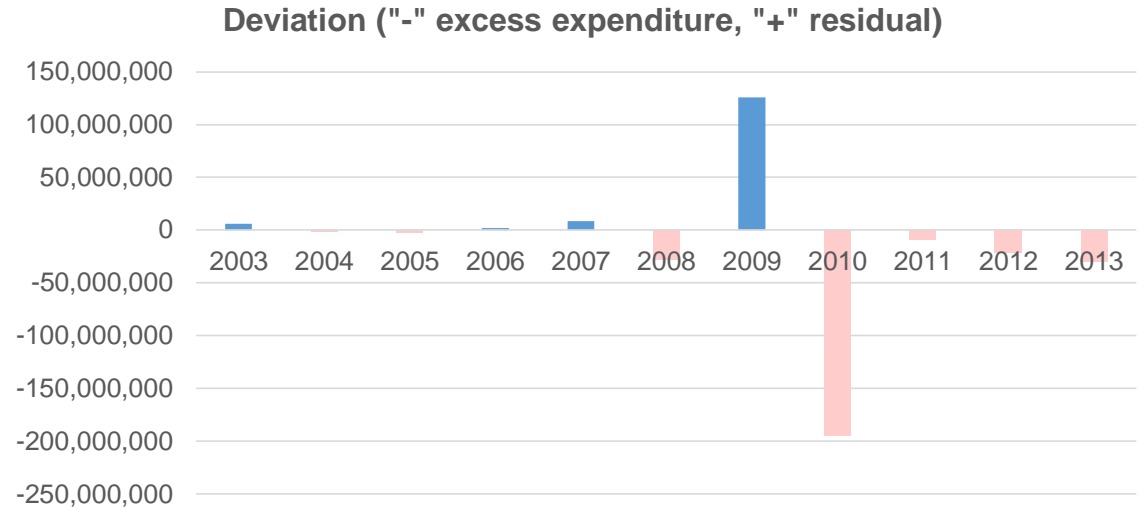
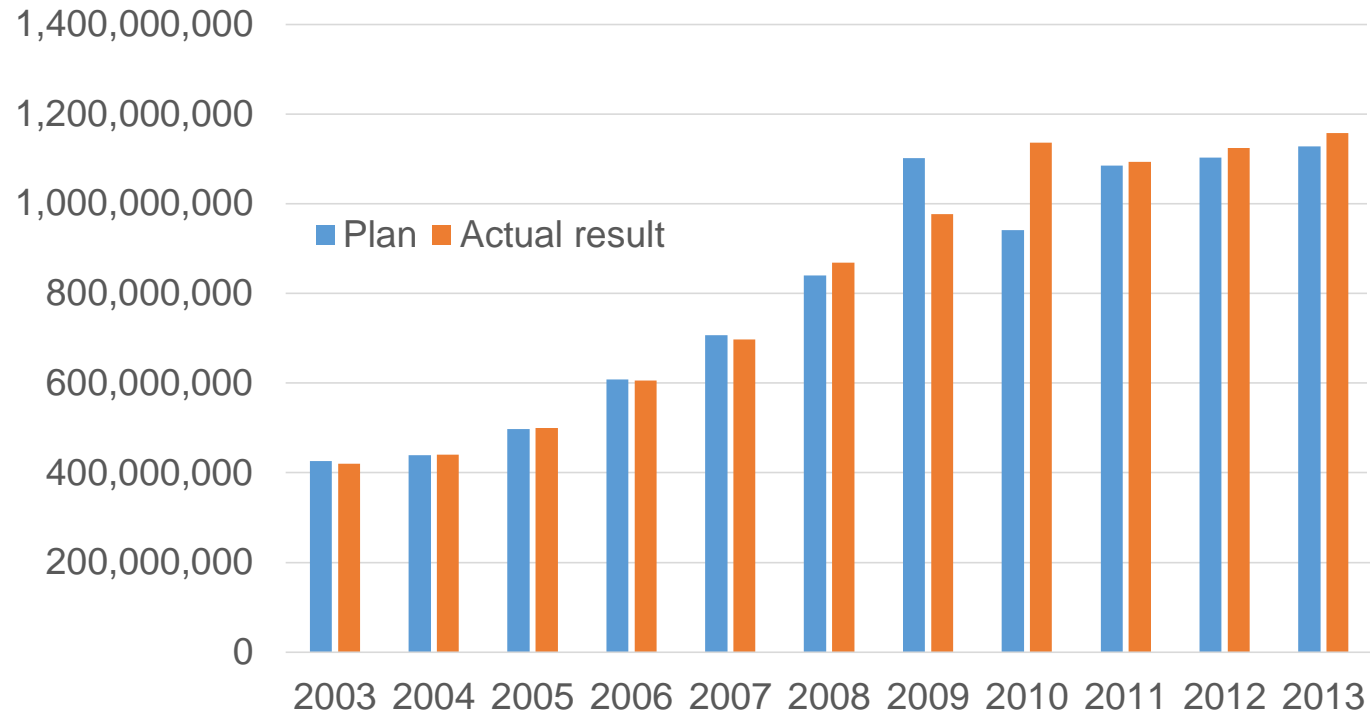
DISABILITY, MATERNITY AND ILLNESS SOCIAL BENEFIT SPECIAL BUDGET, LVL



WORK ACCIDENT SOCIAL BENEFIT SPECIAL BUDGET, LVL



STATE PENSION SPECIAL BUDGET, LVL



EVALUATION OF EXTENT TO WHICH POLICY CHANGES EXPLAIN DEVIATIONS

2008 - 2013

POLICY CHANGES: DEFINITION

- **Amendments in social laws** that were not taken into consideration during the budgeting process and that have impacted actual results of the year
- Amendments in social laws that were implemented during the year and that affected expenditure of 1) employment, 2) disability, maternity and illness, 3) work accident and 4) state pension special budgets during the current year
 - 17 regulatory enactments
 - 139 amendments to regulatory enactments



IDENTIFIED POLICY CHANGES

Employment social benefits:

- 2009. gadā - grozījumi likumā “Par apdrošināšanu bezdarba gadījumam” – izdevumu pieaugums par 3 642.2 tūkst. LVL;

Disability, maternity and illness social benefits:

- 2009. gadā - grozījumi likumā “Par valsts pabalstu izmaksu” – izdevumu samazinājums par 3 286.4 tūkst. LVL;
- 2013.gadā – grozījumi likumā “Par valsts pensijām” – izdevumu pieaugums par 970.8 tūkst. LVL;

Work accident social benefits:

- 2009. gadā - grozījumi likumā “Par obligāto sociālo apdrošināšanu pret nelaimes gadījumiem darbā un arodslimībām” – izdevumu samazinājums par 73.2 tūkst. LVL;
- 2013.gadā - grozījumi likumā “Par obligāto sociālo apdrošināšanu pret nelaimes gadījumiem darbā un arodslimībām” – izdevumu pieaugums par 77.4 tūkst. LVL.

State pension social benefits:

- 2008. gadā - grozījumi likumā "Par valsts pensijām" – izdevumu pieaugums par 11 205.2 tūkst. LVL;
- 2009. gadā - grozījumi likumā “Par valsts pabalstu izmaksu” – izdevumu samazinājums par 88 300 tūkst LVL un izdevumu pieaugums par 785 tūkst. LVL;
- 2010. gadā - grozījumi likumā “Par valsts pabalstu izmaksu” un likumā "Par valsts pensijām" – izdevumu pieaugums par 184 600 tūkst. LVL;
- 2013.gadā - grozījumi likumā "Par valsts pensijām" – izdevumu pieaugums par 9 246.4 tūkst, LVL.

PERCENTAGE OF ACTUAL RESULTS DEVIATION FROM PLANNED BUDGET EXPLAINED BY POLICY CHANGES

Employment social benefits, LVL						
	2008	2009	2010	2011	2012	2013
Deviation	-10 502 102	-64 885 764	41 435 169	43 388 237	7 202 018	-5 187 270
Adjusted deviation	-10 502 102	-61 243 564	41 435 169	43 388 237	7 202 018	-5 187 270
% of deviation explained by policy changes	0.00%	5.61%	0.00%	0.00%	0.00%	0.00%

Disability, maternity and illness social benefits, LVL						
	2008	2009	2010	2011	2012	2013
Deviation	-40 900 110	19 461 228	6 161 411	23 752 781	15 062 984	-10 264 797
Adjusted deviation	-40 900 110	16 174 828	6 161 411	23 752 781	15 062 984	-9 293 997
% of deviation explained by policy changes	0.00%	16.89%	0.00%	0.00%	0.00%	9.46%

Work accident social benefits, LVL						
	2008	2009	2010	2011	2012	2013
Deviation	-1 161 123	-1 079 951	-1 982 169	-2 659 008	-352 040	-856 273
Adjusted deviation	-1 161 123	-1 153 151	-1 982 169	-2 659 008	-352 040	-778 873
% of deviation explained by policy changes	0.00%	-6.78%	0.00%	0.00%	0.00%	9.04%

State pensions, LVL						
	2008	2009	2010	2011	2012	2013
Deviation	-28 515 096	125 762 634	-194 564 790	-8 444 787	-21 817 634	-30 165 729
Adjusted deviation	-17 309 896	38 247 634	-9 964 790	-8 444 787	-21 817 634	-20 919 329
% of deviation explained by policy changes	39.30%	69.59%	94.88%	0.00%	0.00%	30.65%

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THANK YOU!



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