

Living and working conditions

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 [LIVING AND WORKING IN LATVIA \(booklet; published 2018\)](#) 

Living in Latvia

The political, administrative and legal systems

Latvia is a democratic, parliamentary republic. Sovereign power rests with the people of Latvia.

More detailed information on the political, administrative and legal systems in Latvia is provided on www.eures.europa.eu

Income and taxation

All income received from paid work on which personal income tax must be withheld is subject to social insurance contributions. The current rate of social insurance contributions is 35.09% of the employee's income (if the employee is covered by all forms of social insurance), of which 24.09% is paid by the employer and 11% by the employee.

In 2020 Maximum annual non-taxable minimum - 3 000 (250 per month)

Annual income up to which maximum non-taxable minimum is applied - 5 280 (440 per month)

Annual income up to which non-taxable minimum will gradually reduce - 14 400 (1 200 per month)

Non-taxable minimum of a pensioner in 2020- 3 600 *euro* per year (300 *euro* per month)

Amount of tax relief for a dependent in 2020- 3 000 *euro* per year (250 *euro* per month)

Cost of living

The standard of living is much lower in Latvia compared to the more developed European states. The average wage is also not competitive in comparison with Europe. The average wage before tax in Latvia in 2019 Q3 was EUR 1091; wages differ in various regions of Latvia – it is the highest in the capital city and the surrounding region, while the lowest average monthly wage is in the Eastern part of Latvia – in the Region of Latgale.

Average consumer prices in Latvia do not differ significantly from average prices in other European countries.

More detailed information on cost of living in Latvia is provided on www.eures.europa.eu

Accommodation

The residents of Latvia's cities mostly live in large apartment blocks. The rural population mostly lives in private houses. A peculiarity of the apartment market in Latvia is the considerable difference in price between Riga, certain towns and parishes near Riga, and those in the rest of the country. 30-40% of the average monthly wage is spent on rent and utility payments.

More detailed information on accommodation in Latvia is provided on www.eures.europa.eu

Health System

Healthcare services are provided by state, municipal and private medical institutions. State-funded healthcare services may only be obtained at medical institutions that have signed contracts with the National Health Service. Information on the possibilities of receiving healthcare and patient payments may be obtained from the respective treatment centre, the National Health Service (www.vmnvd.gov.lv) and regional health funds, as well as by calling the free hotline to citizens of Latvia 00 371 80001234 or 00 371 67045005 for calls from abroad.

More detailed information on health system in Latvia is provided on www.eures.europa.eu

Educational systems

The language of instruction at state and local-authority educational institutions is Latvian. Education in other languages is available at private educational institutions and in ethnic minority education programmes. The educational system of Latvia consists of 6 levels: preschool education, primary education, secondary education, secondary education, post-secondary education, tertiary education, postgraduate studies.

More information on educational systems in Latvia is provided on www.eures.europa.eu

Cultural and social life

Latvia is a small but beautiful country with many interesting tourist attractions. Riga can be considered the cultural metropolis of Latvia, with a great concentration of scientific, cultural and entertainment sites.

More detailed information on cultural and social life in Latvia is provided on www.eures.europa.eu

Private life (birth, marriage, death)

In Latvia, civil unions are registered by Registry Offices, which are monitored by the Ministry of Justice.

Registry Offices register civil acts – marriages, births, deaths; changes of first names, surnames or nationality; additions, corrections or renewals of civil status certificates; issue documents affirming family status for marriages in foreign countries, copies of birth, death and marriage certificates, as well as archival information.

More detailed information on private life (birth, marriage, death) in Latvia is provided on www.eures.europa.eu

Transport

Latvia has a well-developed network of highways whose connections with neighbouring countries allow road transit in all directions.

There are regular bus routes between the largest cities in Latvia, as well as regular train services.

Latvia has several airports, of which the biggest is Riga International Airport located in the capital Riga, 10 km from the city centre.

There are regular ferry services between the ports of Riga, Liepaja and Ventspils and several cities in Sweden and Germany.

More detailed information on transport in Latvia is provided on www.eures.europa.eu

Working in Latvia

Types of job contracts

You can enter employment if you have reached the age of 15. A written contract of employment must be signed by the employer and the employee. Two copies are made, one for the employee and the other for the employer.

The Labour Law establishes two types of employment contracts:

- Indefinite contract

- Fixed-term contract

A probation period, if stipulated in the contract, cannot exceed three months. If there is no probation period set in the employment contract, the contract is considered signed without one. The probation period cannot be set for persons younger than 18.

Working hours

Work hours cannot exceed 8 hours/day, 40 hours/week. Employees have a five-day workweek. If a five-day workweek is impossible due to the nature of the work, employers can set a six-day workweek after discussing it with the representatives of the employee. The working day for a six-day workweek cannot be longer than 7 hours. The working day must end earlier on Saturdays. The length of working hours on Saturdays must be set in collective agreements, in-house working regulations or employment contracts.

Overtime is allowed if the employer and the employee have a written agreement. Overtime cannot exceed 8 hours in a seven-day period. An employee that works overtime or on public holidays receives extra payment of no less than 100% of the usual.

Remuneration

In the private sector, an employee and an employer agree on the salary before any work is started. Remuneration in state and local authorities is set by the Law on Remuneration of Officials and Employees of State and Local Government Authorities.

Remuneration for employees usually depends on their profession and skills, as well as the company's field of activity. The highest remuneration is in the ICT and finance sectors, as well as for specialists and managers of manufacturing companies.

In 2019, the average monthly wage in Latvia was EUR 1076 before taxes. In Latvia, the minimum monthly wage is determined by the state. As of 1 January 2018, it should be no less than EUR 430 per month for standard working time (40 hours per week). The minimum hourly rate is calculated according to the hours worked during the month.

An employee has a right to be paid no less than twice a month unless an agreement is reached between the employer and the employer about payment once a month.

The employer is responsible for paying the social security contributions for the employee.

Tax rates for employees

Compulsory state social security contributions – 11% (employee`s part) and 24,09% (employer`s part)

The personal income tax rate in 2020 is set at 20% for personal income not exceeding EUR 20,000 a year, 23% for personal income between EUR 20,001 and EUR 55,000, and 31.4% for personal income exceeding EUR 55,000 a year.

Non-taxable minimum amount depends on income, and person will have to declare it to be able to receive overpaid tax back.

Non-taxable minimum is in amount of EUR 250 a month per dependent.

Leaves (annual leave, maternity leave etc.)

Every employee has a right for an annual paid leave. This leave cannot be shorter than 4 full weeks not including public holidays. If agreed by the employee and the employer annual paid leave can be granted in parts, but one of the parts cannot be shorter than two full uninterrupted weeks.

Ending employment

Labour legal relations can be ended only as stipulated by the Labour Law:

☞ mutual agreements of sides;

end of a fixed-term contract;

end of labour legal relations by request of a third-party;

with notice of termination of contract from either the employee or the employer.

Employment can also be ended if the employer retires and receives:

Old age pension

Early old age pension

Service pension

Self-employment

If you wish to be self-employed, you have to register in the State Revenue Service as a taxpayer. An application must be submitted as well, including the type of commercial activity and copies of documents that prove your necessary skills. Registration is free of charge, the certificate will be issued in 10 days.

A self-employed person has a choice in how they wish to pay taxes from their income:

Income tax from commercial activity (23% of the income)

Patent fee for specific types of commercial activities

Micro-enterprise tax (15%)

To receive social protection you have to register at the State Social Insurance Agency to voluntarily join the social security system and have to pay social contributions by yourself.

The self-employed is obligated to pay social security contributions (in 2020-32,15%) plus contributions for pension insurance.

More information on working conditions in Latvia in: www.eures.europa.eu.

Useful links:

Official state and local government portal: www.latvija.lv

Register of Enterprises: www.ur.gov.lv

State Revenue Service: www.vid.gov.lv

State Social Insurance Agency: www.vsaa.lv

Investment and Development Agency of Latvia: www.liaa.gov.lv

State Labour Inspectorate: www.vdi.gov.lv

Legislation in Latvia: www.likumi.lv

The social security system in Latvia

The EU regulations [on the coordination of social security systems](#)(No. 883/2004 and [No. 987/2009](#)) guarantee that persons who move to another EU country do not lose their rights to social security.

It should be kept in mind that each EU country has its own national legislation and EU regulations are used to coordinate them.

The principles for creation and operation of the social security system in Latvia, the main social rights and responsibilities and the conditions for their implementation are established in the law „On Social Security”.

The general organizational and financial principles of state social security are established in the law „On State Social Insurance”.

The government policy on social insurance and state social allowances is implemented by [State Social Insurance Agency](#). It also administrates state pension schemes.

Law on State Social Allowances establishes the types of social allowance, who have rights to state social allowances, the conditions for granting them, the procedure of granting and paying as well as the procedure for appeals concerning decisions on social allowances.

Social services and social assistance are available to citizens and aliens of Latvia, citizens of other countries and stateless persons who have received a personal code and who are residents of Latvia except persons who have received a temporary residence permit.

Additional information on social security rights is available in the website of the European Commission: <http://ec.europa.eu/social/main.jsp?catId=1117&langId=en>.

A useful tool for comparison of social security systems of different EU countries: <http://www.missoc.org/MISSOC/INFORMATIONBASE/COMPARATIVETABLES/MISSOCDATABASE/comparativeTableSearch.jsp>

<https://www.nva.gov.lv/en/living-and-working-conditions>