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Factsheet for case **LV-2020-11/413**

## Allowances for idle time for self-employed

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Country	Latvia, applies nationwide
Time period	Open ended, started on 12 March 2020
Type	Legislation or other statutory regulation
Category	Income support to workers and those laid off – Extensions of support to workers not covered by any kind of protection scheme
Case created	09 April 2020 (updated 18 April 2020)

### Background Information

Initially allowance for idle time was granted only to employees. On March 31 the government supported proposal from the Ministry of Culture and expanded the normative regulation also to self-employed, those who receive authors' fees and employed in microenterprises.

The allowance for idle time measure in general is described in Section 14 of the law "On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19" (adopted on 20 March 2020, valid from 22 March 2020)

Specifically regarding self-employed, the government has adopted the Regulations of Cabinet of Ministers Nr 179. Regulations regarding the Allowance for Idle Time for self-employed who are affected by spread of Covid-19 (Adopted on 31 March 2020).

### Content of measure

Self-employed person who is affected by crisis is defined as an individual, who has registered in the State Revenue Service as involved in economic activity, has paid social contributions as self-employed, or as receiver of author's fee, or have paid micro-enterprise tax, or have paid taxes as an individual merchant, and have not got income during the idle period, except some permanent authors' fees.

The allowance is calculated using the State Revenue Service data that is provided in declarations of self-employed as follows:

- for those who pay microenterprise tax – 50% of average monthly income from the economic activity as microenterprise taxpayer (reference period is last two full quarters);

- self-employed person in general tax regime – 75% of the average income (reference period is two last full quarters, income is calculated in accordance with the state mandatory social insurance contribution of a person);
- for a person from both above mentioned categories who within the idle time has returned to work after child care leave – 100% of granted parents benefit (reference period is six month period before declaring state emergency).

For neither of categories the allowance can be more than EUR 700.

The regulations define 17 reasons when the allowance can be rejected.

## Use of measure

As to 9 April 2020, 1010 applications were received and allowances are paid to 177 self-employed. 5 applications were rejected.

## Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies	self-employed One person or microenterprises	National funds

## Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

As far as we know social partners participate in discussions on measures for the prevention and suppression the spread of COVID-19 and on crisis impact on economy. However specific opinions of social partners are not published.

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 09 April 2020: Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19 ([likumi.lv](http://likumi.lv))
- 09 April 2020: VID ģenerāldirektore: dīkstāves maksājumi ir atbalsts uzņēmējiem, nevis darbiniekiem ([www.tvnet.lv](http://www.tvnet.lv))

- 09 April 2020: State Revenue Service informative page on COVID-19 ([www.vid.gov.lv](http://www.vid.gov.lv))
- 09 April 2020: Regulation of the Cabinet of Ministers Nr 179 Regulations regarding the allowance if idle time for self-employed who are affected by the Spread of Covid-19 ([likumi.lv](http://likumi.lv))