

**Disclaimer:** This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

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

## Allowances for idle time for self-employed

Factsheet generated on 05 May 2020, 19:07

Country	Latvia, applies nationwide
Time period	Open ended, started on 12 March 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	09 April 2020 (updated 30 April 2020)

### Background information

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

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 the self-employed, the government has adopted the Regulations of Cabinet of Ministers No. 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

The eligible self-employed are individuals registered in the State Revenue Service as involved in economic activity, that have paid social contributions as self-employed, or as receiver of author's fee, or have paid micro-enterprise tax, or have paid taxes as individual merchants, 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 the declarations of self-employed, according to the following criteria:

- for those who pay micro-enterprise tax, 50% of average monthly income from the economic activity as micro-entrepreneur (reference period is last two full quarters);
- self-employed person in general tax regime – 75% of the average income (the reference period is the 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 (the reference period is of six months before declaring the state of 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. In addition, 5 applications were rejected.

## Actors, target groups and funding

Actors	Target groups	Funding
National government	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](https://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](https://likumi.lv))