

Latvia-Guernsey social security agreement 3/44/21

A new social security agreement came into force in March 2021—the agreement on social security between [the Government of the Republic of Latvia and the States of Guernsey affecting pensions](#). This article explores why the agreement was concluded, what problems it solves, and how it affects Latvian nationals living in Guernsey.

The purpose of the agreement and the problem it solves

Latvia has entered into social security agreements also with Ukraine, Canada, USA, Norway, Belarus, Russia, and Australia. A similar agreement is to be concluded with Moldova soon. In the EU, social security is governed by [Regulation \(EC\) No 883/2004 of the European Parliament](#) and of the Council of 29 April 2004 on the coordination of social security systems.

Guernsey is not part of the UK, so when Britain was a member state in 1973–2020, Guernsey remained outside the EU and is not covered by EU social security enactments. There is a large Latvian diaspora in Guernsey, and many Latvian residents travel to Guernsey to do seasonal work for several months.

The agreement aims to protect their entitlement to an old-age pension if someone who has lived and worked in Guernsey moves to live in Latvia, or vice versa. Before the agreement came into force, such persons were not entitled to a pension accrued in the other country. The agreement solves this problem.

The impact

The agreement entitles a person to the other country's pension if certain criteria are met. Specifically, the agreement allows a Latvian resident that has lived and worked in Guernsey to claim an old-age pension from Guernsey, and vice versa, if the person has reached the pensionable age and necessary insurance period in the other country.

Guernsey pension entitlement if a person lives in Latvia

A person that has reached the pensionable age prescribed by Guernsey and meets the insurance period requirement is eligible for a Guernsey pension.

If the insurance period in Guernsey is not sufficient for a pension entitlement, the insurance period accrued in Latvia is also taken into account. This method of adding up years helps to meet the insurance period requirement, which may differ in Guernsey and Latvia. Guernsey computes an old-age pension only for insurance periods accrued in Guernsey.

Latvian pension entitlement if a person lives in Guernsey

The agreement provides for the same approach to a Guernsey resident that has lived and worked in Latvia. A person that has reached the pensionable age prescribed by Latvia and accrued the required insurance period may claim an old-age pension from Latvia. The agreement also states that a family member (child) who is incapable of work and has lost a provider may be entitled to a Latvian survivor's pension for any insurance period the deceased provider has accrued in Latvia.

In this situation the person's insurance period is also added up if the Latvian insurance period is not sufficient. Latvia computes a pension only for the insurance period accrued in Latvia.

The agreement disallows pension claims from both countries for one and the same insurance period.

It is important to note that the agreement does not deal with how social tax payment obligations should be apportioned over a person's employment periods. This matter is still governed by each country's national law.