

What tax changes does civil partnership entail? (2)

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In our earlier article we looked at the proposed amendments to the Personal Income Tax (PIT) Act, coming into force on 1 July 2024 along with the rules governing civil partnerships. In addition to a range of PIT reliefs that are currently available to married persons and relatives up to the third degree under the Civil Code, the lawmaker intends to provide civil partners with equivalent social guarantees.

Social guarantees

By amending the National Social Insurance Act, the lawmaker has extended social protections to persons that have entered into a civil partnership. Thus, civil partners will be awarded the same social guarantees as spouses.

For example, the amendments state that a civil partner who, together with the other partner – a person that may or must be socially insured, has entered details of their civil partnership on the Register of Individuals will be subject to social insurance during the following periods:

1. When a person stays abroad as the civil partner of a person doing diplomatic and consular service
2. When a person whose civil partner performs their military duties outside the country stays abroad together with the civil partner, unless that soldier participates in an international operation, military training or manoeuvres or is on an assignment
3. When a person stays abroad as the civil partner of a representative or liaison officer of the European Union Agency for Criminal Justice Cooperation (Eurojust)

In this situation the civil partner will be insured against unemployment and for pensions as spouse. However, the civil partner will not have to pay mandatory national social insurance contributions because those will be covered out of the national core budget under the Cabinet of Ministers' Rule No. 154 of 28 March 2023. The state will pay monthly contributions for pensions insurance equal to 20% of EUR 1,000 and contributions for unemployment equal to 1.6% of this amount. Filing all information on these persons with the National Social Insurance Agency will be the duty of the relevant government agency (e.g. the Foreign Affairs Ministry will file information on the civil partner of a person doing diplomatic and consular service, and the Defence Ministry on the civil partner of a soldier). Thus, the civil partner will be freed from an administrative and fiscal burden during the social insurance period.

Also, the latest amendments to the State Pension Act provide that on the civil partner's death the surviving partner will be entitled to the deceased partner's old age, disability, retirement or special state pension in the form of a state benefit. The benefit will equal 50% of the pension awarded to the deceased partner. The benefit entitlement will be the same as under general procedure: 12 months after the pension recipient's death if a claim is made within six months after that day. The level of this social aid will be equal to what spouses receive currently.

In summary, extending social protections to civil partners is crucial to promote equality in society and provide everyone with equal rights and protections.