

Information regarding the follow-up questions

- Could you share more on the draft law being reviewed by the Parliament with the aim to introduce changes to the existing service pension regulation for judges and prosecutors? What is the proposed change and what is the status of these amendments? When are they expected to be adopted?

The service pension system in Latvia has become one of the significant positions within the state budget, with a tendency to grow rapidly. It has developed historically, partly as a compensatory mechanism for balancing remuneration. When a unified remuneration system in state and municipal sector was introduced, the service pension system at that point was not reviewed. Within the framework of the reforms of various service pension schemes, the purpose of the Law on Special Pensions for Judges and Prosecutors is to ensure the best possible balance between the guarantees of judicial independence, the fiscal framework, and the sustainability of the state budget. A special pension, similar to service pensions, represents a long-term state obligation, and the state, accordingly, must treat it responsibly.

As it was mentioned before, in view of the current global challenges, by annual budgetary decisions most financial resources for any new initiatives are being prioritized and directed for the defence budget. Latvia is already allocating 5% of its GDP to defence in order to ensure compliance with NATO standards. Consequently, the new allocated monetary increase of additional funds as possible priorities have been implemented under a fiscal restraint regime, directing the necessary funding to defence, as well as additionally - to healthcare, education, and measures promoting demographic growth. The public sector was expected to implement a financial cut in 2026.

Also, the sharp decline in birth rates and the challenges of demographic change require a serious assessment of whether future taxpayers will be able to cover all state budget expenditures at their current levels. Without any adjustments, over the next four decades the cumulative increase in judges' service pensions would be nearly eighteen-fold, amounting to approximately EUR 51 million from the state budget in 2060. The amendments introduced by the draft law ensure a more moderate growth in expenditure, reaching EUR 39 million in 2060.

The draft law does not reduce current pensions. The new regulation maintains the methodological approach that has been in force until now and provides for raising the minimum length of service required to receive a special pension from 20 to 25 years. The law also clarifies the procedure for calculating the pension. The special pension will be calculated based on the average monthly salary of the last ten years (currently the last five years) before leaving office, excluding the final two months. For judges, the amount of the special pension is set at 5% less than the current service pension amount (currently 65%–80%). At the same time, it should be emphasized that the percentage amount of judges' special pensions still remains higher than in other professions and safeguards judicial independence by maintaining adequate material guarantees, preserving acquired rights, and ensuring a clear and predictable framework, thereby reducing the risk of undue influence.

The law is expected to enter into force on 1 January 2027. It provides for a gradual transition period, preserving already acquired rights and ensuring legal certainty. The new regulation will apply to judges appointed after 1 January 2027, as well as to those judges and prosecutors whose length of service at the time the law enters into force does not exceed 10 years. Overall, more than 85% of judges will not be affected by these changes. The draft law will be examined in the final reading at the Saeima plenary sitting on 12 April. It should be noted that the law assigns the task to the Cabinet of Ministers, together with the Judicial Council, to carry out an assessment of the law's impact on the guarantees of judicial independence and human resources by 2030.

- In the written input, you mention the discussion on the position of “court lawyers”. Would you have a definition for “court lawyer” you could share?

Subject has been included in the draft amendments to the Law on Judicial Power. As soon as the draft amendments become publicly available, we will share them.

- We understand that the amendment of the Law on Judicial Power (including the reference to the right of the Judicial Council to request a review of the Parliament's appointment decisions of Supreme Court judges) is expected to go for the public consultation and coordination with other Ministries in March. Could you clarify if with this public consultation you mean that the draft law is expected to be published still during March? Is there a draft you could share with us?

As soon as the draft amendments become publicly available, we will share them.