

What pension level 2 is

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Translated by machine translator

The State funded pension scheme, or Tier 2 of pensions, was introduced on 1 July 2001. At this point, part of each social security contribution is invested in the financial market and accumulated in the personal account of each member of Tier 2 of pensions. There may be any socially insured member of Tier 2 of pensions.

Participation in Tier 2 of pensions shall be compulsory for those born after 1 July 1971. . In time, all workers will be involved in Tier 2 of pensions e. On the other hand, those born from 2 July 1951 to 1 July 1971 could and may still be joined on a voluntary basis. . If you belong to this age group and have decided to participate in pension level 2, you must address your application to the State Social Insurance Agency.

Funds of Tier 2 of pensions may be managed by investment management companies which are registered in the register of fund managers of the State funded pension scheme, which shall be maintained and updated by [the Finance and Capital Market Commission](#). Each fund manager may offer one or more investment plans.

Choose your pension Tier 2 investment plan responsibly!

In selecting the corresponding investment plan, it is important to have a person's expected period of participation at pension level 2 until retirement in an old-age pension. The longer the time to retirement, the longer the person is able to take on more risks and the second-generation retirement age, the ability to take risks decreases. . Therefore, those with 10 or fewer years to reach retirement age are advised to switch from active to conservative investment plans. Otherwise, members of active investment plans may have to experience very rapid, negative swings in accumulated capital shortly before retirement, which will also have a significant impact on the amount of the expected old-age pension.

In order to choose an appropriate investment plan, fund managers have prepared basic information for each investment plan. . The aim of the basic information is to provide additional information on investment risks and management costs of the Tier 2 pension investment plan in order to make it easier for the participants to choose the investment plan more appropriate for themselves. I. You can get to know the "basic information" of all investment plans [here](#).

HOW CALCULATED



Members of Tier 2 of pensions do not have to make additional social security contributions. . The total contribution to pension capital is 20% of the income distributed between Tier 1 and Tier 2 of the pension system.

 [Amount of social security contributions](#) 

Contributions to Tier 2 of pensions shall be registered in the fourth month following the reporting month. Accordingly, in the statement of account, the contributions invested in January were calculated from the income of September of the previous year, the contributions invested in May were calculated from January's income.

The amount of money accumulated in a Tier 2 pension account is affected by

- salary size,
- the amount of contributions at level 2,
- the period of participation at the level 2 of pensions,
- profit based on the fund manager and the investment plan you choose.

At the level 2 of pensions, an additional provision for retirement is created by investing some of the retirement capital registered in the personal account in shares, bonds and other securities, as well as bank deposits. . Investment by intermediary – manager of funds s.

HOW TO PAY



When applying for an old-age pension, the member of Tier 2 will be able to choose: to add the accumulated pension capital to Tier 1, or to the old-age pension, or to enter into a lifetime pension insurance contract with the insurance company.

Question : Where can additional information be obtained on pension level 2 in ?

Answer: Home Pages www.manapensija.lv.

Video on Pension Level 2:

Receives answers to basic questions about pension level 2 [Video](#)

Learn more about Retirement Level 2 Plans [Video](#)

Learn more about the earnings and savings of Tier 2 pension plans in [Video](#)

Pension Level 2 Member Account Statement Statement

Information on participation at Pension Level 2

Choice or change of pension level 2 investment plan

Registration of the 2 nd Tier Pension Voluntary Participant

Purchase of a life-retirement insurance policy through Tier 2 capital of pensions

Old-age pension

Selecting a member of the Tier 2 pension for a succession of accrued capital

Receiving the retirement capital of the deceased pension Tier 2 member

<https://www.vsaa.gov.lv/en/what-pension-level-2>