



#6STRUKTŪRINĒSREFORMOS





TAX REFORM

ACHIEVEMENTS TO DATE



REDUCTION OF LABOUR TAXATION

- ✓ Net income increase:
 - ✓ In January 2019 the net average income has increased by **EUR 104** in comparison with January 2018
 - ✓ Of which **EUR 40** increase was due to the tax reform
 - ✓ The remaining amount was due to economic growth



TAX CONSOLIDATION AND RECALCULATION OF GROSS WAGES

- ✓ Irrespective of the impact of consolidation (1.289 rate) the growth of gross wages remained in line with wage developments of the prior period.





REFORM TO COMBAT SHADOW ECONOMY

ACHIEVEMENTS TO DATE



A ONE-OFF OPPORTUNITY TO PAY THE 'FORGOTTEN' OUTSTANDING TAXES WITHOUT LATE PAYMENT INTEREST AND PENALTIES

- ✓ The window of opportunity to act: January 1 – end of June 2019
- ✓ **11 %** increase of amended tax returns since the start of 2019 compared against 2018



- ✓ **New opportunity for citizens to get a refund of personal income tax** paid on housing renovation, car repair and babysitting services

- ✓ **5-fold increase** in applications for personal income tax refunds for expenses incurred submitted in February compared to the previous month



- ✓ **A simplified accounting application i.APS** available since January 2019:
>1000 users so far.





PENSION REFORM

ACHIEVEMENTS TO DATE

Relevant legislation entered into force on 1 January 2019

REFORM OF THE PENSION ACCUMULATION SYSTEM

- ✓ **12 500** new pension accumulation agreements concluded in January-March 2019.
- ✓ **4.8 %** of 1.3 million participants of the 2nd-tier pension accumulation system have suspended participation and **1.2 %** have withdrawn from the participation (returned to Sodra).
- ✓ **57 000** participants of the pension accumulation system (excluding new agreements) have voluntarily increased contributions from 1.8 % to 3 %.
- ✓ The number of **real participants**, who participate through deduction from their wages and have received an incentive of the State, increased from **478 000 to 839 000** (as at February).
- ✓ Each participant choosing a 3 % contribution receives **EUR 196** per year as an incentive by the State this year.
- ✓ Participants choosing to contribute more than 3 % will be able to make use of a **personal income tax incentive**.
- ✓ The State has cut taxes by 1.55 percentage point.





HEALTH CARE REFORM

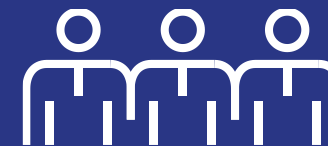
ACHIEVEMENTS TO DATE

IMPROVEMENT OF SERVICES



SHORTER WAITING TIME FOR VISITS TO DOCTORS

- ✓ From February to September 2018 the waiting time for visits to a general practitioner for approx. **80 %** of persons was 7 days
- ✓ In December 2018 **this percentage increased to 89**



INCREASING POPULARITY OF THE NEW REMOTE SERVICE 'PATIENT – DOCTOR'

- ✓ In December, following the commencement of the service, the number of
- ✓ services provided has quadrupled to **5167**



MORE NURSING CARE SERVICES AT HOME

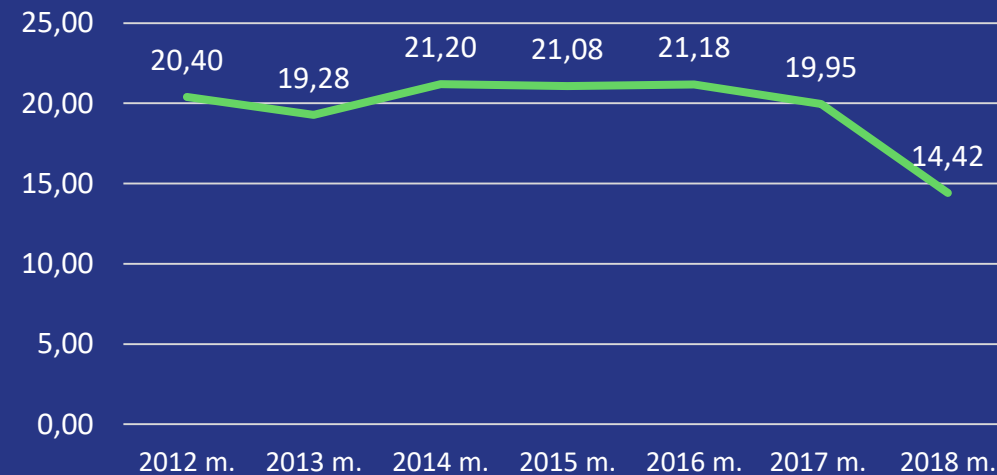
- ✓ Starting from 2019 the number of nursing care services provided to patients at their homes has **doubled** (it increased from 24 to 52 per year), which means that a nurse visits patient's home **4** times a month.



HEALTH CARE REFORM

REDUCTION OF EXPENDITURE ON MEDICINES

In 2012-2017 the share of expenditure on reimbursable medicines incurred by the patient in relation to all expenditures on reimbursable medicines ranged **from 19.3 % to 21.2 %**



In January and February of 2019 the share of expenditure on reimbursable medicines incurred by the patient decreased to **6.8 %** which is by two thirds lower than previous indicators that existed for years



Average extra payment per one prescription decreased from **EUR 3.40 to EUR 2.30**



In 2018 patients saved approx. **EUR 15 million** in comparison with 2017



45 medicines were included in the medicines reimbursement list



HEALTH CARE REFORM

WAGES OF DOCTORS AND NURSES

Within two years the average wage in state-run health establishments earned by

- ✓ **doctors** increased by **EUR 379 (28 %)**,
- ✓ **nurses** increased by **EUR 207 (30 %)**.
- ✓ Wage increase was **twice the size** of the developments in the average national wage.





EDUCATION REFORM

ACHIEVEMENTS TO DATE

HIGHER EDUCATION

- ✓ As of January 2017, salaries of lecturers, research staff and researchers increased by an average **40 %**
- ✓ As of 1 January 2019, about **83 %** higher support for doctoral students.
- ✓ The merger of VMU, ASU and LEU has been completed as part of the reorganisation of the higher education network.



GENERAL EDUCATION

- ✓ **62 %** of schools have been provided with up-to-date equipment:
 - ✓ **672 schools** of pre-school education have been equipped with life-science tools;
 - ✓ **533 schools** of lower secondary education (5-8 grades) have had the learning tools for life sciences and technologies put in place





EDUCATION REFORM

TEACHER TRAINING AND MOTIVATION

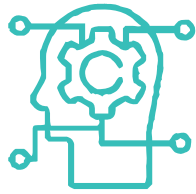
- ✓ In 2018, 6 new teacher training programmes were launched at the newly established three teacher training centres (VU, VMU, ŠU);
- ✓ Following the first stage of the introduction of the new staff remuneration system, teachers' salaries grew by **14 %** on average instead of the projected **14 %**, which was **EUR 136** up on 4th Q 2017.
- ✓ As of 1 September 2019, the 2nd stage of teachers' remuneration system should be up and running with the allocation of **EUR 49 million**



NON-FORMAL EDUCATION, MICROCLIMATE AT SCHOOLS

- ✓ Proportion of children involved in non-formal education grew from 2017 about 6 % to **60 %** in 2018
- ✓ In 2018, bullying prevention programmes were put in place at **824** general education schools (71 %) and **342** pre-school establishments (57 %).



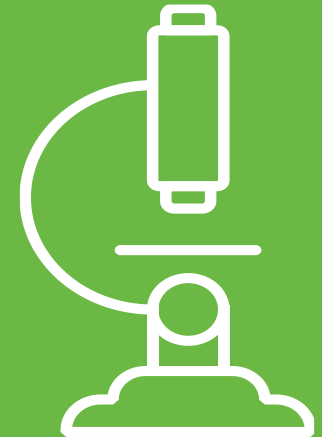


INNOVATION REFORM

ACHIEVEMENTS TO DATE



- ✓ A new **Law** on Technology and Innovation entered into force.
- ✓ **9 %** increase in value added of smart specialisation sector in 2018; the number of the sector employees has increased **2 %** compared to 2017.
- ✓ A roadmap for economic diplomacy in science, technology and innovation adopted **(19 priority countries)**.
- ✓ New calls for proposals under several measures in industry and innovation launched, in total amounting to **EUR 184.3 million** in 2018, **EUR 161 million** private investments are planned to be attracted.



- ✓ Projects to support innovative businesses launched: Smart InoTech for Industry and FinTech Lt.
- ✓ Business-friendly ecosystem is created in the following areas:
 - Life sciences industry
 - Industry digitalisation
 - Artificial intelligence solutions



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