

- (i) the amount of the flat-rate portion of the benefit determined in conformity with the provisions of the *Canada Pension Plan*
- by
- (ii) the fraction which represents the ratio of the periods of contributions to the *Canada Pension Plan* in relation to the minimum qualifying period required under that Plan to establish eligibility for that benefit, but in no case shall that fraction exceed the value of one.

CHAPTER 3

BENEFITS UNDER THE LEGISLATION OF THE REPUBLIC OF LATVIA

ARTICLE 15

Calculating the Amount of Benefit Payable

1. If, under the legislation of the Republic of Latvia, the conditions for eligibility for a benefit are met without the need to take into account creditable periods accumulated under the legislation of Canada, the competent institution of the Republic of Latvia shall determine the amount of that benefit exclusively on the basis of the creditable periods accumulated under its legislation.
2. If, under the legislation of the Republic of Latvia, eligibility for a benefit can be established only through the application of the totalizing provisions of Chapter 1, the competent institution of the Republic of Latvia:
 - (a) shall calculate the theoretical amount of the benefit which would be paid if the totalized creditable periods had been accumulated under the legislation of the Republic of Latvia alone; and
 - (b) on the basis of the theoretical amount calculated in accordance with sub-paragraph (a), shall determine the amount of benefit payable by applying the ratio of the length of the creditable periods accumulated under the legislation of the Republic of Latvia to the totalized creditable periods.

ARTICLE 16

Entitlement and Payment of Benefits

1. A person described in Article 3 who resides in Canada shall be entitled to benefits under the *Act on State Pensions* and the *Act on State Funded Pensions* under the same terms and conditions as if that person were residing in the Republic of Latvia.
2. When applying the transitional provisions of the *Act on State Pensions* regarding creditable periods accumulated prior to 1 January 1991 outside the Republic of Latvia, the competent institution of the Republic of Latvia shall not take into account any period which is creditable under the legislation of Canada.
3. Notwithstanding any other provision of this Agreement, benefits under the *Act on State Social Benefits* shall be paid to a person who is outside the Republic of Latvia only to the extent permitted by that Act.