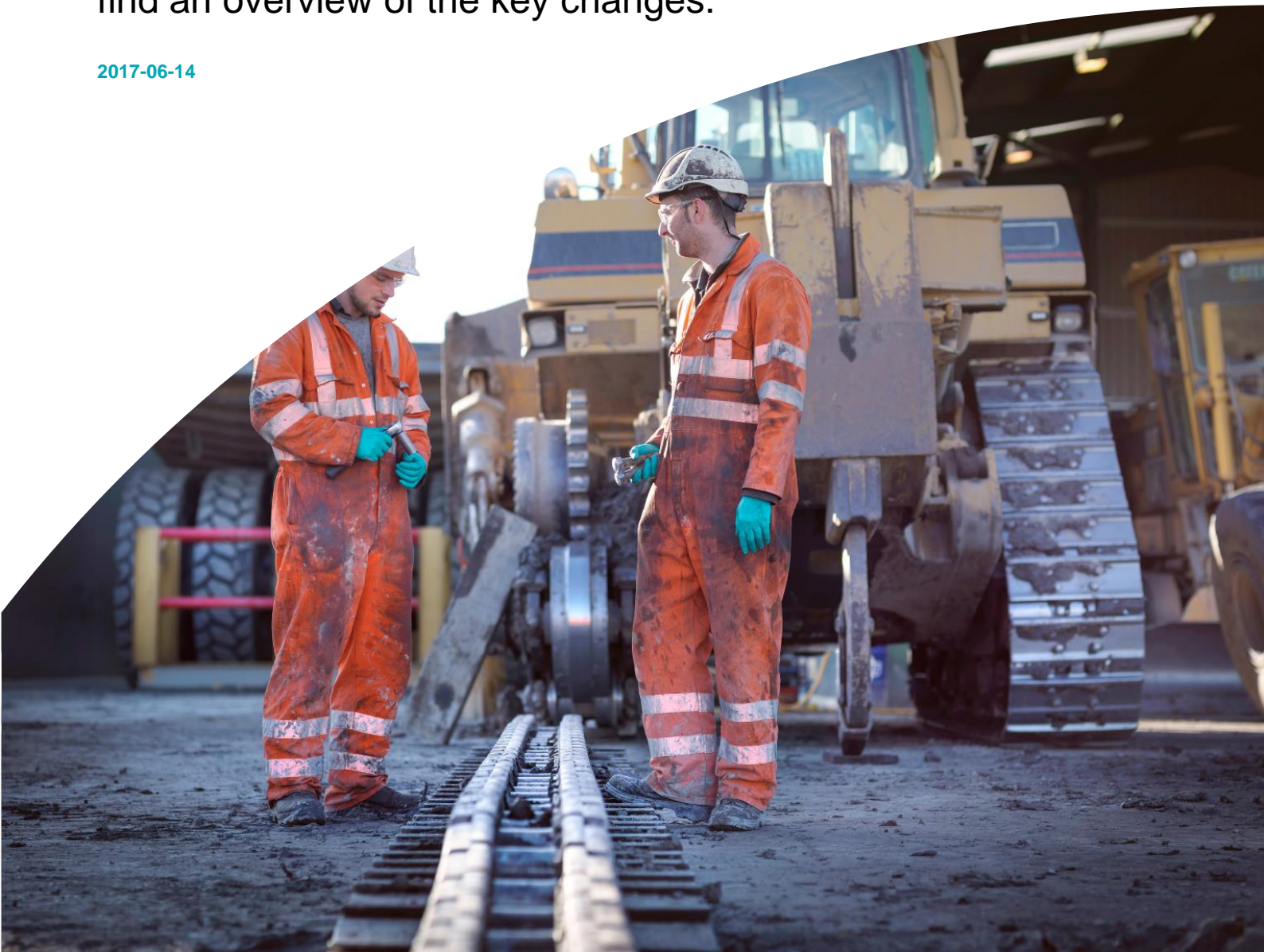


# New Labour Code in Lithuania

On 6 June 2017 the Lithuanian Parliament adopted amendments to the new Labour Code and thus finally clarified the content of the Code. Labour Code will enter into force from 1 July 2017. Please find an overview of the key changes.

2017-06-14



PROVISION	BEFORE 2017-07-01	SINCE 2017-07-01
<b>MATERIAL LIABILITY</b>		
Compensation paid by employees for occurred losses	Material liability of the employees shall not exceed the sum of their 3 AMS (average monthly salary), except cases set in Labour Code.	Material liability of the employees shall not exceed the sum of their 3 AMS (average monthly salary). Material liability shall be 6 AMS, if occurred due to employee's negligence  Cases when all losses are compensated indicated in Labour Code.
Agreement on Full Liability	The employee shall compensate all losses if Agreement on Full Liability is concluded.	Agreements on Full Liability of the employees will be no longer in force.
<b>TERMS OF NOTICE ON TERMINATION OF LABOUR AGREEMENT</b>		
Under employee's initiative (due to non-important reasons)	14 working days	20 calendar days
Under employee's initiative (due to important reasons)	3 working days	5 working days
Under employer's initiative without employee's fault	2 months notice period;  4 months notice period applicable for employees, who have not more than 5 years remaining until retirement age; for employees under 18; for disabled employees, for employees, who raise a kid under 14.	1 month notice period; if the employment relationship does not exceed 1 year term - 2 weeks notice period;  doubled notice periods shall be applicable for employees, who have less than 5 years remaining until retirement age; tripled - for employees, who raise a kid under 14 or disabled kid under 18, for disabled employees or who have less than 2 years remaining until retirement age.
Under employer's will		The employer shall have a right to terminate labour agreement with the employee (without fault of employee) after notice period of 3 working days. Payment of severance compensation shall be no less than 6 AMS.
<b>NON-COMPETE</b>		
Agreement of non-compete	Not regulated in Labour Code.	This agreement shall be valid for no longer than 2 years after the end of labour agreement.  During the time of non competing the employer shall pay to the employee compensation, which shall be not less than 40 per cents of employee's AMS.

PROVISION	BEFORE 2017-07-01	SINCE 2017-07-01
<b>TYPES OF LABOUR AGREEMENTS</b>		
Types of labour agreements	1) of unlimited term; 2) of fixed term, temporary, seasonal; 3) due to secondary job function; 4) due to remote work; 5) other.	1) of unlimited term; 2) of fixed term; 3) of temporary work; 4) of apprenticeship; 5) for project work; 6) of workplace sharing; 7) of work for several employers; 8) seasonal.
<b>REPRESENTATION OF EMPLOYEES</b>		
Labour Council	May be elected.	Mandatory if 20 or more employees in the company.
<b>REQUIRED DOCUMENTATION</b>		
Policy on personal data security	Not regulated in Labour Code.	Mandatory if more than 50 employees in the company.
Policy on equal opportunities	Not regulated in Labour Code.	Mandatory if more than 50 employees in the company.
Reports for new employees		Mandatory to submit report to new employee on essential work conditions and other provisions. Report to be submitted before starting work.
Remuneration system	Remuneration conditions, amounts, requirements for qualification, profession, work norms, tariffs, etc. set in Collective Agreements.	If no collective agreement concluded, remuneration system is mandatory when 20 and more employees work in the company.  The following information shall be set in Remuneration system: categories of employees under functions and qualification, payment forms and minimum-maximum remuneration, procedures of additional payments (bonuses), indexing of remuneration.

PROVISION	BEFORE 2017-07-01	SINCE 2017-07-01
<b>PAYROLL FEATURES</b>		
Minimum salary	Not limited	The minimum salary is allowed to pay only for unskilled jobs.
No changes in payment for bank holidays	Paid <b>at least double (2 )</b> employee's salary.	
Payment for overtime	Overtime must be paid <b>not less than one and a half (1,5)</b> employee's salary.	<ol style="list-style-type: none"> <li>1. Overtime must be paid <b>not less than one and a half (1,5)</b> employee's salary.</li> <li>2. Overtime on rest day, not set in the schedule, must be paid at least double (2) employee's salary.</li> <li>3. For overtime work on bank holidays - <b>not less than two and a half (2,5k.)</b> employee's salary.</li> </ol>
Compensation for working time on weekends and holidays	Time for working on weekends or bank holidays can be taken as another day off or additional day added to annual leave time. Employee's request in necessary.	Time for working on weekends or bank holidays is <b>multiplied by respective rates</b> (as listed above) and this time added to annual leave time. Employee's request in necessary.
No changes to payments for work on night time	Night work hours shall be paid <b>not less than one and a half (1,5)</b> employee's salary.	
Additional changes for payment for work on weekends and bank holidays		Management time worked on weekends and bank holidays as well as overtime hours are paid as usual working time (unless the parties agree otherwise).
<b>WORK AND REST TIME</b>		
Maximum working time	Including overtime, seven days should not exceed <b>48 hours</b> .	Including overtime and work on an agreement for extra work cannot be longer than <b>12 hours</b> per day and <b>60 hours</b> per week.

PROVISION	BEFORE 2017-07-01	SINCE 2017-07-01
<b>WORK AND REST TIME</b>		
Overtime	Overtime may not exceed <b>120 hours per year</b> .	Overtime may not exceed <b>180 hours per year</b> . Exception: the higher number of hours is agreed in a collective agreement
Annual leave	<b>28 days</b> per calendar year.	<b>20 working days</b> per year (if employee works 5 days a week). <b>24 working days</b> per year (if employee works 6 days a week).
Recalculation of unused vacation to calendar days	Accrued vacation will be converted by the ratio:  5-day working week: <b>5/7 * (the number of accumulated vacation calendar days)</b> ;  6-day working week: <b>6/7 * (the number of accumulated vacation calendar days)</b> .	
Payment for holidays	Holiday payment must be paid at least <b>3 calendar days prior</b> to the start of the annual leave, unless requested by employee differently.	Holiday payment must be paid no later than <b>the last working day before the start</b> of the annual leave unless requested by employee differently.
<b>SUMMARY WORKING TIME</b>		
Accounting period	Cannot exceed <b>4 months</b> .	Cannot-exceed <b>3 months</b> .
Working time schedule	Work schedules must be announced no later than <b>2 weeks prior</b> .	Work schedules must be announced no later than <b>7 days prior</b> .
Payment for overtime	If at the end of the accounting period there is overtime, they have to be paid <b>not less than one and a half (1,5)</b> employee's salary.	If at the end of the accounting period there is overtime, they have to be paid <b>not less than one and a half (1,5)</b> employee's salary or employee can request to add this time to the holiday, multiplied by (1,5).
Payment for idle hours	Payment for idle hours at no fault of employee must <b>not be less than two-thirds (2/3)</b> of the employee's salary average and cannot be less than the minimum wage.	If employee has worked less than a certain number of working hours, the employer must pay <b>half of the employee's salary (0,5)</b> for the idle hours.

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# Please feel free to contact us if you have questions:

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## Dr. Algirdas Miškinis

Head of tax and legal department

T +370 5 212 7856 #200

M +370 698 21699

E [algirdas.miskinis@lt.gt.com](mailto:algirdas.miskinis@lt.gt.com)

**Areas of expertise: commercial law, financial and banking law, tax law, competition law, criminal law (property crimes, crimes against the economy, the financial system, public service and public interests), corporate law, international trade law.**

Algirdas is a member of Tax Consultants Association, member of Lithuanian Business Confederation of the Tax Committee. He was a commission member and a chairman in Auditors Examination, a member of the Lithuanian National Radio and Television Committee, member responsible for financial supervision. International Commercial Arbitration Court at the Belarusian Chamber of Commerce and Industry as an arbitrator.



## Dovilė Aukštuolytė

Legal project manager

T +370 5 212 7856 #203

M +370 611 41110

E [dovile.aukstuolyte@lt.gt.com](mailto:dovile.aukstuolyte@lt.gt.com)

**Areas of expertise: competition law, Finance and Tax Law, corporate law, Intellectual property law, Real Estate law, public procurement, disputes.**

Attorney Dovile Aukstuolyte was the auditor's examination commission law exam assessor. She is also a member of Lithuanian Business Confederation of the tax committee. Dovile is responsible for Legal department projects and quality assurance.



## Kristina Mikučionienė

Payroll department manager

T +370 5 212 7856 #505

M +370 655 08022

E [kristina.mikucioniene@lt.gt.com](mailto:kristina.mikucioniene@lt.gt.com)

**Areas of expertise: payroll accounting, labour law.**

Kristina has 10 years of global payroll support and outsourcing services across multiple local and international clients. Since 2009 Kristina successfully manages and coordinates Grant Thornton Baltic UAB payroll department.

Kristina and her team performs all payroll accounting-related work, advises employees and employers on payroll accounting and filling personnel records, work-related taxes (PIT, social insurance) issues.

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