

***Consolidated text from 1 July 2017 to 31 December 2017***

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**REPUBLIC OF LITHUANIA  
LAW ON THE APPROVAL, ENTRY INTO FORCE AND IMPLEMENTATION OF  
THE LABOUR CODE**

14 September 2016 No XII-2603  
Vilnius

**Article 1. Approval of the Labour Code of the Republic of Lithuania**

By this Law, the Seimas of the Republic of Lithuania hereby approves the Labour Code of the Republic of Lithuania (hereinafter ‘the Labour Code’) (attached).

**Article 2. Entry into Force of the Law**

1. This Law, with the exception of Article 6(1) of this Law and Article 72(2) of the Labour Code, shall enter into force on 1 July 2017.

2. Article 72(2) of the Labour Code shall enter into force on 1 July 2018.

*Amendments to the Article:*

*No [XIII-130](#), 20 December 2016, published in the Register of Legal Acts on 28 December 2016, ID code 2016-29769*

*No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022*

**Article 3. Application of the Labour Code to Labour Relations**

Labour relations that existed on the day of entry into force of the Labour Code shall be subject to the provisions of the Labour Code, with the exception of the cases established in Article 6(6)–6(11) of this Law.

**Article 4. Validity of Other Laws and Other Legal Acts**

Other laws and other legal acts that were in force in the Republic of Lithuania on the day of entry into force of the Labour Code shall be valid insofar as they do not conflict with the Labour Code, except in cases where the Labour Code gives priority to the norms of other laws.

**Article 5. Repeal of Laws**

Upon the entry into force of this Law, the following shall be repealed:

- 1) Law No IX-926 on the Approval, Entry into Force and Implementation of the Labour Code of the Republic of Lithuania, with all of its amendments and supplements;
- 2) Republic of Lithuania Law No IX-2500 on Work Councils, with all of its amendments and supplements;
- 3) Republic of Lithuania Law No XI-1379 on Recruitment through Temporary Employment Agencies, with all of its amendments and supplements;
- 4) Republic of Lithuania Law No X-199 on Guarantees for Posted Workers, with all of its amendments and supplements;
- 5) Republic of Lithuania Law No I-1214 on the Establishment of Late Fees for Payments Related to Labour Relations, with all of its amendments and supplements.

**Article 6. Implementation and Application of the Law**

1. Prior to entry into force of the Labour Code, the Government of the Republic of Lithuania or institutions authorised thereby, the Minister of Social Security and Labour of the Republic of Lithuania and other institutions referred to in this Law shall adopt implementing legislation for the Labour Code approved by this Law, with the exception of the implementing legislation referred to in Article 72(2) of the Labour Code, which the Government of the Republic of Lithuania or institutions authorised thereby shall adopt by 1 January 2018.

*Amendments to a paragraph of the Article:*

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

2. Short-term contracts concluded prior to the entry into force of the Labour Code shall continue to have effect and shall be subject to the provisions of fixed-term employment contracts.

3. Employment contracts on secondary duties concluded prior to the entry into force of the Labour Code shall continue to have effect and shall be subject to the provisions of fixed-term or open-ended employment contracts.

4. Remote work contracts concluded prior to the entry into force of the Labour Code shall continue to have effect and shall be subject to the provisions of fixed-term or open-ended employment contracts and the provisions of the Labour Code regulating remote work.

5. From the entry into force of the Labour Code, several employment contracts concluded by one employer with the same employee shall remain in force by establishing the main employment contract and agreeing on additional job functions; these contracts shall be subject to the provision of the Labour Code regulating agreements on additional work. If the parties do not

establish the main or additional job function, the main function shall be considered to be the one that was agreed on first.

6. If, prior to the entry into force of the Labour Code, an employee was given written notification of termination of the employment contract or personally gave a written notice or request for the employment contract to be terminated without any fault on the part of the employee, he or she shall be dismissed in accordance with the provisions that were effective prior to the entry into force of the Labour Code.

7. If a complaint or request to settle an individual labour dispute or a lawsuit regarding the implementation of labour rights was filed prior to the entry into force of the Labour Code, the complaint or request shall be resolved in accordance with the provisions that were effective prior to the entry into force of the Labour Code.

8. From the entry into force of the Labour Code, annual leave entitlements (including extended and additional leave) acquired prior to the entry into force of the Labour Code shall be granted in working days by granting five working days of annual leave for every seven calendar days of leave (for a five-day work week), or six working days for every seven calendar days (for a six-day work week). If recalculating unused annual leave from calendar days to working days results in a partial day of leave, said will be counted as a full day. Employees who, prior to the entry into force of the Labour Code, have unused annual leave for more than three years of employment, shall be entitled to use it by 1 July 2020.

*Amendments to a paragraph of the Article:*

No [XIII-130](#), 20 December 2016, published in the Register of Legal Acts on 28 December 2016, ID code 2016-29769

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

9. Disciplinary procedures initiated prior to the entry into force of the Labour Code shall be completed in accordance with the provisions that were effective prior to the entry into force of the Labour Code.

10. Except in the case specified in Article 169(3) of the Labour Code, employers who, on the day of entry into force of the Labour Code, have an average number of employees of twenty or more, shall, within six months of entry into force of the Labour Code, form a commission for the election of a work council in accordance with the procedure established in Article 171 of the Labour Code. Until the work council is elected and begins to operate in the procedure established by the Labour Code, the rights provided for in the Labour Code regarding information, consultation and other employee participation in decision-making shall continue to be implemented by the employer-level trade union or the joint representation of employer-level trade unions.

*Amendments to a paragraph of the Article:*

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

11. Collective agreements concluded prior to the entry into force of the Labour Code shall be valid in accordance with the provisions of the legislation in force prior to the entry into force of this Law, but no longer than until 1 January 2019.

*Amendments to a paragraph of the Article:*

No [XIII-130](#), 20 December 2016, published in the Register of Legal Acts on 28 December 2016, ID code 2016-29769

12. Full material liability contracts concluded prior to the entry into force of the Labour Code shall become void once this Law enters into force.

*Supplement of a paragraph to the Article:*

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

13. The State Labour Inspectorate under the Ministry of Social Security and Labour of the Republic of Lithuania shall monitor implementation of the Labour Code and, by the 31<sup>st</sup> of December of 2019 and each subsequent year, shall submit a certificate on Labour Code implementation monitoring and assessment of the results achieved to the Government of the Republic of Lithuania and the Seimas of the Republic of Lithuania in which the positive and negative consequences of implementation of the Labour Code and legislative acts related to its implementation are indicated (the number and classification of infringements (including violations of working time record-keeping, information and consultation and remuneration standards); the number of dismissals according to the grounds for dismissal; the number, subject and outcome of labour disputes on law investigated by labour dispute commissions; the number of lawsuits filed in court regarding labour disputes on law; the number of fixed-term employment contracts; the number of companies using annualised hours; the number of employer requests to grant consent to terminate employment contracts with individuals carrying out employer-level employee representation on the initiative of the employer or the will of the employer and requests to make the indispensable terms of an employment contract worse than the previous indispensable employment contract terms or than the indispensable employment contract terms of other employees of the same category, as well as the number of said requests that were satisfied; the number of employee representatives in companies) and proposals on improvement of the Labour Code and other laws related to its implementation are presented.

*Amendments to a paragraph of the Article:*

No [XIII-130](#), 20 December 2016, published in the Register of Legal Acts on 28 December 2016, ID code 2016-29769

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

14. The Tripartite Council of the Republic of Lithuania that functioned prior to the entry into force of the Labour Code shall continue its activities in accordance with the provisions of

the legislation in force prior to the entry into force of this Law, but no longer than until 1 July 2018.

*Amendments to a paragraph of the Article:*

No [XIII-130](#), 20 December 2016, published in the Register of Legal Acts on 28 December 2016, ID code 2016-29769

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-414](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10022

*I hereby promulgate this Law passed by the Seimas of the Republic of Lithuania.*

President of the Republic

Dalia Grybauskaitė

APPROVED  
by Law No XII-2603  
of 14 September 2016  
of the Republic of Lithuania

**LABOUR CODE  
OF THE REPUBLIC OF LITHUANIA**

**PART I  
GENERAL PROVISIONS**

**CHAPTER I  
LABOUR LAW STANDARDS AND THE SOCIAL RELATIONS REGULATED  
THEREBY**

**Article 1. The Purpose of the Labour Code of the Republic of Lithuania and the  
Social Relations Regulated Thereby**

1. The Labour Code of the Republic of Lithuania (hereinafter 'the Code') shall regulate the individual employment relations that arise upon concluding an employment contract in accordance with the procedure established by this Code.

2. This Code shall also regulate social relations related to individual employment relations (relations prior to conclusion and after termination of an employment contract, collective labour relations, relations which arise in settling disputes between participants in labour relations, relations related to observation and supervision of the law, etc.).

3. In the cases established by this Code and other laws of the Republic of Lithuania, this Code shall also regulate social relations regulated by other laws which arise in the implementation of professional, official, creative, or other activities by individuals.

4. The provisions of this Code are harmonised with the provisions of the European Union legal acts specified in the Annex to this Code.

**Article 2. The Principles of Legal Regulation of Labour Relations**

1. Labour relations shall be regulated in accordance with the principles of legal certainty, the protection of legitimate expectations and comprehensive defence of labour rights, the provision of safe and healthy working conditions, stability of labour relations, freedom to choose a job, fair remuneration for work, equality for the subjects of labour law regardless of their

gender, sexual orientation, race, nationality, language, origin, social status, faith, intention to have a child/children, marital and family status, age, convictions or views, political affiliation, or circumstances unrelated to the employees' professional qualities, freedom of association, free collective bargaining and the right to take collective action.

2. The legal relations of individual labour law institutions shall also be regulated in accordance with other labour law principles.

### **Article 3. Sources of Lithuanian Labour Law**

1. Labour law provisions are established by the Constitution of the Republic of Lithuania, this Code, other laws regulating labour relations, European Union legislation, treaties of the Republic of Lithuania, resolutions of the Government of the Republic of Lithuania and regulatory acts of other state institutions, collective agreements, arrangements between the employer and work councils, and other local regulatory acts.

2. If there are contradictions between this Code and other laws, the provisions of this Code shall apply except for cases where this Code gives priority to the provisions of other laws.

3. In implementing European Union legislation, provisions regulating labour relations may be established in other laws that differ from those established by this Code.

4. Treaties of the Republic of Lithuania shall only be directly applied to labour relations when the direct application of the provisions of the treaty arises from this treaty.

5. Resolutions of the Government of the Republic of Lithuania and regulatory acts of other state institutions may only regulate labour relations to the extent established by this Code.

6. The regulatory provisions of collective agreements and employer–work council arrangements shall establish the mutual rights and obligations of the employers and the employees within their scope of application and shall be mandatory for them.

7. In the cases and procedure established by this Code and other laws, as well as in exercising the right to organise the work of subordinate employees arising from the employment contract, the employer may adopt local regulatory acts which would regulate the procedure or working conditions for all or part of the employees at the workplace.

8. The provisions of employer–work council arrangements, local regulatory acts, resolutions of the Government of the Republic of Lithuania and regulatory acts of other state institutions may not make the situation of the employees worse than that established by this Code and law, aside from the exceptions established by these legislative acts. If an arrangement between the employer and the work council, a local regulatory act, or a regulatory act of the Government of the Republic of Lithuania or other state institution is in conflict with the provisions of this Code or the law, the provisions of this Code or the law shall be applicable.

9. The employer must publish, in the ways that are accustomed at the workplace, the local regulatory acts, arrangements between the employer and the work council, and valid collective agreements that are applicable at the workplace.

#### **Article 4. Labour Law Provisions and the Provisions of Other Branches of Law**

1. Labour relations not regulated by labour law provisions shall be subject to the provisions of labour law regulating similar relations.

2. Legal provisions regulating civil relations and the principles of civil law may only be applied to labour relations if there is a legal gap and doing so does not contradict the essence of the legal regulation of labour relations.

3. Special legal provisions, i.e. provisions establishing exceptions to general rules, may not be applied by analogy.

#### **Article 5. Principles for the Interpretation of Labour Law Provisions**

1. In order to ensure the consistency of this Code and compatibility of its structural parts, the applicable provisions of this Code shall be interpreted with regard to the system and structure of this Code.

2. The words and combinations of words that are used in labour law provisions shall be interpreted according to their general meaning, except in cases where it is clear from the context that the word or combination of words is being used in the special sense – legal, technical or other. If the general and special meanings of a word differ, preference shall be given to the special meaning of the word.

3. In determining the true meaning of an applicable provision, the goals and objectives of this Code and the provision being interpreted shall be taken into account.

#### **Article 6. Interpretation of Agreements that Regulate Labour Relations**

1. The provisions of employment contracts, collective agreements and arrangements shall be interpreted with regard to the principles of the legal regulation of labour relations (Article 2 of this Code).

2. Where there is doubt about the conditions of agreements regulating labour relations, said shall be interpreted in favour of the employees.

*Amendments to the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

#### **Article 7. Term of Validity for Labour Law Provisions**

1. Only the labour law provisions adopted and promulgated in the procedure established by law shall be valid.

2. Labour law provisions have no retroactive effect.

### **Article 8. Scope of Application of Lithuanian Labour Law Provisions**

1. Lithuanian Labour Law Provisions shall apply to labour relations and to the relationships related to the implementation and protection of labour rights that arise, change, expire, or are being pursued in the territory of the Republic of Lithuania, except for the rules established in this Code, other laws, European Union legislation or treaties of the Republic of Lithuania.

2. The law applicable to labour relations of an international nature shall be established by this Code or other laws, European Union legislation or treaties of the Republic of Lithuania.

## **CHAPTER II**

### **THE LAW APPLICABLE TO LABOUR RELATIONS OF AN INTERNATIONAL NATURE**

#### **Article 9. The Law Applicable to Labour Relations with Posted Workers**

1. The labour law provisions of the Republic of Lithuania shall apply to employment relations with an employee assigned to temporarily work abroad by an employer who is under the jurisdiction of the Republic of Lithuania insofar as they are not regulated by the mandatory provisions of the foreign country to which the employee is posted. The specifics of the working conditions of employees posted to a foreign country shall also be established by other provisions of this Code.

2. The law applicable to the employment contract of an employee temporarily assigned to work in the territory of the Republic of Lithuania by an employer who is under the jurisdiction of a foreign country shall be applicable to the employee to the extent that his or her work is not regulated by mandatory labour law provisions of the Republic of Lithuania.

3. Laws and other legal acts, and/or collective agreements or arbitration decisions which have been declared as universally applicable and which, in accordance with the legislation of the country of the applicable law, may not be deviated from by agreement of the parties, shall be considered to be mandatory provisions.

#### **Article 10. Regulation of Labour Relations at Diplomatic Missions and Consular Offices in Lithuania**

1. Labour relations with the representative office of an international organisation, foreign country or administrative unit thereof performing diplomatic or consular functions in Lithuania shall be regulated by the law selected by the parties to the employment contract. If the parties to the employment contract did not select a labour law, the law of the country with which the employment relations are more closely related according to the essence of the contract and the circumstances of its conclusion and implementation shall apply.

2. Employment relations between a natural person under the jurisdiction of the Republic of Lithuania who is acting as an employee and an employee of a representative office located in Lithuania as specified in paragraph 1 of this Article who is concluding an employment contract to meet his or her own needs or that of his or her family shall be regulated by the labour law provisions of the Republic of Lithuania, unless the parties to the employment contract have agreed otherwise.

#### **Article 11. Regulation of Labour Relations on Means of Water, Air and Road Transport**

1. Labour relations on ships shall be regulated by the labour law provisions of the Republic of Lithuania if these ships sail under the flag of the Republic of Lithuania.

2. Labour relations on aircraft shall be regulated by the labour law provisions of the Republic of Lithuania if these aircraft carry the nationality mark of the Republic of Lithuania, except in cases when an aircraft is temporarily transferred for use without a crew to an entity under the jurisdiction of a foreign country.

3. Labour relations on road vehicles crossing the borders of at least two countries shall be determined according to the registered location of the employer using the vehicle for operational purposes.

#### **Article 12. The Law Applicable to Individual Employment Relations**

1. If individual employment relations involve more than one country, the parties to the employment contract may select the law that will be applied to all labour relations or to separate aspects thereof.

2. If the parties to the employment contract do not select the law that will be applied to employment relations, said shall be subject to the law of the country where the work is regularly performed under the employment contract. If the employee does not work regularly in a single country, the law of the country where the employer providing assignments to the employee or workplace thereof is located shall apply.

3. The rules established in paragraph 2 of this Article shall not apply if the employment relations are more closely related to another country according to the essence of the employment contract and the circumstances of its conclusion and implementation.

4. If the parties to the employment contract select the law applicable as established in paragraph 1 of this Article, this selection shall not negate application of the mandatory rules of the country whose law would have been applied on the basis of paragraphs 2 and 3 of this Article.

5. The law of another country shall not apply if the application thereof would be in conflict with the public order established by the Constitution of the Republic of Lithuania, this Code and other laws. In this case, the labour law provisions of the Republic of Lithuania shall apply.

### **Article 13. The Law Applicable to Collective Labour Relations**

1. The procedures of information, consultation and other employee participation in the employer's decision-making process shall be subject to the law of the country where the employer or the employer's workplace where these procedures are being performed is located.

2. The establishment and activities of trade unions shall be regulated by the law of the country in which they are established, while the legal status of other employee representatives shall be regulated by the law of the country in which they operate in their area of competence, except for cases when laws establish additional rights for them.

3. The conclusion, application and validity of a collective agreement or arrangement between an employer and employee representatives shall be subject to the national law of the country of registration of the employer or employers' organisation unless otherwise agreed by the parties to the agreement.

4. The lawfulness of collective actions in collective labour disputes shall be established according to the law of the country of the site of said actions (acts or omissions).

## **CHAPTER III**

### **TERMS**

#### **Article 14. The Definition of a Term and the Calculation of Terms**

1. The term established by labour law provisions, an employment contract, or a labour dispute body shall be defined by a calendar date or a certain period of time. The term may also be defined by referencing an event that should inevitably occur.

2. A term defined by a certain period of time shall begin the day after the calendar date or event that its commencement is defined by.

3. Terms defined by years, months or weeks shall end on the corresponding day of the year, month or week. If a term defined in months ends during a month that does not have a corresponding day, the term shall end on the last day of that month. If it is not possible to determine the exact month that a term calculated in years began or the exact day that a term calculated in months began, the last day of the term shall be deemed the 30<sup>th</sup> of June of the year or the 15<sup>th</sup> day of the month accordingly.

4. A term defined in weeks or calendar days shall include days off (Saturdays and Sundays) and holidays. If the last day of a term falls on a day off or a holiday, the next working day shall be deemed the day of the end of the term. A term defined in days shall be calculated in calendar days unless laws establish otherwise.

5. If a term is established to perform a certain action, said action may be performed by midnight of the last day of the term. Written requests, applications, notifications or documents delivered to the post office or other communications establishment or sent using information technology in an agreed or regulated manner by midnight of the last day of the term shall be deemed to have been sent out in due time.

6. If an action has to be performed at the workplace with the individual physically present, the term for the performance of the action shall end at the time that the administration of the workplace finishes work, provided that labour law provisions or an arrangement between the parties does not establish otherwise.

### **Article 15. Limitation of Actions**

1. Limitation of actions is the statutory period of time (term) during which an individual can defend his or her infringed rights by filing a lawsuit or submitting a request to settle a labour dispute.

2. The general limitation period for the relations regulated by this Code shall be three years, provided that this Code and other laws do not establish shorter limitation periods for individual claims.

3. Limitation of actions shall not apply to claims of a non-material nature to defend the honour and dignity of an employee, and shall also not apply to compensation of non-material damages related to personal injury or deprivation of life. Laws may also establish that limitation of actions shall also not apply to certain other claims.

4. The calculation and application of limitation of actions shall be subject to the provisions of the Civil Code of the Republic of Lithuania and the Code of Civil Procedure of the

Republic of Lithuania, provided that this Code or other laws do not establish special provisions for the application of limitation of actions.

#### **Article 16. Procedural Time Limits and Time Bars**

1. The procedural time limits established in labour laws shall be subject to the provisions of the Code of Civil Procedure of the Republic of Lithuania concerning the application and calculation of said terms, aside from the exceptions established by this Code and other laws.

2. If this Code does not establish otherwise, a missed procedural time limit may be renewed by the party or institution applying it if said recognises that the time limit was missed for valid reasons. The individual who missed the time limit must be informed about the decision taken on this issue within five working days of the decision being taken. An employer's refusal to renew a missed procedural time limit may be appealed in the procedure established to settle labour disputes on rights.

3. If this Code or other laws establish an extinctive time limit, the right of the party to exercise or defend the right granted thereto by this Code or other law shall expire once it ends.

### **CHAPTER IV DEFENCE OF LABOUR RIGHTS**

#### **Article 17. Defence of Labour Rights Through Labour Dispute Resolution Bodies**

The rights granted by labour law provisions in the procedure established by this Code and other laws shall be defended through labour dispute resolution bodies and in court.

#### **Article 18. Defence of Labour Rights by Administrative Procedure**

Execution of this Code and other labour law provisions, in accordance with the competence established by legal acts, shall be controlled, and prevention of violations thereof shall be carried out, by the State Labour Inspectorate of the Republic of Lithuania under the Ministry of Social Security and Labour (hereinafter 'the State Labour Inspectorate') and other institutions.

#### **Article 19. Defence of Labour Rights through Employee and Employer Representatives**

1. In accordance with the procedure established by this Code and other laws, the rights and interests of employees and employers shall be defended and represented by their representatives in collective labour relations.

2. The competence and procedure for its implementation of trade unions, work councils, employee trustees and employers' organisations shall be established by this Code, other laws, collective agreements, employer–work council arrangements and other labour law provisions.

### **Article 20. Liability**

Liability for non-fulfilment or improper fulfilment of the rights and obligations established in this Code shall be established by this Code, other laws and other labour law provisions, as well as contracts and arrangements between the parties to the labour relationship.

## **PART II**

### **INDIVIDUAL EMPLOYMENT RELATIONS**

#### **CHAPTER I**

#### **THE PARTIES TO AN EMPLOYMENT CONTRACT AND THEIR COMMON DUTIES**

### **Article 21. The Parties to an Employment Contract**

1. The parties to an employment contract are the employee and the employer.
2. The employee is a natural person who undertakes to perform a job function for remuneration according to an employment contract with an employer. A person who possesses working capacity (the ability to have employment rights and obligations) and legal capacity (the ability to acquire employment rights and create employment obligations through one's own actions) can be an employee. An employee shall acquire working and legal capacity at the age of 16, aside for the exceptions established by law.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. The employer is a person for whose benefit and under subordination of whom, by an employment contract, a natural person has undertaken to perform a job function for remuneration. An employer can be a juridical person under the jurisdiction of the Republic of Lithuania who has working capacity and legal capacity, a division (branch, representative office) of a juridical person or other organisation under the jurisdiction of a foreign country that is registered in the territory of the Republic of Lithuania, or a natural or juridical person, other organisation, division (branch, representative office) of a juridical person or other organisation, or group of such persons under the jurisdiction of a foreign country. An employer who is a juridical person shall acquire working capacity and legal capacity from the moment of its establishment, unless the legal acts regulating its activities establish a later date of establishment.

An employer may also be a natural person. The working capacity and legal capacity of an employer who is a natural person shall be regulated by the Civil Code of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4. An employer can have one or several workplaces, i.e. structural/organisational units (branches, representatives offices or other structural, industrial, commercial or other operational divisions) carrying out the activities of the employer where the employer's employees perform their job functions. If a juridical person has several workplaces, said juridical person is considered to be the employer, with the exception of a division (branch, representative office) of a juridical person or organisation under the jurisdiction of a foreign country that is registered in the territory of the Republic of Lithuania, which in this case is considered to be the employer.

5. Employers may execute their rights and obligations to the employee through their legal representative or authorised persons.

#### **Article 22. The Procedure for Determining the Average Number of Employees**

1. The average number of employees shall be determined and applied in the cases and for the purposes established by this Code and other labour law provisions.

2. An employer's average number of employees is the number of employees bound with the employer by valid employment relations for more than three months. This number of employees shall include the employees of all branches, representative offices, structural/organisational divisions and other workplaces of an employer who is a juridical person that are located in the territory of the Republic of Lithuania. The average number of employees shall include temporary agency employees who have worked for the employer for more than three months.

3. The average number of employees at a workplace is the number of employees working at the workplace who are bound with the employer by valid employment relations for more than three months.

4. The rules for determining the average number of employees for an employer or a workplace shall be approved by the Minister of Social Security and Labour of the Republic of Lithuania.

#### **Article 23. Provision of Information on the Condition of Labour Relations**

1. In accordance with the procedure established by this Code, other laws, and other labour law provisions, an employer must provide information about employees and their terms of employment or other aspects of labour relations to the competent authorities specified therein.

2. An employer who has an average number of employees of more than 20 must, upon the request of the work council or in the absence thereof – the employer-level trade union, provide information that is updated at least once per year:

1) depersonalised data on the average remuneration of employees, with the exception of employees holding managerial positions, by occupational group and gender, provided that there are more than two employees in the occupational group;

2) information that is required to be published by law, collective agreements and employer–work council arrangements.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 24. Implementation of the Principles of Good Faith and Cooperation**

1. In implementing their rights and fulfilling their duties, employers and employees must act in good faith, cooperate, and not abuse the law.

2. The implementation of labour rights and fulfilment of duties should not violate the rights or legally protected interests of other persons.

3. Each party must implement its rights and obligations in such a way that the other party can defend its rights while incurring the least time and other expenditures possible.

4. The employee must use the work equipment that belongs to the employer for work purposes, except in cases where the parties to the employment contract agree on the procedure and conditions for using the employer's equipment for other purposes.

5. Each of the parties must avoid conflicts of interest and strive for the common good of the employer and employee or all employees, sustainable development of labour relations, and defence of the lawful interests of the other party to the employment contract.

6. If one party fails to fulfil or improperly fulfils the duties established in this Article, the other party has the right to receive damages or to demand that its rights be defended in other manners.

#### **Article 25. Correct Provision of Information and Protection of Confidential Information**

1. The parties to an employment contract must inform one another in a timely manner about any circumstances that may have a significant impact on the conclusion, implementation

or termination of the contract. This information must be provided correctly, free of charge, and within reasonable time limits established by the parties to the employment contract.

2. The documents (notices, requests, consent letters, objections, etc.) and other information submitted by one party to an employment contract to the other party to the employment contract in the cases established by this Code, other labour law provisions or agreements must be presented in writing. Cases when data is transmitted via standard information technology tools (electronic mail, mobile devices, etc.) shall be considered to be proper provision of document and information in writing provided that it is possible to identify the content of the information, the person who transmitted it, and the fact and time of its transmission, and that reasonable opportunities to save it are created. If a party to an employment contract expresses reasonable doubt regarding the existence of both of these conditions, the employer must prove that they were created.

3. The employment contract and labour law provisions must be set out in Lithuanian or in Lithuanian and another language acceptable to the parties to the contract.

4. In the cases specified in paragraphs 1 and 2 of this Article, the information must be transmitted in Lithuanian. Translations into one or more languages may be attached thereto.

5. The duty to protect confidential information (information that is considered to be a commercial/industrial, professional, state or service secret) and responsibility for the violation thereof shall be regulated by laws. In accordance with the procedure established by this Code, the parties to an employment contract may conclude additional agreements on the protection of confidential information.

#### **Article 26. Employee Gender Equality and Non-Discrimination on Other Grounds**

1. The employer must implement the principles of gender equality and non-discrimination on other grounds. This means that in an employer's relations with employees, any direct or indirect discrimination, harassment, sexual harassment or instruction to discriminate on the grounds of gender, race, nationality, language, origin, social status, age, sexual orientation, disability, ethnic affiliation, political affiliation, religion, faith, convictions or views, except for cases concerning a person's professed religion, faith or convictions for those working in religious communities, societies or centres, provided that the requirement for the employee regarding his or her professed religion, faith or convictions, in view of the ethos of the religious community, society or centre, is normal, lawful and justifiable, or intention to have a child/children, or due to circumstances unrelated to the employees' professional qualities or on other grounds established by laws, shall be prohibited.

2. In implementing the principles of gender equality and non-discrimination on other grounds, the employer, irrespective of gender, race, nationality, language, origin, social status, age, sexual orientation, disability, ethnic affiliation, political affiliation, religion, faith, convictions or views, except for cases concerning a person's professed religion, faith or convictions for those working in religious communities, societies or centres, provided that the requirement for the employee regarding his or her professed religion, faith or convictions, in view of the ethos of the religious community, society or centre, is normal, lawful and justifiable, or intention to have a child/children, or due to circumstances unrelated to the employees' professional qualities or on other grounds established by laws, must:

- 1) apply equal selection criteria and conditions when hiring employees;
- 2) create equal working conditions and opportunities to improve qualification, pursue professional development, retrain and acquire practical work experience, and also provide equal benefits;
- 3) use equal work evaluation criteria and equal criteria for dismissal from work;
- 4) pay the same remuneration for the same work or work of the same value;
- 5) take measures to ensure that at the workplace, the employee does not experience harassment or sexual harassment and no instructions are given to discriminate, and also that the employee is not subject to persecution and is protected from hostile treatment or adverse consequences if he or she files a complaint concerning discrimination or is involved in a case concerning discrimination;
- 6) take appropriate measures for conditions to be created for people with disabilities to get a job, work, pursue a career or learn, including the adequate adaptation of premises, provided that the duties of the employer are not disproportionately burdened by said measures.

3. The specifics of the implementation of the principles of gender equality and non-discrimination on other grounds may be established by other laws and other labour law provisions.

4. In settling cases on pay discrimination, compensation for work shall be deemed as remuneration or any other pay, including pay in cash or in kind, which the employee receives for his or her work from the employer, either directly or indirectly.

5. In settling cases on gender equality and non-discrimination on other grounds related to labour relations, it shall be the duty of the employer to prove that there was no discrimination if the employee specifies circumstances from which it may be presumed that the employee experienced discrimination.

6. An employer who has an average number of employees of more than 50 must adopt and publish, in the ways that are accustomed at the workplace, the measures for implementation

of the principles for the supervision of the implementation and enforcement of the equal opportunities policies.

### **Article 27. Protection of the Employee's Personal Data and Right to Private Life**

1. The employer must respect the employee's right to private life and ensure the protection of the employee's personal data.

2. It is forbidden for the employer to process an employee's non-work-related (superfluous) personal data or to give an employee's personal data to third parties, except in the cases established by law.

3. Employees must be familiarised with the procedure for the use of information and communication technologies and for the monitoring and control of employees at the workplace.

4. As the employer exercises the rights of ownership or control of the information and communication technologies used at the workplace, the confidentiality of the employee's personal communication may not be infringed upon.

5. Video surveillance and sound recording may be carried out at the workplace when, due to the specifics of the work, said is necessary to ensure the safety of persons, assets or the public, as well as in other cases when other methods or measures are insufficient and/or inappropriate to achieve the aforementioned goals, but with the exception of cases where the direct aim is to control the quality and scale of the work. Notification of video surveillance and sound recording at a specific workplace location shall be made by displaying a visual sign in a visible place.

6. The legal protection of an employee's personal data and the specifics of the implementation of the right to private life may be established by laws and other labour law provisions.

7. An employer who has an average number of employees of more than 50 must adopt and publish, in the ways that are accustomed at the workplace, an employee personal data protection policy and measures for the implementation thereof.

### **Article 28. Respect for the Employee's Family Obligations**

1. The employer must take measures to help the employee to fulfil his or her family obligations.

2. In the cases established in this Code, employee requests related to the fulfilment of family obligations must be considered and given a motivated written response to by the employer.

3. An employee's behaviour and actions at work should be evaluated by the employer in an effort to practically and comprehensively implement the principle of work–family harmony.

**Article 29. Respect for the Employee's Pursuit of Professional Development**

1. The employer must train the employee insofar as is necessary for him or her to perform his or her job function.

2. The employer must take measures to increase the qualifications and professionalism of employees, as well as their ability to adapt to changing business, professional or working conditions. For this purpose, in the cases and procedure established in this Code, labour law provisions or mutual agreements, the employer shall create conditions for the employee to learn, improve qualification, and pursue professional development.

**Article 30. Protection of the Honour and Dignity of Employees**

1. The employer must create a work environment in which the employee or group thereof will not be subject to hostile, unethical, demeaning, aggressive, insulting or offensive actions which encroach on the honour and dignity of an individual employee or group thereof or the physical or psychological integrity of an individual, or which are aimed at intimidating, belittling or pushing an employee or group thereof into an unarmed or powerless situation.

2. The employer shall take all necessary measures to ensure the prevention of psychological violence in the work environment and to provide assistance to persons who have experienced psychological violence in the work environment.

**Article 31. Protection of Material and Non-Material Interests**

1. The employer must create conditions for the employee to perform the job function and provide the employee with the work equipment or property required. The parties to an employment contract may agree that during work, the employee will use his or her own equipment or property, except for the personal protection equipment that must be provided to the employees by the employer. In this case, a payment shall be agreed upon to compensate the employee for the use of his or her own equipment or property.

*Amendments to a paragraph of the Article:*

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2. The employee must protect the material and non-material rights of the employer. The employee must use the work equipment, property and funds provided by the employer frugally and in accordance with their intended purpose. The employer has the right to establish a procedure for the use of work equipment, property or funds that belong to the employer and are provided to an employee, as long as the rights of the employee established in this Code and other laws are not infringed upon.

3. A notification to a state or municipal institution or establishment concerning violations of labour or other legal provisions committed by the employer or an application to a relevant labour dispute resolution body regarding the defence of violated rights or interests may not be considered actions that infringe upon the material or non-material interests of the employer. An employee cannot be persecuted for this and measures that infringe upon the interests of the employee cannot be applied thereto.

4. Employee innovations to improve the employer's activities and measures for the effective use of property or funds should be encouraged. The conditions of remuneration for them and the forms of encouragement shall be established in labour law provisions and agreements between the parties to the employment contract. Copyrighted works created by an employee must be protected and compensation for their use must be provided in accordance with the procedure established in laws and agreements.

## **CHAPTER II**

### **THE CONCEPT OF THE EMPLOYMENT CONTRACT AND EMPLOYMENT CONTRACT TERMS**

#### **SECTION ONE**

#### **THE CONCEPT OF THE EMPLOYMENT CONTRACT AND CONTENTS THEREOF. INDISPENSABLE EMPLOYMENT CONTRACT TERMS**

##### **Article 32. The Concept of the Employment Contract**

1. The employment contract is an agreement between the employee and the employer by which the employee undertakes to perform a job function for the benefit and under the subordination of the employer, and the employer undertakes to pay remuneration therefor.

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2. Subordination to the employer shall mean the performance of a job function when the employer has the right to control or manage either the entire work process or part thereof, and the employee obeys the instructions of the employer and the procedures in force at the workplace.

3. In carrying out a job function, the commercial, financial or industrial threat that arises falls to the employer.

##### **Article 33. The Content of an Employment Contract**

1. The terms of an employment contract are either indispensable or supplementary.
2. Indispensable employment contract terms are the terms (the job function, conditions of remuneration and workplace) that, once agreed upon, result in the employment contract being deemed as concluded.
3. Supplementary employment contract terms are the terms of employment established by agreement of the parties to the employment contract which concretize labour law provisions or consolidate an agreement of the parties to the employment contract on work that does not contradict them. These terms do not have to be agreed upon by employment contract, but they shall become obligatory for the parties to the employment contract once agreed upon.
4. The mandatory rules established in this Code or other labour law provisions may be deviated from in an employment contract which establishes a monthly salary of at least two average national monthly gross wages as last published by Statistics Lithuania, with the exception of rules related to maximum working time and minimum rest time, the conclusion and termination of the employment contract, minimum wage, safety and health at work, and gender equality and non-discrimination on other grounds, provided that a balance between the interests of the employer and the employee is achieved by the employment contract. Disputes on the lawfulness of such agreements shall be settled in the procedure established to settle labour disputes on rights. If it is established that a term of an employment contract contradicts the mandatory rules established in this Code or other labour law provisions, or that a balance between the interests of the employer and the employee is not achieved by an employment contract, then the term of the employment contract may not be applied, and the rule of this Code or labour law provisions shall apply. In any case, a term of an employment contract may improve the employee's situation compared to that established in this Code or other labour law provisions.
5. The parties may not conclude agreements of a civil nature regarding implementation of the rights and obligations established in this Code. Such agreements shall be subject to labour law provisions.
6. Disputes regarding the validity of employment contract terms, the implementation or improper implementation thereof, or damages shall be settled in the procedure established by this Code for the settlement of labour disputes on rights.

#### **Article 34. Indispensable Employment Contract Terms**

1. Each employment contract must contain an agreement on the job function, remuneration, and workplace.

2. The performance of any actions, services or activities as well as work of a certain profession, speciality or qualification can be deemed a job function. The job function shall be defined in the employment contract, job regulations or work (activity) description. At the request of the employee, information about the content of the agreed job function and its scope (job standard) or the requirements for the job function must be provided by the employer in writing within five working days from the day of the employee's request being presented to the employer.

3. In the employment contract, the parties shall establish the remuneration per month (monthly wage) or working hour (hourly rate), which cannot be lower than the minimum monthly wage or the minimum hourly rate approved by the Government of the Republic of Lithuania. The parties to the employment contract may also agree upon extra pay, allowances, bonuses or other additional payments according to various remuneration systems.

4. The employer and the employee shall also agree on the workplace where the employee will perform his or her job function. The location where the job function is performed may differ from the location of the workplace. If an employee does not have a place for the performance of the main job function or if it is not permanent, the employee's workplace shall be considered to be the workplace from which the employee receives instructions.

## **SECTION TWO**

### **SUPPLEMENTARY EMPLOYMENT CONTRACT TERMS**

#### **Article 35. Agreement on Additional Work**

1. By an agreement on additional work which shall become a part of the employment contract, the parties to the employment contract may agree on the performance of an additional job function that was not previously agreed upon in the employment contract. These activities may be performed during time outside of performance of the main job function (agreement on the combination of job functions) or at the same time as the main job function (agreement on the alignment of job functions), or project work may be agreed upon (agreement on project work). An agreement on project work, *mutatis mutandis*, shall be subject to the specifics of the project-based employment contract established in this Code.

2. The parties to an employment contract also have the right to agree on exchange of the main job function and the additional job function for either a specific or indefinite period of time.

3. In implementing agreements on additional work, the maximum working time and minimum rest period requirements established by this Code and other labour law provisions may not be infringed upon.

4. The agreement on additional work must specify when the additional job function will be performed, its scope in terms of working hours, and the remuneration or allowance for the additional work or other.

5. An agreement on additional work may be terminated by one party to the employment contract by notifying the other party to the employment contract thereof in writing, five working days in advance. Upon termination of the employment contract for the main job function, the agreement on additional work shall also expire unless the parties to the employment contract agree otherwise.

6. In the event of a conflict between the main and additional job functions, the employee must give priority to the main job function unless the employer establishes otherwise.

7. If, in carrying out the additional job function provided for in an agreement on the combination of job functions, the employee consequently becomes entitled to exercise additional rights or duties established in this Code or other labour law provisions (longer rest hours, shorter working hours, leave, etc.), said shall only be applicable to the employee when the additional function is being performed, and only to the extent that it is performed.

### **Article 36. Trial Period Agreement**

1. In order to verify that an employee is suitable for the agreed job and that the agreed job is suitable for the employee, the parties entering into an employment contract may agree on a trial period.

2. The trial period may not exceed three months, not counting the time when the employee was absent from work due to temporary incapacity for work, leave, or other important reasons. Extension of the trial period by agreement of the parties to the employment contract is prohibited.

3. Having acknowledged that the results of the trial period are unsatisfactory, the employer may take a decision to terminate the employment contract before the end of the trial period after giving the employee written notice thereof three working days before the expiry of the employment contract, and not pay severance pay.

4. The employee may terminate the employment contract during the trial period by giving the employer written notice thereof three working days in advance. This notice may be withdrawn no later than the next working day after its submission. Notice given and not withdrawn by the employee shall terminate the employment contract and the employer must formalise termination of the employment contract no later than on the last working day.

### **Article 37. Agreement on Reimbursement of Training Expenses**

1. The parties to an employment contract may agree on conditions for reimbursement of expenses incurred by the employer for the employee's training or qualification development when the employment contract is being terminated on the initiative of the employer due to the fault of the employee or on the initiative of the employee without a valid reason.

2. Reimbursement may only be made for expenses related to the provision of knowledge or skills of an employee in excess of the work requirements. The agreement may establish whether training or qualification development expenses shall include other business trip expenses (travel, accommodation, etc.).

3. Reimbursement may only be made for expenses incurred by the employer during the last two years before the expiry of the employment contract unless the collective agreement establishes a different term which may not exceed three years.

4. If an employee is studying on his or her own initiative in pursuit of a bachelor's or master's degree in the field of study and/or professional qualification in accordance with formal vocational training programmes and the employer is covering all or at least half of these expenses, the parties to the employment contract may additionally agree that during the period when the employee is carrying on with studies paid by the employer and three years after the end of this period, the employee may only terminate the employment contract on his or her own initiative without a valid reason upon reimbursing the employer for the expenses incurred thereby.

### **Article 38. Non-Compete Agreement**

1. The parties to an employment contract may agree that for a certain period of time, the employee will not perform certain job activities under an employment contract with another employer and will also not engage in independent commercial or industrial activities related to the functions of the job if these activities are in direct competition with the activities of the employer. This agreement may be concluded during the period of validity of the employment contract and/or after the employment contract has expired. Once the employment contract expires, this agreement shall be valid for no more than two years after termination of the employment contract.

2. Non-compete agreements may only be concluded with employees who have special knowledge or skills which can be applied at an enterprise, institution or organisation that is in competition with the employer, or in starting individual activities, thus harming the employer.

3. A non-compete agreement must define the work or professional activities prohibited for the employee, the amount of non-compete compensation due to the employee, the non-compete territory, and the period of validity of the non-compete agreement. During the period of

the non-compete agreement with the employer, the employee must be paid compensation in the amount of least 40 per cent of the employee's average remuneration.

4. Upon violating the non-compete agreement, the employee must discontinue the competing work or professional activities for the agreed period of the non-compete agreement, return the compensation received, and compensate the employer for damage incurred. Advance agreements on penalties in excess of the non-compete compensation received by the employee for three months shall not be valid.

5. An employee is entitled to unilaterally terminate a non-compete agreement when the employer has delayed payment of non-compete compensation or part thereof for more than two months.

*Amendments to the Article:*

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### **Article 39. Non-Disclosure Agreement**

1. The parties to an employment contract may agree that the employee, during fulfilment of the employment contract and after termination of the employment contract, will not use for personal or commercial purposes or disclose to third parties certain information received from the employer or as part of the job function performed that the parties to the employment contract name as confidential in their non-disclosure agreement. Data that is publicly accessible and data that cannot be considered confidential by legislation or by purpose or that the employer does not take reasonable measures to protect cannot be considered confidential information. The prohibition to disclose confidential information shall not apply when the information is being provided to a state or municipal institution or establishment about breaches of labour and other legal provisions committed by the employer, or when the information is being provided to a court or other dispute settlement body.

2. The non-disclosure agreement must define the data that constitutes confidential information, the period of validity of the non-disclosure agreement, and the employer's duties in helping the employee protect the confidentiality of the information. The parties to the employment contract may agree on penalties for non-fulfilment or improper fulfilment of this agreement.

3. If the parties to the employment contract have not agreed on a longer period, the non-disclosure agreement shall be valid for one year after termination of the employment relationship.

### **Article 40. Agreement on Part-Time Work**

1. Both in concluding and implementing an employment contract, part-time work can be agreed on, i.e. fewer working hours than the standard working hours applicable to the employee according to the job activities.

2. Part-time work is established by reducing the number of working hours per day, reducing the number of working days per working week or month, or both. The condition of part-time work may be established on a fixed-term or open-ended basis.

3. Unless agreed otherwise, an employee who has agreed to work part-time has the right to request, no more than once every six months, that the part-time work condition be changed. The employer must review this request and provide the employee with a reasoned decision within 10 working days.

4. During fulfilment of an employment contract, an employee who has been in an employment relationship with the employer for at least three years shall have the right to submit a written request to temporarily work part-time. An employee's request to change the working time by shortening the working day to four hours per day, or to reduce the number of working days to three working days per working week, shall be satisfied if it is submitted at least 30 days before its entry into force, and if the employee will work part-time for no more than one year. An employee shall have the right to repeatedly request that part-time work be established only after having worked full-time for the same period that he or she worked part-time. The employer may only refuse to satisfy an employee's request to temporarily work part-time for valid reasons.

5. The restrictions set out in paragraph 4 of this Article concerning the establishment and duration of part-time work shall not be valid when the employer agrees to different part-time employment conditions proposed by the employee or when the employee's request, according to the conclusions of a healthcare institution, is based on the employee's medical condition, disability or need to care for a family member, as well as on the request of an employee who is pregnant, who recently gave birth, or who is breast feeding, an employee who is raising a child under the age of three, or an employee who is a single parent raising a child under the age of 14 or a disabled child under the age of 18. These individuals can return to full-time work by giving written notice to the employer two weeks in advance, except in cases where the employer agrees to waive this term.

6. For employees working part-time, these work conditions shall not lead to restrictions in determining annual leave entitlement, calculating the length of employment, promoting to a higher position, or improving qualification, and shall not limit the employee's other labour rights compared to employees who perform the same or equal work under full-time employment conditions, taking the length of employment, qualification and other circumstances into account.

Remuneration for part-time work shall be paid in proportion to the time worked or the work performed, as compared to work performed under full-time employment conditions.

7. An employer's refusal to allow working part-time as well as a violation in the establishment of equal working conditions may be contested in the procedure established to settle labour disputes on rights.

8. Employers must regularly, at least once per calendar year, upon the request of the work council or in the absence thereof – the employer-level trade union, provide information about the employees working part-time at the enterprise, institution or organisation, indicating the number of part-time employees and the positions held thereby, as well as the average remuneration by occupational group and gender where there are more than two employees in the occupational group.

*Amendments to a paragraph of the Article:*

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### **CHAPTER III**

#### **CONCLUSION OF AN EMPLOYMENT CONTRACT**

##### **Article 41. Pre-Contractual Relations Between the Parties to an Employment Contract**

1. Before the conclusion of an employment contract as well as when an employment contract is not yet concluded, the parties to the employment contract must comply with the obligations of gender equality, non-discrimination on other grounds, fairness, and confidentiality and provision of the information necessary to conclude and implement the contract. It is prohibited to demand information from an employee that is not related to his or her health, qualifications or other circumstances that are unrelated to the direct performance of the job function.

2. If these obligations are not fulfilled or are fulfilled improperly, the other party to the employment contract shall become entitled to apply to a labour dispute resolution body to claim compensation for the damage caused or to use other remedies provided by this Code.

3. In order to select an employee for a management or specialist position, or for positions that must be filled by individuals who possess specific abilities or who are subject to particular intellectual, physical, health or other requirements, a competition may be held. The list of positions subject to competition and the procedure for the organisation and execution of competitions at state and municipal enterprises, state and municipal institutions funded from the budgets of the state, municipality or State Social Insurance Fund or from other funds established by the state, and public institutions owned by the state or municipality, shall be determined by

the Government of the Republic of Lithuania, with the exception of institutions where the list of positions subject to competition and the procedure for the organisation and execution thereof are established by special laws. A person who has won a competition has the right to demand that an employment contract be concluded with him or her within 20 working days, aside from where exceptions are established by laws.

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#### **Article 42. Conclusion of an Employment Contract**

1. An employment contract shall be considered to have been concluded when the parties agree on the indispensable employment contract terms (Article 34 of this Code).

2. The territorial office of the State Social Insurance Fund Board under the Ministry of Social Security and Labour (hereinafter ‘the State Social Insurance Fund Board’) must be notified in accordance with the established procedure about conclusion of the employment contract and the hiring of the employee at least one working day before the scheduled employment commencement date. This requirement shall not apply in cases where a person is hired in accordance with an employment contract that specifies that the person’s workplace is not in the Republic of Lithuania, and when, in accordance with European Union regulations on the coordination of social security systems or treaties of the Republic of Lithuania, this person is subject to legal acts in the field of social insurance other than those of the Republic of Lithuania.

3. The employment contract shall enter into force upon the employee beginning work. If an employment contract was concluded but did not enter into force without any fault on the part of the employee, the employer must pay the employee compensation in an amount no less than the employee’s remuneration for the agreed period of work but no longer than one month. If an employment contract was concluded but did not enter into force due to the fault of the employee, i.e. the employee failed to give the employer advance notice three working days before the agreed employment commencement date, the employee must compensate the employer for damages in an amount no more than the employee’s remuneration for the agreed period of work but no longer than two weeks.

4. The employer shall only allow the employee to start work after familiarising the employee, against signature, with the working conditions, the labour law provisions establishing workplace procedures, and safety and health at work requirements.

#### **Article 43. Form of the Employment Contract**

1. An employment contract is concluded in writing in duplicate.

2. Amendments to an employment contract shall be also made in writing.

3. A standard employment contract template shall be approved by the Minister of Social Security and Labour of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

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#### **Article 44. Informing on the Terms of Employment**

1. Before the beginning of work, the employer must provide the employee with the following information:

1) the employer's full name, code and registered office address (for a natural person – name, surname, national identity number, or in the absence thereof – date of birth and permanent place of residence);

2) the place where the job function will be performed. If an employee does not have a place for the performance of the main job function or if it is not permanent, it shall be specified that the employee works in several places and the address of the workplace from which the employee receives instructions shall be given;

3) the type of employment contract;

4) a characterisation or description of the job function or the name of the work (position or duties, profession, speciality) and, where established, its hierarchical and/or qualification or complexity level/degree;

5) the employment commencement date;

6) the expected end date (in the case of a fixed-term employment contract);

7) annual leave entitlement;

8) the notice period for when the employment contract is terminated on the initiative of the employer or the employee;

9) the remuneration and components thereof, and the terms and procedure for the payment of remuneration;

10) the established duration of the employee's working day or working week;

11) information about the collective agreements in force at the enterprise, specifying the procedure for becoming acquainted with these agreements.

2. The information must be provided to the employee free of charge, by providing one or several documents in writing. If the information is provided in several documents, at least one of them must contain the information specified in points 1–10 of paragraph 1 of this Article.

3. If annual leave entitlement or notice periods for dismissal from work are established by labour law provisions, references to the labour law provisions establishing such shall be provided in the document.

4. If the terms of employment specified in paragraphs 1 and 3 of this Article change, the employer shall, in the same procedure, provide information about the changes in the terms of employment applicable to the employee before their entry into force.

5. This Article may be waived for employees who have an employment contract that is valid for a period of less than one month.

6. Provision of the information specified in paragraph 1 of this Article does not deny the obligation to provide the employee with information about the indispensable employment contract terms in accordance with Article 34 of this Code.

## **CHAPTER IV IMPLEMENTATION OF THE EMPLOYMENT CONTRACT**

### **Article 45. Change to the Terms of Employment on the Initiative of the Employer**

1. Changes to the indispensable employment contract terms, the supplementary employment contract terms, the established type of working-time arrangements or the employee's place of work can only be made on the initiative of the employer with the written consent of the employee.

2. The employee's consent or refusal to work under newly proposed indispensable or supplementary employment contract terms, according to a different type of working-time arrangements, or at a different place must be voiced within the time limit set by the employer, which may not be less than five working days. The employee's refusal to work under newly proposed terms may be considered reason to terminate the employment relationship on the initiative of the employer without any fault on the part of the employee in accordance with the procedure established in Article 57 of this Code. An employee's refusal to work for a reduced salary may not be considered a legitimate reason to terminate an employment contract.

3. An employee has the right to apply to a body resolving labour disputes on rights regarding unlawful amendment of the employment contract, requesting that the employer be obligated to fulfil the employment contract and compensate damages. If the employee fails to do so within three months from the moment when the employee became aware or should have become aware of the violation of his or her rights, it shall be held that the employee has agreed to work under the newly proposed terms of employment.

4. Terms of employment not mentioned in paragraph 1 of this Article may be changed by a decision of the employer if the rules governing them change or in cases of economic, organisational or industrial necessity. The employee must be informed about changes to these

terms within a reasonable time. The employer shall create sufficient conditions for the employee to prepare for the upcoming changes.

#### **Article 46. Change to the Terms of Employment on the Initiative of the Employee**

1. When this Code or other labour law provisions do not grant an employee the right to demand that the terms of employment be changed, the employee is entitled to ask the employer to change the terms of employment.

2. Refusal to satisfy an employee's written request to change the indispensable employment contract terms or supplementary employment contract terms agreed upon by the parties to the employment contract must be substantiated and presented in writing within five working days of the employee's request being submitted.

3. If an employer refuses to satisfy an employee's request to change the terms of employment, the employee may repeatedly apply for the change of these terms no sooner than one month from the employee's request to change the terms of employment being submitted.

4. If the employer agrees with the employee's request or if the employer presents another proposal and the employee agrees, the terms of employment shall be considered changed once corresponding changes have been made to the employment contract.

#### **Article 47. Idle Time**

1. If the employer is unable to provide the employee with the work agreed upon in the employment contract for objective reasons and not due to the fault of the employee and the employee does not agree to perform a different job offered to him or her, the employer shall declare idle time for the employee. Idle time may also be declared for a group of employees.

2. If idle time is declared for up to one working day, the employee shall be paid his or her average remuneration and the employer shall have the right to demand that the employee be present at the workplace.

3. If idle time is declared for a period of more than one working day but no more than three working days, the employee may not be required to come to the workplace each day for more than one hour's time. While present at the workplace during idle time, the employee shall be paid his or her average remuneration, and for the other period of idle time when the employee is not required to be at work, he or she shall be paid two-thirds of his or her average remuneration.

4. If idle time is declared indefinitely or for a period of more than three working days, the employee shall not be required to come to the workplace, but must be prepared to come to the workplace the next working day after the employer's notice. Idle time of up to three working

days shall be paid for in accordance with the procedure established in paragraphs 2 and 3 of this Article, and for the other period of idle time, the employee shall be left 40 per cent of his or her average remuneration.

5. During a calendar month when idle time was declared for an employee, the remuneration paid to the employee for that month may not be lower than the minimum monthly wage approved by the Government of the Republic of Lithuania when full standard working hours are agreed upon in the employment contract.

6. An employer may declare partial idle time for an employee when, for a certain period of time, there is a reduction in the number of working days per week (of at least two working days) or the number of working hours per day (of at least three working hours). During periods of partial idle time, when an employee does not have to be at work, he or she shall be remunerated according to the procedure established in paragraphs 3 and 4 of this Article.

#### **Article 48. Short-Time Working**

1. Short time may be established when, due to valid economic reasons that objectively exist in a certain territory or sector of economic activity and that are recognised as such by the Government of the Republic of Lithuania, the employer is unable to provide employees with work and there are preconditions for the dismissal of a group of employees (Article 63 of this Code).

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2. Short time is working time that is shortened by up to one half of the employee's standard working hours, when the employee is compensated for the reduction in pay due to this shortening of working time by paying a short-time work benefit in accordance with the procedure established by the Republic of Lithuania Law on Unemployment Social Insurance.

3. The grounds for the employer to establish short-time work shall be a decision of the territorial office of the State Social Insurance Fund Board on allocation of short-time work benefit. The employer's decision on the establishment of short-time working must specify the part of the shortened working time, as well as what is being shortened (the number of working days per working week, the number of working hours per day, or both), the commencement and duration of short time, and the employees for whom short time applies.

4. The employer's decision on the establishment of short-time working shall enter into force from the day on which the short-time work benefit begins to be paid in accordance with the decision of the territorial office of the State Social Insurance Fund Board.

**Article 49. Suspension of an Employment Contract on the Initiative of the Employer  
or Other Persons**

1. If an employee comes to work under the influence of alcohol or narcotic, psychotropic or toxic substances, the employer shall suspend the employee from work that day/shift, without allowing the employee to work and without paying remuneration.

2. The employer shall also suspend an employee from work in writing, without allowing the employee to work and without paying remuneration, upon the written demand of officers or bodies granted the right of suspension by law, for up to three months. The notice must specify the period of time that the employee is suspended for, as well as the reasons and legal grounds for the suspension.

3. In investigating the circumstances of a possible violation of job duties committed by an employee, the employer may suspend the employee from work for up to 30 calendar days, paying the employee his or her average remuneration.

4. The suspended employee, if he or she so agrees, may be transferred to another job, provided that this transfer is not at variance with the purpose of the suspension.

5. Once the period of suspension is over, the employee shall be returned to the previous job, provided that grounds to terminate the employment contract did not arise due to the suspension.

6. If an employee was suspended from work by demand of the employer or duly authorised bodies or officers without reasonable grounds, said shall be compensated for damages in accordance with the procedure established by laws.

7. Disputes on the validity of a suspension and damages shall be settled in the procedure established to settle labour disputes on rights.

**Article 50. Suspension of an Employment Contract on the Initiative of the Employee**

1. If the employer fails to pay the full remuneration due to an employee for two or more consecutive months or fails to fulfil, for more than two consecutive months, other obligations established in the employment contract and collective agreement or which are established by the labour law provisions regulating working and rest hours, payment for work, and safety and health at work, the employee shall have the right to suspend implementation of the employment contract temporarily, for up to three months, by giving the employer written notice thereof three working days in advance. In this case, the employee shall be released from the duty to perform his or her job function.

2. The suspension of an employment contract shall end the day after the employee withdraws, in writing, the temporary suspension of the employment contract, or after the

employer fulfils all obligations to the employee and informs the employee thereof in writing, or after the three-month period established in paragraph 1 of this Article expires.

3. The employer shall pay the employee compensation in an amount no less than the size of one minimum monthly wage as approved by the Government of the Republic of Lithuania for each month that implementation of the employment contract was suspended, except for cases when the employee suspends implementation of the employment contract without reasonable grounds.

4. An employee who has suspended implementation of an employment contract without reasonable grounds shall be liable for damage caused to the employer in the procedure established by laws.

**Article 51. Continuity of Employment Relations in the Event of Reorganisation,  
Restructuring or Transfer of the Employer's Business or Part  
Thereof**

1. Changes in the composition of the employer's participants, a change in the employer's subordination, participant or name, or the employer's restructuring, merger, division, distribution or take-over by another enterprise, institution or organisation shall not change the terms of employment for the employer's employees and may not serve as a legitimate reason for the termination of employment relations.

2. If, on the basis of a transaction, legal act or several transactions or legal acts, a business or part thereof is transferred from one employer (hereinafter 'the business transferor') to another entity (hereinafter 'the business transferee'), the employment relations with the employees of said business or part thereof shall automatically be transferred to the latter. The business transferee shall acquire the rights and obligations of the business transferor, as an employer, that exist at the moment of transfer. If these rights and obligations are established in collective agreements, the rights and obligations must be applied for two years after transfer of the business or part thereof, except for cases when said collective agreements expire or when these conditions are established for the employees by a newly concluded collective agreement that is applicable to the business transferee.

3. The employment relations transferred from the business transferor to the business transferee shall continue on the same terms at the business transferee's enterprise, institution or organisation, irrespective of the legal basis for transfer of the business or part thereof. It shall be prohibited to change the terms of employment or terminate an employment contract due to the transfer of a business or part thereof. When employment relations are transferred to the business

transferee, said may only terminate them on general grounds unrelated to the transfer of the business or part thereof.

4. If the business transferee fails to fulfil the duties specified in paragraphs 2 and 3 of this Article, the business transferor shall bear joint and several liability for fulfilment of an employee's rights that arose before the moment of transfer. Joint and several liability shall apply for one year after transfer of the business or part thereof. The business transferee and the business transferor may agree on compensation for the business transferee regarding transfer of the rights and obligations acquired by an employee while working for the business transferor (unused leave, outstanding monetary claims, etc.) to the business transferee.

5. The business transferor must give advance written notice to an employee about the impending transfer of the business or part thereof at least 10 working days before the transfer, indicating the legal basis and date of the transfer of the business or part thereof, as well as the economic and social consequences of such a transfer for the employee and the measures taken. If, within five working days of receipt of the notice, the employee does not agree in writing to the continuity of employment relations, the business transferor shall terminate the employment contract with the employee on the initiative of the employer without any fault on the part of the employee in accordance with the procedure established in Article 57 of this Code.

6. The transferor of the business or part thereof shall give the personal data and documents of the employees in possession to the business transferee and shall inform the territorial office of the State Social Insurance Fund Board about the change of employer. Changes to the employment contracts must be made within 10 working days of transfer of the employment relations.

## **Article 52. Remote Work**

1. Remote work is a form of work organisation or a method of job performance when an employee regularly performs, during all or part of the working time, the assigned job functions or part thereof remotely, i.e. in an agreed place other than where the workplace is that is acceptable to the parties to the employment contract, while also using information technology (teleworking).

2. Remote work shall be assigned at the request of the employee or by agreement of the parties. An employee's refusal to work remotely may not serve as a legitimate reason to terminate an employment contract or change the terms of employment. If the employer cannot prove that it would cause excessive costs due to production necessity or the specifics of work organisation, the employer must satisfy an employee's request to work at least one-fifth of standard working hours remotely when said is requested by an employee who is pregnant, who

recently gave birth, or who is breast feeding, an employee who is raising a child under the age of three, or an employee who is a single parent raising a child under the age of 14 or a disabled child under the age of 18.

3. In assigning remote work, the requirements for the workplace (if such exist), the work equipment provided to use for the job, the procedure for its provision, and the rules for using work equipment shall be established in writing; the workplace division, department or responsible person whom the employee has to report to regarding the work performed in the procedure established by the employer shall also be established.

4. If, while working remotely, the employee incurs additional expenses related to the job or the purchase, installation or use of work equipment, said must be reimbursed. The amount of compensation and the conditions for its payment shall be established by agreement of the parties to the employment contract.

5. In the case of remote work, the hours worked by the employee shall be calculated in accordance with the procedure established by the employer. The employee shall allocate working time at his or her own discretion, without violating the maximum working time and minimum rest period requirements.

6. Remote work shall not lead to restrictions in calculating the length of employment, promoting to a higher position, or improving qualification, and shall not limit or encumber the employee's other labour rights. The procedure established by the employer for the implementation of remote work cannot infringe upon protection of the employee's personal data or right to private life.

7. The employer must create conditions for employees working remotely to receive information from the employer and to communicate and cooperate with employee representatives and other employees working at the employer's workplace.

8. The employer must regularly, at least once per calendar year, upon the request of the work council, inform the work council, or in the absence thereof – the employer-level trade union, about the remote work situation at the enterprise, institution or organisation, indicating the number of employees working in this manner and the positions held thereby, as well as the average remuneration by occupational group and gender where there are more than two employees in the occupational group.

*Amendments to a paragraph of the Article:*

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## **CHAPTER V**

### **TERMINATION OF AN EMPLOYMENT CONTRACT**

**Article 53. Grounds for the Termination of an Employment Contract**

An employment contract shall end:

- 1) upon termination of the employment contract by mutual agreement;
- 2) upon termination of the employment contract on the initiative of one of the parties;
- 3) upon termination of the employment contract at the will of the employer;
- 4) upon termination of the employment contract without the will of the parties;
- 5) upon the death of a natural person who is a party to the employment contract;
- 6) according to the procedure established by the Minister of Social Security and Labour of the Republic of Lithuania when it is impossible to determine the whereabouts of the employer if said is a natural person, or of the employer's representatives;

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- 7) on other grounds established in this Code and other laws.

**Article 54. Termination of an Employment Contract by Mutual Agreement**

1. Either of the parties to an employment contract may propose to the other party to the employment contract that the employment contract be terminated.

2. A proposal to terminate an employment contract must be presented in writing. Said must set out the terms of termination of the employment contract (when the employment relationship will end, the amount of compensation, the procedure for granting unused leave, the procedure for settlement, etc.). The terms of termination of the employment contract may be limited by laws governing certain activities.

3. If the other party to the employment contract agrees to the proposal, consent must be given in writing. If the party to the employment contract does not reply to the proposal within five working days, it shall be considered that the proposal to terminate the employment contract has been rejected.

4. An agreement concluded on the termination of an employment contract or agreement with a proposal to terminate an employment contract expressed in writing by the other party to the employment contract shall terminate the employment contract in accordance with the terms specified therein, and the employer must formalise termination of the employment contract no later than on the last working day.

**Article 55. Termination of an Employment Contract on the Initiative of the Employee without a Valid Reason**

1. An open-ended employment contract or a fixed-term employment contract concluded for a period of more than one month may be terminated by written resignation of the employee by giving the employer notice thereof at least 20 calendar days in advance.

2. The employee has the right to withdraw the letter of resignation within three working days of the day the notice was given. Thereafter, the employee may only withdraw the letter of resignation with the employer's consent.

3. The employee's letter of resignation shall terminate the employment contract upon expiration of the notice period, except for the case established in paragraph 2 of this Article, and the employer must formalise termination of the employment contract no later than on the last working day.

### **Article 56. Termination of an Employment Contract on the Initiative of the Employee for Valid Reasons**

1. An employment contract may be terminated by written resignation of the employee by giving the employer notice thereof at least five working days in advance if:

1) the employee has been on idle time without any fault on the part of the employee for more than 30 consecutive days, or for more than 45 days over the past 12 months;

2) the employee has not been paid the full remuneration (monthly salary) due for two or more consecutive months, or the employer has failed to fulfil, for more than two consecutive months, the obligations established by the labour law provisions regulating safety and health at work;

3) the employee is unable to properly perform his or her job function due to an illness or disability, or due to the fact that he or she is caring for a family member (child/adopted child, father/adoptive father, mother/adoptive mother, husband or wife) at home for whom a special need for permanent nursing or permanent care/assistance has been established in accordance with the procedure established by legal acts;

4) an employee working under an open-ended employment contract has reached the statutory age of old-age pension and has acquired the right to full old-age pension while working for that employer.

2. When terminating an employment contract on the grounds established in this Article, the employer must pay the employee severance pay in the amount of two times the average remuneration or, for employment relationships of less than one year, severance pay in the amount of one average remuneration.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

3. The employee's letter of resignation shall terminate the employment contract upon expiration of the notice period, and the employer must formalise termination of the employment contract no later than on the last working day.

**Article 57. Termination of an Employment Contract on the Initiative of the Employer without any Fault on the Part of the Employee**

1. The employer has the right to terminate an open-ended or fixed-term employment contract prematurely for the following reasons:

1) the job function performed by the employee has become superfluous due to changes in work organisation or other reasons related to the employer's activities;

2) the employee is not achieving the agreed performance outcome according to the performance improvement plan provided for in paragraph 5 of this Article;

3) the employee refuses to work under changed indispensable or supplementary employment contract terms or to change the type of working-time arrangements or place of work;

4) the employee does not agree to continuity of employment relations in the case that the business or part thereof is transferred;

5) a court or body of the employer has taken a decision ending the employer.

2. Changes in work organisation or other reasons related to the activities of the employer may only serve as reason to terminate an employment contract in the event that they are realistic and determinant to the unnecessary of the job function or job functions performed by a specific employee or group thereof. An employment contract may only be terminated on these grounds if, during the period from the notice of termination of the employment contract to five working days before the end of the notice period, there is no vacancy at the workplace that the employee could be transferred to with his or her consent.

3. If a superfluous job function is performed by several employees and only part of them is being dismissed, the employer shall approve the selection criteria for redundancy after coordination with the work council, or in the absence thereof – the trade union. In this case, selection shall be carried out and proposals for employee dismissal shall be presented by a committee formed by the employer, which must include at least one member of the work council. In establishing the selection criteria for redundancy, the right of priority to keep their jobs in respect to all other employees of the same speciality working for the respective employer at the same workplace must be given to employees:

1) who have been injured or have contracted an occupational disease at that workplace;

2) who are raising more than three children/adopted children under the age of 14, or who are single parents raising children/adopted children under the age of 14 or a disabled child under the age of 18 or caring for other family members who have been recognised as having less than 55 per cent of their capacity for work or family members who have reached the age of old-age pension and who have been recognised as having a high or average level of special needs;

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3) who have at least 10 years of continuous employment at that workplace, except for employees who have reached the statutory age of old-age pension and have acquired the right to full old-age pension while working at the employer's enterprise;

4) who have no more than three years left until the statutory age of old-age pension;

5) for whom this right is established in the collective agreement;

6) who have been elected as members of the management bodies of employer-level employee representatives.

4. The right of priority to be retained established in points 1–5 of paragraph 3 of this Article shall apply to employees whose qualifications are not lower than the qualifications of other employees of the same speciality working at that enterprise, institution or organisation.

5. An employee's performance outcome may serve as reason to terminate an employment contract if the employee was given a written explanation of the performance shortcomings and unachieved personal outcome and if a general performance improvement plan was drawn up covering a period of at least two months and the outcome of the execution of this plan was unsatisfactory.

6. An employee's refusal to work under newly proposed indispensable or supplementary employment contract terms or to change the type of working-time arrangements or place of work may serve as reason to terminate an employment contract when the employer's proposal to change the terms of employment is based on substantial reasons related to economic, organisational or industrial necessity.

7. The employment contract shall be terminated by giving the employee notice one month in advance, or, for employment relationships of less than one year – two weeks in advance. These notice periods shall be doubled for employees who have less than five years left until the statutory age of old-age pension, and tripled for employees who are raising a child/adopted child under the age of 14 and employees who are raising a disabled child under the age of 18, as well as for disabled employees and employees who have less than two years left until the statutory age of old-age pension.

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8. The dismissed employee must be paid severance pay in the amount of two times his or her average remuneration or, for employment relationships of less than one year, severance pay in the amount of half of one average remuneration.

9. The dismissed employee shall additionally be paid a long-term service allowance in the procedure established by law, taking the employee's continuous length of employment at that workplace into account.

**Article 58. Termination of an Employment Contract on the Initiative of the Employer Due to the Fault of the Employee**

1. The employer has the right to terminate an employment contract without notice and without severance pay if the employee, through culpable act or omission, commits a violation of the duties established by labour law provisions or the employment contract.

2. The reason for termination of an employment contract may be:

1) gross violation of the employee's job duties;  
2) a second instance of the employee committing the same job duty violation over the past 12 months.

3. The following can be considered a gross violation of job duties:

1) failure to come to work for the entire workday or shift without a valid reason;  
2) showing up at the workplace during working hours under the influence of alcohol or narcotic, psychotropic or toxic substances, except for cases when said intoxication was caused by the performance of professional duties;

3) refusal to undergo a medical examination when such an examination is required according to labour law provisions;

4) harassment on the basis of gender or sexual harassment, acts of a discriminatory nature, or the violation of honour and dignity with respect to other employees or third parties during working hours or at the workplace;

5) deliberately causing the employer material damage or attempting to deliberately cause the employer material damage;

6) an act of a criminal nature committed during working hours or at the workplace;

7) other infringements which result in gross violation of the employee's job duties.

4. Before taking the decision to terminate an employment contract, the employer must demand a written explanation from the employee, except for cases when the employee does not provide this explanation within the reasonable period established by the employer. An employment contract may only be terminated due to the same job duty violation being

committed by the employee for a second time if when the first violation was established, the employee had the opportunity to provide an explanation, and the employer warned the employee, within one month of the violation coming to light, of possible dismissal for a repeat violation.

5. The employer must take the decision to terminate an employment contract due to a violation committed by the employee after assessing the severity and consequences of the violation or violations, the circumstances of the action, the fault of the employee, the causal link between the employee's actions and the resulting consequences, and the employee's conduct and performance outcome prior to the violation or violations being committed. Dismissal should be a measure proportionate to the violation or entirety thereof.

6. The employer must take the decision to terminate an employment contract due to a violation committed by the employee within one month of the violation coming to light and within six months of the day that it was committed. The latter deadline shall be extended to two years if the violation committed by the employee comes to light upon carrying out an audit, an inventory check or an inspection of activities.

#### **Article 59. Termination of an Employment Contract at the Will of the Employer**

1. An employer, with the exception of state and municipal institutions or establishments funded from the budgets of the state, municipality or State Social Insurance Fund or from other funds established by the state, state and municipal enterprises, public institutions owned by the state or municipality, and the Bank of Lithuania, shall be entitled to terminate an employment contract with an employee due to reasons not specified in Article 57(1) of this Code by giving notice three working days in advance and paying severance pay in an amount no less than six times the employee's average remuneration.

2. An employment contract may not be terminated on the grounds of this Article due to participation in a case against an employer accused of violations of law or due to application to administrative bodies regarding discrimination based on gender, sexual orientation, race, nationality, language, origin, citizenship and social status, faith, marital and family status, intention to have a child/children, convictions or views, political affiliation, age, or other discriminative grounds.

#### **Article 60. Termination of an Employment Contract without the Will of the Parties to the Employment Contract**

1. An employment contract must be terminated without notice:

1) upon entry into force of a verdict or judgement of the court by which an employee is sentenced to a punishment that makes it impossible for him or her to work;

2) when an employee, in the procedure established by laws, is deprived of special rights to perform a certain job or to hold a certain position;

3) when one of the parents of an employee under the age of 16, or the child's statutory representative, or the child's health care provider, or, during the school year, the school where the child is enrolled, demands that the employment contract be terminated;

4) when an employee, according to the conclusions of a healthcare institution, is no longer able to hold this position or perform this work, and does not agree to be transferred to another vacant position or job at that workplace that accommodates his or her health condition, or when such a position or job is not available at that workplace;

5) upon returning an employee to work whose place was filled by the employee being dismissed;

6) by order of a competent official from an institution carrying out control of illegal work if a case of illegal work by a foreign national is established;

7) when the employment contract is in conflict with laws and the contradictions cannot be eliminated, and the employee does not agree to be or cannot be transferred to another vacant position at that workplace.

2. An employer who has received a document verifying a reason specified in paragraph 1 of this Article or has otherwise learned thereof must terminate the employment contract within five working days of receiving the document or finding out about the reason. In the case established in point 5 of paragraph 1 of this Article, if a decision is not taken within the specified time, the reason for termination of the employment contract shall be deemed to have expired.

3. In the cases established in points 4, 5 and 7 of paragraph 1 of this Article, the employee shall be paid severance pay in the amount of his or her average remuneration for one month or, for employment relationships of less than one year, severance pay in the amount of half of one average remuneration.

### **Article 61. Restrictions on the Termination of an Employment Contract**

1. An employment contract with a pregnant employee during her pregnancy and until the baby reaches four months of age may be terminated by mutual agreement, at her initiative, at her initiative during the trial period, in the absence of the will of the parties to the contract, or when a fixed-term employment contract expires. The fact of an employee's pregnancy is confirmed by presenting a doctor's maternity certificate to the employer.

2. From the day the employer finds out about an employee's pregnancy until the day her baby turns four months old, the employer may not give notice to the pregnant employee about impending termination of the employment contract or take a decision to terminate the

employment contract on grounds other than those specified in paragraph 1 of this Article. If grounds for terminating the employment contract emerge during this period, the pregnant employee may be given notice about termination of the employment contract or a decision to terminate the employment contract may be taken only after this period is over. If an employee is granted pregnancy and childbirth leave or child care leave during the period when her baby is under the age of four months, the employment contract may only be terminated once this leave is over.

3. An employment contract with an employee raising a child/adopted child under the age of three cannot be terminated on the initiative of the employer without any fault on the part of the employee (Article 57 of this Code). An employment contract with an employee on pregnancy and childbirth leave, paternity leave or child care leave cannot be terminated at the will of the employer (Article 59 of this Code).

4. An employee who has been enlisted for compulsory military service or an alternative national defence service may not be dismissed from work at the will of the employer or on the initiative of the employer without any fault on the part of the employee.

5. If, upon expiry of the periods specified in paragraph 4 of this Article, an employee fails to come to work, the employment contract with the employee may be terminated on the grounds for termination of an employment contract established in this Chapter.

## **Article 62. Termination of an Employment Contract in the Case of Employer Bankruptcy**

1. Upon a court order to institute bankruptcy proceedings against the employer becoming effective or upon the meeting of creditors resolving to implement out-of-court bankruptcy proceedings, the appointed bankruptcy administrator shall draw up a list of employees with whom fixed-term employment contracts will be concluded to work at the workplace during the bankruptcy process. These fixed-term employment contracts may not continue past the end of the enterprise's bankruptcy process.

2. Within three working days of the day of the entry into force of the court order to institute bankruptcy proceedings against the employer or the meeting of creditors during which the creditors resolved to implement out-of-court bankruptcy proceedings, the employees shall be given written notice of the impending termination of their employment contracts and the employment contracts with them shall be terminated no sooner than 15 working days after said notice. If the conditions specified in Article 63(1) of this Code are satisfied, the provisions of Article 63(3) and Article 63(4) of this Code must be applied.

3. Employees being dismissed in the case provided for in paragraph 2 of this Article shall be paid severance pay in the amount of two times their average remuneration or, for employment relationships of less than one year, severance pay in the amount of half of one average remuneration.

### **Article 63. Collective Redundancies**

1. Collective redundancies are considered to be the termination of employment contracts when, within 30 calendar days, there are plans to dismiss, on the initiative of the employer without any fault on the part of the employee (Article 57 of this Code), at the will of the employer (Article 59 of this Code), or by agreement of the parties to the employment contract (Article 54 of this Code) initiated by the employer, or due to employer bankruptcy (Article 62 of this Code):

1) 10 or more employees at a workplace where the average number of employees is between 20 and 99;

2) at least 10 per cent of the employees at a workplace where the average number of employees is from 100 to 299;

3) 30 or more employees at a workplace where the average number of employees is 300 or more.

2. When calculating the number of employment contracts to be terminated as specified in paragraph 1 of this Article, the termination of the employment contracts of at least five employees shall be calculated. Cases when employees are planned to be dismissed upon expiry of the term of the employment contract shall not be considered collective redundancies.

3. Before taking the decision to terminate an employment contract or initiate termination of an employment contract, the employer must inform the work council, or in the absence thereof – the employer-level trade union, and hold consultations therewith on measures for mitigating the consequences of the forthcoming collective redundancy (re-training, transfer to other positions, changes to the working-time arrangements, higher severance pay than provided for in this Code, extension of notice periods, free time for job searching, etc.). During the consultations, the parties must strive to reach an agreement regarding real mitigation of the potential negative consequences.

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4. Upon conclusion of consultations with the work council or the employer-level trade union and no later than 30 days before the termination of employment relations, but no later than giving notice of dismissal to the employees of the group, the employer must, in accordance with

the procedure established by the Minister of Social Security and Labour of the Republic of Lithuania, notify the local labour exchange in writing about the planned collective redundancy. The employer shall submit a copy of this notification to the work council or the employer-level trade union, which may submit its observations and proposals to the local labour exchange.

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5. An employment contract may not be terminated upon breach of the obligation to notify the local labour exchange about the planned collective redundancy or to hold consultations with the work council or the employer-level trade union.

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#### **Article 64. Notice of Termination of an Employment Contract**

1. If this Code or other laws establish the duty of the employer to give an employee notice of termination of an employment contract, this notice must be given in writing.

2. The notice of termination of an employment contract must indicate the reason for termination of the employment contract and the legal provision in which the basis for the termination of the employment contract is specified, as well as the date of termination of the employment relationship.

3. The notice of termination of the employment contract must be given to the employee forthwith. If the employee contests the lawfulness of the dismissal, the employer shall bear the burden of proof of service of the notice.

4. If, at the end of the term of the notice given, the employee is temporarily incapable of work or is on granted leave, the end of the term of notice shall be postponed until the end of the temporary incapacity for work or leave.

5. With the consent of the employee, the employer has the right, at any time before the end of the notice period, to take a decision to terminate the employment contract by moving the day of termination of the employment relationship to the last day of the notice period and not allowing the employee to work during the notice period, but paying the employee the remuneration due for the entire notice period.

6. During the notice period, the employee, at the request thereof, must be given at least 10 per cent of the former standard working hours to look for a new job, during which the employee shall retain his or her remuneration. If the parties agree on more than 10 per cent of the former standard working hours, payment for this part of the working time shall be decided by mutual agreement.

7. An agreement concluded on the termination of an employment contract or a party's agreement with a proposal to terminate an employment contract expressed in writing shall terminate the employment contract in accordance with the terms specified therein, and the employer must formalise termination of the employment contract no later than on the last working day.

#### **Article 65. Formalisation of the Termination of an Employment Contract**

1. If a reason established in this Code or other law exists which allows for termination of an employment contract, the employer shall take a decision to terminate the employment contract or, upon expiry of the term of an employment contract or death of the employee, shall confirm termination of the employment contract. Such a decision shall terminate the employment contract on the day specified therein, except for the cases specified in paragraph 6 of this Article.

2. When this Code establishes a time limit for taking a decision on termination of an employment contract and the employer fails to take the decision to terminate the employment contract within this time limit, the employment contract shall be deemed to have not been terminated. Thereafter, the employment contract may only be terminated on the general grounds and procedure.

3. An employer's decision to terminate an employment contract or confirm the expiry of an employment contract must be expressed in writing. The decision shall specify the basis for termination of the employment contract and the legal provision in which the basis for the termination of the employment contract is specified, as well as the date of termination of the employment relationship.

4. The decision must be given to the employee forthwith. If the employee contests the lawfulness of the dismissal in accordance with the established procedure, the employer shall bear the burden of proof of service of the decision.

5. The date of termination of the employment relationship shall be the employee's last working day, except for cases when the employment contract is terminated in the absence of the employee at work or when the employee is not permitted to work on that day.

6. If, on the day of termination of an employment contract (except when the employment contract is terminated by mutual agreement or on the initiative of the employee, upon expiry of the term of a fixed-term employment contract or cessation of the employer), the employee is temporarily incapable of work or is on granted leave, the date of termination of the employment relationship shall be postponed until the end of the temporary incapacity for work or leave, or, for employees taking care of a child under the age of 16 who is suffering from a serious illness on the list approved by the Minister of Health of the Republic of Lithuania and the Minister of

Social Security and Labour of the Republic of Lithuania – for two more months after the end of the temporary incapacity for work. In this case, the first working day after the end of the temporary incapacity for work or leave, or the first day after the two-month period following the end of the temporary incapacity for work, shall be deemed to be the date of termination of the employment relationship respectively.

7. Once an employment contract is terminated, a record thereof shall be made in the employment contract. The employer must notify the territorial office of the State Social Insurance Fund Board of termination of the employment contract no later than the next working day after the date of termination of the employment relationship.

8. If the employee so requests, the employer must, within 10 days, issue him or her a certificate about the job function performed by the employee, the start and end thereof, as well as the remuneration received.

9. Upon the death of an employer who is a natural person, termination of the employment contract shall be formalised according to the procedure established by the Minister of Social Security and Labour of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

## **CHAPTER VI**

### **TYPES OF EMPLOYMENT CONTRACTS**

#### **Article 66. Types of Employment Contracts**

1. The types of employment contracts are as follows:

- 1) open-ended employment contract;
- 2) fixed-term employment contract;
- 3) temporary agency employment contract;
- 4) apprenticeship employment contract;
- 5) project-based employment contract;
- 6) job share employment contract;
- 7) multiple-employer employment contract;
- 8) seasonal employment contract.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

2. If the parties to an employment contract fail to agree on the type of employment contract, it shall be considered that an open-ended employment contract has been concluded.

**SECTION ONE**  
**THE FIXED-TERM EMPLOYMENT CONTRACT**

**Article 67. The Concept of the Fixed-Term Employment Contract and the Term Thereof**

1. A fixed-term employment contract is an employment contract that is concluded for a certain period of time or for the period needed to perform a certain job.

2. The term of a fixed-term employment contract may be set until a specific calendar date, for a certain period calculated in days, weeks, months or years, or until the execution of a certain task or the emergence, change or cessation of certain circumstances.

3. A fixed-term employment contract shall become open-ended when, during the period of the employment relationship, the circumstances due to which the contract term was defined disappear.

4. Fixed-term employment contracts for jobs of a permanent nature may not account for more than 20 per cent of the total number of contracts concluded by the employer.

**Article 68. The Maximum Duration of a Fixed-Term Employment Contract and Exceptions Thereto**

1. The maximum duration of a fixed-term employment contract as well as the maximum total duration of consecutive fixed-term employment contracts concluded with the same employee to carry out the same job function is two years, except in cases where the employee is hired to fill a temporarily vacant position. Employment contracts which are separated by no more than two months shall be considered to be consecutive fixed-term employment contracts.

2. If the established or extended duration of a fixed-term employment contract is more than two years, or the total duration of consecutive fixed-term employment contracts as defined in paragraph 1 of this Article, except in cases where the employee is hired to fill a temporarily vacant position, is more than two years, the contract shall be deemed to be open-ended. In this case, the periods between fixed-term employment contracts shall be included in the length of the employee's employment relationship with the employer, but do not have to be paid for.

3. The total duration of consecutive fixed-term employment contracts concluded with the same employee to carry out different job functions cannot exceed five years. Upon violating this requirement, the employment contract shall become open-ended, and the periods between fixed-term employment contracts shall be included in the length of the employee's employment relationship with the employer, but do not have to be paid for.

4. The possibility of concluding fixed-term employment contracts with a maximum duration of five years with elected or appointed employees, employees in creative professions and research fellows employees appointed by elective collegial bodies, or other employees for the protection of the public interest, shall be established by other laws. Said contracts may be concluded or extended on the basis established by law, and the other provisions of this Article shall not apply to them.

5. Exceptions to the application of this Article may also be established by other provisions of this Code.

#### **Article 69. Termination of a Fixed-Term Employment Contract**

1. A fixed-term employment contract shall terminate upon expiry of its term, except for the case specified in paragraph 2 of this Article.

2. A fixed-term employment contract shall become open-ended if the employment relationship continues in reality for more than one working day of the administration of the employer after expiry of the term, except for the case specified in Article 67(3) of this Code.

3. If an employment relationship under a fixed-term employment contract continues for more than one year, the employer must give the employee written notice of termination of the employment contract upon expiry of its term at least five working days in advance, or, if the employment relationship under a fixed-term employment contract continues for more than three years – at least 10 working days in advance. An employer who has violated this duty must pay the employee remuneration for each day of violation of the period, but for no more than five or 10 working days.

4. If an employment relationship under a fixed-term employment contract continues for more than two years, the employee shall be paid severance pay in the amount of his or her average remuneration for one month after termination of the employment contract upon expiry of its term.

5. The provisions of paragraphs 2 and 3 of this Article shall not apply to the employees specified in Article 68(3) of this Code.

#### **Article 70. Prohibition of Discrimination**

1. Employees working under fixed-term employment contracts may not be provided with less favourable terms of employment, including payment for work, than employees working under open-ended employment contracts and performing the same or similar, in terms of qualification or abilities, job function.

2. In establishing the conditions of work, payment for work, qualification development or motivation, an employer is prohibited from taking the different duration of employment relations among employees working under a fixed-term employment contract or under an open-ended employment contract into account.

3. The fact that an employee is working under a fixed-term employment contract shall not release the employer from the duty to ensure the training, qualification development, professional development, and career of such an employee.

### **Article 71. Hiring Under an Open-Ended Employment Contract**

1. If there is a job vacancy which an employee will be hired according to an open-ended employment contract to fill, the employer must offer this job vacancy to an employee who meets the established qualification requirements and who is doing the same or similar job according to a fixed-term employment contract. If there are several such employees, the offer must be made to the employee who has the longest employment relationship with the employer.

2. The employer must inform employees working under fixed-term employment contracts about job vacancies that will be filled according to an open-ended employment contract, and ensure that they have the same opportunities to be hired for a permanent job as other individuals. This information must be published in the ways that are accustomed at the workplace.

3. Employers must, at least once per year, upon the request of the work council or in the absence thereof – the employer-level trade union, provide information about the fixed-term employment contract situation at the enterprise, institution or organisation, indicating the number of employees working under fixed-term contracts and the positions held thereby, as well as the average remuneration by occupational group and gender where there are more than two employees in the occupational group.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

## **SECTION TWO**

### **TEMPORARY AGENCY EMPLOYMENT CONTRACTS**

#### **Article 72. The Concept of the Temporary Agency Employment Contract and Types Thereof**

1. A temporary agency employment contract is an agreement between an employee (hereinafter ‘temporary worker’) and an employer (hereinafter ‘temporary agency’) under which the temporary worker undertakes to perform work activities for a certain period of time and for

the benefit and under the subordination of the person (hereinafter ‘user enterprise’) specified by the temporary agency, and the temporary agency undertakes to pay therefor.

2. Only a temporary agency that meets the criteria and procedure established by the Government of the Republic of Lithuania or institution authorised thereby may be party to a temporary agency employment contract as the employer.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. A temporary agency employment contract may be either fixed-term or open-ended.

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4. A fixed-term temporary agency employment contract may be concluded for a single assignment with the user enterprise, but the term of the contract may also be set until a specific calendar date, for a certain period calculated in days, weeks, months or years, or until the execution of a certain task or the emergence, change or cessation of certain circumstances.

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

5. By way of derogation from the rules of the maximum duration of an employment contract (Article 68 of this Code), the maximum duration of a fixed-term temporary agency employment contract as well as the maximum total duration of consecutive employment contracts concluded with the same employee for the same job is three years. Consecutive fixed-term temporary agency employment contracts are employment contracts which are separated by a period of no more than two weeks.

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

6. The provisions of this Section shall not apply to ship crews that are subject to the Republic of Lithuania Law on Merchant Shipping.

*Amendment to the numbering of a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

### **Article 73. The Content of a Temporary Agency Employment Contract**

In addition to the indispensable employment contract terms established in this Code, a temporary agency employment contract must agree on:

- 1) the form and procedure for assigning and recalling the temporary worker to work for a user enterprise without violating the requirements of Article 74 of this Code;
- 2) the form and procedure for the consent of the temporary worker to work by assignment for a user enterprise;

3) the size and procedure for payment of remuneration for work done for a user enterprise and remuneration that may be paid for the periods between assignments to work for a user enterprise;

4) standard working hours.

*Supplement of a point to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 74. Assignment of a Temporary Worker to a User Enterprise**

1. An assignment to work for a user enterprise must be given to the temporary worker at least two working days in advance, unless the temporary worker agrees to start work earlier in the case of a specific assignment.

2. When assigning a temporary worker to work for a user enterprise, the temporary worker must be given the content and scope of the job function as well as the beginning and end of work. No later than before the commencement of work, the temporary worker must be given an explanation of the working-time arrangements, the procedure for accessing the workplace of the user enterprise, and the contact person of the user enterprise who is to provide all information about the work for the user enterprise.

3. A temporary worker has the right to refuse to work for a user enterprise by notifying the temporary agency within one working day of the day of receipt of the information referred to in paragraph 1 of this Article. Such a refusal shall not be deemed a violation of job duties.

#### **Article 75. Application of the Principle of Non-Discrimination**

1. During the period of work for a user enterprise, the user enterprise must ensure that the temporary worker is subject to the same provisions of the laws, collective agreements and other labour law provisions that are applied at the workplace and are valid for the user enterprise's employees with respect to:

1) the protection of employees who are pregnant, who recently gave birth, or who are breast feeding, employees who are raising children under the age of three, and individuals under the age of 18;

2) the prohibition of discrimination on the basis of gender, sexual orientation, race, nationality, language, origin, citizenship and social status, faith, family status, intention to have a child/children, convictions or views, political affiliation, or age;

3) the length of maximum working time and minimum rest periods, overtime, night work breaks, leave and public holidays.

2. A temporary agency must ensure that a temporary worker's remuneration for work done for a user enterprise be at least as much as the remuneration that would be paid if the user

enterprise had hired the temporary worker under an employment contract at the same workplace, except in cases where temporary workers employed under open-ended temporary agency employment contracts receive remuneration from the temporary agency between assignments to work and the size of this remuneration between assignments to work is the same as during assignments to work. The user enterprise shall bear subsidiary responsibility for fulfilling the duty to pay the temporary worker for work done for the user enterprise at least as much as the remuneration that would be paid if the user enterprise had hired the temporary worker under an employment contract at the same workplace. In fulfilling this duty, the user enterprise must, on the request of the temporary agency, provide information about the remuneration paid to the corresponding category of workers employed by the user enterprise.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. Temporary workers shall be entitled to use the infrastructure that the user enterprise has to satisfy employee work and rest needs as well as their interests (rest areas, dining room, child care and transportation services, etc.) under the same conditions as the employees of the user enterprise, except in cases where the application of different conditions is justified by objective reasons.

#### **Article 76. Periods Between Assignments to Work**

For a temporary worker employed under an open-ended temporary agency employment contract or a temporary worker whose fixed-term temporary agency employment contract does not expire after completion of work for a specific user enterprise, periods between assignments to work of up to five consecutive working days can be unpaid no more than once per month. For other days between assignments to work, the temporary worker must be paid no less than the minimum monthly wage approved by the Government of the Republic of Lithuania, unless the temporary worker refused to work for a specific user enterprise specified by the employer.

*Amendments to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 77. Compensation for Damage Caused by a Temporary Worker**

For damage caused by a temporary worker to the user enterprise, the temporary worker shall bear liability to the temporary agency by way of regress if, while providing the temporary worker the opportunity to participate, the worker's fault and the size of the damage done is proven.

### **Article 78. The Rights and Obligations Between the Temporary Worker and the User Enterprise**

1. Before the commencement of work, the user enterprise must familiarise the temporary worker in writing with the working conditions, work regulations, and other legal acts regulating the work for the user enterprise, and take all measures to protect the health and life of the temporary worker in accordance with the provisions of the Republic of Lithuania Law on Safety and Health at Work.

2. A user enterprise must inform temporary workers about vacant positions that are available, specifying the job function and the requirements therefor. Information about vacant positions may be published on public information boards on the premises of the user enterprise or in other ways that are accustomed at the workplace.

3. The user enterprise shall bear liability for damage caused by the user enterprise to a temporary worker.

### **Article 79. The Obligations of the Temporary Agency and the User Enterprise**

1. Agreements between a temporary agency and a user enterprise or agreements between a temporary agency and a temporary worker by which conclusion of an employment contract between the temporary worker and the user enterprise is prohibited or restricted are invalid. This provision shall not prevent a temporary agency and a user enterprise from agreeing on payment for services rendered to the user enterprise related to the assignment, recruitment and training of temporary workers.

2. It is prohibited for a temporary agency to:

1) require that a temporary worker reimburse or cover any expenses related to the conclusion of a temporary agency employment contract and its implementation or termination, or the conclusion of an employment contract with a user enterprise upon the conclusion of temporary work for the user enterprise;

2) process the data of temporary workers for other purposes unrelated to the obligations stipulated in the temporary agency employment contract, their qualification, professional experience or other important information, or in violation of their right to the inviolability of private life;

3) process the data received from a user enterprise for other purposes unrelated to the obligations stipulated in the temporary agency employment contract, or in violation of the interests of the user enterprise.

3. It is prohibited for a user enterprise to:

1) charge a temporary worker to perform the job functions of employees of the user enterprise who are on strike;

2) conclude temporary employment contracts in order to replace dismissed employees of the user enterprise;

3) limit professional training and qualification development opportunities for temporary workers;

4) limit opportunities for temporary workers to be hired on a permanent basis;

5) refuse to provide the temporary agency with information about measures ensuring safety and health at work and the working conditions that would have been applied if the user enterprise had hired the temporary worker under an employment contract at the same workplace.

4. Once per year, the user enterprise must, upon the request of the work council of its enterprise, institution or organisation, or in the absence thereof – upon the request of the employer-level trade union, provide information about the temporary agency employment situation at the enterprise, institution or organisation, indicating the number of temporary workers who worked or are working during the year and the positions held thereby, as well as the average remuneration by occupational group and gender where there are more than two employees in the occupational group.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

5. The duties of the temporary agency and the user enterprise in ensuring safety and health at work for a temporary worker are established by the Republic of Lithuania Law on Safety and Health at Work.

6. Temporary agencies must, in accordance with the procedure and within the time limits established by the Government of the Republic of Lithuania or institution authorised thereby, provide the State Labour Inspectorate with information about the start of recruitment through temporary agencies and the number of temporary workers.

### **Article 80. Termination of a Temporary Agency Employment Contract**

1. During work for a user enterprise, a temporary worker may terminate the employment contract with the temporary agency on the grounds and in the procedure established by this Code. Upon termination of the employment relationship with the temporary agency, the temporary worker's obligation to perform a job function for a user enterprise shall expire.

2. During the period between assignments, a temporary worker has the right to terminate the temporary agency employment contract by written resignation after giving the temporary agency notice thereof at least five working days in advance. The collective agreement concluded

between a temporary agency and the employees thereof may establish a different notice period, but said cannot be more than 14 calendar days.

3. A temporary agency may terminate an employment contract with a temporary worker on the grounds and in the procedure established by this Code.

### **SECTION THREE**

#### **THE APPRENTICESHIP EMPLOYMENT CONTRACT**

##### **Article 81. The Concept of the Apprenticeship Employment Contract and Types Thereof**

1. An apprenticeship employment contract is concluded by hiring an individual seeking to obtain competences or a qualification necessary for a profession at a workplace in the form of apprenticeship training (hereinafter ‘the apprentice’).

2. An apprenticeship employment contract may be:

- 1) an apprenticeship employment contract without concluding a training contract;
- 2) an apprenticeship employment contract concluded with a lawfully regulated training contract on formal or non-formal training.

##### **Article 82. General Provisions of Apprenticeship Employment Contracts**

1. An apprenticeship employment contract is fixed-term and its maximum duration shall be six months, except for an apprenticeship employment contract concluded with a lawfully regulated training contract on formal or non-formal training in which a longer duration of training is defined.

2. Where training is being carried out in accordance with an apprenticeship employment contract concluded with a lawfully regulated training contract on formal or non-formal training, the employer must ensure achievement of the outcome provided for in the formal or non-formal training programme or create all conditions to achieve it.

3. Upon completion of the formal or non-formal training programme, the apprentice shall be issued a certificate confirming this.

##### **Article 83. An Apprenticeship Employment Contract Without Concluding a Training Contract**

1. Upon concluding an apprenticeship employment contract, the employer must prepare a non-formal training programme for the entire period of validity of the apprenticeship employment contract. In participating in this training programme, the competences acquired by

the apprentice and the methods of acquiring them, the training subjects, the period of training, the outcome and other essential provisions shall be included in the apprenticeship employment contract. During the period of validity of the apprenticeship employment contract, the training programme may only be changed by mutual agreement.

2. An employer has the right to conclude this type of employment contract with the same person no sooner than three years after the termination of the previous apprenticeship employment contract. Upon violating these requirements, it shall be considered that an open-ended employment contract has been concluded.

3. The number of apprenticeship employment contracts valid at the same time for one employer may not exceed one-tenth of the total number of the employer's current employment contracts.

4. When concluding an apprenticeship employment contract, the parties to the employment contract may agree on reimbursement of the training expenses incurred by the employer. Such an agreement must specify what the employer's training expenses are and what their value (services, materials, etc.) is. No more than 20 per cent of the apprentice's monthly remuneration can be allocated to reimburse said expenses. The reimbursement of training expenses shall be distributed evenly over the entire period of validity of the apprenticeship employment contract. If the employment relationship ends before the term of the apprenticeship employment contract expires, the employer shall not be entitled to require reimbursement of training expenses after the termination of the employment relationship.

5. In addition to the grounds for the termination of an employment contract provided for in this Code, an apprenticeship employment contract may also be terminated prematurely by written resignation of the apprentice upon giving the employer notice thereof five working days in advance, or on the initiative of the employer upon giving the apprentice notice thereof 10 working days in advance.

6. The employer must appoint a competent employee as the training programme supervisor, who shall be in charge of the training process, shall supervise the performance of the job function, and shall advise and consult the apprentice.

#### **Article 84. An Apprenticeship Employment Contract Concluded with a Lawfully Regulated Training Contract on Formal or Non-Formal Training**

1. An apprenticeship employment contract may be concluded in order to implement a lawfully regulated:

1) training contract on formal (initial or continuing) training between an apprentice and a training service provider or employer who has a formal vocational training licence;

2) training contract on non-formal training between an apprentice and an employer entitled to carry out non-formal training or a training service provider who has concluded an agreement with the employer.

2. The training contract shall be attached to the apprenticeship employment contract and shall be an integral part thereof. Implementation of an apprenticeship employment contract must be organised by the employer in such a way as to achieve the objectives of the training programme specified in the training contract as well as other conditions of the training contract.

3. An apprenticeship employment contract must establish the duration of working time and other training time. The apprentice's total working time for the employer and other training time may not exceed 48 hours per week, except for an apprentice under the age of 18, for whom the duration of working time is established by the Republic of Lithuania Law on Safety and Health at Work. Training may take place at both the workplace and the training establishment.

4. For time that was actually worked, an apprentice shall be paid the remuneration provided for in the apprenticeship employment contract, which may not be lower than the minimum monthly wage or minimum hourly rate approved by the Government of the Republic of Lithuania. The time spent at the workplace to acquire theoretical knowledge and the time allocated for workplace training shall be included as time that was actually worked if it exceeds 20 per cent of the time that was actually worked.

5. Time spent at the training institution shall not be included in working time and the employer shall not be required to pay remuneration for that time. Said time should not account for more than 30 per cent of the duration of the apprenticeship employment contract.

6. The apprenticeship employment contract shall be terminated upon expiry of the training contract on formal or non-formal training. It may also be terminated prematurely by written resignation of the apprentice upon giving the employer notice thereof five working days in advance, or on the initiative of the employer upon giving the apprentice notice thereof five working days in advance.

7. The employer shall appoint an employee(s) responsible for organisation of the apprentice's work activities and practical training and an employee responsible for the coordination of work activities and practical training (a vocational expert). The head of the vocational training establishment shall appoint a vocational teacher to be in charge of the apprenticeship's practical training carried out at the workplace.

**SECTION FOUR** *Repealed as of 1 July 2017*

*Deletion of a section:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

**SECTION FIVE**

## **THE PROJECT-BASED EMPLOYMENT CONTRACT**

### **Article 89. The Concept and Content of the Project-Based Employment Contract**

1. A project-based employment contract is a fixed-term employment contract by which an employee undertakes to perform his or her job function to achieve a specific project result while working according to self-prescribed working-time arrangements at the workplace or outside of the workplace, and the employer undertakes to pay the salary agreed therefor.

2. When concluding a project-based employment contract, the parties to the project-based employment contract shall define the specific project result and establish its conclusion or the conditions for the establishment thereof.

3. A project-based employment contract may be agreed upon in the following cases:

1) when concluding a project-based employment contract for up to two years with a newly hired person;

2) temporarily, for up to five years, when replacing a valid employment contract of a different type;

3) when concluding an agreement for up to two years on project work while an employment contract of a different type is valid. An agreement on project-based work while an employment contract of a different type is valid shall be subject to the provisions of this Section *mutatis mutandis*.

### **Article 90. Standard Working Hours and Working-Time Arrangements. Terms of Employment**

1. A project-based employment contract must establish the standard working hours, i.e. the average number of working hours that the employee will work per week.

2. The employee shall allocate working time at his or her own discretion, but without violating the maximum working time and minimum rest period requirements.

3. Safety and health at work requirements shall apply to the employee to the extent that they are related to the direct performance of the agreed job function by the employee or the employee's presence at the workplace, or to the employee's use of the material or installations/equipment transferred to the employee by the employer. If, in performing the job function, the employee may be exposed to conditions dangerous to life or health, the employer must inform the employee thereof in a timely manner and create conditions for safe work.

### **Article 91. Payment for Work**

1. An employee working under a project-based employment contract must be paid at least the minimum hourly rate in accordance with the standard working hours established in Article 90(1) of this Code. A project-based employment contract may additionally establish temporary payment for work or result-based payment for work, or a combined method may be applied.

2. The conditions for bonuses and remuneration for outcome achieved shall be established in the project-based employment contract.

3. Remuneration must be paid to the employee on a regular basis and at least once per month.

### **Article 92. Termination of a Project-Based Employment Contract**

1. A project-based employment contract shall be terminated on the grounds and in the procedure established by this Code.

2. The provisions of this Code regulating the maximum duration of a fixed-term employment contract (Article 68 of this Code) and fixed-term employment contract termination consequences (paragraphs 2–5 of Article 69 of this Code) shall not apply to project-based employment contracts.

## **SECTION SIX**

### **THE JOB SHARE EMPLOYMENT CONTRACT**

#### **Article 93. The Concept of the Job Share Employment Contract**

1. Two employees may agree with an employer on sharing a single job, without exceeding the maximum standard working hours established for one employee.

2. The employment contracts of both employees must specify the type of such an employment contract, the identity and contact details of the other employee, and the employee's standard working hours (number of working hours per week). It shall be considered that the standard working hours are the same for both employees if the contracts do not establish otherwise.

3. A job share employment contract may be agreed upon either by concluding a new employment contract or by temporarily replacing a valid employment contract of a different type. The employer must consider and, if possible in terms of organisation and production, satisfy the request of an employee who is raising a child/adopted child under the age of seven to temporarily, until the child/adopted child reaches the age of seven, replace a valid employment contract of a different type with a job share employment contract. Such an employee has the right to return to work under the employment contract of a different type that was valid before

the job share employment contract by giving the employer written notice thereof two weeks in advance, except in cases where the employer agrees to waive this term.

#### **Article 94. Working-Time Arrangements**

1. Each employee may select his or her working time by agreeing on it with the other employee. In any case, the maximum working time and minimum rest period requirements must be adhered to.

2. If the employer so requests, the employer must be informed of the distribution of working time between the employees over a day, week, or longer period of time in accordance with the time and procedure specified in the contracts.

3. The working-time arrangements may be changed by mutual agreement of the employees and, if it is so established in the job share employment contracts, upon informing the employer thereof.

4. Employee agreements and the execution thereof may in no way affect the duty of the employees to work for the employer in accordance with the working-time arrangements agreed upon with the employer. In all cases, the employees must replace one another at work in such a way that performance of the job function is not affected.

5. The temporary incapacity for work or leave of one employee shall not affect the working-time arrangements of the other employee, unless established otherwise in the job share employment contracts. The employer may temporarily replace such an employee with another employee, with whom the employee working under the job share employment contract must cooperate to perform the job function.

#### **Article 95. Termination of a Job Share Employment Contract**

1. Upon termination of a job share employment contract with one employee, the job share employment contract of the other employee shall remain valid for one month, until a job share employment contract is concluded with another employee. If such a contract is not concluded within the aforementioned period, the employer must offer the employee to work in full, and, if the employee refuses, shall have the right to dismiss the employee by giving notice three working days in advance and paying severance pay in the amount of half of his or her average remuneration, except for an employee specified in Article 93(3) of this Code who is raising a child/adopted child under the age of seven, who shall be left to work under part-time terms of employment.

2. The parties to the employment contract may agree that upon termination of the job share employment contract, they shall conclude a part-time employment contract or replace the employment contract in another way.

## **SECTION SEVEN**

### **THE MULTIPLE-EMPLOYER EMPLOYMENT CONTRACT**

#### **Article 96. The Concept of the Multiple-Employer Employment Contract**

1. An employment contract concluded with an employee may specify two or more employers instead of one employer for performance of the same job function.

2. Each employer, taking the time of the employee allocated thereto into account, shall have the right, with respect to the employee, to implement employer rights and shall be required to perform the duties of the employer and ensure application of this Code and other labour law provisions.

3. A multiple-employer employment contract may establish that the employee's working time is not allocated to each employer individually if the employee performs the tasks of several employers at the same time; however, the part of the standard working hours to be paid by each employer must be established.

#### **Article 97. Standard Working Hours and Working-Time Arrangements**

1. If it is agreed that the employee's working time will be allocated to each employer individually, the standard working hours of the employee due to each employer shall be specified either in the employment contract or at least five working days in advance in the work schedule given to the employee.

2. The working-time arrangements and the work schedule must be drawn up in such a way that the maximum working time and minimum rest period requirements are not infringed upon.

#### **Article 98. The Primary Employer and Other Employers**

1. By agreement of the employers, the multiple-employer employment contract must specify the primary employer who will perform all of the employer functions related to work scheduling, taxation of the employee's income, payment of social insurance and other contributions for the employee, and the provision of information about the employee.

2. The other employers must compensate the primary employer for expenses in accordance with the agreement concluded by them, taking into account the working time worked for them by the employee. Compensation of these expenses shall not be considered to be income of the primary employer, and the expenses of all the employers shall be treated as labour costs.

3. All of the employers shall bear joint and several liability for the fulfilment of their obligations to the employee and their duties related to taxation of the employee's income and payment of social insurance and other contributions for the employee.

4. The employee has the right to demand that any one of the employers fulfil the duties of the employer in accordance with the employment contract.

5. The primary employer shall represent all of the employers in labour disputes with the employee.

#### **Article 99. Termination of a Multiple-Employer Employment Contract**

1. The employee has the right to terminate a multiple-employer employment contract on the grounds and in the procedure established by this Code. Notice of termination of a multiple-employer employment contract shall be submitted to the primary employer.

2. Any one of the employers has the right to initiate termination of a multiple-employer employment contract on the grounds and in the procedure established by this Code by giving notice thereof to all of the parties to the multiple-employer employment contract. The decision to terminate a multiple-employer employment contract or to propose to the employee that the employment contract be changed shall be taken by all of the employers jointly; the primary employer shall represent them in relations with the employee. The amounts to be paid to an employee being dismissed shall be divided in proportion to the share of the standard working hours paid by each employer.

3. If the multiple-employer employment contract is not replaced, the employee's employment relations shall end with all of the employers upon termination of the multiple-employer employment contract.

### **SECTION EIGHT**

#### **THE SEASONAL EMPLOYMENT CONTRACT**

##### **Article 100. The Seasonal Employment Contract**

1. A seasonal employment contract is concluded for the performance of seasonal work. Seasonal jobs shall mean jobs that, due to the conditions of nature and the climate, are not performed year-round, but rather, during certain periods/seasons of no more than eight months over a period of 12 successive months, and which are included in the list of seasonal jobs.

2. The list of seasonal jobs and the specifics of the conclusion, amendment and termination of a seasonal employment contract as well as of working and rest time and payment

for work shall be established by the Government of the Republic of Lithuania in accordance with this Code.

## **CHAPTER VII THE SPECIFICS OF LABOUR RELATIONS**

### **SECTION ONE THE SPECIFICS OF LABOUR RELATIONS WITH MANAGERIAL EMPLOYEES**

#### **Article 101. The Head of a Juridical Person, the Members of Management and Supervisory Bodies and other Managerial Employees**

1. An employment contract must be concluded with a single-person management body of a juridical person who is a natural person working on a compensation basis (hereinafter ‘the head of the juridical person’), with the exception of the heads of small partnerships and sole proprietorships. Such a contract may also be concluded on a part-time basis, in which case Article 40 of this Code shall apply *mutatis mutandis*.

2. Employment contracts are not concluded with natural persons who are members of the collegial management or supervisory bodies of a juridical person. This rule does not apply if employment contracts have been concluded with them under which they undertake the performance of other job functions for a salary while coordinating them with their member duties.

3. Employment contracts are concluded with the heads of divisions (branches and representative offices) of a juridical person. The specifics of labour relations specified in this Section shall apply to them *mutatis mutandis*.

4. Employment contracts shall be concluded with a juridical person’s managerial employees not specified in paragraphs 1, 2, and 3 of this Article, i.e. employees who have the right to give mandatory instructions to subordinate employees, and the specifics of this Section shall not apply to them.

#### **Article 102. The Specifics of Concluding an Employment Contract with the Head of a Juridical Person**

An employment contract with the head of a juridical person shall be signed on behalf of the juridical person by the person authorised by the competent management body of the juridical person specified in the juridical person’s formation documents or laws.

#### **Article 103. The Specifics of Implementation of the Employment Contract**

1. The head of a juridical person shall manage his or her own working time, without violating the maximum working time and minimum rest period requirements established by labour law provisions.

2. The head of a juridical person shall be liable for damage caused to the juridical person by him or her, as an employee, in accordance with labour law provisions and the terms of the employment contract.

3. The head of a juridical person shall be liable according to the provisions of civil law for damage caused to the juridical person due to non-fulfilment or improper fulfilment of civil rights and obligations.

#### **Article 104. Termination of the Employment Contract**

1. In addition to the grounds for the termination of an employment contract established in this Code and other laws, an employment contract with the head of a juridical person shall end upon removal of the head of the juridical person according to the procedure established in the formation documents or laws.

2. If the employment relationship with the head of a juridical person lasted for more than two years and the head of the juridical person was removed before expiration of the term of the employment contract in accordance with the procedure established in paragraph 1 of this Article, the head of the juridical person shall be paid severance pay in the amount of his or her average remuneration for one month, except for cases where the removal is determined by the culpable actions thereof.

3. The provisions of this Code regulating fixed-term employment contract termination consequences (paragraphs 2 and 3 of Article 69 of this Code) shall not apply to the head of a juridical person.

#### **Article 105. Disputes between the Head of a Juridical Person and the Juridical Person**

1. Labour disputes between a juridical person and the head thereof shall be settled in the procedure established to settle labour disputes on rights.

2. Disputes on refusal to conclude an employment contract, as well as on the legality of the termination of an employment contract, as well as on non-fulfilment/improper fulfilment of civil rights and obligations on the part of the head of a juridical person shall be settled in court.

#### **Article 106. Election or Appointment of an Employee as the Head of a Public Juridical Person**

An employee of a public juridical person elected or appointed as the head of the public juridical person, upon termination of his or her employment relationship as the head of the juridical person, except in the case when the employment contract is terminated on the grounds established in Article 58 of this Code, has the right to return to the former position under the same terms of employment, taking into account all of the changes that were made to the terms of employment for other employees performing the same or similar work. Said must notify the employer of the will to return to the previous position within three working days of the termination of the contract.

## **SECTION TWO**

### **THE SPECIFICS OF LABOUR RELATIONS WITH WORKERS ON SECONDMENT**

#### **Article 107. The Concept of the Secondment of Workers**

1. The secondment of workers is the performance of job duties in a place other than where the permanent workplace is located.

2. During secondment, the employee shall retain his or her remuneration. If during secondment the employee incurs extra costs (transport, travel, accommodation and other expenses), the employer shall reimburse them.

3. If an employee's secondment lasts for more than one workday/shift or if the employee is assigned abroad, the employee must be paid a daily allowance, the maximum amount and payment procedure of which shall be established by the Government of the Republic of Lithuania or an institution authorised thereby.

4. The time clocked on secondment includes the time the employee spends travelling to and from the workplace specified by the employer. If the trip took place after working hours or on a day off or a holiday, the employee shall be entitled to the same amount of time off on the first working day after the trip, or the time off can be added to the annual leave entitlement, leaving the employee's remuneration for this time off.

5. During a secondment, the employee must work according to the usual working-time arrangements if the employer has not established other obligations.

6. An employee who is going to another country for a period of more than 30 days must be given, before leaving for the secondment, the documents specified in paragraphs 1 and 2 of Article 44 of this Code, which shall additionally specify:

- 1) the duration of the secondment;
- 2) the currency in which remuneration will be paid during the secondment;

3) payments in cash and in kind that are allocated for work in another country, where applicable;

4) the conditions for returning to the country of the permanent workplace, where applicable.

**Article 108. Posting of Workers of a Foreign Employer to the Territory of the Republic of Lithuania for the Provision of Services**

1. With the exception of merchant ship crew members, an employee of an employer who is under the jurisdiction of a foreign country may be posted to work temporarily in the territory of the Republic of Lithuania:

1) in accordance with a contract for the provision of services or works performed concluded by the employer with a customer operating in the Republic of Lithuania;

2) to work at a branch, representative office, group company or other workplace of the juridical person of the employer;

3) to work as a temporary worker.

2. An employee specified in paragraph 1 of this Article, irrespective of the law applicable to the employment contract or employment relationship, shall be subject to the provisions of this Code and other provisions of the labour law of the Republic of Lithuania establishing:

1) maximum working time and minimum rest periods;

2) the duration of minimum paid annual leave;

3) minimum wage, including extra pay for overtime, night work, and work on days off and holidays;

4) the terms of employment for temporary workers;

5) safety and health at work;

6) safety at work for persons under the age of 18 and employees who are pregnant, who recently gave birth, or who are breast feeding;

7) prohibition of discrimination at work;

8) the provisions specified in Article 107(6) of this Code.

3. With the exception of payments allocated for the reimbursement of actual travel, accommodation and meal expenses related to the posting, the daily allowance and other payments payable to an employee specified in paragraph 1 of this Article shall be considered a part of the remuneration.

4. If an employee is posted to the territory of the Republic of Lithuania by an employer of a country that is not a member of the European Economic Area, said employee must obtain a permit in accordance with the procedure established by the laws of the Republic of Lithuania.

5. In the cases established in points 1 and 2 of paragraph 1 of this Article, the provisions related to minimum wage, including extra pay for overtime, night work, and work on days off and holidays shall not be applicable if the duration of the posting does not exceed 30 days.

6. The provisions of points 2 and 3 of paragraph 2 of this Article related to the minimum length of annual leave, minimum wage and payment for overtime shall not be applicable if the initial assembly and/or initial installation of the product is done by qualified employees and/or specialists of the enterprise supplying the product when this is established in the contract for the supply of goods and is necessary in order to use the product provided, and when the duration of their posting does not exceed eight days. This exception shall not apply when the posted worker is performing, in the territory of the Republic of Lithuania, construction work specified in the Republic of Lithuania Law on Construction.

7. For the purposes this Article, the duration of a posting shall be calculated by adding together all of the calendar days of the posting or postings within a period of one year from the beginning of the first posting.

8. When the employer is a subcontractor, the contractor shall bear subsidiary responsibility for fulfilment of the monetary obligations established in point 3 of paragraph 2 of this Article related to minimum wage due to an employee specified in paragraph 1 of this Article when the latter is performing construction work specified in the Republic of Lithuania Law on Construction.

9. Subsidiary responsibility of the contractor when the employer is a subcontractor shall arise from the rights and obligations established in the subcontract.

#### **Article 109. Ensuring Working Conditions for Workers of a Foreign Employer**

1. An employer under the jurisdiction of a foreign country who posts a worker to work temporarily in the territory of the Republic of Lithuania for a period of more than 30 days or to perform construction work established in the Republic of Lithuania Law on Construction shall, in accordance with the procedure established by the Minister of Social Security and Labour of the Republic of Lithuania, give advance notice to the territorial office of the State Labour Inspectorate where the job function of the posted worker will be performed about the conditions established in points 1–7 of Article 108(2) of this Code that will apply to this worker.

2. Employers must have the documents related to the posted worker at the place where the job function of the posted worker is being performed during the entire period of the posting and must provide them without delay to competent authorities at the request thereof.

3. The State Labour Inspectorate shall provide information immediately and free of charge to, or otherwise cooperate with, competent authorities of other European Union Member

States regarding the application of the conditions set out in this Code to posted workers as well as violations of posted worker guarantees. The State Labour Inspectorate shall ensure that information on the provisions of the regulatory acts of the Republic of Lithuania, including expanded collective sectoral and territorial agreements, concerning the conditions applicable to a posted worker, is available to European Union Member State employers free of charge, in a clear, transparent and comprehensive manner, remotely and electronically, in internet access format and standards, while ensuring accessibility to people with disabilities.

4. A worker posted to the territory of the Republic of Lithuania may defend his or her violated rights in accordance with the procedure for the settlement of labour disputes on rights.

### **SECTION THREE**

#### **THE SPECIFICS OF LABOUR RELATIONS AT SMALL-SIZED ENTERPRISES**

##### **Article 110. The Specifics of Labour Relations for Employers Employing Less than 10 Employees**

Employers with an average number of employees of less than 10 shall not be subject to the provisions of this Code regarding:

1) the duty to provide the employee trustee with information about the remote work situation (Article 52 of this Code), the fixed-term employment contract situation (Article 71(3) of this Code), and the temporary agency employment situation (Article 79(4) of this Code) at the enterprise, institution or organisation;

2) the duty to change, at the request of an employee, working time in the case of part-time work (Article 40(3) and Article 40(4) of this Code);

3) the duty to approve the selection criteria for redundancy and to form a selection committee when dismissing employees on the initiative of the employer without any fault on the part of the employees (Article 57(3) of this Code);

4) the duty to inform about work shift schedules at least five working days in advance. Such employers must inform about work shift schedules at least three working days in advance, unless different terms of notice are agreed upon with the employee (Article 115(2) of this Code);

5) the rules for establishing the sequence of granting annual leaves (Article 128(4) of this Code). Annual leave shall be granted by agreement of the parties;

6) paid educational leave (Article 135(3) of this Code). Paid educational leave shall be established by agreement of the parties;

7) the right of the employees to take their entire annual leave or part thereof. For employment relationships of less than one year, these employers may refrain from granting an

employee annual leave, but must pay compensation for unused annual leave (Article 127 of this Code).

## **CHAPTER VIII WORKING AND REST TIME**

### **SECTION ONE WORKING TIME**

#### **Article 111. The Concept of Working Time**

1. Working time is any time during which the employee is at the employer's disposal or is carrying out duties according to an employment contract.

2. In all cases, the following periods shall be included in working time:

- 1) preparation for work at the workplace;
- 2) physiological breaks and special breaks;
- 3) the time it takes to travel from the workplace to the place of temporary performance of a job function as specified by the employer;
- 4) on-call time according to the procedure established by this Code;
- 5) time spent on qualification development by instruction of the employer;
- 6) time spent for mandatory employee health screenings;
- 7) idle time;
- 8) the time of suspension from work if the suspended employee is required to comply with the established procedures at the workplace;
- 9) other periods established by labour law provisions.

#### **Article 112. Standard Working Hours**

1. Standard working hours, i.e. the average duration of time that the employee must work for the employer over a certain period in order to fulfil his or her duties under the employment contract (excluding additional work and overtime), must be established in the employment contract.

2. Standard working hours are specified in working hours per week, day or other reference period without infringing upon the maximum working time and minimum rest period requirements established by this Code or other labour law provisions.

3. An employee's standard working hours shall be 40 hours per week unless labour law provisions establish shorter standard working hours for the employee or the parties agree on part-time work.

4. The Government of the Republic of Lithuania shall establish shortened standard working hours and a corresponding payment procedure for persons whose work entails greater mental and emotional strain as well as the list of these jobs, professions and positions, and shorter standard working hours for employees who work in a work environment where, following a risk assessment, health hazards have been established which exceed the values/amounts permitted by safety and health at work legislation and the amount of which cannot be reduced in the work environment to safe levels through technical or other means.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

5. On the eve of holidays, the length of the workday shall be shortened by one hour, except for employees subject to shortened standard working hours.

*Supplement of a paragraph to the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

### **Article 113. Working-Time Arrangements**

1. Working-time arrangements are the distribution of standard working hours over the workday/shift, week, month or other reference period that may not exceed three consecutive months.

2. If labour law provisions or the employment contract do not establish otherwise, the working-time arrangements for one or several employees (group of employees), or for all of the employees at the workplace shall be established by the employer, by selecting one of the following types of working-time arrangements:

- 1) fixed duration of workdays/shifts and number of working days per week;
- 2) annualised hours, when the standard working hours for the entire reference period are fulfilled during the reference period;
- 3) a flexible work schedule where an employee is required to be present at the workplace for certain hours of the workday/shift, but can work the other hours of the workday/shift before or after the required hours;
- 4) split shift working-time arrangements, when work is done on the same day/shift with a break to rest and eat that is longer than the established maximum length of breaks to rest and eat;
- 5) individualised working-time arrangements.

3. Unless established otherwise, it shall be considered that the standard working hours are fulfilled within a one-week reference period, working five days per week with an equal number of hours per workday each week.

4. The working-time arrangements for employees at state and municipal enterprises, institutions and organisations shall be established by the Government of the Republic of Lithuania in accordance with the provisions of this Chapter.

#### **Article 114. Maximum Working Time Requirements**

If the provisions of this Code do not establish otherwise, the working-time arrangements may not violate the following maximum working time requirements:

1) the average working time, including overtime but excluding work done according to an agreement on additional work, may not exceed 48 hours over each period of seven days;

*Amendments to a point of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2) working time, including overtime and work done according to an agreement on additional work, may not exceed 12 hours, excluding lunch breaks, per workday/shift and 60 hours over each period of seven days;

3) the specifics of working-time arrangements for night workers (Article 117 of this Code) and employees who are pregnant, who recently gave birth, or who are breast feeding and persons under the age of 18, as established in the Republic of Lithuania Law on Safety and Health at Work, must be adhered to;

4) no more than six days can be worked over seven consecutive days;

5) *repealed.*

*Amendments to a point of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 115. Working-Time Arrangements Using Annualisation**

1. Annualised hours shall be introduced where necessary, having carried out the information and consultation procedure with the work council and taking the opinion of the employer-level trade union into account. Where annualisation has been established, work is carried out at the time specified in the work/shift schedules in accordance with maximum working time requirements.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. Work/shift schedules shall be communicated to employees at least seven days before they come into effect. They may only be changed in cases beyond the employer's control, upon notifying the employee two of the employee's working days in advance. Work/shift schedules

shall be approved by the administration, having agreed on the procedures for the coordination of work/shift schedules with the work council or in the absence thereof – the employer-level trade union, or according to the procedure established in the collective agreement.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. Work/shift schedules must be drawn up in such a way that they do not violate the maximum working time of 52 hours per each seven-day period, without applying this rule to work done according to an agreement on additional work or to on-call time. The employer must ensure the smooth change of employee shifts. An individual raising a child under the age of three shall have the right to choose a shift within two working days of them being posted, and an individual raising a child under the age of seven – whenever possible.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4. The employer must draw up work/shift schedules in such a way that the employee's working time is distributed over the reference period as uniformly as possible. It is prohibited to assign an employee to work two shifts in a row.

5. If, at the end of the reference period, an employee has not worked the total standard working hours for the entire reference period due to the working-time arrangements created for him or her, the employee shall be paid half of the remuneration due for the remaining standard working hours.

6. If, at the end of the reference period, an employee has worked more hours than the total standard working hours for the entire reference period, he or she shall be paid for the hours in excess of the standard working hours the same as for overtime or, at the request of the employee, the excess working time can be multiplied by 1.5 and added to the employee's annual leave.

7. When working annualised hours, remuneration is paid for the actual time worked, except for the cases established in paragraphs 5 and 6 of this Article. The employer shall have the right to pay a fixed remuneration during each month of the reference period, regardless of the standard working hours actually worked, and then make a final settlement for work during the reference period by paying for the work according to factual data during the last month of the reference period.

## **Article 116. Flexible Working-Time Arrangements**

1. Where a flexible work schedule is in place (for all or just a few days of the working week), the beginning and/or end of the workday/shift shall be set by the employee according to the rules set out in paragraph 2 of this Article.

2. The employer shall establish the fixed hours of the workday/shift during which the employee must work at the workplace. This working time may only be changed upon notifying the employee at least two of the employee's working days in advance. The unfixed hours of the workday/shift are worked at the discretion of the employee, before and/or after the fixed hours of the workday/shift.

3. With the employer's consent, any unfixed hours of the workday/shift that were not worked may be transferred to another working day, as long as the maximum working time and minimum rest period requirements are not infringed upon.

### **Article 117. The Specifics of Working-Time Arrangements for Working at Night**

1. Night is the calendar period from 10pm to 6am.

2. A night worker is considered to be an employee who:

1) works at least three hours per workday/shift at night; or

2) works at night for at least 25 per cent of his or her total annual working time.

3. The working time of a night worker may not exceed an average of eight hours per workday/shift during a reference period of three months if it is not agreed otherwise in collective agreements higher than employer-level.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4. The working time per workday/shift of night workers, with the exception of the workers referred to in Article 118 of this Code whose work involves special hazards or heavy physical and mental strain (Article 112(4) of this Code), may not exceed eight working hours in any period of 24 hours during which they perform night work.

### **Article 118. The Specifics of Working-Time Arrangements While On Call**

1. When an employee performs his or her job function by being on call (active on-call duty), the length of the workday/shift may not exceed 24 hours and may also not exceed the employee's standard working hours over a maximum reference period of three months.

2. When an employee is required to be present at a place specified by the employer and ready to perform his or her functions as necessary (passive on-call duty), the length of the workday/shift may be up to 24 hours, but may not exceed the employee's standard working hours over a maximum reference period of two months. In this case, the employee must be given the opportunity to rest and eat at the workplace.

3. Both for active and passive on-call duty, conditions must be created for the employee to rest and eat. The working-time arrangements and record-keeping for these employees shall be subject to the rules of annualisation.

4. The time spent by an employee outside of the workplace but prepared to perform certain actions or go to the workplace if the need arises during normal rest hours (passive on-call duty at home) shall not be considered working time except for the time actually taken for action. This type of on-call duty may not last longer than a continuous one-week period over four weeks. Passive on-call duty at home must be agreed upon in the employment contract and the employee must be paid an allowance of at least 20 per cent of his or her average monthly remuneration for each week on call outside of the workplace. Actions actually taken shall be paid for as actual time worked, but not in excess of 60 hours per week. A person may not be assigned to passive on-call duty at home on a day that he or she has already worked continuously for at least 11 consecutive hours.

5. Persons under the age of 18 may not be assigned to passive on-call duty or passive on-call duty at home. Passive on-call duty or passive on-call duty at home may only be assigned to employees who are pregnant, who recently gave birth, or who are breast feeding, employees who are raising a child under the age of 14 or a disabled child under the age of 18, persons caring for a disabled person, and disabled persons who are not prohibited from such duty by conclusion of the Disability and Working Capacity Assessment Service under the Ministry of Social Security and Labour with the consent thereof.

### **Article 119. Overtime**

1. Overtime is the time which an employee actually works in excess of the total length of working time established for a workday/shift or reference period for the employee by the working-time arrangements.

2. The employer may only instruct an employee to perform overtime work with the employee's consent, except for cases when:

1) unplanned work critical to society must be performed or action must be taken to prevent calamities, dangers, accidents or natural disasters or to eliminate the consequences thereof that require prompt eradication;

2) it is necessary to complete a job or eliminate a failure due to which a large number of employees would have to cease work or materials, products or equipment would be damaged;

3) this is stipulated in the collective agreement.

3. No more than eight hours of overtime can be worked over a period of seven consecutive calendar days unless the employee gives written consent to work up to 12 hours of

overtime per week. In such cases, the maximum average working time of 48 hours per week calculated over the reference period cannot be infringed upon. The maximum amount of overtime per year is 180 hours. Higher maximum overtime limits may be agreed upon in the collective agreement.

4. The maximum working time and minimum rest period requirements may not be infringed upon while working overtime.

### **Article 120. Working Time Record-Keeping**

1. The employer must keep records of the working time of employees, except for employees who work according to working-time arrangements with fixed-duration workdays/shifts and a fixed number of working days per week.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. In working time records, the employer must include the actual time worked by the employee:

- 1) as overtime;
- 2) on holidays;
- 3) on days off where said was not scheduled;
- 4) at night;
- 5) according to an agreement on additional work.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

3. Working time records shall be kept in time sheets in the form approved by the employer, which may be completed and stored electronically.

4. Where employees manage their entire working time or part thereof at their own discretion or are required to keep records of their working time themselves, the employer may establish the rules for working time record-keeping.

5. Employees shall have the right to become acquainted with their working time records and to demand that they be given an excerpt of the time sheet free of charge.

### **Article 121. The Specifics of Working-Time Arrangements in Fields of Economic Activities**

The maximum working time requirements and minimum rest period requirements and the rules for working-time arrangements and work records at transport, postal, agricultural and energy enterprises, medical treatment and social care institutions, sea and river transport and other fields of economic activities may differ from the standards established by this Code. The

specifics of working time and rest time in these fields of activities shall be established by the Government of the Republic of Lithuania or collective agreements.

## **SECTION TWO REST PERIODS**

### **Article 122. Minimum Rest Period Requirements**

1. A rest period is any period off from work.
2. If the provisions of this Code do not establish otherwise, working-time arrangements may not violate the following minimum rest period requirements:
  - 1) during a workday/shift, the employee must be given physiological breaks according to the employee's needs, and special breaks when working under outdoor conditions (outside or in unheated premises) or occupational risk conditions, or when performing work that demands heavy physical or mental strain;
  - 2) after no more than five hours of work, employees must be given a lunch break in order to rest and eat. This break may not be shorter than 30 minutes or longer than two hours, unless the parties agree on split shift working-time arrangements. During the lunch break, the employee may leave the workplace;
  - 3) the length of daily uninterrupted rest between workdays/shifts may not be shorter than 11 consecutive hours, and an employee must be given at least 35 hours of uninterrupted rest over a period of seven consecutive days. If the length of an employee's workday/shift is more than 12 hours but no more than 24 hours, the length of uninterrupted rest between workdays/shifts may not be less than 24 hours;
  - 4) if on-call duty lasts for 24 hours, the rest period shall last at least 24 hours.
3. The length of breaks as well as when they begin and end and other conditions shall be established by labour law provisions and workday/shift schedules. Employees performing work that, due to production conditions, does not allow for breaks to rest and eat must be given the opportunity to eat during working time.
4. The length of the special breaks referred to in point 1 of paragraph 2 of this Article during a workday/shift and the conditions for the establishment thereof shall be determined by the Government of the Republic of Lithuania.

### **Article 123. Holidays**

1. Normally, the following holidays are days off:
  - 1) 1 January – New Year's Day;

- 2) 16 February – Day of Restoration of the State of Lithuania;
- 3) 11 March – Day of Restoration of the Independence of Lithuania;
- 4) Easter Sunday and Easter Monday (in the tradition of Western Christianity);
- 5) 1 May – International Labour Day;
- 6) First Sunday of May – Mother’s Day;
- 7) First Sunday of June – Father’s Day;
- 8) 24 June – Rasos (Dew Holiday) and Joninès (St John’s Day);
- 9) 6 July – Statehood (Coronation of Mindaugas, King of Lithuania) Day;
- 10) 15 August – Žolinė (Švenčiausios mergelės Marijos ėmimo į dangų dieną) (Assumption Day (The Feast of the Assumption of the Blessed Virgin Mary));
- 11) 1 November – All Saints’ Day;
- 12) 24 December – Christmas Eve;
- 13) 25 and 26 December – Christmas.

2. A holiday may only be a working day with the consent of the employee, except when working annualised hours or in the cases established in the collective agreement.

#### **Article 124. Days Off**

1. A day off is a day when the employee does not work according to the working-time arrangements. The general day off is Sunday.

2. Work on a day off may only be assigned with the consent of the employee, except when working annualised hours or in the cases established in the collective agreement.

#### **Article 125. Types of Leave**

1. Leave may be:

- 1) annual;
- 2) special;
- 3) extended or additional.

2. The workplace/position shall be held for the employee during the leave period.

3. Where, according to labour law provisions or the employment contract, remuneration is left to the employee, it is paid according to the terms and procedure for the payment of remuneration, with the exception of the holiday pay paid to the employee for annual leave.

#### **Article 126. The Concept and Duration of Annual Leave**

1. Annual leave is the time off from work that is granted to an employee to rest and renew his or her capacity for work while paying him or her holiday pay.

2. Employees are entitled to at least 20 working days (for those who work five days per week) or at least 24 working days (for those who work six days per week) of annual leave. If the number of working days per week is less or different, the employee must be granted leave of no less than four weeks.

3. Leave is calculated in terms of working days. Holidays shall not be included in the length of leave.

4. Longer leave may be established by employment contracts, collective agreements or labour law provisions.

### **Article 127. Annual Leave Entitlement**

*Changed title of article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

*1. Repealed.*

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. The right to take part of annual leave (or to receive monetary compensation therefor in the case established by this Code) shall arise when the employee becomes entitled to at least one working day's leave.

3. The working year that annual leave is granted for shall begin on the day that the employee begins working under the employment contract.

4. The number of working days for the working year that annual leave is being granted shall include:

1) the actual working days worked and the working time specified in Article 111(2) of this Code;

2) the working days during a secondment;

3) the working days that were not worked due to the employee's temporary incapacity for work, care for sick family members, annual, extended or additional leave, pregnancy and childbirth leave, paternity leave or educational leave;

*Amendments to a point of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4) unpaid leave of up to 10 working days per year granted at the employee's request with the employer's consent, as well as other unpaid leave for the duration specified in Article 137(1) of this Code;

5) sabbatical leave, if this is agreed on by the parties or if this is provided for in labour law provisions;

6) the duration of a legal strike;

- 7) forced absence;
- 8) time spent for the performance of public state, civic or other duties;
- 9) additional rest periods for parents raising children;
- 10) time spent for the performance of duties of persons carrying out employee representation and time spent for their training and education (Article 168(1) and Article 168(2) of this Code);
- 11) other periods established by law.

5. The right to take one's entire annual leave or part thereof (or to receive monetary compensation therefor in the case established by this Code) shall be lost three years after the end of the calendar year during which the right to full annual leave was acquired, except for cases when the employee was, in actuality, unable to take it.

6. It is prohibited to replace annual leave with monetary compensation except upon termination of an employment relationship when the employee is paid compensation for unused full annual leave or part thereof, with the limitations established in paragraph 5 of this Article.

#### **Article 128. Granting Annual Leave**

1. Annual leave must be granted at least once per working year. At least one part of the annual leave must be at least 10 working days or at least 12 working days (for those who work six days per week), and where the number of working days per week is less or different, the part of the leave may not be shorter than two weeks.

2. For the first working year, full annual leave is usually granted after the employee has worked at least half of the number of working days for the working year. Before six months of uninterrupted work, annual leave is granted at the employee's request:

- 1) to pregnant employees before or after pregnancy and childbirth leave;
- 2) to fathers during the pregnancy and childbirth leave taken by the mother of their child, or before or after paternity leave;
- 3) during the summer break at the workplace;
- 4) to schoolteachers, who are granted annual leave during their first working year during summer break, regardless of when these teachers started to work at the school;
- 5) in other cases established by labour law provisions.

3. Annual leave for the second and subsequent years of work are granted at any time during the working year according to the annual leave schedule at the workplace. This schedule is drawn up according to the procedure established in the collective agreement or an arrangement between the employer and the work council, or in other labour law provisions for the period from 1 June to 31 May of the following year, unless otherwise specified therein.

4. The annual leave schedule is drawn up at the workplace taking the preferences of the following employees into account (in order of priority):

- 1) pregnant employees and employees raising at least one child under the age of three;
- 2) employees raising at least one child under the age of 14 or a disabled child under the age of 18;
- 3) employees raising two or more children;
- 4) employees who took less than 10 working days of leave during the previous calendar year;
- 5) employees who have unused annual leave from the previous working year.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

5. The employer must satisfy an employee's request to grant annual leave:

- 1) to pregnant employees before or after pregnancy and childbirth leave;
- 2) to fathers during the pregnancy and childbirth leave taken by the mother of their child, or before or after paternity leave;
- 3) to employees who are studying without discontinuing their job and who are coordinating their annual leave with their examinations and tests, thesis work (bachelor's or master's), laboratory work and consultations;
- 4) to employees who are caring for sick family members or disabled persons, as well as persons who have chronic conditions, the exacerbation of which is dependent on atmospheric conditions, at the recommendation of a healthcare institution.

6. Annual leave shall be documented in accordance with the procedure prescribed by the employer.

#### **Article 129. Transfer and Extension of Annual Leave**

1. If an employee cannot take annual leave according to its intended purpose because he or she is temporarily incapable of work or is making use of the right to special leave as specified in Articles 132, 133 and 134 of this Code, or has been granted unpaid leave as specified in Article 137(1) of this Code, the annual leave that has already been granted shall be transferred for that period.

2. If the circumstances established in paragraph 1 of this Article emerged prior to the commencement of annual leave, the commencement date for the annual leave shall be postponed, but to a date no later than the end of the annual leave that has been granted. If the circumstances emerged while taking annual leave, the unused annual leave shall be granted to the employee at another time agreed upon by the parties, but during the same working year. At

the employee's request, part of the extended annual leave may be carried over into the next leave year.

### **Article 130. Holiday Pay**

1. During annual leave, the employee shall retain his or her average remuneration (holiday pay).

2. Holiday pay must be paid out no later than the last working day before the commencement of annual leave. Holiday pay for the part of leave exceeding 20 working days (for those who work five days per week) or 24 working days (for those who work six days per week) or four weeks (if the number of working days per week is less or different) shall be paid to the employee during leave according to the terms and procedure for the payment of remuneration.

3. At the employee's separate request, holiday pay shall be paid, upon granting annual leave, according to the usual procedure for the payment of remuneration.

4. Should the employer delay in making payment for annual leave, the delayed payment period shall be added to the next annual leave provided that the employee submitted an application within the first three working days after the annual leave.

### **Article 131. Special Leave**

1. Special leave is:

- 1) pregnancy and childbirth leave;
- 2) paternity leave;
- 3) child care leave;
- 4) educational leave;
- 5) sabbatical leave;
- 6) unpaid leave.

2. The employer shall ensure the employee's right to return, after special leave, to the same or equivalent workplace/position under terms of employment no less favourable than those previously, including remuneration, and to make use of all improved conditions, including the right to increased remuneration which the employee would have been entitled to had he or she been working.

### **Article 132. Pregnancy and Childbirth Leave**

1. Eligible employees are entitled to pregnancy and childbirth leave – 70 calendar days before childbirth and 56 calendar days after childbirth (or 70 calendar days in cases of

complicated childbirth or when more than one child is born). This leave shall be calculated together and shall be granted to the employee as a whole, regardless of the number of days actually used before childbirth. If an eligible employee does not take pregnancy and childbirth leave, the employer must provide 14 days of this leave immediately after childbirth, regardless of the employee's request.

2. Employees who have been appointed as newborn guardians are entitled to leave from the day that guardianship is established until the baby reaches 70 days.

3. The benefit established by the Republic of Lithuania Law on Sickness and Maternity Social Insurance shall be paid for the time of leave referred to in paragraphs 1 and 2 of this Article.

### **Article 133. Paternity Leave**

1. After the birth of a child, eligible employees are entitled to 30 consecutive calendar days of paternity leave. This leave can be granted at any time from the day the child is born until the child reaches three months of age (or from birth until the child reaches six months of age in cases of complicated childbirth or when two or more children are born).

2. The benefit established by the Republic of Lithuania Law on Sickness and Maternity Social Insurance shall be paid for the time of leave referred to in paragraph 1 of this Article.

### **Article 134. Child Care Leave**

1. By choice of the family, the mother/adoptive mother, father/adoptive father, grandmother, grandfather or other relative actually raising the child, as well as an employee appointed as the child's guardian, may be granted child care leave until the child reaches three years of age. This leave may be taken all at once or in parts. Employees entitled to this leave may take it in turns.

2. Within one month of the day of the court judgement on adoption taking effect (or in the case of urgent enforcement – within one month of enforcement of the judgement), the adoptive mother or adoptive father, by choice of the family, but with the exception of cases when the child of a spouse is adopted or when the adoptive mother/adoptive father was already granted leave to care for the same child in accordance with paragraph 1 of this Article, shall be granted three months of child care leave. If an employee is simultaneously entitled to leave to care for the same child in accordance with both paragraph 1 of this Article and this paragraph, the employee shall be granted the leave of his or her choice. Employees entitled to this leave may take it in turns.

3. An employee who intends to take leave in accordance with paragraph 1 of this Article or to return to work before the leave is over must give the employer written notice thereof at least 14 calendar days in advance. An employee who intends to take leave in accordance with paragraph 2 of this Article or to return to work before the leave is over must give the employer written notice thereof at least three working days in advance. A longer notice period may be established in the collective agreement.

### **Article 135. Educational Leave**

1. Employees who are studying according to formal education programmes shall be granted educational leave according to the certificates of the education providers implementing these programmes:

1) to prepare for and take routine examinations – three calendar days for each examination;

2) to prepare for and take tests – two calendar days for each test;

3) to perform laboratory work and participate in consultations – as many days as are established in the study plans and schedules;

4) to complete and defend a thesis (bachelor's or master's), doctoral dissertation or art project – 30 calendar days;

5) to prepare for and take state (final) examinations – six calendar days for each examination.

2. Employees attending non-formal adult education programmes may be granted up to five working days of educational leave per year to attend non-formal adult education programmes. This leave is granted upon informing the employer thereof no more than 20 working days in advance.

3. For employees who have had an employment relationship with the employer for more than five years, at least half of the employee's average remuneration shall be left for the educational leave specified in paragraphs 1 and 2 of this Article of up to 10 working days per working year if participation in the non-formal adult education programme is related to the employee's professional development.

### **Article 136. Sabbatical Leave**

1. In the cases established by this Code and labour law provisions, or by agreement between the employee and the employer, an employee may be granted up to 12 months of sabbatical leave to pursue creative or scientific endeavours.

2. Issues regarding the payment of remuneration and the length of the sabbatical leave being included in the working year for the purpose of annual leave entitlement shall be established by labour law provisions and agreements between the parties.

### **Article 137. Unpaid Leave and Unpaid Time Off**

1. The employer must satisfy an employee's request to grant unpaid leave of a duration no less than requested by the employee if it is submitted by:

- 1) an employee raising a child under the age of 14 – up to 14 calendar days;
- 2) a disabled employee or an employee raising a disabled child under the age of 18 or caring for a disabled person for whom the need for permanent nursing has been established – up to 30 calendar days;
- 3) a father, at his request, during the pregnancy and childbirth leave and child care leave taken by the mother of his child (or a mother – during child care leave taken by the father) – the total length of this leave may not exceed three months;
- 4) an employee caring for a sick family member – for the period recommended by the healthcare institution;
- 5) an employee getting married – up to three calendar days;
- 6) an employee participating in the funeral of a family member – up to five calendar days;
- 7) an employee in the cases and procedure established in the collective agreement – for the duration established therein.

2. Unpaid leave of more than one workday/shift may be granted at the employee's request and with the employer's consent.

3. During the workday/shift, unpaid time off may be granted at the employee's request and with the employer's consent for the employee to take care of personal matters. The parties to an employment contract may agree to move working time to another workday/shift, as long as the maximum working time and minimum rest period requirements are not infringed upon.

4. According to the procedure established by law, an employee shall be released from the duty to work while maintaining his or her job if this is required for the performance of public state, civic or other duties.

### **Article 138. Extended Leave, Additional Leave and Other Benefits**

1. Employees under the age of 18, employees who are single-handedly raising a child under the age of 14 or a disabled child under the age of 18, and disabled employees are entitled to 25 working days (for those who work five days per week) or 30 working days (for those who

work six days per week) of annual leave. If the number of working days per week is less or different, the employee must be granted five weeks of leave. Employees whose work involves greater nervous, emotional or mental strain and occupational risk, as well those who have specific working conditions, are granted up to 41 working days (for those who work five days per week), or up to 50 working days (for those who work six days per week), or up to eight weeks (if the number of working days per week is less or different) of extended leave. The Government of the Republic of Lithuania shall approve the list of categories of employees entitled to this leave and shall establish the specific duration of extended leave for each category of employees.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

2. Employees shall be entitled to additional leave for long-term continuous employment at the same workplace, for work in conditions where there are deviations from normal working conditions and said deviations cannot be eliminated, and for work of a special nature. The procedure, conditions for granting, and duration of additional leave shall be established by the Government of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

3. Employees raising a disabled child under the age of 18 or two children under the age of 12 shall be entitled to one extra day off per month (or two less working hours per week), and those raising three or more children under the age of 12 shall be entitled to two extra days off per month (or four less working hours per week), paying them their average remuneration. At the request of an employee who works shifts of more than eight working hours, this additional rest period may be aggregated every three months.

4. Employees who are not entitled to the additional days off established in paragraph 3 of this Article and who are raising a child under the age of 14 who is enrolled in a pre-primary primary or basic education programme shall be granted at least half a working day off per year on the first day of school, paying them their average remuneration.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

5. Labour law provisions or employment contracts may establish longer or different types of leave, additional privileges to choose the time of annual leave, or higher payments for annual and special leave than are guaranteed by this Code.

## **CHAPTER IX**

### **REMUNERATION**

**Article 139. The Concept of Remuneration**

1. Remuneration is payment for work performed by an employee under an employment contract.

2. An employee's remuneration consists of:

- 1) the basic (rate) remuneration (hourly wage or monthly salary);
- 2) additional remuneration established by mutual agreement or paid according to labour law provisions or the remuneration system applicable at the workplace;
- 3) bonuses for qualifications acquired;
- 4) allowances for additional work or the execution of additional duties or tasks;
- 5) bonus payments for work performed, established by mutual agreement or paid according to labour law provisions or the remuneration system applicable at the workplace;
- 6) bonus payments allocated on the initiative of the employer to motivate an employee for work well done or for the activities or performance results of the employee or of the enterprise, department or group of employees.

3. Remuneration must be paid in monetary form. Items or services provided by the employer or other persons may not be considered remuneration except for the cases specified in Article 140(6) of this Code.

4. In cases when, according to this Code, other labour law provisions or the employment contract, an employee must be paid average remuneration (or part thereof) based on the remuneration previously received, the components of remuneration established in points 1–5 of paragraph 2 of this Article shall be used to calculate said remuneration according to the procedure established by the Government of the Republic of Lithuania.

**Article 140. Establishment of Remuneration**

1. Each employment contract must establish the amount of remuneration per month, except for cases when this remuneration is established by labour law provisions. In these cases, the employment contract must contain a reference to the relevant labour law provisions.

2. The amount of remuneration may not be less than established by the laws governing labour relations, collective agreements, other labour law provisions, or the remuneration system approved at the workplace.

3. The remuneration system at the workplace or at the enterprise, institution or organisation of the employer shall be established in the collective agreement. In the absence of a collective agreement that establishes this, remuneration systems at workplaces with an average number of employees of 20 or more must be approved by the employer and be made available

for all employees to become acquainted with. Before approving or revising the remuneration system, information and consultation procedures must be performed in accordance with the procedure established by this Code. The remuneration system specifies the employee categories based on position and qualification as well as the salary range (minimum and maximum) and forms of payment for each of them, the grounds and procedures for allocating additional payment (bonuses and allowances), and the procedure for wage indexation.

4. The conditions for remuneration of employees of the Bank of Lithuania as well as enterprises, institutions and organisations funded from the budgets of the state, municipalities or the State Social Insurance Fund or from other funds established by the state, shall be established in accordance with the procedure established by legal acts.

5. The remuneration system must be prepared in such a way so as to avoid any kind of gender-based or other discrimination in its application. Men and women shall receive equal remuneration for the same or equal work. The same work shall mean the performance of a work activity which, based on objective criteria, is the same as, or similar to, another work activity to the extent that both employees can be interchanged without significant cost for the employer. Equal work shall mean a job that, based on objective criteria, is no less qualified and no less important to the employer's pursuit of operational objectives than another comparative job.

6. In implementing the principles of gender equality and non-discrimination on other grounds, an employee's remuneration without discrimination shall mean non-discriminatory remuneration and all additional earnings in cash or in kind that the employee receives either directly or indirectly from the employer for his or her work.

#### **Article 141. Minimum Wage**

1. An employee's monthly remuneration may not be less than the minimum wage set according to the procedure established in this Article.

2. Minimum wage (the minimum hourly rate or the minimum monthly wage) is the lowest permissible amount that can be paid to an employee for unqualified work for one hour or for the full standard working hours of a calendar month, respectively. Unqualified work is considered to be work that does not require any special qualification skills or professional expertise.

3. The minimum hourly rate and the minimum monthly wage shall be approved by the Government of the Republic of Lithuania upon recommendation of the Tripartite Council of the Republic of Lithuania and taking the indicators and trends of development of the national economy into account. The Tripartite Council of the Republic of Lithuania shall present its

conclusion to the Government of the Republic of Lithuania on an annual basis, by the 15<sup>th</sup> of June or other date as requested by the Government of the Republic of Lithuania.

4. Collective agreements may establish minimum hourly rates and minimum monthly wages that are higher than those established in paragraph 3 of this Article.

#### **Article 142. Awarding of Bonuses to Employees**

1. Employees may be awarded bonuses for the following purposes:

1) to reward an employee for work under an employment contract in the cases, amounts and procedure established in the employment contract, the remuneration system or other labour law provisions;

2) on the initiative of the employer to motivate an employee for performance results, activities or work well done.

2. A bonus payment provided for in point 2 of paragraph 1 of this Article may be withheld if, over the past six months, the employee infringed upon the duties established in labour law provisions or the employment contract.

3. If a bonus is provided for according to point 1 of paragraph 1 of this, termination of the employment relationship shall not release the employer from the obligation to pay the bonus payment in proportion to the working time during the period for which the bonus payment is being allocated, unless a different period is established by the parties.

#### **Article 143. The Job Standard**

1. If the scope of a job function (job standard) is established for an employee or group of employees, the employer must provide the working conditions necessary for the employee or group of employees to fulfil the job standard.

2. A substantiated petition submitted by an employee regarding a job standard that has been set inappropriately shall be examined by relevant labour dispute resolution bodies. The employer must prove that the job standard was established in accordance with the occupational risks, the working time required, and the circumstances of performing the job function.

3. When an employee fails to fulfil the job standard at no fault of his or her own, he or she shall be paid for the work actually performed. In this case, the monthly remuneration may not be less than two-thirds of his or her average remuneration and may not be less than minimum wage.

4. If the job standard is not fulfilled due to the fault of the employee, payment shall be made for the work actually performed.

**Article 144. Payment for Work on Days Off and Holidays and Overtime Work, and Compensation for Employees Whose Work is of a Mobile Nature or Involves Trips or Travelling**

*Changed title of article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

1. For work on a day off that was not required by the work/shift schedule, at least double the employee's remuneration must be paid.

2. For work on a holiday, at least double the employee's remuneration must be paid.

3. For work at night, an amount of at least 1.5 times the employee's remuneration must be paid.

4. For overtime work, an amount of at least 1.5 times the employee's remuneration must be paid. For overtime work on a day off that was not required by the work/shift schedule, or for overtime work at night, at least double the employee's remuneration must be paid, and for overtime work on a holiday – an amount of at least 2.5 times the employee's remuneration must be paid.

5. At the employee's request, working time on days off, holidays or during overtime, multiplied by the corresponding rate established in paragraphs 1–4 of this Article, may be added to annual leave time.

6. Work performed on days off and holidays, at night or during overtime by a single-person management body of a juridical person shall be recorded but shall not be paid for unless the parties agree otherwise in the employment contract. Work performed on days off and holidays, at night or during overtime by the managerial employees of a juridical person (Article 101(3) and Article 101(4) of this Code) shall be recorded and shall be paid for the same as for work done according to the usual working-time arrangements unless the parties agree otherwise in the employment contract. The number of such managerial employees of a juridical person in an enterprise, institution or organisation may not account for more than 20 per cent of the employer's average number of employees. The list of these employees shall be established by labour law provisions.

7. For work when there are deviations from normal working conditions as well as when an employee's workload is increased, an augmented remuneration as specified in Article 139(4) of this Code shall be paid compared to that under normal working conditions. The specific payment rates shall be established in collective agreements and employment contracts.

8. Employees whose work is of a mobile nature or involves trips or travelling shall be compensated for extra expenses related thereto for the actual time worked in this nature. The

amount of this compensation may not exceed 50 per cent of the basic (rate) remuneration and shall be paid in the case when the employee is not paid secondment expenses.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 145. Payment of Average Remuneration**

1. The payments paid to an employee in the cases specified in this Code and other labour law provisions are calculated according to the employee's average remuneration.

2. The Government of the Republic of Lithuania shall approve the Description of the Procedure for the Calculation of the Average Remuneration of Employees.

#### **Article 146. The Terms, Place and Procedure for the Payment of Remuneration**

1. Remuneration must be paid to an employee at least twice per month or – at the employee's request – once per month. In any case, payment for work done in a calendar month may not be made any later than within 10 working days of the end of the month if labour law provisions or the employment contract do not establish otherwise.

2. Upon termination of an employment contract, all employment-related payments due to the employee shall be paid out when the employment contract is terminated with the employee, but no later than by the end of the employment relationship unless the parties agree that the employee will be paid within 10 working days. In all cases, the part of remuneration or remuneration-related payments not exceeding the employee's average remuneration for one month must be paid no later than on the date of termination of the employment relationship, unless it was agreed otherwise at the time of dismissal.

#### **Article 147. Late Payment of Remuneration and Other Employment-Related Payments**

1. Prior to the termination of employment relations, when remuneration or other employment-related payments are not paid out on time due to the fault of the employer, the employee in the employment relationship shall also be paid late fees in the amount approved by the Minister of Social Security and Labour of the Republic of Lithuania, if labour law provisions do not establish higher late fees. The size of late fees shall be approved by the Minister of Social Security and Labour of the Republic of Lithuania by the 1<sup>st</sup> of February each year, taking the consumer price index published by Statistics Lithuania for the previous calendar year into account (comparing last December with December of the previous year). Upon bankruptcy proceedings being instituted against the employer or out-of-court bankruptcy proceedings being

implemented, the calculation of late fees shall cease upon entry into force of the court ruling to institute bankruptcy proceedings or from the day of the meeting of creditors during which the creditors resolved to implement out-of-court bankruptcy proceedings.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. If, upon termination of an employment relationship, the employer is late paying the employee through no fault of the employee (Article 146(2) of this Code), the employer must pay a forfeit in the amount of the employee's average remuneration for one month multiplied by the number of late months, but no more than six. If the late amount is less than the employee's average remuneration for one month, the amount of the forfeit shall consist of the late amount multiplied by the number of late months, but no more than six.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

#### **Article 148. Information about Remuneration and Work Performed**

1. At least once per month, the employer must provide the employee, in writing or electronically, with information about the amounts calculated, paid out and deducted for the employee and the duration of working time worked, listing overtime work separately.

2. Information about an individual employee's remuneration may only be provided or published in the cases established by law or with the employee's consent.

3. If an employee requests, the employer must issue a certificate about his or her work at the enterprise, specifying the employee's job function or duties, how long the employee has worked there, the amount of remuneration and the amount of taxes and state social insurance contributions that have been paid.

#### **Article 149. Defending Employee Claims Upon the Employer Becoming Insolvent**

1. The employer shall be deemed insolvent upon becoming subject to bankruptcy proceedings or in other cases established by law.

2. Employee claims related to employment relations and compensation claims for personal injury or fatal accidents at work shall be satisfied at first instance according to the procedure established by the Republic of Lithuania Law on Enterprise Bankruptcy or the Republic of Lithuania Law on Natural Person Bankruptcy.

3. Employees who are required to take part in the bankruptcy proceedings, except for employees who are involved in the economic/commercial activity that is being continued, shall be paid remuneration for work during this time from the funds allotted for administrative expenses.

4. In cases of employer insolvency, employee claims related to employment relations in the procedure and conditions established by law shall be satisfied in accordance with the procedure established by the Republic of Lithuania Law on Guarantees for Employees in the Event of Employer Insolvency and Long-Term Service Allowances.

*Amendments to a paragraph of the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

### **Article 150. Remuneration Deductions**

1. Deductions may only be made from an employee's remuneration in the cases established in this Code or other laws.

2. Deductions may be made in the following cases:

1) to return employer funds transferred to the employee and not used for their intended purpose;

2) to return amounts that were overpaid due to calculation errors;

3) to compensate for damage caused to the employer by the employee due to the fault thereof;

4) to recover holiday pay for leave that was granted in excess of the acquired entitlement to full or partial annual leave upon the employment contract being terminated on the initiative of the employee without a valid reason (Article 55 of this Code) or on the initiative of the employer due to the fault of the employee (Article 58 of this Code).

3. The employer shall have the right to order that the deduction be made within one month from the day that the employer found out or could have found out about the emergence of grounds for the deduction.

4. The amount of deductions taken from a salary that does not exceed the minimum monthly wage approved by the Government of the Republic of Lithuania may not be more than 20 per cent of the remuneration payable, while for the recovery of periodic maintenance payments for, damage caused by crippling or other personal injury, as well as compensation of damage caused by taking the life of a breadwinner, and compensation of damage caused by a criminal act, it may be up to 50 per cent of the remuneration payable to the employee.

5. In making deductions according to several writs of execution from a salary that does not exceed the minimum monthly wage approved by the Government of the Republic of Lithuania, the employee must be left 50 percent of the remuneration payable.

6. From the part of remuneration that is in excess of the minimum monthly wage approved by the Government of the Republic of Lithuania, 70 percent of the remuneration payable can be deducted if the labour dispute resolution body does not establish a lower deduction rate.

## **CHAPTER X**

### **COMPENSATION FOR DAMAGE**

#### **Article 151. Conditions of Compensation for Damage**

Each party to an employment contract must compensate the other party for material damage as well as non-material damage caused thereto by a violation of job duties due to the fault of the former.

#### **Article 152. Establishment of the Compensation Amount for Material Damage**

1. The compensation amount for material damage shall consist of direct losses and lost income.

2. In establishing the compensation amount for material damage, the following shall be taken into account:

1) the value of the property that was lost or which lost value minus depreciation, natural loss and costs incurred (direct losses);

2) the degree of fault of the party to the employment contract that incurred the damage and the actions taken thereby to avoid the occurrence of damage;

3) the degree of fault of the party to the employment contract that caused the damage and the actions taken thereby to avoid the occurrence of damage;

4) the extent to which the occurrence of the damage incurred was influenced by the nature of the employer's activities and the commercial and industrial risks involved.

3. The body resolving the labour dispute on rights may reduce the compensation amount for material damage by taking the financial and economic circumstances of the party to the employment contract that caused the damage into account, except for cases where damage is done intentionally. When the compensation amount for material damage due from a particular employee is reduced, this may not be used as grounds for increasing the compensation amount for material damage due from other persons who caused the damage together.

#### **Article 153. Limitation of Compensation Payable for Material Damage by an Employee**

1. Except in the cases provided for in this Code and other laws, an employee is required to compensate for all material damage done, but no more than three times his or her average remuneration, or no more than six times his or her average remuneration if the material damage was caused due to gross negligence on the part of the employee.

2. A territorial or sectoral collective agreement may provide for other compensation amounts for material damage, but said may not be more than 12 times the employee's average remuneration.

#### **Article 154. Cases When the Employee is Required to Compensate for Damage in Full**

The employee shall be required to compensate for damage in full when:

- 1) the damage is done intentionally;
- 2) the damage is caused by an act of the employee of a criminal nature;
- 3) the damage is done by an employee who is under the influence of alcohol or narcotic, psychotropic or toxic substances;
- 4) the damage is done upon violating a non-compete agreement or the duty to protect confidential information;
- 5) non-material damage is caused to the employer;
- 6) full compensation of damage is provided for in the collective agreement.

#### **Article 155. Compensation for Damage and Civil Liability Insurance**

1. If the employer has insured the employee's civil liability (including with respect to third parties), the employer must apply directly to the insurer for the payment of indemnity.
2. If an employer is required to compensate an employee for damage related to the crippling or other personal injury of the employee, in the event of the employee's death, or due to the employee contracting an occupational disease, the employer must compensate the employee for damage to the extent that is not covered by state social insurance benefits.

#### **Article 156. The Procedure for the Recovery of Damages**

1. Damage caused by an employee that has not been compensated thereby in good faith by agreement of the parties in cash or in kind may be deducted from the remuneration due to the employee on the written instruction of the employer. The amount of said deduction may not exceed the employee's average remuneration for one month, even in the event that greater damage was caused. The employer's order to recover this damage may only be made within three months of the day of revelation of the damage.
2. Where the deduction exceeds the employee's average remuneration for one month or where the time limit for the deduction has passed, the employer must claim damages in the procedure established to settle labour disputes on rights.

3. Damage caused to an employee by the employer shall be compensated for in the procedure established to settle labour disputes on rights.

**Article 157. Compensation for Damage upon Reorganisation of the Employer or the Cessation Thereof**

1. If an employer who is obligated to compensate an injured person for damage is reorganised, claims for damages shall pass to the assignee thereof.

2. Upon liquidation of a state or municipal enterprise, institution or organisation, the duty to compensate for damage shall pass to the state or relevant municipality.

3. If an employer's enterprise is liquidated without compensating injured persons for damage caused due to an accident at work or incidences of occupational disease, the amount of unpaid damages shall be accumulated and recovered in accordance with the procedure established by the Civil Code of the Republic of Lithuania.

**CHAPTER XI  
SAFETY AND HEALTH AT WORK**

**Article 158. The Organisation of Safety and Health at Work**

1. Every employee must be provided with the appropriate, safe and healthy working conditions as established in the Republic of Lithuania Law on Safety and Health at Work. This law also establishes the rights and obligations of employees and employers, the institutional assurance system for health and safety at work, and special provisions for the protection of individual employee groups (employees who are pregnant, who recently gave birth, or who are breast feeding, persons under the age of 18 and disabled persons).

2. The workplace and working environment of every employee must be safe and healthy and equipped according to the requirements of safety and health at work regulatory acts.

3. Work must be organised in accordance with the requirements of safety and health at work regulatory acts.

4. Safety and health at work measures are funded by the employer.

**Article 159. The Right of Employees to Work Safely**

1. An employee shall have the right to refuse to work if there is a risk to his or her safety or health, or to do jobs that he or she has not been trained to perform safely if collective protective measures are not in place or if the employee not been provided with the necessary personal protective equipment.

2. An employee's substantiated refusal to work shall not be deemed to be a violation of job duties.

### **Article 160. Compensation for Damage**

The transfer of an employer's duties or competence to other persons shall not eliminate the employer's duty to compensate for damage to an employee's health resulting from the crippling or other personal injury of the employee, in the event of the employee's death, or due to the employee contracting an occupational disease.

## **PART III**

### **COLLECTIVE EMPLOYMENT RELATIONS**

#### **CHAPTER I**

#### **GENERAL PROVISIONS**

### **Article 161. The Purpose and Principles of Social Partnership in Labour Relations**

1. The parties to an employment contract and the representatives thereof shall coordinate and realise their interests using forms of social partnership.

2. In implementing social partnership, the principles of equality of arms, goodwill and respect for legitimate mutual interests, voluntary and independent acceptance of the obligations that bind the parties, and the real fulfilment of obligations, as well as other principles established by labour law provisions, treaties of the Republic of Lithuania, and human rights standards, must be adhered to.

### **Article 162. The Parties to Social Partnership**

1. The parties to a social partnership – the social partners – shall be employee representatives and employer representatives as well as the organisations thereof, while the employer and employee representatives shall be the parties to a partnership at the employer (or, where appropriate, the workplace) level.

2. The Government of the Republic of Lithuania or institutions authorised thereby and municipal institutions shall be considered to be parties to a social partnership when they act as employers or representatives thereof, as well as in other cases established by this Code or other laws.

3. In the cases established by this Code or other labour law provisions, employees may participate in the social partnership directly.

**Article 163. Levels of Social Partnership**

Social partnership may take place at the following levels:

- 1) national;
- 2) sectoral (industry, services, professional);
- 3) territorial (municipal or county);
- 4) employer (natural person or juridical person, or in the case established in Article 21(4) of this Code, the division (branch, representative office) thereof);
- 5) workplace (if this is established in this Code, labour law provisions or social partner agreements).

**Article 164. Forms of Social Partnership**

Social partnership is implemented:

- 1) by forming bipartite or tripartite councils, participating in their activities and concluding agreements on labour, social and economic matters;
- 2) by initiating and conducting collective bargaining and concluding collective agreements;
- 3) through information and consultation procedures and participation in the management of an employer who is a juridical person.

**CHAPTER II****THE PARTIES TO SOCIAL PARTNERSHIP****SECTION ONE****EMPLOYEE REPRESENTATIVES****Article 165. The System of Employee Representation**

1. Employee representation shall mean the protection of the rights and interests of employees and their representation in relations with other parties to the social partnership and at institutions of labour dispute resolution and social partnership, and the creation and amendment of their rights and obligations or other involvement in establishing labour, social and economic rights and obligations for employees in accordance with the procedure established by labour law provisions.

2. Trade unions, work councils and employee trustees are considered to be employee representatives.

3. In the cases established by this Code and other laws, trade unions shall collectively represent their members – employees and persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment – in collective labour relations. Trade unions may, in the procedure established by law, also represent third country nationals in judicial or administrative proceedings. Trade unions shall also defend their members on an individual basis and represent them in individual employment relations. Collective bargaining, the conclusion of collective agreements and the initiation of collective labour disputes on interests shall be the exclusive right of trade unions.

4. The work council and the employee trustee shall be independent bodies of employee representation that, in the cases and procedure established by this Code, represent all employees at the employer level or, if so established in this Code or social partner agreements, at the workplace level as well, in information, consultation and other participatory procedures by which the employees and their representatives are included in the employer's decision-making process. If labour law provisions and social partner agreements do not establish otherwise, the employee representatives at the employer level shall be deemed the employee representatives on the workplace level.

5. The activities of employee representatives must be organised and implemented through cooperation and in such a way that the general interests and rights of the employees are protected as effectively as possible. The work council may not perform the functions of employee representation that are considered to be the exclusive right of trade unions under this Code.

#### **Article 166. Guarantees for the Independence of Employee Representatives**

1. Employee representatives shall act freely and independently of the other parties to the social partnership. It is prohibited for an employer or other parties to a social partnership to influence the decisions of employee representatives or otherwise interfere in the activities of employee representatives. It is prohibited for an employer or legal representative or authorised person thereof to predetermine someone being hired or to offer retaining a job by requiring that the employee not join a trade union or leave one. It is prohibited for an employer or legal representative or authorised person thereof to organise or finance organisations that seek to interrupt, terminate or control trade union activities. State and municipal institutions must refrain from interfering in the activities of employee representatives, except in cases when this is done by law due to a violation of rights.

2. Employee representatives shall have the right to apply to labour dispute resolution bodies and other competent authorities concerning unlawful interference with their activities,

asking that an obligation be imposed to terminate these actions, perform certain actions or compensate for damage.

3. An employer or another party to a social partnership shall have the right to apply to court requesting the termination of actions of employee representatives that violate their rights, the Constitution of the Republic of Lithuania, this Code or other laws, or agreements between the parties.

4. The activities of employee representatives may only be suspended or terminated by a judgement of the court. If an employee representative violates the Constitution of the Republic of Lithuania or this Code, the prosecutor shall have the right to apply to court for the suspension of employee representative activities for a period of up to three months. If the specified violation is not eliminated during this time, the activities of the employee representatives may, on proposal of the prosecutor, be terminated by a judgement of the court. On this basis, the mandate of the trade union, work council or employee trustee shall be deemed terminated.

#### **Article 167. Guarantees for Employee Representative Activities**

1. The employer shall, free of charge, allot a room and allow the use of work equipment for performance of the functions of the employee trustee, the members of the work council and the members of the management bodies of trade unions operating at an employer level. Other conditions of material/technical provision shall be established by social partner agreements.

2. In accordance with the procedure established by laws and labour law provisions as well as under social partner agreements, funds of other social partners may be allocated to the activities of employee representatives. Such an allocation may not be a condition to demand violation of the guarantees for the independence of representatives.

3. In the procedure established by laws, employee representatives shall be entitled to apply to labour dispute resolution bodies and other competent authorities concerning infringements of their rights and legitimate interests. Persons who have caused damage to employee representatives through unlawful acts must compensate for said damage in accordance with the procedure established by law.

#### **Article 168. Guarantees and Protection from Discrimination for Persons Carrying Out Employee Representation at the Employer Level**

1. The members of employer-level trade union management bodies and work councils as well as the employee trustee (hereinafter 'persons carrying out employee representation') shall normally carry out their duties during working hours. For this purpose, persons carrying out employee representation shall be released from work for at least 60 working hours per year for

the performance of their duties. For this time, the employees shall be left their average remuneration.

2. The employer shall create conditions for the training and education of employees who are persons carrying out employee representation. They must be granted at least five working days per year for this at a time coordinated with the employer. For this time, employees shall be left their average remuneration for at least two working days unless labour law provisions and social partner agreements establish otherwise. The period established in paragraph 1 of this Article for the performance of representation functions may also be used for training and education.

3. For the period to which they are elected and six months after the end of their term, persons carrying out employee representation may not be dismissed on the initiative of the employer or at the will of the employer, and their indispensable employment contract terms may not be made worse than their previous indispensable employment contract terms or than the indispensable employment contract terms of other employees of the same category, without the consent of the head of the territorial office of the State Labour Inspectorate responsible for the territory where the employer's workplace is located, as authorised by the Chief State Labour Inspector of the Republic of Lithuania. The head of the territorial office of the State Labour Inspectorate must examine and reply to an employer's substantiated request to give consent to terminate an employment contract or change indispensable employment contract terms within 20 working days of receipt of the request. Employees or representatives thereof are entitled to submit their opinion on their own initiative or upon the request of the head of the territorial office of the State Labour Inspectorate. The head of the territorial office of the State Labour Inspectorate shall give consent to terminate an employment contract or change indispensable employment contract terms if the employer presents data confirming that the termination of the employment contract or the amendments to the indispensable employment contract terms are not related to the employee representation activities being carried out by the employee and that the employee is not being discriminated against due to his or her employee representation activities or trade union membership. Upon receiving an employer's substantiated request, the head of the territorial office of the State Labour Inspectorate shall inform the body representing the employee and the employee concerned thereof, and shall set a term of at least five working days for the employee representatives and the employee concerned to submit their opinion. The decision of the head of the territorial office of the State Labour Inspectorate may be appealed in the procedure established by the Republic of Lithuania Law on Administrative Proceedings. The employment contract with a persons carrying out employee representation may not be terminated until the labour dispute is settled. Within ten working days of the entry into force of the Labour

Code, employer-level trade unions shall provide the employer with written lists of the management body members to whom the guarantees of this paragraph apply, while newly established trade unions shall do so within ten days of their date of establishment.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

4. The employer may appeal the decision of the head of the territorial office of the State Labour Inspectorate to refuse to give consent to terminate an employment contract within 30 days, in the procedure established by the Republic of Lithuania Law on Administrative Proceedings. The entry into force of a judgement of the court on the decision of the head of the territorial office of the State Labour Inspectorate to refuse to give consent to terminate an employment contract shall give the employer the right to initiate, within one month, the employment contract termination process in accordance with the procedure established by this Code. The entry into force of a judgement of the court on the decision of the head of the territorial office of the State Labour Inspectorate to refuse to give consent shall not automatically establish the legality of the termination of the employment contract.

5. The guarantees established in paragraphs 1, 2 and 3 of this Article shall be applicable to the same number of management body members of each employer-level trade union that there would be/are work council members as established by Article 170(1) of this Code, taking the employer's average number of employees into account.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

6. Other guarantees may be established by labour law provisions or agreements between the parties to the social partnership.

7. An employee's membership in a trade union or participation in the activities of a trade union or in bodies of employee representation may not be considered a violation of the employee's job duties.

## SECTION TWO THE WORK COUNCIL

### **Article 169. Preconditions for the Formation of the Work Council and the Electoral Initiative**

1. The work council must be formed on the initiative of the employer when the employer's average number of employees is 20 or more, except for the case specified in paragraph 3 of this Article.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. The work council shall be formed for a term of three years, which shall be calculated from commencement of the work council's mandate.

3. If there is an employer-level trade union operating at the workplace which more than one-third of all of the employees are members of, no work council shall be formed; in this case, the trade union shall assume the work council's entire mandate and shall perform all of the functions assigned to the work council under this Code. If more than one-third of the employees at a workplace belong to in-house trade unions, the functions of the work council shall be performed by a joint trade union representation or the trade union elected by the trade union members.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

### **Article 170. Composition of the Work Council**

1. Based on the employer's average number of employees, the work council is made up of at least three and no more than 11 members:

- 1) where the number of employees is less than 100 – three work council members;
- 2) where the number of employees is from 100 to 300 – five work council members;
- 3) where the number of employees is from 301 to 500 – seven work council members;
- 4) where the number of employees is from 501 to 700 – nine work council members;
- 5) where the number of employees is 701 or more – 11 work council members.

2. All employees who are at least 18 years of age and who have been in an employment relationship with the employer for at least six months may be elected as members of the work council. Employees who have been employed for less than six months may only be elected as members of the work council in the event that all of the employees have been employed for less than six months.

3. The employer and any individuals representing the employer under law, power of attorney or formation documents may not be members of the work council.

### **Article 171. Work Council Elections**

1. The work council is elected by secret ballot in direct elections, on the basis of universal and equal suffrage. With the exception of the persons referred to in Article 170(3) of this Code, all of an employer's employees who have had an employment relationship with the employer for at least three uninterrupted months have the right to vote and may participate in work council elections.

2. The initial election shall be held by the election commission formed by order of the employer. Upon emergence of the preconditions established in this Code, the employer shall form an election commission of no fewer than three and no more than seven members within two weeks. Officers from the employer's administration may account for no more than one-third of the members of this commission. Subsequent elections shall be organised and held by the work council itself.

3. The election commission must convene its first meeting and begin organisation of the work council election within seven days of the date of its formation. At the first meeting, the election commission shall elect a chairperson from among its members and shall:

1) set the date of the work council election. This date may not be later than two months after the date of the formation of the election commission;

2) announce the registration of candidates for the work council, establish the deadline for nominations, register candidates, and draw up the final list of candidates;

3) organise the preparation and printing of ballot papers. Candidates for the work council shall be listed on the ballot papers in alphabetical order, by surname. The ballot paper must include an example of how to vote and the number of members being elected to the work council. The number of ballot papers must correspond to the number of employees with the right to vote. Each ballot paper must be signed by the election commission chairperson;

4) on the basis of data received from the employer, draw up a list of the employees entitled to participate in the work council election;

5) organise and hold the work council election;

6) count the election results and publish them within three days of the date of the election;

7) carry out other functions necessary for the organisation and implementation of the work council election.

4. Employees appointed to the election commission may not be dismissed from work on the initiative of the employer during the mandate of the election commission. They shall be paid average remuneration for the time spent organising and holding the work council election. The mandate of the election commission shall expire at the first meeting of the work council.

5. Employees who have the right to vote may nominate candidates for the work council. Only employees who have the right to vote may be nominated as candidates, with the exception of the members of the election commission. Each employee may nominate one candidate by writing to the election commission and submitting the candidate's written consent to be elected to the work council. Employer-level trade unions shall be entitled to nominate at least three employees who have the right to vote as candidates for the work council, and the candidate who

receives the most employee votes shall be deemed elected. The full list of candidates must be drawn up at least 14 days before the date of the work council election. If the number of candidates nominated is equal to or less than the number of work council members being elected, the election commission shall establish an additional period during which additional candidates may be nominated. In this case, candidates may also be repeatedly nominated by employees who have already nominated their own candidates. If not enough candidates are nominated to the work council during the additional period, the election commission shall draw up and publish a protocol that the work council election has been deemed null and void. In this case, a new work council election shall be held according to the procedure established in this Code, but no sooner than six months after adoption of the decision of the election commission to deem the work council election null and void.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

6. Work council elections shall be held at the enterprise, institution or organisation during working hours. The employer must create conditions for employees to participate in the election and pay them their average remuneration for this time. The election commission and the employer must create conditions for employees who work somewhere other than at the workplace to participate in the work council election.

7. Ballot papers must be signed for when issued. Employees participating in an election shall have the same number of votes as the number of work council members being elected. Only one vote may be cast for each candidate listed on the ballot paper, by marking this on the ballot paper.

8. Once the time established for the election by the election commission is up, the election commission shall count the votes and draw up the work council election protocol. Said must specify:

- 1) the time and place of the work council election;
- 2) the composition of the work council election commission;
- 3) the list of candidates for the work council and the number of work council members being elected;
- 4) the number of employees entitled to participate in the work council election;
- 5) the number of employees that participated in the work council election, the number of ballot papers issued, and the number of ballot papers that were left unused;
- 6) the number of valid ballot papers and the number of invalid ballot papers (ballot papers where more candidates are marked than the set number of work council members being elected, or where it is impossible to determine the will of the voter);

7) the number of votes received by each candidate (by providing the full list of candidates set out in descending order according to the number of votes received in the election);

8) the list of candidates elected to the work council;

9) the list of candidates who received at least one vote in the election but were not elected to the work council (in descending order according to the number of votes they received), which shall be used to compile the list of reserve work council members.

9. The election protocol shall be signed by the members of the election commission. Within three days of establishing the results of the election, the work council election results must be made public and a copy of the protocol must be delivered to the employer.

10. It shall be deemed that the work council election has taken place if more than half of the employees who have the right to vote participated therein. If a work council election is deemed null and void due to insufficient employee participation therein, a repeat election must be held within the next seven days. Said will be considered to have taken place if one-fourth of the employees at the enterprise, institution or organisation who have the right to vote participated therein.

11. The candidates who received the majority of votes shall be deemed to be elected members of the work council. If two or more candidates receive an equal number of votes, the candidate with the longer length of employment at the enterprise, institution or organisation shall be deemed elected. Persons on the list of reserve work council members may, in consecutive order, become work council members when vacant seats appear on the work council.

12. The ballot papers as well as all documents related to the formation of the election commission and the organisation and implementation of the election shall be handed over to the work council at the first meeting thereof. The work council shall ensure the safekeeping thereof until the formation of a new work council.

13. Material/technical provisions for the work council election shall be provided by the employer.

14. An employee/employees, employer or employer representative may apply to the election commission in writing within five days of the date that the election results were announced requesting that violations of this Code which, in their opinion, were committed during the election be rectified. The election commission must examine this request and make it public within three days. The decision of the election commission may be appealed in court within five days of the public announcement thereof. The court may adopt a decision to prohibit the elected work council from convening until it has examined the appeal that was filed. The court, having established that the provisions of this Code were grossly violated or that the election documents were forged, and that this influenced the election results in essence, shall

annul the results of the work council election. A repeat election must be held in accordance with the procedure and conditions established by this Code no later than one month after the day of the court judgement taking effect.

15. If the employer's average number of employees calculated in accordance with the procedure established by this Code increases by 20 per cent or more and the number of work council members established by this Code increases as a result, the chairperson of the work council shall initiate, in accordance with the procedure established by this Code, election of a new member or members with a mandate until the end of the term of the current work council. The election of the new member or members shall be conducted by the work council election commission by applying the provisions of this Article *mutatis mutandis*.

16. By common agreement between the election commission and the employer, electronic voting may be used for electing the work council, provided that it is possible to ensure secrecy of the ballot and that the true will of the employees is expressed.

### **Article 172. Work Council Membership**

1. An employee elected to the work council shall be considered to be a member of the work council from the moment the results of the work council election are announced. An employee on the list of reserve work council members shall become a work council member in place of an employee who has completed membership on the work council from the moment that the decision of the work council confirming his or her mandate as a new member of the work council is adopted.

2. Membership on the work council shall be terminated upon:

- 1) resignation from the work council;
- 2) termination of the employment relationship;
- 3) the death of the work council member;
- 4) entry into force of a court judgement ruling the election of a work council member to the work council as being unlawful;

5) expiry of the term of the work council;

6) removal from the work council if at least one-third of the employer's or the workplace's employees who have the right to vote so demand in writing. Upon receiving a written demand as such from the employees, the work council must, within three weeks, hold a secret employee ballot which shall be legitimate if more than half of the employer's or the workplace's employees who have the right to vote participate therein. The work council member shall be removed if more than two-thirds of the employees who participated in the ballot voted in favour thereof.

**Article 173. The Organisation of Work Council Activities**

1. The work council shall receive its mandate and begin performing the functions established in this Code upon assembling for its first meeting. The first meeting of the work council must be convened by the chairperson of the election commission no sooner than five days and no later than 10 days after the election results are announced.

2. At the first meeting of the work council, the work council members shall elect the work council chairperson and secretary from among their members by majority vote of all of the members of the work council.

3. The work council chairperson shall:

- 1) convene and chair meetings of the work council;
- 2) represent the work council in its relations with the employees, the employer, trade unions and third parties;
- 3) draft the annual report on work council activities for the employees of the enterprise, institution or organisation and present the report approved by the work council to the employees of the enterprise, institution or organisation;
- 4) possess the rights established in this Code and other laws, as well as in the regulation on work council activities that is approved at the first meeting of the work council.

4. The secretary of the work council shall manage and retain work council documentation, inform the members of the work council of the date, time, place and agenda of meetings of the work council that have been convened, inform the employer of the date, time and place of meetings of the work council, take minutes of work council meetings, and carry out other assignments given by the chairperson of the work council. When the secretary of the work council is temporarily unable to perform his or her duties, a work council member appointed by the chairperson of the work council shall fill in.

5. The work council shall carry out its activities in the form of meetings. At the invitation or approval of the work council (with the approval of a majority of the members of the work council), the employer or representatives thereof and representatives of the in-house trade union or sectoral trade unions shall be entitled to attend meetings of the work council. Where necessary, the work council may invite experts from the relevant field to its meetings. Matters regarding organisation of the work council's activities shall be governed by the regulation on work council activities that is approved by the work council for its term of office by majority vote of all of the members of the work council.

6. Within one month of commencement of the work council's mandate, the chairperson of the work council shall give written notification to the territorial office of the State Labour

Inspectorate that the employer's registered office belongs to about the formation of the work council, its management bodies, and the name of the employer's enterprise, institution or organisation where the work council was formed.

**Article 174. The Rights and Obligations of the Work Council**

1. The work council shall have the right:

1) to participate in information, consultation and other participatory procedures by which the employees and their representatives are included in the employer's decision-making process;

2) to receive, in the cases and in the terms established by this Code and other laws, the information necessary for the performance of their functions from the employer and from state and municipal institutions and establishments;

3) to submit proposals to the employer on economic, social and labour issues, decisions of the employer that are of relevance to the employees, and the implementation of labour law provisions;

4) to initiate a collective labour dispute on rights if the employer fails to fulfil the requirements of labour law provisions or arrangements between the work council and the employer;

5) to discuss, where necessary, economic, social and labour issues of importance to the employer's employees and convene a general meeting (conference) of the employees of the employer or of the workplace, upon coordinating the date, time and place of the meeting/conference with the employer;

6) to perform other actions that are not in conflict with this Code or other labour law provisions, as well as actions established in labour law provisions or arrangements between the work council and the employer.

2. The work council must:

1) perform its functions in accordance with the requirements of this Code, other laws and labour law provisions, as well as with arrangements between the work council and the employer;

2) in carrying out its functions, take the rights and interests of all of the employer's employees into account and not discriminate against individual employees, groups of employees, or employees from different workplaces;

3) inform the employees about its activities on a yearly basis by publicly providing the employees of the enterprise, institution or organisation with an annual report on work council activities or by another method established in the regulation on work council activities;

4) inform the employer and the employer-level trade union in writing about its authorised members;

5) if there are one or more trade unions operating at the employer level, cooperate with all of the trade unions on the basis of mutual trust.

#### **Article 175. Arrangements between the Employer and the Work Council**

1. The employer and the work council may enter into a written arrangement to discuss exercise of the work council's competence, the organisation and funding of its activities, the establishment of additional guarantees for work council members for the duration of their activities and other related key issues that promote cooperation between the work council and the employer.

2. Employees' terms of employment, remuneration, working and rest time and other matters that are regulated by the collective agreement applicable to the employer's employees may not be negotiated in an arrangement between the work council and the employer.

3. An arrangement between the work council and the employer shall be concluded for a fixed term. The duration of its validity may not be longer than one year after the end of the term of office of the work council that concluded it.

4. Either party may terminate the employer-work council arrangement by notifying the other party thereof in writing at least three months in advance. This provision shall also apply in the case when a new work council is elected and the arrangement between the employer and the previous work council is still in effect.

#### **Article 176. Termination of Work Council Activities**

1. The activities of a work council shall be terminated:

1) when the employer's operations cease in the absence of an assignee or the activities of the workplace are terminated without transferring the employees thereof to another workplace of the employer;

2) when the term of office of the work council expires;

3) when less than three members remain on the work council and there are no candidates left with the right to become work council members on the list of reserve work council members;

4) by decision of the work council, adopted by more than a two-third majority vote of the work council members;

5) when the employer is merged with or incorporated into another enterprise, institution or organisation, or the employer's business or part thereof is transferred to another and the work council operating therein agrees with the work council of the business transferee on election of a new work council. If this is not agreed on, the acting work council shall retain its mandate to represent the employees of the employer or the business or part thereof until the end of its term

of office or until the formation of a new work council at the enterprise, institution or organisation of the business transferor, whichever comes first.

2. The procedure for the election of a new work council shall be started at least three months before the end of the term of office of the acting work council or within one month of emergence of the circumstances established in points 3, 4 and 5 of paragraph 1 of this Article. The election of a new work council must be initiated by the acting work council by proposing that the employer form an election commission in accordance with the procedure established by this Code.

3. The employer shall give written notification to the territorial office of the State Labour Inspectorate that the employer's registered office belongs to about termination of the work council's activities on the basis of point 1 of paragraph 1 of this Article or on the grounds established in points 2 and 3 of paragraph 1 of this Article if a new work council is not formed within six months.

### **SECTION THREE**

#### **The Employee Trustee**

##### **Article 177. The Competence of the Employee Trustee**

1. If the employer's average number of employees is less than 20, employee representation rights may be exercised by an employee trustee elected thereby at a general meeting of the employees of the employer for a term of three years.

2. Unless established otherwise, all provisions of this Code and other laws and labour law provisions establishing the rights, obligations and guarantees of the work council and its members shall apply to the employee trustee *mutatis mutandis*.

##### **Article 178. Election of the Employee Trustee**

The employee trustee is elected by secret ballot at a general meeting of the employees of the employer. The general meeting of the employees of the employer shall be legitimate if at least two-thirds of the enterprise's employees participate therein. The employee trustee shall be deemed to be elected from the day the results of the election are announced.

### **SECTION FOUR**

#### **TRADE UNIONS**

##### **Article 179. Trade Unions**

1. Trade unions, in protecting the labour, occupational, economic and social rights and interests of employees, shall act in accordance with the laws governing trade union activities, this Code, and their own by-laws.

2. In order to establish a trade union operating at the level of the employer (a natural person, enterprise, institution or organisation, or, in the case established in Article 21(4) of this Code – a division (branch, representative office)), it must have 20 founders or at least one-tenth but no less than three of all of the employer's employees must be founders.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. Trade unions shall also have the right to establish and join trade union organisations operating at the sectoral or territorial level, provided that they consist of at least five employer-level trade unions.

4. Trade union organisations operating at the sectoral or territorial level may unite into national-level trade union organisations.

## **SECTION FIVE**

### **EMPLOYER REPRESENTATIVES**

#### **Article 180. The Representation of Employers in a Social Partnership at the Employer Level**

1. An employer who is a natural person shall participate in the social partnership and assume the rights and obligations personally.

2. An employer that is a juridical person shall be represented in the social partnership at the employer level by the single-person management body of the juridical person or persons authorised thereby.

#### **Article 181. The Representation of Employers in a Social Partnership at the Sectoral, Territorial or National Level**

1. Employers shall be represented in a social partnership at the sectoral, territorial or national level by employers' organisations (associations, federations, confederations, unions, etc.).

2. Employers that are institutions or organisations funded from the budgets of the state, municipality or State Social Insurance Fund or from other funds established by the state, or that are enterprises, institutions or organisations whose rights of ownership and obligations are

assumed by the state or municipality, shall be represented in social partnerships at the sectoral or national level by the Government of the Republic of Lithuania or institution authorised thereby.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. In social partnerships at the territorial level, employers that are institutions or organisations funded from municipal budgets shall be represented by the relevant municipal council, and institutions or organisations funded from the budget of the State Social Insurance Fund or from other funds established by the state shall be represented by the Government of the Republic of Lithuania or institution authorised thereby. Enterprises, institutions or organisations whose rights of ownership and obligations are assumed by a municipality shall also be represented by the relevant municipal council in social partnerships at the territorial level.

4. In the cases established in paragraphs 2 and 3 of this Article, the legal provisions governing the rights and obligations of employers' organisations shall apply to the municipal council, the Government of the Republic of Lithuania, or the institution authorised thereby *mutatis mutandis*.

5. The provisions of this Article shall also apply in cases where these enterprises, institutions or organisations participate in social partnerships with trade unions that represent persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment.

### **Article 182. The Concept of the Employers' Organisation and the Basis of Activities Thereof**

1. An employers' organisation is a public sector entity that has its own name and limited civil liability – an association established according to the Republic of Lithuania Law on Associations.

2. Employers shall have the right, without any restrictions, to establish organisations whose activities are based on this Code, the Republic of Lithuania Law on Associations, and the by-laws/statutes of the employers of the organisations, and to join these organisations.

3. Associations established and operating according to the Republic of Lithuania Law on Associations shall also be recognised as employers' organisations if, under their by-laws/statutes, they represent the rights and interests of their members (employers) in a social partnership.

4. The provisions of the Republic of Lithuania Law on Associations shall apply to the establishment, registration, content of by-laws/statutes, reorganisation and liquidation of employers' organisations *mutatis mutandis*.

5. Employers' organisations shall have the right to join higher-level employers' organisations (associations, federations, confederations, unions, etc.).

**Article 183. The Competence of Employers' Organisations**

1. Notwithstanding the competence defined in the association by-laws, employers' organisations shall:

1) initiate the formation of bipartite and tripartite labour and social affairs councils and participate in the activities thereof;

2) participate in collective bargaining and conclude collective agreements;

3) represent the interests of the employers' organisation and the members thereof in relations with trade unions and state and municipal institutions and establishments;

4) have the right to receive, within the time limits prescribed by law, the information on labour, economic and social matters necessary for the performance of their activities from state and municipal institutions and establishments, and to submit proposals to state and municipal institutions, trade unions and organisations thereof regarding the adoption, amendment or revocation of legal acts on labour, economic and social matters;

5) have the right to receive the information necessary for the implementation of social partnership functions from a trade union. This information must be provided free of charge and in writing unless the parties have agreed otherwise. The provision of copies of documents shall be deemed equivalent to the provision of information in writing. Information may be provided using all forms of information technology;

6) develop the policy of the employers' organisation, collect and analyse information about the organisation, and inform the public about current issues of the organisation's activities;

7) keep its members (employers) informed about the status of rule-making in labour, economic and social fields;

8) arrange training for members of the organisation on matters of social partnership and collective and individual employment relations;

9) provide consulting to members of the organisation on matters of social partnership and collective and individual employment relations;

10) have the right to participate in the settlement of labour disputes on rights in accordance with the procedure established by legal acts;

11) perform other actions established in labour law provisions and agreements with state and municipal institutions, trade unions and organisations thereof.

2. The procedure and conditions for exercise of the competence established in paragraph 1 of this Article shall be established by the by-laws/statutes of the employers' organisation.

**CHAPTER III**  
**FORMS OF SOCIAL PARTNERSHIP**

**SECTION ONE**  
**LABOUR AND SOCIAL AFFAIRS COUNCILS**

**Article 184. Sectoral and Territorial Labour and Social Councils**

1. Based on agreements between social partners, bipartite and tripartite labour and social councils may be established in order to examine and resolve employment, safety and health at work and other labour and labour-related issues on the basis of equal social cooperation.

2. Bipartite and tripartite labour and social councils may be established at sectoral and territorial levels of social partnership. Depending on the level of social partnership that the labour and social council is being established at, the parties thereto may be state and municipal institutions and employee and employers' organisations operating at the respective level.

3. The activities of bipartite and tripartite labour and social councils shall be established in accordance with their regulations, as approved by the founders of these councils.

**Article 185. The Tripartite Council of the Republic of Lithuania**

1. The Tripartite Council of the Republic of Lithuania (hereinafter 'the Tripartite Council') shall be formed for a term of four years and shall consist of 21 members: seven representatives delegated by national-level trade unions, seven representatives delegated by national-level employers' organisations, and seven representatives delegated by the Government of the Republic of Lithuania. The composition of the Tripartite Council shall be formalised by resolution of the Government of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

*No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021*

2. Trade union organisations and employers' organisations seeking to delegate their representative to the Tripartite Council must meet the following criteria:

- 1) they must have the status of a juridical person;
- 2) they must have at least five employees working under employment contracts;
- 3) they must be in operation for at least three continuous years;
- 4) they must be members of an international trade union or employers' organisation;
- 5) there may not be a conviction against them in effect;

6) no bankruptcy orders or out-of-court bankruptcy proceedings may be implemented against them, and there may not be any intention to seek forced liquidation proceedings or an arrangement with creditors;

7) they may not have tax arrears to the state budget of the Republic of Lithuania, municipal budgets, or funds for which taxes are administered by the State Tax Inspectorate (except for cases where the payment of taxes, late fees or fines has been deferred or a tax dispute is pending regarding unpaid taxes, late fees or fines), and they may not be in debt to the budget of the State Social Insurance Fund;

8) they must be a trade union organisation that unites at least 0.5 per cent of the people working in the territory of the Republic of Lithuania under employment contract or on the basis of other legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment, or they must be an employers' organisation whose members (employers) employ at least three per cent of the people working in the territory of the Republic of Lithuania under employment contract or on the basis of other legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment;

9) the structural divisions of the organisation must represent employees from different sectors of economic activities, or the members of the organisation must operate in the territory of at least two-thirds the counties of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

3. The Ministry of Social Security and Labour of the Republic of Lithuania shall assess whether the organisations meet the criteria established in paragraph 2 of this Article. The organisations that meet the criteria established in paragraph 2 of this Article shall be ranked according to the criterion referred to in point 7 of paragraph 2 of this Article, starting with the trade union organisations that unite the most people who work or the employers' organisations that unite employers that employ the most people. The first five organisations on the employers' organisation list and the first five organisations on the trade union organisation list shall be invited by the Ministry of Social Security and Labour of the Republic of Lithuania to delegate one member and one alternate member each to the Tripartite Council. Any of the organisations, together with the organisations of its members, shall have the right to delegate one member and one alternate member each to the Tripartite Council. This rule shall not apply if there are less than five organisations on the list that meet the criteria established in paragraph 2 of this Article. In this case, the organisations on the list shall, in consecutive order, acquire the right to delegate

one more member and one more alternate member to the Tripartite Council until the number of members delegated by the organisations on the list reaches five.

4. The Government of the Republic of Lithuania shall delegate its representatives to the Tripartite Council by resolution of the Government of the Republic of Lithuania.

5. Individuals may be members of the Tripartite Council for no more than two consecutive terms.

6. The term of office of a member of the Tripartite Council shall be terminated prematurely:

- 1) upon the resignation thereof;
- 2) upon the member being convicted by court;
- 3) upon removal of the representative by the Government of the Republic of Lithuania or the organisation that delegated the member;
- 4) upon the death of the member;
- 5) upon cessation of the organisation that delegated the member in accordance with the procedure established by the Civil Code of the Republic of Lithuania.

7. If, on the grounds provided for in paragraph 6 of this Article, the term of office of any member of the Tripartite Council is terminated before the term of the Tripartite Council expires, a new Tripartite Council member and alternate member shall be nominated to the Ministry of Social Security and Labour of the Republic of Lithuania by decision of the organisation that delegated the member; in the event that the organisation has ceased to exist, said shall be nominated by the organisation next on the list referred to in paragraph 3 of this Article after the organisation which has already delegated a member to the Tripartite Council.

8. The chairperson of the Tripartite Council shall be appointed for six months from among the members of the Tripartite Council by agreement of the parties (the representatives of the trade union organisations, the employers' organisations and the Government of the Republic of Lithuania), on the principle of rotation.

9. The Tripartite Council shall discuss issues and present conclusions and proposals in the areas of labour, social and economic policy, as well as on matters that must be considered in accordance with Convention No 144 of the International Labour Organisation Concerning Tripartite Consultations to Promote the Implementation of International Labour Standards.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

10. The functions and rights of the Tripartite Council as well as the procedure for organising its work shall be established by the Regulations of the Tripartite Council. Said shall be approved and amended by the Tripartite Council.

11. The representatives of the organisations and the Government of the Republic of Lithuania must provide the Tripartite Council with the necessary information on the issues under consideration.

12. The Tripartite Council shall have the right to adopt decisions and submit conclusions and recommendations to the parties, to conclude tripartite agreements in the areas established in paragraph 9 of this Article, to receive the information necessary for the work of the Tripartite Council, and to invite representatives of the parties as well as experts to its meeting and hear them out on matters within their competence.

## **SECTION TWO**

### **COLLECTIVE BARGAINING AND THE CONCLUSION OF COLLECTIVE AGREEMENTS**

#### **Article 186. Application of the Legal Provisions Regulating Collective Bargaining and Collective Agreements**

1. The provisions of this Section shall apply to employees and persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment.

2. According to the provisions of this Section, persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment shall be considered employees, and the other participant in the relationship (an enterprise, institution or organisation) shall be considered the employer.

3. The laws of the Republic of Lithuania may establish restrictions on, or special conditions for the exercise of, the right of persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment to collective bargaining and the conclusion of collective agreements.

#### **Article 187. Collective Bargaining and Collective Agreements**

Employers, employers' organisations, trade unions and trade union organisations shall, in accordance with the procedure established by this Code, have the right to initiate collective bargaining for the conclusion or amendment of collective agreements, to participate therein and to conclude collective agreements.

#### **Article 188. The Collective Bargaining Process**

1. Employees may only be represented in collective bargaining by trade unions.

2. If there is more than one trade union operating at the employer or workplace level, an employer-level or workplace-level collective agreement may be concluded between the employer and either a trade union or a joint trade union representation.

3. If there is no trade union operating at the employer level, the general meeting of the employees of the employer may authorise a sectoral trade union to negotiate an employer-level collective agreement.

4. The party initiating the collective bargaining process must submit a written introduction to the other party to the negotiations. The party seeking collective bargaining must present clearly formulated demands and proposals, and specify the representatives that it is delegating to the collective bargaining.

5. The party that has received the proposal must engage in collective bargaining within 14 days by conveying a written reply to the party initiating the collective bargaining process in which it must specify the representatives that it is delegating to the collective bargaining.

6. The commencement of collective bargaining shall be considered to be the day after the party initiating the collective bargaining process receives the other party's written reply. If the parties did not agree on the opening of negotiations, negotiations must be convened within seven days of the first day of collective bargaining. Neither party may refuse to participate in the collective bargaining.

7. During the first meeting of the collective bargaining working group, the parties to collective bargaining shall agree on the course of the collective bargaining process, i.e.:

- 1) the commencement and estimated duration of the collective bargaining;
- 2) organisational issues and the procedure for collective bargaining;
- 3) the provision of information necessary for drafting the collective agreement, including the scope thereof and submission deadlines therefor;
- 4) other relevant issues.

8. Collective bargaining must be conducted in good faith and may not be protracted.

9. If the parties have not decided otherwise, collective bargaining shall be considered over when a collective agreement is signed or a disagreement protocol is drawn up, or when one of the parties gives the other party written notice of withdrawal from the collective bargaining.

#### **Article 189. The Rights and Obligations of Parties to Collective Bargaining**

1. The parties to collective bargaining shall have the right to demand that they be given the information necessary to conclude a collective agreement.

2. The parties to collective bargaining shall have the right to engage experts, both in drafting the collective agreement and participating in collective bargaining. The cost of expert

services shall be borne by the party that invited them, unless otherwise agreed in the agreement on the course of the collective bargaining process.

3. All persons participating in collective bargaining must protect the confidential information that becomes known to them while participating in collective bargaining and drafting the collective agreement. Persons participating in collective bargaining who violate this obligation shall be liable in the procedure established by laws.

### **Article 190. The Collective Agreement**

The collective agreement is a written agreement concluded between trade unions and employers and organisations thereof which establishes labour law provisions and the mutual rights, obligations and responsibilities of the parties.

### **Article 191. Types of Collective Agreements**

The following types of collective agreements may be concluded:

- 1) national (cross-sectoral) collective agreements;
- 2) territorial collective agreements;
- 3) sectoral (industry, services, professional) collective agreements;
- 4) employer-level collective agreements;
- 5) workplace-level collective agreements, in the cases established by collective agreements at the national, sectoral or employer level.

### **Article 192. The Parties to Collective Agreements**

1. The collective agreement is a bipartite agreement.
2. The parties to a national (cross-sectoral) collective agreement are, on one side, one or more national trade union organisations, and, on the other side, one or more national employers' organisations.
3. The parties to a territorial collective agreement are, on one side, one or more trade union organisations operating in that territory, and, on the other side, one or more employers' organisations.
4. The parties to a sectoral (industry, services, professional) collective agreement are, on one side, one or more sectoral trade union organisations, and, on the other side, one or more employers' organisations of the corresponding sector. A sectoral (industry, services, professional) collective agreement may be limited to a certain territory.
5. The parties to an employer- or workplace-level collective agreement are an employer-level trade union and the employer.

6. If there is more than one trade union operating at an enterprise, the enterprise's collective agreement may be concluded between a joint trade union representation and the employer.

### **Article 193. The Content of Collective Agreements**

1. In a collective agreement, the parties shall establish labour, social and economic conditions and guarantees for the employees, as well as mutual rights and obligations and the liability of parties.

2. In establishing the content of the collective agreement, the parties thereto must adhere to the principles of justice, reason and good faith.

3. The labour law provisions laid down in collective agreements concluded on a national, sectoral or territorial level may derogate from the mandatory rules established in this Code or other labour law provisions, with the exception of rules related to maximum working time and minimum rest periods, the conclusion or termination of an employment contract, minimum wage, safety and health at work, and gender equality and non-discrimination on other grounds, provided that a balance between the interests of the employer and the employees is achieved by the collective agreement. Disputes on the lawfulness of such provisions shall be settled in the procedure established to settle labour disputes on rights. If it is established that a term of a collective agreement contradicts the mandatory rules established in this Code or other labour law provisions, or that a balance between the interests of the employer and the employees is not achieved by a collective agreement, then said may not be applied, and the rule of this Code or labour law provisions shall apply. In any case, a collective agreement may improve the employees situation compared to that established in this Code or other labour law provisions.

4. In a national (cross-sectoral), territorial or sectoral (industry, services, professional) collective agreement, the parties may discuss:

1) remuneration setting, job standards and other remuneration-related issues for employees of employers in one or several sectors or territories;

2) safety and health at work issues;

3) matters related to the employment, vocational training and re-training of employees;

4) social partnership support measures to help avoid collective labour disputes;

5) other labour, social and economic conditions of relevance to the parties;

6) the procedure for making amendments and additions to the collective agreement, its period of validity and the system and procedure for enforcement, and other organisational issues related to the conclusion and implementation of the collective agreement.

5. In an employer- or workplace-level collective agreement, the parties may discuss:

- 1) terms for the conclusion, amendment and termination of employment contracts;
- 2) conditions for remuneration;
- 3) conditions for working and rest time;
- 4) safety and health at work measures;
- 5) conditions for the mutual provision of information between the parties;
- 6) the procedure for implementing the rights of information, consultation and other employee representative participation in the employer's decision-making process, without reducing the mandate of the work council established by law;
- 7) other labour, economic and social conditions of relevance to the parties;
- 8) the procedure for the fulfilment of the collective agreement;
- 9) the procedure for making amendments and additions to the collective agreement, its period of validity and the system and procedure for enforcement, and other organisational issues related to the conclusion and implementation of the collective agreement.

#### **Article 194. The Specifics of Collective Bargaining in the Public Sector**

1. Upon receiving a proposal from a trade union organisation to begin collective bargaining at the national (cross-sectoral) or sectoral (industry, services, professional) level, or upon initiating said itself, the Government of the Republic of Lithuania or institution authorised thereby shall represent employers that are institutions or organisations funded from the budgets of the state, municipality or State Social Insurance Fund or from other funds established by the state, and must invite private sector employers' organisations operating in the relevant sector (industry, services, professional) that can participate together in this collective bargaining. These provisions shall also apply, *mutatis mutandis*, when municipal institutions are involved in a social partnership at the territorial level.

2. The Government of the Republic of Lithuania may participate in collective bargaining directly as a party to a sectoral (industry, services, professional) collective agreement, or may authorise a ministry or other institution of the Government of the Republic of Lithuania in the relevant area of governance, or an institution that is subordinate to a ministry and is responsible for policy-making in the particular area of governance or part thereof.

3. Negotiations on a national (cross-sectoral) or sectoral (industry, services, professional) collective agreement must be completed before the Ministry of Finance of the Republic of Lithuania begins to draft the law on the approval of financial indicators of the state budget and municipal budgets for the corresponding year. A conclusion must be obtained from the Ministry of Finance of the Republic of Lithuania regarding a draft sectoral (industry, services, professional) collective agreement drawn up and agreed by the parties.

**Article 195. The Procedure for the Conclusion and Registration of Collective Agreements**

1. Collective agreements shall be concluded through collective bargaining conducted in accordance with the procedure established by this Code.

2. If a collective agreement has already been concluded, the parties must begin collective bargaining on its renewal at least two months before its expiration.

3. A collective agreement shall be concluded in writing in no less than duplicate, with at least one copy to be kept by each of the parties. All annexes, additions and amendments to a collective agreement shall be an integral part of the collective agreement and shall have the same legal effect as the collective agreement.

4. A collective agreement shall be signed by authorised representatives of the parties thereto.

5. Valid collective agreements must be registered and publicly announced in accordance with the procedure established by the Minister of Social Security and Labour of the Republic of Lithuania. The collective agreement shall be submitted for registration within 20 days of the date of its signing by the trade union or trade union organisation that is a party to the collective agreement. If the trade union or trade union organisation fails to register the collective agreement within this period, the employer or employers' organisation that is the other party to the collective agreement shall acquire the right to submit the collective agreement for registration.

*Amendments to a paragraph of the Article:*

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**Article 196. The Validity of Collective Agreements**

1. A collective agreement shall enter into force on the day that it is signed unless a later date is established therein.

2. A collective agreement shall be valid for no more than four years, except for cases when the collective agreement establishes otherwise.

**Article 197. The Application of Collective Agreements**

1. Collective agreements shall apply to employees who are members of the trade unions that concluded them. If the trade union and the employer agree on application of an employer-level or workplace-level collective agreement to all employees, it will be applied to all employees if said is approved by the general meeting (conference) of the employees of the employer. A conference is a meeting of employee representatives elected at the structural/organisational units of an enterprise, institution or organisation. If, in the absence of an

employer-level trade union, a collective agreement is concluded between the employer and a sectoral trade union that was authorised, in accordance with the procedure established by this Code, to negotiate an employer-level collective agreement, said collective agreement shall be applied to all of the employer's employees if it is approved by the general meeting (conference) of the employees of the employer.

*Amendments to a paragraph of the Article:*

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2. An employer- or workplace-level collective agreement must be applied by the employer who is a party to this agreement.

3. A national (cross-sectoral), territorial or sectoral (industry, services, professional) collective agreement must be applied to employees represented by trade unions or trade union organisation members by the employers in employment relationships with them who:

- 1) are members of an employers' organisation that signed the collective agreement;
- 2) joined this organisation after the collective agreement was signed;
- 3) were members of an employers' organisation that signed the collective agreement but left it. In this case, they will be subject to mandatory application of the collective agreement for three months after termination of their membership in the employers' organisation, except for cases when the collective agreement expires earlier;
- 4) fall within the scope of application of a collective agreement that has been extended in accordance with the procedure established by this Code.

4. If more than one collective agreement is applicable to an employee:

- 1) a sectoral collective agreement shall apply over an employer-level collective agreement, unless the sectoral collective agreement permits for derogation from the terms established therein by the enterprise's collective agreement;
- 2) a territorial collective agreement shall apply over an employer-level collective agreement, unless the territorial collective agreement permits for derogation from the terms established therein by the employer-level collective agreement;
- 3) in the case of a sectoral and territorial collective agreement the provisions of the *lex specialis* collective agreement shall apply

### **Article 198. Extension of the Scope of Application of a Collective Agreement**

1. The application of individual provisions of a national (cross-sectoral), territorial or sectoral (industry, services, professional) collective agreement may be compulsorily extended by order of the Minister of Social Security and Labour of the Republic of Lithuania to cover all

employers in a certain territory or sector if both parties to the collective agreement submit such a proposal in writing.

2. The proposal submitted by the parties to the collective agreement referred to in paragraph 1 of this Article must specify:

- 1) the name of the collective agreement whose application is proposed to be extended;
- 2) how much is proposed to be extended – the entire collective agreement or only individual provisions thereof, and in the case of the latter – which;
- 3) the motives for extending the scope of application of the collective agreement;
- 4) the estimated number of employees to whom the collective agreement will be applied.

3. A proposal to extend the scope of application of a sectoral (industry, services, professional) collective agreement may be submitted to the Minister of Social Security and Labour of the Republic of Lithuania if there are at least six months left until the expiration of the agreement.

4. The Minister of Social Security and Labour of the Republic of Lithuania shall decide whether to extend the scope of application of the collective agreement within 60 calendar days of receipt of the proposal referred to in paragraph 1 of this Article.

5. The order of the Minister of Social Security and Labour of the Republic of Lithuania on extension of the scope of application of a collective agreement or individual provisions thereof shall be published, together with the texts of the extended collective agreement or provisions thereof, in the Register of Legal Acts.

6. A decision to extend the scope of application of a collective agreement shall be valid insofar as the collective agreement itself is, unless otherwise specified in the order of the Minister of Social Security and Labour of the Republic of Lithuania. If such a collective agreement is supplemented or amended, application of the amendments or supplements shall not be considered to be compulsorily extended without a separate order of the Minister of Social Security and Labour of the Republic of Lithuania.

#### **Article 199. Amendments and Supplements to a Collective Agreement**

The procedure for amending or supplementing a collective agreement shall be established in the collective agreement. If this procedure is not established, amendments and supplements to the collective agreement shall be made in the same manner as the collective agreement is concluded itself.

#### **Article 200. Termination of a Collective Agreement**

A collective agreement may be terminated in the cases and procedure established therein. Either party must notify the other party to the collective agreement about unilateral termination of the collective agreement at least three months in advance. It is prohibited to terminate a collective agreement earlier than six months after its entry into force.

#### **Article 201. Collective Agreement Enforcement and Liability**

1. Implementation of a collective agreement shall be controlled by the parties to the collective agreement or by the authorised representatives thereof. The procedure, methods and terms of settlement shall be established in the collective agreement.

2. In carrying out the controls referred to in paragraph 1 of this Article, the parties to the collective agreement must provide one another with the necessary information within one month of the date of receipt of the relevant request.

#### **Article 202. Disputes on the Implementation of Collective Agreements**

Disputes on the implementation or improper implementation of a collective agreement, including its application or improper application to employees and employers falling within its scope, shall be settled according to a procedure established for labour disputes on rights.

### **SECTION THREE INFORMATION AND CONSULTATION**

#### **Article 203. The Right of Employees and Representatives Thereof to Information and Consultation**

1. In the cases and procedure established by this Code, collective agreements, employer–work council arrangements and other labour law provisions, employees shall have the right, through work councils, to be informed and to participate in consultations with employers and their representatives on matters related to the implementation and protection of the labour, economic and social rights and interests of employees.

2. In the cases and procedure established by this Code, the rights to information and consultation shall be exercised by employees directly.

3. The specifics of the procedure for information and consultation at European Community companies and corporate groups, European companies and European cooperatives shall be established by special laws.

#### **Article 204. The Concepts and Principles of Information and Consultation**

1. Information is the transmission of information (data) to employees or the work council in order to familiarise them with the substance of a matter related to the labour, economic and social rights and interests of employees. Consultation is the exchange of opinions and the establishment and development of dialogue between work councils and the employer.

2. During the information process, the employer must provide timely, written information to the work council free of charge and shall assume responsibility for the accuracy of this information.

3. Work councils that have provided a written pledge not to disclose any commercial/industrial or professional secrets shall be entitled to access information which is considered a commercial/industrial or professional secret but which is necessary for the performance of their duties. Irrespective of the whereabouts of work council members or the termination of their employment relations or powers of representation, they are prohibited from using information which is considered a commercial/industrial or professional secret that has become known to them for anything other than its intended purpose, or from disclosing said to employees or third parties. Access to state and official secrets and liability for the disclosure or unlawful use thereof is regulated by special laws.

4. At the request of the work council, the employer must begin the consultation process within five working days of receipt of the request. During the consultation process, members of the work council shall be entitled to meet with the employer and representatives thereof and, if necessary, with other members of the management bodies of the enterprise, institution or organisation as well, and to submit its written proposals within 15 working days of the first day of consultation, unless another period had been agreed on. Upon the work council submitting a substantiated written request, the employer may not take any actions for which the consultation process was initiated during that period. Once this period is over, the employer may terminate the consultation process if the work council has not given an opinion. Consultations must be aimed at finding a mutually acceptable solution. The results of a consultation shall be formalised by a protocol or agreement, or by adopting local regulatory acts.

5. The employer may refuse, in writing, to provide information that is considered a commercial/industrial or professional secret, or refuse to begin consultations with work councils if, on the basis of objective criteria, this information or consultation by its very nature would cause damage or could cause severe damage to the enterprise, institution or organisation or activities thereof. An employer's decision to refuse to provide information may be appealed in the procedure established to settle labour disputes on rights. If the labour dispute resolution body establishes that the employer's refusal to provide information or begin consultations is

unjustified, the employer shall be obligated to provide this information or to begin consultations within a reasonable period of time.

6. Consultations regarding information (data) provided by the employer and the opinion submitted by the work council must be conducted in a timely manner, creating the opportunity for the work council to receive substantiated replies from the employer's decision-making representatives.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

### **Article 205. Regular Information and Consultation**

1. At the work council's request, an employer employing an average of 20 employees or more must provide information to, and hold consultations with, the work councils at least once per calendar year but no later than the 1<sup>st</sup> of April about the current and future activities of the enterprise, institution or organisation (as well as of the workplace in the case of a social partnership at the workplace level), as well as the economic situation and the condition of labour relations.

2. The employer must provide information about:

1) the employer's status and structure, potential changes in employment at the enterprise, institution or organisation and divisions thereof, especially where there is a threat to employment, including information about the categories and number of employees, including temporary workers, and past and planned personnel changes that could have a decisive impact on the terms of employment for employees and influence redundancy;

2) changes in remuneration that have taken place and expected trends;

3) the specifics of working time organisation, including information on the length of overtime and the reasons for its organisation;

4) the results of implementing safety and health at work measures that help improve the working environment;

5) the current and potential development of activities and economic situation of the enterprise, institution or organisation or divisions thereof, including information based on the financial statements and annual report of the enterprise, institution or organisation (if the enterprise is required to compile such by legal acts);

6) other matters of particular importance to the economic and social position of the employees.

3. Within five working days of receipt of the information, the work council may demand that consultations be commenced. On the basis of the information provided, the employer's consultations with the work council shall begin within 15 working days of receipt of the

information. The employer-level trade union must be informed by the work council about the course of consultations and shall be entitled to express its opinion to the work council and the employer.

4. When an enterprise, institution or organisation does not have a work council or an employee trustee implementing the functions thereof, the employer must provide the information to the employer-level trade union. The trade union shall be entitled to express its opinion on this information to the employer.

5. The employer must hold consultations for at least five working days from the first day of consultation unless the work council agrees to a different term.

### **Article 206. Information and Consultation in Approving Local Regulatory Acts**

1. An employer employing an average of 20 employees or more must inform and hold consultations with the work council in adopting decisions on the approval or amendment of the following local regulatory acts:

- 1) the rules of procedure, which establish the general procedure at the enterprise;
- 2) job standards or the rules for establishing job standards;
- 3) the remuneration system, in the absence of a collective agreement that establishes this;
- 4) the procedure for the introduction of new technological processes;
- 5) the procedure for the use of information and communication technologies and for the monitoring and control of employees at the workplace;
- 6) the ascertainment of measures that may violate protection of an employee's private life;
- 7) the policy for the protection of the employee's personal data and measures for implementing it;
- 8) measures for implementation of the principles for the supervision of the implementation and enforcement of the equal opportunities policy;
- 9) the establishment of measures to reduce stress at work;
- 10) other legal acts relevant to the social and economic position of employees.

2. The work council shall be informed about upcoming decisions on local regulatory acts of this type 10 working days before the planned approval thereof.

3. Within three working days of receipt of the information, the work council may demand that consultations be commenced. On the basis of the information provided, the employer's consultations with the work council shall begin within three working days of receipt of the work council's request. The employer and the work councils may come to an arrangement regarding the decisions of the employer established in paragraph 1 of this Article.

4. When an enterprise, institution or organisation does not have a work council or an employee trustee implementing the functions thereof, the employer must provide the information to the employer-level trade union. The trade union shall be entitled to express its opinion to the employer concerning the employer's upcoming decisions.

5. The employer must hold consultations for at least five working days from the first day of consultation unless the employee representatives agree to a different term.

**Article 207. Information and Consultations in the Case of Collective Redundancy**

1. Before taking a decision, as established in this Code, on collective redundancy (as established in Article 63 of this Code), the employer must inform and hold consultations with the work councils.

2. At least seven working days before the beginning of the planned consultation, the employer must provide the work councils with written information on:

- 1) the reasons for the planned dismissal;
- 2) the total number of employees and the number of redundancies, by category;
- 3) the period during which the employment contracts will be terminated;
- 4) the selection criteria for redundancy;
- 5) the terms of employment contract termination and other relevant information.

3. When an enterprise, institution or organisation does not have a work council or an employee trustee implementing the functions thereof, the employer must provide the information referred to in paragraph 2 of this Article, within the time limits established therein, to the employer-level trade union as well as to the employees, either directly or at a general meeting of the employees of the employer. The trade union shall be entitled to express its opinion to the employer concerning the employer's upcoming decisions.

4. On the basis of the information provided, consultations with the work councils shall begin within five days of receipt of the information, with the aim of agreeing on what methods and measures can be used to avoid the collective redundancy or reduce the number of redundancies, as well as on mitigating the consequences of this redundancy through additional social measures designed, inter alia, to re-train or re-employ the employees who are expected to be made redundant. Consultations must be aimed at coming to an arrangement between the employer and the work council. The employer-level trade union must be informed by the work council about the course of consultations and shall be entitled to express its opinion to the work council and the employer.

5. The employer must hold consultations for at least 10 working days from the first day of consultation unless the work council agrees to a different term.

### **Article 208. Information and Consultations in the Case of Transfer of a Business or Part Thereof**

1. Before taking a decision on the reorganisation of an enterprise, the transfer of a business or part thereof, or other decisions that could fundamentally impact the organisation of work at the enterprise and the legal status of the employees, the employer must inform and hold consultations with the work councils about the reasons for the decision and the legal, economic and social consequences for the employees, as well as the measures planned to avoid or mitigate potential consequences.

2. At least five working days before the beginning of the planned consultation, the employer must provide the work councils with written information on:

- 1) the date of transfer or the proposed date of transfer;
- 2) the legal basis for the transfer;
- 3) the legal, economic and social consequences of the transfer for the employees;
- 4) measures planned for the employees.

3. When an enterprise does not have a work council or an employee trustee implementing the functions thereof, the employer must provide the information referred to in paragraph 2 of this Article, within the time limits established therein, to the employer-level trade union as well as to the employees, either directly or at a general meeting of the employees of the employer. The trade union shall be entitled to express its opinion to the employer concerning the employer's upcoming decisions.

4. On the basis of the information provided, consultations shall be held with the work councils with the aim of agreeing on what methods and measures can be used to avoid or mitigate the negative legal, economic and social consequences of the transfer of the business or part thereof for the employees. Consultations must be aimed at coming to an arrangement between the employer and employee representatives. The employer-level trade union must be informed by the work council about the course of consultations and shall be entitled to express its opinion to the work council and the employer.

5. The employer must hold consultations for at least five working days from the first day of consultation unless the work council agrees to a different term.

### **Article 209. Liability for Non-Fulfilment of Information and Consultation Obligations**

1. If an employer has violated the obligations of information and consultation, the work council or the trade union shall be entitled to initiate a labour dispute on rights within two

months of finding out about the violation. If this Code does not establish otherwise, the relevant labour dispute resolution body shall have the right to reverse the employer's decisions and require that certain actions be taken, as well as to apply the liability established in this Code or the Republic of Lithuania Code of Administrative Offences.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. The State Labour Inspectorate shall control how employers fulfil the obligation of informing and consulting employees.

3. Person who have violated the obligation of informing and consulting employees or who have disclosed confidential information to third parties shall be liable in the procedure established by laws.

## **SECTION FOUR**

### **PARTICIPATION IN THE MANAGEMENT OF A JURIDICAL PERSON**

#### **Article 210. Participation of Employee Representatives in the Management of a Juridical Person**

1. In the cases and procedure established by this Code and the Republic of Lithuania Law on State and Municipal Enterprises, employee representatives shall be entitled to appoint part of the members of the juridical person's collegial management or supervisory body that is appointed or elected in accordance with the regulatory legislation or formation documents of these juridical persons.

2. Members appointed by employee representatives shall have the same rights and obligations as the other members of the juridical person's collegial management or supervisory body.

3. Employee participation in the decision-making process at European companies, European cooperatives, and companies at limited liability companies resulting from the operating at companies after a cross-border merger of limited liability companies shall be established by special laws.

#### **Article 211. Implementation of the Right of Employee Representatives to Appoint Members to a Juridical Person's Collegial Management or Supervisory Body**

1. Persons carrying out employee representation at the employer level shall have the right to appoint part of the members of the collegial management or supervisory body of an enterprise, institution or organisation, as specified in Article 210 of this Code.

2. The head of a juridical person whose regulatory legislation or formation documents provide for the right of employee representatives to appoint or select members to the juridical person's collegial management or supervisory body must, at least 20 working days before the date of the formation of the juridical person's collegial management or supervisory body, notify the employee representative referred to in paragraph 1 of this Article of their right to appoint members to the juridical person's collegial management or supervisory body for the new term of office of the body being formed.

3. If the employee representatives fail to appoint members to the collegial management or supervisory body of the juridical person indicated within the period established, the head of the juridical person shall repeatedly notify the employee representative referred to in paragraph 1 of this Article of their right to appoint members to the juridical person's collegial management or supervisory body, and shall specify a time limit of at least five working days for the appointment thereof. If the employee representatives fail to appoint members to the juridical person's collegial management or supervisory body within a time limit of at least five working days, their places shall be filled according the same procedure as for other members of the juridical person's collegial management or supervisory body.

4. Members appointed by employee representatives may be removed before the end of their term by decision of the employee representative who appointed them, provided that the employee representative immediately appoints new members to the juridical person's collegial management or supervisory body.

5. A member of a juridical person's collegial management or supervisory body appointed by employee representatives must be an employee of said juridical person. Termination of the employment contract therewith shall terminate membership in the juridical person's collegial management or supervisory body.

#### **Article 212. Participation of Employee Representatives in Other Decisions Made by the Employer**

1. In the cases and procedure established by collective agreements or arrangements between the employer and persons carrying out employee representation, the opportunity may be provided for employee representatives to participate, as observers or in an advisory capacity, in meetings of the employer's collegial management or supervisory body where issues related to

the terms of employment for employees of the enterprise, institution or organisation are being discussed.

2. During the meetings established in paragraph 1 of this Article, the employee representatives must be given the right to express their opinions on the issues being discussed concerning the employees' terms of employment issues being discussed.

## **PART IV LABOUR DISPUTES**

### **CHAPTER I GENERAL PROVISIONS**

#### **Article 213. The Concept of Labour Disputes and Types Thereof**

1. Labour disputes are disagreements between the parties to an employment relationship arising from the employment or the legal relations related thereto.

2. Based on the object of dispute and the subjects involved in the labour dispute, labour disputes are divided into:

1) labour disputes on rights (individual labour disputes on rights and collective labour disputes on rights);

2) collective labour disputes on interests.

3. An individual labour dispute on rights is a disagreement between the employee or other participants in an employment relationship on one side, and the employer on the other side, arising from the conclusion, amendment, fulfilment or termination of an employment contract, or regarding non-fulfilment or improper fulfilment of labour law provisions in the labour relations between the employee and the employer. Former employers, individuals who expressed a desire to conclude an employment contract when such was refused, as well as persons entitled to an employee's remuneration or other employment-related benefits, may also be parties to a labour dispute.

4. A collective labour dispute on rights is a disagreement between employee representatives on one side, and the employer or employers' organisations on the other side, regarding non-fulfilment or improper fulfilment of labour law provisions or mutual agreements.

5. A collective labour dispute on interests is a disagreement between employee representatives on one side, and the employer or employers' organisations on the other side, arising from regulation of the mutual rights and obligations of the parties or the establishment of labour law provisions.

6. In the cases established by this Code and other laws, disputes between participants of other relationships shall also be considered labour disputes. In this case, the provisions of this Chapter shall apply thereto *mutatis mutandis*.

#### **Article 214. The Principles of Labour Dispute Resolution**

1. Labour disputes shall be investigated in accordance with the principles of respect for the legitimate interests of the other party, cost-effectiveness, concentration, and cooperation of the parties in order to resolve the dispute as quickly as possible under the most acceptable conditions for both parties.

2. The principles of equality of arms and an adversarial process shall apply in labour disputes on rights insofar as it does not violate the legal presumptions established by laws and labour law provisions.

3. If an employee applies to a labour dispute resolution body regarding an individual dispute on rights, the employer must prove specific circumstances relevant for dispute resolution, and provide evidence if said is available or more easily accessible to the employer. In unfair dismissal cases and cases on unlawful refusal of employment, the employer must prove the lawfulness of the dismissal or the refusal of employment. Other cases may be specified by law where the burden of proof is distributed among the parties to a labour dispute differently.

#### **Article 215. The Resolution of Labour Disputes in Accordance with the Procedure Established by this Code**

1. Labour dispute resolution bodies may investigate, in accordance with the procedure established by this Code, all labour disputes which stem from labour relations arising or being fulfilled in the territory of the Republic of Lithuania, or in which the employer is under the jurisdiction of the Republic of Lithuania, if other laws, European Union labour law provisions or treaties of the Republic of Lithuania do not establish otherwise.

2. Jurisdiction in civil cases arising from labour disputes on rights shall be established according to the rules of the Code of Civil Procedure of the Republic of Lithuania if European Union labour law provisions or treaties of the Republic of Lithuania do not establish otherwise.

3. If an employee's permanent place of residence is in another country, a labour dispute on rights initiated by the employer must be resolved in that other country, unless the parties, upon emergence of the dispute, agree to resolve the dispute in accordance with the procedure established by this Code.

## THE RESOLUTION OF LABOUR DISPUTES ON RIGHTS

### **Article 216. Bodies for the Resolution of Labour Disputes on Rights**

1. Labour disputes on rights shall be resolved by:

- 1) labour dispute commissions;
- 2) the court.

2. Labour disputes on rights may be resolved by commercial arbitration in accordance with the Republic of Lithuania Law on Commercial Arbitration if the parties to the labour dispute agree on this form of resolution after emergence of the dispute.

### **Article 217. The Competence of Bodies for the Resolution of Labour Disputes on Rights**

1. While resolving labour disputes on rights, a labour dispute resolution body shall have the right:

- 1) to obligate the other party to restore the rights violated due to non-fulfilment or improper fulfilment of labour law provisions or mutual agreements;
- 2) to order compensation of material or non-material damage and, in the cases established by labour law provisions or agreements, to impose fines or late fees;
- 3) to terminate or change the legal relations;
- 4) to require that other actions established in laws or labour law provisions be taken.

2. While resolving collective labour disputes on rights, a labour dispute resolution body shall have the right to fine the party that violated labour law provisions or mutual agreements up to EUR 3,000 to be paid to the other party. The amount of the fine must be proportionate to the severity of the violation and must discourage future offences.

3. Labour disputes on rights shall be resolved by labour dispute commissions free of charge, and the litigation costs incurred by the parties to the dispute are not recoverable.

*Supplement of a paragraph to the Article:*

No [XII-2688](#), 3 November 2016, published in the Register of Legal Acts on 9 November 2016, ID code 2016-26498

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

### **Article 218. Decisions in Cases on Unlawful Suspension or Dismissal**

1. If an employee is suspended from work in the absence of a legal basis, the labour dispute resolution body shall order that the employee be reinstated and paid average remuneration for the period of forced absence and the material and non-material damage incurred.

2. If an employee is dismissed from work in the absence of a legal basis or in violation of the procedure established by laws, the labour dispute resolution body shall take a decision to recognise the dismissal as being unlawful and to order that the employee be reinstated and paid average remuneration for the period of forced absence, from the date of dismissal to the date of enforcement of the decision but no more than one year, and the material and non-material damage incurred.

3. The employee shall be reinstated no later than the next working day after the decision of the labour dispute resolution body on reinstatement becomes effective.

4. If the body resolving the labour dispute on rights establishes that the employee cannot be returned to his or her previous job due to economic, technological, organisational or similar reasons, or because he or she may be provided with unfavourable conditions to work, or when the employer requests that the employee not be reinstated, the labour dispute resolution body shall take a decision to recognise the dismissal as being unlawful, and shall order that the employee be paid average remuneration for the period of forced absence, from the date of dismissal to the date of enforcement of the judgement but no more than one year, and the material and non-material damage incurred. The employee shall also be awarded compensation equal to one average remuneration for every two years of the employment relationship, but no more than six times the employee's average remuneration.

5. The remedy for violation of an employee's rights established in paragraph 4 of this Article must also be applied when requested as such by an employer employing an average of up to 10 employees when a labour dispute resolution body takes a decision to recognise the dismissal of an employee as being unlawful.

6. In the cases referred to in paragraphs 4 and 5 of this Article, the employment contract shall be considered terminated by the decision of the labour dispute resolution body on the day that said becomes effective.

### **Article 219. Decisions in Cases on Remuneration and Payments Related to Labour Relations**

Unless established otherwise in this Code, labour dispute resolution bodies, when taking decisions on the award of overdue remuneration and other payments related to labour relations, shall award these amounts in full, taking the rules for the application of extinctive prescription and the limitations established in this Code into account.

### **Article 220. The Resolution of Labour Disputes on Rights by a Labour Dispute Commission or the Court**

1. A participant in an employment relationship who believes that another subject of labour law has violated his or her rights as a result of non-fulfilment or improper fulfilment of labour law provisions or mutual agreements must apply to a labour dispute commission with an application to resolve the labour dispute on rights within three months or, in cases of unlawful suspension, unlawful dismissal or breach of a collective agreement – within one month of when he or she found out or should have found out about the violation of rights.

2. If the application submission deadline is missed, it may be extended by the decision of a labour dispute commission. In this case, the reasons for missing the deadline must be specified in the application submitted. The labour dispute commission shall extend the missed application submission deadline upon recognising these reasons as being valid. If the labour dispute commission does not extend the deadline by decision thereof, an application may be made to court within one month of the decision of the labour dispute commission by bringing an action for the labour dispute on rights to be resolved in court.

3. A labour dispute on rights related to a strike or a lockout must be settled directly in court.

#### **Article 221. The Composition of the Labour Dispute Commission**

1. Labour dispute commissions are permanent and operate under the territorial offices of the State Labour Inspectorate.

2. A labour dispute commission is composed of three members: the labour dispute commission chairperson and trade union and employers' organisation representatives appointed from the trade unions and employers' organisations operating within the jurisdiction of the territorial office of the State Labour Inspectorate by decision of the management bodies thereof.

3. The labour dispute commission chairperson is a civil servant of the State Labour Inspectorate who has a university degree in law and is appointed by the Chief State Labour Inspector of the Republic of Lithuania. The labour dispute commission chairperson shall only perform the duties of the chairperson of the labour dispute commission.

4. The list of labour dispute commission members who are trade union and employers' organisation representatives, as well as their alternates, and their assignments to specific labour dispute commissions, shall be approved and updated on a yearly basis by the Chief State Labour Inspector of the Republic of Lithuania, after receiving proposals from trade unions and employers' organisations.

5. The procedure for the formation of a labour dispute commission shall be established in the Labour Dispute Commission Regulations approved by the Minister of Social Security and Labour of the Republic of Lithuania.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

6. The rules of procedure for labour dispute commissions shall be approved by the Minister of Social Security and Labour of the Republic of Lithuania.

### **Article 222. The Terms of Employment for the Labour Dispute Commission**

1. Labour dispute commission members who are trade union and employers' organisation representatives shall be released from the performance of their job duties for the period that they are involved in the work of the labour dispute commission. The amount of their compensation as well as the procedure for its payment and reimbursement of travel expenses shall be established by the Government of the Republic of Lithuania or institution authorised thereby.

2. The State Labour Inspectorate shall ensure the conditions for labour dispute commissions to operate. Labour dispute commission expenses related to labour dispute resolution shall be paid by the State Labour Inspectorate from state budget funds.

3. An employee or civil servant of the State Labour Inspectorate appointed by the Chief State Labour Inspector of the Republic of Lithuania shall accept and register applications related to the resolution of labour disputes on rights, and, on the instruction of the labour dispute commission chairperson, shall demand and obtain the documents necessary for applications to resolve labour disputes on rights from the relevant offices and persons; said shall also announce the date, time and place of the hearing and the composition of the labour dispute commission, make an audio recording of the course of the labour dispute commission hearing, send decisions, forward the case to court, and carry out other assignments given by the labour dispute commission chairperson.

### **Article 223. The Application to Resolve Labour Disputes on Rights**

1. A party to the labour dispute must submit the application to resolve the labour dispute on rights to the labour dispute commission in writing or by digitally signed email.

2. The application must specify:

- 1) the name, surname and home address of the party initiating the dispute (the claimant);
- 2) the name and registered office address of the other party (the respondent);
- 3) the statement of claim;
- 4) the circumstances and evidence that the claim is based on;
- 5) a list of enclosed documents.

3. The application is submitted to the labour dispute commission of the territorial office of the State Labour Inspectorate that the employer's workplace is under the jurisdiction of.

4. A single application may also be filed by a group of employees of the same employer if the labour dispute on rights stems from the same legal basis.

**Article 224. Refusal to Consider an Application and Termination of Dispute Resolution**

1. The labour dispute commission shall take a decision to refuse to consider an application to resolve a labour dispute on rights if:

1) the claim has already been examined by labour dispute resolution bodies and/or a final decision was adopted thereon or the case was terminated;

2) the claimant withdraws all of the claims made before the hearing of the labour dispute commission. If the claimant withdraws some of the claims, the labour dispute commission shall terminate investigation of the claims that were withdrawn;

3) investigation of the claim does not fall within the competence of the labour dispute commission;

4) the application was submitted after the deadline established in Article 220(1) of this Code and the labour dispute commission did not renew it.

2. The labour dispute commission shall terminate investigation of a labour dispute on rights by decision if:

1) the claimant withdraws all of the claims during the hearing. If the claimant withdraws some of the claims, the labour dispute commission shall terminate investigation of the claims that were withdrawn;

2) the parties conclude a written settlement agreement on resolution of the labour dispute on rights and said is approved by decision of the labour dispute commission.

**Article 225. Preparation for Investigating an Application**

1. The chairperson of the labour dispute commission, in preparing to investigate an application and taking the circumstances of the case into account, shall order that the documents necessary to resolve the labour dispute be obtained from the relevant offices and persons, and shall summon witnesses.

2. Within five working days of receipt of an application, the chairperson of the labour dispute commission shall set the date and time of the hearing, as well as the time limit within which the respondent must notify the labour dispute commission whether he or she acknowledges the claimant's claims, and submit evidence. Said time limit may not be less than five working days from the date that a copy of the claimant's application was delivered to the respondent.

**Article 226. Dispute Resolution**

1. Labour disputes are investigated in the presence of the claimant, the respondent, and/or representatives thereof.

2. If a party/parties was duly informed about the hearing and does not attend the hearing, the labour dispute commission shall have the right to take a decision in the absence thereof.

3. If the respondent agrees with the claimant's claims, the dispute may be resolved by written procedure upon informing the parties thereof in advance.

4. If a labour dispute commission member is unable to participate in the hearing of the labour dispute commission, the labour dispute commission chairperson shall decide whether to postpone the hearing or to consider the application on the merits. If a labour dispute commission member does not attend three consecutive hearings of the labour dispute commission without a valid reason, the Chief State Labour Inspector of the Republic of Lithuania, based on the substantiated proposal of the chairperson of the labour dispute commission, may remove the former from the list of labour dispute commission members.

5. The hearing of the labour dispute commission shall be presided over by the chairperson of the commission. During the hearing, the chairperson shall explain the substance of the dispute between the parties and shall propose that the parties come to an understanding and conclude a settlement agreement. If reconciling the parties is not possible, the chairperson of the hearing shall announce commencement of the labour dispute hearing on the merits.

6. Before the opening of the hearing and during the hearing, the chairperson and members of the labour dispute commission must recuse themselves from investigation of the application if grounds for recusal, as established by the Code of Civil Procedure of the Republic of Lithuania, exist. Recusal of the chairperson of the commission and/or a member/members of the commission may also be requested by the parties to the labour dispute. Recusal of the chairperson shall be decided by the other members of the commission. If both members of the commission agree that the chairperson should be recused, the motion for recusal must be satisfied. The Chief State Labour Inspector of the Republic of Lithuania shall appoint a chairperson from another commission to fill in for the recused chairperson for resolution of the dispute. Recusal of commission members shall be decided by the chairperson. If the motion for recusal is satisfied, investigation of the application shall be postponed and another person, proposed by the chairperson from the list of labour dispute commission members in accordance with the Labour Dispute Commission Regulations, shall be invited to participate in the work of the commission. The motion for recusal must be made at the hearing of the commission before commencement of investigation of the case on the merits. Thereafter, motions for recusal shall

only be allowed if the grounds for recusal become known after commencement of investigation of the case.

7. The parties to the dispute shall be entitled to submit additional claims and provide additional evidence at the hearing of the labour dispute commission. If the labour dispute commission establishes that these additional claims or evidence could have been submitted earlier, and that satisfying them would protract adoption of a decision, the labour dispute commission may reject them by a reasoned protocol decision.

8. At the hearing, the parties and the witnesses shall testify, and documents and other evidence shall be introduced and evaluated.

9. The hearing shall end with the closing arguments of the parties on the substance of the labour dispute on rights being investigated. In their closing arguments, the parties shall not be entitled to cite new circumstances or evidence that was not evaluated previously.

10. The hearing of the labour dispute commission shall be recorded in audio form.

#### **Article 227. Service of Documents when Resolving Disputes Through a Labour Dispute Commission**

Documents may be served to the parties in the following manners:

- 1) directly;
- 2) by registered mail;
- 3) by telecommunications terminal equipment. If the parties to the dispute have so indicated, documents shall only be sent to the email addresses specified by the parties;
- 4) by publication. When the service of documents is impossible (the respondent cannot be located or there is no address data in the relevant register), a notice shall be published on the State Labour Inspectorate website ([www.vdi.lt](http://www.vdi.lt)) in which a deadline (of no less than five working days from publication of the notice) shall be set for the respondent to come to the territorial office of the State Labour Inspectorate to pick up the document. If the respondent fails to appear within the established time limit, the document shall be deemed to have been served on the date of its publication on the website.

#### **Article 228. Adoption of the Decision of the Labour Dispute Commission**

1. The labour dispute commission must examine an application within one month of the day of receipt thereof. The time limit for examining an application may be extended by reasoned decision of the chairperson of the labour dispute commission, but for no more than one month.

2. The labour dispute commission shall adopt a decision on the day that the case is investigated, during the hearing. Within five working days, the decision shall be put down in writing and shall be signed by the chairperson of the labour dispute commission.

3. In adopting the decision, only members of the labour dispute commission shall participate.

4. The decision of the labour dispute commission shall be adopted by a majority vote. A member of the commission who does not agree with the decision may express a dissenting opinion. When a member (members) of the labour dispute commission fails to attend a hearing and the labour dispute commission chairperson decides to examine the application on the merits, the decision shall be adopted by the labour dispute commission members investigating the case; when two members are investigating the case and their opinions differ, or when the case is only being investigated by the labour dispute commission chairperson, the decision shall be adopted by the labour dispute commission chairperson.

5. A copy of the decision shall be delivered to the parties to the labour dispute within 10 working days of the adoption thereof.

#### **Article 229. Entry Into Force of the Decision of a Labour Dispute Commission**

1. The decision of a labour dispute commission shall come into effect upon expiry of the deadline for filing a claim with the court established in Article 231 of this Code if neither party has filed a claim to the court before the deadline.

2. If the decision of a labour dispute commission is disputed in part, the decision shall come into force for the part that is not related to the disputed part.

#### **Article 230. Enforcement of the Decision of a Labour Dispute Commission**

1. The decision of a labour dispute commission must be enforced once it has entered into force, except for cases when the decision or part thereof must be enforced urgently.

2. The decision of the labour dispute commission is an enforcement document that is executed in accordance with the procedure established by the Code of Civil Procedure of the Republic of Lithuania.

3. A labour dispute commission, following the provisions of the Code of Civil Procedure of the Republic of Lithuania *mutatis mutandis*, may order urgent enforcement of its decisions or part thereof.

#### **Article 231. Resolution of a Labour Dispute in Court**

1. If a party to a labour dispute disagrees with the decision of the labour dispute commission, or if the labour dispute commission takes a decision to refuse to extend a missed deadline to apply to the labour dispute commission with an application to resolve a labour dispute on rights, the party to the labour dispute shall have the right, within one month of the day that the decision of the labour dispute commission was adopted, to file a claim for the labour dispute on rights to be resolved in court in accordance with the provisions of the Code of Civil Procedure of the Republic of Lithuania.

2. The deadline for filing a claim referred to in paragraph 1 of this Article may be extended by the court if the court recognises the reasons given for missing the deadline as being valid.

3. Upon filing a claim to the court, the court shall hear the labour dispute on rights on the merits, applying the specifics of labour case resolution established in the Code of Civil Procedure of the Republic of Lithuania. The party to the labour dispute that filed the claim to the court shall be called the claimant, and the other party – the respondent.

4. The decision of a labour dispute commission shall not be subject to appeal or judicial review.

5. If the court deems it purposive, the evidence collected by or submitted to the labour dispute commission may be referenced in examining the labour dispute on rights in court. On the basis thereof, the labour dispute commission shall submit the case file for the labour dispute on rights to the court within five working days of receipt of the court order.

6. If a claim regarding a labour dispute on rights is filed by both parties, both claims must be examined together.

7. Upon the judgement of the court on the labour law case coming into effect, the decision of the labour dispute commission shall become void.

**Article 232. The Consequences of Non-Compliance with Labour Dispute Commission Decisions and Judgements of the Court in Labour Cases**

1. When an employer does not comply with a labour dispute commission decision or court order or judgement, the labour dispute commission shall, at the request of the employee, take a decision to impose a fine on the employer of up to EUR 500 for each week of delay, from the day of adoption of the decision/order to the day of enforcement, but for no more than six months. The fine shall be awarded to the employee.

2. The decision of the labour dispute commission to impose a fine shall be an enforcement document executed in accordance with the procedure established by the Code of Civil Procedure of the Republic of Lithuania.

3. The decision of the labour dispute commission may be appealed regarding the size and validity of the fine in accordance with the procedure established by laws.

### **Article 233. Reversal of Enforcement of a Decision or Order in Labour Cases**

If a labour dispute commission decision or court order or judgement that has already been enforced is reversed, reversal of enforcement of the decision, judgement or order shall be carried out in accordance with the provisions of the Code of Civil Procedure of the Republic of Lithuania. The provisions of the Code of Civil Procedure of the Republic of Lithuania regulating the reversal of enforcement of a judgement of a court of first instance shall be applied *mutatis mutandis* to the reversal of enforcement of a labour dispute commission decision.

## **CHAPTER III**

### **THE RESOLUTION OF COLLECTIVE LABOUR DISPUTES ON INTERESTS**

#### **Article 234. Application of the Legal Provisions Regulating Collective Labour Disputes on Interests**

1. The provisions of this Chapter shall apply to employees and persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment, and the trade unions that represent them and have the right to collective bargaining and the conclusion of collective agreements and are striving to resolve the collective labour disputes on interests that arise as a result.

2. According to the provisions of this Chapter, persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment shall be considered employees, and the other participant in the relationship (an enterprise, institution or organisation) shall be considered the employer or employers' organisation, unless established otherwise.

3. Laws may establish restrictions on, or special conditions for the exercise of, the right of persons working on the basis of legal relations deemed the equivalent of employment relations as specified in the Republic of Lithuania Law on Employment and the representatives thereof to resolve collective labour disputes on interests in accordance with the provisions of this Chapter.

#### **Article 235. The Submission of Demands in Collective Labour Disputes on Interests**

1. Trade unions or trade union organisations seeking to conclude a collective agreement must apply to the employer/employers' organisation in writing and set out their demands. The demands must be precisely defined, reasoned, set out in writing and presented to the employer or employers' organisation.

2. The employer/employers' organisation must convene a meeting of the parties within 10 working days of receipt of the demand.

3. If the parties agree, negotiations may begin, the duration and conditions of which shall be established by agreement of the parties.

4. In the absence of agreement between the parties, the trade union or trade union organisation may initiate investigation of the demand of the collective labour dispute on interests in accordance with the procedure established in this Chapter.

5. This Article shall also apply when collective bargaining is broken off or when the employer/employers' organisation does not sign the agreed draft collective agreement in the time established.

#### **Article 236. The Procedure for the Preliminary Examination of Collective Labour Disputes on Interests**

1. A collective labour dispute on interests must first be examined by a collective labour dispute on interests committee (hereinafter 'dispute committee') formed by both parties to the dispute.

2. The employee representatives shall initiate formation of the dispute committee by appointing no more than five members thereto in writing. Within five working days of receipt of this offer, the employer/employers' organisation shall appoint no more than five members to this committee. By agreement of the parties, there may also be a different number of members on the dispute committee.

3. The dispute committee shall, by common agreement, establish the procedure and conditions for examination of the collective labour dispute on interests and the order for chairing. Members of the committee may invite specialists (consultants, experts, etc.) to the dispute committee meeting. The employer must create suitable working conditions for the dispute committee, i.e. provide premises and the necessary information.

4. The dispute committee must examine the collective labour dispute on interests within 10 calendar days, unless the dispute committee has established a different time limit by common agreement.

5. The decision of the dispute committee must be formalised by a protocol signed by the persons authorised by each of the parties.

6. Upon completion of the work of the dispute committee, the dispute committee may adopt the following decisions by common agreement:

1) to pronounce the collective labour dispute on interests resolved if a collective agreement or other agreement on the subject of the collective labour dispute on interests has been concluded;

2) to pronounce the collective labour dispute on interests unresolved;

3) to use a mediator to settle the collective labour dispute on interests;

4) to hand the collective labour dispute on interests over to a labour arbitration committee for examination.

7. If a decision established in paragraph 6 of this Article is adopted, or if at least one of the parties withdraws from negotiations, or if the employer/employers' organisation does not delegate members to the dispute committee according to the procedure established in this Article, or if the dispute committee does not adopt a decision within the time limit established in paragraph 4 of this Article, preliminary examination of the collective labour dispute on interests shall be deemed to be completed.

#### **Article 237. Mediators and the Selection Thereof**

1. A mediator is an impartial and independent expert who facilitates the parties to a collective labour dispute on interests in reconciling their interests and reaching a mutually satisfactory compromise agreement.

2. The list of mediators shall be drawn up, approved and updated by the Minister of Social Security and Labour of the Republic of Lithuania. Natural persons who are impartial and have an impeccable reputation as well as special knowledge that is necessary for resolving collective labour disputes on interests may be included on the list of mediators for a four-year term.

3. The list of mediators shall be published on the website of the Ministry of Social Security and Labour of the Republic of Lithuania. The list of mediators shall include each mediator's name, surname, education, work experience, and mediation experience, if the mediator has any.

4. The mediator shall be selected by the dispute committee, by common agreement. If a mediator is not agreed upon within 10 working days of the decision of the dispute committee, the mediation stage shall be considered complete.

5. The amount of travel expenses and compensation for mediators as well as the procedure for payment thereof shall be established by the Government of the Republic of Lithuania or institution authorised thereby.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

6. Mediators must protect the confidential information that they become aware of in their activities.

#### **Article 238. Mediation**

1. When facilitated by a mediator, a collective labour dispute on interests must be resolved within 10 days of the appointment/selection of the mediator. This time limit may be extended by agreement of the parties.

2. The parties to the collective labour dispute on interests must appoint competent persons authorised to make decisions to participate in the mediation meetings held by the mediator. During mediation, the parties must exercise their rights in good faith and refrain from actions that could hinder resolution of the collective labour dispute on interests.

3. Unless otherwise agreed by the parties, the employer or employers' organisation must create conditions for the mediator to hold mediation meetings.

#### **Article 239. Mediation Results**

1. Upon completion of mediation, the mediator may adopt the following decisions:

- 1) to pronounce the collective labour dispute on interests unresolved;
- 2) to pronounce the collective labour dispute on interests unresolved if the parties agree to hand the collective labour dispute on interests over to a labour arbitration committee for examination;
- 3) to pronounce the collective labour dispute on interests resolved if, during mediation, the parties to the collective labour dispute on interests concluded a collective agreement or other agreement on the subject of this dispute;
- 4) to pronounce the collective labour dispute on interests partially resolved if the parties concluded a collective agreement or other agreement on the subject of this dispute for part of the demands.

2. An agreement reached during mediation shall be delivered to the parties to the collective labour dispute on interests.

#### **Article 240. Labour Arbitration**

1. The labour arbitration committee is an ad hoc institution that resolves collective labour disputes on interests.

2. The labour arbitration committee is formed under the territorial office of the State Labour Inspectorate that the registered office of the employer or employers' organisation is under the jurisdiction of.

3. The labour arbitration committee is composed of three arbitrators.

4. The list of arbitrators shall be drawn up, approved and updated by the Minister of Social Security and Labour of the Republic of Lithuania. Natural persons who are impartial and have an impeccable reputation as well as special knowledge that is necessary for resolving collective labour disputes on interests may be included on the list of arbitrators for a four-year term with the right to extend the term for another four years.

5. The list of arbitrators shall be published on the website of the Ministry of Social Security and Labour of the Republic of Lithuania. The list of arbitrators shall include each arbitrator's name, surname, education, work experience, and arbitration and mediation experience, if the arbitrator has any. A person on the list of mediators may also be an arbitrator.

6. The arbitrators selected from the list of arbitrators by the parties to a collective labour dispute on interests shall be released from their job duties during the dispute resolution period. The amount of travel expenses and compensation for arbitrators as well as the procedure for payment thereof shall be established by the Government of the Republic of Lithuania or institution authorised thereby.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

7. Arbitrators must protect the confidential information that they become aware of in their activities.

8. The procedure for the formation of a labour arbitration committee and the resolution of a collective labour dispute on interests thereby shall be established by the Labour Arbitration Regulations approved by the Minister of Social Security and Labour of the Republic of Lithuania.

### **Article 241. Initiating the Resolution of and Resolving Collective Labour Disputes on Interests Through Labour Arbitration**

1. When the preconditions established in this Code exist, the labour arbitration process shall be initiated through mutual agreement of both parties, by submitting the decision of the dispute committee or the mediator on resolution of the collective labour dispute on interests through labour arbitration to the territorial office of the State Labour Inspectorate.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

2. A responsible civil servant or employee of the territorial office of the State Labour Inspectorate shall give the parties, in writing, five working days to agree on the three arbitrators; if they do not agree within this time limit, said shall appoint one arbitrator proposed by each of the parties to the labour arbitration committee. In this case, the third arbitrator shall be chosen by mutual agreement of the appointed arbitrators.

3. The chairperson of the labour arbitration committee shall be elected by the arbitrators themselves. The choice of the third arbitrator and the labour arbitration chairperson must be conveyed to the responsible civil servant or employee of the territorial office of the State Labour Inspectorate, who shall verify the choice and adopt a decision to approve the labour arbitration committee composition and chairperson.

4. Resolution of a collective labour dispute on interests through labour arbitration shall be considered to have commenced on the day that the labour arbitration committee is formed.

5. The responsible civil servant or employee of the territorial office of the State Labour Inspectorate shall be appointed by the Chief State Labour Inspector of the Republic of Lithuania.

#### **Article 242. The Decision of the Labour Arbitration Committee**

1. A collective labour dispute on interests must be investigated within 15 working days of the labour arbitration committee being formed.

2. The decision of the labour arbitration committee shall be adopted unanimously.

3. The decision shall be put down in writing and must be substantiated and reasoned. The decision shall be signed by the labour arbitration chairperson and all of the arbitrators.

4. The decision shall be submitted to the responsible civil servant or employee of the territorial office of the State Labour Inspectorate, who shall send it to the parties to the collective labour dispute on interests within five days.

5. The labour arbitration committee may adopt a decision:

1) to recognise the demands put forward in the collective labour dispute on interests as unfounded and reject them;

2) to recognise the demands put forward in the collective labour dispute on interests as well-founded or partly well-founded and order that an arrangement or collective agreement be concluded on the terms specified.

6. The decision of the labour arbitration committee may only be appealed if it is in conflict with the public order established by the laws and Constitution of the Republic of Lithuania.

7. The decision of the labour arbitration committee shall be binding on the parties to the collective labour dispute on interests. The decision may define the consequences of non-

compliance with this decision in favour of the other party to the dispute, and may establish that if the decision is not enforced by the compliance deadline provided in the decision of the labour dispute commission, the party in violation of the deadline shall be obligated to pay a fine to the other party to the dispute of a maximum amount of EUR 500 for each week of delay, from the end of the deadline provided in the decision to the day that this decision was enforced, but for no more than six months.

*Amendments to a paragraph of the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

8. The decision of the labour arbitration committee is an enforcement document that is executed in accordance with the procedure established by the Code of Civil Procedure of the Republic of Lithuania.

9. If the labour arbitration committee recognises the demands put forward in a collective labour dispute on interests as unfounded and rejects them, said demands may be made again no sooner than one year after adoption of the decision of the labour arbitration committee.

### **Article 243. The Right to Take Collective Action**

1. In order to resolve a collective labour dispute on interests or ensure compliance with the decision reached in resolving such a dispute, the parties to the collective labour dispute on interests shall have the right to take collective action.

2. Trade unions or organisations thereof shall have the right to organise a strike in accordance with the procedure established by this Code in the following cases:

1) when the dispute committee pronounces the collective labour dispute on interests unresolved, or one of the parties withdraws from negotiations, or the employer/employers' organisation does not appoint members to the dispute committee during preliminary examination of the collective labour dispute on interests;

2) when the mediator adopts a decision to pronounce the collective labour dispute on interests unresolved or partially resolved;

3) when the employer or employers' organisation does not comply with the decision of the labour arbitration committee.

3. Employers and organisations thereof shall have the right to organise a lockout in the following cases:

1) if trade unions or organisations thereof fail to comply with the agreement made during mediation or the decision of the labour arbitration committee in a collective labour dispute on interests case;

2) if trade unions or organisations thereof declare a strike when said has been postponed or recognised as unlawful by the court.

#### **Article 244. The Strike and the Types of Strikes**

1. A strike is a stoppage of work by employees organised by a trade union or trade union organisation in an effort to resolve a collective labour dispute on interests or ensure compliance with the decision reached in resolving such a dispute.

2. According to duration, a strike may be:

- 1) a warning strike, which shall last for no more than two hours;
- 2) a true strike.

#### **Article 245. Declaration of a Strike**

1. The decision to declare a strike may be taken by a trade union or organisation thereof according to the procedure laid down in their by-laws in the cases established in Article 243 of this Code. The consent of at least one-quarter of the members of the trade union must be obtained in order to declare an employer-level strike according to the procedure established in by-laws. In order to declare a strike at the sectoral (industry, services, professional) level according to the procedure established in by-laws, a decision of the representative body must be adopted.

2. A warning strike may be organised before the true strike. A warning strike is declared by written decision of the management body of the trade union organisation or the management body of the trade union operating at the enterprise, institution or organisation concerned, without the separate consent of its members.

3. The decision of a trade union or trade union organisation to declare a strike shall specify:

- 1) the demands that the strike is being declared in response to;
- 2) the date, beginning and place of the strike (the enterprises where the strike will take place);
- 3) the planned number of striking employees;
- 4) the strike committee;
- 5) the documents of the trade union member ballot vote verifying the number of trade union members who voted in favour of the strike.

4. The trade union must retain all of the documents, including the ballot papers, the voting protocol and other related documents, for three years.

**Article 246. Notifying the Employer of an Upcoming Strike**

1. The employer or employers' organisation and the individual members (employers) thereof must be given written notice of the beginning of an upcoming warning strike at least three working days in advance, or at least five working days before the beginning of a true strike, by sending them the decision of the trade union or trade union organisation to declare the strike.

2. Written notice of the beginning of an upcoming warning or true strike in enterprises or sectors that provide urgent (vital) services to the public must be given to the employer or employers' organisation and the individual members (employers) thereof at least 10 working days in advance by sending them the decision of the trade union or trade union organisation to declare the strike.

3. When declaring a strike, only demands that have already been examined by a dispute committee, during mediation, or through labour arbitration may be put forward.

**Article 247. Declaring Strikes in Enterprises or Sectors that Provide Urgent (Vital) Services**

1. During true and warning strikes taken against employers in enterprises and sectors that provide urgent (vital) services to the public, the minimum provision of these services to the public must be ensured.

2. Within three working days of giving notice to the employer of the upcoming true strike (or within one working day in the case of a warning strike) the parties to the collective labour dispute on interests shall agree on the minimum services to be provided and shall inform the Government of the Republic of Lithuania and municipal institutions accordingly in writing. If the parties fail to agree on the provision of minimum services, the minimum services to be provided shall be established by a relevant labour dispute resolution body within five working days of one of the parties applying thereto.

3. The provision of minimum services shall be ensured by the strike committee, the employer and the employees appointed thereby. If the parties to the collective labour dispute on interests consider it necessary, they shall, prior to the beginning of the strike, draw up a list of employees who will have to work during the strike, thereby ensuring the provision of minimum services.

4. Urgent (vital) public services are considered to be:

- 1) health care services;
- 2) electric power supply services;
- 3) water supply services;
- 4) heat and gas supply services;

- 5) sewage and waste disposal services;
- 6) civil aviation services, including air traffic control;
- 7) telecommunications services;
- 8) railway and urban public transport services.

#### **Article 248. Prohibitions on Declaring Strikes**

1. Emergency medical service employees and other employees whose right to declare a strike is limited by laws are prohibited from declaring a strike. The demands put forward by these employees shall be settled by bodies for the resolution of collective labour disputes on interests.

2. Strikes shall be prohibited in natural disaster areas and regions where mobilisation or a state of war or emergency has been declared according to the established procedure until the consequences of the natural disaster have been liquidated, demobilisation has been declared, or the state of war or emergency has been lifted.

3. While a collective agreement is valid, it shall be prohibited to declare a strike regarding the requirements or terms of employment regulated in this agreement if said are being adhered to.

4. The restriction specified in paragraph 3 of this Article shall not apply to collective labour disputes on interests which arise and are not resolved in accordance with the procedure established by this Code, by conducting collective bargaining on conclusion of a collective agreement.

#### **Article 249. The Strike Process**

1. The strike committee formed by the subject that brought the demands against the employer shall be in charge of the strike.

2. The strike committee, together with the employer, must ensure the safety of property and people.

3. The strike committee and the employer may agree in writing on the actions that will be taken during the strike in order to protect the production, raw materials and other resources used by the enterprise, and to keep the employer's equipment, technological systems and devices in such a state that once the strike is over, it will be possible to immediately resume the enterprise's activities.

4. During a strike, strikers may organise rallies, pickets, demonstrations, marches and other peaceful gatherings in accordance with the procedure established by the Republic of Lithuania Law on Meetings and other laws.

### **Article 250. The Legal Status of Strikers and Guarantees**

1. No one may be forced to participate in or to refuse to participate in a strike. During a strike, employment contract implementation shall be suspended for the employees participating in the strike while retaining their length of employment and their right to social insurance in accordance with the procedure established by legal acts.

2. Employees participating in a strike shall not be paid remuneration, and they shall be relieved of their obligation to perform their job functions.

3. During negotiations to end a strike, it may be agreed that all employees participating in the strike will be paid full or partial remuneration.

4. Trade unions and organisations thereof may set up special monetary or insurance funds from which financial support would be allocated to employees participating in a strike.

5. Non-striking employees who are unable to do their job due to a strike shall be paid the same as for idle time without any fault on their part, or they may be transferred to another job with their consent.

6. After the decision on the strike is taken and during the strike, the employer shall be prohibited from:

1) taking any unilateral decision to completely or partially discontinue the work/activities of the enterprise, institution, organisation or structural division;

2) preventing all or individual employees from coming to their workplaces, or refusing to give employees work or the tools for their job;

3) creating other conditions or taking decisions that may completely or partially suspend the work/activities of the entire enterprise, institution or organisation, or of separate units thereof.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

7. During a strike, the employer shall be prohibited from hiring new employees to replace the strikers, except for cases when the provision of minimum services must be ensured and there is no possibility to do so in accordance with the procedure and conditions established by this Code.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

8. The restrictions specified in paragraph 7 of this Article shall not apply if a lockout is declared in accordance with the procedure established by this Code.

*Supplement of a paragraph to the Article:*

No [XIII-413](#), 6 June 2017, published in the Register of Legal Acts on 14 June 2017, ID code 2017-10021

**Article 251. The Lawfulness of a Strike**

1. Upon receiving notice from a trade union or trade union organisation of the decision to declare a strike, the employer or employers' organisation shall have the right to apply to court regarding the lawfulness of the strike within five working days of receipt of the notice. The application of provisional measures of protection established by other laws, with the exception of those established in Article 252 of this Code, is prohibited.

2. The court must examine cases regarding the lawfulness of a strike within five working days. The economic and social motives of the demands put forward cannot be the subject matter of a case regarding the lawfulness of the strike.

3. The court shall recognise a strike as unlawful if its objectives are in conflict with the Constitution of the Republic of Lithuania, this Code or other laws. A strike may also be recognised as unlawful if it:

- 1) was declared in violation of the procedure and requirements established in this Code;
- 2) was declared in cases where this Code or other laws prohibit striking;
- 3) was declared due to demands that were not put forward in the established procedure, or due to political or other demands irrelevant to the labour and employee-related interests of the strikers.

4. Upon entry into force of a judgement of the court to recognise a strike as unlawful, the strike may not be commenced, and if the strike is already in progress, it must be terminated immediately if the judgement was directed for urgent enforcement.

**Article 252. Postponement or Suspension of a Strike**

1. If there is a direct threat that during the strike, the agreement of the parties to the collective labour dispute on interests or the decision of the labour arbitration committee regarding the provision of minimum services will not be implemented in enterprises, institutions, organisations or sectors that provide urgent (vital) services and this may pose a threat to human life, health and safety, the court shall have the right in these enterprises, institutions, organisations or sectors to postpone a strike that has not yet begun for 15 working days, or to suspend a strike that has already begun for the same period of time.

2. The employer or employers' organisation may apply to court for the postponement or suspension of a strike in the cases established in paragraph 1 of this Article.

**Article 253. Ending a Strike**

1. A strike shall end:

1) upon the employer or employers' organisation adopting a decision to satisfy the demands;

2) upon the parties agreeing to end the strike;

3) upon the trade union or trade union organisation recognising that continuation of the strike is futile.

2. Once the strike is over, work must be resumed by the next workday/shift.

#### **Article 254. Liability for an Unlawful Strike**

1. In the case of an unlawful strike, the losses incurred by the employer must be compensated for by the trade union or trade union organisation with its own funds and assets if the strike was declared thereby.

2. If the trade union or trade union organisation does not have sufficient funds to compensate for the losses, the employer may, by decision thereof, use the funds designated by the collective agreement for employee salary allowances and other additional compensatory payments and benefits not established by law.

3. Damage caused by a strike to other natural or juridical persons shall be compensated for in accordance with the laws in force.

#### **Article 255. Lockouts**

A lockout is when an employer or employers' organisation announces the temporary suspension of the employment contracts of employees of a single employer or several employers who are on strike.

#### **Article 256. Declaration of a Lockout**

1. If the preconditions established in this Code exist, a lockout shall be declared by the employer or the employers' organisation.

2. An employer shall impose the lockout on employees who are on strike or who are members of the trade union or trade union organisation that is a party to the collective labour dispute on interests.

3. The employer may declare a lockout no earlier than seven calendar days after the beginning of the strike.

4. Before declaring a lockout, the employer or employers' organisation must give the trade union or trade union organisation involved in the collective labour dispute on interests written notice thereof at least five working days in advance.

5. The notice of lockout must indicate:

- 1) when the lockout will begin;
  - 2) the reasons and objectives/demands of the lockout;
  - 3) a list of the employees whom the lockout will be imposed upon.
6. The employer must give individual notice of the lockout to each employee whom the lockout will be imposed upon at least three working days before the start of the lockout.

#### **Article 257. The Lockout Process**

1. Implementation of the employment contracts with the employees being locked out shall be suspended until the end of the lockout.
2. The employer may fill the vacant positions by hiring new employees under fixed-term employment contracts, using temporary workers, or offering the jobs as additional work to other employees of the enterprise, institution or organisation, as long as the maximum working time and minimum rest period requirements established by this Code are not infringed upon.
3. During a lockout, the employees whose employment contracts have been suspended shall not be paid remuneration, except for cases where the parties to the collective labour dispute on interests or labour law provisions establish otherwise. Calculation of the length of the employment relationship as well as of working time for the purpose of annual leave entitlement shall be suspended for these employees, but their right to social insurance in accordance with the procedure established by legal acts shall be retained.

#### **Article 258. Prohibition of Lockouts**

It shall be prohibited to declare a lockout at emergency medical services and in natural disaster areas and regions where mobilisation or a state of war or emergency has been declared according to the established procedure, as well as at public administration institutions and in other cases established by laws.

#### **Article 259. The End of a Lockout**

1. A lockout shall end:
  - 1) upon the parties to the collective labour dispute on interests reaching an agreement on the end of the lockout;
  - 2) upon the employer recognising that continuation of the lockout is futile.
2. Once a lockout is over, implementation of the employment contracts must be resumed within three working days of the employer's decision to end the lockout.

#### **Article 260. The Lawfulness of a Lockout**

1. Upon receiving notice from an employer of the decision to declare a lockout, the trade union or trade union organisation shall have the right to apply to court regarding recognition of the lockout as unlawful within five working days of receipt of the notice.

2. The court must examine cases regarding the lawfulness of a lockout within five working days.

3. The court shall recognise a lockout as unlawful if its objectives are in conflict with the Constitution of the Republic of Lithuania, this Code or other laws. A lockout shall also be recognised as unlawful if it was declared in violation of the procedure and requirements established in this Code or if the employer is abusing the right to lockout.

4. Upon entry into force of a judgement of the court to recognise a lockout as unlawful or upon the court directing a judgement on recognition of a lockout as unlawful for urgent enforcement, implementation of the employment contracts of the employees must be resumed within three working days and they must be paid all of the remuneration and other payments due under the collective agreement, other arrangements or internal legislation that was not received from the beginning of the lockout until the renewal of contract implementation.

5. Damage caused by a lockout to other natural or juridical persons shall be compensated for in the procedure established by laws.

## **IMPLEMENTED LEGAL ACTS OF THE EUROPEAN UNION**

1. Council Directive 91/383/EEC of 25 June 1991 supplementing the measures to encourage improvements in the safety and health at work of workers with a fixed- duration employment relationship or a temporary employment relationship (OJ 2004 *Special Edition*, chapter 5, volume 1, p. 418), as last amended by Directive 2007/30/EC of 20 June 2007 of the European Parliament and of the Council (OJ 2007 L 165, p. 21).

2. Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship (OJ 2004 *Special Edition*, chapter 5, volume 2, p. 3).

3. Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ 2004 *Special Edition*, chapter 5, volume 2, p. 431).

4. Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC (OJ 2004 *Special Edition*, chapter 5, volume 3, p. 267).

5. Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (OJ 2004 *Special Edition*, chapter 5, volume 3, p. 327).

6. Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP (OJ 2004 *Special Edition*, chapter 5, volume 3, p. 368).

7. Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial and ethnic origin (OJ 2004 *Special Edition*, chapter 20, volume 1, p. 23).

8. Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OL 2004 *Special Edition*, chapter 5, volume 4, p. 79).

9. Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of

undertakings, businesses or parts of undertakings or businesses (OJ 2004 *Special Edition*, chapter 5, volume 4, p. 98).

10. Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community (OJL 2004 *Special Edition*, chapter 5, volume 4, p. 219).

11. Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time (OJ 2004 *Special Edition*, chapter 5, volume 4, p. 381).

12. Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) (OJ 2006 L 204, p. 23).

13. Directive 2008/94/EC of the European Parliament and of the Council of 22 October 2008 relating to the protection of employees in the event of the insolvency of their employer (Codified version) (OJ 2008 L 283, p. 36).

14. Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ 2008 L 327, p. 9).

15. Directive 2009/52/EC of 18 June 2009 providing for minimum standards of sanctions and measures against employers of illegally staying third-country nationals (OJ 2009 L 168, p. 24).

16. Council Directive 2010/18/EU of 8 March 2010, implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC (OJ 2010 L 68, p. 13).

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