



**Global Employment
Compass**
Latvia

Contents

- 1. Summary of applicable rights for different categories of workers2
- 2. Legal requirements/rights/practices for different categories of workers.....3
 - a. Employees.....3
 - b. Independent contractors/consultants*18
 - c. Volunteers23
 - d. Non-citizen employees and consultants, including refugees and others forcibly displaced.....26

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1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
Employment laws and regulations	Yes	No*	No**
Employees' compensation/remuneration requirements	See below	See below	See below
Minimum wage requirements	Yes	No*	No**
Mandatory provident fund/retirement benefit fund contributions	No	No*	No**
Immigration requirements including the right to work in your country	Yes	No***	No***
Personal Data (Privacy) laws and regulations	Yes	Yes	Yes
Anti-discrimination laws and regulations	Yes	No*	No**

* assumes a genuine self-employed independent contractor/service provider arrangement and the individual not being deemed to be an employee

** assumes a genuinely voluntary arrangement and the individual not being deemed to be an employee

*** there is no administrative penalty or criminal liability risk in respect of any individuals other than employees, but due to the potential reputational risk, it is recommended for organizations nonetheless carry out right to stay and work checks



2. Legal requirements/rights/ practices for different categories of workers

a. Employees

Section Contents

1 Contracts of Employment.....	3
2 Conditions of employment	6
3 Safe and supportive work environment.....	13
4 Tax.....	14
5 Remote work.....	14
6 What to do when things go wrong?	15

Definition of an employee

An employee is a natural person who, on the basis of an employment contract, performs specific work under the guidance of an employer for an agreed remuneration (Article 3, Latvian Labour Law). With an employment contract, the employee undertakes to perform specific work, subject to specified working procedures and orders of the employer, while the employer undertakes to pay the agreed remuneration and to ensure fair and safe working conditions that are not harmful to health (Article 28(2), Latvian Labour Law).

1 Contracts of Employment

What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?

Indefinite period, fixed term and part-time employment contracts are available.

Latvian Labour Law does not provide for any specific regulation of “zero hours” contracts, and they are not common in Latvia, although they may be considered as a variation of part-time employment contracts.

Additionally, there are other atypical contracts available, such as agency worker contracts.

What are the key terms of employment contracts?

Employment contracts must set out certain minimum conditions, as provided for by the Labour Law, namely:

- the employee’s given name, surname, personal identity number (or for a foreigner not having a personal identity number, their date of birth), place of residence, the employer’s given





name, surname (name), personal identity number (or for a foreigner not having a personal identity number, their date of birth) or registration number and address;

- the start date of the employment legal relationship;
- the expected duration of the employment legal relationship (if the employment contract has been entered into for a specified period);
- the workplace;
- the trade, profession, specialty of the employee in accordance with the Classification of Occupations and the general description of the contracted work;
- the amount of remuneration and time of disbursement;
- the daily or weekly working time agreed upon if the work schedule of the employee is completely or mostly predictable. If part-time work is agreed upon and the work schedule is not completely or mostly predictable, it shall be indicated that the work schedule is variable. Information must also be provided on the agreed working time (i.e. the guaranteed paid working time within the framework of a month), and the time when the employee may perform work or the employee would have the obligation to perform work;
- the length of the annual paid leave;
- the time period of and procedures for giving a notice of termination of the employment contract;
- the provisions of the collective agreement and working procedure regulations to be applied to the employment legal relationship;
- the probationary period and its duration (if applicable);
- the right of the employee to training if the employer provides training;
- such social security institutions which receive social contributions related to the employment legal relationship and any protection provided by the employer in relation to social security if the employer is responsible for such protection.

In addition to the written particulars, the parties are free to agree on any additional terms of employment. Nevertheless, any term of employment contracts may be overridden if it is contrary to statute or collective agreement and is less favorable for the employee when compared with the statute or any applicable collective agreement.

Contracts with senior executives also usually include provisions relating to confidentiality, non-competition, prohibition of work with other employers, and intellectual property rights. Any applicable post-termination non-competition covenants/restrictions require appropriate compensation to be paid by the employer.

There is a mandatory language requirement - any employment contract must be concluded in Latvian, or a Latvian language translation must be provided.

Is it acceptable to have a probation period for employees? If yes, for how long?

A probationary period can be agreed between the parties in the employment contract, subject to the following principles:





- Where the employment contract is concluded for an indefinite period, the maximum duration of the probationary period may not exceed 3 months (unless agreed by the collective labor agreement, in which case it can be up to six months).
- For fixed-term contracts of up to six months, the probationary period may not be longer than one month.
- Fixed-term contracts of up to one year may include a probationary period of up to two months (unless agreed by the collective labor agreement, in which case it can be up to three months).
- The probationary period shall not be determined for persons under the age of 18.

Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?

Fixed term contracts are permissible, however the use of fixed-term contracts is an exception to the general principle of the indefinite nature of an employment legal relationship, and therefore require specific justification for their use. They may only be concluded under certain circumstances as expressly set out in the Labour Law. This includes where such contracts are used for seasonal work, for the replacement of an absent employee, for temporary work not regularly performed in the undertaking, for urgent work, or for work in certain sectors where employment contracts are habitually concluded on a fixed term basis.

The maximum duration of a fixed-term employment contract is 5 years, except that fixed-term employment contracts for the performance of seasonal work may not exceed 10 months. Fixed-term employment contracts entered into outside their statutory scope shall as a matter of law be deemed to have been concluded for an indefinite term.

There is no statutory limit on the number of successive fixed-term contracts. However, there must be a break of at least 61 days between such successive fixed-term employment contracts, otherwise they are treated as an extension of the initial fixed-term contract.

A fixed-term employment contract must contain all the particulars of a regular employment contract entered into for an indefinite period. In addition, a fixed-term employment contract must contain a reference to the length of its term or the circumstances resulting in the expiry of the contract.

Fixed-term employees must enjoy equal treatment when compared to employees employed for an indefinite period of time.

Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?

Employment contracts must be in writing and entered into prior to the commencement of work. However, once the employment has started, a verbal agreement has the same legal effect as a written employment contract.

There are no legally required signatory requirements for employment contracts, and they can be signed in-person or electronically with a secure electronic signature.

Do employees have to be issued with a written employment contract before they start work?

Please see [above](#).





Can you provide a simple template of the contracts mentioned above?

There is no universal template in Latvia. The employment contract should be prepared based on the particular circumstances of the employment.

Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?

This should be assessed on a case-by-case basis, as it depends on the role to be held by the employee.

An employer in a job interview is prohibited from asking questions about the applicant's/candidate's previous convictions, except where this may be of essential importance with respect to the specific role to be performed (i.e., for an objective reason, the candidate may not perform the work if they have a criminal record). In practice, this is interpreted narrowly.

An employer may only request criminal convictions data from the Punishment Register where regulatory enactments provide that a previous criminal record is an obstacle to an individual taking up a specific position. For example, an employer will be under an obligation under law to run a criminal record check where the individual will be working with children in their capacity, for example, as a teacher or a doctor.

Can employers request references from former employers for new hires?

Yes, it is common practice in Latvia to ask the candidate to submit reference letters from former employers or to contact former employers directly. However, in both cases, the prior consent of the candidate will be required and the reference request must be limited to the information required to evaluate the suitability of the candidate for a specific role (i.e. adequately and in a non-excessive manner).

Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?

There is no statutory obligation on employers to form an employee representative body. However some businesses do have trade unions and authorized employees' representatives in place.

If an employer wishes to introduce changes affecting the employees directly or indirectly, the employer must involve the trade union or authorized employees' representatives before implementing the intended changes and the level of participation depends on the proposed change

Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?

In Latvia collective agreements are primarily entered into at company level, not sector or national level. Except for specific sectors, such as in the construction sector, sector-wide collective agreements are uncommon.

2 Conditions of employment

What is the minimum age requirement for employment?

It is prohibited to employ children in permanent work. A child within this context means a person who is under the age of 15 years and who until reaching the age of 18 continues to acquire a basic education.





In exceptional cases, children from the age of 13 may be employed outside of school hours doing light work not harmful to their safety, health, morals or development. Such employment must have the written consent of one of the parents (guardian) and the employment must not interfere with the child's education.

It is also prohibited to employ adolescents (i.e. individuals between the age of 15 and 18 years) in work which is associated with increased risk to safety, health, morals or development.

What type of work may a child undertake? For example, are there any specific restrictions?

See [above](#).

The type of work that children / adolescents may or may not undertake is strictly governed by the law (including Cabinet Regulation No 109 of 8 January 2002 "*Regulations regarding Work in which Employment of Children from the Age of 13 is permitted*"; and Cabinet Regulation No 206 of 28 May 2002 "*Regulations regarding Work in which Employment of Adolescents is prohibited and Exceptions when Employment in such Work is Permitted in Connection with Vocational Training of the Adolescent*").

If one of the parents (guardian) has given written consent and a permit from the State Labour Inspectorate has been received, a child may be employed as a performer in cultural, artistic, sporting or advertising activities. Such employment must not be harmful to the safety, health, morals and development of the child and the employment must not interfere with the child's education.

Prior to entering into an employment contract with a child or adolescent, the employer must inform one of the parents (guardians) of the assessed risk of the working environment and the labour protection measures at the respective workplace.

Children who have reached the age of 13 may not be employed:

- more than two hours a day and more than 10 hours a week if the work is performed during the school year;
- more than four hours a day and more than 20 hours a week if the work is performed during a holiday of the educational institution (except if the child has reached the age of 15, in which case no more than seven hours a day and no more than 35 hours a week).

Adolescents may not be employed for more than seven hours a day and more than 35 hours a week. If they continue to acquire basic education, secondary education or professional education in addition to work, the time spent in studies and work should be added together and may not exceed seven hours a day and 35 hours a week.

For individuals under the age of 18:

- the probationary period may not be specified when concluding an employment contract;
- a five-day work week must be determined;
- a break at work of at least 30 minutes must be granted if their working time is longer than four and a half hours;
- night work and overtime work must not be required;
- the working hours must be added together if employed by several employers;





- the parent's (guardian's) written consent is needed for sending on a business trip;
- may be hired only after a prior medical examination. Until reaching the age of 18, they must also undergo a mandatory medical examination once a year.

Wages

What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?

The statutory minimum wage for normal working hours is €620. From 1 January 2024, the minimum wage for normal working hours will rise to €700.

Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?

No, only if agreed as part of the employment contract.

When are wages due? For example, is there any obligation to pay wages weekly, or monthly?

Employers must pay remuneration at least two times a month, unless the employee and employer have agreed that payment will be made once a month.

The specific wage payment due date shall be indicated in the employment contract.

If when the wages will be paid has not been set out in the employment contract or the remuneration is to be calculated for a specified period of time, payment must be made upon completion of the work or termination of the relevant period of time, but no less frequently than once a month.

Are employers obliged to provide employees with paid leave on public holidays?

Yes. Employees may not be required to work on the public holidays prescribed by law. Where such days fall on a normal working day of the employee, the employee must receive payment.

Are employers obliged to provide employees with annual leave?

Yes. All employees are entitled to a minimum of four weeks (i.e., 20 working days, based on a 5 day working week) annual paid leave, excluding public holidays. Persons under the age of 18 are entitled to paid annual leave of one month.

It is common for employers to provide employees, particularly senior managers, with more holidays than the minimum.

Are employees entitled to receive their usual salary during their annual leave?

Yes. The amount of the payment is calculated by multiplying the daily or hourly average earnings of the employee by the number of working days or hours during the leave.

Is there a requirement to pay overtime? How is overtime compensated?

Yes. Employees must receive their hourly or daily wage at a rate of at least 100% for any overtime worked. Where a piecework rate has been agreed, any overtime must be paid at a supplement of at least 100% of the piecework rate for the amount of work done.

Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?





Employers may exceptionally deal with an unexpected downturn in its business or unforeseen circumstances by laying off employees (i.e., the employer provides employees with no work for a period while retaining them as employees) or putting them on short time working (i.e., providing employees with less work for a period while retaining them as employees).

Employees who are laid-off or put on short-time working must however continue to receive their usual remuneration (unless the furlough has occurred due to the fault of the employee).

Are employees entitled to an end-of-year payment?

No, unless contractually agreed.

Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?

Employees will be entitled to severance pay if the employment contract is unilaterally terminated by the employer on the specific legal grounds prescribed by Labour Law:

- the employee lacks adequate occupational competence for performance of the contracted work;
- the employee is unable to perform the contracted work due to their state of health and such state is certified with a doctor's opinion;
- the employee who previously performed the respective work has been reinstated at work;
- the number of employees is being reduced;
- the employer (legal person or partnership) is being liquidated;
- the employee does not perform work due to temporary incapacity for more than six months if the incapacity is uninterrupted, or for one year within a three-year period if the incapacity recurs with interruptions (excluding any prenatal or maternity leave in such period, or any period of incapacity if the reason of incapacity is an accident at work where the cause is related to exposure to environment factors or an occupational disease).

In such case, the amount of severance pay (unless the employment agreement or collective agreement does not specify any higher amount) shall be:

- one month's average earnings if the employee has been employed by the employer for less than five years;
- two months average earnings if the employee has been employed by the employer for between five and ten years;
- three months average earnings if the employee has been employed by the employer for between ten and twenty years;
- four months average earnings if the employee has been employed by the employer for more than twenty years.

In all cases where the employment legal relationship is terminated, the employee must be compensated for any unused annual paid leave and additional leave, if applicable.

Working hours





What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?

The regular working time (full working time) is 40 hours a week. The employment is considered to be a part-time if the agreed working hours are less than the regular working time.

Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?

There are fixed public holidays in Latvia each year. If it is necessary to ensure continuity of the work process, employers may require employees to work on a public holiday by granting the employee leave on another day of the week or by paying the employee at least 100% of the hourly or daily wage rate (or a supplement of at least 100% of the piecework rate for the amount of work done).

In addition to sick leave, other types of leave include:

Maternity leave: Maternity leave is 56 calendar days long, but it is always granted together with pre-natal leave (which is 56 calendar days long), amounting to 112 days in total (irrespective of the actual number of days of pre-natal leave which has been utilized prior to the childbirth).

Supplementary pre-natal leave/maternity leave of 14 days are granted:

- if a woman undergoes pregnancy related medical care at a medical institution by the 12th week of pregnancy and continues such care for the whole period of pregnancy;
- if a woman has complications in pregnancy, childbirth or during the postnatal period, or has a multiple birth.

Leave for the father of a child or other persons: The father of a child has the right to 10 working days leave. If the paternity of the child has not been determined, if the father of the child has died, or if the child custody right of the father has been terminated, another person who is not the mother of the child has the right to 10 working days leave to be involved in the care of the child on the request of the child's mother.

Such a leave shall be granted immediately after the birth of the child and must be taken within a six-month period from the birth of the child.

Supplementary leave days for the period up to the 70th day of the child's life are granted where:

- the mother has died either in childbirth or at any time up to the 42nd day of the postnatal period; or
- the mother has refused to take care of and bring up the child in accordance with the procedures prescribed by law during the period up to the 42nd day of the postnatal period;
- the mother cannot take care of the child during the period up to the 42nd day of the postnatal period due to illness, injury or other health-related reasons

In such cases, the father or another person who in practice takes care of the child must be granted leave for those days on which the mother herself is not able to take care of the child.





Parental leave: Parental leave is a maximum of 18 months and may be granted up to the day the child reaches the age of 8.

The leave may be taken as a single period or in parts, at the employee's discretion. The employee has a duty to notify the employer in writing one month before the beginning of the leave, indicating the start date and the length of the parental leave or parts thereof. A single section of the leave cannot be shorter than one continuous calendar week.

Adoption leave: Adoption leave is 10 calendar days. It is granted to one of the adopters of a child up to the age of 18.

Other types of leave include:

- young employees under the age of 18 and employees who have a child under 3 years of age or a disabled child up to the age of 18 are granted annual paid leave at a time of the employee's choice;
- any employee taking care of a child under the age of 18 has the right to temporary absence in the case of the child's illness or accident, as well as for the purpose of participating in the child's health examination when it is not possible to undergo this examination outside working hours;
- employers must grant paid leave where:
 - a. it is requested by an employee to whose care and supervision a child to be adopted has been transferred by the Orphan's and Custody Court prior to the approval of the adoption in the Court. Such leave shall be granted for a period specified in the decision of the Orphan's and Custody Court regarding the care and supervision of the child;
 - b. it is requested by an employee who takes care of a child as a foster family or guardian, or who in accordance with the decision of the Orphan's and Custody Court takes care of and raises another person's child. Such leave shall be granted for a period specified in the decision of the Orphan's and Custody Court, but no longer than until the child reaches the age of 18 months;
 - c. it is requested by the employee who needs to personally care for a spouse, parent, child or other close family member, or a person who lives with the employee in the same household and who needs substantial care or support for a serious medical reason (carer's leave). Such leave shall be granted for a period not exceeding five working days in one year.

Do part time employees receive any particular protection on the basis of their part-time status?

Yes. Part-time employees have the right not to be less favorably treated than comparable to full-time workers unless the different treatment is justified on objective grounds.

Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?

Yes. Part-time employees must receive the same basic rate of pay as comparable full-time workers.





Part-time employees should also not be treated less favorably than full-time workers in terms of calculating the rate of sick pay or maternity pay, the length of service required to qualify for payment, or the length of time for which the payment is received. In addition, part-timers should be allowed to participate pro rata in benefit and profit share or share option schemes, unless there are objective grounds to exclude them, and employers must not discriminate between full and part-time employees.

Social security

What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?

Employers must pay mandatory state social insurance contributions (MSSIC) related to the amount of earnings from employment, and the cash equivalent value of certain benefits in kind.

The standard MSSIC rate for employees is 34,09% - 23,59% paid by the employer and 10,50% paid by the employee.

Are employers obliged to provide health insurance to their employees?

Generally, the provision of health insurance to employees is not mandatory.

Are employees entitled to unemployment insurance/benefits following the end of employment?

Unemployed individuals may have the right to unemployment benefit if MSSIC payments for unemployment have been made or had to be made for such person in the Republic of Latvia for not less than 12 months within the last 16 months prior to the start of the unemployed status.

Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?

The minimum sick leave entitlements are:

- for days 2 and 3 of absence – 75% of average earnings;
- from day 4 to day 9 of absence – 80% of average earnings; and
- from day 10 to 52 weeks of absence – the employee's compulsory health insurance usually pays to the employee 80% of the employee's average pay as calculated for the purposes of social insurance contributions.

It is not possible to have unpaid sick leave.

Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?

Please see [above](#).

Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?

Please see [above](#).

Are employers liable for absence due to work-place injuries?





Yes. Employers must pay to the employee a monetary payment for sickness for the first 10 calendar days of absence in the amount of at least 80% of the employee's average monthly earnings.

Moreover, the employer must make a lump sum payment of one month's salary if the employee has suffered serious bodily injury in an accident at work which has arisen due to the fault of the employer.

Are employees entitled to retirement benefits from the employer? If yes, what benefits?

No.

Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?

Public institutions (regardless of the number of employees) and private companies which have more than 50 employees must establish an internal whistleblowing system, providing the employees with the opportunity to report any violations in a safe manner and guaranteeing their protection.

The threshold of 50 employees does not apply to companies operating in the financial and capital market sector, in the field of the prevention of money laundering and terrorism and proliferation financing, or companies which are governed by the specific legal acts of the European Union.

3 Safe and supportive work environment

Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)

Employers are responsible for ensuring the health and safety of their employees. The range of legal obligations placed on employers with respect to health and safety is extensive, with the particular obligations which apply in any given case depending on factors including the activities carried out by the company and the extent of the risks posed by those activities. Employers must assess and review work-related risks.

Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)

No. Employers are not legally required to have non-discrimination policies in place. However, employers must ensure the prohibition of differential treatment in employment, including when promoting an employee, determining working conditions, remuneration or occupational training or further education, as well as when giving notice of termination of an employment contract.

Is there a requirement to provide employees with training designed to combat discrimination and harassment?

No, there is no such a requirement.

Is there a requirement to have a data protection policy?

There is no legal requirement for a written data protection policy, although it is best practice to have such a policy (especially in larger organizations).





Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?

No, it is not mandatory for employers to have a Child Protection Policy. However, employers have a general responsibility to keep ensure that any children in their employ have a safe workplace and working conditions, as well as that their job is suitable for their age and abilities.

4 Tax

Which taxes are mandatory for employers to pay and deduct on behalf of their employees?

Personal income tax (PIT) and mandatory state social insurance contributions (MSSIC) are mandatory for employers to pay and deduct on behalf of their employees.

PIT rates are progressive – until a monthly income of EUR 1667 the rate is 20%, for any part of the monthly income that exceeds EUR 1667 the rate is 23%. The general total rate of MSSIC is 34,09% which is split in two parts – the employer’s part has a rate of 23,59% and the employee’s part has a rate of 10,5%.

Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?

In usual circumstances the employer deducts the PIT as well as the employee’s part of the MSSIC from the monthly gross salary of the employee, while the employer’s part of MSSIC is paid by the employer in addition to the employee’s gross salary.

5 Remote work

Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?

No, however there are tax considerations to take into account.

Where an employer does not have a local legal entity, it must register with the Latvian State Revenue Service (SRS) in order to deduct PIT and MSSIC from the employee’s gross salary as well as to be able to directly cover the employer’s part of MSSIC. Where the employer does not to register with SRS, the PIT and MSSIC payments must be made by the employee. In such case, the employee must register with SRS as an “employee with a foreign employer”, by filling out a form in the SRS EDS system, while also submitting their scanned employment agreement.

Are employers required to provide any form of physical working space for employees working in your country?

Employees may work from the company location and/or from a remote location.

Whatever the work location, employers must ensure the health and safety of their employees. The employer is responsible for the evaluation of any working environment risks, as well as for ensuring work safety, even if the employee works remotely. It is important for the employer to be certain that the employee's workplace is ergonomically suited for remote work, thus it is necessary that the employee co-operates in order to perform the assessment of working environment risks appropriately and in a sufficient manner.





Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.

The employer tax liabilities will be the same whether employees are working in the physical employer premises or remotely.

In the event that employees are working remotely from another jurisdiction, the employer will need to assess the tax obligations that will arise in the country in which the employee is working. Whilst each jurisdiction will have different obligations in terms of the payment and deduction of taxes, the following factors, among others, are likely to be relevant: where is the employee living and working, does the employee split their time working in different jurisdictions? What nationality is the employee? Where do they have tax residence? Where is the company for which they are working based?

6 What to do when things go wrong

Dispute resolution

Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?

No, however employees will usually bring a complaint to the State Labour Inspectorate prior to raising a claim to the court.

Resignation

What grounds do employees have for resignation?

There are no legal grounds for resignation, and the employee may resign for any reason at any time, generally by giving a written termination one months prior notice.

Termination

What grounds do employers have for the termination of employment contracts?

An employment contract may only be terminated unilaterally by the employer based on the circumstances explicitly set out in the Labour Law, including:

- specified disciplinary reasons;
- reasons relating to the capacity of the employee (including absence from work due to sickness for 6 consecutive months, lack of professional competence);
- economic reasons (such as reinstatement of previous employee at work, the employer's liquidation, redundancy).

Otherwise, the contract of employment may only be terminated:

- by mutual agreement of the parties;
- by the employee's resignation;
- on the expiry of a fixed term;
- on the written demand of third parties (parents of employees under the age of 18 or the State Labour Inspectorate);





- as a result of a court ruling;
- on the death of the employee; or
- on the death of the employer (i.e. where the employer is a private individual).

How do employers have to document the termination of an employment contract?

Mutual agreement: The parties are free to agree on the termination by a written agreement at any time. There are no requirements regarding the content of mutual agreements, but they must be in writing and signed by both parties.

Employer's termination notice: An employer may only serve a termination notice on specific legal grounds provided for by the Labour Law (see [above](#)).

The employer must act reasonably when terminating the employee's employment. The basis on which the employment contract is terminated will determine the action which an employer will need to take in order for the termination to be reasonable.

Prior to giving a termination notice to the employee, the employer should generally ascertain whether the employee has been a member of a trade union for at least six months. If so, the employer must acquire its written 'permission' to the employee's dismissal. If the trade union does not give its consent, the employer must submit a claim in the court within one month from the trade union's response.

On most grounds for termination (except for disciplinary grounds and the liquidation of the employer), an employer is prohibited from serving a termination notice on a pregnant woman, or on a woman during the period following childbirth of up to one year (or during the whole period of breastfeeding, but no longer than until two years of age of the child).

On most grounds for termination (except for long-term sick leave and the liquidation of the employer), an employer is prohibited from serving a termination notice during a period of the temporary incapacity of an employee as well as during a period when an employee is on leave or is not performing work due to some other justifiable reasons.

Depending on the legal basis on which the employee shall be dismissed, the termination procedure varies, including but not limited to the following:

- **Disciplinary grounds**: prior to termination, the employer has an obligation to request a written explanation from the employee and to assess both the significance of the offence and the personal characteristics and previous work of the employee (e.g. the employee's performance, previous disciplinary records etc) . When assessing the significance of the offence, the employer should consider any actual or potential loss or damage inflicted and any actions or measures taken by the employer that could have facilitated the breach.
- **Redundancy**: the employer initially has to establish that specific urgent 'economic, organizational, technological' or similar measures should be performed in the undertaking and that, as a result of such measures, the relevant position should be made redundant. In order for the employer to initiate the redundancy process, the management board of the employer must then adopt an appropriate decision, by indicating the brief background information on the necessity to close down the relevant position, while simultaneously pointing out the urgency of such 'economic, organizational, technological' or similar measures.





Once the decision has been taken, the employer must ascertain where the employee's position should be pooled with other 'same or similar' positions to evaluate the potential redundancy.

Prior to the employee's dismissal, the employer has an obligation to offer the relevant employee any other vacant position corresponding to the professional abilities of the employee, if available.

Expiry of a fixed term contract: The contract comes to an end when the agreed period expires without either party serving notice. If the fixed term employment contract does not include the termination date, the employer is obliged to notify the employee of the expected termination in writing at least two weeks in advance.

What is the responsibility of employers for damages incurred by an employee's actions within his/her work?

Employers can be held vicariously liable for acts (such as negligence) carried out by employees in the course of their employment.





b. Independent contractors/consultants*

Section Contents

1 Contracts.....	19
2 Conditions of work for consultants	20
3 Safe and supportive work environment.....	21
4 Remote work.....	22
5 What to do when things go wrong.....	22

Definition of an independent contractor/consultant

There is no legal definition of an independent contractor/consultant. However, in court practice it has been recognized that to distinguish whether the employment legal relations or other kind have been established, the below-mentioned details are taken into account:

	Contractor/consultant agreement	Employment agreement
Subject matter	Agreement is concluded for the performance of a specific task with a measurable result	Agreement is concluded for continuous work "in general"
Subordination	Contractor is not subject to working regulations and instructions of the service recipient, performs duties with their own means	Employee is subject to working conditions of the employer, performs duties with the means provided by the employer
Place of performance of work	Contractor fulfils their duties at a place of their choosing	Employee performs their duties at the place where instructed by the employer
Remuneration	Contractor receives their remuneration when the task is performed via invoice (possibly a deed of acceptance as well)	Employee receives a monthly salary
Working time	Contractor chooses their own working time, usually no duty for the client to account time spent	Employee has a set working time, employer has the duty to duly account the employee's working time
Benefits	Not envisaged (at least by default)	Paid leave, sick pay, severance pay etc.
Term	Usually for a set term – to fulfil the specific task	Most of the time for an indefinite term
Taxes	Usually paid by the contractor themselves	Withheld by the employer as per law





**The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

1 Contracts

What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?

There is no legal requirement for any particular form of agreements when engaging independent contractors/consultants, and no legally required specific agreement for NGOs.

What are the main elements of consultant agreements?

Legal relations with independent contractors are governed by Latvian Civil Law. The most fundamental principle of the Civil Law is the principle of private autonomy, according to which the parties can determine their legal relations and conditions without restriction, provided that such agreement and terms are not prohibited by regulatory enactments.

In practice, consultant/services agreements typically include provisions around the term of the engagement, duties and obligations, fees, expenses, data protection, intellectual property, confidentiality, insurance and liability, termination, status, notices, third party rights, and governing law and jurisdiction.

Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?

Probation periods are not usually applicable to independent contractors/consultants, and could be considered inconsistent with the nature of an independent contractor/consultant relationship.

Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?

Yes, it is possible to have a fixed term consultation/independent contractor agreement. Although there are no restrictions in relation to the length of the term, most usually this would be for the term of a particular project, as the nature of a consultant/independent contractor arrangement is often that the arrangement ends when the work is completed.

Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?

Yes, the consultant/independent contractor agreement has to be in writing, and it may be signed in person or electronically.

Do all types of independent contractors/consultants have to be under contract in order to be able to work?

See [above](#).

Can you provide a simple template of the agreements mentioned above?

There is no universal template in Latvia. The agreement should be prepared on a case-by-case basis.





Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?

Employers should have robust means of ensuring the suitability of individuals, including through their use of interviews and references. Otherwise, generally there is no legal requirement to run a criminal record check of the independent contractor to the extent that they will be working with children or vulnerable people.

2 Conditions of work for consultants

Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?

Yes. An individual must be at least 18 years old to enter into a consultant/independent contractor agreement.

Does a consultant/independent contractor need to obtain a license or any other permission in order to work?

No, although the consultant/independent contractor will likely need to register with SRS for tax purposes and employing staff, if applicable.

Payment

Are there any minimum pay requirements for consultants/independent contractors?

No.

Are there any exceptions in minimum wages for young persons or people with disabilities?

No.

Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?

No.

Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?

No.

Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?

No, unless otherwise provided for under the terms and conditions of the contract.

Are consultants entitled to an end-of-year payment?

No, unless otherwise provided for under the terms and conditions of the contract.

Are consultants entitled to a final payment when the contract is terminated?

No, unless otherwise provided for under the terms and conditions of the contract.





Working hours

Are consultants entitled to any type of leave, whether paid or unpaid?

No, unless otherwise provided for under the terms and conditions of the contract.

Social security

Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?

No, unless otherwise agreed between the parties in the contract. In practice, the usual approach is for the consultant/independent contractor to handle their own applicable taxes.

Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?

No, unless otherwise provided for under the terms and conditions of the contract.

Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?

No, unless otherwise agreed between the parties in the contract.

Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?

No, unless provided for under the terms and conditions of the contract.

Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?

No, unless otherwise agreed between the parties in the contract.

Are employers obliged to cover work-place injuries for independent contractors/consultants?

No, unless otherwise agreed between the parties in the contract.

Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?

No, unless otherwise provided for under the terms and conditions of the contract.

3 Safe and supportive work environment

Are there any differences in terms of the regime that applies to employees?

No, in accordance with Labour Protection Law, a service recipient who has entered into a contract with a self-employed person must ensure the same level of a safe working environment as it applies to its employees. To this extent, the end user engager is responsible for the evaluation of working environment risks.

It should be noted that a self-employed person, when performing work in the working environment of the undertaking of the service recipient, has an obligation to comply with the instructions of the





service recipient in labour protection issues and to inform the service recipient of the specific nature of their work, the methods applied, and the equipment used, if it may affect the safety and health protection of other employees. A service recipient is entitled not to admit a self-employed person to work or to suspend their work in the working environment of the undertaking of the service recipient if it is detected that the self-employed person is violating labor protection provisions, including the provisions regarding the use of work equipment and personal protective equipment, or is endangering their / other persons' safety and health.

4 Remote work

Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?

No.

5 What to do when things go wrong

Resignation

Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?

The Civil Law does not provide for specific legal grounds that allow a consultants/independent contractor to terminate the contract. Consultants/independent contractors may therefore unilaterally terminate the contract if such possibility is agreed upon and only in the specific cases provided under the terms and conditions of the contract.

Termination of agreement

What grounds do end user engagers have for the termination of consultant agreements?

The Civil Law specifically states that a commissioning party may unilaterally withdraw from a contract for work-performance, if the preliminary estimate drawn up by the contractor proves to be too low as well as when the contractor arbitrarily changes the work plan.

Nevertheless, in accordance with the general principle of the Civil Law, any additional grounds for unilateral withdrawal of end user engagers from the contract may be agreed in the contract.

What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?

End user engagers may be held responsible for the acts of independent contractors/consultants in the execution of the work for which they are engaged.





c. Volunteers

Section Contents

1 Contracts.....	23
2 Conditions of employment	24
3 Safe and supportive work environment.....	25
4 Tax.....	25
5 What to do when things go wrong.....	25

Definition of a volunteer

There is no legal definition of a volunteer under the Latvian legal framework. The legal status of volunteers will depend on the nature of the relations in practice and will not be determined solely based on the terms of any written document or contract.

Volunteers are not to be considered to be employees, as a genuinely voluntary arrangement will lack the necessary mutuality of obligation between the volunteer and the organization they are volunteering for, and there will often be no written contract between the volunteer and the organization. The information in the remainder of this section assumes a genuinely voluntary arrangement, with the volunteer not being an employee.

1 Contracts

Are organizations required to sign any form of agreement with volunteers?

A contract relating to volunteer services must be entered into in writing if:

- it is requested by one of the parties;
- it is intended to cover the expenditures related to the volunteer’s service;
- it is intended to minors are involved in the volunteer service.

In all other cases, a written agreement is not required (although is recommended) and the legal relationships will be considered established when the organiser of volunteer service and the volunteer have agreed upon the amount, the procedures for fulfilment, and the time period of the service to be performed, and the volunteer has been notified of their obligations and rights.

If a contract on volunteer service is entered into, the following details should be included:

- the name, registration number, and address of the organiser of the volunteer service;
- the given name, surname, personal identity number, and place of residence of the volunteer;
- the amount, procedures for fulfilment, and time period of the service to be performed;
- the place of volunteer service;
- the responsibility, rights and obligations of the organiser of the volunteer service;
- the responsibility, rights and obligations of the volunteer;





- the composition and amount of expenditures related to the performance of volunteer service which is intended to be covered for the volunteer;
- other provisions necessary for the performance of volunteer service.

2 Conditions of employment

Is there a minimum age requirement for volunteers?

Yes, volunteers must have attained the age of at least 13 years. Persons aged between 13 to 16 years may perform volunteer services if their legal representative has given a written consent.

What type of volunteering work may a child undertake? Are there any restrictions around this?

The type of work that children / adolescents may or may not undertake is strictly governed by the law (including Cabinet Regulation No 109 of 8 January 2002 "*Regulations regarding Work in which Employment of Children from the Age of 13 is permitted*"; and Cabinet Regulation No 206 of 28 May 2002 "*Regulations regarding Work in which Employment of Adolescents is prohibited and Exceptions when Employment in such Work is Permitted in Connection with Vocational Training of the Adolescent*").

A minor may, during a time when they are free from studying, perform volunteer services corresponding to their age and harmless to their safety, health, and morals which promotes the development of knowledge, proficiency, abilities, and communication skills.

Payments and reimbursement

Are organizations allowed to pay stipends to volunteers?

The main principle is that the voluntary work shall be carried out without any remuneration. However, there is no legal restriction on the payment of stipends to volunteers, although any payments going beyond out-of-pocket expenses could risk the arrangement being deemed to one of employment (with a consequent entitlement to certain employment rights).

Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).

Yes, there is no legal restriction on the reimbursement of reasonable expenses arising from the volunteering activities or benefits in kind in the form of subsistence to volunteers. Any payments going beyond out-of-pocket expenses could risk the arrangement being deemed to one of employment (with a consequent entitlement to certain employment rights).

Working hours

Are there any obligations around how many hours volunteers can work?

No, there are no obligations on how many hours volunteers can work, however in practice it is advisable not to exceed the regular working time hours, i.e., 40 hours per week.

Are volunteers entitled to any type of leave?

No.





Social security

Are organizations obliged to pay any social security contributions on behalf of their volunteers?

Payments that are more than out-of-pocket expenses will be considered as taxable income, therefore the income tax and mandatory state social insurance contributions will apply.

Are organizations obliged to provide health insurance to volunteers?

In some circumstances, yes, as determined according to the Cabinet Regulation No 762 of 22 December 2015 "*Regulations on the performer's of volunteer service health and life insurance against accidents during the performance of volunteer work*".

Are organizations liable for absences of volunteers due to work-place injuries?

No. Insurance taken out by the organization to include volunteers may however help to pay compensation if a volunteer is injured or becomes ill because of the volunteering activities. Additionally, see [above](#).

3 Safe and supportive work environment

Are there any differences in terms of the regime that applies to employees?

Health and safety must be considered for volunteers in the same way as for employees. Reasonable steps should be taken to reduce the likelihood and potential seriousness of injury to volunteers. Organizations should provide the same level of protection to volunteers where they carry out similar activities and are exposed to the same level of risk as employees.

4 Tax

Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?

Yes, any payment that is more than out-of-pocket expenses will be treated as taxable income, so income tax and social insurance regulations will apply.

5 What to do when things go wrong

What grounds do organizations have for the termination of volunteer agreements/arrangements?

There are no legally specified grounds for the termination of volunteer arrangements. In accordance with Latvian Volunteer Service Law, legal relationships shall be terminated unilaterally by giving at least 3 days' notice.

What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?

There is a risk that an organization could be held vicariously liable for the actions of its volunteers.





d. Non-citizen employees and consultants, including refugees and others forcibly displaced

Section Contents

1 Status and the right to work	26
2 Contracts.....	27
3 Conditions of employment	27
4 Safe and supportive work environment.....	27
5 What to do when things go wrong?	27

1 Status and the right to work

Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)

No, although employers are obliged to ensure that their employees have the right to work in Latvia. An administrative penalty or criminal liability can be imposed on employers employing someone who they knew or had reasonable cause to believe did not have the right to work in Latvia.

Are employers obliged to secure work permits for their employees or consultants?

No, although employers are obliged to ensure that their employees have the right to work in Latvia.

When preparing an employment contract, an employer has the obligation to request that a foreigner present a visa or a residence permit, certifying that the foreigner has been granted the right to employment, except for cases laid down in the laws and regulations where the certification of the right to employment with a specific employer and in a specific specialty (occupation) is not required.

An administrative penalty or criminal liability can be imposed on employers employing someone who they knew or had reasonable cause to believe did not have the right to work in Latvia. Due to the potential reputational risk, many organizations carry out right to work checks on independent contractors and volunteers as well.

Is it always necessary to obtain a work permit?

Generally, non-settled employees will only be able to work in Latvia if they have been granted an appropriate temporary residence permit or visa with the right of employment in Latvia.





Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?

Those who claim asylum in Latvia are not typically allowed to work whilst their claim is being considered, but they may be involved in volunteering activities.

2 Contracts

Are employment contracts or consultant agreements for non-citizens different to those for citizens?

No.

3 Conditions of employment

Does national law regulate the quotas for the number of non-citizens within one organization?

No.

Are employers obliged to report about employed non-citizens?

No.

Are there any other differences in conditions of employment for non-citizens and citizens?

No.

Are there any specific employment terms that apply to citizens but not apply to non-citizens?

No.

4 Safe and supportive work environment

Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.

No.

Does the employer have additional obligations for non-citizens?

No.

5 What to do when things go wrong?

Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.

No, except that an employer must terminate the employment relationship with an employee if the employment of the employee in accordance with the law is prohibited (i.e., when a non-citizen employee has not received and cannot present a valid temporary residence permit/visa to the employer).





Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.

No.

Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?

Yes.





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