

**Global Employment
Compass**
Lithuania

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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	Yes	No*	No**
Minimum wage requirements	Yes	No*	No**
Mandatory provident fund/retirement benefit fund contributions	Yes	No*	No**
Immigration requirements including the right to work in your country	Yes	Yes	Yes
Personal Data (Privacy) laws and regulations	Yes	Yes	Yes
Anti-discrimination laws and regulations	Yes	Yes	Yes

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

**assumes a genuinely voluntary arrangement and the individual not being deemed to be an employee or worker, or under a contractual obligation to carry out any work.



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

a. Employees

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Definition of an employee

An 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 (except for limited exceptions established by 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?

Zero hour contracts are not permitted. The most prevalent types of employment contracts are indefinite term and fixed-term employment contracts. Temporary agency workers are hired by temporary work agencies under temporary employment contracts. Additionally, a range of atypical contracts exist. These are seasonal employment contracts, apprenticeship employment contracts, project-based employment contracts, job sharing employment contracts, and employment contracts working for several employers. Certain requirements for the different types of contracts are established by the Labour Code.

What are the key terms of employment contracts?

There are two types of provisions that are included in employment contracts in Lithuania:

- mandatory/indispensable provisions which are legally required by the Labour Code (work function, remuneration for work and place of employment); and





- optional provisions which become binding when the parties agree to them.

Aside from the mandatory provisions, there are no significant requirements or provisions commonly included in employment contracts.

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

Yes, it is acceptable and common in Lithuania to use probationary periods of up to 3 months. However, for fixed-term employment contracts of less than 6 months, the probationary period must be proportionally shorter than 3 months. An extension of a probationary period by agreement between the parties is prohibited by law.

A draft amendment to the Labour Code has been registered, proposing that for employees whose monthly salary is at least twice the latest average gross monthly wage published by the State Data Agency, a different probationary period may apply, which cannot exceed 6 months. If a fixed-term employment contract with such an employee is concluded for a period shorter than 12 months, the probationary period must be proportionally shorter than 6 months. An extension of a probationary period by agreement between the parties is also prohibited by law. Please note that this amendment has not yet been adopted and may therefore be subject to change.

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 employment contracts are permissible. According to the Labour Code, fixed-term employment contracts may be concluded for a certain period of time or for the period of the performance of certain work.

Fixed-term employment contracts may be concluded for work of a permanent nature, but such employment contracts may not exceed 20% of the total number of employment contracts in a company.

Consecutive fixed-term employment contracts (i.e., where there is a break between fixed-term employment contracts of less than 2 months) are limited to the following total maximum terms:

- 1) up to 2 years where the same employee performs the same work function;
- 2) up to 5 years where the same employee performs different work functions;
- 3) up to 5 years for elected or appointed employees, scientific and creative professions employees, and employees appointed by collegial election bodies.

An exception to the maximum term is where an employee is hired to replace an employee who is temporarily absent.

There are no additional particular formalities for a fixed-term employment contract.

The employer must inform the employees working under fixed-term employment contracts about vacancies and ensure that they have the same opportunity to take up permanent employment as other employees.

In respect of employment conditions (including salary) or training and promotion opportunities, employees working under fixed-term employment contracts may not be treated in a less favorable manner than employees working under permanent employment contracts.





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.)?

An employment contract must be in writing and entered into before an employee starts working. Any amendments to the employment contract must also be made in writing and signed by both parties.

The employer is required to notify the competent authority of the State Social Insurance Fund about the conclusion of an employment contract and the hiring of an employee at least 1 working day before the agreed start date. In the case of the appointment of the Chief Executive Officer of a legal entity, such notification must be made at least 1 working hour before the start of work.

Employment contracts are commonly signed in-person, but it is also possible to sign employment contracts with qualified electronic signatures.

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

Yes.

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

The employment contract should be prepared based on the particular circumstances of the appointment, taking account of any mandatory provisions. The Minister of Social Security and Labour has approved a standard form of employment contract, which may be used as a basis for both fixed-term and permanent employment contracts.

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?

Yes, it is a legal requirement to run a criminal record check when hiring persons for activities where there is direct and regular contact with children (for example, heads of educational institutions, teachers, speech therapists, and school psychologists).

Persons who have been convicted of certain crimes are prohibited from working in institutions, companies and organizations providing child protection, child social, educational, sports or health care services, or where the work is related to the upbringing, education, care or assurance of safety of children through direct and regular contacts.

From 1 November 2024, all persons working, carrying out activities, or intending to work or carry out any activities involving children/direct and regular contact with children must have a so-called QR code confirming the right to work with children. This QR code confirms that the person has not been convicted by a final court judgment of sexual offences (against children or adults) or other offences specified in Article 30(1) of the Law on Fundamentals of Protection of the Rights of the Child, and therefore is not subject to restrictions on working with children. Depending on the nature of the offence, such restrictions may be either permanent or temporary.

Can employers request references from former employers for new hires?

Yes, after informing the new hire beforehand.

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

In small companies with fewer than 20 employees, employees may elect an employee trustee (representative) who will have all the rights and duties of a works council.





In larger companies with at least 20 employees, employers have an obligation to initiate elections of a works council, which is elected by secret ballot. The only exception to this is where more than a third of employees belong to a trade union. In this event, the trade union will have the full scope, rights and functions of employee collective representation and there will be no separate works council.

In a European Community-scale undertaking or group of undertakings, European works councils must be established according to the prescribed legal procedure. Where a European works council is to be set up, a special negotiating body must be established, with the procedure for doing so regulated by Lithuanian law.

Employees have the right to be kept informed and to be consulted. On a regular basis (at least once per year, but no later than 1 April), employers must inform and consult employees' representatives about the current and future activities of the company, its economic state, and the state of labour relations in the enterprise. Employers must also inform and consult employees' representatives before approving local regulatory acts, before making a decision on collective dismissals (i.e. in companies with 20-99 employees, 10 or more dismissals; in companies with 100-299 employees, the dismissal of at least 10% of employees; and in companies with 300 or more employees, 30 dismissals) and before a transfer of the business (or part thereof).

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

No. Collective agreements may only be concluded with a trade union. However, most workplaces are non-unionized in Lithuania, so collective agreements are not common.

2 Conditions of employment

What is the minimum age requirement for employment?

Generally, the minimum age requirement for employment is 16 years. Under certain exceptions, light work can be undertaken by children aged 14 or 15 years.

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

In order to employ a child aged 14 or 15, the employer must obtain a number of documents: the written consent for the child to undertake the work from one of the child's parents or another legal representative of the child; a medical certificate issued by a personal health care institution confirming that the child is suitable for the specific job; and a written consent from the school where the child is studying (if the work is to be performed during the school year).

Children aged 14 or 15 are allowed to work up to 6 hours per day and up to 30 hours per week during their school vacation and up to 2 hours per day (up to 6 hours on non-school days) and up to 12 hours per week during the school year.

The total duration of work and school hours of children aged 16 or 17 may not exceed 8 hours per day and 40 hours per week.

Certain restrictions also apply in relation to night work, minimum daily and weekly rest periods, and other working conditions.

Children under 18 are not allowed to undertake certain jobs (e.g. working with wild and/or toxic animals, working with explosive substances, or working in tunnels). In addition, children must not work in jobs which they are not physically or psychologically capable of undertaking, undertake





work where they may be exposed to harmful elements, or where the work involves the risk of accidents which may not be recognized or avoided due to the child's age or their lack of experience or training. Further, children must not undertake work which involves health risks due to extreme cold, heat or noise, vibration, electromagnetic fields, or ergonomic factors. The list of prohibited work for persons under 18 is established in a separate legal act – the Description of the Procedure for the Employment, Work and Vocational Training of Persons under 18 and the Conditions for the Employment of Children.

Wages

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

As a general rule, the minimum wage may only be paid for unqualified work. Unqualified work is defined as work not requiring any special or professional skills. Effective 1 January 2026, the minimum hourly wage is €7.05 (gross). The minimum monthly wage is €1,153 (gross).

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

If the national minimum monthly wage increases, the salary must meet or exceed it. The procedure for indexation of employees' wages should be laid down in the remuneration system (if there is one within the company).

Pay raises or additional payments (e.g. bonuses) may also be granted in accordance with the employer's internal policies or remuneration system. In addition, employees are entitled to increased pay rates for overtime work, work at night etc. as provided by law.

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

Remuneration must be paid to an employee at least twice per month. It may only be paid once per month at the employee's request. 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, unless labour law provisions or the employment contract establish otherwise.

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

Generally, yes, if a fixed monthly (base) wage is agreed, the employee works under a fixed work week schedule and if a public holiday does not fall on a rest day according to that work schedule.

Are employers obliged to provide employees with annual leave?

Yes. Entitlement to minimum annual leave depends on the number of working days per week:

- a.** Where the number of working days per week is 5, employees are entitled to 20 working days' annual leave.
- b.** Where the number of working days per week is 6, employees are entitled to 24 working days' annual leave.
- c.** In all other cases, employees are entitled to at least 4 weeks' annual leave.

Employees must take annual leave at least once per working year, and one period of annual leave must be of at least 2 weeks in duration.





Some employees in certain protected categories (e.g. those raising a child under 14 years of age alone) are entitled to extended minimum annual paid leave between 25 and 35 working days, and others who work in certain working conditions are entitled to extended minimum annual paid leave between 25 and 50 working days, as established by legislation implementing the Labour Code. Additional annual leave is granted for long uninterrupted employment at the same workplace or for specific types of work and other cases established by the Lithuanian Labour Code.

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

Employees are paid their average salary (calculated according to a procedure established by the Government) during annual leave.

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

The employer may only assign overtime work with the employee's written consent, except in exceptional cases established by law. An amount of at least 1.5 times the employee's remuneration must be paid for overtime work. 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. For overtime work on a holiday and/or overtime work on a public holiday at night, an amount of at least 2.5 times the employee's remuneration must be paid. On the day before a public holiday, the working day shall be shortened by 1 hour, except for employees working on a reduced-hours basis. If it is not possible to shorten the working day due to the organisation of work, the employee must be paid for this hour as overtime work.

At the employee's request, overtime hours, multiplied by the applicable compensation rates set out above, may be added to the employee's annual leave.

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

Employees are generally entitled to payment for hours worked.

In extraordinary cases, where the employer cannot provide the employee with the work agreed in the employment contract due to an emergency situation declared by the Government and/or activity restrictions set during any quarantine period, where due to the nature of the work there is no possibility of the employee working remotely, and where the employee does not agree to take alternative work, the employer may declare idle time. During such period of idle time, the employer must pay the employee a salary not lower than the minimum monthly wage approved by the Government (for full time work). The employer is compensated for a part of the wage costs incurred for idle time in the amount and procedure determined by the Law on Employment.

The employer may also declare idle time for employees (a single employee or a group of employees) if the agreed work is unavailable for objective reasons not due to the fault of the employees and the employees do not agree to perform other jobs offered to them. In this case, the employer must continue to pay its employees full salary or a fraction of it depending on the duration of idle time, but the employer is not compensated for such wage costs.

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

No, unless otherwise agreed in employment contracts, local regulatory acts (policies) or collective agreements.

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?





Any unused accrued annual leave must be compensated on termination of employment.

Statutory severance pay may be due on termination. The amount, which can be up to 6 months' average salary (in the case of termination at the employer's will), depends on the legal ground of termination and other circumstances. In the case of termination by mutual agreement, the amount of compensation is negotiated by the parties.

The minimum notice to be given by an employer depends on the legal ground for termination of the employment. Where the employment is terminated at the employer's will, the minimum notice is 3 working days. Where the employment is terminated on the employer's initiative through no fault of the employee, the minimum notice depends on the employee's length of service: 2 weeks' notice where the service is less than 1 year; and 1 month where the service is more than 1 year. Longer notice must be given to certain categories of employees (for example, twice the amount of notice must be given to employees who will reach retirement age in less than five years; three times the amount of notice must be given to an employee who has a child under 14 years of age, an employee raising a disabled child under 18 years of age, disabled employees, employees who will reach retirement age in less than two years, etc.).

In some circumstances, dismissal without notice is permitted. Such circumstances are:

- in case of a repeated or gross breach of work duties (additional conditions apply);
- if an employee cannot work because of a criminal conviction;
- if an employee is deprived of special rights to perform certain work;
- in case of illegal work of a foreigner, upon the demand of bodies or officials authorized by law to carry out the control of illegal work;
- when an employee is unable to perform their duties or work according to a medical opinion; or
- in other cases permitted by the Labour Code.

Where an employee resigns from their employment, they must give at least 20 calendar days' prior written notice to the employer. If due to illness or other valid reasons (such as the employer failing to fulfill its obligations for more than 2 consecutive months or if the employee has not received a full monthly salary for more than 2 successive months), at least 5 working days' notice should be given.

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?

A full-time working week is, as a general rule, 40 hours of work per week. Unless labour law provisions establish a shorter working time standard for the employee, an employee will be considered part-time if they are contractually required to work less than 40 hours per week. Average working time, including overtime (but excluding hours worked under an agreement regarding additional work) must not exceed 48 hours within each period of 7 consecutive days. Maximum working time, including both overtime and additional work, must not exceed 12 hours per day and 60 hours within each period of 7 consecutive days. Employees are prohibited from working more than 6 days per each period of 7 consecutive days. Some exceptions may apply, for example, where working time is calculated under a summarised working time arrangement; in such cases, different limits on average working time may be applicable in accordance with the law.





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?

The usual holidays are:

- 1 January – New Year's Day;
- 16 February – Day of Restoration of the State of Lithuania;
- 11 March – Day of Restoration of the Independence of Lithuania;
- Easter Sunday and Easter Monday (in the tradition of Western Christianity);
- 1 May – International Labour Day;
- First Sunday of May – Mother's Day;
- First Sunday of June – Father's Day;
- 24 June – Day of Dew and St. John's Day;
- 6 July – Statehood (Coronation of Mindaugas, King of Lithuania) and National Song Day;
- 15 August – Assumption Day (The Feast of the Assumption of the Blessed Virgin Mary);
- 1 November – All Saints' Day;
- 2 November – Commemoration of All the Faithful Departed (All Souls' Day),
- 24 December – Christmas Eve;
- 25 and 26 December – Christmas.

A holiday may only be a working day with the consent of the employee, except when working summary recording of working time (i.e., when the standard working hours for the entire reference period are fulfilled during the reference period) or in the cases established in the collective agreement.

In addition to sick and annual leave, other types of leave besides public holidays include:

- **Maternity leave:** The maximum maternity leave provided by the Labour Code is 70 calendar days' paid leave before the birth and 56 calendar days after the birth (this can be increased to 70 calendar days in certain cases). If an eligible employee does not take maternity leave, the employer must provide 14 days of this leave immediately after childbirth, regardless of the employee's request. An allowance is paid by the State Social Insurance Fund.
- **Paternity leave:** The maximum paternity leave provided by the Labour Code is 30 calendar days' paid leave any time after the child's birth until the child is one year old. Paternity leave may be taken in no more than two parts. An allowance is paid by the State Social Insurance Fund.
- **Parental leave:** Parental leave before the child has reached the age 3 must be granted, at the request of the family, to the mother/adoptive mother, the father/adoptive father, the grandmother, the grandfather or any other relatives who are actually raising the child (including an employee who has been recognized as the guardian of the child). The leave





may be taken as a single period or be distributed in portions (from which 2 months (62 days) are non-transferable for each parent/adoptive parent/guardian). Employees entitled to this leave may take it in turn. An allowance is paid by the State Social Insurance Fund for up to the first 2 years of parental leave.

- **Adoption leave:** Employees who have been appointed as guardians of newly born babies must be granted maternity leave for the period from the date of guardianship until the baby is 70 days old. Adoptive mothers who have adopted a child must be granted maternity leave for 30 days within 1 month of the effective date of a court's decision regarding adoption (unless a spouse's child is adopted or unless the adoptive mother was already granted parental leave to care for the same child). Adoptive fathers who have adopted a child must be granted paternity leave for 30 days within 1 month of the effective date of a court's decision regarding adoption (unless a spouse's child is adopted or unless the adoptive father was already granted parental leave to care for the same child). The adoptive mother/father are entitled to 24 months' parental leave (save where a spouse's child is adopted or where the adoptive mother/father has been granted parental leave before the child has reached the age three) within 3 months of the effective date of a court's decision regarding adoption.

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

Yes. Part-time work must not result in limitation when setting the duration of annual leave, calculating the length of service, promoting an employee, improving qualification, and must not limit other employment rights of the employee 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.

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

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

Social security

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

Employer contributions:

Unemployment social insurance:

- For permanent employment contract - 1.31%.
- For fixed-term employment contract - 2.03%.

Social insurance for accidents and occupational diseases:

- Group I - 0.14% (for new companies and for companies who are not included in lists of Group II, III and IV)
- Group II - 0.49%
- Group III - 0.7%





- Group IV - 1.4%

Contribution to the Guarantee Fund:

- 0.16%

Contribution to the Long-Term Employment Benefits Fund:

- 0.16% from the gross salary, not lower than the minimum monthly wage.

Additionally, employers are generally required to deduct and pay on behalf of the employee the personal income tax and social insurance contributions. Please see [below](#).

Are employers obliged to provide health insurance to their employees?

No, providing health insurance in addition to state health insurance is not mandatory.

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

Employees may be able to claim benefits following the end of their employment - entitlement will depend on their personal and financial situation, as well as statutory requirements.

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?

Yes. The employer pays sick pay for the first 2 days of sickness absence, being a compensatory wage of between 62.06% and 100% of the employee's average wage. From day 3 to the end of the period of absence, sick pay of 62.06% of the compensatory wage is paid for by the Social Security Fund.

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?

In case of work-place injuries, employees get benefits from the State Social Insurance Fund (Sodra).

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 whistle-blowers?

Yes.





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 have a duty to provide employees with a safe and health-friendly working environment in all work-related aspects. In order to fulfil this duty, the employer must assess and review the work-related risks faced by its employees and organize the implementation of measures (technical, medical, legal, organizational and others) intended for the prevention of accidents at work and occupational diseases, establish the procedure for the implementation and control of these measures in the company, appoint persons authorized by the employer and give them specific orders to implement preventive measures.

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.)

It is a legal requirement for employers with an average number of employees of more than 50 to adopt and publish an equal opportunities policy. Such employers must also adopt, publish and implement a policy on preventing violence and harassment at work, following the information and consultation procedures established by law.

The policy on the prevention of violence and harassment at work must include, *inter alia*, provisions on the identification of violence and harassment, possible forms of such conduct, procedures for informing employees about preventive measures, reporting and investigating incidents, protection measures for reporting persons and victims, as well as rules of conduct (workplace ethics) and other measures related to prevention.

Additionally, an employer who has an average number of employees of more than 50 must adopt and publish measures for the implementation of the principles for the supervision of the implementation and enforcement of equal opportunities policies.

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

Employers are legally required to take measures to ensure that employees and managers do not experience violence, harassment, or sexual harassment and that instructions are not given to discriminate in the workplace. From 1 January 2025, the prohibition of violence and harassment explicitly extends to managers, and unacceptable behaviour by an employer (a natural person or the head of the entity) is also considered violence or harassment. Fines between €500 and €3,000 may be imposed on heads of entities or other responsible persons for failing to prevent or actively address violence or harassment, or for engaging in such behaviour.

The Chief State Labour Inspector is required to approve the description of the minimum measures necessary for the elimination and/or control of violence and harassment dangers. In accordance with such requirements, employers must ensure that employees are regularly informed and trained on the prevention of violence and harassment.

Is there a requirement to have a data protection policy?

Yes.

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





No.

4 Tax

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

Employers must deduct and pay on behalf of its employee personal income tax and the following contributions: social insurance (pension, sickness, maternity insurance) and compulsory health insurance.

An additional contribution is deducted and paid if an employee participates in supplementary pension provision.

The employer pays unemployment social insurance contributions, contributions of social insurance for accidents and occupational diseases, and contributions to the guarantee fund, as well as contributions to the long-term employment benefits fund.

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

All taxes are deducted by the employer.

5 Remote work

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

Generally, no, but employers must register as a taxpayer on the taxpayers' register.

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

If the nature of work itself allows, employees may work remotely from their home. However, whatever the work location, employers remain responsible for ensuring the health and safety of their employees.

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

The employer and the employee must agree on remote work in the employment contract (or conclude a separate agreement between the parties) and agree on a range of related aspects, such as compensation of the employee's work-related expenses, equipment, reporting requirements, etc.

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

If employees are working remotely from another jurisdiction, an 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 are likely to be relevant: where and for how long is the employee living and working abroad?, does the employee split their time working in different jurisdictions?, what citizenship is the employee?, where do they have tax residence?, and 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?

Yes. Before bringing a claim to a court, an employee is required to bring their claim to a Labour Dispute Commission.

Resignation

What grounds do employees have for resignation?

Employees can resign regardless of the existence of any significant reason.

However, if resigning for a significant reason (e.g. the employer's failure to pay full salary or fulfill health and safety obligations for more than 2 months, or reasons relating to the employee's health), the resignation notice term is shorter (5 working days) and the employer must pay a severance pay to the employee of 1 or 2 average monthly salaries, depending on the length of service of the employee.

In the event of resignation for no significant reason, the resignation notice term is 20 calendar days.

Termination

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

There are 6 potentially fair reasons for dismissal: failure to pass probationary period (if applicable); termination by mutual agreement; termination on the employer's initiative through no fault of the employee (for example, redundancy, poor performance); termination at the employer's will; termination for gross or repeated breach of work duties; and termination without the will of the parties to the employment contract (for example, imprisonment of the employee). Except for State and municipal institutions/organizations, an employer may terminate employment at the employer's will for reasons other than those listed under the legal ground of termination on the employer's initiative through no fault of the employee. In such circumstances, the employer must give at least 3 working days' notice and pay a severance payment in an amount equivalent to the employee's average 6 months' salary.

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

The procedure which an employer must follow when terminating an employment contract depends on the reason for termination.

Where the reason is misconduct (breach of work duties), the employer must give the employee a chance to explain their case by requesting a written explanation from the employee. The employee must provide their response within a reasonable period of time (to be determined by the employer). The employer must consider any written submissions the employee produces and decide whether to impose a sanction on the employee. Where termination is considered, the employer must make the decision within one month after it discovered the employee's breach of work duties and no later than 6 months from the date the breach was committed. The latter term is extended to 2 years if the violation committed by the employee was discovered as a result of an audit, inventory or activity check. This process must be followed whether it is a case of gross





breach or a repeated breach of work duties. In the event of the termination of employment for misconduct (repeated/gross breach of work duties), there is no notice.

Where the reason is termination at the employer's will or on the employer's initiative through no fault of the employee, the employer must serve written notice on the employee. Notice must state the date of termination, the reason for termination and a reference to the legal act with the relevant legal ground for termination.

In case of collective redundancy, the employer must inform and consult with a works council or a trade union operating on the employer's level.

When termination is agreed by both parties, one party may offer in writing to the other party to terminate the employment contract. If the latter accepts the offer, they must notify the party who has made the offer within 5 working days (otherwise the offer is deemed to be rejected). Having agreed to terminate, the parties must agree in writing on the termination of the contract.

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

An employer is liable to compensate damage caused by the fault of its employees in the performance of their service (official) duties.





b. Independent contractors/consultants*

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Definition of an independent contractor/consultant

An independent work contractor is a person who takes an obligation under a contract of independent work to perform certain work at their own risk in accordance with the task of another party (customer) and transfer the results thereof to the customer.

A consultant is legally qualified as a provider of services. A provider of services is a person who under a contract for services undertakes to provide to the client by commission of the latter certain services of a non-material nature (intellectual) or other types which are not related to the creation of a material object (to perform certain actions or pursue certain activities).

** 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?

Generally, there is no legal requirement for any particular form of agreement when engaging independent contractors/consultants. However, other laws may establish applicable requirements. For example, an audit agreement or a legal services agreement with an attorney-at-law must be in writing. If an NGO is entitled to receive sponsorship (i.e. if it is registered as a recipient of sponsorship), an agreement on sponsorship to such an entity must be in writing.

What are the main elements of consultant agreements?

Consultancy agreements will typically include provisions around the terms of the engagement, duties and obligations, fees, expenses, confirmation information, data protection, intellectual property, insurance and liability, termination, status, notices, third party rights, governing law and jurisdiction.

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

No.





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 around the length of the term, this would usually 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.)?

Generally, there is generally no legal requirement for the consultant/independent contractor agreement to be in writing, although this is often considered best practice. The agreement can be signed in person or with a qualified electronic signature.

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

The contract will set out the terms on which the work will be carried out, but there is generally no legal obligation for this to be in any particular format, and it can be a verbal or written agreement.

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

There is no universal template in Lithuania. The agreement should be prepared based on the particular circumstances of the appointment.

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?

Yes. Under Lithuanian law, where a services provider (e.g. an individual carrying out activities independently) performs activities involving children, their eligibility to work with children must be verified. Such persons must have a so-called QR code confirming the right to work with children, where required by law, for example where the activities involve direct and regular contact with children. This QR code confirms that the person is not subject to restrictions on working with children.

2 Conditions of work for consultants

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

Generally, no. However, there are certain restrictions on work that children may undertake. The child's parents or other legal representatives of the child must, by law, ensure that the child is not involved in the organization of gambling or in activities related to the production, processing, acquisition, storage, transportation, sending or distribution (selling) of energy and alcoholic drinks, tobacco or related products (electronic cigarettes and refill containers), narcotic or psychotropic substances, medicines (except medicines purchased, kept or used legally for medical purposes), as well as other intoxicating non-narcotic means or certain doping substances. There is also a list of jobs, approved by the Government, which children under 18 cannot undertake because of harm to their health (for example, work with asbestos). In addition, it should be noted that insurance restrictions often place limits on the minimum age of individuals covered and/or the activities they may undertake.





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

A person performing individual activities must register with the State Tax Inspectorate in all cases. As for other permissions/licenses, the answer depends on specific type of work. For example, if a person performs construction work at a construction site, they must have a transparent worker ID code. Some professions are required to have a license (for example, attorneys-at-law, insurance brokers, financial brokers, archive service providers, etc.).

Payment

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

No, consultants/independent contractors are not entitled to receive the national minimum wage.

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

No, the national minimum wage requirements apply only to employees.

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

No, assuming that the consultant/independent contractor is not deemed to be an employee, they will not be entitled to receive statutory/paid leave.

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

No, assuming that the consultant/independent contractor is not deemed to be an employee, they will not be entitled to receive paid annual leave.

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

There is no legal right to overtime, unless provided for under the terms of the contract.

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

There is no legal right to an end-of-year payment, unless provided for under the terms of the contract.

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

There is no legal right to a final payment on termination, unless provided for under the terms of the contract.

Working hours

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

There is no legal right to any type of leave, unless provided for under the terms 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?





There is no legal right to health insurance from the end user engager.

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

There is no legal right to unemployment insurance/benefits from the end user engager.

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?

There is no legal right to sick leave from the end user engager.

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?

There is no legal right to maternity leave from the end user engager.

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?

There is no legal right to paternity leave from the end user engager.

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

There is no legal right to sick leave/pay from the end user engager.

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

There is no legal right to retirement benefits from the end user engager.

3 Safe and supportive work environment

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

Employers are responsible for ensuring the health and safety of their employees and those that are affected by their activities (which would include independent contractors/consultants) so far as reasonably practicable. To this extent, the obligation is the same as that which applies in relation to 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 the activities carried out by the company, and the extent of the risks posed by these activities. Employers must assess and review the work-related risks faced by their employees and by others affected by the company's activities.

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?

In the case of a services contract, the provider of services (the consultant) may unilaterally terminate the contract for significant reasons only. In this case the provider of services must fully reimburse the client for the losses incurred.

Termination of agreement

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

In the case of a services contract, the client may unilaterally terminate the contract. This is the case even where the provision of the services by the provider is already in progress. In this case the client is bound to pay to the provider of services part of the agreed price in proportion to the services rendered and to pay other reasonable expenses made by the provider of services for the purpose of the performance of the contract before the date of receipt of the notice of termination of the contract from the client.

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

If a consultant is not truly independent (if the consultant exercises their functions on the grounds of a civil contract and acts at the risk of the end user engager under the supervision or in accordance with the orders of the end user engager), the end user engager will be liable for compensation of damage caused by the fault of the consultant in the performance of their service duties.

If however a consultant is independent, acts at their own risk and causes damage acting under the orders of the end user engager who is not the consultant's employer, damage must be compensated jointly by both the consultant and the end user engager.





c. Volunteers

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Definition of a volunteer

There is no legal definition of a volunteer under Lithuanian law. The relationship between the volunteer activity organizer and the volunteer is a civil legal relationship. Activities that comply with the principles of voluntary activities set out in the Law on Voluntary Activities and which are organized in accordance with the procedure established by this law are not considered illegal work.

The information in the remainder of this section assumes a genuinely voluntary arrangement, in compliance with the Law on Voluntary Activities. Please note that this section does not cover contracts on voluntary practice.

1 Contracts

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

It is mandatory for the volunteer activity organizer to conclude a written volunteer activity contract with the volunteer if expenses related to voluntary activities are reimbursed or if one of the parties wishes to conclude the contract.

2 Conditions of employment

Is there a minimum age requirement for volunteers?

Citizens of the Republic of Lithuania over the age of 14 and foreigners legally present in the territory of the Republic of Lithuania can be volunteers.

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

Children should not be involved in volunteering activities that may be harmful to their health. There is a list of jobs (activities), approved by the Government, which children under 18 cannot undertake because of harm to their health (for example, work with asbestos). Children under the age of 18 may participate in voluntary activities if the child's legal representative does not object.

Payments and reimbursement

Are organizations allowed to pay stipends to volunteers?





No. Voluntary activity is defined by law as an activity beneficial to society performed by a volunteer free of charge, the conditions of which are determined by agreement between the volunteer and the organizer of this activity.

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

The volunteer activity organizer can compensate the volunteer for the following expenses, related to the volunteer activity:

- 1) travel expenses;
- 2) accommodation expenses;
- 3) catering expenses;
- 4) postal and telephone costs;
- 5) the costs of training related to the preparation of the volunteer to perform the planned activities;
- 6) expenses for tools and special clothes required for voluntary activities;
- 7) insurance costs for the period of validity of the voluntary activity contract;
- 8) other costs determined in international volunteering programs;
- 9) other expenses directly related to the performance of voluntary activities and agreed upon with the host organization and/or the coordinating organization.

Working hours

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

No, working time limits do not apply to adult volunteers.

However, restrictions apply to children under the age of 18 years, which are the same as for the employment of children under 18:

- Children aged 14 or 15 are allowed to do volunteering activities up to 6 hours per day and up to 30 hours per week during their school vacation and up to 2 hours per day (up to 6 hours on no-school days) and up to 12 hours per week during school year.
- The total duration of volunteering activities and school hours of children aged 16 or 17 may not exceed 8 hours per day and 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?

No. Taking into account the duration and nature of volunteering, the organizer of volunteering may (but is not obliged to) arrange for the insurance of the volunteer through insurance companies or





compensate the volunteer for insurance premiums in accordance with the procedure established by legal acts.

The terms of insurance and compensation of insurance premiums for volunteers of any international volunteering program are determined by the international volunteering program.

Are organizations obliged to provide health insurance to volunteers?

No.

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

An organization has no legal obligation to grant sick leave or pay sick pay to a volunteer.

3 Safe and supportive work environment

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

No. Health and safety must be considered for volunteers as well as for employees. 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. It is mandatory to carry out risk assessments to identify risks and put appropriate measures in place.

4 Tax

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

Not applicable, as stipends are not allowed.

5 What to do when things go wrong

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

By law, a volunteer has a right to terminate volunteering activities (and any volunteer activity contract), and the volunteer activity organizer may refuse (terminate) a volunteer, indicating the reasons for refusal.

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

If the arrangement between a volunteer and the organization is not genuinely voluntary (if the volunteer exercises their functions at the risk of the organization and acts under the supervision or in accordance with the orders of the organization), the organization will be liable for compensation of damage caused by the fault of the volunteer in the performance of their service duties.

If the arrangement between a volunteer and the organization is genuinely voluntary, the volunteer acts at their own risk and causes damage acting under the orders of the organization, damage must be compensated jointly by both the volunteer and the organization.





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

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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 Lithuania. Administrative 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 Lithuania.

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 Lithuania. Administrative 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 Lithuania.

Is it always necessary to obtain a work permit?

A European Union (EU)/European Economic Area (EEA) national does not have to obtain a work permit and/or residence permit, however an EU or EEA national working and staying in Lithuania for more than three months in any half-year must meet certain statutory conditions (employment/self-employment, sufficient means of subsistence, etc.) and obtain a certificate proving the right of temporary residence in the Republic of Lithuania. A non-EU or non-EEA national intending to work in Lithuania has to obtain a work permit, unless they are exempt from this obligation (for example, if coming to Lithuania to train personnel or install equipment, for a maximum of three months per year). The work permit is issued for up to one year.

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 Lithuania are not normally allowed to work whilst their claim is being considered, unless consideration of their asylum claim takes longer than 6 months, in which case they may request the Migration Department to issue a work permit.

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?

Yes. Under Lithuanian law, employers are required to provide information about foreign nationals who are employed or posted in Lithuania.

An LDU notification must be submitted via the State Social Insurance Fund Board (Sodra) when employing a foreign national or when a foreign national is posted to temporarily work in Lithuania. Any changes must be reported by filing an updated LDU notification within one working day.

In addition, a notification (PWN) to the State Labour Inspectorate (VDI) must be submitted where a foreign employer posts an employee to Lithuania for more than 30 days or to perform construction works.

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?

If an employee is a foreigner, the employment contract and documentation on working conditions, labor law practices and policies, worker safety and health requirements as well as notices (if any) must be in Lithuanian and in another language understood by this employee.

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, although in case of early termination of employment of a foreign employee, the employer must file an adjusted LDU report, please see [above](#).

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

No, although in case of early termination of employment of a foreign employee, the employer must file an adjusted LDU report, please see [above](#).





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

Potentially, yes. The applicable law will depend on a number of factors. Any choice of governing law expressed in the contract of employment will often be the starting point for determining the applicable law, although some laws (typically including statutory employment rights) may be mandatory, regardless of what the contract states.





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