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# Employing a Foreigner in a Lithuanian Company

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Lithuanian business law topics

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## CONCLUSIONS

# Employing a Foreigner in a Lithuanian Company

## Introduction

As a member of the European Union and NATO, Lithuania is a partner in political, economic, social, and cultural relations with other countries. Lithuania's strength and progress is very much based on the country's long-standing cooperation with the Scandinavian states and with the other countries of the Baltic Sea Region. Danish, Swedish, German, Russian, Finnish, and Norwegian businesses have been the biggest investors in Lithuania. They, along with Polish companies, have also been among Lithuania's most important foreign trade partners.

Employment and alien stay or residence conditions are important factors to consider when assessing new opportunities in the Lithuanian economy. This article commences by surveying the employment climate in Lithuania, then provides an overview of the applicable regulatory framework in relation to the conditions for entitlement to, and the procedures for obtaining, residence and work permits for foreigners' legitimate stay, residence and work in Lithuania, and finally discusses employment regulations, as well as presenting actual employment and foreign national residency related issues and statistics.

## 1. Overview of the Employment Climate in Lithuania

In the expanded European Union, the Republic of Lithuania (hereinafter, 'Lithuania'), together with the two other Baltic states – Latvia and Estonia – offers the cheapest labour force. Average monthly wages in Lithuania's manufacturing sector amount to about EUR 500-600 per month – significantly lower than in the high-income European Union (hereinafter, 'EU') member states (source: *Lithuanian Department of Statistics*). However, low labour costs provide no competitive advantage unless labour productivity is at a high level. Few years ago Lithuania was among leading EU countries in the pace of productivity growth. Meanwhile, a sensible stagnation in labour market and employment regulation in Lithuania has appeared recently. Naturally, one of the main reasons is a worldwide financial and economical crisis, which caused a decrease of production, trade and export and an increase of number of dismissed employees and unemployment rate. However, there is also a problem in employment regulation in Lithuania as the rules of Lithuanian Labour Code are too strict, complicated and unfavourable for the business development. There is a

lack of space of negotiation between employee and employer, because most of the rules, for example, working time, are strictly regulated by the Labour Code of the Republic of Lithuania (hereinafter, the 'Labour Code'). In the course of an economic crisis, simplification and flexibility of employment regulation would lessen pressure for employers and, most importantly, employees. Under such circumstances flexibility in the labour market was vital as never before, reminding that other countries predominantly launch reforms to increase flexibility when the situation in the labour market becomes especially acute. It is suggested not to apply specific provisions of the Labour Code when employers and employees are able to agree individually or collectively. For instance, it is recommended that employers and employees were allowed to agree individually on various aspects of working time – the duration of working day and working week, overtime work, vacations or the terms of firing. In addition, labour market participants should be allowed to agree collectively and not to comply with the Labour Code's rules regarding the introduction of summary recording of working time, payment for overtime work, night work or work on national holidays. Finally, the procedures of concluding labour contracts should be simplified. It is conceded that complicated dismissal procedures – various restrictions of dismissal, long terms of notice, large amounts of compensations – make a negative effect by impeding an establishment of new job positions. It is especially relevant in the course of an economic crisis, when employers are not confident about their economic future and are avoiding long-term obligations.

In the present decade, Lithuanian labour legislation has undergone important changes. A new Labour Code came into effect in January 2003. The Labour Code replaced a number of separate laws on specific employment issues. Some superfluous rules, such as a list of detailed grounds for terminating a contract, have been abolished. Nevertheless, the codification of labour laws did not essentially change the nature of the pre-existing extensive and detailed regulations. It left little room for negotiation between the parties to an employment contract, which is the major flaw of strict regulation.

For example, the law stipulates that employment contracts must be concluded in written form, in accordance with a model set by government resolution. Fixed-term contracts are prohibited if the work is of a permanent nature, except in cases designated

by laws or collective agreements. Employers must register each employee with the local department of the State Social Security Board on the day the employment contract is concluded. The law sets detailed grounds for the special purpose leave and forbids unpaid leave on grounds not specified in the law or in a collective agreement.

One measure aimed at ensuring the flexibility of the labour market is part-time employment. Flexible markets allow numerous, voluntary part-time jobs which are filled as second jobs of those already employed elsewhere, or those unable to find full-time employment. In 2003, 9.6% of all people employed in

Lithuania were employed part-time (Table 1) (*source: Eurostat*). In 2008 this figure decreased to 6.7 %. While this indicator is adequate among the compared countries (but much lower than the 16-45% seen in more developed EU countries), more than half of those with part-time jobs were so employed involuntarily. There is little flexibility left to a job-seeker if an employer insists, for cost-saving reasons, on part-time employment only. This also serves as an indirect indication that full-time employment may be viewed by employers as being unattractive, and therefore to be avoided where possible through the use of various alternative employment forms.

Table 1. Part-Time Employment

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Belgium	18.4	18.9	18.5	19.1	20.5	21.4	22.0	22.2	22.1	22.6
Bulgaria	:	:	3.2	2.5	2.3	2.4	2.1	2.0	1.7	2.3
Czech Republic	5.6	5.3	4.9	4.9	5.0	4.9	4.9	5.0	5.0	4.9
Denmark	21.6	21.3	20.1	20.0	21.3	22.2	22.1	23.6	24.1	24.6
Germany	19.0	19.4	20.3	20.8	21.7	22.3	24.0 <sup>(b)</sup>	25.8	26.0	25.9
Estonia	8.1	8.1	8.2	7.7	8.5	8.0	7.8	7.8	8.2	7.2
Greece	5.8	4.5	4.0	4.4	4.3	4.6	5.0	5.7	5.6	5.6
Spain	8.0	7.9	8.0	8.0	8.2	8.7	12.4 <sup>(b)</sup>	12.0	11.8	12.0
France	17.1	16.7	16.3	16.4	16.6	16.8	17.2	17.2	17.3	16.9
Ireland	16.4	16.4	16.5	16.5	16.9	16.8	:	:	18.0	18.6
Italy	7.9	8.4	8.4	8.6	8.5	12.7 <sup>(b)</sup>	12.8	13.3	13.6	14.3
Cyprus	6.5	8.4	8.4	7.2	8.9	8.6	8.9	7.7	7.3	7.8
Latvia	12.1	11.3	10.3	9.7	10.3	10.4	8.3	6.5	6.4	6.3
Lithuania	:	10.2	9.9	10.8	9.6	8.4	7.1	9.9	8.6	6.7
Luxembourg	9.8	10.4	10.4	10.7	13.4	16.4	17.4	17.1	17.8	18.0
Hungary	3.8	3.5	3.6	3.6	4.4	4.7	4.1	4.0	4.1	4.6
Malta	:	6.8	7.4	8.3	9.2	8.7	9.6	10.0	10.9	11.5
Netherlands	39.7	41.5	42.2	43.9	45.0	45.5	46.1	46.2	46.8	47.3
Austria	16.4	16.3	18.2	19.0	18.7	19.8 <sup>(b)</sup>	21.1	21.8	22.6	23.3
Poland	10.5	10.5	10.3	10.8	10.5	10.8	10.8	9.8	9.2	8.5
Portugal	11.0	10.9	11.1	11.2	11.7	11.3	11.2	11.3	12.1	11.9
Romania	15.9	16.5	16.6	11.8 <sup>(b)</sup>	11.5	10.6	10.2	9.7	9.7	9.9
Slovenia	6.1	6.5	6.1	6.1	6.2	9.3	9.0	9.2	9.3	9.0
Slovakia	2.1	2.1	2.3	1.9	2.4	2.7	2.5	2.8	2.6	2.7
Finland	12.1	12.3	12.2	12.8	13.0	13.5	13.7	14.0	14.1	13.3
Sweden	19.7	19.5	21.1	21.5	22.9	23.6	24.7 <sup>(b)</sup>	25.1	25.0	26.6
United Kingdom	24.6 <sup>(b)</sup>	25.1	25.0	25.3	25.6	25.7	25.2	25.3	25.2	25.3
Iceland	:	:	:	:	22.1	22.2	22.2	17.1	21.7	20.5

According to the Labour Code, employees may be represented and protected by trade unions or by worker councils. A worker council should be an institution formed from representatives of all employees. A trade union, however, can be established by a proportion of all employees in an enterprise. Nevertheless, the priority to negotiate with an employer has been handed over to trade unions. The trade unions are active in only about 5% of all private enterprises, but the other representative institution is in practice unavailable for the workers – the adoption of a special law regulating the formation and status of worker councils was delayed (it came into effect in November 2004, and was later amended in December 2005 and June 2008). As a result, the conditions favour the creation of trade unions and expansion of their activities.

Under the Labour Code, collective agreements have become a prerequisite for almost every company. Both parties to individual employment contracts cannot exercise fully their rights and maintain their interest. Without a collective agreement, employees cannot receive unpaid leave on grounds not

specified in the Labour Code, or conclude fixed-term employment contracts even if they wish so. An employer can enter into an agreement on full material liability with the employees only if those positions are mentioned in the collective agreement. Since the difficulties inherent in the process of making collective agreements are aggravated by the lack of worker councils, the legal requirements have not as yet been fully complied with. In practice, the State Labour Inspectorate does not yet apply strict sanctions, since the problem has been caused by legislative deficiency.

Lithuania maintains levels of hiring, firing, and rigidity of employment which are about the average of the European and Central Asian countries, and somewhat lower than the high income Organization for Economic Cooperation and Development (hereinafter, 'OECD') countries (Table 2) (*source: Doing Business in 2005*). It is, however, well behind the leader in the region – Slovakia. It fares better than the two averages in terms of the cost of firing expressed in number of weeks – 34 weeks versus the average of 38 weeks in Europe and Central Asia Region and 40 weeks in the OECD countries.

Table 2. Hiring and Firing

Region or Economy	Difficulty of Hiring Index	Rigidity of Hours Index	Difficulty of Firing Index	Rigidity of Employment Index	Firing Costs (weeks)
Slovakia Republic	0	20	10	10	17
Czech Republic	44	20	20	28	22
Poland	11	60	30	34	25
OECD: High income	26	50	26	34	40
Hungary	11	80	30	40	34
Europe & Central Asia	31	51	42	41	38
<b>Lithuania</b>	<b>33</b>	<b>60</b>	<b>30</b>	<b>41</b>	<b>34</b>
Estonia	11	80	40	44	33
Latvia	78	20	50	49	42
Slovenia	28	80	50	53	47
Portugal	33	80	60	58	98
Greece	78	80	40	66	133
Spain	67	80	60	69	68

In the process of harmonisation of national legislation with the EU requirements, conditions more beneficial for employees than EU law strictly requires were frequently established. For example, the Lithuanian Labour Code sets higher requirements for night shift work than the EU directives. Although this type of regulation is not prohibited by the EU, and may even provide additional security for workers, it can become a competitive disadvantage in the developing global market. In conjunction with other issues (including boosting the level of the minimum wage, high standards for safety and health at work,

and other examples of strict regulation) it may result, in the short-term, in less attractive conditions for foreign and domestic investment.

EU membership has a direct impact on the Lithuanian labour market. According to various pre-membership forecasts, up to 3% of the overall labour force may move to Western European countries. A corresponding trend emerged during the first months of the EU membership. Evidence suggests that in Vilnius, for instance, during the period 2004-2007, there were many more job openings in the Labour Exchange

than there were registered unemployed persons. The most acute shortage of workforce appeared in the transportation and construction sectors, especially for highly skilled blue-collar workers. Companies were seriously considering bringing workers in from other countries, such as Belarus, Russia, Ukraine – where labour was still cheaper than in Lithuania. In practice, there were cases when Lithuanian companies, for example in the construction and transportation sectors, brought in workers from Belarus on tourist visas in order to avoid the foreign worker quota limits and the bureaucracy involved in hiring the workers and obtaining temporary residence permits for them.

However, the worldwide financial and economical crisis has made a significant impact on the Lithuanian labour market. Beginning with the second quarter of 2008, the number of unemployed has been intensely increasing (unemployment rate has risen from 4.5% to 13.6%) (source: *Lithuanian Department of Statistics*). Proportionately, the number of job vacancies has decreased more than 4 times (from 25853 in the third quarter of 2008 to 5918 in the second quarter of 2009) (source: *Eurostat*).

Mobility of the labour force is an important ingredient in a healthy investment climate. While there is a fair amount of mobility among white-collar workers in the larger cities in Lithuania, the evidence suggests that Lithuanians find it easier to move to Ireland or other promising foreign destinations than to another location in Lithuania. This, however, is not specific to Lithuania; in most countries in the region, internal mobility is very low. This already hampers companies' ability to find the workers they need. The internal mobility in Lithuania should improve with time; supported, among other things, by the development of the real estate market.

One of the main factors affecting a country's international competitiveness is the quality of its labour force and its ability to retrain, develop, and achieve higher productivity levels. McKinsey Global Institute study, for instance, provides an example of uneducated Mexican workers working in the US construction companies who achieve as high productivity as any other US worker, although such a feat would be impossible in their native Mexico. Japanese car manufacturers, known for their top-level processes

and labour productivity, can achieve similar levels of productivity in all the countries in which they operate, be it Japan, the US, or a developing country like India. This indicates the overarching importance of management and modern production processes in maintaining business competitiveness (source: *McKinsey Global Institute study*).

Naturally, it all starts from the education of the population. It is hard to underestimate the importance of education on the employment climate, and ultimately, on a country's productivity, innovative insight, and prosperity.

Quality of education is a crucial factor for the Lithuanian economy due to three major reasons:

- (i) At present, employers face difficulties in finding suitable employees, even though the unemployment rate is rather high (at over 11% in 2004, and up to 13,6% in the second quarter of 2009).
- (ii) Foreign direct investment is made where the human resources available are capable of adapting to new standards and requirements.
- (iii) Currently, most economic activities in Lithuania are labour intensive. At the same time, Lithuania needs to move up along the quality line in the global goods and services market – which is only possible by raising the quality of education.

Unlike in many other countries, access to education is sufficient in Lithuania (though the opposite is often claimed publicly). Enrolment levels in tertiary education are among the highest in the world and markedly exceed the OECD average: in 2008, even 79% of secondary school graduates were enrolled in tertiary education in Lithuania, while the OECD average was around 45%. The number of students per 1000 inhabitants in Lithuania was 43 in 2001, and reached 60 in 2007, while the EU-15 average in 1999 was 33, and remains stable in 2007 - 34. Enrolment in tertiary education in Lithuania continues to increase. Financing of education is high in proportion to total government expenditure and as compared with other countries (Table 3) (source: *Eurostat*), but it is relatively low on a per-student basis. In 2006, public expenditure on education accounted for 4.84% of GDP.

Table 3. Public Spending on Education

	1999	2000	2001	2002	2003	2004	2005	2006
EU (27 countries)	4.86 <sup>(s)</sup>	4.88 <sup>(s)</sup>	4.99 <sup>(s)</sup>	5.10 <sup>(s)</sup>	5.14 <sup>(s)</sup>	5.06 <sup>(s)</sup>	5.04 <sup>(s)</sup>	5.05 <sup>(s)</sup>
Belgium	:	:	6.00 <sup>(o)</sup>	6.11 <sup>(o)</sup>	6.05 <sup>(o)</sup>	5.99 <sup>(o)</sup>	5.95 <sup>(o)</sup>	6.0 <sup>(o)</sup>
Bulgaria	4.02	3.97	3.78	4.03	4.23	4.51	4.51	4.24
Czech Republic	3.97	3.97	4.09	4.32	4.51	4.37	4.26	4.61
Denmark	8.11 <sup>(o)</sup>	8.29 <sup>(o)</sup>	8.44 <sup>(o)</sup>	8.44 <sup>(o)</sup>	8.33	8.43	8.30 <sup>(o)</sup>	7.98 <sup>(o)</sup>
Germany	4.51	4.46	4.49	4.70	4.70	4.59	4.53	4.41
Estonia	6.74 <sup>(o)</sup>	6.10 <sup>(o)</sup>	5.28	5.48	5.31	4.94	4.92	4.80
Greece	3.25 <sup>(o)</sup>	3.39 <sup>(o)</sup>	3.50 <sup>(o)</sup>	3.57 <sup>(o)</sup>	3.58 <sup>(o)</sup>	3.82 <sup>(o)</sup>	4.00	:
Spain	4.38	4.28	4.23	4.25	4.28	4.25	4.23	4.28
France	5.81 <sup>(o)</sup>	6.03	5.94	5.88	5.90	5.79	5.65	5.58
Ireland	3.34	4.28	4.27	4.29	4.39	4.70	4.75	4.86
Italy	4.47	4.55	4.86	4.62	4.74	4.58	4.43	4.73
Cyprus	5.36 <sup>(o)</sup>	5.35 <sup>(o)</sup>	5.93 <sup>(o)</sup>	6.55 <sup>(o)</sup>	7.29 <sup>(o)</sup>	6.70 <sup>(o)</sup>	6.92 <sup>(o)</sup>	7.02 <sup>(o)</sup>
Latvia	5.77	5.64	5.64	5.71	5.32	5.07	5.06	5.07
Lithuania	6.37	5.90	5.89	5.84	5.16 <sup>(o)</sup>	5.19 <sup>(o)</sup>	4.90 <sup>(o)</sup>	4.84 <sup>(o)</sup>
Luxembourg	:	:	3.74 <sup>(o)</sup>	3.79 <sup>(o)</sup>	3.77 <sup>(o)</sup>	3.86 <sup>(o)</sup>	3.78 <sup>(o)</sup>	3.41 <sup>(o)</sup>
Hungary	4.66	4.42	5.01	5.38	5.86	5.43	5.46	5.41
Malta	4.43	4.49	4.46	4.38	4.70	4.82	6.76 <sup>(b)</sup>	:
Netherlands	4.90	4.96	5.06	5.15	5.42	5.46	5.48	5.46
Austria	5.86	5.74	5.79	5.72	5.57	5.52	5.46	5.44
Poland	4.79 <sup>(o)</sup>	4.89 <sup>(o)</sup>	5.42 <sup>(o)</sup>	5.41 <sup>(o)</sup>	5.35 <sup>(o)</sup>	5.41 <sup>(o)</sup>	5.47 <sup>(o)</sup>	5.25 <sup>(o)</sup>
Portugal	5.43 <sup>(o)</sup>	5.42 <sup>(o)</sup>	5.61 <sup>(o)</sup>	5.54 <sup>(o)</sup>	5.57 <sup>(o)</sup>	5.29 <sup>(o)</sup>	5.39 <sup>(o)</sup>	5.25 <sup>(o)</sup>
Romania	3.37	2.86	3.25	3.51	3.45	3.28	3.48	:
Slovenia	:	:	5.89	5.78	5.82	5.76	5.74	5.72
Slovakia	4.18 <sup>(o)</sup>	3.93 <sup>(o)</sup>	4.00 <sup>(o)</sup>	4.30 <sup>(o)</sup>	4.30 <sup>(o)</sup>	4.19 <sup>(o)</sup>	3.85 <sup>(o)</sup>	3.79 <sup>(o)</sup>
Finland	6.08	5.89	6.04	6.21	6.42	6.42	6.32	6.14
Sweden	7.30	7.21	7.12	7.43	7.30	7.18	6.97	6.85
United Kingdom	4.47 <sup>(o)</sup>	4.46 <sup>(o)</sup>	4.57 <sup>(o)</sup>	5.11 <sup>(o)</sup>	5.24 <sup>(o)</sup>	5.16 <sup>(o)</sup>	5.37 <sup>(o)</sup>	5.48 <sup>(o)</sup>
Iceland	5.78 <sup>(o)</sup>	5.81 <sup>(o)</sup>	6.24 <sup>(o)</sup>	6.79 <sup>(o)</sup>	7.70 <sup>(o)</sup>	7.48 <sup>(o)</sup>	7.59 <sup>(o)</sup>	7.55 <sup>(o)</sup>

The content of education has changed markedly since the Soviet times, but the methods of teaching have changed much less so. Study programmes tend to cover more specific areas and include fewer general programmes, even at the universities. A lack of functional education, observed in other new EU member countries, is characteristic of Lithuania as well. Universities still fail to teach students how to learn, how to make decisions, how to cope with uncertainties and changing circumstances, how to work in a group and how to acquire other skills necessary for the new world economy and infor-

mation society. These qualities cannot be acquired by simple administrative provision, given that the current generation of teachers lack such abilities themselves or abstain from exercising new forms of teaching because the system does not accept them. In order to change the quality of education, teachers have to be motivated to invest in the quality of teaching. On the other hand, students have to be motivated to demand a good quality of education, which is often not the case today. Such motivation could be created by financial and organisational means.

According to a survey on employment of recent graduates, only 45% of university and college graduates consider their speciality as reflecting market needs (26% of those polled considered it more as reflecting market needs than not) (source: *Institute of Labour and Social Research*). On top of that, life-long learning is still not a popular concept in Lithuania, reducing the flexibility of university graduates to adapt

to the market requirements by continuously learning new skills (Table 4) (source: *Eurostat*). Lithuania, with 3.8% in 2003, ranked fourth last among all 25 EU countries - and far below the EU leaders such as Sweden with over 32% - by the proportion of the adult population in education or training. Although in 2008 numbers reached 4.9%, this is still more almost than 5% lower than the EU average of 9.6%.

**Table 4.** Life-long learning, share of adult population in education and training

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EU (27 countries)	:	7.1 <sup>(e)</sup>	7.1 <sup>(e)</sup>	7.2	8.5 <sup>(b)</sup>	9.3	9.8	9.7	9.5	9.6 <sup>(p)</sup>
EU (25 countries)	:	7.5 <sup>(e)</sup>	7.5 <sup>(e)</sup>	7.6	9.0 <sup>(b)</sup>	9.8	10.3	10.2	10.0	10.1 <sup>(p)</sup>
EU (15 countries)	8.2 <sup>(e)</sup>	8.0 <sup>(e)</sup>	8.0 <sup>(e)</sup>	8.1	9.8 <sup>(b)</sup>	10.7	11.3	11.2	10.9	11.0 <sup>(p)</sup>
Belgium	6.9 <sup>(b)</sup>	6.2 <sup>(i)</sup>	6.4	6.0	7.0	8.6 <sup>(b)</sup>	8.3	7.5 <sup>(p)</sup>	7.2	6.8
Bulgaria	:	:	1.4	1.2	1.3	1.3	1.3	1.3	1.3	1.4
Czech Republic	:	:	:	5.6	5.1 <sup>(i)</sup>	5.8	5.6	5.6	5.7	7.8 <sup>(p)</sup>
Denmark	19.8	19.4 <sup>(b)</sup>	18.4	18.0	24.2 <sup>(b)</sup>	25.6	27.4	29.2	29.2	30.2
Germany	5.5	5.2	5.2	5.8	6.0 <sup>(i)</sup>	7.4 <sup>(i)</sup>	7.7	7.5	7.8	7.9
Estonia	6.5	6.5 <sup>(b)</sup>	5.4	5.4	6.7	6.4	5.9	6.5	7.0	9.8 <sup>(p)</sup>
Greece	1.3	1.0	1.2	1.1	2.6 <sup>(b)</sup>	1.8	1.9	1.9	2.1	2.9
Spain	5.0	4.1 <sup>(b)</sup>	4.4	4.4	4.7	4.7	10.5 <sup>(b)</sup>	10.4	10.4	10.4
France	2.6	2.8	2.7	2.7	7.1 <sup>(b)</sup>	7.1	7.1	7.6	7.4	7.2
Ireland	:	:	:	5.5	5.9 <sup>(b)</sup>	6.1	7.4	7.3	7.6	10.2 <sup>(p)</sup>
Italy	5.5	4.8 <sup>(b)</sup>	4.5	4.4	4.5	6.3 <sup>(b)</sup>	5.8	6.1	6.2	6.3
Cyprus	2.6	3.1	3.4	3.7	7.9 <sup>(b)</sup>	9.3	5.9 <sup>(b)</sup>	7.1	8.4	8.5
Latvia	:	:	:	7.3	7.8	8.4	7.9	6.9	7.1	6.8
Lithuania	3.9	2.8	3.5	3.0 <sup>(b)</sup>	3.8	5.9 <sup>(b)</sup>	6.0	4.9	5.3	4.9
Luxembourg	5.3	4.8	5.3	7.7	6.5 <sup>(b)</sup>	9.8	8.5	8.2	7.0	8.5
Hungary	2.9	2.9	2.7	2.9	4.5 <sup>(b)</sup>	4.0	3.9	3.8	3.6	3.1
Malta	:	4.5	4.6	4.4	4.2	4.3 <sup>(b)</sup>	5.3	5.4	6.0	6.2
Netherlands	13.6	15.5	15.9	15.8	16.4 <sup>(b)</sup>	16.4	15.9	15.6	16.6	17.0
Austria	9.1	8.3	8.2	7.5	8.6 <sup>(b)</sup>	11.6 <sup>(i)</sup>	12.9	13.1	12.8	13.2
Poland	:	:	4.3	4.2	4.4	5.0 <sup>(b)</sup>	4.9	4.7	5.1	4.7
Portugal	3.4	3.4	3.3	2.9	3.2	4.3 <sup>(b)</sup>	4.1	4.2 <sup>(p)</sup>	4.4 <sup>(p)</sup>	5.3 <sup>(p)</sup>
Romania	0.8	0.9	1.0	1.0	1.1	1.4 <sup>(b)</sup>	1.6	1.3	1.3	1.5
Slovenia	:	:	7.3	8.4	13.3 <sup>(b)</sup>	16.2	15.3	15.0	14.8	13.9
Slovakia	:	:	:	8.5	3.7 <sup>(b)</sup>	4.3	4.6	4.1	3.9	3.3
Finland	17.6	17.5 <sup>(b)</sup>	17.2	17.3	22.4 <sup>(b)</sup>	22.8	22.5	23.1	23.4	23.1
Sweden	25.8	21.6	17.5 <sup>(b)</sup>	18.4	31.8 <sup>(b)</sup>	32.1	33.4 <sup>(e)</sup>	32.0 <sup>(e)</sup>	32.4 <sup>(e)</sup>	:
United Kingdom	19.2	20.5 <sup>(b)</sup>	20.9	21.3	27.2 <sup>(b)</sup>	29.0	27.6	26.7	20.0 <sup>(b)</sup>	19.9
Iceland	20.2	23.5	23.5	24.0	29.5 <sup>(b)</sup>	24.2	25.7	27.9	27.0	25.1

## 2. Regulatory Framework: Requirements and Procedures for Obtaining a Residence Permit

### 2.1. Registration procedures

A permit to live in Lithuania entitles a foreigner to choose a place of residence in the country, to change it, to leave Lithuania and to return to it while the permit is still valid. A foreigner's freedom of movement can only be legally restricted when there is a threat to national security and public order. By law, foreigners must provide information on, and declare their place of residence. The main legislation governing these matters is the Law on the Legal Status of Aliens, which came into effect in April 2004; the Order of the Minister of Interior Affairs on the Rules of Issue of Temporary Residence Permits and Evaluation of Fake Marriage, which came into effect in October 2005; and the Law on Declaration of Place of Residence, which came into effect in July 1999 (with later amendments).

Foreign citizens in possession of a residence permit for Lithuania, and non-citizens living in Lithuania, must declare their place of residence when changing their place of residence in Lithuania and leaving Lithuania for a period of more than six months. Foreigners should declare their place of residence to the Migration Office no later than seven business days from the commencement of the declaration obligation.

Lithuanian institutions or employers must provide the following information in respect of foreigners to the Migration Department within seven days in the cases noted below:

- (i) Employer: of the annulment of an employment contract with a foreigner with a permit to live temporarily in Lithuania.
- (ii) State Tax Inspectorate: of a foreigner with a permit to live temporarily in Lithuania who has ceased industrial, commercial or other work-related activities in Lithuania.
- (iii) Educational institution: of a foreigner with a permit to live temporarily in Lithuania who has been expelled or who has withdrawn from studies.
- (iv) Institution of law and order: of a foreigner who has committed a crime or any other legal offence.
- (v) Court: of a foreigner who has been convicted of a crime he or she committed, or fined for an administrative offence.
- (vi) Civil registry office: of changes in a foreigner's civil status.

### 2.2. Residence permit

According to the applicable laws of Lithuania, foreigners intending to live in Lithuania either temporarily or permanently must obtain a permit to live in Lithuania. Two kinds of permit may be issued: a permit to live temporarily in Lithuania, or a permit to live permanently in Lithuania. A permit to live in Lithuania is issued to foreigners regardless of their age. For foreigners under the age of 16 wishing to live in Lithuania, their parents or other legal guardians may apply on their behalf. A citizen of an EU Member State who has entered the Republic of Lithuania for residence for a time period in excess of three months within half a year shall be issued a certificate, of the form established by the Minister of the Interior, confirming his right of residence in the Republic of Lithuania (hereinafter – the 'Certificate').

However, EU citizen can obtain a Certificate only if one meets at least one of the following grounds:

- (i) is an employee or a self-employed person;
- (ii) is in possession of adequate means of subsistence for himself/herself and for his/her family members, where the family members arrive together with him/her or join him/her, for residence in the Republic of Lithuania and has a valid document evidencing health insurance coverage;
- (iii) is a student, intern, participant in in-service training or vocational training courses, is in possession of adequate means of subsistence for himself/herself and for his/her family members, where the family members arrive together with him/her or join him/her, for residence in the Republic of Lithuania and has a valid document evidencing health insurance coverage;
- (iv) is a family member of the citizen of the EU Member State who arrives together with him/her or joins him/her.

To obtain a Certificate, EU citizen should apply to the migration office, in the territory of which he/she wishes to declare his/her place or residence or seeks to be registered as a person without having a place of residence. The migration office, will examine the application and will make a decision within five business days from the day of lodging the application. The Certificate is valid for five years from the issuance day or for the predictable period of residence of the EU citizen in Lithuania if this period is shorter than five years. Foreigners who are EU citizens will be issued with a permanent permit if: they have been lawfully residing in the Republic of Lithuania for the last five years or entered the Republic of Lithuania for residence together with a citizen of the Republic of Lithuania as his/her family member.

To obtain a residence permit, non-EU citizens should apply to a diplomatic representative or consulate of Lithuania in their country of permanent residence when applying for the first time. A foreigner who is lawfully staying in the territory of the Republic of Lithuania may lodge an application to issue a residence permit, including one lodged for the first time, with the Migration Department, however the lodging of such an application shall not entitle the foreigner to stay in the territory of the Republic of Lithuania before his application has been examined and a decision on the issue has been made. For the replacement of the residence permit the non-EU citizens must apply to the Migration Department. Application for the issue or replacement of a residence permit must be examined:

- (i) regarding the issue of a temporary residence permit, when the alien holds a long-term residence permit issued by an EU Member State - not later than within four months from the day of lodging an application with the relevant institution;
- (ii) regarding the issue of a temporary residence permit, except for the previously specified case - not later than within six months;
- (iii) regarding the issue of a permanent residence permit - not later than within six months;
- (iv) regarding the replacement of a temporary residence permit - not later than within two months. Temporary permits for non-EU citizens are issued for up to one year.

In 2008, Lithuania admitted 9300 foreign nationals, which represents a 1.9 times increase as compared with 2001. On average, there were 2.8 foreign nationals per 1000 nationals (as compared to 1.4 in 2001). The total number of immigrants to Lithuania during the last 16 years was 104,750. The largest flows of immigrants originated from the United Kingdom, the Russian Federation, Germany, US, and Belarus.

### 3. Regulatory Framework: Requirements and Procedures for Recruitment

#### 3.1. Work permit

A foreigner who intends to work in the Republic of Lithuania must obtain a work permit. A foreign national is relieved of the obligation to acquire a work permit in the Republic of Lithuania if he or she:

- (i) is a national of an EU Member State;
- (ii) holds a permanent residence permit in the Republic of Lithuania;
- (iii) holds a temporary residence permit in the Republic of Lithuania issued on the following

grounds: (a) he or she retained the right to citizenship of the Republic of Lithuania according to the procedure laid down in the Law on Citizenship; (b) he or she is a person of Lithuanian origin; (c) he or she is party to a family reunification; (d) he or she is in foster care or has been appointed as a guardian; (e) according to the procedure laid down by the laws, the foreign national in question has been granted subsidiary or temporary protection by or refuge in the Republic of Lithuania.

Work permits are issued to foreign nationals and revoked by the Labour Exchange under the Ministry of Social Security and Labour of the Republic of Lithuania. A foreign national's application for a work permit in the Republic of Lithuania must be examined within two months (one month in the case of temporary employment) from the date of receipt of the application at the Lithuanian Labour Exchange. A foreign national must obtain a work permit before entering the Republic of Lithuania. Issue of work permits to foreign nationals depends on the market demand for labour in the Republic of Lithuania. The work permit may be issued to a foreign national if there is no specialist in Lithuania meeting the employer's qualification requirements. The work permit is issued for a period of up to two years, and specifies the job (position) and the company, institution or organisation where the foreign national will be employed. A foreign national who enters the Republic of Lithuania to take up seasonal employment obtains a work permit valid for up to six months during a single year starting from the first day of entry into the Republic of Lithuania. A foreign national may take up employment in the Republic of Lithuania under an employment contract or, if the foreign national's permanent place of employment is in another country, he or she may be placed for temporary employment in the Republic of Lithuania. A foreign national's wage may not be lower than that paid to a resident of the Republic of Lithuania performing work of the same kind.

A foreign national from one of the EU Member States may enter Lithuania and stay there for up to three months during a period of six calendar months calculated from the first day of entry into Lithuania. If a national of an EU Member State intends to live and work under an employment contract, engage in other lawful activities, or provide or receive services work in the Republic of Lithuania for a period longer than three months during any period of six calendar months, he or she must obtain the Certificate for a national of an EU Member State to reside in the Republic of Lithuania.

EU citizens and their families intending to work in Lithuania under an employment contract do not need to obtain a work permit. They can participate in selection procedures and find work under the same conditions as Lithuanian citizens. However, those wishing to work in the civil service, law enforcement

institutions and a number of other areas must be Lithuanian citizens.

### 3.2. Recognition of diplomas and qualifications

Recognition of diplomas and qualifications is governed both by EU legislation and by the national laws of Lithuania. Government Resolution No. 60 regulating the evaluation and recognition of qualifications gained in foreign states, came into effect in January 2005 and regulates the following:

- (i) Tertiary education qualifications are evaluated by the Centre for Quality Assessment, which also provides relevant information, consultation and recommendations.
- (ii) Tertiary education qualifications are recognised by the Ministry of Education and Science, based on the evaluation by the Centre for Quality Assessment in Tertiary Education.
- (iii) The Centre for Quality Assessment evaluates, and the Ministry of Education and Science also recognises, other qualifications obtained abroad.

When trying to find work or engage in a corresponding professional activity, recognition of qualifications depends on whether the profession is regulated. Professions are regulated when the worker may endanger the life or health of others, or inflict material or moral damage. A profession is regulated where the law requires that those wishing to undertake that particular professional activity can demonstrate that they are sufficiently qualified. The State appoints competent institutions to decide on the recognition of qualifications. If a profession is not formally regulated, this means that the person holding the qualification does not need to have it formally recognised.

### 3.3. Conclusion of employment contracts

All jobs undertaken in companies, institutions and organisations on the basis of an agreement with an employer or an authorised representative of the latter must be formalised in an employment contract. This rule does not apply to jobs carried out under an author's publishing contract. For citizens of foreign states and non-citizens who, in accordance with established rules, have come temporarily to work in Lithuania, employment regulations are determined by international agreements and by the Lithuanian government. In every employment contract, the parties must agree on the essential conditions of the contract: the employee's place of work (including enterprise, establishment, organisation, structural subdivision), and job functions, i.e. on work of a certain profession, speciality, qualification, or specific duties.

Other conditions may be defined in employment laws and collective agreements, with respect to different types of employment contract, to which the parties agree when concluding the contract. In every employment contract, the parties must agree on the conditions of remuneration for work (including the system of remuneration for work, the amount payable in respect of wages, and the payment procedure). However, the remuneration for the work should not be considered as an essential condition of the employment contract, without which the contract will be deemed invalid. Even if the parties to a contract do not agree on the specific remuneration, but the work has been executed, the constitutional principle (Article 48 of the Constitution) requires that each individual shall have the right to receive fair pay for work. The parties can also agree on other employment conditions in the contract, provided these are not forbidden by employment laws, other acts of law or a collective contract; for example, the joining of professions, material responsibility, and so on.

The employment contract must be concluded in writing using a standard form. Written contracts are drawn up in duplicate. One of the signed copies is given to the employee, the other remains with the employer. The employer is responsible for the proper conclusion of the employment contract.

### 3.4. Content and performance of employment contracts

Once a fixed-term employment contract has expired, a new employment contract will be concluded where both the employer and the employee agree to this. When concluding an employment contract, both parties can agree to a trial period. The conditions of the trial period must be defined in the contract, and it cannot generally be for a period longer than three months. However, in certain cases defined in law, where the employer wishes to ascertain whether the employee is suitable for the job in question, a longer trial period may be agreed, though this may not exceed six months.

If an employer decides that an employee's performance was unsatisfactory during the latter's trial period, he or she may dismiss the employee before the end of the trial period by giving three days' notice in writing, without having to pay any severance pay. An employer can terminate an employment contract by giving the employee two months' – and in certain cases provided for in the Labour Code, four months' – notice in writing. The employer can amend the terms of the employer contract if the production situation justifies this. In order to do so, the employer must have the prior written consent of the employee, except where temporary changes in working conditions under special circumstances are concerned.

An employer may change the conditions of remuneration for work without the written consent of

an employee only when remuneration for a specific sector of the economy, enterprise or category of employees is changed, either by law, government resolutions, or under the applicable collective agreement. In the event of changes in the conditions under which remuneration is paid, wages cannot be reduced without the written consent of the employee. Where new payment conditions are established, the employer must notify the employees in writing at least one month before the conditions become effective.

### 3.5. Non-standard types of employment

**Under the Labour Code, employment contracts can be:**

- (i) non-term;
- (ii) fixed-term – i.e. concluded for a limited period or for the duration of a particular job, but not for longer than five years;
- (iii) temporary – concluded for no more than two months;
- (iv) seasonal – concluded for the performance of seasonal work, which due to natural and climatic conditions is not performed all year round, but only in certain periods (seasons) not exceeding eight months (in a period of 12 successive months), and is entered on the list of types of seasonal work;
- (v) secondary job – legislation permitting, an employee in a second job can agree to take on extra duties in the same workplace or to do additional work at another workplace;
- (vi) for home workers – it can be stated in the employment contract that the employee will do the job agreed in the contract at home;
- (vii) for housekeeping – a contract is concluded whereby the employee pledges to provide the employer with personal housekeeping services;
- (viii) other – e.g. probationary, employee exchange.

### 3.6. Remuneration

Remuneration covers the main salary and any additional earnings, paid in various ways directly by an employer to an employee for the work performed. Men and women receive equal pay for the same job or for jobs of equal value.

On the advice of the Tripartite Council, the government sets a minimum hourly rate and a minimum monthly salary, and is able to set the minimum hourly rates and minimum monthly salaries at different levels for separate branches of the economy, regions or groups of workers. An employee's hourly rate or monthly salary cannot be lower than the minimum

levels established. In collective agreements, the minimum remuneration can be set at a higher level.

For overtime and night shifts, employees are paid at least 1.5 times the hourly rate or monthly salary. For unscheduled work on a day off or holiday, employees are paid at least double or, if they prefer, compensated by receiving another day off that month, or an extra day's annual leave. For scheduled work on a holiday, employees are paid at least twice the hourly or daily rate.

As of 1 January 2008, the minimum monthly salary in Lithuania rose to LTL 800 per month, and the minimum hourly pay rose to LTL 4.85. The current state-supported income rose to LTL 350. According to survey results, average gross monthly earnings in the country's economy, including individual enterprises, in the first quarter of 2008 were LTL 2151.74; it has been constantly growing during last few years and has risen by 100% as compared with the first quarter of 2004. In the public sector, they totalled LTL 2334.9 in the first quarter of 2008; while in the private sector the figure was LTL 2058.3 (*source: Lithuanian Department of Statistics*). However, influenced by the worldwide financial and economical crisis, an increase of the average gross monthly earnings has been discontinued, and the average gross monthly earnings in Lithuania almost hasn't changed since the first quarter of 2008 till the second quarter of 2009: during the period of 18 months it has risen by 1% only.

### 3.7. Working time

In Lithuania, working time cannot exceed 40 hours per week. Working time includes the following:

- (i) the time actually taken to do any work, hours of duty on call at home and at the place of work;
- (ii) time expended on business errands or business trip to another locality;
- (iii) the time necessary to prepare and arrange a workstation, work equipment, safety measures;
- (iv) rest breaks, included in working time in accordance with statutory acts;
- (v) the time taken to carry out mandatory check-ups;
- (vi) a study programme, qualification improvement in a workplace or training centres;
- (vii) the time of suspension from work, if the employee suspended is obliged to comply with the order established in his or her workplace;
- (viii) periods of inactivity;
- (ix) other periods of time set by laws and regulations.

Working hours should not exceed eight hours per day. The maximum number of working hours over seven days, including overtime, should not exceed 48 hours. For certain categories of workers, including doctors, nurses, carers, workers in children's homes, energy and other services who are on duty without a break, working hours can be up to 24 hours a day. The average working time of such workers over a period of seven days cannot exceed 48 hours, and the time off between working days cannot be shorter than 24 hours. For workers employed in more than one workplace or doing two or more jobs in the same workplace, a working day, including breaks, cannot exceed 12 hours. For workers whose job involves significant mental or emotional stress, the procedure for the shortening of working time is determined by the government.

It is illegal for an employee to be allocated two consecutive shifts. Where possible, employees raising a child under the age of 14 have priority when it comes to choosing shifts. Overtime is usually illegal. An employer can only assign overtime in exceptional circumstances. An employee's overtime should not exceed four hours over one day (shift) and 120 hours over an entire year. Collective agreements may stipulate other overtime periods that should not exceed 180 hours over an entire year.

### 3.8. Annual leave

Annual leave in Lithuania can be minimal, extended, or additional. Annual leave is not reduced for part-time workers. Remuneration for annual leave is paid no later than three calendar days before the start of annual leave. The minimum annual leave is 28 calendar days. Employees under the age of 18, single parents with a child under the age of 14 or a disabled child under the age of 18, disabled employees and others, as defined in law, are entitled to annual leave of 35 calendar days.

Some categories of workers whose job involves significant emotional and mental stress and occupational hazards, and workers with specific working conditions, receive extended annual leave of up to 58 calendar days. Additional annual leave must be granted for working in conditions that deviate from the norm, for prolonged uninterrupted service in a workplace, and for doing specific types of job. The government determines the duration of additional annual leave and the conditions and rules under which it is granted. Employment contracts, collective agreements or work regulations allow additional annual leave which is longer in duration or different from those described.

Annual leave for the first working year shall be granted, as a rule, after six months of uninterrupted work at the enterprise. For the second and subsequent working years annual leave shall be granted at any time of the working year in accordance with the schedule for granting annual leave. The procedure

for making the schedule shall be stipulated in a collective agreement and, where such an agreement is not made, the schedule for annual leave shall be made by the mutual agreement of the parties. Annual leave can be split into parts at the request of the employee. One of these must be at least 14 calendar days long.

### 3.9. End of employment

An employment contract ends if it has been terminated in accordance with the law, if an employer has gone into liquidation without a legal successor, and if an employee has retired or died. One party to the employment contract may make a written proposal to the other party to terminate the contract with the mutual agreement of both parties. If the latter agrees to the proposal, he or she has seven days to inform the proposing party of his or agreement to the termination of the contract. An employee may terminate an open-ended employment contract, as well as a fixed-term employment contract before its expiry date, by giving his or her employer at least 14 days' written notice. The notice period may differ for a collective agreement, but cannot exceed one month. An employee may terminate an open-ended employment contract, as well as a fixed-term employment contract before its expiry date, by giving his or her employer at least three days' written notice, if the request to terminate the contract is due to an illness or disability suffered by the employee which makes it difficult to do his or her job properly, or other important causes defined in the collective agreement, or if his employer has not met the obligations of the employment contract, or has infringed laws or a collective agreement.

An employee may terminate an open-ended employment contract by giving his or her employer at least three days' notice if he or she is already entitled to receive, or is receiving, a full old-age pension. An employee may terminate an open-ended employment contract, as well as a fixed-term employment contract concluded for longer than six months, if (i) the time spent idle during working hours at the employee's workplace, and through no fault of the employee, lasts for more than 30 consecutive days; or if (ii) it totals more than 60 days over the past 12 months; similarly if (iii) for more than two consecutive months, he or she has not been paid in full. An employer may only terminate an open-ended employment contract for substantial cause, giving the employee two months' (and in certain cases provided for in the Labour Code, four months') written notice. An employee who has not committed an offence may still be dismissed if he or she is not willing to be transferred to another position. Only circumstances associated with an employee's qualifications, vocational abilities, and behaviour at work may be deemed to be legitimate grounds for dismissal.

Employment contracts for employees with less than five years to work before they are entitled to receive a full old-age pension, for those under the age of 18, for the disabled and for employees raising children under the age of 14, may only be terminated in exceptional circumstances, where the employee would fundamentally damage the interests of the employer were he or she to remain in that job.

Once a pregnant employee has presented her employer with a medical certificate regarding the pregnancy, her employment contract can only be terminated one month after the end of her maternity leave, save for a few exceptions provided for in the Labour Code.

If an employee is negligent in carrying out his or her work duties, or otherwise violates labour discipline, and disciplinary action has been taken against him or her at any stage in the preceding 12 months, then the employer has the right to terminate the employment contract without giving the employee prior notice. The same applies when an employee is guilty of deliberate negligence.

Employees finish their working activities when they retire. In Lithuania, the pensionable age differs for men and women. The pensionable age for men is 62 years and 6 months, and the pensionable age for women is 60.

### 3.10. Protection against sexual harassment

Victims of sexual harassment are protected under Lithuanian laws. Article 21 of the Constitution of Lithuania declares a person's right to inviolability, reinforcing one of the most important, basic human rights. Article 29 of the Constitution of Lithuania declares that a person's rights cannot be restricted, nor can he or she be granted privileges on the grounds of sex, race, nationality, language, origin, social position, religion, beliefs or views. Sexual discrimination includes sexual harassment.

The Office of the Equal Opportunities Ombudsman offers advice on how to respond to the harasser, the type of evidence that should be collected, and how to stop harassment. If the claimant is unsure about filing a complaint with the Office of the Equal Opportunities Ombudsman, the Office's staff will offer advice and, if necessary, help with filing an official complaint on sexual harassment.

### 3.11. Work disputes – strikes

An employment contract ends if it has been terminated in accordance with the law, if an employer has gone into liquidation without a legal successor, and if an employee has retired or died. One party to the employment contract may make a written proposal to the other party to terminate the contract with the mutual agreement of both parties. If the latter agrees to the proposal, he or she has seven days

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Employment contracts for employees with less than five years to work before they are entitled to receive a full old-age pension, for those under the age of 18, for the disabled and for employees raising children under the age of 14, may only be terminated in exceptional circumstances, where the employee would fundamentally damage the interests of the employer were he or she to remain in that job.

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If an employee is negligent in carrying out his or her work duties, or otherwise violates labour discipline, and disciplinary action has been taken against him

or her at any stage in the preceding 12 months, then the employer has the right to terminate the employment contract without giving the employee prior notice. The same applies when an employee is guilty of deliberate negligence.

Employees finish their working activities when they retire. In Lithuania, the pensionable age differs for men and women. The pensionable age for men is 62 years and 6 months, and the pensionable age for women is 60.

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### 3.13. Work disputes – strikes

Article 51 of the Constitution of Lithuania provides that employees protecting their economic and social interests have the right to go on strike. A trade union may decide to call a strike or threaten to do so, depending on its established rules. The decision to call a strike must be approved by secret ballot. In order to call a strike in a company, two-thirds of its employees must approve. In order to call a strike in a section of a company, it must be approved by two-thirds of employees in that section and more than half of all employees in the company. An employer must be given written warning of the strike at least seven calendar days before it is due to begin. The decision to strike must be reached in accordance with the rules described.

The following are not allowed to call strikes: those working in internal affairs, national defence and national security, as well as medical emergency staff.

The demands of workers in these services and companies are considered by the Lithuanian government. Strikes are prohibited in natural disaster areas, as well as in areas where a state of martial law or state of emergency has been declared in accordance with the procedure established by law, until the resolution of the consequences of a natural disaster or lifting of the state of martial law or state of emergency. It is prohibited to declare a strike during the term of validity of the collective agreement if the agreement is complied with.

For striking employees, implementation of employment contracts is suspended during the strike, safeguarding their service record, place of work, social maintenance and ensuring they are protected from accidents at work. Striking employees are not paid a salary and they are freed from their work duties. During negotiations to end the strike, it can be agreed that the strikers will be paid all or part of their earnings. Employees who did not take part in the strike, but who were unable to do their jobs because of it, are paid as they would be for idle time or they may be transferred to another job with their agreement.

## CONCLUSIONS

The codification of labour laws has not changed the nature of the pre-existing extensive and detailed labour legislation. Clearly, it has left little room for negotiation between the parties to an employment contract. This is a major flaw, which adversely affects the flexibility of the labour market and the mobility of the labour force.

In addition, in the process of harmonisation of national legislation with the EU requirements, conditions more beneficial for employees than EU law strictly demands were frequently established. In conjunction with other issues presented in this article, this may have resulted in less attractive conditions for foreign and domestic investment.

Notwithstanding the detailed labour regulations, the immigration laws provide for rather more extensive procedures and requirements for foreign workers, especially for non-EU citizens, and this impedes the flexibility of the employment climate for foreigners working in Lithuanian companies.

Employing a Foreigner in a Lithuanian Company  
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This briefing constitutes a general guide only. It is not intended to contain legal advice: this should be sought as appropriate in relation to the particular matter in hand. If you would like further information on the issues outlined in this briefing, please contact Bernotas & Dominas Glimstedt: tel: +370 5 2690 700, fax: +370 5 2690 701, [vilnius@glimstedt.lt](mailto:vilnius@glimstedt.lt)



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