

# NEW LABOUR CODE OF LITHUANIA

	MORE FLEXIBILITY	NEW REQUIREMENTS
EMPLOYMENT CONTRACTS	<p><b>Types of employment contract</b></p> <ul style="list-style-type: none"> <li>• Fixed-term employment contract for permanent work</li> <li>• “Zero hours” employment contract</li> <li>• Single employment contract for a Company Group</li> <li>• Employment contract on sharing the workplace</li> <li>• Project work employment contract</li> </ul> <p><b>Other solutions</b></p> <p>More possibilities of recovering training costs from the employee. Special agreements on deviation from the Labour Code. Flexible conditions for small businesses (up to 10 employees).</p>	<p><b>Requirements for non-compete agreements</b></p> <ul style="list-style-type: none"> <li>• Maximum period of non-compete: 2 years</li> <li>• Minimum amount of compensation: 40% of previous salary</li> <li>• Compensation cannot to be paid in the course of employment</li> <li>• Maximum amount of contractual penalty: 3 monthly non-compete compensations</li> </ul> <p><b>Placement procedure</b></p> <p>The candidate must be notified in writing about employment conditions.</p>
SALARY	<p><b>Partial work</b></p> <p>Employer can declare partial work regime if due to economic reasons there is no sufficient workload. Decrease of employees’ salary will be compensated from a special unemployment social insurance fund.</p> <p><b>Penalty for delayed payment</b></p> <p>In case of delayed settlement with terminated employee, the penalty of average salary will be limited to the period of 3 months.</p>	<p><b>Reduction of salary</b></p> <p>Employee's refusal to the salary reduction cannot be a reason of employment termination.</p> <p><b>Bonuses</b></p> <p>Employee will be entitled to prorated amounts of target bonuses upon employment termination.</p>
WORKING HOURS	<p><b>Overtime</b></p> <p>Maximum overtime limits are increased: 12 hours per week and 180 hours per year. Maximum average working week: 48 hours.</p> <p><b>Vacation</b></p> <p>Annual vacation will be calculated in working days. Standard duration of the annual vacation – 20 working days.</p> <p><b>Individual agreements</b></p> <p>Flexible work schedule, individual working regime and similar arrangements can be agreed individually with the employee.</p>	<p><b>Special guarantees for management personnel</b></p> <p>Work during rest days, public holidays, night time work and overtime must be recorded and paid by regular wage rates, unless the employment contract stipulates otherwise.</p> <p><b>Standby regime</b></p> <p>Standby regime outside the office can continue for one week in a four-week period. Standby hours must be compensated by at least 20% of the employee's average salary.</p> <p><b>Nighttime work</b></p> <p>Average shift of the nighttime worker is up to 8 hours per month.</p>

## MORE FLEXIBILITY

## NEW REQUIREMENTS

### EMPLOYMENT TERMINATION

#### Changes in termination procedures

Shorter notice periods for termination without employee's fault (**1 month** or **2 weeks**; longer terms apply for specially protected categories of employees).

Standard severance pay - **2 monthly average salaries**; if the employee is in the company less than a year - **1/2 monthly average salary**.

Additional social benefits are paid to employees from a special fund which is formed on the basis of employers' social insurance contributions.

Termination "at will" is possible with the severance pay of **6 monthly average salaries**.

#### Conditions for legitimate termination

Performance improvement plan should be executed for at least **2 months** before termination due to poor performance.

Before redundancy the employer will have to approve selection criteria for affected employees. The employer will have a burden of proof that the affected position is economically redundant.

Any termination should be executed by a special written employer's decision indicating dismissal day.

Disciplinary terminations should become more restricted.

### WORK ENVIRONMENT

#### Discipline

Disciplinary procedures (except disciplinary termination) become part of employer's internal policies.

The employer will have a right to put the employee on a "garden leave" for the period of disciplinary investigation.

#### Mandatory policies

Companies with average number of at least **50 employees** must have a policy on gender equality and a policy of employees' personal data privacy.

Companies with the average number of at least **20 employees**, must have a policy on salary system.

#### Special requirements on work environment:

- Balance between work and family
- Psychological climate
- Protection against discrimination
- Privacy protection
- Promotion of professional development and training

### SOCIAL PARTNERSHIP

National, Sectoral and Territorial Collective Agreement may be extended to all employers operating at the respective level via decree of Ministry of Social Affairs and Labour.

Employer has a right to lockout.

#### Mandatory work councils

All employers must organize elections of the work council (companies with **up to 20 employees** - election of employees' trustee), unless more than half of the relevant company's employees are trade union members.

#### Stricter requirements for information and consultation procedures

#### Stricter conditions for employment termination of employees' representatives

Employee representatives can be dismissed by the employer (including disciplinary dismissal) only after approval by the State Labour inspectorate.

FOR MORE INFORMATION,  
PLEASE CONTACT:

**Jurgita Venckutė**

+370 615 955 42

[jurgita.venckute@vklaw.lt](mailto:jurgita.venckute@vklaw.lt)



VENCKUTĖ&KARNICKAS  
law firm