

**REPUBLIC OF LITHUANIA
LAW ON EMPLOYMENT**

21 June 2016 No XII-2470
Vilnius

**CHAPTER I
GENERAL PROVISIONS**

Article 1. Purpose and Scope of the Law

1. This Law establishes the main forms of employment and the system thereof, the legal framework, objectives and tasks of the system for the support of employment of job seekers, the functions of entities implementing the employment support policy, the organisation and funding of the provision of labour market services and the implementation of the employment support measures, and liability for illegal work, violations of the foreigners' employment procedures, undeclared work and undeclared self-employment.

2. The labour market services and the employment support measures established by this Law shall apply to:

1) Citizens of the Republic of Lithuania, citizens of the Member States of the European Union or of the European Free Trade Association and family members thereof residing in the Republic of Lithuania;

2) Citizens of the Republic of Lithuania, citizens of the Member States of the European Union or of the European Free Trade Association and family members thereof residing in another Member State of the European Union or of the European Free Trade Association, provided that the permanent establishment of their last employer or the last place of self-employed activities was in the Republic of Lithuania;

3) Foreigners holding permits to reside in the Republic of Lithuania who are exempted, under the Lithuanian law, from the obligation to obtain a permit to work in the Republic of Lithuania;

4) Employers that have a permanent establishment in the Republic of Lithuania and employers who are natural persons and permanent residents of the Republic of Lithuania.

3. Provisions of this Law on the services of consulting on seasonal work shall also apply to foreigners arriving to the Republic of Lithuania to do seasonal works; provisions of the Law on the registration of vacant jobs, information and employment intermediation shall also apply to employers operating in the Member States of the European Economic Area and the Swiss Confederation.

4. Liability for illegal work, violations of the foreigners' employment procedures, undeclared work and undeclared self-employed activities shall apply to all persons operating in the territory of the Republic of Lithuania.

5. Provisions of this Law have been harmonised with the European Union's legal acts listed in the Annex thereto.

Article 2. Main Terms and Definitions

1. **Employment** means lawful independent, partially independent or dependent activities of a natural person, either paid or unpaid, which provides the person with funds for subsistence as well as activities in which the person engages in order to obtain work or professional skills, or other continued activities that the person exercises in cases and according to a procedure prescribed by law.

2. **Employment form** means the method of the person's activities due to the exercise of which the person is deemed to be employed.

3. **Employment support policy** means a set of labour market services, employment support measures, and other economic and social measures applied in order to increase the rates of employment of job seeker, to reduce unemployment, and mitigate the negative consequences of unemployment.

4. **Employment support system** means a set of legal, economic, social and organisational measures implemented in order to support employment of job seekers.

CHAPTER II EMPLOYMENT FORMS AND SYSTEM THEREOF

Article 3. Employed Person

1. A person shall be deemed to be employed if he engages in the activities in at least one of the following forms:

- 1) works under an employment contract or on the grounds of legal relations deemed to be equal to labour relations;
- 2) is self-employed;
- 3) is engaged in unpaid employment.

2. The characteristics of employment in each of the employment forms specified above, to the extent that they are not governed by this Law, shall be established in special laws and other legal acts.

Article 4. Persons Working under Employment Contracts or on the Grounds of Legal Relations Deemed Equal to Labour Relations

1. A person is deemed to be employed if he works under an employment contract on the grounds of legal relations deemed to be equal to labour relations.

2. The concept of an employment contract and the procedures for the entering into, execution and termination of an employment contract shall be governed by the Labour Code of the Republic of Lithuania.

3. The following legal relations shall be deemed to be equal to labour relations:

- 1) public service relations the characteristics of which shall be established by the Republic of Lithuania Law on Public Service and the relevant service statutes;
- 2) professional military service relations the characteristics of which shall be established by the Republic of Lithuania Law on the Organisation of the National Defence System and the Military Service;
- 3) legal relations pertaining to the work of state politicians the characteristics of which shall be established by special laws except for cases where a person performs the duties of a member of a municipal council without remuneration;
- 4) legal relations pertaining to the work of state officials the characteristics of which shall be established by special laws;
- 5) legal relations pertaining to the work of judges the characteristics of which shall be established by special laws;
- 6) diplomatic service relations the characteristics of which shall be established by the Republic of Lithuania Law on the Diplomatic Service and other laws;
- 7) legal relations pertaining to the work of secret workers of criminal intelligence the characteristics of which shall be established by the Republic of Lithuania Law on Criminal Intelligence;
- 8) legal relations pertaining to the service of persons delegated to international and European Union institutions or institutions of foreign states the characteristics of which shall be established by the Republic of Lithuania Law on Delegation of Persons to International and European Union Institutions or Institutions of Foreign States and other laws;
- 9) legal relations pertaining to the service of persons occupying elected positions on a membership basis for remuneration or elected to county or local election commissions,

municipal election commissions, or city or district referendum commissions the characteristics of which shall be established by the Republic of Lithuania Law on the Seimas Elections, the Republic of Lithuania Law on the Presidential Elections, the Republic of Lithuania Law on the Elections to the European Parliament, the Republic of Lithuania Law on the Municipal Elections, and the Republic of Lithuania Law on Referendum;

10) work performed by persons convicted by courts according to a procedure prescribed by the Penal Code of the Republic of Lithuania;

11) work performed by persons staying at social and psychological rehabilitation institutions.

Article 5. Self-Employed Persons

A self-employed person shall be a natural person who is engaged in the activity that is not characterised by subordination to another person for whose benefit the work is performed, inherent to labour relations or legal relations deemed to be equal to labour relations, such activity is continued and/or repetitive, and opportunities for carrying out such activity in the future exist:

- 1) registered individual activity;
- 2) activity upon formation of a legal person or another organisational structure or by carrying out activities otherwise related to the activities of a legal person;
- 3) activities of providing agricultural and forestry services by issuing a receipt for the services according to the Republic of Lithuania Law on the Provision of Agricultural and Forestry Services by Issuing a Service Receipt.

Article 6. Registered Individual Activities

1. Registered individual activities shall include the following independent activities by a natural person:

- 1) individual creative activities related to the independent creation of works that can be subject to copyright and the transfer or granting of property rights to such works;
- 2) activities of free professions in which natural persons with the relevant qualifications engaged on an individual basis, in a responsible and professionally independent manner, by providing intellectual services to clients and the public including legal, accounting, audit, book-keeping, lobbying, financial consulting, tax consulting, architect's, engineering, designer's, psychologist's, journalist's, broker's, enterprise bankruptcy administrator's, enterprise restructuring administrator's and similar activities;
- 3) independent sports activities related to the carrying out of certain physical or mental activities based on certain rules and organised in a form set specifically for the activity, or activities of preparation for and participation in contests/competitions except for sports activities under an employment contract for sports activities;
- 4) independent performer's activities related to the performer's preparations for and participation in a public show. Natural persons who participate in the creation of a work or the preparations for a public show but do not take part in the public performance of the work or in the public show shall not be deemed to be performers;
- 5) independent activities of a coach when the coach has not concluded an employment contract for the work of a coach with an organisation engaged in the provision of physical culture and sports training;
- 6) scientific and similar independent activities that is not classified as a free profession activity;
- 7) other independent commercial or production activities except for the sale and/or lease of immovable property and financial instruments' transactions;
- 8) agricultural activities.

2. Persons shall engage in the individual activities according to a procedure prescribed by tax laws.

Article 7. Activities upon Formation of a Legal Person or Another Organisational Structure or by Carrying out Activities Otherwise Related to the Activities of a Legal Person

For the purposes of this Law, a person shall be deemed to be employed if he has formed a legal person in any legal form specified below, or is a member of such legal person or takes part in the activities of another organisational structure, or is engaged in such activities that are otherwise related to the activities of the legal person:

- 1) is an owner of a sole proprietor company;
- 2) is a full member of a small partnership, general partnership or a limited partnership;
- 3) is a partner under a joint activity agreement except for a farmer's partner or a partner of an agricultural holding;
- 4) is a member of a management body of a legal person and receives remuneration for such activities;
- 5) is a member of a cooperative society and conducts economic transactions with the society;
- 6) is a member of a family-type child care organisation;
- 7) is a member of a legal person and is entitled to a share of the legal person's profit under the law and the legal person's constitutional documents.

Article 8. Registered Individual Agricultural Activities

Registered individual agricultural activities shall be activities carried out by a natural person upon registration, according to a procedure prescribed by law, of an agricultural holding, a farm or farm animals or upon becoming a farmer's partner or a partner of an agricultural holding.

Article 9. Unpaid Employment

A person shall be deemed to be employed if he is engaged in the following unpaid activities:

- 1) is on advanced training under an advanced training agreement;
- 2) carries out activities in the public interest;
- 3) performs work as a work therapy measure;
- 4) is engaged in voluntary activities;
- 5) is on a traineeship under a voluntary traineeship agreement;
- 6) is on a traineeship under a professional traineeship agreement;
- 7) is engaged in professional activities in the period of professional adaptation;
- 8) performs public works upon imposition of the relevant administrative penalty according to a procedure prescribed by the Administrative Code of the Republic of Lithuania;
- 9) performs public works upon imposition of the relevant penalty according to a procedure prescribed by the Criminal Code of the Republic of Lithuania.

Article 10. Voluntary Practice

1. Persons under 29 years of age shall be entitled to enter into voluntary traineeship agreements with enterprises, institutions or other organisational structures (hereinafter referred to as the 'organisations') at which the voluntary traineeship takes place.

2. Persons younger than 18 years of age shall be entitled to enter into voluntary traineeship agreements provided that the child's representative in law does not object to this.

3. The organisation shall, no later than one working day prior to the scheduled start of the voluntary traineeship and within 3 working days from the end of such traineeship, notify such start and end dates to a territorial office of the State Social Insurance Fund Board under the Ministry of Social Security and Labour (hereinafter referred to as the 'State Social Insurance Fund Board') responsible for exercising control over compliance with the requirements set for the voluntary traineeship agreements.

4. Persons undergoing voluntary traineeship according to the procedure laid down in this Article shall be covered by the social insurance of health and accidents at work and occupational diseases at the cost of the State according to the Lithuanian law.

5. A person may undergo traineeship under only one voluntary traineeship agreement at the same time. The voluntary traineeship agreement may be concluded with the same organisation only once.

6. The number of voluntary traineeship agreements at the organisation may not exceed 10 percent of the total number of employees of the organisation, and where the organisation has fewer than 10 employees, such organisation may have only one valid and current voluntary traineeship agreement.

7. The term of the voluntary traineeship agreement concluded by a person, or the total term of all such agreements concluded by the person may not exceed 2 months within a calendar year.

8. A person may enter into a voluntary traineeship agreement for not more than 3 times, and the total term of all such agreements may not exceed 6 months.

9. Voluntary traineeship shall be unpaid.

10. The voluntary traineeship procedures shall be set by the Government of the Republic of Lithuania or an institution authorised by it.

CHAPTER III SUPPORT FOR EMPLOYMENT

SECTION ONE EMPLOYMENT SUPPORT SYSTEM

Article 11. Purpose and Tasks of the Employment Support System

1. The purpose of the employment support system shall be to seek full employment of the population, to reduce social seclusion, and to strengthen social cohesion.

2. The tasks of the employment support system shall be as follows:

- 1) ensure the balance of labour supply and demand in the labour market;
- 2) increase employment opportunities for job seekers of working age.

3. The tasks of the employment support system and the employment support measures shall be implemented and the labour market services shall be provided following the principle of equal opportunities for women and men and the principle of non-discrimination.

Article 12. Labour Market Services, Employment Support Measures and Labour Market Monitoring

1. Labour market services shall include:

- 1) registration of vacant jobs and job seekers;
- 2) information;
- 3) consulting;
- 4) assessment of employment opportunities;
- 5) employment intermediation;
- 6) planning of individual employment activities.

2. Employment support services shall include:

- 1) active labour market policy measures;
- 2) programmes on increasing employment;
- 3) compensation for the loss of income due to unemployment, in full or in part.

3. Labour market monitoring shall include:

1) recording of job seekers and vacant jobs, assessment of the labour market situation and making the relevant projections;

2) assessment of the implementation and efficiency of the provision of the labour market services and the active labour market policy measures.

SECTION TWO

ENTITIES RESPONSIBLE FOR THE MAKING, ORGANISING, MANAGING, SUPERVISING AND IMPLEMENTING THE EMPLOYMENT SUPPORT POLICY AND THEIR REMIT

Article 13. Entities Responsible for the Making, Organising, Managing, Supervising and Implementing the Employment Support Policy

1. The employment support policy makers responsible for the organisation of the policy, its coordination and control shall be as follows:

- 1) the Government of the Republic of Lithuania;
- 2) the Ministry of Social Security and Labour of the Republic of Lithuania (hereinafter referred to as the 'Ministry of Social Security and Labour') and other ministries.

2. The employment support policy shall be implemented by:

- 1) the Lithuanian Labour Exchange under the Ministry of Social Security and Labour (hereinafter referred to as the 'Lithuanian Labour Exchange') and other state institutions and bodies;

- 2) municipal institutions and organisations;

- 3) other legal and natural persons.

3. The employment support policy makers responsible for the organisation of the policy, its coordination and control referred to in paragraph 1 above shall formulate the policy in consultation with social partners.

4. The employment support policy makers responsible for the organisation of the policy, its coordination and control referred to in paragraph 1 and items 1 and 2 of paragraph 2 above shall assess the efficiency of the provision of labour market services and the implementation of the employment support measures through surveys of job seekers and employers, assessment of statistical data and organisation of research, and shall publish the results of the assessment.

Article 14. Remit of the Government of the Republic of Lithuania

The Government of the Republic of Lithuania shall:

- 1) submit to the Seimas (Parliament) of the Republic of Lithuania proposals for draft new laws governing the implementation of the employment support policy;

- 2) approve state programmes on the increase of employment and adopt resolutions necessary to ensure support for employment;

- 3) coordinate the activities of ministries, other institutions and organisations related to the support for employment.

Article 15. Remit of the Ministry of Social Security and Labour and Other Ministries

1. The Ministry of Social Security and Labour shall:

- 1) submit proposals to the Government of the Republic of Lithuania for the implementation of the employment support policy;

- 2) coordinate, analyse and control the implementation of the employment support policy in accordance with the European Union employment strategy;

- 3) organise and finance the implementation of the employment support measures and labour market services;

- 4) set conditions and procedures for the provision of the labour market services, implementation of the employment support measures, and labour market monitoring;

- 5) perform other employment support functions assigned to it by legal acts.

2. Other ministries shall provide the labour market services under this Law, attain the purpose and tasks of the employment support system, and implement the employment support

measures within their remit in the process of performance of governance functions and carrying out of activities related to the utilisation of the European Union Structural Funds and co-financing funds according to the law.

Article 16. Remit of the Lithuanian Labour Exchange, Local Labour Exchanges and Other State Institutions and Organisations

1. The employment support policy shall be implemented by the Lithuanian Labour Exchange and local labour exchanges.

2. Institutions financed from the state budget that implement the employment support policy shall be legal persons having accounts with banks, seals and symbols.

3. The Lithuanian Labour Exchange shall:

1) organise the activities of local labour exchanges and exercise control over the provision of the labour market services and implementation of the labour market policy measures and programmes on increasing employment by the local labour exchanges;

2) set the criteria and procedures for the selection of job seekers for participation in the active labour policy measures and for the selection of employers wishing to implement the active labour market policy measures;

3) monitor the national labour market and the conditions for establishing therein;

4) consider and submit, jointly with municipal institutions and social partners, proposals to the Ministry of Social Security and Labour for measures to resolve employment issues;

5) grant the status of a social enterprise and provide state aid to social enterprises according to the procedure prescribed by the Republic of Lithuania Law on Social Enterprises and implementing legal acts;

6) organise the implementation of the employment and social guarantees to employees dismissed from state enterprise Ignalina Nuclear Power Plant according to the procedure prescribed by the Republic of Lithuania Law on Additional Employment and Social Guarantees to employees of State Enterprise Ignalina Nuclear Power Plant and implementing legal acts;

7) organise and coordinate the provision of professional rehabilitation services according to the procedure prescribed by the Republic of Lithuania Law on Social Integration of Disabled Persons and implementing legal acts;

8) issue permits to work in the Republic of Lithuania and adopt decisions according to the procedure prescribed by the Republic of Lithuania Law on the Legal Status of Aliens and implementing legal acts;

9) perform other functions set for it by the laws.

4. A local labour exchange shall:

1) provide the labour market services as defined in this Law and implement the active labour market policy measures and programmes on increasing employment under this Law;

2) monitor the national labour market and the conditions for establishing therein in the assigned territory;

3) record cases of dismissal of a group of employees from enterprises operating in the assigned territory;

4) draft and approve, in coordination with the Lithuanian Labour Exchange, programmes on the implementation of the active labour market policy measures planned for the current year, and publish such programmes;

5) perform other functions set for it by the laws.

5. Other state institutions shall contribute to the achievement of the purpose and tasks of the employment support system and the implementation of the employment support measures in accordance with this Law and other legal acts.

Article 17. Remit of Municipal Institutions and Organisations

Municipal institutions and organisations shall take part in the implementation of the employment support measures set in Article 45, 46 and 47 of this Law and shall prepare and implement the programmes on increasing employment set in Article 48 of this Law.

Article 18. Social Partners

1. In implementing the employment support policy, social partners shall represent their interests by taking part in the activities of the Tripartite Council of the Republic of Lithuania and tripartite councils/committees/commissions established under the institutions implementing the employment support policy.

2. The tripartite councils/committees/commissions established under the institutions implementing the employment support policy consider and make proposals for the priorities of the institutions' activities, purposefulness of preparation of programmes on increasing employment, provision of the labour market services and implementation of the employment support measures.

3. The tripartite councils/committees/commissions shall be either standing or ad hoc councils/committees/commissions for the resolution of individual issues of implementation of the employment support policy.

4. Regulations of the tripartite councils/committees/commissions under the institutions implementing the employment support policy shall be approved by the Government of the Republic of Lithuania or an institution authorised by it.

Article 19. Representatives of Non-Governmental Organisations, Other Organisations and Local Communities

Representatives of non-government organisations, other organisations and local communities representing interests of job seeker groups may take part, with the right of a consultative vote, in the activities the tripartite councils/committees/commissions under the institutions implementing the employment support policy, established for the resolution of employment issues related to job seekers.

SECTION THREE

PERSONS TO WHOM LABOUR MARKET SERVICES AND EMPLOYMENT SUPPORT MEASURES ARE APPLIED

Article 20. Persons to Whom Labour Market Services and Employment Support Measures Provided for in This Law Are Applied

1. The labour market measures provided for in this Law shall be rendered to the following persons:

- 1) non-working persons;
- 2) persons working under employment contracts or on the grounds of legal relations deemed to be equal to labour relations;
- 3) self-employed persons;
- 4) persons incapable for work;
- 5) employers.

2. The active labour market measures and the programmes on increasing employment provided for in this Law shall apply to the following job seekers:

- 1) the unemployed;
- 2) persons incapable for work.

3. Persons covered by the unemployment social insurance shall be entitled to compensation for income lost due to unemployment according to the procedure prescribed by the Republic of Lithuania Law on Unemployment Social Insurance and implementing legal acts.

Article 21. Non-Working Persons

A non-working person shall be a person who fulfils at least one of the following conditions:

- 1) is unemployed;
- 2) engages in unpaid employment activities only;

3) is not an employed person.

Article 22. Unemployed Persons and Job Seekers

1. An unemployed person shall be a person who fulfils all the following conditions:

1) does not work under an employment contract or is not subject to legal relations deemed to be equal to employment relations;

2) is not a self-employed person except for persons carrying out activities specified in Article 5(3) of this Law, specifically, the provision of agricultural and forestry services by issuing service receipts, a person who is engaged in the activities specified in paragraphs 3 through 7 of Article 7 of this Law, a person who is an owner of a sole proprietor company, a small partnership, a general partnership or a limited partnership that has temporarily suspended its activities and has notified the tax administrator according to the procedure set by the central tax administrator, or a member of a small partnership, or a full member of a general partnership or a limited partnership, or an owner of a sole proprietor company, a small partnership, a general partnership or a limited partnership having the status of an entity under liquidation or bankruptcy as recorded in the Register of Legal Entities or a member of small partnership or a full member of a general partnership or a limited partnership having the said status, and a person that has registered farm animals but has no status of a farmer and is not a farmer's partner or has not registered an agricultural holding or is not a partner of an agricultural holding;

3) is a person between 16 years of age and the old-age pension age set by legal acts;

4) is a person who can be an employee according to the Labour Code of the Republic of Lithuania except for a person that has been recognised as incapable for work under the Republic of Lithuania Law on the Social Integration of Disabled Persons;

5) is not studying under any general education programme or formal vocational education programme except for persons who study under adults' primary, basic or secondary education programmes or persons who finance their studies under a formal vocational education programme themselves, or do not study at a higher education establishment under a full-time study programme;

6) is seeking a job both independently and using the labour market services provided by a local labour exchange according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it.

2. A person who is engaged in unpaid unemployment activities but fulfils the conditions set out in paragraph 1 above shall be entitled to the status of the unemployed.

3. A person who meets the criteria set in paragraphs 1 and 2 above shall acquire the status of the unemployed from the moment of his registration with the local labour exchange according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it.

4. A job seeker who does not meet the criteria set in paragraphs 1 and 2 above may be acquire one of the following statuses according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it:

1) employed person;

2) person of a pension age;

3) person incapable for work;

4) studying person.

5. The local labour exchange shall cancel registration of a person for whom the status of the unemployed has been cancelled from the date of such cancellation except for the circumstances referred to in subparagraphs 1 through 4 of Article 24(4) of this Law, in which case the registration with the local labour exchange shall be continued at the person's request.

6. A person for whom the status of the unemployed has been cancelled due to the circumstances referred to in subparagraphs 5 through 9 of Article 24(4) of this Law may re-register with the local labour exchange no earlier than upon expiry of 6 months from the date of the cancellation.

7. Registration of persons referred to in paragraph 4 above who do not use the labour market services for longer than 3 months shall be terminated and they shall be entitled to re-register with the local labour exchange no earlier than upon expiry of 6 months from the date of the termination.

Article 23. Groups of Unemployed Persons

1. A local labour exchange having regard to the results of the employment opportunities' assessment referred to in Article 29 of this Law shall group the unemployed into groups of high, medium or limited employment opportunities.

2. The criteria for the grouping of the unemployed as stated in paragraph 1 above and the procedures for offering them the employment support measures shall be established by the Government of the Republic of Lithuania or an institution authorised by it.

Article 24. Grounds for Suspending, Restoring and Revoking the Status of the Unemployed

1. The status of the unemployed shall be suspended for the period when:

1) the unemployed is taking part in the learning support measures or supported employment measures;

2) fixed-term labour relations or legal relations deemed to be equal to labour relations lasting for up to 6 months arise, or the unemployed starts registered individual activities and engages in such activities for no longer than 6 months;

3) the unemployed is seeing the compulsory initial military service or an alternative national defence service, or the unemployed who is a volunteer soldier, another active reserve soldier or a trained reserve soldier is called to exercises, training or performance of service duties, provided that he receives pay for the days of service;

4) the unemployed takes part in the psychological social rehabilitation measures, activation or socialisation projects or programmes.

2. No services of assessing employment opportunities, employment intermediation and planning individual employment activities shall be provided to persons for whom the status of the unemployed has been cancelled.

3. The status of the unemployed shall be restored when the circumstances referred to in paragraph 1 above cease to exist.

4. The status of the unemployed shall be cancelled if at least one of the circumstances listed below arise:

1) labour relations or legal relations deemed to be equal to labour relations that are opened or last for more than 6 months arise except for participation in the subsidised employment measures and measures to support the work skills acquisition, or the unemployed commences registered individual activities and engages in them for a period longer than 6 months, or establishes a sole proprietor company, or becomes a member of a small partnership, a general partnership or a limited partnership, or renews suspended activities of a sole proprietor company, or becomes a member of a small partnership, a general partnership or a limited partnership, or otherwise commences activities upon establishment of a legal person or another organisational structure or activities otherwise related to the activities of the legal person as specified in Article 7 of this Law;

2) the unemployed registers a farm in the Register of Farms or becomes a farmer's partner or registers an agricultural holding in the Register of Agricultural and Rural Business of the Republic of Lithuania, or becomes a partner of an agricultural holding;

3) the unemployed reaches the statutory old-age pension age or is recognised as incapable for work;

4) the unemployed starts studying under a general education programme or a formal vocational education programme except for the unemployed who study under adults' primary, basic or secondary education programmes, the unemployed who finance their studies under a formal vocational education programme themselves, or the unemployed who take part in the

learning support measures or start studying at a higher education establishment under a full-time study programme;

5) the unemployed refuses, without a valid reason, from a suitable job as stated in Article 30(2) below, or from the drawing up of an individual plan on employment activities, or from participation in the active labour market policy measures included in the individual plan on employment activities or programmes on increasing employment, or from using the labour market services provided in such plan;

6) the unemployed fails to present himself, without a valid reason, to an appointment at the local labour exchange for accepting a job offer, or for drawing up of an individual plan on employment activities, or for participating in the active labour market policy measures included in the individual plan on employment activities or programmes on increasing employment, or for using the labour market services provided in such plan;

7) the unemployed, without a valid reason, is not seeking a job according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it and fails to carry out activities referred to in Article 5(3) of this Law and/or violates the procedure for reporting on individual job search more than once;

8) the unemployed, without a valid reason, stops participating in the learning support measures or supported employment measures or, on completion of vocational training, refuses employment or self-employment according to the acquired/improved qualifications, or terminates the employment contract or self-employment activities within 6 months from the date of commencing employment or self-employment;

9) the local labour exchange repeatedly receives, within 12 months, from institutions exercising control and prevention of illegal work, undeclared employment and undeclared self-employment, information that the unemployed has received income illegally and/or is working illegally or is engaging in income-generating illegal activities;

10) the validity of the permit entitled the unemployed to reside in the Republic of Lithuania has expired;

11) a court decision, order or judgment whereby a penalty including an administrative penalty, or sanctions or coercive procedural or medical measures is/are imposed on the unemployed, as a result of which he is unable to work and/or continue a job search at a local labour exchange;

12) the unemployed declares, according to a procedure prescribed by law, emigration from the Republic of Lithuania except for the period provided for in the European Union regulations on the coordination of social security systems in which he receives the unemployment social security benefit;

13) the unemployed has filed an application for cancelling his registration with the local labour exchange;

14) the unemployed has died.

5. Valid reasons for which the status of the unemployed is not cancelled upon arising of the circumstances referred to in subparagraph 5 of paragraph 4 above are as follows:

1) sickness, injury, pregnancy where 70 calendar days remain until childbirth, childbirth and 56 calendar days after the childbirth (in case of a complicated childbirth or if two or more babies are born – 70 calendar days);

2) an epidemics announced in the area served by the local labour exchange;

3) engagement in the unpaid employment activities referred to in subparagraphs 1, 5, 6 and 7 of Article 9 of this Law.

6. Valid reasons for which the status of the unemployed is not cancelled upon arising of the circumstances referred to in subparagraph 6 of paragraph 4 above are as follows:

1) natural disaster or accident;

2) death of a close relative (parent, child, grandparent, grandchild, brother, sister), a spouse, a partner, a foster parent or an adopted child;

3) sickness of the child under 14; care for or nursing of a family member;

4) notice or summons served upon the unemployed by a court or a law enforcement body or an institution performing control/supervisory functions; deprivation of liberty due to administrative arrest, detention or imprisonment;

5) reasons specified in paragraph 5.

7. Valid reasons for which the status of the unemployed is not cancelled upon arising of the circumstances referred to in subparagraph 7 of paragraph 4 above are specified in paragraphs 5 and 6 and subparagraph 2 of paragraph 8 above.

8. Valid reasons for which the status of the unemployed shall not be cancelled upon arising of the circumstances referred to in subparagraph 8 of paragraph 4 above are as follows:

1) sickness, injury, pregnancy where 70 calendar days have remained until childbirth, childbirth and 56 calendar days after the childbirth (in case of a complicated childbirth or if two or more babies are born – 70 calendar days);

2) performing of the duties laid down in the Republic of Lithuania Law on the Military Service;

3) recognising, by the employer, that the results of the trial are unsatisfactory.

9. The person shall be informed about the issue of individual administrative orders on the granting, suspension, restoration or cancellation of the status of the unemployed no later than within 3 working days from the issue of the order by one of the following methods: orally (by phone or directly, during the person's visit to the institution), electronically (via electronic mail or the use of electronic services) or in writing (by post or courier).

Article 25. Persons Receiving Additional Support in the Labour Market

The following persons shall be entitled to additional support in the labour market:

1) disabled persons of working age with the assessed 25 % capacity for work or grave disability;

2) the unemployed who are disabled persons of working age with the assessed 30 to 40 % capacity for work or medium disability;

3) the unemployed who are disabled persons of working age with the assessed 45 to 55 % capacity for work or mild disability;

4) unqualified unemployed persons who have not acquired any professional qualifications or their professional qualifications acquired abroad have not been recognised according to a procedure prescribed by law, as well as the unemployed who do not possess any qualifications acquired by a non-formal method that have been recognised according to a procedure prescribed by law;

5) long-term unemployed under 25 years of age who have been unemployed for longer than 6 months, and long-term unemployed older than 25 years of age who have been unemployed for longer than 12 months counting from the date of registration with the local labour exchange;

6) the unemployed older than 50 years of age;

7) persons entitled to additional employment guarantees under the Republic of Lithuania Law on Additional Employment and Social Guarantees to Employees of State Enterprise Ignalina Nuclear Power Plant;

8) the unemployed under 29 years of age;

9) the unemployed who are starting work according to the acquired qualification or competence for the first time.

SECTION FOUR LABOUR MARKET SERVICES

Article 26. Vacant Jobs and Job Seekers Registration Services

1. Employers seeking workers shall inform local labour exchanges about vacant jobs, work functions and type of work, terms of remuneration and other terms as well as qualifications

requirements set for the candidates. The local labour exchanges shall register and publish the vacant jobs.

2. The local labour exchanges shall register, according to the procedure prescribed by law, job seekers and shall assign the registered unemployed to the relevant group of unemployed persons.

Article 27. Information Services

1. Information services shall be provided in order to assist job seekers in finding jobs or acquire qualifications and competences that are in demand on the labour market and are necessary for finding a job, and to assist employers in finding suitable workers.

2. The information services shall consist of:

- 1) information about the employment support measures and labour market services;
- 2) occupational information.

3. In providing information about the labour market services and employment support measures:

1) job seekers shall be acquainted with the labour market services and the employment support measures as well as conditions of participating therein;

2) employers are furnished with information about the employment support measures and the conditions and procedures for implementing them, the conditions under which the unemployed may acquire qualifications and competences required for employers, and support for persons entitled to additional support in the labour market by employing them or creating jobs for them.

4. In providing the occupational information service, job seekers shall be informed about vacant jobs, job search, vocational training, studies, demand for qualifications and demand forecasts, choosing an occupation, and the relevant requirements.

Article 28. Consulting Services

1. Consulting services shall be provided in order to increase job seekers' motivation to find a job or to train and to assist them in choosing an occupation or planning career, having regard to both personal qualities and the demand on the labour market.

2. Consulting services for job seekers shall consist in:

- 1) occupational consulting;
- 2) professional career planning;
- 3) psychological consulting.

3. The aim of providing the occupational consulting service to job seekers shall be to assist them in assessing their capabilities and personal qualities in selecting an occupation or in re-qualification as well as to motivate them to study, work or take part in the social and occupational rehabilitation measures.

4. The aim of providing the professional career planning service to job seekers shall be to provide them with career management competences and knowledge and practical skills enabling them to make informed decisions necessary to maintain competitiveness in the labour market and to take personal responsibility for one's career.

5. The aim of providing the psychological consulting service to job seekers shall be to assist them in resolving emotional, personality and communication issues that can be an obstacle to employment.

6. In providing the psychological consulting services the local labour exchanges may hire third parties according to a procedure prescribed by law.

7. The occupational consulting, professional career planning and psychological consulting services may be provided either individually or in groups.

Article 29. Employment Opportunities Assessment Services

1. A local labour exchange having registered a job seeker and having granted him the status of the unemployed shall make an assessment of his employment opportunities the purpose

of which is to identify and select such labour market services and/or active labour market policy measures that are suitable for the unemployed having regard to his qualifications and/or competences, period of unemployment, health condition and other circumstances that affect his employment opportunities.

2. Based on the results of the employment opportunities' assessment, the local labour exchange shall assign the unemployed to one of the groups specified in Article 23 of this Law.

Article 30. Employment Intermediation Services

1. The employment intermediation services shall be provided in order to assist job seekers in finding a suitable job and to assist employers in finding suitable workers.

2. A job shall be deemed to be a suitable job if it meets all the following criteria:

1) matches the job seeker's qualification and/or competence and/or work experience;

2) the local labour exchange has not received, according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it, official information about restrictions on the person's suitability for the offered job due to the person's health or other circumstances;

3) travel costs determined on the basis of the distance between the unemployed person's place of residence and the workplace and the rate per kilometre approved by the Government of the Republic of Lithuania or an institution authorised by it account for not more than 15 percent of the monthly pay specified in the description of the vacant job.

3. A suitable employee referred to in paragraph 1 above shall be a person who has acquired the relevant qualification and/or competence and/or work experience and meets the requirements set for the specific job / position.

4. The employment intermediation services shall be provided to job seekers, free of charge, by:

1) local labour exchanges;

2) a legal person established in the Republic of Lithuania or branches thereof the purpose of which, as stated in the constitutional documents, is the provision of the employment intermediation services;

3) a legal person or another established in another European Union Member State, or its branches established in the Republic of Lithuania or another European Union Member State that are entitled to provide such services under the laws of that Member State;

4) a citizen of the Republic of Lithuania or another European Union Member State or another natural person who exercises the right of free movement in the Member States and is engaged in such activity.

5. Persons referred to in subparagraphs 2, 3 and 4 of paragraph 4 above shall submit to the Lithuanian Labour Exchange, on the terms and conditions set by the latter, information about their status, activities and the employment intermediation services provided to natural persons.

Article 31. Services of Planning Individual Employment Activities

1. Individual employment activity plans shall be drawn up for the unemployed who have registered with local labour exchanges. The plan shall state the obligations of the unemployed and the local labour exchange with respect to the provision of labour market services, implementation of the active labour market policy measures and the programmes on increasing employment, and reporting, by the unemployed, for the independent job search and the activity referred to in Article 5(3) of this Law.

2. Prior to offering the unemployed to participate in the active labour market policy measures or the programmes on increasing employment, the local labour exchange may offer them psychological consulting services or a referral for the determination of the need for social services.

SECTION FIVE LABOUR MARKET MONITORING

Article 32. Recording of Job Seekers and Vacant Jobs. Assessment of Labour Market Situation and Projections of Changes

1. The Lithuanian Labour Exchange that conducts monitoring of the national labour market and the local labour exchanges that monitor the labour market in the territories assigned to them shall record job seekers and vacant jobs and shall prepare and publish reports on the labour market situation and labour market projections in accordance with the procedure prescribed by law.

2. The labour market situation shall be assessed and its projections shall be made having regard to the:

- 1) statistics on job seekers registered in and included in the accounts of the local labour exchange and on vacant jobs as well as trends of changes therein;
- 2) results of employer surveys aimed at identifying the labour demand;
- 3) status of the national economy and projections of its development;
- 4) efficiency of the provision of labour market services and the implementation of employment support measures;
- 5) projections of the demand for qualifications and qualified specialists;
- 6) labour market statistics collected by Statistics Lithuania;
- 7) results of scientific research.

Article 33. Efficiency of the Labour Market Services' Provision and the Implementation of the Active Labour Market Services

1. Institutions implementing the employment support policy shall make an assessment of the efficiency of the provision of labour market services and the implementation of employment support measures according to the procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it.

2. Results of the assessment of the efficiency of the provision of labour market services and the implementation of employment support measures shall be published.

Article 34. Use of the Labour Market Monitoring Results

Results of the labour market monitoring shall be used for the:

- 1) formulation and implementation of the employment support, education, vocational training, economic, social and regional policies;
- 2) determination of the funds requirement for the financing of the labour market services and employment support measures;
- 3) preparation of employment support projects and utilisation of the assistance from the European Union Structural Funds and other funds;
- 4) assessment of the activities of institutions responsible for the implementation of the employment support policies.

**SECTION SIX
EMPLOYMENT SUPPORT MEASURES**

Article 35. Active Labour Market Policy Measures

1. The active labour market policy measures aimed at assisting job seekers in increasing their employment opportunities and achieving the balance between labour supply and demand shall include the:

- 1) support for learning;
- 2) support for mobility;
- 3) supported employment;

4) support for job creation.

2. When referring persons to participate in specific active labour market policy measures, the local labour exchange shall select the measures and refer persons to the relevant target groups under this Law, in accordance with the priorities of assigning the active labour market policy measures to relevant groups of the unemployed, set by the Government of the Republic of Lithuania or an institution authorised by it.

3. The active labour market policy measures may be applied, according to the procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it, in an integrated manner by combining a number of different measures. The per-person amount of financing of the active labour market policy measures may not exceed the amount equal to the minimum monthly pay approved by the Government of the Republic of Lithuania multiplied by 40. A set of the integrated active labour market policy measures may be applied to the same person repeatedly not earlier than upon expiry of 3 years after the last application.

4. Proposals for the implementation of the measures referred to in paragraphs 3 and 4 of paragraph 1 above and paragraph 2 of Article 36(1) of this Law may be made by an employer provided that :

1) no bankruptcy proceedings have been instituted against the employer, the employer is not under liquidation, and no decision on the carrying out of out-of-court bankruptcy proceedings has been adopted by a meeting of creditors with respect to the employer;

2) the employer is not indebted to its employees and has no deferred liabilities to the state budget of the Republic of Lithuania or the budget of the State Social Insurance Fund;

3) the employer has no outstanding contractual or statutory obligations to the local labour exchange;

4) the chief executive officer or another officer of the employer has no current penalty imposed for the violations referred to in Articles 56, 57 and 58 of this Law and/or an administrative penalty imposed under the Administrative Code of the Republic of Lithuania for illegal work, or has not more than one current administrative penalty under the said Code for violations of labour laws or health and safety at work regulations, concealment of an accident at work or violations of the established reporting and investigation procedures, violations of the procedures for the calculation and payment of remuneration for work, working time accounting, working conditions for temporary workers, or procedures governing commercial and business activities.

Article 36. Support for Learning

1. The measures of support for learning shall be as follows:

1) vocational training;

2) employment under an apprenticeship employment contract;

3) advanced training.

2. The support for learning shall be governed by this Law, the Labour Code of the Republic of Lithuania, the Republic of Lithuania Law on Vocational Training and the Republic of Lithuania Law on Non-Formal Adults Education and Continued Learning.

3. The purpose of the support for learning shall be to assist the unemployed in acquiring qualifications, improving the existing qualifications, acquiring competences under formal vocational training programmes included in the Register of Studies, Curricula and Qualifications and non-formal vocational training programmes or improving such competences and/or acquiring other work skills provided that this is required for getting a vacant job or for starting self-employment.

Article 37. Vocational Training

1. Vocational training of the unemployed shall be organised on the terms and conditions set in a trilateral or bilateral agreement. A trilateral agreement shall be concluded by and between a local labour exchange, the relevant employer and the unemployed who will receive the vacant job. Where the unemployed are referred for training under vocational programmes for occupations in demand, as determined by the labour market projections made by the Lithuanian

Labour Exchange according to the procedure prescribed by law, or where the unemployed wish to start working at jobs found by them or start self-employment, a bilateral agreement shall be concluded by a local labour exchange and the unemployed.

2. A local labour exchange shall issue to the unemployed, based on the agreement referred to in paragraph 1 above, a document whereby the local labour exchange undertakes to pay a specified amount to a vocational service provider selected by the unemployed, for the vocational training provided.

3. Vocational training of the unemployed shall be provided by a vocational training provider selected by the unemployed person; in the case of a trilateral agreement, the selection shall be agreed with the employer. A vocational training agreement shall be concluded by and between the selected vocational training provider and the unemployed on the basis of the agreements referred to in paragraph 1 above. Having concluded such agreement, the vocational service provider shall report to the local labour exchange, on a monthly basis, on the attendance of the unemployed person.

4. Vocational training under programmes that grant qualifications for work using technologies and which are not included in the Register of Studies, Curricula and Qualifications may be organised also in other European Union Member States according to the current legislation of such states under projects financed by the European Union Structural Funds.

5. Vocational training of the unemployed may be financed from the following sources:

- 1) the Employment Fund;
- 2) the state budget;
- 3) the European Union Structural Funds and the European Globalisation Adjustment Fund;
- 4) employers funds;
- 5) other sources.

6. The amount of funds allotted to the unemployed from the sources referred to in subparagraphs 1, 2 and 3 of paragraph 5 above may not exceed the amount equal to the minimum monthly pay approved by the Government of the Republic of Lithuania, multiplied by 6, for the acquisition of a qualification and the amount equal to the minimum monthly pay approved by the Government of the Republic of Lithuania, multiplied by 3, for the qualification improvement or acquisition of a competence. These amounts shall not include costs referred to in subparagraphs 2, 3, 4 and 5 of paragraph 14 below. The procedures for the determination, allocation and control of the use of the funds and the model forms of documents shall be set by the Government of the Republic of Lithuania or an institution authorised by it.

7. The unemployed shall be paid, once in a month throughout the vocational training period, a training grant having regard to attendance. The amount of the training grant shall be, at the choice of the unemployed, 0.6 of the minimum monthly pay approved by the Government of the Republic of Lithuania or the unemployment social insurance benefit to which the unemployed is entitled and the amount and the term of payment of which shall be determined according to the Republic of Lithuania Law on Unemployment Social Insurance. The amount of the training grant shall be reduced in proportion to the training hours that had been scheduled but were not attended. On expiry of the term of payment of the unemployment social insurance benefit, provided that it cannot be extended according to the procedure prescribed by the Republic of Lithuania Law on Unemployment Social Insurance, during the remaining vocational training period the unemployed shall be paid a grant equal to 0.5 of the minimum monthly pay approved by the Government of the Republic of Lithuania.

8. The terms and conditions of payment for the unemployed persons' costs of travel, accommodation, mandatory health checks and vaccinations against infectious diseases shall be set by the Government of the Republic of Lithuania or an institution authorised by it.

9. The compensation for accommodation costs may not exceed 15 percent of the basic social benefit approved by the Government of the Republic of Lithuania per day and may not exceed 35 percent of the basic social benefit for the accommodation, during training, of a disabled person with a grave mobility disability. The compensation for the costs of travel to/from

the vocational training place shall be determined on the basis of the distance from the unemployed person's place of residence and the nearest vocational training provider that provides vocational training under the selected vocational training programme.

10. Where the unemployed engaged in the employment activities in the forms referred to in subparagraphs 1 and 2 of Article 3(1) of this Law agrees on the working and training time with the vocational service provider and continues training, only the training services shall be continued to be financed.

11. Vocational training of the unemployed under the provisions of this Article shall be repeated not earlier than after 3 years upon completion of a vocational training programme and acquisition of qualification and not earlier than after 1 year upon acquisition of competence, except for cases where the person cannot work according to the acquired qualification and/or competence due to health condition or where the person has no right to work according to the acquired competence without a statutory qualifications certificate.

12. The unemployed and the employers shall repay the expenses incurred by the local labour exchange in the following cases:

1) should the unemployed fail to fulfil his obligations under the agreements referred to in paragraph 1 above without a valid reason, except for the obligation not to terminate the employment contract during the first 6 months or to carry out independent activities for at least 15 days per month for at least 6 months, or should the employer fail to fulfil his obligations under the trilateral agreement referred to in paragraph 1 above without a valid reason, except for the obligation not to terminate the employment contract during the first 6 months unless a valid reason exists – all the expenses incurred by the local labour exchange as specified in paragraph 14 above shall be repaid;

2) should the unemployed fail to fulfil, without a valid reason his obligation not to terminate the employment contract during the first 6 months or to carry out independent activities for at least 15 days per month for at least 6 months the agreements referred to in paragraph 1 above, or should the employer fail to fulfil, without a valid reason, his obligation not to terminate the employment contract during the first 6 months unless a valid reason exists – the expenses incurred by the local labour exchange shall be repaid having regard to the period worked.

13. The unemployed who are acquiring a competence and/or qualification for the first time shall not be liable to repay the expenses incurred by the local labour exchange referred to in paragraph 14 below in the event of failure to fulfil their obligations under the agreements referred to in paragraph 1 above without a valid reason.

14. The following expenses related to the vocational training, incurred by the local labour exchange, shall be repaid:

- 1) vocational training services;
- 2) training grant expenses;
- 3) travel to/from the place of provision of vocational training;
- 4) accommodation;
- 5) mandatory health checks and vaccination against infectious diseases.

15. The expenses referred to in paragraph 14 above that are not repaid to the local labour exchange by the parties having concluded the agreements referred to in paragraph 1 above shall be recovered according to a procedure prescribed by law.

16. The following shall be deemed to be valid reasons justifying the non-repayment, by the unemployed, of all expenses specified in paragraph 14 above as incurred by the local labour exchange, when Article 22(6) of this Law does not apply:

1) the unemployed person's sickness, injury, pregnancy where 70 calendar days remain until childbirth, childbirth and 56 calendar days after the childbirth (in case of a complicated childbirth or if two or more babies are born – 70 calendar days), death or performing the duties stated in the Republic of Lithuania Law on Conscription;

2) termination of the employment contract on the initiative of the employee for valid reasons or on the initiative of the employer due to no fault of the employee, without intent of the

parties to the employment contract, in the event of the employer's bankruptcy or where the employer has recognised that the results of the trial are unsatisfactory;

3) termination of the employment contract on the grounds not specified in subparagraph 2 above or termination of individual activities where the unemployed starts to work under the employment contract or to engage in individual activities according to the acquired or improved qualification within 15 working days from the date of termination of the employment contract or individual activities. The total length of the work under the employment contract and/or individual activities shall be not shorter than 6 months;

4) termination of the employment contract where the fulfilment of the obligations under the trilateral agreement has been transferred to a third party subject to a written agreement by and between the unemployed, the local labour exchange, the employer and the third party.

17. The following shall be deemed to be valid reasons justifying the non-repayment, by the employer, of all expenses specified in paragraph 14 above as incurred by the local labour exchange:

1) termination of the employment contract where the employer recognises that the trial results are unsatisfactory, or the employee terminates the employment contract during the trial period on his own initiative either for valid reasons or without valid reasons, or the employment contract is terminated on the initiative of the employer due to the employee's fault without intent of the parties to the employment contract;

2) termination of the employment contract on the grounds not specified in subparagraph 1 above where the unemployed starts, within 15 working days from the termination date, working under the employment contract or carrying out individual activities according to the newly acquired or improved qualification, and the total length of work under the employment contract and/or individual activities is not shorter than 6 months;

3) termination of the employment contract where the fulfilment of the obligations under the trilateral agreement has been transferred to a third party subject to a written agreement by and between the unemployed, the local labour exchange, the employer and the third party.

Article 38. Employment under an Apprenticeship Employment Contract

1. Employment under an apprenticeship employment contract may be organised for persons who take part in vocational training in the form of apprenticeship according to the procedure laid down in Article 37 of this Law. The training grand referred to in Article 37 of this Law shall not be paid if the person receives remuneration for work under the apprenticeship employment contract having regard to the hours worked.

2. Employers specified in paragraph 1 above that provide vocational training in the form of apprenticeship and have employed persons referred to by a local labour exchange under an apprenticeship employment contract shall be compensated, at their written request, 40 percent of the pay specified in the contract concluded with the person employed under the apprenticeship employment contract that does not exceed the minimum monthly pay approved by the Government of the Republic of Lithuania plus the mandatory state social insurance contribution payable by the insured on that part of the pay. Where the apprenticeship employment contract has been concluded for part-time work or the employed person has not worked the time that he had to work during a month, the compensated pay amount shall be calculated for the time actually worked, based on the hourly rate that has been calculated or set in the employment contract, not exceeding the minimum hourly rate approved by the Government of the Republic of Lithuania.

3. The procedures and special terms of the apprenticeship employment contract shall be laid down in the Labour Code of the Republic of Lithuania and the Republic of Lithuania Law on Vocational Training and its implementing legal acts.

Article 39. Advanced Training

1. Advanced training as an unpaid work practice period, intended for the improvement or restoration of the person's work skills or professional qualifications may be organised for the

unemployed who possess the relevant professional qualification or a competence acquired by a non-formal method, provided that the person has not worked according such qualification or competence for at least 6 months in succession.

2. The length, purpose and other conditions of advanced training shall be set in a trilateral agreement on advanced training concluded by and between the local labour exchange, the institution, enterprise, organisation or another organisational structure providing the advanced training (hereinafter referred to as the 'organisation providing advanced training') and the person referred to the advanced training, however, the length shall not exceed 6 months. During the term of the advanced training, the person referred to it shall be ensured the advanced training for at least 20 hours and not more than 40 hours per week.

3. The unemployed shall be paid, once in a month throughout the advanced training period, a grant having regard to the number of hours of training. The amount of the grant shall be, at the choice of the unemployed, 0.5 of the minimum monthly pay approved by the Government of the Republic of Lithuania or the unemployment social insurance benefit to which the unemployed is entitled and the size and the term of payment of which shall be determined according to the Republic of Lithuania Law on Unemployment Social Insurance. The amount of the grant shall be reduced in proportion to the training hours that had been scheduled but were not attended. On expiry of the term of payment of the unemployment social insurance benefit, provided that it cannot be extended according to the procedure prescribed by the Republic of Lithuania Law on Unemployment Social Insurance, during the remaining advanced training period the unemployed shall be paid a grant equal to 0.5 of the minimum monthly pay approved by the Government of the Republic of Lithuania.

4. The organisation providing advanced training shall issue the local labour exchange a certificate of the length of the training and the assessment of the training results. The organisation providing advanced training shall issue the same certificate to the person having completed the training at the person's written request.

Article 40. Mobility Support

1. The purpose of mobility support shall be to compensate the unemployed for the costs of travel to a workplace or the group consulting sessions organised by a local labour exchange:

1) upon employment under the employment contract or on the grounds of legal relations that are deemed equal to labour relations;

2) during participation in the supported employment measures;

3) during participation in the group consulting sessions provided for in his individual employment activity plan.

2. Compensation for the travel costs shall be paid provided that the person applies to a local labour exchange for the mobility support within 3 working days from the start of employment or group consulting sessions, provided that it has been established that his place of residence is in a locality different from the place of work or the group consulting sessions, but for no longer than 3 months from the start of the employment or group consulting sessions and not more than 5 times during a period of registration with a local labour exchange, after the unemployed has taken part in the group consulting sessions provided for in his individual employment activity plan.

3. The amount of support for mobility shall account for 33 percent of the minimum monthly pay approved by the Government of the Republic of Lithuania provided that the person's pay does not exceed the minimum monthly pay, or 25 percent of the minimum monthly pay approved by the Government of the Republic of Lithuania provided that the person's pay exceeds the minimum monthly pay but does not exceed the average monthly pay in the national economy as published by Statistics Lithuania. If the person's pay exceeds the average minimum monthly pay as published by Statistics Lithuania, mobility support shall not be granted to such person.

4. The amount of the travel compensation for the unemployed who is taking part in the group consulting sessions provided for in his individual employment activity plan shall be

determined according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised by it depending on the distance between the place of residence to the local labour exchange and the mode of transport.

Article 41. Supported Employment

1. The measures of supported employment shall include:

- 1) subsidised employment;
- 2) support for the acquisition of work skills.

2. In implementing the supported employment measures, the employers that have employed persons referred by a local labour exchange shall receive a subsidy for the partial compensation for the employed person's pay specified in the employment contract and the amount of compulsory social insurance contributions payable by the insured on the pay (hereinafter referred to as the 'pay subsidy'). Where the employment contract with such referred person has been concluded for part-time work or the person has not worked the time that he had to work during a month, the pay subsidy shall be calculated for the time actually worked, based on the hourly rate that has been calculated or set in the employment contract. The pay subsidy shall not exceed the minimum monthly pay approved by the Government of the Republic of Lithuania, multiplied by 2. Where persons referred to in Article 25 of this Law are employed, the pay subsidy shall be determined as a percentage of the pay of the employed person and the amount of compulsory social insurance contributions calculated on the pay as follows:

1) 75 percent of the calculated amount where persons referred to in Article 25(1) of this Law are employed;

2) 60 percent of the calculated amount where persons referred to in Article 25(2) of this Law are employed;

3) 50 percent of the calculated amount where persons referred to in Article 25(3) to (9) of this Law are employed.

3. Only one of the supported employment measures specified in paragraph 1 above may be applied to a person. The supported employment measures specified in paragraph 1 above may be combined with the unemployed's vocational training.

4. Should the employer dismiss from work, within 6 months from the date of completion of the supported employment measures and the payment of the pay subsidy, at least one of the persons referred to by the local labour exchange except for the persons dismissed under the Labour Code of the Republic of Lithuania upon agreement on a trial by the parties to the employment contract, or on the initiative of the employee either for valid reasons or without a valid reason, or on the initiative of the employer due to the fault of the employee and without intent of the parties to the employment contract and except for the cases of termination of the employment contract where payment of the pay subsidy was cancelled on the grounds specified in subparagraph 5 of paragraph 5 below, or due to the death of the employee, or should payment of the pay subsidy to the employer was terminated in the cases referred to in subparagraphs 2 and 4 of paragraph 5 below, such employer may repeatedly take part in the supported employment measures not earlier than on expiry of 12 months after the end of payment of the pay subsidy under the previous measure.

5. Payment of the pay subsidy shall be terminated in the following cases:

1) on expiry of the term of payment of the pay subsidy set in the agreement on supported employment;

2) on expiry of an employment contract concluded in the course of implementation of supported employment measures;

3) the employed person has reached the old-age pension age;

4) the employer has failed to pay the full remuneration due to the employed person on the terms and conditions of the employment contract for more than 7 days;

5) the employed person has started working under another employment contract or on the grounds of legal relations deemed to be equal to labour relations or has become self-employed;

6) a court decision on institution of bankruptcy proceedings to the subsidy recipient has taken effect or a meeting of creditors has passed a resolution on out-of-court bankruptcy proceedings;

7) upon registration of the status of an entity under liquidation in the Register of Legal Entities.

6. The pay subsidy shall not be paid during annual leave and special-purpose leave, during the period of the employed person's temporary disability due to sickness or trauma as well as in other cases provided for in legal acts where the employer fails to pay remuneration the employee.

Article 42. Subsidised Employment

1. Subsidised employment the purpose of which shall be to employ a person referred to by a local labour exchange by compensating the employer for part of the wage costs related to such person shall be organised in order to:

1) assist the unemployed referred to in subparagraphs 3 through 9 of Article 25 of this Law in establishing in the labour market or getting a job;

2) create special conditions for the persons referred to in subparagraph 1 of Article 25 of this Law, who have been registered with a local labour exchange as incapable for work, and persons referred to in subparagraph 2 of Article 25 of this Law to remain in the labour market.

2. The amount of the pay subsidy granted to the employers that employ the persons referred to in paragraph 1 above shall be determined in accordance with Article 41(2) of this Law.

3. The pay subsidy shall be paid:

1) for up to 6 months when the employment contract is concluded with persons referred to in subparagraphs 3 through 9 of Article 25 of this Law;

2) for up to 24 months when the employment contract is concluded with persons referred to in subparagraph 2 of Article 25 of this Law;

3) indefinitely throughout the period of work where persons referred to in subparagraph 1 of Article 25 of this Law are employed.

Article 43. Support for the Acquisition of Work Skills

1. Support for the acquisition of work skills shall be organised on-the-job for persons who lack work skills and take part in or have completed the vocational training under Article 37 of this Law and persons referred to in Article 25(9) of this Law.

2. The amount of the pay subsidy to employers organising support for work skills and employing persons referred to in paragraph 1 above shall be determined according to Article 41(2) of this Law.

3. The length of the support for the acquisition of work skills shall be up to 12 months.

4. Where persons appointed by the employer for the organisation of the acquisition of work skills spend over 20 percent of their working time for this purpose, the employer may be compensated, in part, for the costs of organisation of on-the-job acquisition of skills as follows:

1) not more than 20 percent of the total pay subsidy for the employed persons referred to in paragraph 1 above, provided that the persons appointed by the employer are employees older than 50 years of age;

2) not more than 10 percent of the total pay subsidy for the employed persons other than the persons referred to in paragraph 1 above.

Article 44. Support for Job Creation

1. Support for the creation of jobs shall consist of:

1) subsidising of job creation / adaptation;

2) implementation of local employment initiative projects;

3) support for self-employment.

2. The support referred to in paragraph 1 above shall be provided according to a procedure prescribed by the Government of the Republic of Lithuania or an institution authorised

by it to employers selected by a local labour exchange (hereinafter referred to as the 'subsidy recipients') according to provisions of Articles 45, 46 and 47 of this Law, with the subsidy to be paid for the acquisition, installation and adaptation of means of work or technical aids for disabled persons and the repairs of premises owned by the employer or adaptation of such premises for a workplace, where the estimated repairs or adaptation costs do not exceed 50 percent of the total amount of the subsidy for the newly created jobs.

3. The amount of support per job shall not exceed the minimum monthly pay approved by the Government of the Republic of Lithuania, multiplied by 40. This provision shall apply in cases where jobs are to be created for persons referred to in Articles 45, 46 and 47 of this Law, setting for them the weekly working time as stated in the Labour Code of the Republic of Lithuania. Where jobs are to be created for persons referred to in Articles 45, 46 and 47 of this Law for part-time work, setting for them a shorter working day or a shorter working week as stated in the Labour Code of the Republic of Lithuania., except for cases of employment of persons referred to in subparagraphs 1, 2 and 3 of Article 25 of this Law who cannot work full day or full week due to health condition, the amount of support shall be reduced in proportion to the working time (hours) planned.

4. In case of abolition of a created/adapted job, the subsidy recipients shall repay to the local labour exchange, except in the event of death of a subsidy recipient that had created a job for himself:

1) the full amount of the subsidy if the job is abolished within 12 months from the date of creation/adaptation;

2) 80% of the amount of the subsidy if the job is abolished within 13-24 months from the date of creation/adaptation;

3) 50% of the amount of the subsidy if the job is abolished within 25-36 months from the date of creation/adaptation.

5. For the purposes of paragraph 4 above, abolition of a job means that at least one of the following circumstances arises within 36 months from the date of creation of the job:

1) the employment contract concluded with the employed person is terminated and no person referred by a local labour exchange and meeting the original or updated requirements is admitted to the vacant job within 30 days from the termination date;

2) idle time in the job of the employed person lasts, not due to the fault of the employee, for more than 30 calendar days in succession or the employed person fails to arrive to work for more than 120 days in succession with the permission of the administration, also if the employee does not receive full pay on the terms and conditions of the employment contract for more than two months;

3) the employment contract concluded with the employed person is amended by changing the workplace or functions without the consent of the local labour exchange (in such a case, the job is deemed to be abolished from the date of change of the workplace/functions);

4) a disabled person or an unemployed person under 29, having started own business upon creating a job for himself, fails to carry out activities for longer than 120 days in succession or for more than 140 days during the past 12 months;

5) a court decision on the institution of bankruptcy proceedings with respect to the subsidy recipient takes effect or a meeting of creditors passes a resolution on out-of-court bankruptcy proceedings, as a result of which persons who worked in the subsidised jobs are dismissed; in case if the jobs created from the subsidy funds have not been filled, the job shall be deemed to be abolished from the effective date of the court decision on the institution of bankruptcy proceedings with respect to the subsidy recipient or the date of the resolution on out-of-court bankruptcy proceedings passed by the meeting of creditors;

6) upon adoption of a decision on liquidation of the subsidy recipient, the job shall be deemed to be abolished from the date of registration of the status of an entity under liquidation in the Register of Legal Entities;

7) the subsidy recipient has failed to respond, within 20 working days, without a valid reason, to a written request for information on the creation, retaining or control of jobs sent by the local labour exchange.

6. The subsidy recipient shall repay to the local labour exchange the subsidy in full if the subsidy recipient has:

1) used the subsidy not according to its intended purpose. Should it be determined that only part of the subsidy was used not according to its intended purpose, such part shall be repaid;

2) failed to create/adapt a job within the time limit set in the agreement on the implementation and financing of one of the measures of support for job creation;

3) informed the local labour exchange in writing about a refusal to fulfil contractual obligations or fails to fulfil the obligations even though the local labour exchange had sent at least one warning concerning such non-fulfilment except for the case of abolition of a job;

4) failed to fulfil the requirements set out in paragraphs 7 and 8 below;

5) failed to enable the local labour exchange to carry out a spot check of the job creation or activities carried out at the workplace during the period of 36 months from the job creation/adaptation, or has failed to provide, at the request of the local labour exchange, information related to the carrying out of the agreement;

6) provided a knowingly untrue information about the purposes and expenses for which a specific subsidy was applied for;

7) concealed any circumstances relevant to the adoption of a decision on the granting of a subsidy.

7. The subsidy recipient shall be obliged to:

1) pay at least 35 percent of the costs of creation/adaptation of a job except in the event of employment of disabled persons (20 percent – for each disabled person with the assessed grave disability or assessed capacity for work not higher than 25 percent (until 1 July 2005: Group I disabled person) and 30 percent – for each disabled person with the assessed medium disability or assessed capacity for work of 30 to 40 percent (until 1 July 2005: Group II disabled person)), and shall retain the created/adapted job during at least 36 months from the date of employment of the person referred by the local labour exchange. The employer may set a higher percentage of own funds allotted for the payment of the job creation/adaptation costs;

2) submit to the local labour exchange, prior to the date of signature of the agreement on the implementation and financing of one of the measures of support for job creation, a performance security for the amount accounting for at least 50 percent of the planned subsidy amount during the term of the agreement;

3) open a special account for the state and own funds in a credit, payment and/or electronic money institution of the Republic of Lithuania or another European Union Member State, to be used for payments by bank transfer;

4) create/adapt the job and settle up with the local labour exchange for the subsidy in full no later than within 10 months from the date of signature of the agreement on the implementation and financing of one of the measures of support for job creation, except the case of implementation of a local employment initiative project;

5) take out insurance, at his own cost, for any non-current tangible assets the acquisition of which was subsidised for the purposes of job creation/adaptation, at the maximum recoverable value against all risks at an insurance company selected by the subsidy recipient, for at least 36 months from the date of the job creation, with the local labour exchange specified as the beneficiary, and shall submit to the local labour exchange documents proving the insurance.

8. The subsidy recipient shall not be entitled, during 36 months from the date of the job creation, to take the following actions without the consent of the local labour exchange:

1) sell, mortgage/pledge, lease, donate or otherwise transfer or encumber any asset acquired from the subsidy for the job creation;

2) take beyond the boundaries of the territory of the Republic of Lithuania any non-current tangible assets acquired in the process of job creation/adaptation;

3) change the workplace or functions of the employed person or set a shorter working day or a shorter working week as stated in the Labour Code of the Republic of Lithuania if this was not specified in the application for the subsidy for job creation, except for cases of employment of persons referred to in subparagraphs 1, 2 and 3 of Article 25 of this Law who work a shorter working day or a shorter working week due to the health condition.

9. Only one of the forms of support referred to in paragraph 1 above may be applied to the job creation/adaptation and employment of a person. The employer shall not be allowed to employ, in a job created/adapted from the subsidy for the job creation/adaptation, a person under the supported employment measures.

10. Should the local labour exchange determine that the employer has violated provisions set out in paragraphs 6, 7 and 8 above, the employer may re-apply for the support only after the repayment of the subsidy.

11. Decisions on the repayment of subsidies shall be taken by local labour exchanges. Their decisions may be appealed against by filing an appeal to court.

Article 45. Subsidised Job Creation

Subsidising of the job creation/adaptation shall be organised as follows:

1) new jobs shall be created (or adapted to the needs of disabled persons) for the employment, without a fixed term, of the persons referred to in subparagraph 1 of Article 25 who have been registered with the local labour exchange as incapable for work and of the unemployed referred to in subparagraphs 2 and 3 of Article 25 of this Law;

2) where a former unemployed person who had started his own business no later than within 30 months from the cancellation of the last registration with a local labour exchange is creating a job for the first time in order to employ an unemployed person referred to by a local labour exchange.

Article 46. Implementation of Local Employment Initiative Projects

1. Implementation of projects aimed at creating jobs to employ the unemployed and uniting local communities' and social partners' efforts to increase employment of individual municipalities or wards (hereinafter referred to as the 'local employment initiative projects') shall be organised in order to support employment of the unemployed, without a fixed term, by creating new jobs.

2. Support for job creation under the local employment initiative projects shall be provided to small and medium-size businesses indicated in the Republic of Lithuania Law on the Small and Medium-sized Business Development in which state and municipal institutions, organisations and enterprises may have less than one half of the votes at the meeting of members.

3. The local employment initiative projects shall be implemented in order to mitigate the consequences of unemployment in the municipal territories or parts thereof designated by the Government of the Republic of Lithuania or a person authorised by it, in which the share of the unemployed as a percentage of the working-age population is higher than the national average during the project implementation period.

Article 47. Support for Self-Employment

1. Support for self-employment and the creation of a job for oneself shall be organised for persons referred to in paragraph 3 below.

2. Support for self-employment shall be organised in cases where persons create jobs for themselves for the first time in micro enterprises as defined in the Republic of Lithuania Law on the Small and Medium-sized Business Development.

3. A subsidy for job creation shall be paid if a job is being created for oneself for the first time by:

1) persons referred to in subparagraph 1 of Article 25 that have been registered with the local labour exchange as incapable for work and the unemployed persons referred to in subparagraphs 2 and 8 of Article 25;

2) a person who is benefiting from the utilisation of the European Globalisation Adjustment Fund in order to mitigate the consequences of his dismissal from work.

4. The subsidy for job creation shall be paid to the persons referred to in paragraph 3 above on the terms and conditions set out in Article 44 (2) and (3), without the requirement to pay at least 35 percent of the funds required for creating the job (or adapting the job to the needs of the disabled) and without the requirement to submit a performance security.

5. Local labour exchanges shall organise training on the basics of business for those job seekers who wish to become self-employed.

Article 48. Programmes on Increasing Employment

1. The following programmes may be prepared with the aim to increase employment:

- 1) unemployment prevention;
- 2) labour market integration of immigrants and ethnic minorities;
- 3) increasing employment for persons referred to in paragraph 2 below;
- 4) other.

2. The programmes on increasing employment may be prepared for persons who are:

1) in care and for whom care until 25 years of age was established while they were minors;

2) pregnant women, a mother (foster mother) or a father (a foster father), a guardian or carer of the child and persons actually raising a child (adopted child) under 8 or a disabled child (adopted child) under 18 (who had been recognised as a disabled child before 1 July 2005) and persons caring for ill or disabled family members for whom permanent nursing or care has been established by decision of the Disability and Capacity for Work Assessment Service under the Ministry of Social Security and Labour;

3) persons released from imprisonment institutions, having spent there more than 6 months, provided that they approach a local labour exchange no later than within 6 months from the release date;

4) recipients of social support in cash;

5) persons addicted to narcotic, psychotropic or other substances affecting the person's mental state who have completed psycho-social and/or occupational rehabilitation programmes, provided that they approach a local labour exchange no later than within 6 months from the date of completion of the relevant programme;

6) victims of human trafficking who have completed psycho-social and/or occupational rehabilitation programmes, provided that they approach a local labour exchange no later than within 6 months from the date of completion of the relevant programme;

7) political prisoners and deportees who have returned to Lithuania for permanent residence, as well as their family members (a spouse and children (adopted children) under 18) provided that they approach a local labour exchange no later than within 6 months from the date of the return.

3. Decisions on the preparation and funding of the programmes on increasing employment referred to in paragraph 1 above shall be taken, having regard to the importance and purpose of the programmes, by the Government of the Republic of Lithuania, ministries and other authorities, municipal institutions and institutions implementing the employment support policy, in consultation with social partners and organisations and local communities representing the interests of job seeker groups. The procedures for the preparation and funding of the programmes on increasing employment shall be set by the Government of the Republic of Lithuania or an institution authorised by it.

4. Between 2 and 4 percent of the allocations for the programmes on increasing employment shall be earmarked for the administration of the municipal programmes on increasing employment for the funding of which the special allocations for municipal budgets are

used. The specific rate of the funds for administration shall be set by the Minister of Social Security and Labour prior to the start of the budget year.

SECTION SEVEN

ORGANISING AND FINANCING THE EMPLOYMENT SUPPORT MEASURES AND THE PROVISION OF LABOUR MARKET SERVICES

Article 49 Organising and Controlling the Implementation of the Employment Support Measures and the Provision of Labour Market Services

1. The labour market services shall be provided and the employment support measures shall be implemented according to procedures prescribed by this Law and other legal acts.

2. In organising the provision of the labour market services and the implementation of the employment support measures, the Ministry of Social Security and Labour shall set the annual operating objectives and tasks for the institutions implementing the employment support policy, allot funds for the achievement of the objectives and the tasks, and exercise control over the use of the funds.

3. The Lithuanian Labour Exchange shall implement the annual operating objectives and tasks set by the Ministry of Social Security and Labour by organising the activities of local labour exchanges related to the provision of the labour market services and implementation of the active labour market policy measures or programmes on increasing employment, set the annual operating objectives and tasks for the local labour exchanges, allot funds for the objectives and tasks, and exercise control over the use of the funds.

4. The local labour exchanges implement the active labour market policy measures by concluding agreements on such measures with legal and natural persons, with the standard terms and conditions of the agreements approved by the Government of the Republic of Lithuania or an institution authorised by it. The State Labour Inspectorate under the Ministry of Social Security and Labour (hereinafter referred to as the 'State Labour Inspectorate') shall exercise control over compliance by employers with the employment contracts concluded with persons referred to them by local labour exchanges and compliance of the contracts with the obligations stipulated in the agreements on the implementation of active labour market policy measures concluded by and between the local labour exchanges and employers.

5. The ministries and state authorities shall include implementation of the employment support measures provided for in this Law and other legal acts in their strategic or annual operating plans.

Article 50. Sources of Financing the Employment Support Measures and Labour Market Services

The labour market services and the employment support measures shall be financed from the Employment Fund, the state budget, municipal budgets, the European Union Structural Funds and other funds and sources. The terms and conditions of the use of the funding from the European Globalisation Adjustment Fund shall be set by the Government of the Republic of Lithuania or an institution authorised by it.

Article 51. Employment Fund

1. The Employment Fund shall be a money fund.
2. The Employment Fund shall be used for:
 - 1) the active labour market policy measures set in Article 35 of this Law;
 - 2) financing of joint European Union Structural Funds' and international employment support projects;
 - 3) compensation for the transfer of unemployment social insurance benefits.

Article 52. Funds of the Employment Fund

1. The funds of the Employment Fund shall consist of:

1) unemployment social insurance funds for the implementation of the active labour market policy measures set in this Law, the amount of which shall be approved by the Republic of Lithuania Law on the Approval of the State Social Insurance Fund Budget Indicators for the relevant year;

2) revenues of the institutions implementing the employment support policy;

3) funds of the state budget, the amount of which shall be approved by the Republic of Lithuania Law on the Approval of the State Social Insurance Fund Budget Indicators for the relevant year;

4) other funds.

2. The State Social Insurance Fund Board shall transfer the funds referred to in subparagraph 1 of paragraph 1 above, according to the procedures prescribed by the Government of the Republic of Lithuania or an institution authorised by it, to the Ministry of Social Security and Labour for the formation of the Employment Fund.

3. After the end of the financial year any unused funds of the Employment Fund shall be included in the next year's cost estimate of the Employment Fund unless the Republic of Lithuania Law on the Budget Structure establishes otherwise.

4. The funds of the Employment Fund shall be accumulated and kept in the account of the Ministry of Social Security and Labour.

5. Institutions implementing the employment policy shall transfer the funds referred to in subparagraph 1 of paragraph 1 above to the account of the Employment Fund for the past quarter by the 15th date of the first month of next quarter.

Article 53. Administration of the Employment Fund

1. The Ministry of Social Security and Labour shall administer the funds of the Employment Fund and publish information about their utilisation.

2. The Ministry of Social Security and Labour shall submit the draft estimate of the Employment Fund and the information on the funds' utilisation to the Tripartite Council of the Republic of Lithuania for consideration.

3. The Tripartite Council of the Republic of Lithuania shall make proposals to the Ministry of Social Security and Labour for the draft estimate of the Employment Fund and the funds' utilisation.

4. The Ministry of Social Security and Labour shall approve the estimate of the Employment Fund and the report on the funds' utilisation against the estimate. It shall be responsible for the proper allocation of the funds.

5. The Ministry of Social Security and Labour shall transfer the funds, according to the approved estimate of the Employment Fund, to institutions implementing the employment support policy.

6. The institutions implementing the employment support policy shall use the funds received from the Employment Fund according to the approved cost estimates and submit to the Ministry of Social Security and Labour, on a quarterly basis, operating reports and financial reports on the utilisation of the funds.

7. The institutions implementing the employment support policy shall be liable for the proper use of the funds received from the Employment Fund.

8. The Government of the Republic of Lithuania or an institution authorised by it shall approve the rules for the drawing up of cost estimates of the Employment Fund and the use of the funds.

Article 54. Financial Control of Public Funds

1. The National Audit Office and other state institutions authorised by the law shall exercise financial control over the public funds (the Employment Fund, the state budget etc.) allocated for the financing of the labour market services and employment support measures and for the maintaining and development of the institutions implementing the employment support policy.

2. After the end of financial year, the Ministry of Social Security and Labour shall publish, no later than within 4 months, information about the use of public funds, specifying the use of the funds for the implementation of individual active labour policy measures and programmes on increasing employment, payment of unemployment social insurance benefits, maintaining of the institutions implementing the employment support policy, and provision of labour market services.

CHAPTER IV

ILLEGAL WORK, UNDECLARED WORK, UNDECLARED SELF-EMPLOYMENT AND VIOLATIONS OF FOREIGNERS' EMPLOYMENT PROCEDURES

Article 55. Institutions Exercising Control over Illegal Work, Undeclared Work and Undeclared Self-Employment

Prevention of illegal work, undeclared work and undeclared self-employment shall be implemented and inspections based on risk assessment shall be carried out by the State Labour Inspectorate, the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania (hereinafter referred to as the 'State Tax Inspectorate'), the Financial Crimes Investigation Service under the Ministry of the Interior, and the Police according to the legal acts governing their activities.

Article 56. Illegal Work and Liability

1. Illegal work shall mean the work functions performed, for remuneration, by a natural person (an employee), who is subordinate to another person (an employer), for the benefit of the latter, where:

1) the employer has not concluded an employment contract in writing according to the established procedure or has not given a notification of the hiring of the employee to a territorial office of the State Social Insurance Fund Board at least one hour prior to the start of the work;

2) the person working for the employer is not a citizen of the European Union as defined in Article 20(1) of the Treaty on the Functioning of the European Union and is not a person exercising the right of free movement of people under the European Union law (hereinafter referred to as the 'third-country national'), employed in violation of employment procedures laid down in the relevant legal acts.

2. An employer shall not be deemed to have violated subparagraph 2 of paragraph 1 above if the following conditions were fulfilled while employing a third-country national:

1) not later than one working day prior to the planned date of entering into the employment contract, a permit to reside in the Republic of Lithuania or another document entitling to stay or reside in the Republic of Lithuania, and the permit to work in the Republic of Lithuania were obtained;

2) during the period of work in the Republic of Lithuania, copies of the documents referred to in subparagraph 1 of paragraph 2 above are retained and produced to the State Labour Inspectorate, the Migration Department under the Ministry of the Interior (hereinafter referred to as the 'Migration Department') or another institution referred to in Article 55 of this Law, at their request;

3) notifies the start of work of the third-country national in writing to the State Labour Inspectorate, according to the procedure prescribed by the latter, within 3 working days from the date of conclusion of the employment contract.

3. Provisions of paragraph 2 above shall not apply if the employer knew that the permit to reside in the Republic of Lithuania or another document entitling to stay or reside in the Republic of Lithuania or the permit to work in the Republic of Lithuania were falsified.

4. Having established that the employer has committed a violation referred to in subparagraph 1 of paragraph 1 above, the State Labour Inspectorate shall take the following actions irrespective of the formal expression of the activities of the illegal worker and/or the person that has permitted illegal work:

1) where the labour relations have not ended – obligate the employer to conclude a written employment contract with the illegal worker and notify the conclusion of the employment contract and the hiring of an employee to a territorial office of the State Social Insurance Fund Board;

2) obligate the employer to pay the agreed remuneration for work to the illegal worker, unless the payment has already been made;

3) transmit to the State Tax Inspectorate and the territorial office of the State Social Insurance Fund Board data required for the calculation and recovery of the unpaid natural person's income tax, state social insurance contributions, fines and penalties payable under the legal acts governing the tax and the contributions on the earnings that the illegal worker received or had to receive;

4) impose a fine on the employer according to a procedure prescribed by this Law between EUR 868 and 2,896 for each illegal worker. If the employer has already been punished for the same violation during the past 3 years, he shall be liable to pay a fine between EUR 2 896 and EUR 5 792 for each illegal worker.

5. Having established that the employer has committed a violation referred to in subparagraph 2 of paragraph 1 above, the State Labour Inspectorate shall take the following actions irrespective of the formal expression of the activities of the illegal worker and/or the person that has permitted illegal work:

1) obligate the employer to terminate labour relations with the illegal worker within 3 working days from the date of the decision;

2) obligate the employer to pay the agreed remuneration for work to the illegal worker, unless the payment has already been made;

3) transmit to the State Tax Inspectorate and the territorial office of the State Social Insurance Fund Board data required for the calculation and recovery of the unpaid natural person's income tax, state social insurance contributions, fines and penalties payable under the legal acts governing the tax and the contributions on the earnings that the illegal worker received or had to receive, except for the case where the tax and the contributions have already been paid;

4) obligate the employer to pay all the costs of transfer of the amounts provided in this paragraph 5 to the country to which the third-country national returned or was returned, as well as the costs of return of the third-country national;

5) impose a fine on the employer according to a procedure prescribed by this Law between EUR 868 and 2,896 for each illegal worker. If the employer has already been punished for the same violation during the past 3 years, he shall be liable to pay a fine between EUR 2 896 and EUR 5 792 for each illegal worker;

6) transmit information on the illegal worker to the Migration Department.

6. Apart from sanctions referred to in paragraph 5 above, the following may be imposed on the employer that has committed a violation referred to in subparagraph 2 of paragraph 1 above:

1) restriction on participation in public procurement according to the procedure prescribed by the Republic of Lithuania Law on Public Procurement;

2) forfeiture of the right to receive subsidies, benefits or other assistance from the State including support from the European Union Structural Funds and other support except for direct support of the European Union, for the period of up to 5 years, according to the procedure prescribed by the Government of the Republic of Lithuania;

3) obligation to repay, according to the procedure prescribed by the Government of the Republic of Lithuania, the subsidies, benefits or other assistance from the State including support from the European Union Structural Funds and other support except for direct support of the European Union received during the 12 months preceding the establishment of the fact of illegal work, in full or in part.

7. In case if the employer that has illegally employed a third-country national for certain work is a subcontractor, its direct contractor shall assume subsidiary liability for the discharge of the financial obligations referred to in subparagraphs 2, 3 and 4 of paragraph 5 above except for

the case where the contractor has requested the subcontractor in writing to provide the third-country national's employment documents specified in paragraph 2 above, and has taken measures to check truthfulness thereof. If the contractor or other subcontractors knew about the illegal employment of the third-country national by the employer, the subsidiary liability for the discharge of the financial obligations referred to in subparagraphs 2, 3 and 4 of paragraph 5 shall apply to them as well. Subsidiary liability of the contractor or other subcontractors means that both the State Labour Inspectorate and the third-country national who worked illegally shall be entitled to make a financial claim to them no later than within 3 months from the due date of their financial claim to the employer but the employer has failed to satisfy the claim or has satisfied it in part. In addition, the State Labour Inspectorate shall impose a fine on the contractor between EUR 868 and 2,896 for each third-country national who worked illegally, except for the case where the contractor has requested the subcontractor in writing to provide the third-country national's employment documents specified in paragraph 2 above, and has taken measures to check truthfulness thereof. If the contractor has already been punished for the same violation during the past 3 years, he shall be liable to pay a fine between EUR 2 896 and EUR 5 792 for each third-country national who worked illegally.

8. Persons who worked illegally shall have the right to claim unpaid remuneration for work according to the procedure prescribed by the Labour Code of the Republic of Lithuania for the resolution of labour disputes.

9. It shall be deemed, in the cases specified in subparagraphs 2 and 3 of paragraph 4, subparagraphs 2, 3, 4 and 5 of paragraph 5 and paragraph 8 above, that illegal labour relations last for 3 months until the date when the fact of illegal work is established, and the employee is paid the minimum monthly pay set by the Government of the Republic of Lithuania as of such date. This provision shall not apply in cases when the State Labour Inspectorate or the worker prove that a higher remuneration was paid, or the employer who recognises that the worker was employed illegally proves a shorter period of illegal work.

10. The fine referred to in subparagraph 4 of paragraph 4, subparagraph 5 of paragraph 5 and paragraph 7 above shall be imposed provided that, due to the act committed, the natural or legal person is not liable under the Administrative Code of the Republic of Lithuania or the Criminal Code of the Republic of Lithuania.

Article 57. Violation of Foreigner's Employment Procedures and Liability

1. A violation of the foreigners' employment procedures shall be an action taken by an employer that has employed a third-country national where the employer:

1) has failed to request, no later than one day prior to the planned date of conclusion of the employment contract, the third-country national to produce a valid permit to reside in the Republic of Lithuania or another document entitling to stay or reside in the Republic of Lithuania and the permit to work in the Republic of Lithuania;

2) has failed to retain, during the period of work in the Republic of Lithuania, copies of documents referred to in subparagraph 1 of Article 56(2) of this Law and/or to produce them to the State Labour Inspectorate, the Migration Department or other institutions referred to in Article 55, at their request;

3) has failed to notify the start and end of work to the State Labour Inspectorate in writing, within 3 working days from the date of conclusion/termination of the employment contract, according to a procedure prescribed by the State Labour Inspectorate.

2. Having established that an employer has committed a violation referred to in paragraph 1 above, the State Labour Inspectorate shall impose a fine on the employer between EUR 200 and EUR 400 per violation. If the employer has already been punished for the same violation during the past 3 years, he shall be liable to pay a fine between EUR 400 and EUR 800 per violation.

Article 58. Undeclared Work and Liability

1. Undeclared work shall mean the work functions performed, for remuneration, by a natural person (an employee), who is subordinate to another person (an employer), for the benefit of the latter, where the following has not been recorded in the working time accounting documents according to a procedure prescribed by the Labour Code of the Republic of Lithuania:

- 1) overtime worked by the employee;
- 2) the employee's work during holidays or days-off unless such work is set according to a schedule;
- 3) the employee's night-time work.

2. The employer shall discharge the liability to record the performance of the employee's work functions specified in paragraph 1 above by the end of the next working day at the workplace, except for the case where the employee temporarily (but not longer than 5 working days) is working at a place other than his workplace. In such a case, the performance of the work functions shall be recorded not later than on next day after the completion of the work functions at such other place. Where the employee is working at another workplace for longer than 5 working days, the liability to record the performance of the work functions shall be discharged within one week from its completion.

3. Having established that an employer has committed a violation referred to in paragraph 1 above, the State Labour Inspectorate shall:

- 1) obligate the employer to restore the distorted or concealed circumstances due to which the fact of undeclared work was established;
- 2) impose on the employer a fine between EUR 200 and EUR 600 per violation. If the employer has already been punished for the same violation during the past 3 years, he shall be liable to pay a fine between EUR 600 and EUR 1,200 per violation.

4. An employee whose work functions have not been recorded in the working time accounting documents according to a procedure prescribed by the Labour Code of the Republic of Lithuania shall have the right to demand the pay due to him according to a procedure prescribed by the Labour Code of the Republic of Lithuania for the resolution of labour disputes.

Article 59. Undeclared Self-Employment and Its Legal Consequences

1. Undeclared self-employment shall mean activities by a natural person that meet the criteria for registered individual activities but the person is carrying out the activities:

- 1) without registration according to a procedure prescribed by the tax laws;
- 2) upon registration according to a procedure prescribed by the tax laws but without declaring his income or declaring income that is lower than the actual income earned by him from such individual activity.

2. A natural person engaged in undeclared self-employment shall be liable according to a procedure prescribed by law.

Article 60. Imposition of Fines

1. Cases on violations referred to in Articles 56, 57 and 58 of this Law shall be considered and fines shall be imposed by the State Labour Inspectorate. The violations shall be investigated, the reports on violations shall be issued, and the cases shall be considered according to the Administrative Code of the Republic of Lithuania *mutatis mutandis*.

2. By imposing a fine under Articles 56, 57 and 58 of this Law, the State Labour Inspectorate shall determine the amount of the fine as an average of the minimum fine and the maximum fine, having regard to circumstances mitigating and aggravating liability of the employer – a legal or natural person. Where circumstances mitigating the liability exist, the amount of the fine shall be reduced from the average to the minimum, and where circumstances aggravating the liability exist, the amount of the fine shall be increased from the average to the maximum. Where both mitigating and aggravating circumstances exist, the fine shall be imposed having regard to their number and significance. The reduction or increase of the fine amount shall be well-founded. The fine shall be recovered to the state budget.

3. Circumstances mitigating liability shall include the fact that the person who had committed the violation has prevented harmful consequences of the violation, stopped the violation prior to commencement of its investigation, admitted the commission of the violation, assisted the authorised officers to investigate the violation and paid the damage in good faith; and the very difficult financial situation of the person.

4. Circumstances aggravating liability shall include the fact that the person hindered the conduct of the investigation of the violation, intentionally concealed the violation, and continued the violation despite the instructions to stop the unlawful actions given by the officers authorised by the institutions referred to in Article 55 of this Law.

5. The fines under Articles 56, 57 and 58 of this Law may be imposed no later than within 3 years from the date when the fact of the violation was established.

6. The imposition of the fine may be imposed according to a procedure prescribed by the Administrative Code of the Republic of Lithuania.

7. Imposition or non-imposition of the fine for illegal work or undeclared work, and reversal or reduction of the fine in court shall not form grounds for the refusal to determine or to recover the natural person's income tax and the state social insurance contributions payable by the employer and the person who performed illegal or undeclared work on the income that was received or had to be received by such person, as well as the related fines and penalties under the relevant legal acts. Decisions on the determination and recovery of the natural person's income tax, the state social insurance contributions and the related fines and penalties may be appealed against according to a procedure prescribed by law.

CHAPTER V

LIABILITY AND SETTLEMENT OF DISPUTES OVER THE IMPLEMENTATION OF EMPLOYMENT SUPPORT MEASURES AND THE PROVISION OF LABOUR MARKET SERVICES

Article 61. Liability

Should it be established that the employment support measures have been applied to a person on the basis of incorrectly executed or falsified documents or of knowingly untrue information or of failure to submit information, the costs of the person's participation in the employment support measures that had been financed according to the procedure and from the funds provided under this Law, or the costs arising from other unlawful acts, shall be recovered, according to a procedure prescribed by law, from persons at fault who have issued or produced such documents or information, and from other persons at fault.

Article 62. Settlement of Disputes

Disputes over this Law shall be considered according to the procedure prescribed by the Lithuanian law.

CHAPTER VI FINAL PROVISIONS

Article 63. Coming Into Effect and Implementation of the Law

1. This Law except for paragraph 2 of this Article shall take effect on 1 January 2017.

2. The Government of the Republic of Lithuania or an institution authorised by it shall adopt legal acts implementing this Law by 31 December 2016.

3. Proposals or applications by employers, submitted prior to the effective date of this Law, shall be accepted according to provisions of the Republic of Lithuania Law on Support for Employment No X-694 as amended and the legal acts implementing the said law. Provisions of the Republic of Lithuania Law on Support for Employment No X-694 as amended and the legal acts implementing the said law shall apply to the contracts concluded prior to the effective date of this Law.

Article 64. Invalidation of the Law

The Republic of Lithuania Law on Support for Employment No X-694 as amended shall be invalidated.

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

PRESIDENT OF THE REPUBLIC

Dalia Grybauskaitė

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW

1. Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ 2006 L 376, p. 36).

2. Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (OJ 2009 L 155, p. 17).

3. Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum sanctions and measures against employers of illegally staying third-country nationals (OJ 2009 L 168, p. 24).

4. Directive 2011/98/EC of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State (OJ 2011 L 343, p. 1).

5. Directive 2014/36/EU of the European Parliament and of the Council of 26 February 2014 on the conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers (OJ 2014 L 94, p. 375).

6. Directive 2014/54/EU of the European Parliament and of the Council of 16 April 2014 on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers (OJ 2014 L 128, p. 8).
