

REPUBLIC OF LITHUANIA

LAW
ON THE EMPLOYMENT OF THE POPULATION

The law of the Republic of Lithuania on the Employment of the Population, together with other laws regulating labour relations, shall establish state guarantees of the constitutional right of the citizens of the Republic of Lithuania to work and choose an occupation.

Chapter 1
GENERAL PROVISIONS

Article 1. Employment of Citizens of the Republic of
Lithuania

Citizens of the Republic of Lithuania shall have the right to freely choose work or engage in other activities which are not prohibited by law.

The rights and duties of citizens of the Republic of Lithuania employed in foreign countries shall be established by the laws of those countries, unless bilateral agreements provide otherwise.

Article 2. Application of the Law to Foreign Citizens and
Stateless Persons

This law shall apply to foreign citizens and stateless persons according to the general procedure, with the exception of cases regulated by other laws or international agreements.

Article 3. Implementation of the Right to Work

Citizens shall implement their right to work either by directly applying to employers or through the mediation of the labour exchange. Employment contracts shall be drawn up upon agreements between citizens and employers according to the procedure established by law.

Citizens may choose not to work.

Article 4. The Right to be Employed under Contract

Citizens, according to the procedure established by law, may conclude employment contracts with employers in other countries or in places other than the permanent place of residence of the person concluding the contract.

If the labour exchange mediates the conclusion of such a contract, the procedure for the compensation for expenses of the conclusion thereof and for additional related expenses shall be established by the Government of the Republic of Lithuania.

Mediating the employment of citizens abroad is the exclusive right of the State and shall be implemented by the labour exchange of Lithuania. Other organizations may mediate the employment of citizens abroad only with appropriate authorization (licences).

Authorization (licences) shall be issued by the Ministry of Social Security of the Republic of Lithuania.

Article 5. The Unemployed

The unemployed shall be persons who are capable of work and for reasons beyond their control have no salary, and who have either registered themselves with their local labour exchange as persons willing to and capable of performing certain work, or who

are prepared to undergo training or retraining if the labour exchange does not offer work corresponding to their vocational training, previous vocational activities, or their state of health.

Chapter 2 EMPLOYMENT RIGHTS AND GUARANTEES OF CITIZENS

Article 6. State Guarantees of Employment

In cases provided by this law, the State shall guarantee citizens:
free vocational guidance and consultation services, as well as information concerning available jobs;
free labour exchange services upon employment;
free vocational training or retraining facilities in the event of unemployment;
the opportunity, in the event of unemployment, to perform municipal jobs; and
unemployment benefit.

Article 7. Employment Programmes and Additional Guarantees

If necessary, the labour exchange of Lithuania shall prepare state or, together with local governments, local programmes of employment, which shall be approved by state government bodies or local governments and financed from the appropriate budgets. Such programmes shall be prepared primarily for the protection of individuals who are the most socially vulnerable, as specified in Article 8 of this law, from unemployment. Local governments, on the recommendation of the labour exchange, shall establish employment or creation of new jobs quotas for employers of up to 5 percent of the total number of employees for the employment of such persons. Employers who do not fulfill employment or job quotas shall, in either case, pay the Employment Fund additional payments equaling 12 average monthly wages of the employees of that enterprise, institution or organization, except in cases when the labour exchange has not applied for the employment of persons specified in Article 8 of this law.

These resources shall be used at the discretion of local governments for the financing of programmes specified in part 1 of this Article.

Article 8. Individuals for whom Special Employment Guarantees are Applicable

Additional Employment Guarantees shall apply to:
individuals under 18 years of age;
women with children under 14 years of age and men who are singly bringing up children of the same age;
persons who are within 5 years of becoming eligible to receive full old-age pension;
persons who have returned from places of imprisonment; and
disabled persons, in accordance with the procedure provided for in the Law of the Republic of Lithuania on the Social Integration of Disabled Persons.

Article 9. Employer Obligation to Give Employees Notice of Employment Contract Termination

If the employee is not at fault, employers may terminate unfixed-period employment contracts on their own initiative according to the procedures established by law only after giving the employee a 2-month written notice. A 4-month written notice must be given to employees who are within 5 years of becoming eligible to receive full old-age pension, minors under 18 years

of age, disabled persons, women with children under 14 years of age, and men who are singly bringing up children under 14 years. Employment contracts or collective agreements may establish longer terms of notice.

Terms of notice established in part 1 of this Article shall also apply in the termination of fixed-period employment contracts.

In cases when the time remaining until the expiration of a fixed-period employment contract is less than the terms of notice established in this Article, employers may only discharge employees on their own initiative when the employees are not at fault upon the expiration of the employment contract.

If an employee is being discharged prior to the expiration of an employment contract, the date of discharge shall be moved to the expiration date of the term of notice.

Employers may not, on their own initiative, terminate employment contracts of employees set forth in Article 8 of this law, provided that such employees are not at fault and their total number among the employees is less than the quotas of employment or the establishment of new work places as determined by local governments.

Article 10. The Obligations of Employers in the Discharge of Groups of Employees

Employers who are reducing the number of employees according to the procedure established by law, or who are terminating the activities of an enterprise, institution or organization and by reason thereof are planning within 30 days to discharge a group of employees (10 or more employees in enterprises, institutions and organizations wherein up to 100 people are employed, or more than 10 percent of the employees in enterprises, institutions or organizations wherein more than 100 people are employed), must notify the labour exchange and local governments about such plans 3 months prior to the discharge.

Local governments, on the recommendation of the labour exchange, may, on a temporary basis of up to 6 weeks, suspend the discharge of employees. Part of the expenses related thereto may be defrayed for the employers from the Employment Fund or local government budgets.

If an employer discharges a group of employees without complying with the procedure established in part 1 of this Article, the employees' dates of discharge may be moved to the date when the notification was to have expired.

Article 11. Registration of Available Jobs

Employers must register available jobs with the labour exchange, and the latter must make them available to the public. Upon the decision of the labour exchange, employers who violate the procedure for registration of available jobs shall pay a penalty to the Employment Fund equaling one average monthly wage of the employees of that enterprise, institution, or organization for each unregistered available job.

The procedure for registration shall be established by the Ministry of Social Security of the Republic of Lithuania.

Chapter 3

ECONOMIC PREREQUISITES FOR THE EMPLOYMENT OF RESIDENTS

Article 12. The Employment Fund

The Employment Fund shall be established for the financing of measures for the employment of residents.

The estimate of the Employment Fund shall be approved, and the procedure for its composition and use shall be established by the Ministry of Social Security of the Republic of Lithuania.

The Employment Fund shall be managed and made available to the public by the Labour Exchange of Lithuania.

Article 13. Financial Resources of the Employment Fund

The Employment Fund shall consist of:
compulsory payments of employers for unemployment insurance;
charitable contributions from legal and natural persons;
the income of the labour exchange;
additional payments of employers, as specified in Articles 7 and 11 of this law;
subsidies from the state budget; and
additional income.
The guarantor of the Employment Fund shall be the State.

Article 14. Use of Employment Fund Resources

Employment Fund resources shall be used for:
the organization of training, retraining or requalification of unemployed residents, and for the defrayal of expenses relative thereto, as well as for the payment of stipends;
the financing of employment programmes, the creation of new jobs, as well as for the employment of residents specified in Article 8 of this law;
the financing of municipal jobs;
the payment of unemployment benefits;
credits to unemployed persons for the organization of their own businesses; and
the financing of the activities of the Labour Exchange of Lithuania.

Chapter 4 Social Guarantees for Unemployed Residents

Article 15. The Right to Unemployment Benefits

The following persons who are deemed unemployed in accordance with the procedure provided for in Article 5 of this law shall be eligible for unemployment benefits:
persons dismissed on the initiative of the employer, when they are not at fault;
persons who have returned from the national defence service;
persons who have returned from places of imprisonment;
graduates from secondary schools of general education, vocational training schools, colleges, and institutions of higher education;
persons who, in cases provided by law, were not employed because they were raising young children; and
guardians of persons declared legally incapable and persons nursing Group I and II invalids when guardianship (nursing) is not necessary.

Article 16. Unemployment Benefits

Unemployment benefits shall be granted to unemployed persons according to the procedure established by the labour exchange. In the course of 12 months, benefits shall be payable over a period not exceeding 6 months, commencing on the 8th day of registration.

The beginning of benefit payments shall be postponed until the period for which discharge gratuity was paid ends.
Unemployed persons who, over the past 3 years, have been employed for 24 months or more under employment contract and who have

unemployment insurance shall receive monthly payments in the following amounts:

during the first two months -70 percent;

during the next two months - 60 percent;

during the following two months -an unemployment benefit equaling 50 percent of the average monthly wage received in the previous place of employment.

For persons who are of pensionable age (who are within five years of becoming eligible to receive full old-age pension), unemployment benefit payments equaling 50 percent of their average wage shall be extended for two more months. Benefit payments shall be discontinued when a person becomes entitled to pension.

Benefit payments shall also be extended for the amount of time that a person performs municipal works.

Unemployed persons with unemployment insurance who have 2 years work experience but who have interrupted contracted job for more than 1 year shall be paid benefits for 6 months in the amount of income security provided for in the Law on the Income Security.

Citizens who take leave of a contracted job for more than a year for a valid reason (illness, child care, nursing sick or disabled persons, etc.) as well as graduates from secondary schools of general education, vocational training schools, colleges and institutions of higher education, shall be paid benefits for 6 months which equal state supported income as established by the Law on Income Security.

If citizens who voluntarily terminate employment contracts without a valid reason, who have been discharged from work for misconduct, who have returned from the national defence service or places of imprisonment, as well as graduates from secondary schools of general education, vocational training schools, colleges, or institutions of higher education, do not apply to the labour exchange for employment within 6 months of returning or graduating, they shall only begin receiving unemployment benefits 6 months after their registration at the local labour exchange.

Unemployment benefits may not, in any case, be lower than the income security established according to the procedure provided for in the Law on Income Security of the Republic of Lithuania, and may not be higher than two indexed minimum standards of living.

Article 17. Ineligibility for Unemployment Benefits

Unemployment benefits shall not be granted to persons who:
have refused offers of employment in cases specified in Article 18 of this law;
for no valid reason, have failed to report to the labour exchange to receive a job offer;
are receiving pension or benefit from state or social insurance budgets.

Article 18. Reduction and Termination of Unemployment Benefits

Unemployment benefits shall be reduced by 50 percent for unemployed persons who have refused offers of employment which correspond to their vocational training, previous professional activities, and state of health, and which require a commute of no more than 3 hours per day, or 2 hours for women with children under 14 years of age or men who are singly raising children under 14 years of age.

Unemployed persons shall have the right to choose jobs which correspond to their vocational training or previous occupational activities for no longer than 6 months. Thereafter, they will be

offered jobs which require a lower skill level, or may be directed to learn another profession according to the procedure prescribed by Article 19 of this law.

Unemployed persons shall lose unemployment benefits if:
they have, within 30 days, turned down job offers twice under conditions provided for in part 1 of this Article;
they were hired while receiving benefits and did not notify the labour exchange.

Article 19. Training, Retraining and Requalification of Unemployed Persons

Unemployed persons who have not, within 6 months of their registration, been offered a permanent job which corresponds to their profession by the labour exchange according to the established procedure, shall be directed for retraining or improving their skill level pursuant to agreements concluded for this purpose with enterprises, institutions or organizations. With the consent of unemployed persons, their training, retraining or requalification may start earlier.

Upon acquisition of a new profession, a citizen shall be employed by the employer with whom the contract has been concluded.

During the training period, citizens who have been employed under contract for less than 24 months over the past three years and who have unemployment insurance shall receive a stipend equaling the average monthly wage received in their previous job, although this stipend may not exceed two indexed minimum standards of living.

Citizens who have unemployment insurance as well as two years of work experience and whose absence from a contracted job does not exceed 1 year shall receive a stipend in the amount of income security established according to the procedure provided for in the Law on Income Security.

Other citizens (part 7 of Article 16) shall receive a stipend equaling state supported income, which shall be established according to the procedure provided for in the Law on Income Security.

Individuals who have independently found employment, learned another profession, or acquired higher qualification either directly through practice or by being sent by an enterprise, institution or organization to a corresponding educational institution, shall receive stipends during the period of training in an amount established in the contract between the employer and the employee.

The procedure for vocational training, retraining or requalification shall be established by the Government of the Republic of Lithuania.

Article 20. Municipal Jobs

Together with local governments, labour exchanges shall organize temporary (up to 2 months) municipal works for unemployed citizens for whom it is difficult to find work.

If the individuals agree, they may have their municipal works extended.

Citizens performing municipal works shall be compensated in the manner established by law.

Unemployment benefits shall not be payable to individuals performing municipal works if their wages are higher than the benefits. If the wage is lower than the benefits, the difference between the wage and the benefit shall be paid by the labour exchange.

Citizens performing municipal works shall be entitled to all social guarantees applicable to employees of corresponding professions.

The procedure for the performance of municipal works shall be established by the Government of the Republic of Lithuania.

Chapter 5 THE LABOUR EXCHANGE OF LITHUANIA

Article 21. Structure of the Labour Exchange

State guarantees for the employment of residents shall be implemented in the labour market by the Labour Exchange of Lithuania under the Ministry of Social Security. It shall consist of the national and local labour exchanges.

Three-party committees shall be established by the labour exchange for the consideration of issues concerning the employment of residents. The following parties shall have an equal number of members having equal rights: employees (representatives of trade unions, mergers, associations, etc.), employers (representatives of mergers, associations, etc.), and representatives of state government bodies. Representatives of employees and representatives of employers shall be appointed by said organizations, whereas representatives of State government bodies shall be appointed by the Government of the Republic of Lithuania as well as by local governments.

The regulations of the Labour Exchange and of the three-party committees shall be approved by the Government of the Republic of Lithuania.

Article 22. Functions of the Labour Exchange

The Labour Exchange shall:

- analyze supply and demand of labour and forecast possible changes in the labour market;
- register available jobs and unemployed persons;
- look for job openings and inform persons seeking employment;
- mediate the employment of citizens;
- organize, together with companies, institutions and organizations, vocational guidance services, training, retraining and requalification of residents seeking employment;
- mediate the employment of residents abroad;
- manage the financial resources of the Employment Fund according to the established procedure and make recommendations for its formation and use;
- prepare State programmes, and together with local governments, local programmes for employment, intended primarily for the portion of the population which cannot compete with other residents in the labour market under equal conditions;
- make recommendations to local governments for the temporary suspension of employee discharges or for the extension of discharge terms if the employment, training, retraining, or requalification of the discharged persons is not possible, or if an employer, having discharged a group of employees, did not inform the labour exchange about the dismissal in due time;
- administer penalties for employers who have violated the procedure for registration of available jobs;
- organize, together with local governments, municipal works and direct unemployed individuals to them; and
- administer unemployment benefits.

Article 23. The Rights of Three-Party Committees

Three-party committees shall:

- consider and make recommendations to the labour exchange on employment policy, regulation of the labour market, the priorities of social assistance to the unemployed, as well as the improvement of the system;

make recommendations concerning programmes for the employment of residents, measures for limiting unemployment, the establishment of additional jobs and employment quotas for those who cannot compete with other individuals under equal conditions in the labour market, and the organization of municipal works, vocational guidance, training and retraining of unemployed persons;
regularly consider the activities of labour exchanges and the utilization of the Employment Fund and make appropriate recommendations.

Chapter 6
CONTROL OF THE OBSERVANCE OF THE LAW
ON THE EMPLOYMENT OF THE POPULATION

Article 24. Control of the Observance of this Law
The observance of the Law on the Employment of the Population shall be controlled by the State Labour Inspectorate.

Article 25. Appeals against the Actions of Employers and the Labour Exchange

An individual may appeal to court against the actions of an employer or the labour exchange according to the procedure established by law.

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