Financial incentive for attracted talents and their employers*

Parliament of Lithuania has approved amendments to the Employment Law, which are expected to help attract more highly qualified specialists from abroad and help skilled Ukrainians who have fled the war to find work in Lithuania.

Note: The budget allocated for these financial incentives is limited, payments will be made until the budget is used up.

* Eligible for employees, employed since 2022 January 1



Financial incentive for employees

The financial incentive of **3 444 EUR**¹ will be paid to newcomer specialists to help with relocation costs.

Employee eligibility criteria:

- have not been a permanent resident in Lithuania for the last 5 years.
- have an open-ended employment contract (without a fixed termination date) with a company based in Lithuania.
- the job title is on the official list of high value-adding professions for which there is a shortage of workers in Lithuania (e.g., ICT, Engineering, Life Sciences)
- receive an average gross monthly salary of at least 3 444 EUR¹ (4.1 times the minimum Lithuanian monthly salary) for the past 6 months or more. If company's average salary is higher, then employee's salary must be equal or higher than company's average salary.



Except for some cases when foreigners received a national visa before **30 June 2022.**

For example, foreigners whose entry to Lithuania was mediated by a legal person or who's purpose of arrival is long-term stay²

All eligible employees – **both foreign nationals and Lithuanian expats** – can apply for the relocation payment after **6 months** of working in Lithuania, but not later than **2 years**.

Example



If you arrive in Lithuania on 1st of September 2022 and sign a job contract, then you may contact the Employment Service after the 1st of March 2023.



Are Ukrainian citizens eligible for the financial incentive?

Lithuania stands firmly with Ukraine and has set up support mechanisms for Ukrainian refugees looking to find employment in Lithuania.

Ukrainian citizens can receive 3 4441 EUR for relocation expenses if they:

- have an open-ended employment contract (without a fixed termination date) with a company based in Lithuania.
- receive an average gross monthly salary of at least 2 016 EUR¹ (2.4 times the minimum Lithuanian monthly salary) for the past 3 months or more. If company's average salary is higher, then employee's salary must be equal or higher than company's average salary.

Eligible Ukrainians can apply for the financial incentive after **3 months** of working in Lithuania, but not later than **2 years** after the commencement of their employment in Lithuania.



¹The amount may fluctuate depending on the changes to the minimum monthly salary in Lithuania.

² More information on the exception may be found in the Employment Law of the Republic of Lithuania, XII-2470 Lietuvos Respublikos užimtumo istatymas (Irs.It).

Financial incentive for employers

Employer that hires an eligible highly skilled employee from abroad (please refer to page one) shall be granted a financial incentive of not more than **6 048 EUR¹** per each eligible employee. The employer may apply for the incentive no earlier than **12 months and no later than 2 years** after the employee starts working in Lithuania. The incentive is meant for newly hired employees and employers will not be able to receive a lump sum for those relocating within a group of companies or for those who had been employed within the group of companies in the last 5 years.

Employer's lump sum is going to be calculated based on the salary of the employee in question. To be more precise, the payment will be equal to the average salary of the employee, but not higher than 6 048 EUR¹.



Example No. 1

Company's average salary is **4 500 EUR** and employee's average pay is **3 800 EUR**. Average pay of 3 800 EUR is higher than the set minimum of 3 444 EUR to qualify for the incentive. However, it is not equal or higher to the company's average pay. **As a result, neither employee, nor their employer is qualified for the financial incentive.**

Example No. 2

Company's average salary is **3 500 EUR** and employee's average pay is **3 600 EUR**. Average pay of 3 600 EUR is higher than the set minimum of 3 444 EUR to qualify for the incentive. Moreover, it is higher than the company's average wage. **As a result, both employee and their employer are qualified for the financial incentive.**



De minimis

It is important to mention that this financial incentive falls under the concept of *de minimis* aid. Therefore, the maximum amount of *de minimis* governmental aid per undertaking over a period of three tax years may not be higher than **200 000 EUR**.

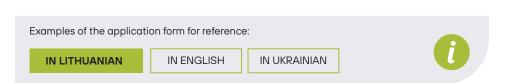
For example, if you are eligible for the maximum amount of 6 048 EUR per employee, you will be eligible for this financial incentive until the total sum reaches 200 000 EUR (~ 30 eligible employees per company).

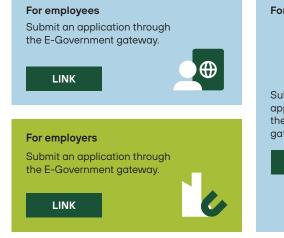
Companies may check if they have received de minimis aid

HERE

How to apply?

Those eligible for the financial incentive must submit an application, **completed in Lithuanian** in one of the following ways:







In the event of applications being incomplete or incorrectly submitted, employers will be asked to clarify the submission within 3 working days. For any additional questions, call 1883.

