



Employment contracts

Employment contracts can be concluded in any suitable written format as long as job functions, workplace and salary are all indicated.



Termination

It is only possible to terminate employment contracts on the grounds presented in the Lithuanian Labour Code.



Severance payment

Severance pay ranges from 0.5 to 6 times the average monthly salary, and must be paid by the employer. When the employment relationship is terminated at the initiative of the employer without the employee being at fault in any way – an additional sum equal to 3 times the average monthly salary will be paid from a special state-run fund. This severance pay is available to employees who have been employed for 5 years or more, and amounts are calculated based on the employee's seniority.



Notice Period

Termination of employment:

1. By the employee

20 calendar days

2. By the employer

From 1 month to 3 months

Notice period for employment relationships lasting less than one year: **from 2 weeks - 1.5 months.**



Probation Period

3 months

During this time, the employer is at liberty to terminate the employment at no cost to themselves.



Holidays

The minimum duration of annual leave is 20 business days per year. Some groups of employees (employees who are under 18 years old, disabled employees, single parents raising a child under 14 years old, employees raising a disabled child under 18 years old) have higher legal protection and longer minimum annual leave - 25 business days per year. Long-term employees who have worked for more than 10 years should be granted additional annual leave as well.

National Holidays

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Maternity/Paternity leave



For paternity/maternity leave that lasts until the child's 1st birthday, the employee receives 77.58% of their insured income (subject to statutory thresholds). This support is paid by the state.

or

For paternity/maternity leave that lasts until the child's 2nd birthday, the employee receives 54.31% of their insured income for the first year, and 31.03% of their insured income for the 2nd year (subject to statutory thresholds). This support is paid by the state.

Maternity / paternity leave can be extended to last until the child's 3rd birthday. The employee receives no pay during the 3rd year, but the employer must guarantee the availability of their position until the end of the 3rd year.

Employees who are raising a disabled child under the age of 18 or 2 children under the age of 12 are entitled to 1 additional day of paid leave per month. Employees who are raising 3 or more children under the age of 12 are entitled to 2 additional days of paid leave per month.



Standard working hours

8 AM – 5 PM or 9 AM – 6 PM.

Standard working time

40 hours per week on a regular salary.



Sick leave

The first 2 days are covered by the employer. The rest are covered by the state.

Employees must obtain an authorized medical certificate of incapacity to work in order to receive this benefit.



Employee share options

Under new rules, fringe benefits from share options are exempt from personal income and social tax, if: (a) a share option is held by an employee (but not exercised) for at least 3 years; and (b) if the share option agreement is concluded after 1 February 2020; and (c) provided other conditions are met and the State Tax Inspectorate's practice regarding option plan setting is followed.

Sources: Alliance for Recruitment, Wallless, Sorainen