

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Latvia. Your candidate is hired via Globalization Partners' Latvia PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

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Our solution and Global PEO service enables customers to run payroll in Latvia while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Latvia.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Latvia, with a population of nearly 2 million, is one of three Baltic states in Northern Europe,

and it lies on the western edge of the Baltic Sea. Latvian is the official language, but English and Russian are also widely spoken.

When negotiating terms of an employment contract and offer letter with an employee in Latvia, it may be useful to keep the following in mind:

Employment Contracts in Latvia

Fixed term contracts are only allowed in specific circumstances as stipulated in the Labor Law.

It is legally required to put a written employment contract in place in Latvia, in the local language, which spells out the terms of the employee's compensation, benefits, and termination requirements. An offer letter and employment contract in Latvia should always state the salary and any compensation amounts in Euro rather than a foreign currency.

Working Hours in Latvia

In general, Latvians work 40 hours per week with 5, 8-hour days.

The day before a holiday is generally reduced by one hour.

Holidays in Latvia

Latvia celebrates 12 national holidays:

- New Year's Day
- Good Friday
- Easter Sunday
- Easter Monday
- Labor Day
- Restoration of Independence
- Midsummer

- Proclamation Day of the Republic of Latvia
- Christmas Eve
- Christmas Day
- Boxing Day
- New Year's Eve

Vacation Days in Latvia

Employees are entitled to at least 4 weeks of paid annual leave.

Latvia Sick Leave

Employees are generally eligible for 10 days of employer paid sick leave. The second and third days should be paid at at least 75% of regular wages, and the 4th through 10th days at at least 80%. The State Social Insurance Agency pays for sick leave from the 11th day through 26 weeks at 80% of the regular wages.

Maternity/Paternity Leave in Latvia

Female employees are generally entitled to 112 days of maternity leave: 56 before the birth and 56 after, although the employee may use all 112 days regardless of how many she used before the birth. Social insurance covers the employee's wages during leave if she is insured.

Fathers are generally entitled to 10 days of paternity leave to be taken within two months of the child's birth.

In general, employees are entitled to parental leave of up to 18 months until the child turns 8. The leave can be taken in whole or parts and is separate from maternity and paternity leave.

Health Insurance in Latvia

Latvia has universal healthcare funded by the government, with pay for fee service subject to

an annual cap.

Latvia Supplementary Benefits

Common employee benefits include supplemental health insurance and a company car.

Termination/Severance in Latvia

Fixed term contracts may not exceed two years.

Probationary periods of up to three months are permitted.

Employees may generally be terminated for cause as outlined in the Labor Law with written notice. The notice period depends on the reason for dismissal and generally ranges from 10 days to one month.

Employees are generally eligible for severance payment as follows:

- up to 5 years' service: one month's wages
- 5-10 years' service: two month's wages
- 10-20 years' service: three month's wages
- 20+ years' service: four month's wages

In general, employees can terminate employment with one month's written notice.

Paying Taxes in Latvia

Employers are generally required to withhold 20% to 31% of wages for income taxes.

A social security contribution of 23.59% is required from employers and 10.5% from employees.

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Establishing a branch office or subsidiary in Latvia to engage a small team is time-consuming, expensive and complex. Latvian labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Latvia. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Latvia PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Latvia, please [contact us](#).