

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 Lithuania. Your candidate is hired via Globalization Partners' Lithuania 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.

Table of Contents

- [Lithuania Holidays](#)
- [Bonus in Lithuania](#)
- [Working Hours in Lithuania](#)
- [Vacation in Lithuania](#)
- [Sick Leave in Lithuania](#)
- [Maternity/Paternity Leave in Lithuania](#)
- [Termination/Severance in Lithuania](#)
- [Lithuania Tax](#)
- [Health Insurance in Lithuania](#)
- [Additional Benefits in Lithuania](#)
- [Employment Contracts in Lithuania](#)
- [Why Globalization Partners](#)

Our solution enables customers to run payroll in Lithuania 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 Lithuania.

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.

Lithuania is one of the three Baltic States in Northern Europe. It borders the Baltic Sea, Latvia, Belarus, and Poland. Nearly 3 million people live in the country, and their official language is Lithuanian.

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

Lithuania Holidays

Lithuania celebrates 13 national holidays:

- New Year's Day
- Day of Re-establishment of the State of Lithuania
- Day of Restitution of Independence of Lithuania
- Easter
- Easter Monday
- Labor Day
- St. John the Baptist's Day
- State Holiday Lithuania
- Assumption Day
- All Saint's Day
- Christmas Eve
- Christmas
- St. Stephen's Day

Bonus in Lithuania

Performance-based bonuses are common in Lithuania.

Working Hours in Lithuania

In general, the work week is 40 hours, with five, eight-hour days.

Vacation in Lithuania

Employees are generally entitled to four weeks of annual paid leave, which may be taken in parts but not less than 14 days at a time.

Single parents of children under the age of 14 are entitled to 35 days of paid annual leave.

Sick Leave in Lithuania

Employees are eligible to receive between 80% and 100% of pay from their employer for the first two days of illness. From the third through the seventh day, they are eligible for 40% of pay, and after the seventh day, the State Social Insurance Fund pays 80% of the employee's salary.

Employees may not be terminated if they are absent for work for illness or injury for up to 120 successive days.

Maternity/Paternity Leave in Lithuania

Female employees are generally entitled to 70 days of maternity leave before the birth and 56 days after the birth. Employees are eligible for all days regardless of how many were actually taken before the birth. The State Social Insurance Fund pays an allowance for maternity leave.

Employees may not be terminated without fault if they have a child under the age of three.

Paid parental leave is available through the State Social Insurance Fund for mothers, fathers, grandparents or other relatives who are raising a child.

Termination/Severance in Lithuania

Probation periods of up to 3 months are allowed and may be terminated with three day's written notice.

Employees may terminate a fixed or indefinite contract by giving 14 days' written notice.

Employers may terminate contracts by giving two months' written notice. If the employee is terminated without fault, s/he is generally entitled to severance pay based on length of service, ranging from one month of pay for less than 12 months' service to six months pay for 240 months or more of service.

Employees who are terminated for fault are not eligible for severance pay.

Lithuania Tax

In general, employees pay income tax of 15%, health insurance contribution of 6%, and a social insurance tax of 3%.

Employers pay a social insurance tax of 27.98% (up to a wage cap), a health insurance contribution of 3%, and a contribution to the State Guarantee fund of 0.2%

Health Insurance in Lithuania

All permanent residents of Lithuania must have health insurance, and employees must register with their company's health insurance fund. The government pays for most services. Dental care is not covered by the state fund.

Additional Benefits in Lithuania

Common benefits include:

- Supplemental health insurance

- Car allowance
- Phone allowance
- Fitness allowance

Employment Contracts in Lithuania

Fixed term contracts are permitted in some cases, but may not exceed 5 years.

It is legally required to put a written employment contract in place in Lithuania, 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 Lithuania should always state the salary and any compensation amounts in Euro rather than a foreign currency.

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 Lithuania to engage a small team is time-consuming, expensive and complex. Lithuanian 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 Lithuania. 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 Lithuania 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 Lithuania, please [contact us](#).