*Official translation*

**REPUBLIC OF LITHUANIA**

**LAW ON SUPPORT FOR EMPLOYMENT**

15 June 2006 – No X-694

(As last amended on 10 May 2007 – No X-1116)
Vilnius

**CHAPTER I**

**GENERAL PROVISIONS**

**Article 1. Purpose and Scope of the Law**

1. This Law shall provide legal background for the employment support system for jobseekers (hereinafter – the “employment support”), its aim, tasks, the functions of institutions implementing the employment support policy, the employment support measures, as well as organisation and funding of their implementation.

2. This Law shall be applicable to citizens of the Republic of Lithuania and aliens who are legally residing in the Republic of Lithuania.

**Article 2. Definitions**

1. **Active labour market policy measures** shall be interpreted as defined in the Republic of Lithuania Law on Unemployment Social Insurance.

2. **Persons with family obligations** shall mean persons whose employment opportunities are restricted by familial circumstances (required nursing or care for children under 3 years of age, or for sick or disabled family members).

3. **Unemployed person** shall be interpreted as defined in the Republic of Lithuania Law on Unemployment Social Insurance.

4. **Persons of working age** shall be interpreted as defined in the Republic of Lithuania Law on Unemployment Social Insurance.

5. **Labour demand** shall mean job vacancies, positions and requirements set for them.

6. **Labour supply** shall mean persons in the labour market and their ability to perform work of a certain occupation, speciality or qualification, or to take up a certain post.

7. **Job rotation** shall mean temporary replacement of employees with jobseekers.

8. **Subsidised employment** shall mean employment of a person sent by a local labour exchange office by providing reimbursement of a portion of the expenses incurred by the employer when paying wage to this person.

9. **Long-term unemployed** shall mean persons under 25 years of age whose unemployment period exceeds 6 months and persons over 25 years of age whose unemployment period exceeds 12 months calculating from the day of registering with a local labour exchange office.

10. **Job vacancy** shall mean a workplace (position) for filling of which (for occupying the position) an employer is looking for a suitable employee.

11. **Vocational rehabilitation** shall mean restoration or enhancement of a person’s capacity for work, his professional competence and ability to participate in the labour market by using educational, social, psychological, rehabilitation and other measures.

12. **Psycho-social rehabilitation** shall mean application of targeted psychological and social measures seeking to change the way of thinking and behaviour of an addicted person and to restore his ability to live in society.

13. **Suitable job** shall mean a job corresponding to a jobseeker’s professional qualification, gained work experience or ability to perform the offered job, as well as his state of health, the situation in the labour market and also provided that the total time spent when travelling to and from work does not exceed 3 hours, and in the case of the disabled and persons with family obligations – 2 hours.

14. **Suitable employee** shall mean a person of a certain occupation, speciality or qualification who meets the requirements set for a particular job (position).

15. **Employment support policy** shall mean application of active labour market policy measures and other economic and social measures seeking to increase the employment of jobseekers, to reduce unemployment and to mitigate its negative consequences.

16. **Employment support system** shall mean the entirety of legal, economic, social and organisational measures used to support the employment of jobseekers.

17. **Local initiatives for employment** shall mean projects aimed at creating jobs for the unemployed that help consolidate the efforts of the local community and social partners with a view to increasing the employment of the population in certain municipalities (wards).

**Article 3. Aim and Tasks of the Employment Support System and the Employment Support Measures**

1. The aim of the employment support system is to seek full employment of the population, to reduce their social exclusion and to strengthen social cohesion.

2. There are the following tasks of the employment support system:

1) to align labour supply with demand seeking to maintain balance in the labour market;

2) to increase employment opportunities for jobseekers of working age.

3. There are the following employment support measures:

1) general employment support services;

2) active labour market policy measures;

3) employment support programmes.

4. The tasks of the employment support system are fulfilled and the employment support measures are implemented in line with the principles of equal opportunities for men and women, and non-discrimination.

**Version of Article 4 before 1 June 2007:**

**Article 4. Persons Additionally Supported in the Labour Market**

1. The following groups of persons are additionally supported in the labour market:

1) the disabled whose capacity for work is rated at 20-40% (before 1 July 2005 – persons with Group I or II disability) or the disabled for whom moderate disability has been established;

2) the disabled whose capacity for work is rated at 45-55% (before 1 July 2005 – persons with Group III disability) or the disabled for whom mild disability has been established;

3) persons who have completed vocational rehabilitation programmes;

4) persons taking up their first employment according to the acquired speciality or occupation;

5) the long-term unemployed;

6) persons over 50 years of age who are capable of work;

7) pregnant women, at the choice of a family, a mother (adoptive mother) or a father (adoptive father), a guardian or a custodian who actually raises a child under 8 years of age or a disabled child under 18 years of age (before 1 July 2005 – a child recognised as an invalid);

8) persons who have been released from places of imprisonment, where the duration of imprisonment was longer than 6 months;

9) persons whose unemployment period is or exceeds 2 years from the date of registration with a local labour exchange office;

10) persons addicted to drugs, psychotropic or other psychoactive substances, who have completed psycho-social and/or vocational rehabilitation programmes;

11) victims of trafficking in human beings, who have completed psycho-social and/or vocational rehabilitation programmes.

2. Persons specified in subparagraphs 3, 4, 8, 10 and 11 of paragraph 1 of this Article shall be considered as persons additionally supported in the labour market provided they apply to a local labour exchange office within 6 months from completing a vocational rehabilitation programme, acquiring a speciality or occupation, returning from the place of imprisonment or completing a psycho-social programme and are registered as unemployed.

**Version of Article 4 after 1 June 2007:**

**Article 4. Persons Additionally Supported in the Labour Market**

1. The following groups of persons are additionally supported in the labour market:

1) the disabled whose capacity for work is rated at up to 40% (before 1 July 2005 – persons with Group I or II disability) or the disabled for whom severe or moderate disability has been established;

2) the disabled whose capacity for work is rated at 45-55% (before 1 July 2005 – persons with Group III disability) or the disabled for whom mild disability has been established;

3) wards in respect of whom custody in the family, social family or child care institution has been established before reaching the age of majority – until they reach the age of 25;

4) persons who have completed vocational rehabilitation programmes;

5) persons taking up their first employment according to the acquired speciality or occupation;

6) the long-term unemployed;

7) persons over 50 years of age who are capable of work;

8) pregnant women, at the choice of a family, a mother (adoptive mother) or a father (adoptive father), a guardian or a custodian who actually raises a child under 8 years of age or a disabled child under 18 years of age (before 1 July 2005 – a child recognised as an invalid);

9) persons who have been released from places of imprisonment, where the duration of imprisonment was longer than 6 months;

10) persons whose unemployment period is or exceeds 2 years from the date of registration with a local labour exchange office;

11) persons addicted to drugs, psychotropic or other psychoactive substances, who have completed psycho-social and/or vocational rehabilitation programmes;

12) victims of trafficking in human beings, who have completed psycho-social and/or vocational rehabilitation programmes;

13) persons who are entitled to additional employment guarantees under the Republic of Lithuania Law on Additional Employment and Social Guarantees for Employees of the State Enterprise Ignalina Nuclear Power Plant.

2. Persons specified in subparagraphs 4, 5, 9, 11 and 12 of paragraph 1 of this Article shall be considered as persons additionally supported in the labour market provided they apply to a local labour exchange office within 6 months from completing a vocational rehabilitation programme, acquiring a speciality or occupation, returning from the place of imprisonment or completing a psycho-social programme and are registered as unemployed.

**CHAPTER II**

**INSTITUTIONS IMPLEMENTING THE EMPLOYMENT SUPPORT POLICY AND THEIR COMPETENCE**

**Article 5. Institutions Implementing the Employment Support Policy and Social Partners**

1. The employment support policy shall be implemented by:

1) the Government;

2) the Ministry of Social Security and Labour and other ministries;

3) other state institutions and agencies;

4) municipal institutions and agencies;

5) other legal and natural persons.

2. Institutions implementing the employment support policy referred to in paragraph 1 of this Article shall implement the employment support policy in consultation with social partners.

3.When implementing the employment support policy, social partners shall represent their interests by participating in the activities of the Tripartite Council of the Republic of Lithuania and the tripartite councils (commissions and committees) under agencies at the Ministry of Social Security and Labour implementing the employment support policy referred to in paragraph 1 of Article 8 of this Law.

4. The tripartite councils (commissions and committees) referred to in paragraph 3 of this Article shall consist of an equal number of members with equal rights representing the organisations that protect the interests of employees and employers, as well as state and municipal institutions. The tripartite councils (commissions and committees) under agencies at the Ministry of Social Security and Labour shall consider the priority areas of activities of agencies under which they operate, the situation in the labour market, the expediency of drafting the employment support programmes and the implementation of the employment support measures, and shall also submit proposals to these agencies concerning the enhancement of operational efficiency.

**Article 6. Competence of the Government**

The Government shall:

1) submit to the Seimas draft laws regulating the implementation of the employment support policy;

2) approve national programmes aimed at supporting the employment and adopt resolutions necessary for ensuring support for employment;

3) coordinate the activities of ministries and other state institutions and agencies aimed at supporting the employment.

**Article 7.** **Competence of the Ministry of Social Security and Labour and other Ministries**

1. The Ministry of Social Security and Labour shall:

1) submit proposals to the Government on the implementation of the employment support policy;

2) coordinate, analyse and assess the implementation of the employment support policy according to the European Employment Strategy;

3) organise and finance the implementation of the employment support measures;

4) participate in the implementation of human resources development policy;

5) perform other employment support functions established by legal acts.

2. Other ministries shall implement, within their sphere of competence, the aim and tasks of the employment support system established by this Law and the employment support measures by performing public administration functions of a sphere delegated to them by laws and other legal acts and participating in the activities aimed at using the funds from the European Union structural funds and the co-financing funds.

**Article 8. Competence of other State Institutions and Agencies**

1. There are the following agencies at the Ministry of Social Security and Labour that are implementing the employment policy:

1) the Lithuanian Labour Exchange at the Ministry of Social Security and Labour (hereinafter – the “Lithuanian Labour Exchange”) and its local labour exchange offices;

2) the Lithuanian Labour Market Training Authority at the Ministry of Social Security and Labour (hereinafter – the “Lithuanian Labour Market Training Authority”) and its territorial labour market training and counselling offices;

2. The Lithuanian Labour Exchange and its local labour exchange offices, as well as the Lithuanian Labour Market Training Authority and its territorial labour market training and counselling offices are legal entities which have their bank accounts, seals and logo.

3. The Lithuanian Labour Exchange shall:

1) implement the employment support measures specified in paragraph 3 of Article 3 of this Law;

2) carry out labour market monitoring;

3) in cooperation with the Lithuanian Labour Market Training Authority, municipal institutions and social partners, evaluate the situation in the labour market and consider measures aimed at solving problems in the labour market;

4) provide state aid to social enterprises in accordance with the procedure set forth in the Republic of Lithuania Law on Social Enterprises and legal acts regulating its implementation;

5) organise and coordinate the provision of vocational rehabilitation services in accordance with the procedure set forth in the Republic of Lithuania Law on Social Integration of the Disabled;

6) after coordination with the Ministry of Social Security and Labour, found, liquidate or reorganise local labour exchange offices, as well as coordinate, control and give methodological instructions concerning their activities;

7) perform functions established by other legal acts.

4. A local labour exchange office, performing the functions established in subparagraphs 1-5 of paragraph 3 of this Article and other legal acts, shall provide services to persons residing and looking for a job in the territory of a municipality assigned to it, as well as to enterprises, agencies and organisations.

5. The Lithuanian Labour Market Training Authority shall:

1) implementing the employment support measures specified in paragraph 3 of Article 3 of this Law, consult the jobseekers and the unemployed, as well as coordinate vocational training of the unemployed and of the employees who have been given a notice of dismissal, and control the quality of non-formal education;

2) be engaged in the activity that helps ensure conformity of qualifications with economic demands;

3) prepare a forecast concerning the demand for qualifications;

4) draft and approve vocational training programmes for agencies providing vocational rehabilitation services and participate in the organisation of the provision of such services;

5) participate in the implementation of a life-long learning strategy;

6) after coordination with the Ministry of Social Security and Labour, found, liquidate or reorganise territorial labour market training and counselling offices;

7) after coordination with the Ministry of Social Security and Labour and after receiving written approval of the Minister of Education and Science and the Minister of Finance, found, liquidate or reorganise training centres for training of jobseekers;

8) perform functions established by other legal acts.

6. A territorial labour market training and counselling office, implementing the employment support measures specified in paragraph 3 of Article 3 of this Law, shall provide information and counselling services to persons residing and looking for a job in the territory of a municipality assigned to it and shall perform functions established by other legal acts.

7. Other state institutions shall contribute to the achievement of the objective of the support for employment set out by this Law by fulfilling the tasks and implementing the employment support measures in accordance with this Law and other legal acts.

**Article 9. Competence of Municipal Institutions and Agencies**

When implementing this Law, municipal institutions and agencies participate in the implementation of the employment support measures specified in Articles 28, 31 and 32, as well as in drafting and implementing the employment support programmes specified in Article 34.

**Article 10. Competence of other Legal and Natural Persons**

Other legal and natural persons (and also branches of enterprises and organisations, which were founded in the states that have signed the Agreement on the European Economic Area, in the Republic of Lithuania) may provide general employment support services and submit proposals to institutions implementing the employment support policy concerning the implementation of these services.

**CHAPTER III**

**LABOUR MARKET MONITORING**

**Article 11. Labour Market Monitoring**

Labour market monitoring shall comprise the following aspects:

1) registration of jobseekers and including them in the records;

2) registration of job vacancies;

3) evaluation of the situation in the labour market and forecasting of changes;

4) evaluation of the efficiency of the implementation of the employment support measures.

**Article 12.** **Registration of Jobseekers and including them in the Records**

1. Local labour exchange offices shall register the unemployed and the employees who have been given a notice of dismissal and shall include other jobseekers, who apply to a local labour exchange office, in the records.

2. The Government, or an institution authorised by it, shall set the conditions of and the procedure for registration of jobseekers and their including in the records of local labour exchange offices.

**Article 13. Registration of Job Vacancies and their Announcement**

1. Employers who look for employees must inform local labour exchange offices about job vacancies, work functions and the nature of work, the remuneration and other conditions, as well as qualification requirements for candidates for employment.

2. Local labour exchange offices shall register job vacancies and publicly announce them.

3. The Government, or an institution authorised by it, shall set the conditions of and the procedure for registration of job vacancies at the local labour exchange offices.

**Article 14. Evaluation of the Situation in the Labour Market and Forecasting of Changes**

1. The Lithuanian Labour Exchange shall prepare evaluation reports on the situation in the labour market (annual, half-yearly and quarterly reports) and forecasts concerning the labour market and shall publicly announce them.

2. The evaluation of the situation in the labour market and forecasting of changes shall be carried out considering the following aspects:

1) the data about the jobseekers who have been registered and included into the records, job vacancies and the tendencies of their changes, as well as surveys of employers seeking to establish the need for labour force;

2) the situation in the national economy and its development forecasts;

3) the results of the efficiency of the implementation of the employment support measures;

4) the forecast of the demand for qualifications;

5) periodic surveys on the employment of the population carried out by the Department of Statistics under the Government of the Republic of Lithuania;

6) scientific researches.

**Article 15. Evaluation of the Efficiency of the Implementation of the Employment Support Measures**

1. Agencies at the Ministry of Social Security and Labour implementing the employment support policy shall evaluate the efficiency of the implementation of the employment support measures by carrying out surveys of jobseekers, employers and providers of general employment support services specified in paragraph 2 of Article 17 of this Law and taking into consideration scientific researches.

2. The results of the evaluation of the efficiency of the implementation of the employment support measures shall be publicly announced.

**Article 16. Using the Results of the Labour Market Monitoring**

The results of the labour market monitoring shall be used for the following purposes:

1) formulation and implementation of the employment support, education and vocational training, economic, social and regional policies;

2) establishment of the need for funds required to finance the employment support measures;

3) drafting of the employment support projects and using of the funds from the European Union structural funds;

4) assessment of the activities of agencies at the Ministry of Social Security and Labour implementing the employment policy.

**CHAPTER FOUR**

**GENERAL EMPLOYMENT SUPPORT SERVICES**

**Article 17. General Employment Support Services**

1. General employment support services shall cover:

1) provision of information;

2) counselling;

3) employment intermediation;

4) planning of individual activities with a view of supporting the employment.

2. Local labour exchange offices, territorial labour market training and counselling offices and other legal and natural persons shall provide general employment support services specified in subparagraphs 1-3 of paragraph 1 of this Article to jobseekers, and local labour exchange offices shall provide services specified in subparagraph 4 of the aforementioned Article.

3. The Government, or an institution authorised by it, shall set the conditions of and the procedure for providing general employment support services.

**Article 18. Provision of Information**

Information is provided seeking to help jobseekers find a job or acquire professional knowledge required in the labour market. Jobseekers shall be informed about job vacancies, qualification requirements for candidates for employment, work functions and the nature of work, the remuneration, as well as the situation in the labour market, and the opportunities for and conditions of vocational training.

**Article 19. Counselling**

Counselling is given seeking to increase motivation of jobseekers to find employment or undergo training, to give advice on changing a job, to help them choose a profession or to plan their career taking into consideration personal features and the labour market demands.

**Article 20. Employment Intermediation**

Employment intermediation is carried out seeking to help jobseekers find a suitable job and the employers – to find suitable employees.

**Article 21. Planning of Individual Activities with a view of supporting the Employment**

1. Individual employment plans shall be prepared for the unemployed who have registered with a local labour exchange office specifying therein the obligations assumed by the unemployed person and the local labour exchange office concerning the application of active labour market policy measures and his participation in the employment support projects financed from the European Union structural funds.

2. The Government, or an institution authorised by it, shall set the procedure for preparing individual employment plans.

**CHAPTER V**

**ACTIVE LABOUR MARKET SUPPORT MEASURES AND EMPLOYMENT SUPPORT PROGRAMMES**

**Article 22. Active Labour Market Policy Measures**

1. Active labour market policy measures shall cover:

1) vocational training of the unemployed and of the employees
who have been given a notice of dismissal;

2) non-formal education of the unemployed and of the employees
who have been given a notice of dismissal;

3) supported employment;

4) support for job creation;

5) job rotation;

2. The Lithuanian Labour Exchange shall implement active labour market policy measures.

**Article 23. Vocational Training of the Unemployed and of the Employees
who have been given a Notice of Dismissal**

1. Vocational training of the unemployed and of the employees
who have been given a notice of dismissal shall be regulated by this Law and the Law on Vocational Training.

2. Vocational training of the unemployed and of the employees
who have been given a notice of dismissal is organised seeking to award qualifications and/or develop professional abilities.

3. This vocational training shall be carried out according to formal vocational training programmes included into the State Register of Study and Training Programmes and non-formal vocational training programmes included into the Register of In-service Training Programmes and Events, for a period not longer than that specified in the programmes.

4. Such vocational training according to programmes which award qualifications for work with the latest technologies and which are not included into the Register of Study and Training Programmes may be organised in other Member States of the European Union according to the effective legal acts of these Member States by implementing projects financed from the European Union structural funds.

5. During the period of training, which cannot be longer than that established in the training programmes, the unemployed persons shall be granted an education grant in the amount of 0.7 of the minimum monthly wage approved by the Government during the first 3 months of training and during the remaining period of training – 1 minimum monthly wage; the travelling expenses to and from the place of training and the accommodation expenses shall also be reimbursed.

6. The Government, or an institution authorised by it, shall set the conditions of and the procedure for sending the unemployed and the employees who have been given a notice of dismissal for training according to vocational training programmes.

**Article 24. Non-formal Education of the Unemployed and of the Employees
who have been given a Notice of Dismissal**

1. Non-formal education shall be organised seeking to help the unemployed persons and the employees who have been given a notice of dismissal to upgrade their qualification, update their professional knowledge and/or practical skills required for employment and to make them familiar with the occupations.

2. Non-formal education for the unemployed persons and the employees who have been given a notice of dismissal shall be carried out in accordance with non-formal education programmes for a period not longer than that specified in the programmes.

3. During the period of training, which cannot be longer than that established in the training programmes, the unemployed persons shall be granted an education grant in the amount of 0.7 of the minimum monthly wage approved by the Government; the travelling expenses to and from the place of training and the accommodation expenses shall also be reimbursed.

4. The Government, or an institution authorised by it, shall set the conditions of and the procedure for organising and implementing non-formal education for the unemployed and the employees who have been given a notice of dismissal.

**Article 25. Supported Employment**

1. There are the following measures of supported employment:

1) subsidised employment;

2) support for the acquisition of professional skills;

3) public works.

2. Only one measure of supported employment may be applied in respect of a jobseeker at any one time.

**Article 26. Subsidised Employment**

**Version of paragraphs 1, 2 and 3 before 1 June 2007:**

1. Subsidised employment shall be organised for persons specified in subparagraphs 2, 3, 5-11 of paragraph 1 of Article 4 of this Law seeking to help them strengthen their positions in the labour market and for persons specified in subparagraph 1 of paragraph 1of Article 4 of this Law – to create special conditions enabling them to remain in the labour market.

2. Employees, who have employed persons specified in subparagraphs 2, 3, 5-11 of paragraph 1 of Article 4 of this Law, shall receive wage subsidies for a period of up to 12 months. Where fixed-term contracts of employment are concluded with the employed persons, the period of payment of the subsidy may not be longer than 3 months.

3. Employers, who have employed persons specified in subparagraphs 2, 3, 5-11 of paragraph 1 of Article 4 of this Law, each month shall receive a subsidy to compensate for the wage, the amount thereof is specified in the contract of employment concluded with the employed person, paid to each employed person and the insurer’s compulsory state social insurance contributions calculated from this wage. The amount of this subsidy may not exceed the amount of the minimum monthly wage approved by the Government.

**Version of paragraphs 1, 2 and 3 from 1 June 2007:**

1. Subsidised employment shall be organised for persons specified in subparagraphs 2, 3, 4, 6-13 of paragraph 1 of Article 4 of this Law seeking to help them strengthen their positions in the labour market and for persons specified in subparagraph 1 of paragraph 1of Article 4 of this Law – to create special conditions enabling them to remain in the labour market.

2. Employees, who have employed persons specified in subparagraphs 2, 3, 4, 6-13 of paragraph 1 of Article 4 of this Law, shall receive wage subsidies for a period of up to 12 months. Where fixed-term contracts of employment are concluded with the employed persons, the period of payment of the subsidy may not be longer than 3 months.

3. Employers, who have employed persons specified in subparagraphs 2, 3, 4, 6-13 of paragraph 1 of Article 4 of this Law, each month shall receive a subsidy to compensate for the wage, the amount thereof is specified in the contract of employment concluded with the employed person, paid to each employed person and the insurer’s compulsory state social insurance contributions calculated from this wage. The amount of this subsidy may not exceed the amount of the minimum monthly wage approved by the Government.

4. Employers, who have employed persons specified in subparagraph 1 of paragraph 1 of Article 4 of this Law, each month, throughout the whole period of their employment, for each employed person shall receive a wage subsidy calculated for the time actually worked according to the minimum hourly pay approved by the Government.

5. The Government, or an institution authorised by it, shall set the conditions of and the procedure for subsidised employment.

**Article 27. Support for the Acquisition of Professional Skills**

**Version of paragraph 1 before 1 June 2007:**

1. Support for the acquisition of professional skills shall be organised for persons specified in subparagraphs 3 and 4 of paragraph 1 of Article 4 of this Law seeking to provide professional skills that they lack directly at the workplace.

**Version of paragraph 1 after 1 June 2007:**

1. Support for the acquisition of professional skills shall be organised for persons specified in subparagraphs 4 and 5 of paragraph 1 of Article 4 of this Law seeking to provide professional skills that they lack directly at the workplace.

2. The duration of the support for the acquisition of professional skills shall be up to 6 months.

**Version of paragraph 3 before 1 June 2007:**

3. Employers, who have employed persons specified in subparagraphs 3 and 4 of paragraph 1 of Article 4 of this Law for acquiring professional skills, each month shall receive a subsidy in the amount specified in paragraph 3 of Article 26 of this Law for each employed person and shall be partially compensated for the expenses of organising the acquisition of professional skills directly at the workplace, but not more than 20% of the total amount of the subsidy.

**Version of paragraph 3 after 1 June 2007:**

3. Employers, who have employed persons specified in subparagraphs 4 and 5 of paragraph 1 of Article 4 of this Law for acquiring professional skills, each month shall receive a subsidy in the amount specified in paragraph 3 of Article 26 of this Law for each employed person and shall be partially compensated for the expenses of organising the acquisition of professional skills directly at the workplace, but not more than 20% of the total amount of the subsidy.

4. The Government, or an institution authorised by it, shall set the conditions of and the procedure for the support for the acquisition of professional skills.

**Article 28. Public Works**

**Version of paragraph 1 before 1 June 2007:**

1. Public works shall be organised for the unemployed persons, the employees who have been give a notice of dismissal and other jobseekers who have been included into the records seeking to help them integrate into the labour market as soon as possible and to create the conditions for earning a living. Public works shall be organised to carry out temporary works.

**Version of paragraph 1 after 1 June 2007:**

1. Public works shall be organised for the unemployed persons, the pupils of general education schools and students during their holidays, the employees who have been give a notice of dismissal and other jobseekers who have been included into the records seeking to help them integrate into the labour market as soon as possible and to create the conditions for earning a living. Public works shall be organised to carry out temporary works that are useful for the society. They have to maintain and/or develop the social infrastructure of the community. The municipality shall approve the list of public works, after coordination with the local labour exchange offices.

**Version of paragraph 2 before 1 June 2007:**

2. Public works shall be organised by local labour exchange offices together with municipal institutions. Municipalities shall approve programmes (projects) for these works aimed at maintaining and developing local social infrastructure.

**Version of paragraph 2 after 1 June 2007:**

2. Public works shall be organised by local labour exchange offices together with municipalities. A municipality shall approve a public works programme (drafts).

3. The total duration of public works carried out by a jobseeker may not be longer than 6 months over a period of 12 months.

4. An employer shall conclude a fixed-term contract of employment on carrying out public works with a jobseeker, which is carrying out public works.

5. For persons, employed under a contract of employment on carrying out public works:

1) summary recording of the working time may be applied;

2) probationary period is not applied;

3) upon expiry of the employment contract on carrying out public works or termination thereof, a monetary compensation for unused leave is paid.

**Version of paragraph 6 before 1 June 2007:**

6. Employers, who have employed persons, sent by local labour exchange offices, under the employment contract on carrying out public works, shall be compensated for 50% of the wage of these persons calculated for the time actually worked according to the minimum hourly pay approved by the Government, and the insurer’s compulsory state social insurance contributions calculated from this wage and 50% of a monetary compensation for unused leave.

**Version of paragraph 6 after 1 June 2007:**

6. An employer, who has employed persons, sent by local labour exchange offices, under the employment contract on carrying out public works, shall receive the following compensations:

1) wage compensation for the time actually worked by the employed person calculated according to the minimum hourly pay approved by the Government and valid during that month;

2) compensation for compulsory state social insurance contributions paid by the insurer calculated from the wage compensation referred to in subparagraph 1 of this paragraph;

3) monetary compensation for unused leave (including the amount of the compulsory state social insurance contributions paid by the insurer).

**Version of paragraphs 7, 8 and 9 before 1 June 2007:**

7. A local labour exchange office shall provide compensations to persons carrying out public works in the amount of 50% of the expenses related to transportation to and from their workplace according to submitted documents certifying these expenses, and shall cover all the expenses related to the compulsory medical examination and vaccination against contagious diseases provided this is stipulated in legal acts regulating safety and health at work.

8. Public works for the unemployed can be combined with vocational training or non-formal education when an unemployed person does not have qualifications, professional knowledge or skills required to carry out these works or when such training is required for employment under an open-ended contract of employment after carrying out public works.

9. The Government, or an institution authorised by it, shall set the conditions of and the procedure for organising public works.

**As of 1 June 2007, Article 28 shall be supplemented with new paragraphs 7, 8, 9, 10 and 11, the former paragraph 7 shall be repealed and the former paragraphs 8 and 9 shall be considered respectively paragraphs 12 and 13, and paragraphs 7-13 shall be set forth to read as follows:**

7. Compensations to employers referred to in paragraph 6 of this Article shall be paid by the local labour exchange office (50%) and the municipality (50%). The employer shall pay the remaining share of the wage specified in the employment contract on carrying out public works and also all the bonus payments, premiums and other benefits.

8. A municipality shall partially compensate for other expenses related to carrying out of public works for an employer who has employed a person sent by a local labour exchange office to carry out public works. The amount allocated to compensate for these expenses cannot exceed 3% of the amount to be compensated to the employer by the municipality set in paragraph 7 of this Article. The municipality shall establish the list of other expenses related to carrying out of public works that can be compensated for and the procedure for compensating.

9. In the event of the increase in the need for public works due to collective redundancies, natural disasters or other unpredictable circumstances, the compensations referred to in paragraph 6 of this Article shall be paid from the Employment Fund.

10. Local labour exchange offices shall finance public works from the Employment Fund, the European Union structural funds and other funds, and municipalities shall use the funds allocated from the state budget for the fulfilment of state functions that were delegated to municipalities. The amount allocated to compensate to the municipality for the expenses related to the administration of public works cannot exceed 3% of the amount to be compensated to the employer by the municipality set in paragraph 7 of this Article.

11. A local labour exchange office shall compensate the following expenses to persons carrying out public works:

1) for those who are travelling from the place of residence to work using long-distance and/or local (suburban) transport – the travelling expenses related to transportation to and from their workplace according to tariff rates for travelling by ordinary bus or railway carriage valid for the month of payment;

2) all the expenses related to the compulsory medical examination and vaccination against contagious diseases provided this is stipulated in legal acts regulating safety and health at work.

12. Public works for the unemployed can be combined with vocational training or non-formal education when an unemployed person does not have qualifications, professional knowledge or skills required to carry out these works or when such training is required for employment under an open-ended contract of employment after carrying out public works.

13. The Government, or an institution authorised by it, shall set the conditions of and the procedure for organising public works.

**Article 29. Support for Job Creation**

1. The following support is granted for job creation:

1) subsidies for job creation;

2) implementation of projects of local initiatives for employment;

3) support for self-employment.

2. Support specified in paragraph 1 of this Article shall be provided to the employers who are creating new jobs or adapting the already existing workplaces to the disability of the unemployed person and employing unemployed persons under an open-ended contract of employment. The support for job creation is provided in accordance with the procedure set forth in Articles 30, 31 and 32 of this Law by paying the employers a subsidy, the amount of which can not exceed 22 last published national average monthly wages, for the creation of one workplace. The employers must cover at least 35% of the expenses related to the creation (adaptation) of one workplace and maintain one created (adapted) workplace for at least 36 months from the employment of persons sent by local labour exchange offices and in the case they liquidate such workplace they have to repay to a local labour exchange office:

1) the total amount of the subsidy where a workplace is liquidated during the period of the first 12 months from its creation (adaptation);

2) 80% of the subsidy where a workplace is liquidated during the period of 12-24 months from its creation (adaptation);

3) 50% of the subsidy where a workplace is liquidated during the period of 24-36 months from its creation (adaptation).

3. Only one form of support specified in paragraph 1 of this Article can be applied in respect of the creation of a workplace and employment of an unemployed person at any one time.

**Article 30. Subsidies for Job Creation**

**Version of paragraph 1 before 1 June 2007:**

1. Subsidising of job creation shall be organised seeking to support employment under an open-ended contract of persons and the unemployed specified in subparagraphs 1, 2 and 3 of paragraph 1 of Article 4 of this Law who are employed in a micro-enterprise pursuant to the conditions set in paragraph 3 of Article 32 of this Law by creating new workplaces (adapting the already existing ones) and to support self-employment of persons specified in subparagraph 1 of paragraph 1 of Article 4 of this Law.

**Version of paragraph 1 after 1 June 2007:**

1. Subsidising of job creation shall be organised seeking to support employment under an open-ended contract of persons and the unemployed specified in subparagraphs 1, 2 and 4 of paragraph 1 of Article 4 of this Law who are employed in a micro-enterprise pursuant to the conditions set in paragraph 3 of Article 32 of this Law by creating new workplaces (adapting the already existing ones) and to support self-employment of persons specified in subparagraph 1 of paragraph 1 of Article 4 of this Law.

2. The Government, or an institution authorised by it, shall set the conditions of and the procedure for subsidising job creation.

**Article 31. Implementation of Projects of Local Initiatives for Employment**

1. The implementation of projects of local initiatives for employment shall be organised seeking to support the employment of the unemployed under an open-ended contracts by creating new jobs.

2. When implementing projects of local initiatives for employment, the support for job creation shall be granted to small and medium-sized entities specified in the Republic of Lithuania Law on Small and Medium-Sized Business and public establishments where state or municipal institutions, agencies, or state or municipal enterprises have at least half of the votes in the shareholders meeting.

3. Projects of local initiatives for employment shall be implemented within the territories of the municipalities (wards) designated by the Government, or an institution authorised by it, in which, during the period of project implementation, the percentage of the unemployed, calculated in respect of the number of persons of working age, exceeds the average national level, seeking to mitigate the consequences of unemployment or collective redundancies.

4. The Government, or an institution authorised by it, shall set the conditions of and the procedure for preparation, selection and implementation of projects of local initiatives for employment.

**Article 32. Support for Self-Employment**

1. The support for self-employment shall be organised for jobseekers willing to start their own business.

2. Local labour exchange offices shall provide information about the conditions for starting up a business, its development, the employment of employees and the opportunities for pursuing their activities under a business certificate, and shall organise basic business training for jobseekers seeking self-employment.

3.A micro-enterprise, falling within the definition provided for in the Republic of Lithuania Law on Small and Medium-Sized Business, whose founder is a former unemployed person who started his own business, within 36 months from the day of registering the enterprise may receive support for the creation of a workplace in accordance with the conditions and the procedure set in paragraph 2 of Article 29 of this Law and paragraph 2 of Article 31 of this Law, where an unemployed person sent by a local labour exchange office is employed in the created workplace.

4. Support for the creation of a workplace shall be provided in accordance with the conditions and procedure specified in paragraph 2 of Article 29 and in paragraph 2 of Article 30 to the disabled referred to in subparagraph 1 of paragraph 1 of Article 4 of this Law who are starting their business without applying the requirement set in paragraph 2 of Article 29 to cover at least 35% of the expenses related to the creation (adaptation) of workplaces.

**Article 33. Job Rotation**

1. Job rotation shall be organised during a special leave of employees, or in the cases provided for in collective agreements, by temporarily replacing employees with jobseekers.

2. Job rotation cannot exceed the period of 12 months.

3. The employers, who have employed the unemployed persons by way of job rotation, each month shall receive compensation in the amount of 0.5 of the minimum monthly wage approved by the Government for each employed person according to the time actually worked.

4. The Government, or an institution authorised by it, shall set the conditions of and the procedure for job rotation.

**Article 34.** Employment Support Programmes

1. The following programmes shall be prepared to support the employment:

1) unemployment prevention;

2) territorial employment support;

3) promotion of territorial mobility of the population;

4) aimed at integration of immigrants and national minorities into the labour market;

5) support for employment of persons referred to in paragraph 1 of Article 4 of this Law;

6) other programmes.

2. The decision concerning preparation and financing of the employment support programmes referred to in paragraph 1 of this Article shall be adopted by the Government, ministries and other state institutions, county governors, municipal institutions and agencies at the Ministry of Social Security and Labour implementing the employment support policy taking into consideration their importance and purpose.

**CHAPTER VI**

**ORGANISING AND FINANCING OF THE IMPLEMENTATION OF THE EMPLOYMENT SUPPORT MEASURES**

**Article 35. Organising and Control of the Implementation of the Employment Support Measures**

1. The employment support measures referred to in paragraph 3 of Article 3 of this Law shall be implemented in accordance with the procedure established by this Law and other legal acts.

2. When organising the implementation of the employment support measures, the Ministry of Social Security and Labour shall set the annual aims and objectives of activities for agencies at the Ministry implementing the employment support policy and shall also coordinate and control their activities.

3. The Lithuanian Labour Exchange shall control the implementation of active labour market policy measures and the provision of general employment support services at the local labour exchange offices.

4. Local labour exchange offices shall implement active labour market policy measures referred to in paragraph 1 of Article 22 by concluding contracts for the implementation of these measures with legal and natural persons, the typical form whereof shall be established by the Government, or an institution authorised by it.

5. The ministries and state institutions shall provide for the implementation of the employment support measures laid down in this Law and other legal acts in their strategic action plans.

**Article 36. Sources of Financing of the Employment Support Measures**

1. The employment support measures specified in paragraph 3 of Article 3 of this Law shall be financed from the Employment Fund, state and municipal budgets, the European Union structural funds and other funds, enterprises, agencies and organisations, and other sources.

2. Other ministries and state institutions shall finance the implementation of the employment support programmes falling within their scope of competence from general appropriations allocated to them.

**Article 37. The Employment Fund**

1. The Employment Fund consists of monetary funds.

2. The funds of the Employment Fund shall be used for:

1) the implementation of the employment support measures specified in paragraph 3 of Article 3 of this Law and maintenance and financing of the development of agencies at the Ministry of Social Security and Labour implementing the employment support policy;

2) payment of unemployment social insurance benefits stipulated in the Republic of Lithuania Law on Unemployment Social Insurance;

3) co-financing of the employment support projects financed from the European Union structural funds and other international employment support projects;

4) financing of the administration of this Fund.

**Article 38. The Funds of the Employment Fund**

1. The funds of the Employment Fund shall consist of:

1) unemployment social insurance funds according to the amount of funds and the rate of contributions which is approved for this type of insurance by the Law on the Approval of Indicators of the Budget of the State Social Insurance Fund;

2) income of agencies at the Ministry of Social Security and Labour implementing the employment support policy.

3) other funds.

2. The State Social Insurance Fund Board under the Ministry of Social Security and Labour each week shall transfer the received funds in equal shares to the Ministry of Social Security and Labour for the formation of the Employment Fund. After the end of a quarter, the unemployment social insurance contributions shall be recalculated taking into consideration the contributions actually received from the insurers that are specified in the report of the State Social Insurance Fund Board and the additionally calculated amounts shall be transferred together with the unemployment social insurance funds allocated for the next quarter and the overpaid amounts shall be deducted from the unemployment social insurance funds allocated for the next quarter.

3. After the close of the year, the unused funds of the Employment Fund shall be included into the estimate of funds of the Employment Fund for the next year.

4. The funds of the Employment Fund shall be accumulated and kept in the account of the Ministry of Social Security and Labour.

**Article 39. Administration of the Employment Fund**

1. The funds of the Employment Fund shall be administered by the Ministry of Social Security and Labour and shall publicly announce how the funds are used.

2. The Ministry of Social Security and Labour shall submit a draft estimate of funds of the Employment Fund to the Tripartite Council of the Republic of Lithuania for consideration, as well as the information regarding the use of these funds.

3. The Tripartite Council of the Republic of Lithuania shall submit to the Ministry of Social Security and Labour proposals concerning a draft estimate of funds of the Employment Fund and the use of these funds.

4. Minister of Social Security and Labour shall approve the estimate of funds of the Employment Fund and the report on the use of these funds. He shall be responsible for adequate distribution of these funds.

5. Pursuant to the approved estimate of funds of the Employment Fund, the Ministry of Social Security and Labour shall transfer the funds to agencies at the Ministry of Social Security and Labour implementing the employment support policy.

6. Pursuant to the approved estimates of funds of the Employment Fund, agencies at the Ministry of Social Security and Labour implementing the employment support policy shall have in their disposition the funds received from the Employment Fund and submit quarterly activity reports and financial reports on the use of the received funds to the Ministry of Social Security and Labour.

7. Agencies at the Ministry of Social Security and Labour implementing the employment support policy shall be responsible for proper use of funds received from the Employment Fund.

8.The rules for making estimates of funds of the Employment Fund shall be approved by the Government, or an institution authorised by it.

**Article 40. Financial Control of the Employment Fund and the State Budget Funds**

1. The National Audit Office and other state institutions authorised in accordance with the procedure set forth by legal acts shall carry out financial control of funds allocated from the Employment Fund and the state budget for the employment support measures specified in paragraph 3 of Article 3 of this Law.

2. The Ministry of Social Security and Labour shall, within 4 months after the close of the financial year, publicly announce about the use of the funds of the Employment Fund and the state budget funds.

**CHAPTER VII**

**SETTLEMENT OF DISPUTES CONCERNING THE IMPLEMENTATION OF THE EMPLOYMENT SUPPORT MEASURES**

**Article 41. Settlement of Disputes**

The disputes concerning the application of this Law, the implementation of the employment support measures, actions of institutions implementing the employment support policy and lawfulness of the decisions taken shall be settled in accordance with the procedure set forth by legal acts of the Republic of Lithuania.

**CHAPTER VIII**

**FINAL PROVISIONS**

**Article 42. Entry into Force of the Law**

This Law shall enter into force on 1 August 2006.

**Article 43. Repealed Legislation**

Upon the entry into force of this Law, the following laws shall be repealed:

1) Republic of Lithuania Law on the Employment of the Population; (*Valstybės žinios* (Official Gazette)*,* 2-25, 1991);

2) Republic of Lithuania Law amending the Law on the Employment of the Population (*Valstybės žinios* (Official Gazette) No 18-457, 1996);

3) Law amending Article 20 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 8-165, 1998);

4) Law amending Articles 10, 14, 16 and 22 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette), No. 65-2086, 1999);

5) Law amending Article 9 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 28-900, 2001);

6) Law amending Articles 5, 7, 8, 11, 13, 14, 16, 16(1), 19, 20(1), and 22 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 2-51, 2002);

7) Law amending Articles 4, 5, 7, 11, 12, 14, 15, 16, 16(1), 21 and 24, changing the title of Chapter VI, supplementing the Law with Article 20(2) and repealing Articles 3 and 22 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 32-1313, 2003);

8) Law amending Article 14 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 63-3072, 2003);

9) Law amending Article 16(1) of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 114-5118, 2003);

10) Law amending Articles 6, 12, 13, 14, 19, 20(1), and 26 and repealing Articles 5, 9, 10, 15, 16, 16(1), 17, 18 and paragraph 4 of Article 20 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 188-6998, 2004);

11) Law amending Articles 7 and 8 of the Republic of Lithuania Law on Support of the Unemployed (*Valstybės žinios* (Official Gazette) No 81-2941, 2005).

**Article 44. Implementation of the Law**

By 1 August 2006, the Government, or an institution authorised by it, shall approve legal acts required for the implementation of this Law.

*I promulgate this Law passed by the Seimas of the Republic of Lithuania.*

PRESIDENT OF THE REPUBLIC VALDAS ADAMKUS