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Lithuania: Obligation to consider alternatives to collective dismissals

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Native name: Darbo kodeksas Nr. XII-2603, LR nedarbo socialinio draudimo įstatymas Nr.

IX-1904

English name: Labour code No XII-2603, Law on unemployment social insurance No IX-1904

Article

Labour code (48, 207), Law on unemployment social insurance No IX-1904 (18)

Description

According to the Labour code (article 207), before taking a decision on collective redundancy, the employer must inform and hold consultations with the works council. At least 7 working days before the beginning of the planned consultation, the employer must provide the works council with written information on:

- the reasons for the planned dismissal;
- the total number of employees and the number of redundancies, by category;
- the period during which the employment contracts will be terminated;
- the selection criteria for redundancy;
- the terms of employment contract termination and other relevant information.

When an enterprise, institution or organisation does not have a works council or an employee trustee implementing the functions thereof, the employer must provide the aforementioned information within the time limits established therein to the employer-level trade union as well as to the employees, either directly or at a general meeting of employees of the employer.

On the basis of the information provided (within five days of receipt of the information), consultations shall be held with the works council with the aim to agree on methods and measures to be used to avoid layoffs or to reduce the number of redundancies and to mitigate the negative consequences for the dismissed employees. Consultations must be aimed at coming to an agreement between the employer and employee representatives. The employer-level trade union must be informed by the works council of the course of consultations and shall be entitled to express its opinion to the works council and the employer. The employer must hold consultations for at least 10 working days from the first day of consultation unless the works council agrees to a different term (article 207).

The Labour code also stipulates (article 48) that when, due to valid economic reasons that objectively exist in a certain territory or sector of economic activity and that are recognised as such by the government, the employer is unable to provide employees with work and the collective dismissal may occur, short-time working may be established by the employer. Short-time working time is shortened by up to 50% of the employee's standard working hours. In this case, the employee is paid a short-time work benefit in accordance with the procedure established by the Law on unemployment social insurance.

According to the Law on unemployment social insurance, the amount of the short-time work benefit shall be equal to short-time work hours (up to 50% of the working time rate) in proportion to the lower unemployment benefit that would be paid to the person in accordance with Article 8 of the Law on unemployment social insurance. The amount of the unemployment benefit used to calculate the short-time work benefit may not exceed 58.18% of the gross average wage paid in the national economy in the previous quarter. The short-time work benefit can be paid for a maximum period of three months (article 18). The State Social Insurance Fund Board (Sodra) carries out the final decision regarding the employer's request for short-time work benefits.

Comments

As of July 2021, Sodra provides no data on the number of the recipients of short-time work benefits.

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