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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted and
the President has proclaimed the following Law:

Labour Law

Part A General Provisions

Chapter 1 Labour Law System and Basic Principles thereof

Section 1. Legal Framework for Employment Legal Relationships

Employment legal relationships are regulated by the Constitution of the Republic of Latvia, the norms of international law which are binding on the Republic of Latvia, this Law and other regulatory enactments, as well as by collective agreements and working procedure regulations.

Section 2. Effect of Laws Regulating Employment Legal Relationships with respect to Persons

This Law and other regulatory enactments that regulate employment legal relationships shall be binding on all employers irrespective of their legal status and on employees if the mutual legal relationships between employers and employees are based on an employment contract.

Section 3. Employees

An employee is a natural person who, on the basis of an employment contract for an agreed work remuneration, performs specific work under the guidance of an employer.

¹ The Parliament of the Republic of Latvia

Section 4. Employers

An employer is a natural or legal person or a partnership with legal capacity that, on the basis of an employment contract, employs at least one employee.

Section 5. Undertakings

Within the meaning of this Law, an undertaking shall mean any organisational unit in which an employer employs his or her employees.

Section 6. Invalidity of Regulations that Erode the Legal Status of Employees

(1) Provisions of a collective agreement, working procedure regulations, as well as the provisions of an employment contract and orders of an employer which, contrary to regulatory enactments, erode the legal status of an employee, shall not be valid.

(2) Provisions of an employment contract which contrary to a collective agreement erodes the legal status of an employee shall not be valid.

Section 7. Principle of Equal Rights

(1) Everyone has an equal right to work, to fair, safe and healthy working conditions, as well as to fair work remuneration.

(2) The rights provided for in Paragraph one of this Section shall be ensured without any direct or indirect discrimination – irrespective of a person's race, skin colour, gender, age, disability, religious, political or other conviction, ethnic or social origin, property or marital status or other circumstances.

(3) In order to promote the adoption of the principle of equal rights in relation to disabled persons, an employer has a duty to take measures that are necessary in conformity with the circumstances in order to adapt the work environment to facilitate the possibility of disabled persons to establish employment legal relations, fulfil work duties, be promoted to higher positions or be sent for professional training, insofar as such measures do not place an unreasonable burden on the employer.

[22 April 2004]

Section 8. Right to Unite in Organisations

(1) Employees, as well as employers have the right to freely, without any direct or indirect discrimination in relation to any of the circumstances referred to in Section 7, Paragraph two of this Law, unite in organisations and to join them in order to defend their social, economic and occupational rights and interests.

(2) Affiliation of an employee with the organisations referred to in Paragraph one of this Section or the desire of an employee to join such organisations may not serve as a basis for refusal to enter into an employment contract, for termination of an employment contract or for otherwise restricting the rights of an employee.

[22 April 2004]

Section 9. Prohibition to Cause Adverse Consequences

(1) It is prohibited to apply sanctions to an employee or to otherwise directly or indirectly cause adverse consequences for him or her because the employee, within the scope of employment legal relationships, exercises his or her rights in a permissible manner.

(2) If in the case of a dispute, an employee indicates circumstances, which could be a basis for the adverse consequences caused by the employer, the employer has a duty to prove that the employee has not been punished or adverse consequences have been directly or indirectly caused for him or her because the employee, within the scope of employment legal relationships, exercises his or her rights in a permissible manner.

[22 April 2004]

Chapter 2 General Provisions for Representation of Employees

Section 10. Representation of Employees

(1) Employees shall exercise the defence of their social, economic and occupational rights and interests directly, or indirectly through the mediation of employee representatives. Within the meaning of this Law, employee representatives shall mean:

1) an employee trade union on behalf of which a trade union institution or an official authorised by the articles of association of the trade union acts; or

2) authorised employee representatives who have been elected in accordance with Paragraph two of this Section.

(2) Authorised employee representatives may be elected if an undertaking employs five or more employees. Authorised employee representatives shall be elected for a specified term of office by a simple majority vote at a meeting in which at least half the employees employed by an undertaking of the relevant employer participate. The course of the meeting shall be recorded in minutes and decisions taken shall be entered in the minutes. Authorised employee representatives shall express a united view with respect to the employer.

(3) If there are several employee trade unions, they shall authorise their representatives for joint negotiations with an employer in proportion to the number of members of each trade union but not less than one representative each. If representatives of several trade unions have been appointed for negotiations with an employer, they shall express a united view.

(4) If there is one employee trade union or several such trade unions and authorised employee representatives, they shall authorise their representatives for joint negotiations with the employer in proportion to the number of employees represented but not less than one representative each. If representatives of one employee trade union or representatives of several such trade unions and authorised employee representatives have been appointed for negotiations with an employer, they shall express a united view.

(5) In calculating the number of employees upon the reaching of which authorised employee representatives may be elected in an undertaking, or institutions of

representation may be established, as well as in calculating the number of employees represented, the employees with whom an employment contract has been entered into for a specified term shall also be taken into account.

Section 11. Rights and Duties of Employee Representatives

(1) Employee representatives, when performing their duties, have the following rights:

1) to request and receive from the employer information regarding the economic and social situation of the undertaking;

2) to receive information in good time and consult with the employer before the employer takes such decisions as may affect the interests of employees, in particular a decision which may substantially affect work remuneration, working conditions and employment in the undertaking. Within the meaning of this Law, consultation shall mean the exchange of views and dialogue between employee representatives and the employer for the purpose of achieving agreement;

3) to take part in the determination and improvement of work remuneration provisions, working environment, working conditions and organisation of working time, as well as in protecting the safety and health of employees;

4) to enter the territory of the undertaking, as well as to have access to workplaces;

5) to hold meetings of employees in the territory and premises of the undertaking; and

6) to monitor how regulatory enactments, the collective agreement and working procedure regulations are being observed in employment legal relationships.

(2) The rights of employee representatives shall be exercised so that the efficiency of the operations of the undertaking is not reduced.

(3) Employee representatives have the duty not to disclose information brought to their attention that is a commercial secret of the employer. The employer has the duty to indicate in writing what information is to be regarded as a commercial secret.

(4) Performance of the duties of an employee representative may not serve as a basis for refusal to enter into an employment contract, for termination of an employment contract, or for otherwise restricting the rights of an employee.

[12 December 2002]

Chapter 3 International Labour Law

Section 12. International Agreements

If an international agreement, which has been ratified by the Saeima, sets out provisions that differ from those contained in this Law, the provisions of the international agreement shall be applied.

Section 13. Law Applicable to Contracts of Employment and Employment Legal Relationships

(1) An employee and an employer may agree on the law applicable to an employment contract and employment legal relationships. Such choice may not abrogate or restrict the protection of an employee that is determined by prescriptive or prohibitive norms of a law of the State which law would be applicable in conformity with Paragraphs two, three, four or five of this Section.

(2) If an employee and employer have not chosen the applicable law, the laws of Latvia shall apply to the employment contract and employment legal relationships in so far as Paragraphs three and four of this Section does not provide otherwise.

(3) If an employee and employer have not chosen the applicable law and the employee in conformity with an employment contract normally performs his or her work in another state, the law of that other state shall apply to the employment contract and employment legal relationships.

(4) If an employee and employer have not chosen the applicable law and the employee in conformity with an employment contract does not perform his or her work in one and the same state, the law of the state in which is located the undertaking which hired the employee shall be applicable to the employment contract and employment legal relationships.

(5) The provisions of Paragraphs three and four of this Section shall not apply if it appears from the circumstances that the employment contract or employment legal relationships is more closely linked with another state. In such case, the law of the other state shall apply.

(6) Within the meaning of this Section, a law shall mean any legal norm.

Section 14. Posting of an Employee

(1) Within the meaning of this Law, posting of an employee shall mean those cases where, in connection with the provision of international services:

1) the employer, on the basis of a contract which he or she has entered into with a person for whose benefit the work will be performed, sends an employee to another state;

2) the employer sends an employee to another state to a branch or to an undertaking that is part of the group of companies; or

3) a placement agency as employer sends an employee to a person for whose benefit the work will be performed if the undertaking of such person is located in another state or it performs its operations in another state.

(2) Within the meaning of this Section, an employee sent shall mean an employee who for a specified period of time performs work in a state other than the state in which he or she customarily performs work.

(3) If an employee has been sent to perform work in Latvia, then, irrespective of the law applicable to the employment contract and employment legal relationships, such employee who has been sent shall be ensured the working conditions and employment provisions provided for by Latvian regulatory enactments, as well as by collective agreements which have been recognised as generally binding and which regulate:

- 1) maximum working time and minimum rest period;
 - 2) minimum annual paid leave;
 - 3) minimum wage rates, as well as supplementary payment for overtime work;
 - 4) provisions regarding securing a workforce, especially through a work placement agency;
 - 5) safety, health protection and hygiene at work;
 - 6) protection measures for persons under 18 years of age, for pregnant women and women during the period following childbirth, as well as the provisions of work and employment of such persons; and
 - 7) equal treatment of men and women, as well as prohibition of discrimination in any other form.
- (4) An employer who sends an employee to perform work in Latvia has a duty, prior to posting the employee, to inform in writing the State Border Guard and State Labour Inspection regarding such a sent employee, indicating:
- 1) given name and surname of the employee;
 - 2) date of commencing work;
 - 3) intended length of employment;
 - 4) location of performing the work; and
 - 5) representative of the employer in Latvia.
- (5) The provisions of this Section shall not apply to the ship's crews of merchant fleet undertakings.
- [22 April 2004]

Chapter 4 Time Periods

Section 15. Specifying Time Periods

Time periods provided for by this Law shall be specified as calendar dates or time periods calculated in years, months, weeks or days. A time period may also be specified by indicating an event that will occur in any case.

Section 16. Calculation of Time Periods

- (1) A time period shall run from the date or from the day of the occurrence of an event, which determines the beginning of the time period.
- (2) A time period calculated in years shall expire on the relevant month and date of the last year of the time period.
- (3) A time period calculated in months shall expire on the respective date of the last month of the time period. If a time period calculated in months terminates in a month, which does not have the respective date, the time period shall expire on the last day of such month.
- (4) A time period calculated in weeks shall expire on the respective day of the last week of the time period.
- (5) If the time period expires on a weekly day of rest or a holiday, the subsequent working day shall be deemed to be the last day of the time period.

- (6) A time period specified up to a specific date shall expire on that date.
- (7) If a time period is specified for the completion of an activity, such activity may be completed on the last day of the time period up to 24:00 hours. If such activity is to be completed in an undertaking, the time period shall expire on the hour when the specified working time of the undertaking ends.
- (8) All written submissions or notifications which have been delivered to a post office by 24:00 hours on the last day of the time period shall be considered as having been delivered within the time period.

Part B Collective Agreements

Chapter 5 General Provisions of Collective Agreements

Section 17. Content and Form of Collective Agreements

(1) Parties to a collective agreement shall reach agreement on the provisions regulating the content of employment legal relationships, in particular the organisation of work remuneration and labour protection, establishment and termination of employment legal relationships, improvement of qualifications, work procedures, social security of employees and other issues related to employment legal relationships, and shall determine mutual rights and duties.

(2) Without special arrangements, parties to a collective agreement shall:

1) during the period of the existence of the collective agreement refrain from any measures which are directed at unilateral amendments to its provisions unless provided otherwise by regulatory enactments or by the collective agreement; and

2) ensure that the provisions of the collective agreement are complied with and fulfilled both by the employer and the employees.

(3) A collective agreement shall be entered into in writing.

Section 18. Parties to a Collective Agreement

(1) A collective agreement in an undertaking shall be entered into by the employer and an employee trade union or by authorised employee representatives if the employees have not formed a trade union.

(2) A collective agreement in a sector or territory (hereinafter – general agreement) shall be entered into by an employer, a group of employers, an organisation of employers or an association of organisations of employers, and an employee trade union or an association (union) of employee trade unions if the parties to the general agreement have relevant authorisation or if the right to enter into a general agreement is provided for by the articles of association of such associations (unions).

(3) A general agreement entered into by an organisation of employers or an association of organisations of employers shall be binding on members of the organisation or the association of organisations.

(4) If members of an organisation of employers or an association of organisations of employers employ more than 60 per cent of the employees in a sector, a general agreement entered into between the organisation of employers or association of organisations of employers and an employee trade union or an association (union) of employee trade unions shall be binding on all employers of the relevant sector and shall apply to all employees employed by the employers. With respect to such employers and employees, the general agreement shall come into effect on the day of its publication in the newspaper *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia] unless the agreement specifies another time for coming into effect. The general agreement shall be published in the newspaper *Latvijas Vēstnesis* on the basis of a joint application by the parties.

Chapter 6 **Effect of Collective Agreements**

Section 19. Effect of Collective Agreements in Time

(1) A collective agreement shall be entered into for a specified period of time or for a period of time required for the performance of specific work. A collective agreement shall come into effect on the date it was entered into, unless the collective agreement specifies another time for coming into effect. If a collective agreement does not specify a time of effect, the collective agreement shall be deemed to have been entered into for one year.

(2) A collective agreement may be terminated before the expiry of its term on the basis of:

- 1) agreement by the parties; or
- 2) notice of termination by one party if such right has been agreed upon in the collective agreement.

(3) Upon termination of a collective agreement its provisions, with the exception of the duty specified in Section 17, Paragraph two, Clause 1 of this Law, shall apply up to the time of coming into effect of a new collective agreement, unless agreed otherwise by the parties.

Section 20. Effect of a Collective Agreement with Respect to Persons

(1) A collective agreement shall be binding on the parties and its provisions shall apply to all employees who are employed by the relevant employer or in a relevant undertaking of the employer, unless provided for otherwise in the collective agreement. It shall be of no consequence whether employment legal relationships with the employee were established prior to or after the coming into effect of the collective agreement.

(2) An employee and an employer may derogate from the provisions of a collective agreement only if the relevant provisions of the employment contract are more favourable to the employee.

Chapter 7

Procedures for Entering into and Amending a Collective Agreement

Section 21. Procedures for Entering into a Collective Agreement

(1) The entering into of a collective agreement shall be proposed by employee representatives, the employer or the organisations or their associations (unions) referred to in Section 18 of this Law. An employer, an employer's organisation or an employers organisation association is not entitled to refuse to enter into negotiations regarding the entering into of a collective agreement (general agreement).

(2) A reply in writing to a proposal regarding the entering into of a collective agreement shall be provided within a 10-day period from the date of receipt of the proposal.

(3) Parties to the entering into of a collective agreement shall organise negotiations and agree on the procedures for the formulation and discussion of the collective agreement. The parties may invite specialists to such negotiations, establish working groups including in them an equal number of representatives of both parties, as well as independently formulate a draft collective agreement.

(4) An employer, at the request of employee representatives, has a duty to provide to the representatives the necessary information required for the entering into of a collective agreement.

(5) If during the course of negotiations agreement on the procedures for formulation and discussion of a collective agreement or the content of the collective agreement is not reached due to the objections of one party, such party has a duty, not later than within a 10-day period, to give a reply in writing to the proposals expressed by the other party. If a draft of the whole collective agreement is received, a reply in writing shall be provided not later than within a one-month period and the party shall include in it its objections and proposals regarding the draft.

(6) Any employee has the right to submit in writing to the parties to a collective agreement his or her proposals with respect to a draft collective agreement.

[12 December 2002]

Section 22. Approval of a Collective Agreement

(1) In order for a collective agreement entered into by an undertaking to be valid, its approval at a general meeting (conference) of employees is required.

(2) The collective agreement shall be approved by a simple majority vote at a general meeting at which at least half the employees of the relevant undertaking participate.

(3) If it is impossible to convene a general meeting of employees due to the large number of employees employed by an undertaking or due to the nature of work organisation, the collective agreement shall be approved by a simple majority vote at a conference of employee representatives at which at least half of the employee representatives participate.

(4) The validity of a general agreement does not require its approval.

Section 23. Amendments to Provisions of a Collective Agreement

During the period of validity of a collective agreement, the parties shall amend its provisions in accordance with procedures prescribed by the collective agreement. If such procedures have not been prescribed, amendments shall be made in accordance with the procedures provided for by Section 21 of this Law.

Section 24. Familiarisation with a Collective Agreement

- (1) An employer has a duty to familiarise all employees with the collective agreement not later than within a one-month period from its approval or from the time of amendments made to the provisions of the collective agreement.
- (2) An employer has a duty to make the text of a collective agreement available to every employee.

Chapter 8 Settlement of Disputes

Section 25. Settlement of Disputes in a Conciliation Commission

- (1) Disputes regarding rights and interests which arise from the collective agreement relations or which are related to such agreement shall be settled by a conciliation commission. A conciliation commission shall be established by the parties to a collective agreement, both authorising an equal number of their representatives.
- (2) In case of a dispute, the parties to the collective agreement shall draw up a report regarding the differences of opinion and not later than within a three-day period submit it to the conciliation commission. The conciliation commission shall examine the report within a seven-day period.
- (3) The conciliation commission shall take a decision by agreement. The decision shall be binding on both parties to the collective agreement and it shall have the validity of a collective agreement.

Section 26. Settlement of Disputes regarding Rights

- (1) If a conciliation commission does not reach agreement on a dispute regarding rights, such dispute shall be settled by a court or an arbitration board.
- (2) A court shall have jurisdiction to rule on any dispute regarding rights between parties to a collective agreement in respect of the following:
 - 1) claims arising from the collective agreement;
 - 2) application of provisions of the collective agreement; and
 - 3) validity or invalidity of provisions of the collective agreement.
- (3) The parties to a collective agreement may agree to refer any dispute regarding rights – both a dispute that has already arisen and such as may arise between the parties to the collective agreement – for settlement to an arbitration board. An agreement to refer a dispute for settlement to an arbitration board shall be entered into in writing. Such

agreement may be incorporated into the collective agreement as a separate provision (arbitration clause).

Section 27. Settlement of Disputes regarding Interests

If a conciliation commission does not reach agreement on a dispute regarding interests, such dispute shall be settled in accordance with the procedures prescribed by the collective agreement.

Part C Contracts of Employment

Chapter 9 General Provisions of Contracts of Employment

Section 28. Employment Legal Relationships and Contracts of Employment

(1) An employer and an employee shall establish mutual employment legal relationships by an employment contract.

(2) With an employment contract the employee undertakes to perform specific work, subject to specified working procedures and orders of the employer, while the employer undertakes to pay the agreed work remuneration and to ensure fair and safe working conditions that are not harmful to health.

(3) The provisions of the Civil Law shall apply to contracts of employment, unless provided otherwise by this Law and other regulatory enactments that regulate employment legal relationships.

Section 29. Prohibition of Differential Treatment

(1) Differential treatment based on the gender of an employee is prohibited when establishing employment legal relationships, as well as during the period of existence of employment legal relationships, in particular when promoting an employee, determining working conditions, work remuneration or occupational training, as well as when giving notice of termination of an employment contract.

(2) Differential treatment based on the gender of employees is permitted only in cases where a particular gender is an objective and substantiated precondition, which is reasonable for the legal purpose reached as a result, for the performance of the relevant work or for the relevant employment.

(3) If in case of a dispute an employee indicates conditions which may serve as a basis for his or her direct or indirect discrimination based on gender, the employer has a duty to prove that the differential treatment is based on objective circumstances not related to the gender of the employee, or also that belonging to a particular gender is an objective and substantiated precondition for performance of the relevant work or the relevant employment.

(4) Injury to a person and instructions to discriminate against him or her shall also be deemed to be discrimination within the meaning of this Law.

(5) Direct discrimination exists if in comparable situations the treatment of a person in relation to his or her belonging to a specific gender is, was or may be less favourable than in respect of another person.

(6) Indirect discrimination exists if in comparable situations evidently neutral provisions, criteria or practice cause or may cause adverse consequences for persons belonging to one gender, except in cases where such provisions, criteria or practice is objectively substantiated with a legal purpose the achievement of which the selected means are commensurate.

(7) Injury to a person within the meaning of this Law is the subjection of a person to such actions which are unacceptable from the point of view of the person, which are associated with his or her belonging to a specific gender, including actions of a sexual nature if the purpose or result of such actions is the infringement of the person's dignity and the creation of an intimidatory, hostile, humiliating, degrading or offensive environment.

(8) If the prohibition against differential treatment and the prohibition against causing adverse consequences is violated, an employee in addition to other rights specified in this Law, has the right to request compensation for losses and compensation for moral harm. In case of dispute, a court at its own discretion shall determine the compensation for moral harm.

(9) The provisions of this Section, as well as Section 32, Paragraph one and Sections 34, 48, 60 and 95 of this Law, insofar as they are not in conflict with the essence of the relevant right, shall also apply to the prohibition of differential treatment based on race, skin colour, age, disability, religious, political or other conviction, national or social origin, property or marital status or other circumstances of an employee.

[22 April 2004]

Section 30. Settlement of Individual Disputes Regarding Rights

Individual disputes regarding rights between an employee and an employer, if they have not been settled within an undertaking, shall be settled in court.

Section 31. Limitation Period

(1) All claims arising from employment legal relationships are subject to a limitation period of two years unless a shorter limitation period is provided by law.

(2) If an employer had a duty to issue to an employee a statement of account in writing, the limitation period set out in Paragraph one of this Section shall commence on the date of issue of the statement of account. If the employer does not issue a statement of account, the relevant claim shall be subject to a limitation period of three years from the date when the statement of account was to be issued.

Division One
Establishing Employment Legal Relationships

Chapter 10
Job Advertisements and Preparing Contracts of Employment

Section 32. Job Advertisements

- (1) A job advertisement (a notification by an employer of vacant work places) may not apply only to men or only to women, except in cases where belonging to a particular gender is an objective and substantiated precondition for the performance of relevant work or for a relevant employment.
- (2) It is prohibited to indicate age limitations in a job advertisement except in cases where, in accordance with the law, persons of a certain age may not perform relevant work.

Section 33. Job Interviews

- (1) A job interview is an oral or written inquiry prepared by the employer to assess the suitability of applicants.
- (2) A job interview may not include such questions by the employer as do not apply to performance of the intended work or are not related to the suitability of the employee for such work, as well as questions which are directly or indirectly discriminatory, in particular questions concerning:
- 1) pregnancy, except in cases where the employment contract is entered into for a specific time and the intended work or occupation may not be performed during the time of pregnancy, or also in the case where the time period in which the woman does not perform the relevant work or activity is not commensurate with the terms of the employment contract;
 - 2) family or marital status;
 - 3) a previous conviction, except in cases where this may be of essential importance with respect to the work to be performed;
 - 4) religious conviction or belonging to a religious denomination;
 - 5) affiliation with a political party, employee trade union or other public organisation; and
 - 6) national or ethnic origin.
- (3) An employer has a duty to familiarise an applicant with the applicable collective agreement in the undertaking and the working procedure regulations, as well as to provide other information of significance for entering into an employment contract.
- (4) An applicant has a duty to provide information to the employer regarding the state of his or her health and occupational preparedness insofar as this is of significance for entering into an employment contract and for performance of the intended work.

[22 April 2004]

Section 34. Prohibition of Differential Treatment when Establishing Employment Legal Relationships

(1) If when establishing employment legal relationships an employer has violated the prohibition of differential treatment, an applicant has the right to bring an action to a court within a period of one month from the date of receipt of refusal of the employer to establish employment legal relationships with the applicant.

(2) If employment legal relationships have not been established due to the violation of the prohibition of differential treatment, the applicant does not have the right to request the establishment of such relations on a compulsory basis.

[22 April 2004]

Section 35. Documents Necessary for Preparing an Employment Contract

(1) When preparing an employment contract an applicant has a duty:

- 1) to present a personal identification document; and
- 2) to submit other documents in cases provided for by regulatory enactments.

(2) When preparing an employment contract for the performance of such work as requires special knowledge or skills, an employer has the right to request the applicant to present documents that certify his or her education or occupational preparedness.

[22 April 2004]

Section 36. Health Examination

(1) An employer may request an applicant to undergo a health examination, which would allow verification that the applicant is suitable for performance of the intended work.

(2) In the opinion regarding the state of health of an applicant, the doctor shall indicate only whether the applicant is suitable for performance of the intended work.

(3) Expenditures related to the health examination of an applicant shall be covered by the employer, except in cases where the applicant has knowingly provided the employer with false information during a job interview.

Section 37. Prohibitions and Restrictions of Employment

(1) It is prohibited to employ children in permanent work. Within the meaning of this Law, a child shall mean a person who is under 15 years of age and who until reaching the age of 18 continues to acquire a basic education.

(2) In exceptional cases children from the age of 13, if one of the parents (guardian) has given written consent, may be employed outside of school hours doing light work not harmful to the safety, health, morals and development of the child. Such employment shall not interfere with the education of the child. Work in which children may be employed from the age of 13 shall be determined by the Cabinet.

(3) In exceptional cases if one of the parents (guardian) has given written consent and a permit from the State Labour Inspection has been received, a child as a performer may be employed in cultural, artistic, sporting and advertising activities if such employment is

not harmful to the safety, health, morals and development of the child. Such employment shall not interfere with the education of the child. The procedures for issuing permits for the employment of children as performers in cultural, artistic, sporting and advertising activities, as well as the restrictions to be included in such permits with respect to working conditions and employment conditions, shall be determined by the Cabinet.

(4) It is prohibited to employ adolescents in jobs in special conditions which are associated with increased risk to their safety, health, morals and development. Within the meaning of this Law, an adolescent shall mean a person between the ages of 15 and 18 who is not to be considered a child within the meaning of Paragraph one of this Section. Work in which the employment of adolescents is prohibited and exceptions when employment in such jobs is permitted in connection with occupational training of the adolescent shall be determined by the Cabinet.

(5) An employer has a duty, prior to entering into an employment contract, to inform one of the parents (guardian) of the child or adolescent regarding the assessed risk of the working environment and the labour protection measures at the relevant workplace.

(6) Persons under 18 years of age shall be hired only after a prior medical examination and they shall, until reaching the age of 18, undergo a mandatory medical examination once a year.

(7) An employer, after receipt of a doctor's opinion, is prohibited from employing pregnant women and women for a period following childbirth not exceeding one year, but if the woman is breastfeeding – during the whole period of breastfeeding if it is considered that performance of the relevant work poses a threat to the safety and health of the woman or her child. In any case, it is prohibited to employ a pregnant woman two weeks prior to the expected birth and a woman two weeks after childbirth. The time of the expected birth and the fact of birth shall be certified by a doctor's opinion.

(8) Aliens (persons who are not Latvian citizens or non-citizens) may be employed only if they have received a work permit, except in the cases specified in regulatory enactments.

[22 April 2004]

Section 38. Information Regarding Applicants and Documents for Applying for Work

In order to select a prospective employee an employer has the right to transfer information obtained in accordance with Sections 33, 35 and 36 of this Law, as well as the job application documents submitted by the applicant, only to the persons who, in the undertaking on behalf of the employer, prepare the decision regarding hiring of the employee. The information and documents referred to may be disclosed to third parties only with the consent of the applicant.

Chapter 11

Entering into an Employment Contract

Section 39. Agreement between an Employee and an Employer

An employment contract shall be deemed to have been entered into from the moment the employee and the employer have agreed on the work to be performed and on the work remuneration, as well as on subsequent observance by the employee of the working procedures and orders of the employer.

Section 40. Form of an Employment Contract

(1) An employment contract shall be entered into in writing.

(2) An employment contract shall include:

1) the given name, surname, personal identification number, place of residence of the employee, and the name, surname (business name), registration number and address of the employer;

2) the starting date of employment legal relationships;

3) the expected duration of employment legal relationships (if the employment contract has been entered into for a specified period of time);

4) the workplace (the fact that the employee may be employed in various places if the performance of the duties of employment is not provided for at a particular workplace);

5) the occupation (trade, profession) of the employee and a general characterisation of the work contracted for;

6) the amount of work remuneration and time of payment;

7) the agreed daily or weekly working time;

8) the length of the annual paid leave;

9) the term for giving a notice of termination of the employment contract; and

10) the provisions of the collective agreement and working procedure regulations to be applied to employment legal relationships.

(3) The information referred to in Paragraph two, Clauses 6, 7, 8 and 9 of this Section may be substituted by a reference to relevant provisions in regulatory enactments, in the collective agreement or by a reference to working procedure regulations.

(4) An employment contract, in addition to the information set out in Paragraph two of this Section, shall also include other information if the parties consider it necessary.

(5) An employment contract shall be prepared in duplicate, one copy to be kept by the employee, the other by the employer.

(6) An employer has a duty to ensure that an employment contract is entered into in writing and to maintain a record of the contracts of employment entered into.

Section 41. Consequences of Failure to Comply with the Written Form

(1) If, when entering into an employment contract, its written form has not been complied with, an employee has the right to request that the employment contract be expressed in

writing. For this purpose, an employee may use any evidence pertaining to the existence of employment legal relationships and the content of such relations.

(2) If the employee and the employer, or at least one of the parties, has started to perform the duties contracted for, an employment contract that does not conform to the written form shall have the same legal consequences as an employment contract expressed in writing.

Section 42. Invalidity of an Employment Contract

(1) An employment contract that is contrary to regulatory enactments shall be deemed as null and void only for further time periods, and an employer, if he or she was at fault for the entering into of such contract and it is not possible to enter into an employment contract with an employee in conformity with regulatory enactments, has a duty to pay compensation to the employee in the amount of at least six months average earnings.

(2) In case of doubt, the invalidity of a particular provision included in an employment contract shall not affect the validity of the rest of the employment contract.

Chapter 12 Duration of Employment Legal Relationships

Section 43. Validity of an Employment Contract in Time

An employment contract shall be entered into for an unspecified period except in the cases set out in Section 44 of this Law.

Section 44. Employment Contract for a Specified Period

(1) An employment contract may be entered into for a specified period in order to perform specified short-term work, such as:

- 1) seasonal work;
- 2) work in activity areas where an employment contract is normally not entered into for an unspecified period, taking into account the nature of the relevant occupation or the temporary nature of the relevant work;
- 3) replacement of an employee who is absent or suspended from work, as well as replacement of an employee whose permanent position has become vacant until the moment a new employee is hired;
- 4) casual work which is normally not performed in the undertaking;
- 5) specified temporary work related to short-term expansion of the scope of work of the undertaking or to an increase in the amount of production;
- 6) emergency work in order to prevent the consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which adversely affect or may affect the normal course of activities in an undertaking; and
- 7) temporary public work intended for an unemployed person or other work related to his or her participation in active employment measures, or work related to the implementation of active employment measures;

(2) The work referred to in Paragraph one, Clauses 1 and 2 of this Section shall be determined by the Cabinet.

(3) An employment contract with members of executive bodies of capital companies shall be entered into, unless they are employed on the basis of another contract governed by civil law. If the executive body of a capital company is employed on the basis of an employment contract, it shall be entered into for a specified period. This provision shall also apply to officials of institutions subject to the control of Cabinet the legal relationships of which persons have been established on the basis of an employment contract. Cases where an employment contract with the persons referred to in this part of the Section may be entered into for a specified period may be determined by other laws.

(4) An employment contract entered into for a specified period shall include the expiry date of the employment contract, or conditions that determine that the relevant work is completed.

(5) If an employment contract does not indicate the period for which it has been entered into, or if according to the circumstances the entering into an employment contract for a specified period is not permissible, the employment contract shall be deemed as entered into for an unspecified period. In such case, the relevant provisions of Sections 122 and 123 of this Law shall apply. The time limit for an action shall begin on the date when the term, for which the employment contract has been entered into, expires. These provisions shall not apply to the persons indicated in Paragraph three of this Section.

(6) The same provisions, which apply to an employee with whom an employment contract has been entered into for an unspecified period, shall apply to an employee with whom an employment contract has been entered into for a specified period.

(7) An employer shall inform employees, with whom an employment contract has been entered into for a specified period, regarding job vacancies in the undertaking in which the employee may be employed for an unspecified period. Employers shall inform employee representatives regarding the opportunities in the undertaking to employ employees for a specified period if the employee representatives request such information.

[22 April 2004]

Section 45. Term of an Employment Contract Entered into for a Specified Period

(1) The term of an employment contract entered into for a specified period may not exceed two years (including extensions of the term). The entering into a new employment contract with the same employer shall also be regarded as extension of the term of the employment contract if during the period from the date of entering into the former employment contract until the entering into a new employment contract the legal relationship has not been interrupted for more than 30 consecutive days.

(2) The term for which an employment contract has been entered into for performing seasonal work (including extensions of the term) may not exceed 10 months within a period of one year.

(3) The term of an employment contract entered into in accordance with Section 44, Paragraph one, Clause 3 of this Law may if necessary be extended by exceeding the term referred to in Paragraph one of this Section. If an employee who is absent or suspended

from work due to some circumstances does not continue or may not continue employment legal relationships, the employment contract of the employee replacing him or her shall be regarded as entered into for an unspecified period.

(4) If, upon expiry of the term for which an employment contract has been entered into, no party has requested termination of the employment contract and employment legal relationships are effectively continuing, the employment contract shall be regarded as entered into for an unspecified period.

Chapter 13

Probation Period in Hiring for Work

Section 46. Specification of a Probation Period

(1) When entering into an employment contract, a probation period may be specified in order to assess whether an employee is suitable for performance of the work entrusted to him or her. If an employment contract does not specify a probation period, it shall be regarded as entered into without a probation period. A probation period shall not be determined for persons under 18 years of age.

(2) The term of a probation period may not exceed three months. The said term shall not include a period of temporary incapacity and other periods of time when the employee did not perform work for justified cause.

Section 47. Consequences of a Probation Period

(1) During the probation period, the employer and the employee have the right to give a notice of termination of the employment contract in writing three-days prior to termination. An employer, when giving the notice of termination of an employment contract during a probation period, does not have a duty to indicate the cause for such notice.

(2) If the contracted term of a probation period has expired and the employee continues to perform the work, it shall be considered that he or she has passed the probation period.

Section 48. Violation of the Prohibition of Differential Treatment when Giving Notice of Termination of an Employment Contract during the Probation Period

If an employer when giving a notice of termination of an employment contract during the probation period has violated the prohibition of differential treatment, an employee has the right to bring an action to a court within a one-month period from the date of receipt of a notice of termination from the employer.

[22 April 2004]

**Division Two
Employee Obligations**

**Chapter 14
Employee Obligations General Provisions**

Section 49. Specification of the Discharge of Employee Obligations

The type, amount, time and place of discharge of employee obligations shall be determined in an employment contract by the employer, insofar as they are not in contradiction to prescriptive or prohibitive norms in regulatory enactments, the collective agreement or internal procedure regulations.

Section 50. Care by an Employee

(1) An employee has a duty to perform work with such care as, in conformity with the nature of the work and requisite competence and suitability of the employee for the performance of such work, would be reasonable to expect from him or her.

(2) An employee when performing work has a duty to treat the property of the employer with due care.

**Chapter 15
Type, Amount, Time and Place of Discharge of Employee Obligations**

Section 51. Type and Amount of Discharge of Work

(1) An employee has a duty to perform such work as is required for proper discharge of his or her obligations.

(2) An employer has a duty to ensure such work organisation and working conditions as allow an employee to perform the work specified.

(3) Work norms shall be determined and amended by an employer after consultation with employee representatives. An employer shall notify an employee of the specification of new work norms or of the amendment of existing work norms not later than one month before the coming into effect of new work norms or amended work norms. An employer shall notify an employee of temporary and one-time norms before the commencement of employment, but they may not be specified for longer than for three months.

[12 December 2002]

Section 52. Time of Discharge of Work

An employee has a duty to perform work within the limits of a specified work time. If in conformity with an employment contract the timing of acceptance of a discharged obligation is of importance for the performance of relevant work, the employee and the employer shall agree on a specified time period within which such work is to be discharged.

Section 53. Place of Discharge of Work

(1) An employee has a duty to perform work in the undertaking, unless the employee and the employer have agreed otherwise.

(2) It is prohibited to send on official travel or a work trip persons under 18 years of age, as well as pregnant women and women for a period following childbirth up to one year, but if the woman is breastfeeding – during the whole period of breastfeeding, except in case where the pregnant woman, a woman during the period following childbirth or while breastfeeding agrees to it in writing.

(3) A person under 18 years of age may be sent on official travel if one of the parents (guardian) has given his or her written consent.

(4) The workplace (position) of an employee sent on official travel shall be retained for the duration of the travel.

[12 December 2002]

Chapter 16 Working Procedures and Orders of Employers

Section 54. Working Procedures

Working procedures in an undertaking shall be determined by working procedure regulations, the collective agreement and orders of the employer.

Section 55. Working Procedure Regulations

(1) An employer who normally employs not fewer than 10 employees at an undertaking shall adopt working procedure regulations after consultation with representatives of the employees. The working procedure regulations shall be adopted not later than within a period of two months from the date the undertaking has commenced its activities.

(2) Working procedure regulations shall provide for the following:

- 1) beginning and end of working time, breaks in the work, as well as the length of the working week;
- 2) organisation of working time at the undertaking;
- 3) date, place and manner of payment of work remuneration;
- 4) general procedures for granting of leave;
- 5) labour protection measures at the undertaking; and
- 6) behavioural regulations for employees and other regulations pertaining to the working procedures in the undertaking.

(3) All employees shall become acquainted with the accepted working procedure regulations. An employer has a duty to ensure that the text of the working procedure regulations is available to each employee.

Section 56. Content and Limits of Orders of an Employer

- (1) Within the scope of an employment contract, an employer may by means of orders specify the duties of an employee.
- (2) Within the scope of an employment contract an employer may by means of orders specify working procedure regulations and behavioural regulations for an employee at the undertaking.
- (3) An employer does not have the right to ask an employee to perform work not provided for by an employment contract, except in cases set out in Section 57 of this Law.

Section 57. Performance of Work not Provided for by an Employment Contract

- (1) An employer has the right to assign an employee the performance of work not provided for by an employment contract for a period not exceeding one month within a period of one year in order to avert the consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which adversely affect or may affect the normal course of activities in the undertaking. In case of idle time, an employer has the right to assign an employee the performance of work not provided for by an employment contract for a period not exceeding two months within a period of one year.
- (2) An employer has a duty to pay an employee appropriate work remuneration for the performance of work not provided for by an employment contract, the amount of which remuneration may not be less than the previous average earnings of the employee.

Section 58. Suspension from Work

- (1) Suspension from work is a temporary prohibition, imposed by a written order of an employer, for an employee to be present at the workplace and to perform work, without paying work remuneration to the employee during the period of suspension.
- (2) An employer has a duty to suspend an employee from work if, in cases specified by regulatory enactments, such is accordingly requested by an authorised State institution.
- (3) An employer has the right to suspend an employee from work if the employee, when performing work or being present at the workplace, is under the influence of alcohol, narcotic or toxic substances, as well as in other cases when failure to suspend an employee from work may be detrimental to his or her safety or the health or safety of third parties, as well as to the substantiated interests of the employer or third parties.
- (4) If the suspension of an employee from work has been unfounded due to the fault of the employer, the employer has a duty to pay the employee the average earnings for the whole period of forced absence from work, as well as to compensate for losses caused as a result of the suspension.

**Division Three
Work Remuneration**

**Chapter 17
Work Remuneration General Provisions**

Section 59. Concept of Work Remuneration

Work remuneration is the regular pay for work payable to an employee, and which includes a salary and supplements specified by regulatory enactments, the collective agreement or the an employment contract, as well as bonuses and other kinds of payments related to work.

Section 60. Equal Work Remuneration

- (1) An employer has a duty to specify equal work remuneration for men and women for the same kind of work or work of equal value.
- (2) If an employer has violated the provisions of Paragraph one of this Section, the employee has the right to request the remuneration that the employer normally pays for the same work or for work of equal value.
- (3) An employee may bring the action referred to in Paragraph two of this Section to court within a one-month period from the day he or she has learned or should have learned of the violation of the provisions of Paragraph one of this Section.

Section 61. Minimum Wage

- (1) A minimum wage shall not be less than the minimum level determined by the State.
 - (2) The minimum monthly salary within the scope of normal working time, as well as minimum hourly wage rates, shall be determined by the Cabinet.
 - (3) The procedures for the specification and review of the minimum monthly wage shall be determined by the Cabinet.
- [12 December 2002]

Section 62. Organisation of Work Remuneration

- (1) An employer shall organise in the undertaking a time salary system or a piecework salary system, and a system of supplements and bonuses in conformity with regulatory enactments and the collective agreement.
- (2) A time salary shall be calculated in conformity with the actual time worked irrespective of the amount of work done. A piecework salary shall be calculated in conformity with the amount of work done irrespective of the time within which it was done.
- (3) If a piece-work salary has been specified for a pregnant woman, for a woman during a period following childbirth up to one year, but if a woman is breastfeeding then during the whole period of breastfeeding, and in accordance with a doctor's opinion her work

norms have been reduced, the employer has a duty to pay the employee for such period the previous average earnings.

(4) An employer has a duty to inform employees in writing regarding the introduction into the undertaking of a new work remuneration system, as well as regarding amendments to the existing work remuneration system, at least one month in advance.

(5) Work remuneration for employees of institutions financed from the State budget and the accounting system thereof shall be determined by the Cabinet.

(6) The basic methodology for the assessment of intellectual work, as well as the assessment of physical work and the specification of occupational qualification categories shall be determined by the Cabinet.

[12 December 2002]

Section 63. Work Remuneration for Persons Under 18 Years of Age

(1) The monthly salary for adolescents employed within the limits of the working time set out in Paragraphs one and three of Section 132 of this Law shall not be less than the minimum monthly salary within the scope of normal working time as specified by the Cabinet.

(2) If an adolescent also works, in addition to pursuing secondary or occupational education, the adolescent shall be paid for the work done in conformity with the time worked. In such case, the hourly wage rate specified for the adolescent may not be less than the minimum hourly wage rate specified by the Cabinet for work within the scope of normal working time.

(3) Children shall be paid for work in conformity with the work done.

Section 64. Statement of Work Remuneration and Mandatory State Social Insurance Payments

An employer, upon request from an employee, shall within five working days issue to such employee a statement of his or her work remuneration and mandatory State social insurance payments paid.

Chapter 18 Supplements

Section 65. Supplements for Additional Work

(1) An employee who, in addition to the contracted basic work, performs additional work for one and the same employer has the right to receive an appropriate supplement for the performance of such work.

(2) The amount of the supplement specified in Paragraph one of this Section shall be determined by a collective agreement or an employment contract.

Section 66. Supplements for Work in Special Circumstances

- (1) A supplement may be specified for employees who perform work in special circumstances associated with an increased risk to their safety or health.
- (2) The amount of such supplement shall be determined by a collective agreement or an employment contract.

Section 67. Supplements for Night Work

- (1) An employee who performs night work shall receive a supplement of not less than 50 per cent of the specified hourly or daily wage rate specified for him or her, but if a lump-sum payment has been agreed upon, a supplement of not less than 50 per cent of the piece-work rate for the amount of work done.
- (2) A collective agreement or an employment contract may specify a higher supplement for night work.

Section 68. Supplements for Overtime Work or Work on a Holiday

- (1) An employee who performs overtime work or on a holiday shall receive a supplement of not less than 100 per cent of the hourly or daily wage rate specified for him or her, but if piece-work pay has been agreed upon, a supplement of not less than 100 per cent of the piece-work rate for the amount of work done.
 - (2) A collective agreement or an employment contract may specify a higher supplement for overtime work or on a holiday.
- [22 April 2004]

Chapter 19 Payment of Work Remuneration

Section 69. Time of Payment of Work Remuneration

- (1) An employer has a duty to pay work remuneration not less frequently than two times a month unless the employee and employer have agreed on payment of work remuneration once a month.
- (2) If the time of payment of work remuneration has not been contracted for or the remuneration is to be calculated for a specified period of time, the remuneration in conformity with the work done shall be paid upon completion of the work or termination of the relevant period of time, but not less frequently than once a month.
- (3) If the date for payment of work remuneration occurs on a week's day of rest or on a holiday, the work remuneration shall be paid before the relevant date.
- (4) Payment for the period of leave and work remuneration for the time worked up to the leave shall be paid not later than one day before the leave.
- (5) Work remuneration and related mandatory payments of State social insurance shall be first level payments made by the employer.

Section 70. Type of Payment of Work Remuneration

Work remuneration shall be calculated and paid in cash. An employer has the right to pay work remuneration as non-cash payments only where the employee and the employer have specifically so agreed.

Section 71. Calculation of Work Remuneration

When paying work remuneration, an employer shall issue a written calculation of the work remuneration. The employer has a duty to explain such calculation upon a request by an employee.

Section 72. Payment of Work Remuneration in Case of Improper Performance of Employee Obligations

(1) If a time salary has been contracted for, in the case of improper performance of employee obligations, the employer has a duty to pay work remuneration in conformity with the period of time actually worked. An employer may deduct from the work remuneration payable to the employee compensation for losses resulting to the employer due to improper performance of employee obligations in conformity with the provisions of Section 79 of this Law.

(2) If a piecework salary has been contracted for, in case of partial performance of employee obligations, the employer has the right to pay work remuneration in conformity with the amount of work done. An employer may deduct from the work remuneration payable to the employee the compensation for losses resulting to the employer due to poor quality performance of employee obligations in conformity with the provisions of Section 79 of this Law.

Section 73. Payment of Average Earnings in Cases where an Employee does not Perform Work due to Justified Cause

(1) If an employee does not perform work due to justified cause, the employer has a duty to pay average earnings, especially in cases where the employee:

- 1) is on annual paid leave or supplementary leave;
- 2) on the basis of relevant orders by the employer, undergoes a health examination in a medical treatment institution;
- 3) upon prior notification of the employer, donates his or her blood in a medical treatment institution;
- 4) during working time participates in occupational training or improvement of qualifications organised by the employer;
- 5) does not perform work for not more than two working days due to the death of his or her spouse, parents, child or other close family member;
- 6) does not perform work for not more than one working day due to a move to another place of residence in the same populated area at the initiative of the employer, or

for not more than two working days due to a move to another place of residence in another populated area;

7) on the basis of a summons, attends an investigative institution, Office of the Prosecutor, a court, or participates at a sitting of a court as lay judge;

8) participates in the rectification of the consequences of such *force majeure*, unexpected event or exceptional circumstance as adversely affects or may affect public safety or order; or

9) does not perform work on holidays, which fall on a working day specified for the employee, and he or she has a specified piecework wage or time salary system with hourly or daily wage rate payments.

(2) Average earnings to an employee in the cases set out in Paragraph one, Clauses 7 and 8 of this Section shall be paid by the employer who shall receive reimbursement from the relevant State institution. The procedures by which an employer shall be reimbursed for average earnings to be paid to an employee shall be determined by the Cabinet.

(3) Paragraph one of this Section shall not apply to cases where an employee does not perform work as a result of temporary incapacity.

(4) Employees who donate blood in a medical treatment institution shall be granted a day of rest after each such day, retaining average earnings. At the request of the employee, such day shall be added to annual paid leave.

[12 December 2002]

Section 74. Payment of Average Earnings in Case of Idle Time

(1) If an employer does not provide work to an employee or does not perform the necessary activities for the acceptance of employee obligations, employee obligations shall be deemed performed and the employer has a duty to pay the employee the average earnings for the whole period of idle time.

(2) An employee shall not receive work remuneration for idle time due to the fault of the employee.

Section 75. Calculation of Average Earnings

(1) In all cases where an employee in accordance with this Law shall be paid average earnings, such earnings shall be calculated based on the work remuneration calculated for the work of the employee during the previous six months, on supplementary payments specified in regulatory enactments, collective agreements or employment contract, as well as from bonuses.

(2) If an employee has not worked for the previous six-months and work remuneration has not been paid to him or her, average earnings shall be calculated based on the remuneration for the work of the six months prior to such period.

(3) If an employee has not worked for the previous 12 months and work remuneration has not been paid to him or her, average earnings shall be calculated based on the minimum monthly salary specified by the State for the most recent six months. The daily average earnings in such case shall be calculated by dividing the total amount of work remuneration by the number of working days in this period.

(4) Monthly average earnings shall be calculated by dividing the total amount of work remuneration for the previous six months by six.

(5) Daily average earnings shall be calculated by dividing the total amount of work remuneration for the previous six months by the number of days worked in this period. If for an employee aggregated working time has been specified, the daily average earnings shall be calculated by dividing total amount of the work remuneration for the previous six months by number of hours worked in this period and multiplying by eight (the normal hours of work per day for the employee). The number of days worked shall not include sick days, leave days and days when the employee has not performed work in the cases referred to in Section 73, Paragraphs one, two and four of this Law.

(6) Hourly average earnings shall be calculated by dividing the total amount of work remuneration for the last six months by the number of hours worked during this period.

(7) If an employee has been employed for less than six months, the daily or hourly average earnings shall be calculated from the work remuneration for the days worked, dividing the total amount by the number of days or hours worked during this period.

(8) The payable amount of average earnings shall be calculated by multiplying the daily (hourly, monthly) average earnings by the number of days (hours, months) for which the employee is to be paid average earnings.

(9) The amount payable for the period of annual paid leave shall be calculated by multiplying the daily average earnings by the number of working days during the leave.

(10) [22 April 2004]

[12 December 2002; 22 April 2004]

Chapter 20

Reimbursement of Expenses of Employees

Section 76. Expenses

(1) An employer has a duty to reimburse those expenses of an employee which, in conformity with the provisions of the employment contract, are necessary for the performance of work or have been incurred with the consent of the employer, especially expenses:

- 1) related to official travel or a work trip of the employee;
- 2) incurred by the employee when moving to another place of residence at the initiative of the employer; or
- 3) incurred by the employee due to the wear (depreciation) of work equipment owned by the employee (which in conformity with the employment contract is being used for work).

(2) At the request of an employee, the employer has a duty to pay an advance adequate for the anticipated expenses.

(3) During official travel an employee's work reimbursement shall be retained and the specified supplementary payments for such period. If a piecework wage has been specified for the employee, average earnings shall be retained during official travel.

[12 December 2002]

Section 77. Losses

(1) An employer has a duty to reimburse expenses incurred by an employee as a result of damage or destruction of work equipment owned by the employee and for which the employee is not at fault. An employer shall also compensate for such losses caused to an employee if the employer – by his or her orders or by failure to ensure suitable working conditions – is at fault for their occurrence.

(2) An employer shall compensate for the losses referred to in Paragraph one of this Section only if use of the work equipment owned by the employee has been contracted for.

Chapter 21 Deductions from Work Remuneration and Restrictions thereof

Section 78. Deductions Arising from the Right to Reclaim of the Employer

(1) Deductions arising from the right of an employer to reclaim may be made from the work remuneration payable to an employee in order to reclaim:

1) amounts overpaid due to an error of the employer if the employee has been aware of such overpayment, or under the circumstances he or she should have been aware of it, or if the overpayment is based on circumstances for which the employee is to blame;

2) an advance paid work remuneration, or an advance paid to the employee in connection with official travel or a work trip and not used and not repaid on time, or an advance to cover other anticipated expenditures; and

3) paid average earnings for days of leave not earned if the employee is dismissed from work before the end of the working year for which he or she has already received leave, except in cases where an employment contract is terminated on the basis of Section 101, Paragraph one, Clauses 6, 7, 9 or 10 of this Law.

(2) In cases provided for by Paragraph one, Clauses 1 and 2 of this Section, an employer may issue an order in writing to make deductions not later than within a two-month period from the date of the overpayment or from the date of expiry of the term specified for repayment of an advance. The employer shall without delay notify the employee of the issue of such order.

(3) If an employee contests the basis or the amount of the employer's right to reclaim provided for by Paragraph one, Clauses 1 and 2 of this Section, the employer may bring a relevant action in court within a two-year period from the day of payment of the overpaid amount or from the day of expiry of the term specified for repayment of the advance.

Section 79. Deductions to Compensate for Losses Caused to an Employer

(1) An employer has the right to deduct from the work remuneration payable to an employee the compensation for losses caused to him or her due to an illegal, culpable action of the employee. The making of such deduction requires written consent from the employee.

(2) If an employee contests the basis or the amount of a claim for compensation of losses caused to the employer, the employer may bring a relevant action in court within a two-year period from the day the losses were caused.

Section 80. Restrictions on Deductions Made from Work Remuneration

(1) The total amount of all deductions may not exceed 20 per cent, while in special cases provided for by the Civil Law, 50 per cent of the monthly work remuneration payable to the employee. In any case, the minimum monthly salary shall be maintained for the employee.

(2) The restrictions specified in Paragraph one of this Section shall not apply to the recovery of means of support for the maintenance of minor children.

(3) If the deductible amount is insufficient to satisfy all claims, the sequence specified by the Civil Law for the satisfaction of several claims shall be complied with.

(4) It is prohibited to make deductions from severance pay, compensation for expenses of an employee and other amounts payable to an employee against whom attachment proceedings in accordance with the Civil Law may not be brought.

Division Four Duties and Rights of Employees

Chapter 22 Duties of Employees

Section 81. Course of Work

(1) An employee, within the scope of his or her duties, has a duty to ensure that obstacles which adversely affect or may affect the normal course of work in the undertaking are averted or reduced as far as possible, as well as to ensure that threatened or already incurred losses are averted or reduced as far as possible. Exceptions are permitted only in cases when such action is beyond the ability of the employee, or cannot be fairly expected from him or her, or also it is prohibited by the employer.

(2) An employee has a duty to notify the employer without delay regarding the obstacles referred to in Paragraph one of this Section, and threats of losses or losses already incurred.

Section 82. Duty to Undergo a Health Examination

(1) An employee, on the basis of a relevant order of the employer, has a duty to undergo a health examination in cases where undergoing of such examination is provided for by regulatory enactments or a collective agreement, or there is cause for suspicion that the employee has become ill with an illness which causes or may cause a threat to his or her or another person's safety or health.

(2) Expenditures that are associated with the performance of health examinations shall be covered by the employer.

[22 April 2004]

Section 83. Duty of Non-disclosure

(1) An employee has a duty not to disclose any information brought to his or her knowledge which is a commercial secret of the employer. The employer has a duty to indicate in writing what information is to be regarded as a commercial secret.

(2) An employee has a duty ensure that the information referred to in Paragraph one of this Section relating to the performance of his or her work is not directly or indirectly available to third parties.

Section 84. Restrictions on Competition after Termination of Employment Legal Relationships

(1) An agreement between an employee and an employer regarding the restriction of the occupational activities of the employee (restriction on competition) after termination of employment legal relationships is permitted only if the agreement referred to conforms to the following features:

1) its purpose is to protect the employer against such occupational activity of the employee as may cause competition for the commercial activity of the employer;

2) the term for restriction on competition does not exceed two years from the date of termination of employment legal relationships; and

3) it provides for a duty of the employer to pay the employee adequate monthly compensation for the observance of restriction on competition with respect to the time period of restriction on competition.

(2) The term for restriction on competition may only apply to the field of activity in which the employee was engaged during the period of existence of employment legal relationships.

(3) An agreement regarding restriction on competition shall not apply insofar as it, in conformity with the type, extent, place and time of restriction on competition, as well as taking into account the compensation payable to the employee, is to be regarded as unfair restriction of further occupational activity of the employee.

(4) An agreement regarding restriction on competition shall be entered into in writing, indicating the type, extent, place and time of restriction on competition and the compensation payable to the employee.

Section 85. Unilateral Withdrawal from an Agreement to Restrict Competition

(1) An employer may withdraw in writing from an agreement regarding restriction on competition prior to the termination of employment legal relationships.

(2) If an employer gives a notice of termination of an employment contract on the basis of the provisions of Section 101, Paragraph one, Clauses 1, 2, 3, 4 or 5 of this Law, the

employee shall lose his or her right to receive compensation for the observance of restriction on competition.

(3) If an employee gives notice of termination of an employment contract on the basis of the provisions of Section 100, Paragraph five of this Law, he or she has the right, within a one-month period from the day of termination of the employment contract, to withdraw in writing from the agreement regarding restriction on competition.

Chapter 23 **Liability of Employees**

Section 86. Basis and Scope of Civil Liability of Employees

(1) If an employee does not perform work without justified cause or performs it improperly, or due to other illegal or culpable action has caused losses to the employer, the employee has a duty to compensate the losses caused to the employer.

(2) The employee shall be liable only for the reduction of the present property of the employer, but not for reduction in expected profit.

(3) If losses to an employer have been caused with malicious intent of the employee or due to his or her illegal, culpable action not related to performance of the contracted work, the employee shall be liable for all losses to the employer.

(4) An employee whose work is related to an increased risk of losses shall be liable only if losses to the employer have been caused as a result of malicious intent or gross negligence.

Section 87. Basis for Release of an Employee from Civil Liability

(1) An employee shall be fully or partially released from civil liability for losses caused to an employer if the employer himself or herself – by his or her orders or by failure to ensure appropriate working conditions – is also to blame for the losses. The extent of civil liability of the employee shall be determined depending on the circumstances, especially taking into account the extent to which the balance of the fault has been that of the employee or of the employer.

(2) The provisions of Paragraph one of this Section shall also apply when the employer has not warned the employee of the risk of causing such losses which the employee has not foreseen and he or she did not have to foresee, as well as when the employer has not taken appropriate care to prevent or reduce losses.

(3) Depending on the circumstances, a court may reduce the extent of civil liability of an employee in conformity with his or her financial status.

Section 88. Civil Liability of Several Employees

(1) If losses to an employer have resulted from illegal, culpable action of employees, the liability of each employee shall be determined in conformity with his or her participation in causing the losses and with the degree of his or her fault.

(2) Employees who in an employment contract have undertaken the performance of work as joint debtors shall be solidarily liable for losses caused to the employer.

Section 89. Procedures for Compensation of Losses

An employee may, wholly or in part, voluntarily compensate for losses caused to an employer. With the consent of the employer the employee, in order to compensate for losses, may transfer an item of equivalent value or repair the damage.

Section 90. Reproof and Reprimand

(1) An employer may give a written reproof or issue a reprimand in writing to an employee for violation of specified working procedures or an employment contract, referring to the circumstances that indicate the violation committed.

(2) Prior to expressing a reproof or a reprimand, the employer shall familiarise the employee in writing with the essence of the violation he or she has committed and then request from him or her an explanation in writing regarding the violation committed.

(3) A reproof or a reprimand may be issued not later than within a one-month period from the date of detecting the violation, excluding the period of temporary incapacity of the employee as well as the period when the employee is on leave or does not perform work due to other justified cause, but not later than within a six-month period from the date the violation was committed. Only one reproof or reprimand may be issued for each violation.

(4) If the circumstances referred to in the reproof or reprimand do not conform to fact or also the circumstances are not such as to suggest violation of working procedures or the employment contract, the employee has the right to request that such reproof or reprimand be revoked in accordance with the procedures specified in Section 94 of this Law.

(5) If a new reproof or reprimand has not been issued to the employee within a one-year period from the date of issuing a reproof or reprimand to the employee, the employee shall be regarded as not having been disciplined.

Chapter 24 Rights of Employees

Section 91. Supplementary Work

An employee has the right to enter into an employment contract with several employers, unless otherwise provided for by the employment contract or the collective agreement.

Section 92. Restrictions on the Performance of Supplementary Work

The right of an employee to perform supplementary work may be restricted by the employer insofar as this is justified by substantiated and protected interests of the

employer, especially if such supplementary work negatively affects or may affect proper performance of employee obligations.

Section 93. Information regarding Employees

(1) An employer may utilise the information regarding the state of health and occupational preparedness of an employee, obtained from an employee in accordance with Sections 33, 35 and 36 of this Law, only if the taking of organisational, technological or social measures in the undertaking is required.

(2) An employer shall be responsible for ensuring the availability in the undertaking of the information referred to in Paragraph one of this Section only to persons who, as part of the tasks given to them by the employer, utilise such information for relevant organisational, technological or social measures.

Section 94. Protection of Rights and Interests of Employees in an Undertaking

(1) An employee has the right, for the purpose of protecting his or her infringed rights or interests, to submit a complaint to the person authorised accordingly by the undertaking. Employee representatives also have the right to submit a complaint in order to protect the rights and interests of an employee.

(2) A complaint shall be examined and an answer regarding the decision taken shall be provided without delay, but not later than within a seven-day period from receipt of the complaint. The employee and the employee representative have the right to participate in the examination of the complaint, provide explanations and express their views.

(3) No unfavourable consequences shall be permitted to occur to an employee in connection with the submission and examination of a complaint in accordance with the provisions of this Section.

Section 95. Violations of the Prohibition of Differential Treatment in Determining Working Conditions, Occupational Training or Promotions

(1) If an employer in determining working conditions or occupational training has violated the prohibition of differential treatment, the relevant employee has the right to request the termination of such differential treatment.

(2) If an employer in determining working conditions, occupational training or promoting an employee, has violated the prohibition of differential treatment, the relevant employee has the right to bring an action in a court within a one-month period from the day he or she has learned or he or she should have learnt of the violation of the prohibition of differential treatment.

[22 April 2004]

Section 96. Raising of Qualifications

The workplace of an employee, who has been sent to raise his or her qualifications thus interrupting work, shall be retained. Expenditures associated with the raising of qualifications shall be covered by the employer.

Chapter 25 Amendments to Contracts of Employment

Section 97. Amendments to Contracts of Employment by Agreement between Employees and Employers

An employee and the employer may amend an employment contract by mutual agreement. In such case, the provisions of Section 40 of this Section shall be applied accordingly.

Section 98. Notice of Termination of an Employment Contract in connection with Proposed Amendments therein

(1) An employer has the right, not later than one month in advance, to give written notice of termination of an employment contract on condition that employment legal relationships will be terminated if the employee does not agree to continue such relationships in conformity with amendments to the employment contract proposed by the employer. Such notice is permitted if it is based on the conduct of the employee, his or her abilities, or also on the performance of economic, organisational, technological measures or measures of a similar nature in the undertaking.

(2) If, when continuing an employment relationship in accordance with amendments to an employment contract proposed by an employer, average earnings of an employee decrease, the employer has a duty to pay the employee the previous average earnings for one month after the amendments made to the employment contract.

(3) The provisions of Paragraph two of this Section shall not apply if a notice of termination of an employment contract has been given in connection with violations of the employment contract or working procedure regulations.

(4) If an employee considers that a notice of termination of an employment contract in compliance with Paragraph one of this Section has no legal basis, he or she has the right to bring an action in court regarding the invalidation of such notice. In such case, the relevant provisions of Sections 122 and 123 of this Law shall apply.

Section 99. Duty of Employers to Amend Provisions of Contracts of Employment

(1) In order to prevent any risk which may negatively affect the safety and health of a pregnant woman, an employer, after receipt of a doctor's opinion, has a duty to ensure such working conditions and working time for the pregnant woman as would prevent her exposure to the risk referred to. If it is not possible to ensure such working conditions or working time for a pregnant woman, the employer has a duty to temporarily transfer the

pregnant woman to a different, more appropriate job. The amount of work remuneration after making amendments to the employment contract may not be less than the previous average earnings of the woman.

(2) If such transfer to another job is not possible, the employer has a duty to grant the pregnant woman leave. During the period of such granted leave the previous average earnings of the pregnant woman shall be maintained.

(3) The provisions of this Section shall also apply to a woman following the period after birth up to one year, but if a woman is breastfeeding, during the whole period of breastfeeding.

Division Five Termination of Employment Legal Relationships

Chapter 26 Notice of Termination

Section 100. Notice of Termination by an Employee

(1) An employee has the right to give a notice in writing of termination of an employment contract one month in advance, unless a shorter time limit for the giving of a notice of termination is provided by the employment contract or the collective agreement. At the request of the employee, a period of temporary incapacity shall not be included in the term of a notice of termination.

(2) An employee who is employed in paid temporary public works or other work in relation to his or her participation in active employment measures has the right to give notice of termination of an employment contract one day in advance.

(3) The right of an employee to recall a notice of termination shall be determined by the employer, unless such right has been specified by the collective agreement or the employment contract.

(4) By agreement of an employee and the employer, an employment contract may be terminated also before expiry of the time period for a notice of termination.

(5) An employee has the right to give written notice of the termination of an employment contract without complying with the time limit for a notice of termination specified in this Section if he or she has good cause. Each condition based on considerations of morality and fairness that does not allow the continuation of employment legal relationships shall be regarded as such cause.

[22 April 2004]

Section 101. Notice of Termination by an Employer

(1) An employer has the right to give a written notice of termination of an employment contract only on the basis of circumstances related to the conduct of the employee, his or her abilities, or of economic, organisational, technological measures or measures of a similar nature in the undertaking in the following cases:

- 1) the employee has without justified cause significantly violated the employment contract or the specified working procedures;
- 2) the employee, when performing work, has acted illegally and therefore has lost the trust of the employer;
- 3) the employee, when performing work, has acted contrary to moral principles and such action is incompatible with the continuation of employment legal relationships;
- 4) the employee, when performing work, is under the influence of alcohol, narcotic or toxic substances;
- 5) the employee has grossly violated labour protection regulations and has jeopardised the safety and health of other persons;
- 6) the employee lacks adequate occupational competence for performance of the contracted work;
- 7) the employee is unable to perform the contracted work due to his or her state of health and such state is certified with a doctor's opinion;
- 8) an employee who previously performed the relevant work has been reinstated at work;
- 9) the number of employees is being reduced; or
- 10) the employer – legal person or partnership – is being liquidated.

(2) If an employer intends to give a notice of termination of an employment contract on the basis of the provisions of Paragraph one, Clauses 1, 2, 3, 4 or 5 of this Section, the employer has a duty to request from the employee an explanation in writing. When deciding on the possible termination of the employment contract, the employer has a duty to evaluate the seriousness of the violation committed, the circumstances in which it has been committed, as well as the personal characteristics of the employee and his or her previous work.

(3) An employer may give a notice of termination of an employment contract on the basis of the provisions of Paragraph one, Clauses 1, 2, 3, 4 or 5 of this Section not later than within a one-month period from the date of detecting a violation, excluding the period of temporary incapacity of the employee or the period when he or she has been on leave or has not performed work due to other special reasons, but not later than within a six-month period from the date the violation was committed.

(4) It is permitted to give a notice of termination of an employment contract due to the reasons referred to in Paragraph one, Clauses 6, 7, 8 or 9 of this Section if the employer can not employ the employee with his or her consent in other work in the same or another undertaking.

(5) On an exceptional basis, an employer has the right within a one-month period to bring an action for termination of employment legal relationships in court in cases not referred to in Paragraph one of this Section if he or she has good cause. Any condition which does not allow the continuation of employment legal relationships on the basis of considerations of morality and fairness shall be regarded as such cause. The issue whether there is good cause shall be settled by court at its discretion.

(6) Prior to giving a notice of termination of an employment contract, an employer has a duty to ascertain whether the employee is a member of an employee trade union.

Section 102. Basis for a Notice of Termination by an Employer

When giving a notice of termination of an employment contract, an employer has a duty to notify the employee in writing regarding the circumstances that are the basis for the notice of termination of the employment contract.

Section 103. Time Period for a Notice of Termination by an Employer

(1) Unless the collective agreement or the employment contract specifies a longer time period for a notice of termination, an employer, when giving a notice of termination of an employment contract, shall comply with the following time periods:

1) without delay – if the notice of termination of the employment contract is given in the cases specified in Section 101, Paragraph one, Clause 2 or 4 of this Law;

2) 10 days – if the notice of termination of the employment contract is given in the cases specified in Section 101, Paragraph one, Clause 1, 3 or 5 of this Law; and

3) one month – if the notice of termination of the employment contract is given in the cases specified in Section 101, Paragraph one, Clause 6, 7, 8, 9 or 10 of this Law.

(2) At the request of the employee, a period of temporary incapacity shall not be included in the time limit of a notice of termination.

(3) The right to revoke a notice of termination by the employer shall be determined by the employee unless the collective agreement or the employment contract has specified such right.

(4) By agreement of the employee and the employer, an employment contract may also be terminated before the expiry of the time period for a notice of termination.

Section 104. Reduction in the Number of Employees

(1) A reduction in the number of employees is a notice of termination of an employment contract for reasons not related to the conduct of an employee or his or her abilities, but is adequately substantiated on the basis of the performance of urgent economic, organisational, technological or similar measures in the undertaking.

(2) In case of a reduction in the number of employees the provisions of Section 106, Paragraph four of this Law shall be applied accordingly.

Section 105. Collective Redundancy

(1) Collective redundancy is a reduction in the number of employees where the number of employees to be made redundant within a 30-day period is:

1) at least five employees if the employer normally employs more than 20 but less than 50 employees in the undertaking;

2) at least 10 employees if the employer normally employs more than 50 but less than 100 employees in the undertaking;

3) at least 10 per cent of the number of employees if the employer normally employs at least 100 but less than 300 employees in the undertaking; or

4) at least 30 employees if the employer normally employs 300 and more employees in the undertaking.

(2) In calculating the number of employees to be made redundant, such employment legal relation termination cases shall also be taken into account as which the employer has not given notice of termination of the employment contract, but the employment legal relations have been terminated on other bases, which are not related with the behaviour or abilities of the employee and which have been facilitated by the employer.

(3) The provisions of this Law regarding collective redundancy shall not apply to:

1) crews of sea-going ships; and

2) employees employed in State administrative institutions.

[22 April 2004]

Section 106. Information and Consultations, when Carrying out Collective Redundancy

(1) An employer who intends to carry out collective redundancy shall in good time commence consultations with employee representatives in order to agree on the number of employees subject to the collective redundancy, the process of the collective redundancy and the social guarantees for the employees to be made redundant. During consultations the employer and the employee representatives shall examine all the possibilities of avoiding the collective redundancy of the employees employed in the undertaking or of reducing the number of employees to be made redundant and how to alleviate the effects of such redundancy by taking social measures that create the possibility to further employ or retrain the employees made redundant.

(2) In order to ensure that the employee representatives have an opportunity to submit proposals, the employer shall in good time inform the employee representatives regarding the collective redundancy and notify in writing regarding the reasons of the collective redundancy, the number of employees to be made redundant including the occupation and qualifications of such employees, the number of employees normally employed by the undertaking, the time period within which it is intended to carry out the collective redundancy and the procedures for calculation of severance pay if they differ from the procedures specified in Section 112 of this Law.

(3) The duties set out in Paragraphs one and two of this Section shall be performed irrespective of whether a decision on collective redundancy is taken by an employer or a dominant undertaking of the employer as a dependent company. An objection that the failure to fulfil the duty of information, consultation and notification is related to the fact that the dominant undertaking has not provided the necessary information, is not permitted.

(4) An employer who intends to carry out collective redundancy shall, not later than 60 days in advance, notify in writing thereof the State Employment Agency and the local government in the territory of which the undertaking is located. The notification shall include the given name, surname (name) of the employer, location and type of activity of the undertaking, reasons for the intended collective redundancy, number of employees to be made redundant stating the occupation and qualifications of each employee, number of employees normally employed by the undertaking and the time period within which it is

intended to carry out the collective redundancy, as well as provide information regarding the consultations with employee representatives referred to in this Section. The employer shall send a duplicate of the notification to the employee representatives. The State Employment Agency and the local government may also request other information from the employer pertaining to the intended collective redundancy.
[22 April 2004]

Section 107. Commencing Collective Redundancy

(1) An employer may commence collective redundancy not earlier than 60 days after the submission of a notification to the State Employment Agency, unless the employer and the employee representatives have agreed on a later date for commencing the collective redundancy.

(2) In exceptional cases the State Employment Agency may extend the time limit referred to in Paragraph one of this Section to 75 days. The State Employment Agency shall notify in writing the employer and employee representatives regarding extension of the time period and the reasons for it two weeks before expiry of the time period referred to in Paragraph one of this Section.

Section 108. Preferences for Continuing Employment Relations in Case of Reduction in the Number of Employees

(1) In the case of a reduction in the number of employees, preference to continue employment relations shall be for those employees who have higher performance results and higher qualifications.

(2) If performance results and qualifications do not substantially differ, preference to remain in employment shall be for those employees:

- 1) who have worked for the relevant employer for a longer time;
- 2) who, while working for the relevant employer, have suffered an accident or have fallen ill with an occupational disease;
- 3) who are raising a child up to 14 years of age or a disabled child up to 16 years of age;
- 4) who have two or more dependants;
- 5) whose family members do not have a regular income;
- 6) who are disabled persons or are suffering from radiation sickness;
- 7) who have participated in the rectification of the consequences of the accident at the Chernobyl Atomic Power Plant;
- 8) for whom less than five years remain until reaching the age of retirement;
- 9) who, without discontinuing work, are acquiring an occupation (profession, trade) in an educational institution; and
- 10) who have been granted the status of politically repressed person.

3) None of the preferences referred to in Paragraph two of this Section shall have priority in comparison with the others.

Section 109. Prohibitions and Restrictions on a Notice of Termination by an Employer

(1) An employer is prohibited from giving a notice of termination of an employment contract to a pregnant woman, as well as to a woman following the period after birth up to one year, but if a woman is breastfeeding – during the whole period of breastfeeding except in cases set out in Section 101, Paragraph one, Clauses 1, 2, 3, 4, 5 and 10 of this Law.

(2) An employer is prohibited from giving a notice of termination of an employment contract to an employee who is declared to be a disabled person, except in cases set out in Section 101, Paragraph one, Clauses 1, 2, 3, 4, 5, 7 and 10, and Section 47, Paragraph one of this Law.

(3) An employer does not have the right to give a notice of termination of an employment contract during a period of temporary incapacity of an employee, as well as during a period when an employee is on leave or is not performing the work due to other justifiable reasons.

Section 110. Notice of Termination of an Employment Contract to Members of an Employee Trade Union

(1) An employer is prohibited from giving a notice of termination of an employment contract to an employee – member of a trade union – without prior consent of the relevant trade union except in cases set out in Section 47, Paragraph one and Section 101, Paragraph one, Clauses 4, 8 and 10 of this Law.

(2) The employee trade union has a duty to notify the employer of its decision in good time, but not later than within a one-week period from the receipt of a request from the employer.

(3) An employer may give a notice of termination of an employment contract not later than within a one-month period from the date of receipt of the consent of the employee trade union.

(4) If the employee trade union does not agree with the notice of termination of an employment contract, the employer may, within a one-month period from the date of receipt of the reply, bring an action in court for termination of the employment contract.

Section 111. Time for Seeking New Work

If a notice of termination of an employment contract has been given on the basis of Section 101, Paragraph one, Clause 6, 7, 8, 9 or 10 of this Law, the employer at the written request of the employee has a duty to grant sufficient time to the employee, within the scope of the contracted working time, for seeking other work. The collective agreement or the employment contract shall specify the length of such time and the earnings to be maintained for the employee during this time period.

Section 112. Severance Pay

If a collective agreement or the employment contract does not specify a larger severance pay, when giving a notice of termination of an employment contract in the cases set out in Section 100, Paragraph five and Section 101, Paragraph one, Clause 6, 7, 8, 9 or 10 of this Law, an employer has a duty to pay a severance pay to an employee in the following amounts:

- 1) one month average earnings if the employee has been employed by the relevant employer for less than five years;
- 2) two months average earnings if the employee has been employed by the relevant employer for five to 10 years;
- 3) three months average earnings if the employee has been employed by the relevant employer for 10 to 20 years; and
- 4) four months average earnings if the employee has been employed by the relevant employer for more than 20 years.

Chapter 27

Other Grounds for Termination of Employment Legal Relationships

Section 113. Termination of an Employment Contract Entered into for a Specified Period

- (1) Employment legal relationships pursuant to a contract entered into for a specified period shall terminate on the day when the term for the employment contract expires.
- (2) If an employment contract entered into for a specified period of time does not include a final date, the employer has a duty to notify the employee in writing of the expected termination of employment legal relationships not later than two weeks in advance.

Section 114. Agreement between Employee and Employer

An employee and the employer may terminate employment legal relationships by mutual agreement. Such contract shall be entered into in writing.

Section 115. Requests by Third Parties and Court Judgments

- (1) Parents (guardians) or the State Labour Inspection may request in writing the termination of employment legal relationships with a person who is under 18 years of age if such person performs work which jeopardises his or her safety, health or morals or negatively affects his or her development or education.
- (2) An employer, upon receipt of a request referred to in Paragraph one of this Section, has a duty not later than within a five-day period to terminate employment legal relationships with the employee and pay him or her compensation – not less than in the amount of one month average earnings.
- (3) Employment legal relations shall be terminated on the day when a court judgment with which an employee has been sentenced to deprivation of liberty or custody, which is

specified for 30 days or longer has come into legal effect, except in the case where the employee has convicted on probation.

(4) When a court substitutes an imposed fine with custody or deprivation of liberty (if the custody is specified for 30 days or longer), employment legal relations shall be terminated on the day of the taking of the court decision.

[22 April 2004]

Section 116. Death of an Employer

The death of an employer shall constitute a basis for the termination of employment legal relationships if the fulfilment of employee obligations is closely related only and exclusively to the employer personally.

Chapter 28 Transfer of an Undertaking to Another Person

Section 117. Concept of Transfer of an Undertaking

(1) The transfer of an undertaking within the meaning of this Law shall mean the transfer of an undertaking or its autonomous part to another person on the basis of an agreement, as well as a merger or division of commercial companies.

(2) The reorganisation of State administrative institutions or of local government administration, as well as transfer of administrative functions of one institution to another institution shall not be regarded as transfer of an undertaking and may not of itself form the basis for a notice of termination of an employment contract.

(3) The provisions of this Chapter shall not apply to sea-going vessels.

Section 118. Devolution of Rights and Duties

(1) Rights and duties of the transferor of an undertaking that arise from employment legal relationships applicable at the moment of transfer of the undertaking shall devolve to the acquirer of the undertaking.

(2) The transferor of an undertaking within the meaning of this Law shall be any natural or legal person who as a result of the transfer of an undertaking loses the status of employer. The acquirer of an undertaking within the meaning of this Law shall be any natural or legal person who as a result of the transfer of an undertaking acquires the status of employer.

(3) The transferor of an undertaking has a duty to inform the acquirer of the undertaking of all the rights and duties devolving on the acquirer of the undertaking insofar as such rights and duties are known or should have been known to the transferor of the undertaking at the moment of transfer of the undertaking. Non-compliance with this duty shall not affect the devolution of rights and duties, as well as claims of employees against the acquirer of the undertaking in connection with such rights and duties.

(4) After transfer of an undertaking the acquirer of the undertaking shall continue to comply with the provisions of the collective agreement entered into previously and

applicable at the moment of the transfer of the undertaking up to the moment of termination of such collective agreement, or until the moment a new collective agreement enters into effect, or until the moment of application of the provisions of another collective agreement. Within a one-year period from the transfer of the undertaking, the provisions of the collective agreement shall not be amended to the detriment of employees.

(5) Transfer of an undertaking of itself may not form the basis for a notice of termination of an employment contract. Such provision shall not restrict the right of an employer to give a notice of termination of an employment contract if such notice is based on the performance of economic, organisational, technological or similar measures in the undertaking.

Section 119. Insolvency of a Transferor of an Undertaking

(1) The provisions of Section 118, Paragraphs one, three and four of this Law shall not apply to the transfer of an undertaking within the scope of bankruptcy proceedings.

(2) Abuse of insolvency proceedings of a transferor of an undertaking for the purpose of restricting or depriving the rights of employees provided for by this Chapter is not permitted.

Section 120. Information and Consultations

(1) Both the transferor of an undertaking and the acquirer of an undertaking have a duty to inform their employee representatives, but if such do not exist, their employees regarding the date of transfer of the undertaking or the expected date of transfer, the reasons for the transfer of the undertaking, the legal, economic and social consequences of the transfer, as well as of the measures which will be taken with respect to employees.

(2) The transferor of an undertaking shall perform the duty specified in Paragraph one of this Section not later than one month before the transfer of the undertaking, while the acquirer of an undertaking, not later than one month before the transfer of the undertaking starts to directly affect the working conditions and employment provisions of his or her employees.

(3) The transferor of an undertaking or the acquirer of an undertaking, who in connection with the transfer of the undertaking intends to take organisational, technological or social measures in the undertaking with respect to employees, has a duty not later than three weeks in advance to commence consultations with his or her employee representatives in order to reach agreement on such measures and their procedures.

(4) The provisions of this Section shall apply irrespective of whether the decision on transfer of an undertaking is taken by the employer or the employer as a dominant undertaking of a dependent company. An objection that the failure to fulfil the duty of information and consultations is related to the fact that the dominant undertaking has not provided the necessary information is not permitted.

Section 121. Representation of Employees in Case of Transfer of an Undertaking

If an undertaking or a part of it retains its independence after transfer of the undertaking, the status and functions of employee representatives affected by such transfer shall be retained with the same provisions that were applicable up to the moment of transfer of the undertaking. Such provisions shall not apply if the preconditions required for the re-election of employee representatives or for the reestablishment of representation of employees have been satisfied.

Chapter 29

Protection of Employees when Terminating Employment Legal Relationships

Section 122. Time Periods for Bringing an Action

An employee may bring an action in court for the invalidation of a notice of termination by an employer within a one-month period from the date of receipt of the notice of termination. In other cases, when the right of an employee to continue employment legal relationships has been violated, he or she may bring an action in court for reinstatement within a one-month period from the date of dismissal.

Section 123. Renewal of a Missed Time Period for an Action

- (1) If an employer as a result of justified cause has missed the time period for bringing an action specified in Section 122 of this Law, a court may renew such time period on the basis of an application by the employee.
- (2) An application regarding renewal of a missed time period shall state the causes as a result of which the time period was missed, and the application shall be accompanied by appropriate evidence. Concurrently with the submission of such application, an employee has a duty to bring in court also the action specified in Section 122 of this Law.
- (3) An application for the renewal of a missed time period for an action shall be submitted not later than within a two-week period from the day when the basis for the missed time period for an action has ended. Such application may not be submitted if more than six months have elapsed from the expiry of the missed time period for an action.

Section 124. Invalidation of a Notice of Termination by an Employer and Reinstatement of an Employee

- (1) If a notice of termination by an employer has no legal basis or the procedures prescribed for termination of an employment contract have been violated, such notice in accordance with a court judgment shall be declared invalid.
- (2) An employee, who has been dismissed from work on the basis of a notice of termination by an employer which notice has been declared invalid or also as otherwise violating the rights of the employee to continue employment legal relationships, shall in accordance with a court judgment be reinstated in his or her previous work.

Section 125. Duty of Burden of Proof

The employer has a duty to prove that a notice of termination of an employment contract has a legal basis and complies with the specified procedure for termination of an employment contract. In other cases when an employee has brought an action in court for the reinstatement in work, the employer has a duty to prove that, when dismissing the employee, he or she has not violated the right of the employee to continue employment legal relationships.

Section 126. Compensation for Forced Absence from Work or for Performance of Work of Lower Pay

(1) An employee who has been dismissed illegally and reinstated in his or her previous work shall in accordance with a court judgment be paid average earnings for the whole period of forced absence from work. Compensation for the whole period of forced absence from work shall also be paid in cases where a court, although there exists a basis for the reinstatement of an employee in his or her previous work, at the request of the employee terminates employment legal relationships by a court judgment.

(2) An employee who has been transferred illegally to other lower paid work and afterwards reinstated in his or her previous work shall in accordance with a court judgment be paid the difference in average earnings for the period when he or she performed work at lower pay.

Section 127. Execution of a Court Judgment regarding Reinstatement of an Employee

(1) A court at the request of an employee may determine that a court judgment, which provides for the reinstatement of an employee in work and for recovery of average earnings for the whole period of forced absence from work, shall be executed without delay.

(2) If an employer has delayed the execution of a judgment referred to in Paragraph one of this Section, the employee shall be paid average earnings for the whole period of delay from the date of proclamation of the judgment until the day of its execution.

Chapter 30 Obligations of an Employer when Dismissing an Employee

Section 128. Payment of Sums Due to an Employee

(1) When dismissing an employee, all sums due to the employee from the employer shall be paid on the day of dismissal. If an employee has not performed work on the day of dismissal, all sums due to him or her shall be paid not later than on the next day after the employee has requested a statement of account.

(2) If, when dismissing an employee, a dispute has arisen regarding the amount due to the employee, the employer has a duty within the period specified in Paragraph one of this Section to pay the sum which is not disputed by the parties.

(3) If employment legal relationships have terminated and work remuneration has not been paid in good time due to the fault of the employer, the employer has a duty to compensate for losses caused to the employee.

Section 129. Statement of Work

(1) At the request of an employee or at the request of a State or local government institution for the performance of its legal functions, an employer has a duty to provide a written statement of the length of employment legal relationships of the employer and the employee, work performed by the employee, taxes deducted and State social security mandatory payments made.

(2) The statement shall provide the information requested which the employer can substantiate with documents in administrative records or in archives.

Part D. Working Time and Rest Time

Division Six Working Time

Chapter 31 General Provisions Regarding Working Time

Section 130. Concept of Working Time

(1) Working time within the meaning of this Law shall mean a period from the beginning until the end of work within the scope of which an employee performs work or is at the disposal of the employer, with the exception of breaks in work.

(2) The beginning and end of work shall be specified by working procedure regulations, shift schedules, or by an employment contract.

Section 131. Regular Working Time

(1) Regular daily working time of an employee may not exceed eight hours, and regular weekly working time – 40 hours. Daily working time within the meaning of this Law shall mean working time within a 24-hour period.

(2) If daily working time on any weekday is less than the regular daily working time, the regular working time of some other weekday may be extended, but not more than by one hour. In such case the provisions of the length of weekly working time shall be complied with.

(3) Regular working time of employees exposed to special risk may not exceed seven hours a day and 35 hours a week if they are engaged in such work for not less than 50 per

cent of the regular daily or weekly working time. The Cabinet may determine regular shortened working time also for other categories of employees.

Section 132. Working Time for Persons Under 18 Years of Age

- (1) For persons who are under 18 years of age a working week of five days shall be specified.
- (2) Children who have reached the age of 13 years may not be employed:
 - 1) for more than two hours a day and more than 10 hours a week if the work is performed during the school year; and
 - 2) for more than four hours a day and more than 20 hours a week if the work is performed during a period when there are holidays at educational institutions.
- (3) Adolescents may not be employed for more than seven hours a day and more than 35 hours a week.
- (4) If persons who are under 18 years of age continue to, in addition to work, acquire primary education, secondary education or an occupational education, the time spent on studies and work shall be summed and may not exceed seven hours a day and 35 hours a week.
- (5) If persons who are under 18 years of age are employed by several employers, the working time shall be summed.

Section 133. Length of a Working Week

- (1) A working week of five days is specified for employees. If due to the nature of the work it is not possible to determine a working week of five days, an employer, after consultation with employee representatives, shall specify a working week of six days.
- (2) If a working week of six days is specified, the length of daily working time shall not exceed seven hours. The length of the daily working time for employees whose regular working time may not exceed the length specified in Section 131, Paragraph three of this Law may not exceed six hours.
- (3) Work on Saturdays shall be ended earlier than on other days. The length of the working day on Saturdays shall be specified by a collective agreement, working procedure regulations, or by an employment contract.

Section 134. Part-time Work

- (1) An employer and an employee may agree in an employment contract on part-time work that is shorter than the regular daily or weekly working time.
- (2) An employer shall determine part-time work if requested by a pregnant woman, a woman for a period following childbirth up to one year, but if the woman is breastfeeding then for the whole period of breastfeeding, as well as by an employee who has a child under 14 years of age or a disabled child under 16 years of age.
- (3) The same provisions which apply to an employee who is employed for regular working time shall apply to an employee who is employed part-time.

(4) Refusal by an employee to change over from regular working time to part-time or vice versa may not of itself serve as a basis for a notice of termination of an employment contract or restriction of the rights of an employee in any other way. This provision shall not restrict the right of an employer to give a notice of termination of an employment contract if such notice is adequately substantiated with the performance of urgent economic, organisational, technological or similar measures in the undertaking.

(5) An employer shall, at the request of an employee, transfer the employee from regular working time to part-time or vice versa if such possibility exists in the undertaking.

(6) An employer shall inform employee representatives regarding the possibility of employing employees part-time in the undertaking if the employee representatives request such information.

Section 135. Length of Daily Working Time before Holidays

Before holidays the length of the working day shall be reduced by one hour, unless a shorter working time has been specified by a collective agreement, working procedure regulations, or an employment contract.

Section 136. Overtime Work

(1) Overtime work shall mean work performed by an employee in addition to regular working time.

(2) Overtime work is permitted if the employee and the employer have so agreed in writing.

(3) An employer has the right to employ an employee on overtime without his or her written consent in the following exceptional cases:

1) if this is required by the most urgent public need;

2) to prevent the consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which adversely affect or may affect the normal course of work activities in the undertaking; or

3) for the completion of urgent, unexpected work within a specified period of time.

(4) If overtime work in the cases referred to in Paragraph three of this Section continues for more than six consecutive days, the employer needs a permit from the State Labour Inspection for further overtime work, except in cases when repetition of similar work is not expected.

(5) Overtime work may not exceed 144 hours within a four-month period.

(6) It is prohibited to employ in overtime work persons who are under 18 years of age, pregnant women and women for a period up to one year after giving birth, but if a woman is breastfeeding then during the whole period of breastfeeding.

[22 April 2004]

Section 137. Accounts of Working Time

(1) Employers have a duty to keep accurate accounts for each employee of hours worked and overtime hours, including hours worked at night, on the week's days of rest and holidays.

(2) For employees who, on the basis of an order of the employer, concurrently are acquiring an occupation (profession, trade), the time spent on studies and work shall be summed and shall be regarded as working time.

(3) Employees have the right, in person or through employee representatives, to verify the accounts of working time kept by the employer.

[22 April 2004]

Chapter 32 Organisation of Working Time

Section 138. Night Work

(1) Night work shall mean any work performed at night for more than two hours. Nighttime shall mean the period of time from 22 to 6 o'clock. Nighttime with respect to children within the meaning of this Law shall mean the period of time from 20 to 6 o'clock.

(2) A night-employee shall mean an employee who normally performs night work in accordance with a shift schedule, or for at least 50 days in a calendar year.

(3) Regular daily working time for a night employee shall be reduced by one hour. This provision shall not apply to employees who have been prescribed regular shortened working time. Regular daily working time for a night employee shall not be reduced if such is required by the particular characteristics of the undertaking.

(4) A night employee has the right to undergo a health examination before he or she is employed in night work, as well as the right to subsequently undergo regular health examinations not less frequently than once every two years, while an employee who has reached the age of 50 years, not less frequently than once a year. Expenditures associated with such health examination shall be covered by the employer.

(5) An employer shall transfer a night employee to an appropriate job to be performed during the day if there is a doctor's opinion that the night work negatively affects the health of the employee.

(6) It is prohibited to employ at night persons who are under 18 years of age, pregnant women and women for a period following childbirth up to one year, but if a woman is breastfeeding then during the whole period of breastfeeding if there is a doctor's opinion that the performance of the relevant work causes a threat to the safety and health of the woman or her child.

(7) An employee who has a child under three years of age may be employed at night only with his or her consent.

[22 April 2004]

Section 139. Shift Work

(1) If it is necessary to ensure continuity of a work process, an employer, after consultation with employee representatives, shall determine shift work. In such case the length of a shift may not exceed the regular daily working time prescribed for the relevant category of employees.

(2) It is prohibited to assign an employee to work two shifts in succession.

(3) One shift shall relieve the other at the time specified by a shift schedule. If a shift is not relieved at the specified time, an employee who has not been relieved has a duty to continue work if interruption of work is not permissible. The employee shall without delay inform the employer of the continuance of work. The time worked by an employee after the end of a shift shall be considered to be overtime work.

(4) Transition from one shift to another shall be organised in accordance with the procedures specified by a shift schedule, but not less frequently than weekly.

(5) An employer has a duty to familiarise employees with the shift schedules not later than one month before they come into effect.

Section 140. Aggregated Working Time

(1) If due to the nature of the work it is not possible to comply with the length of the regular daily or weekly working time prescribed for the relevant category of employees, the employer, after consultation with employee representatives, shall prescribe aggregated working time.

(2) Aggregated working time may not exceed 56 hours a week and 160 hours within a four-week period unless otherwise provided for by a collective agreement or an employment contract.

(3) The work performed by an employee beyond the hours specified in Paragraph two of this Section shall be regarded as overtime work.

(4) If aggregated working time has been prescribed, an employee shall be granted rest time in accordance with a work schedule.

Division Seven

Rest Time

Chapter 33

Rest Time General Provisions

Section 141. Concept of Rest Time

(1) Rest time within the meaning of this Law shall mean a period of time during which an employee does not have to perform his or her work duties and which he or she may use at his or her own discretion.

(2) Rest time shall include rest breaks during work, one-day rest, weekly rest, holidays and leave.

Section 142. One-day Rest

The length of a one-day rest within a period of 24 hours shall not be less than 12 consecutive hours. This provision need not apply if aggregated working time has been prescribed.

(2) For children the length of a one-day rest within a period of 24 hours shall not be less than 14 consecutive hours.

Section 143. Weekly Rest

(1) The length of a weekly rest period within a seven-day period shall not be less than 42 consecutive hours. This provision need not apply if aggregated working time has been prescribed.

(2) If a working week of five days is specified, an employee shall be granted two of the week's days of rest, and if a working week of six days is specified, one of the week's day of rest. Both of the week's days of rest are customarily granted as consecutive days.

(3) Generally the week's day of rest shall be Sunday. If it is necessary to ensure continuity of a work process, it is permitted to have an employee work on a Sunday, granting him or her a day of rest on another day of the week.

(4) Individual employees with a written order by the employer may be engaged to work during the week's day of rest, granting him or her rest at another time in the following cases:

- 1) if such is required by the most urgent public needs;
- 2) to prevent the consequences caused by *force majeure*, an unexpected event or other exceptional circumstances which adversely affect or may affect the usual course of activities in the undertaking; and
- 3) for the completion of urgent, unforeseen work within a specified period of time.

(5) In accordance with the provisions of Paragraph four of this Section, it is prohibited to employ persons who are under 18 years of age, pregnant women and women for a period following childbirth up to one year, but if a woman is breastfeeding then during the whole period of breastfeeding.

[22 April 2004]

Section 144. Work on Holidays

(1) Employees shall not be required to work on holidays prescribed by law.

(2) If it is necessary to ensure continuity of the work process, it is permitted to require an employee to work on a holiday by granting him or her rest on another day of the week or by paying appropriate compensation.

Chapter 34 Breaks

Section 145. Breaks in Work

(1) Every employee has the right to a break in work if his or her daily working time exceeds six hours. Adolescents have the right to a break in work if his or her daily working time exceeds four and one half hours.

(2) Breaks shall be granted not later than four hours after the start of work. The length of a break shall be determined by the employer after consultation with employee representatives, though it may not be less than 30 minutes. A break shall not be included as working time. If possible an adolescent shall be granted a break when he or she has worked for one half of the daily working time contracted for.

(3) During breaks an employee has the right to leave his or her workplace unless otherwise provided for by the employment contract, the collective agreement or working procedure regulations. Prohibition against leaving a workplace during breaks shall be adequately substantiated.

(4) If due to the nature of the work it is impossible to determine a break for eating, an employer shall ensure employees with the possibility of having a meal during working time.

(5) A break for rest shall be provided in any case. If a break for rest cannot be granted all at once, it is permitted to divide the break into parts which may not be less than 15 minutes each.

(6) Employers shall grant an additional break to employees who are exposed to special risk. The length of breaks shall be determined by the employer after consultation with employee representatives and such breaks shall be included as working time.

[12 December 2002; 22 April 2004]

Section 146. Breaks for Feeding a Child

(1) An employee who has a child under one and a half years of age shall be granted additional breaks for feeding the child. The employee shall in good time inform the employer of the necessity for such breaks.

(2) Breaks of not less than 30 minutes for feeding a child shall be granted not less than every three hours. If an employee has two or more children under one and a half years of age, a break of at least one hour shall be granted. The length of breaks shall be determined by the employer after consultation with employee representatives. When determining the procedure for granting a break, the wishes of the relevant employees shall be taken into consideration as far as possible.

(3) Breaks for feeding a child may be added to breaks in work or, if such is requested by the employee, transferred to the end of the working time thus shortening the length of the working day accordingly.

(4) Breaks for feeding a child shall be included as working time, preserving work remuneration for such time. Employees for whom a piecework wage has been specified for such time shall be average earnings.

[22 April 2004]

Section 147. Temporary Absence

(1) Employers shall ensure an opportunity for a pregnant woman to leave the workplace in order to undergo health examination in the prenatal period if it is not possible to undergo such examination outside of working time.

(2) An employee has the right to temporary absence if his or her immediate presence at work is not possible due to *force majeure*, an unexpected event or other exceptional circumstances. The employee shall without delay inform the employer of such temporary absence. Temporary absence shall not serve as a basis for the right of an employer to give notice of termination of an employment contract.

Section 148. Organisation of Working Time General Provisions

(1) The provisions of Section 131, Paragraph one; Section 136, Paragraph five; Section 138, Paragraph three; Section 142, Paragraph one; Section 143, Paragraph one and Section 145 of this Law, complying with the principles of safety at work and health protection, as well as ensuring sufficient rest, may be excluded from application to situations where in recognition of the characteristics of the relevant work or activity the length of working time is not measured or determined in advance or it may be determined by the employees themselves.

(2) The provisions of Section 138, Paragraph one; Section 142, Paragraph one; Section 143, Paragraph one and Section 145 of this Law, complying with the principles of safety at work and health protection, as well as ensuring sufficient rest, may be excluded from application in respect of employees who are employed in an undertaking which ensures the carriage by motor vehicles, by air or inland waterways of passengers and freight, and the work or activities of which are associated with travel or movement.

(3) The provisions of Paragraph two of this Section shall not apply to employees who perform work with city public means of transport.

[22 April 2004]

Chapter 35

Leave

Section 149. Annual Paid Leave

(1) Every employee has the right to annual paid leave. Such leave may not be less than four calendar weeks, not counting holidays. Persons under 18 years of age shall be granted annual paid leave of one month.

(2) By agreement of an employee and the employer, annual paid leave in the current year may be granted in parts, nevertheless one part of the leave in the current year shall not be less than two uninterrupted calendar weeks.

(3) In exceptional cases when the granting in the current year of the full annual paid leave to an employee may adversely affect the normal course of activities in the undertaking, it is permitted with the written consent of the employee to transfer part of the leave to the subsequent year. In such case, the part of the leave in the current year shall not be less than two consecutive calendar weeks. The part of the transferred leave shall as far as possible be added to the leave of the next year. Part of the leave may be transferred only to the subsequent year.

(4) The provisions of Paragraph three of this Section shall not apply to persons who are under 18 years of age, pregnant women and women for a period following childbirth up to one year, but if a woman is breastfeeding then during the whole period of breastfeeding.

(5) It is not permitted to compensate annual paid leave with money, except in cases when employment legal relationships are terminated and the employee has not utilised his or her annual paid leave.

(6) After annual paid leave, an employee has the right to such improvements to working conditions and employment provisions to which he or she would have been entitled if he or she had not be on leave. This provision applies also to the leave referred to in Sections 151, 153, 154, 155, 156 and 157 of this Law, as well as to employees during sick leave or during the non-performance of work due to other justifiable reasons.

[22 April 2004]

Section 150. Procedures for Granting Annual Paid Leave

(1) Annual paid leave shall be granted each year at a specified time in accordance with agreement between the employee and the employer or with a leave schedule which shall be drawn up by the employer after consultation with employee representatives. All employees shall become acquainted with the leave schedule and amendments to it, and it shall be available to every employee.

(2) An employer has a duty to, when granting annual paid leave, as far as possible to take into consideration the wishes of employees.

(3) An employee may request the granting of annual paid leave for the first year if he or she has worked for the employer for at least six months without interruption. The employer has a duty to grant such leave in full.

(4) A woman at her request shall be granted annual paid leave before prenatal and maternity leave or immediately after irrespective of the time the woman has been employed by the relevant employer.

(5) Employees under the age of 18 years and employees who have a child under three years of age shall be granted annual paid leave in summer or at a time of his or her choice. If an employee under the age of 18 years continues to acquire education, annual paid leave shall be granted as far as possible to match the holidays at the educational institution.

(6) Annual paid leave shall be transferred or extended in case of temporary incapacity of an employee.

Section 151. Supplementary Leave

(1) Annual paid supplementary leave shall be granted to:

1) employees who have three or more children under the age of 16 years or a disabled child – three days; and

2) employees exposed to special risk – at least three working days.

(2) A collective agreement or an employment contract may determine other cases (night work, shift work, long-term work, etc.) where an employee shall be granted annual paid supplementary leave.

Section 152. Time which Gives the Right to Annual Paid Leave

The time which gives the right to annual paid leave shall include the time during which an employee was actually employed by the relevant employer, and the time during which the employee did not perform work for justified cause, including:

1) a period of temporary incapacity;

2) prenatal leave and maternity leave;

3) a period of short-term absence; and

4) a period of forced absence from work if the employee was dismissed illegally and has been reinstated in his or her previous work.

(2) The time period referred to in Paragraph one of this Section shall not include the period of child-care leave.

Section 153. Leave without Retention of Work Remuneration

(1) An employer, at the request of an employee to the care and supervision of which before the approval of adoption by a court on the basis of a decision by an Orphan's court (parish court) has been given a child to be adopted, may grant him or her leave without retention of work remuneration. Such leave shall be granted for the time period as is specified in the decision of the Orphan's court (parish court) regarding the care and supervision of the child to be adopted. If the Orphan's court (parish court) takes a decision regarding an extension of the time period for care and supervision, the leave shall be extended up to the time of the coming into effect of the court decision regarding

approval of the adoption. Such leave shall be counted in the total length of service, but it shall not be counted towards the annual paid leave.

(2) The previous work of an employee who utilises the leave referred to in Paragraph one of this Section shall be preserved. If this is not possible, the employer shall ensure similar or equivalent work with not less advantageous circumstances and employment provisions.

(3) An employer, at the request of an employee, may grant him or her leave without retention of work remuneration also in other cases.

[22 January 2004]

Section 154. Prenatal and Maternity Leave

(1) Prenatal leave of 56 calendar days and maternity leave of 56 calendar days shall be summed and 112 calendar days granted irrespective of the number of days prenatal leave has been utilised prior to child-birth.

(2) A woman who has initiated pregnancy-related medical care at a preventive medical institution by the 12th week of pregnancy and has continued for the whole period of pregnancy shall be granted a supplementary leave of 14 days, adding it to the prenatal leave and calculating 70 calendar days in total.

(3) In case of complications in pregnancy, childbirth or postnatal period, as well as if two or more children are born, a woman shall be granted a supplementary leave of 14 days, adding it to the maternity leave and calculating 70 calendar days in total.

(4) Leave granted in connection with pregnancy and childbirth shall not be included in annual paid leave.

(5) A woman who utilises pregnancy or maternity leave shall have preserved her previous work. If this is not possible, the employer shall ensure the woman similar or equivalent work with not less advantageous circumstances and employment provisions.

[22 April 2004]

Section 155. Leave to Father of a Child, Adopters and Other Persons

(1) The father of a child is entitled to leave of 10 calendar days. Leave to the father of a child shall be granted immediately after the birth of the child, but not later than within a two-month period from the birth of the child.

(2) If a mother has died in childbirth or within a period up to the 42nd day of the postnatal period, or in accordance with the procedures prescribed by law up to the 42nd day of the postnatal period has refused to take care and bring up the child, the father of the child shall be granted leave for the period up to the 70th day of the child's life. The leave referred to shall be granted also to another person who actually takes care of the child.

(3) If a mother cannot take care of the child up to the 42nd day of the postnatal period due to illness, injury or other health-related reasons, the father or another person who actually takes care of the child shall be granted leave for those days on which the mother herself is not able to take care of the child.

(4) [22 January 2004]

(5) For a family, which has adopted a child up to three years of age, one of the adopters shall be granted 10 calendar days of leave.

(6) A child's father, adopter or another person who in fact cares for the child and who utilises the leave referred to in this Section shall have preserved his or her previous work. If this is not possible, the employer shall ensure the child's father, adopter or another person who in fact cares for the child similar or equivalent work with not less advantageous circumstances and employment provisions.

[22 January 2004; 22 April 2004]

Section 156. Parental Leave

(1) Every employee has the right to parental leave in connection with the birth or adoption of a child. Such leave shall be granted for a period not exceeding one and a half years up to the day the child reaches the age of eight years.

(2) Parental leave, at the request of an employee, shall be granted as a single period or in parts. The employee has a duty to notify the employer in writing one month in advance of the beginning and the length of the parental leave or parts thereof.

(3) The time spent by an employee on parental leave shall be included in the total length of service.

(4) The previous job of an employee who makes use of parental leave shall be retained. If this is not possible, the employer shall ensure the employee similar or equivalent work with not less advantageous circumstances and employment provisions.

[22 April 2004]

Section 157. Study Leave

(1) An employee, who without discontinuing work, studies at an educational institution of any type, in accordance with a collective agreement or an employment contract shall be granted study leave with or without retention of work remuneration. If a piecework wage has been specified for the employee, study leave shall be granted paying out average earnings or not paying it.

(2) An employee shall be granted study leave for the taking of a State examination or the preparation and defence of a diploma work, which study leave shall not be less than 20 days a year, retaining for such period the work remuneration. If a piecework wage has been specified for the employee, study leave shall be granted paying out average earnings.

[12 December 2002]

Transitional Provisions

1. With the coming into force of this Law the following are repealed:

1) the Labour Code of Latvia; and

2) the Law on Collective Agreements (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, No. 21/22, 1991).

2. Section 112 of this Law shall come into force on 1 January 2005.

3. Up to 1 January 2005 an employer, when giving a notice of termination of an employment contract in cases set out in Section 100, Paragraph five; Section 101, Paragraph one, Clause 6, 7, 8, 9 or 10 and the collective agreement or the employment contract does not provide for a larger severance pay, shall pay a severance pay in the amount of one month average earnings.

[22 April 2004]

4. If employment legal relationships continue after the coming into force of this Law, the employer has a duty to issue at the request of the employee the work record book to him or her if it is kept by the employer. If employment legal relationships continue after the coming into force of this Law and the employee does not request the employer to provide the work record book to him or her, the work record book shall be kept by the employer until the moment of termination of employment legal relationships, but after the termination of employment legal relationships the work record book shall be returned to the employee. The employer, if the employee requests, shall make a relevant entry in the work record book regarding the date of termination of employment legal relationships. This Law shall not restrict the right of an employee to request the statement of work referred to in Section 129 of this Law.

5. As of the date of coming into force of this Law, the provisions of this Law shall apply to employment legal relationships which have been established before the coming into force of this Law, except the cases referred to in Clauses 6 and 7 of the Transitional Provisions.

6. The provisions of Section 44, Paragraph five of this Law shall not apply to those contracts of employment which have been entered into for a specified period of time before the coming into force of this Law.

7. If parental leave has been granted before the coming into force of this Law, the provisions of Section 173 of the Labour Code of Latvia shall apply with respect to such leave.

8. Contracts of employment which have been entered into before the coming into force of this Law and which do not comply with the provisions of Section 40 of this Law, shall within a six-month period from the date of coming into force of this Law be drawn up in conformity with the provisions of Section 40.

[12 December 2002]

This Law shall come into force on 1 June 2002.

This Law has been adopted by the *Saeima* on 20 June 2001.

President

V. Vīķe-Freiberga

Rīga, 6 July 2001