

# Minimum Wage & Collective Bargaining in Lithuania 2025

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Lithuania

Statutory Minimum Wage ✓

• Monthly Min. Wage 1038.00€

• Hourly Min. Wage 6.35€

47.00%

• MW as % of Median Wage

39.00%

• MW as % of Gross Average Wage

• Gender pay gap 11.50%

27.00%

• Collective bargaining coverage

• Process of transposition:  
Transposed

↔ Compare with other countries



# Minimum wage system in Lithuania

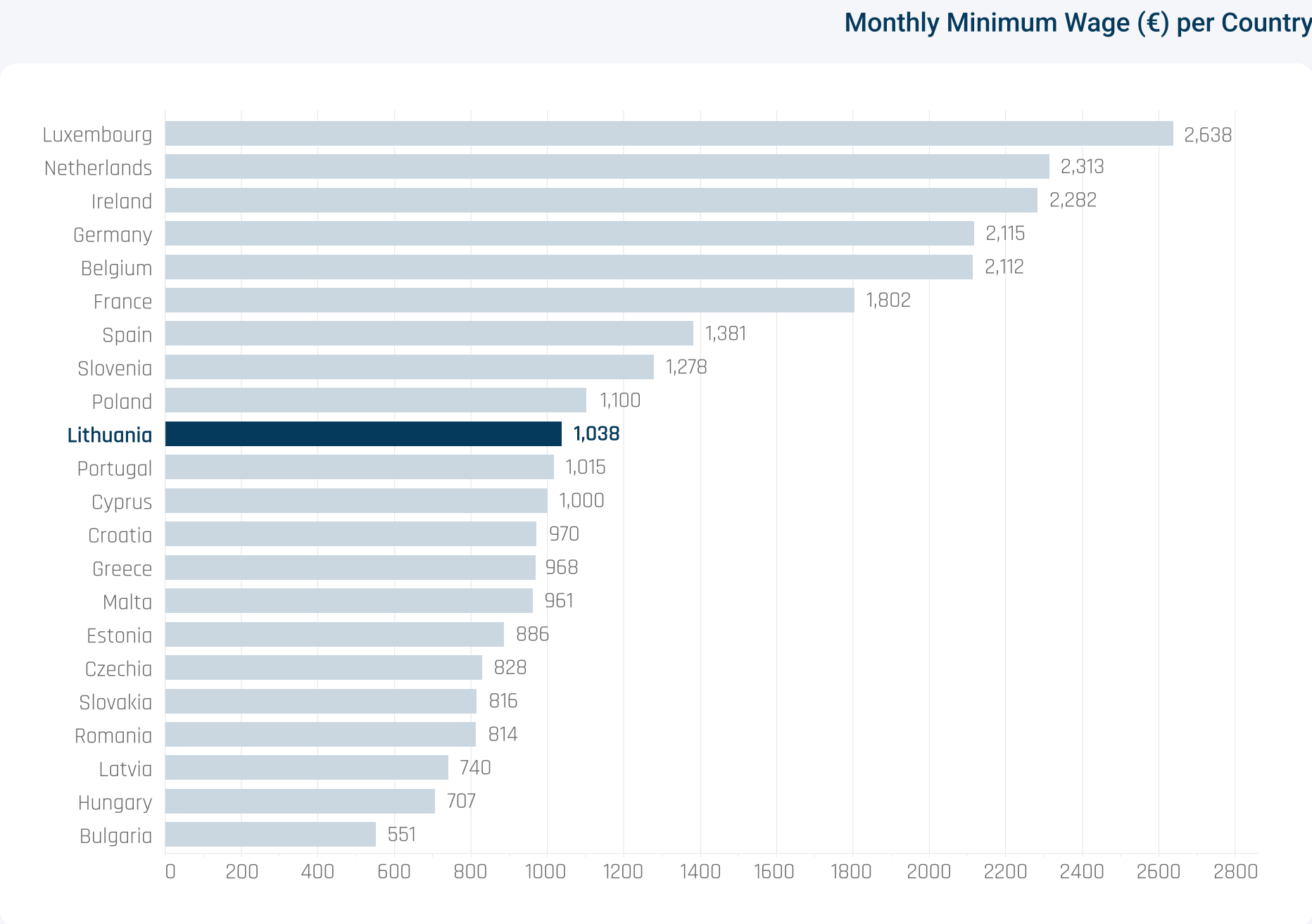
A statutory minimum wage was introduced in the Republic of Lithuania in 1991, after the restoration of its independence in 1990. On 9 January 1991, the [Law on Wages and Salaries No 1924](#) was adopted. Article 2 on the ‘Minimum wage’, stipulated that the state shall unilaterally determine the minimum hourly/monthly wage and that an employee's wage may not be less than the statutory minimum wage. After the establishment of the Tripartite Council of the Republic of Lithuania (Tripartite Council) on 5 May 1995 employers' organisations and trade unions gradually became involved in setting the minimum wage at national level. Following the [renewal of the tripartite cooperation agreement](#) between the government, trade unions and employers' organisations, the parties to the agreement undertook on 11 February 1999, among other things, to 'sign an annual tripartite agreement by 1 December each year on the minimum hourly wage, the tax-free minimum, and other topical labour, socio-economic issues'.

The involvement of the Tripartite Council in setting the minimum wage is defined by law only in the 2002 Labour Code (Art. 187), in which the government was entitled to set the minimum wage on the Tripartite Council’s recommendation. Only in the absence of a decision by the government or a corresponding submission by the Tripartite Council by 1 June of the current year was [the Parliament empowered](#) to set and approve the minimum wage. With the entry into force of the new [Labour Code](#) in 2017, however, this ceased to be the case.

Moreover, although both Labour Codes (2002 and 2017) provide for the possibility to establish higher minimum wage levels in collective agreements (Art. 187(2) and 141(4) respectively), this autonomy has not been exercised in practice.

Thus, the setting of the minimum wage in Lithuania has gradually evolved from a centralised, state-regulated level to a process involving national trade union and employers' organisations, which together with the government, in the form of social pacts, not collective agreements, have gradually taken over minimum wage setting on the basis of tripartite agreements. At the same time, it is important to note that, although the social partners at national level are involved, the process of increasing the minimum wage can historically be characterised as rather politicised, the government itself playing a decisive role.

For a long time, there were no specific criteria for establishing the minimum wage level. However, in September 2017, the Tripartite Council decided that minimum wage increases should in future be based on the target of 45–50 per cent of the average wage. At its meeting on 21 September 2017 the Tripartite Council requested the assistance of the Bank of Lithuania in determining the minimum wage calculation methodology and agreed to use the Bank's recommendations and calculations in the future.



<div>Statutory Minimum Wage</div> <div>Yes</div>	<div>Wage inequality (inter-decile Ratio P90/P10)</div> <div>3.50</div>	<div>Gender Pay Gap</div> <div>11.50%</div>
<div>Hourly Minimum Wage</div> <div>6.35€/hour</div>	<div>Nominal Growth rate of Wages</div> <div>12.30%</div>	<div>In-work poverty rate</div> <div>7.00%</div>
<div>Monthly Minimum Wage</div> <div>1038.00€/ month</div>	<div>Real Growth rate of wages</div> <div>11.40%</div>	<div>% of workers covered by minimum wage</div> <div>6.10%</div>



# Minimum wage system in Lithuania

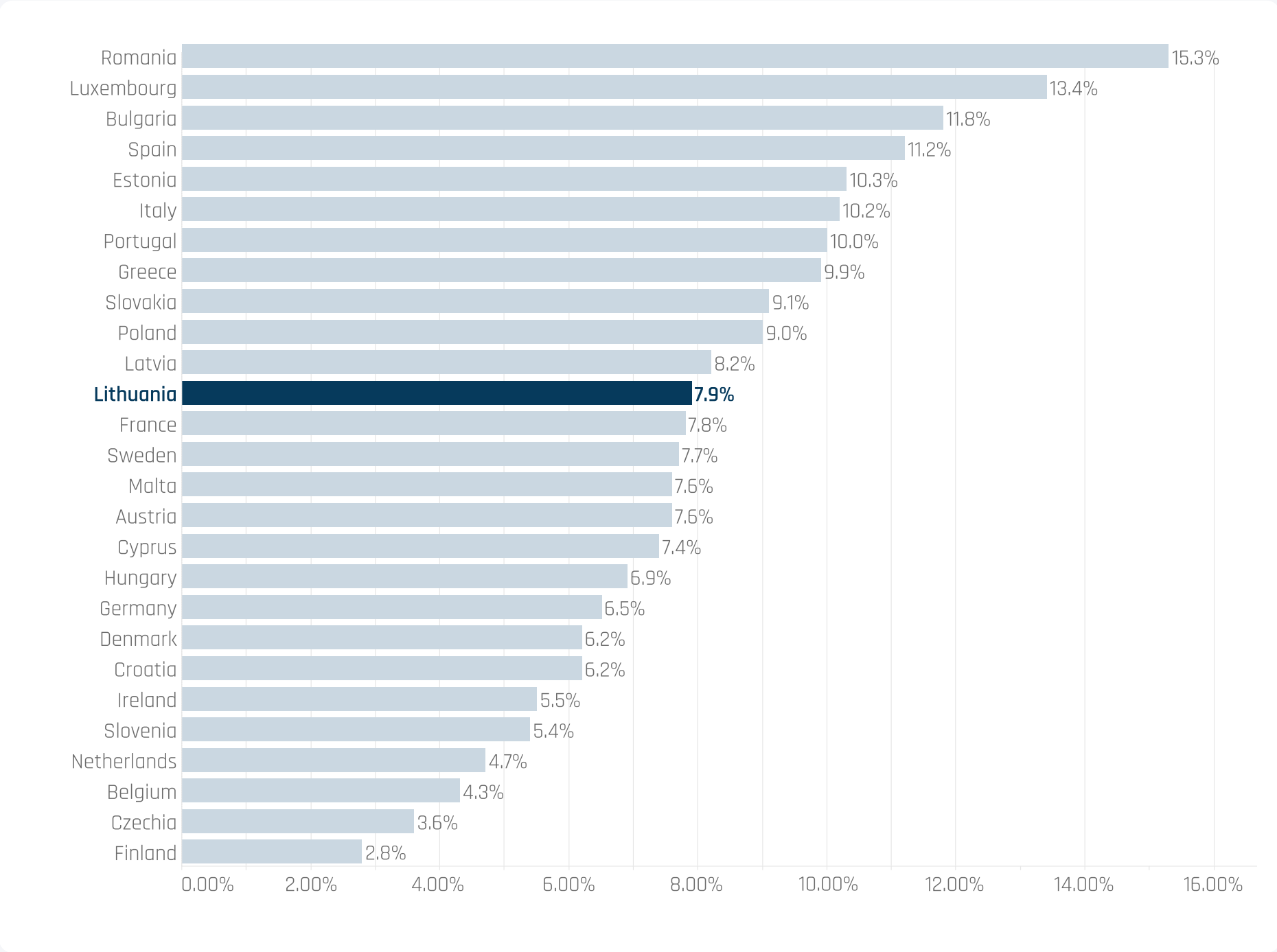
The adjustment of the minimum wage takes place every year and from 2025 (when the minimum wage for 2026 will be determined) will not only be based on a recommendation of the Tripartite Council, as before, but also take into account the economic development prognosis published by the Ministry of Finance and the indicators of the development of the national economy published by the State Data Agency, while assessing criteria such as purchasing power in relation to the cost of living, the general level of wages and their distribution, the speed of growth of wages, and the long-term labour productivity levels and changes. All those criteria are named in the Labour Code 2017 (Art.141).

The monthly minimum wage for a full-time job (40 hours or less per week) is €1038 and the hourly minimum wage was €6.35 in February 2025. Since 2017 the ratio between the monthly minimum wage and the average wage in Lithuania fluctuates around 45 per cent.

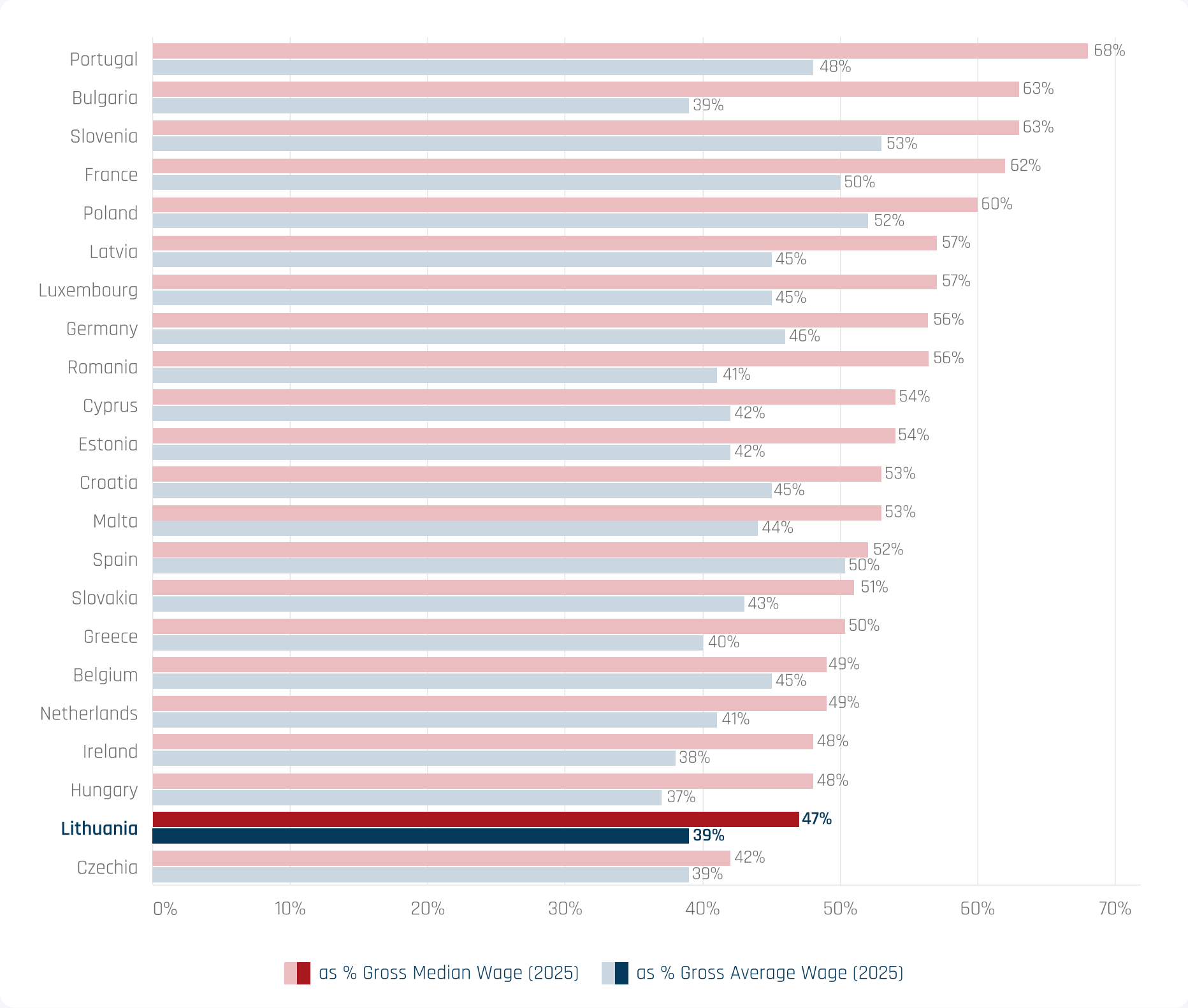
Thus, it might be said that the Tripartite Council’s decision in September 2017 to base future minimum wage increases on an average wage target of 45–50 per cent was important and has had a real impact on the actual minimum wage level in the country.

Article 141 (2) of the Labour Code 2017 provides that not less than the minimum wage is to be paid for unskilled work that does not require specific qualifications. The Labour Code 2002 allowed the government, on the recommendation of the Tripartite Council, to set different hourly and monthly minimum wages for individual sectors, regions or groups of workers. However, this provision has never been implemented in practice. No employees’ groups are excluded from minimum wage rates at present. Before the Labour Code 2017 entered into force, those working for the minimum wage or less accounted for a relatively large share of the workforce.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country







# Collective Bargaining system in Lithuania

The main piece of legislation regulating collective bargaining in Lithuania is the Labour Code 2017, according to which, employers, employers’ organisations, trade unions and trade union organisations have the right to initiate collective bargaining, to participate therein and to conclude collective agreements. Employees may be represented in collective bargaining only by trade unions.

According to the Labour Code, the following types of collective agreement may be concluded: (i) national (cross-sectoral) collective agreements; (ii) territorial collective agreements; (iii) sectoral (industry, services, professional) collective agreements; (iv) company/employer-level collective agreements; and (v) workplace-level collective agreements (the latter only in the cases established by collective agreements at the national, sectoral or company/employer level).

Compared with other EU Member States, Lithuania can be regarded as having one of the least developed industrial relations systems. Trade union membership in Lithuania is generally quite low and collective bargaining coverage has been among the lowest in recent decades. However, the situation started to change from around 2018–2020, when the number of trade union members and trade union density increased. This increase was associated with a substantial rise in collective bargaining coverage – it increased from around 7–8 per cent in 2010–2018 to 23 per cent in 2021–2023 (see also [here](#)),. However, it should be noted that this increase was related mainly to developments in the public sector, where several national and sectoral collective agreements were signed, providing for better working conditions for union members only.

Meanwhile, collective bargaining coverage in the private sector in Lithuania remains below 10%. There is only one sectoral collective agreement in the private sector, signed in 2019, in the furniture production sub-sector. The almost absent sectoral collective (wage) bargaining in the private sector is determined by several factors. One of them is an incongruity between the respective structures of sectoral trade unions and sectoral employers’ organisations (e.g., there are rather strong trade unions in public transportation, however, employers’ organisations mainly organise freight transport companies) that has prevented the parties from engaging in collective bargaining. Another important reason is that employers’ organisations have been reluctant to take up the role of sectoral social partners and/or sign collective agreements, claiming the absence of a mandate from their members to do so. Though in companies with active trade unions bargaining takes place and agreements favourable for employees are signed, collective bargaining activity is particularly weak or nonexistent in sectors and industries such as agriculture, construction, HORECA, and some others.

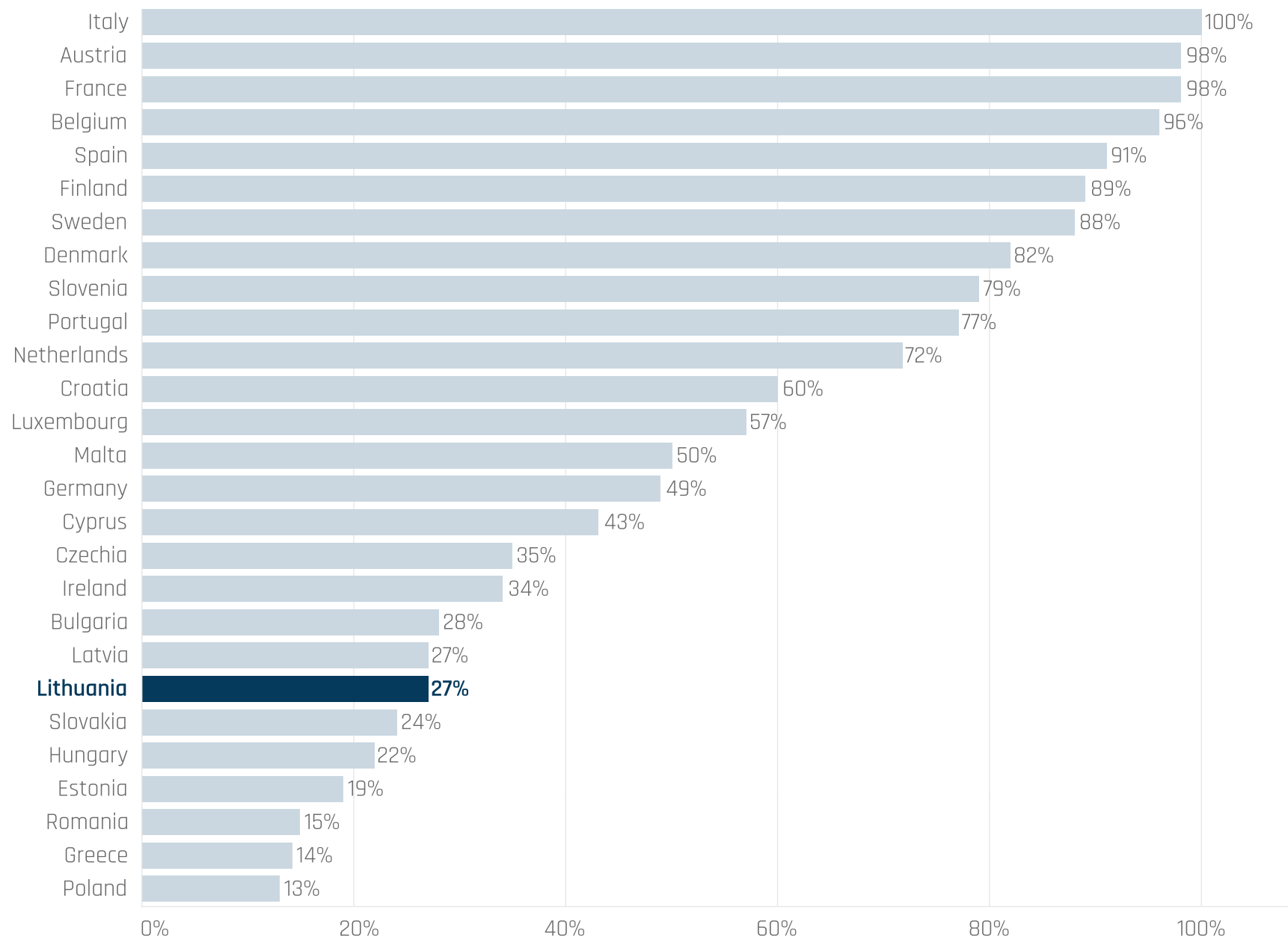
Collective Bargaining Coverage  
**27.00%**

Trade Union Density  
**10.0%**

Extension Mechanism  
**Rare extension**

Valididy of Collective Agreements after expirations?  
**Yes**

Collective Bargaining Coverage per Country (%)





# Collective Bargaining system in Lithuania

In order to change situation and to transpose the European Minium Wage Directive Minister of Social Security and Labour approved a [Social Dialogue Development Plan for 2024-2028](#) (further - the Plan) on the 25th of October, 2024. The Plan pays major attention to activities aimed at improving the competences of the trade unions and employer organizations (their training and consultation), dissemination of information on social dialogue issues and research. The expected result will be positive changes in the field of social dialogue in enterprises, such as the establishment of a trade union, an increase in the number of trade union members, the signing of collective agreements, improved collective agreement conditions and other positive developments.

Other structural key features of the Lithuania collective bargaining regime include:

## Validity of collective agreements after their expiry

According to the Art. 196 of the Labour Code, a collective agreement shall be valid for no more than four years, except for cases when the collective agreement establishes otherwise. According to an [monitoring of collective agreements](#), out of 375 agreements valid in 2022, 92 (or 24,5%) were valid less than 4 years; 163 (or 43,5%) – were valid for 4 years and 120 (or 32%) – were valid more than 4 years.

## Exclusion of groups of employees from collective bargaining

In principle, all employees have the right to be covered by collective agreement.

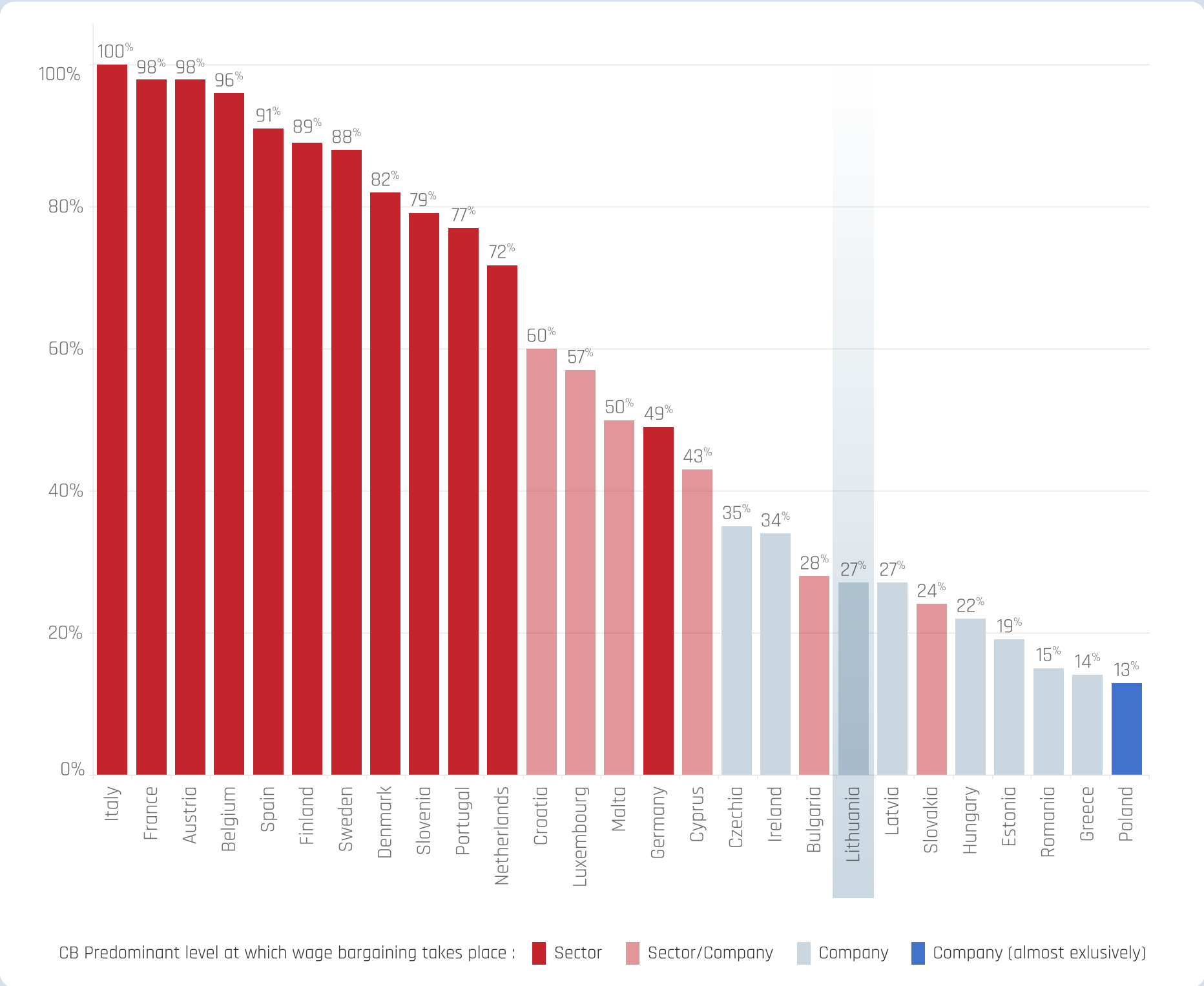
## Collective bargaining clauses in public procurement

Currently there are no collective bargaining clauses in public procurement, although this issue has recently been discussed by social partners, especially – trade unions, in Lithuania.

## Right of access to workplace for trade unions

National legislation foresees various guarantees for trade unions operating at company/employer level. According to Art. 188 of the Labour Code, if there is no trade union operating at the company/employer level, the general meeting of the employees of the company may authorise a sectoral trade union to negotiate a company/employerlevel collective agreement. However, there is no specific regulation on the right of access to workplace for trade unions, not operating at the company/employer level in the national legislation.

CB Predominant level at which wage bargaining takes place per Country





# Collective Bargaining system in Lithuania

### Protection of workers and trade union representatives against dismissal/discrimination

Art. 168 of the Labour Code defines guarantees and protection from discrimination for persons carrying out employee representation functions at the company/employer level. They are released from work for at least 60 working hours per year for the performance of their duties, they must be granted at least five working days per year for their training and education. For the period they are elected and six months after the end of their term, persons carrying out employee representation may not be dismissed on the initiative of the employer or at the will of the employer, and their indispensable employment contract terms may not be made worse than their previous ones or those other employees of the same category, without the consent of the head of the territorial office of the State Labour Inspectorate responsible for the territory where the employer’s workplace is located, as authorised by the Chief State Labour Inspector of the Republic of Lithuania. Also some other guarantees may be established by labour law provisions or agreements between the parties to the social partnership.

### Obligation for employers to engage in collective bargaining

According to Art. 188 of the Labour Code neither party may refuse to participate in collective bargaining: 1) the party initiating the collective bargaining process must submit a written introduction to the other party to the negotiations; 2) the party that has received the proposal must engage in collective bargaining within 14 days by conveying a written reply to the party initiating the collective bargaining process; 3) the commencement of collective bargaining shall be considered to be the day after the party initiating the collective bargaining process receives the other party’s written reply. If the parties did not agree on the day of opening negotiations, negotiations must be convened within seven days of the first day of collective bargaining.

# Transposition of the European Directive on Adequate Minimum Wages in the EU

The European MW Directive has been transposed on 17 October 2024 with the specification of the criteria for setting the MW level in the Labour Code itself, in [Article 141\(3\), which entered into force on 25 October 2024](#). Those amendments provide that the Government, when approving the minimum wage, shall not only take into account the recommendation of the Tripartite Council and the development indicators and trends of the country's economy, but also – the economic development scenario published by the Ministry of Finance of the Republic of Lithuania and the indicators of the country's economic development as published by the State Data Agency, while taking into consideration criteria such as the purchasing power in terms of the cost of living, the overall level of wages and their distribution, the speed of growth in the rate of wage growth, and the long-term levels and developments in labour productivity. These amendments will apply to the negotiation and approval of the MW for 2026 and beyond.



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**WAGE-UP is the ETUC Monitoring Tool** presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

[www.wage-up.etuc.org/](http://www.wage-up.etuc.org/)



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