WAGE-UP

Minimum Wage & Collective Bargaining in Lithuania 2026

Lithuania

Statutory Minimum Wage

Monthly Min. Wage	1153.00€
Hourly Min.Wage	7.05€

49.00%
- MW as % of Median Wage

41.00%
- MW as % of Gross Average Wage

Gender pay gap	10.00%

29.00%
- Collective bargaining coverage

- Process of transposition:
  Transposed + Action Plan for CB published

Compare with other countries

Latest update on April 2026

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Minimum wage regime in Lithunia

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 I-924 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 was 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.

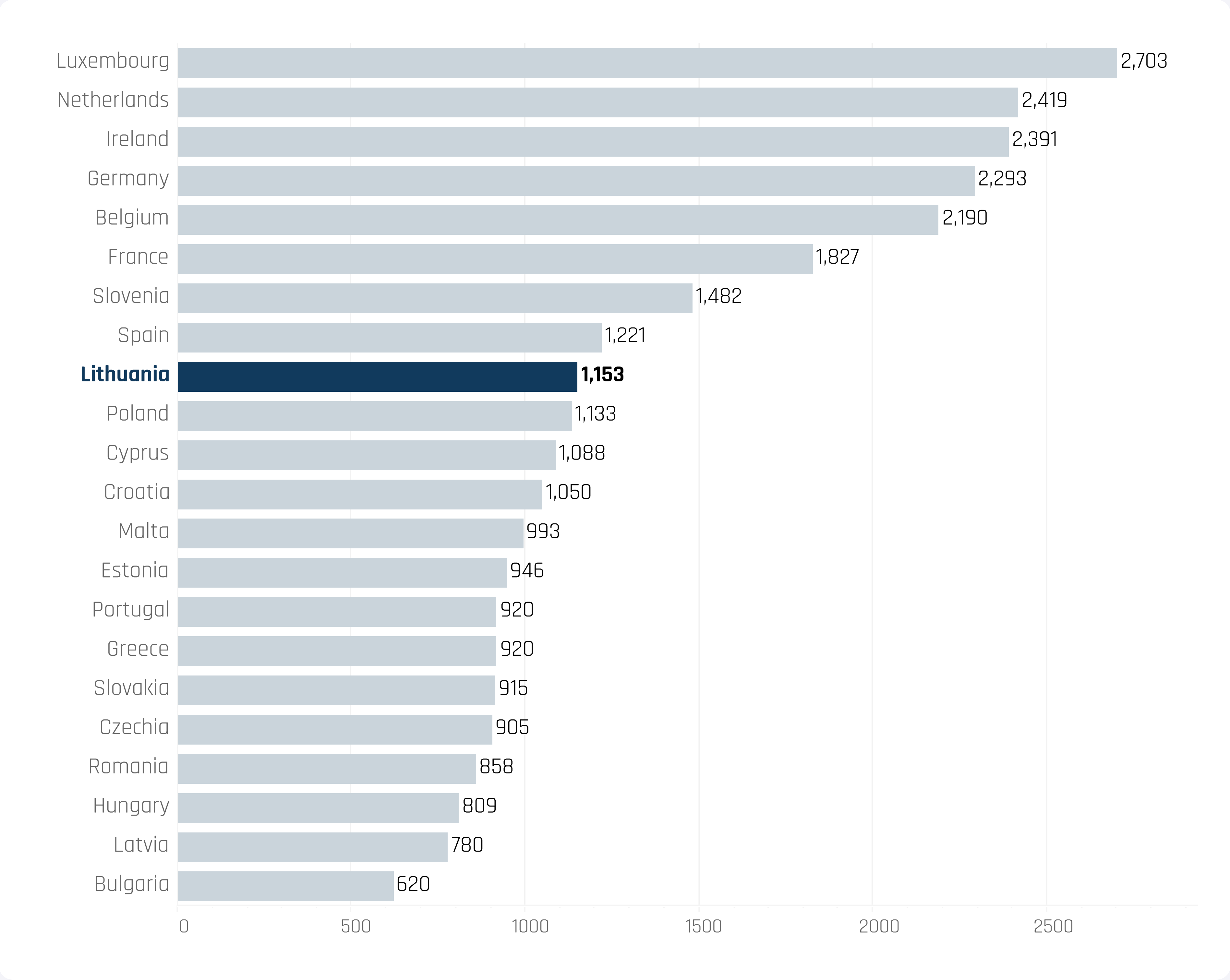
Moreover, although both Labour Codes (2002 and 2017) provide for the possibility to establish higher minimum wage levels in collective agreements (Art. 187(2) and 141(4) respectively), this autonomy has not been exercised in practice. Thus, the setting of the minimum wage in Lithuania has gradually evolved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

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% 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.

The adjustment of the minimum wage takes place every year and from 2025 (when the minimum wage for 2026 was determined) is based not only on recommendations of the Tripartite Council and the country’s economic development indicators and trends, as before, but also takes 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 rate of growth of wages, and long-term labour productivity levels and changes. All those criteria are named in the Labour Code 2017 (Art.141).

Monthly Minimum Wage (€) per Country



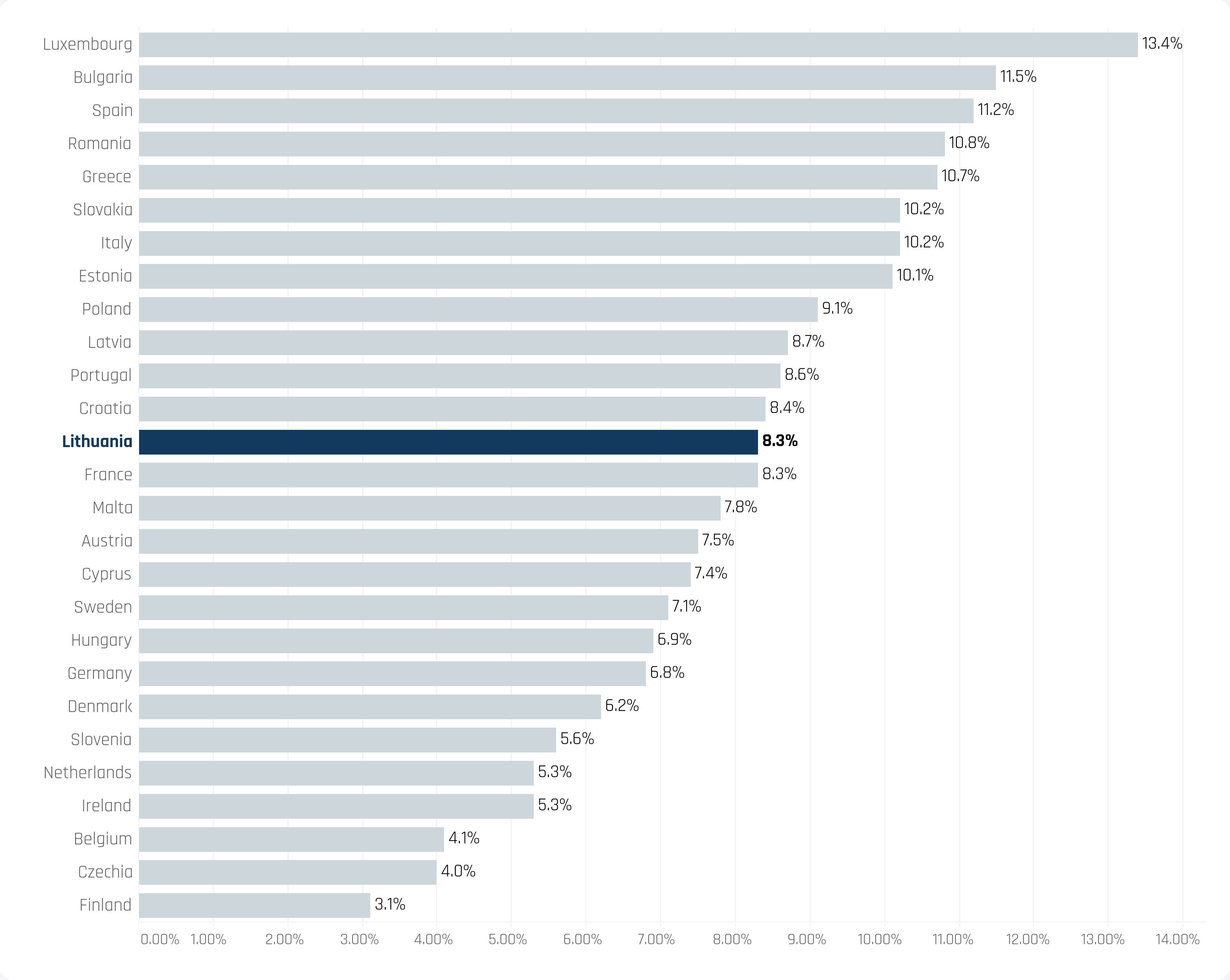
Statutory Minimum Wage Yes	Real Growth rate of wages 7.30%
% of workers covered by minimum wage 6.00%	Nominal Growth rate of Wages 11.10%

Minimum wage regime in Lithunia

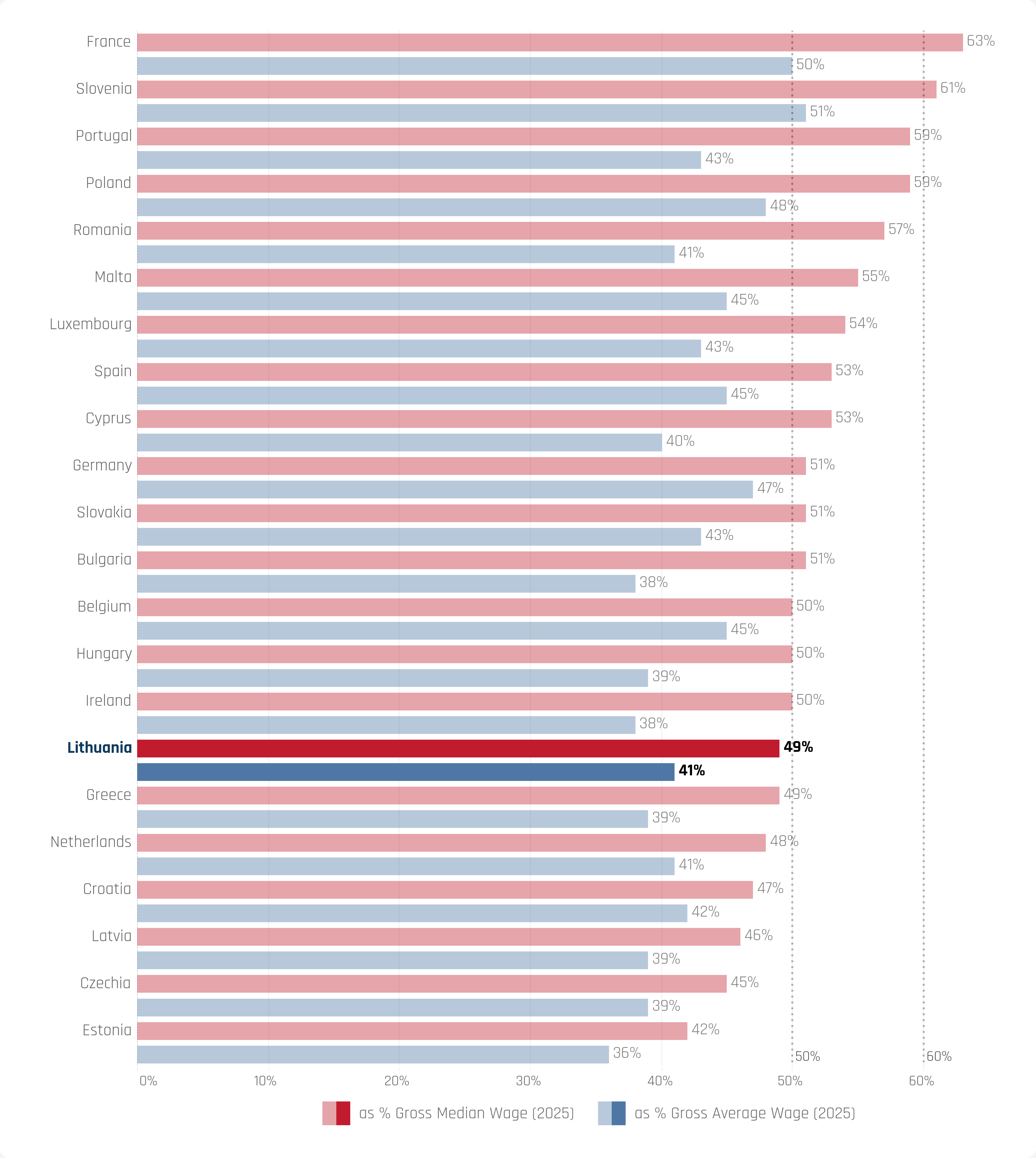
Article 141 (2) of the Labour Code 2017 provides that not less than the minimum wage is to be paid for unskilled work that does not require specific qualifications. The Labour Code 2002 allowed the government, on the recommendation of the Tripartite Council, to set different hourly and monthly minimum 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.

For 2026, the monthly minimum wage for a full-time job (40 hours or less per week) was increased from €1,038 to €1,153 and the hourly minimum wage was increased from €6.30 in 2025 to €7.05 in 2026. Since 2017 the ratio between the monthly minimum wage and the average wage in Lithuania has fluctuated around 45%. 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% was important and has had a real impact on the actual minimum wage level in the country.

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 in recent decades collective bargaining coverage has been among the lowest in Europe. 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% in 2010–2018 to 23% in 2021–2023 (see also here), as stated by the Ministry of Social Security and Labour (MSSL). 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. Moreover, if employees are covered by different levels of collective agreements, this overlap is not taken into account. As a result, the level of collective bargaining coverage may in fact be lower than what is calculated and reported by the MSSL.

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 (for example, there are rather strong trade unions in public transport, 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 non-existent in sectors and industries such as agriculture, construction, HORECA and some others.

In order to change the situation and to transpose the European Minimum Wage Directive the Minister of Social Security and Labour approved a Social Dialogue Development Plan for 2024–2028 (hereafter, the Plan) on 25 October, 2024. The Plan pays considerable attention to activities aimed at improving the competences of the trade unions and employer organisations (their training and consultation), dissemination of information on social dialogue issues and research. The expected result will be positive changes with regard to social dialogue in enterprises, such as the establishment of a trade union, an increase in the number of trade union members, the signing of a collective agreement, improved collective agreement conditions and other developments. According to information provided by the MSSL, during 2024–2025 the activities that made most progress under the Plan included training sessions and round-table discussions. The positive developments include: the signing of new collective agreements, the establishment of new unions or increases in the membership of the older ones, and a number of other things.

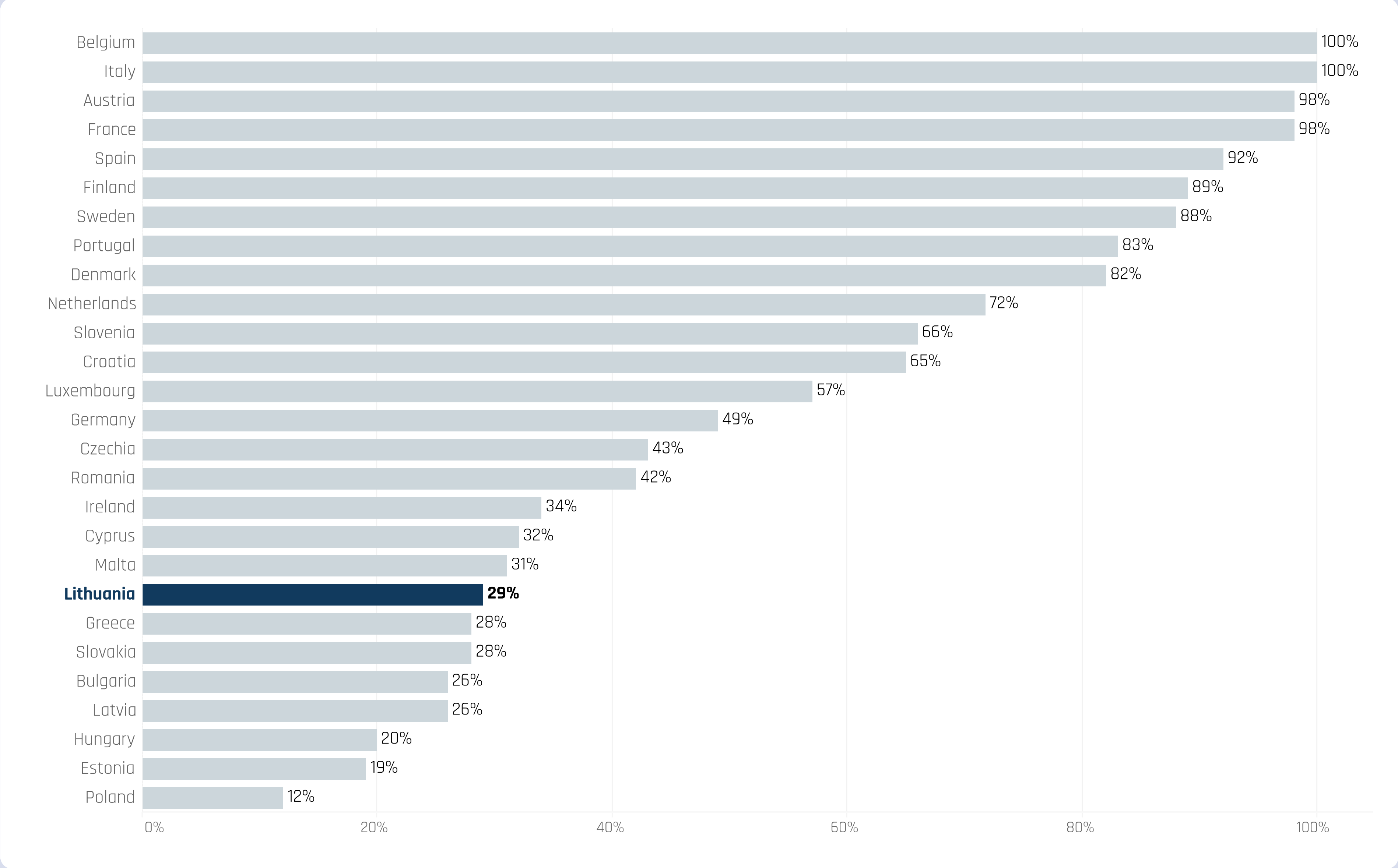
Unfortunately, there is no reliable data on how/whether overall trade union density or collective bargaining coverage has been changing recently in Lithuania.

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

Validity of collective agreements after expiry: according to Art. 196 of the Labour Code, a collective agreement shall be valid for no more than four years, except for cases in which the collective agreement establishes otherwise. According to the information provided in the Register of Collective Agreements, at the end of March 2026, out of 365 valid collective agreements, 52 (or 14.2%) were valid for less than four years; 159 (or 43.6%) were valid for four years, 26 (or 7.1%) were valid for more than four years, and 128 (or 35.1%) were of indefinite duration (usually the latter last longer than four years). For comparison, in 2022 24.5% of all collective agreements were valid for less than four years and 43.5% for four years. This indicates a notable decline in short-term agreements alongside a substantial increase in long-term ones, suggesting a growing preference for stability and predictability in collective bargaining, while the four-year duration continues to serve as the benchmark.

Exclusion of groups of employees from collective bargaining: in principle, all employees have the right to be covered by collective agreement.

Collective Bargaining Coverage per Country (%)



Collective Bargaining system in Lithuania

Collective bargaining clauses in public procurement: currently there are no collective bargaining clauses on public procurement, although this issue has recently been discussed by the 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 at company/employer level, the general meeting of employees at the company may authorise a sectoral trade union to negotiate a company/employer-level 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.

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 or at the will of the employer, and their indispensable employment contract terms may not be made worse than their previous ones or those of other employees in the same category, without the consent of the head of the territorial office of the State Labour Inspectorate responsible for the territory in which 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 social partners.

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: (i) the party initiating the collective bargaining process must submit a written invitation to the other party to participate in the negotiations; (ii) 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; (iii) 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 do not reach agreement on what day negotiations shall commence, negotiations must be convened within seven days of the first day of collective bargaining.

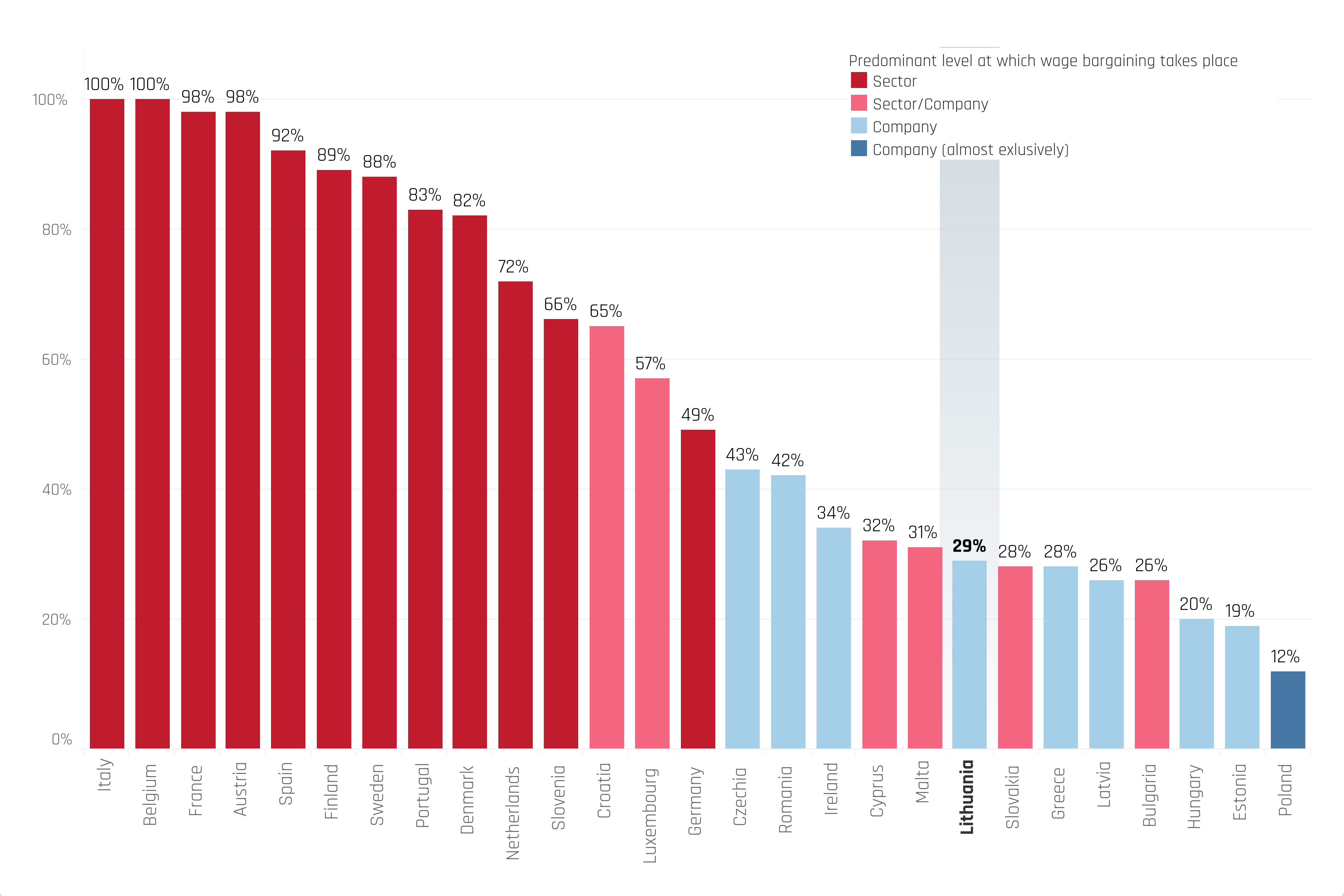
Collective Bargaining Coverage
29.00%

Trade Union Density
8.30%

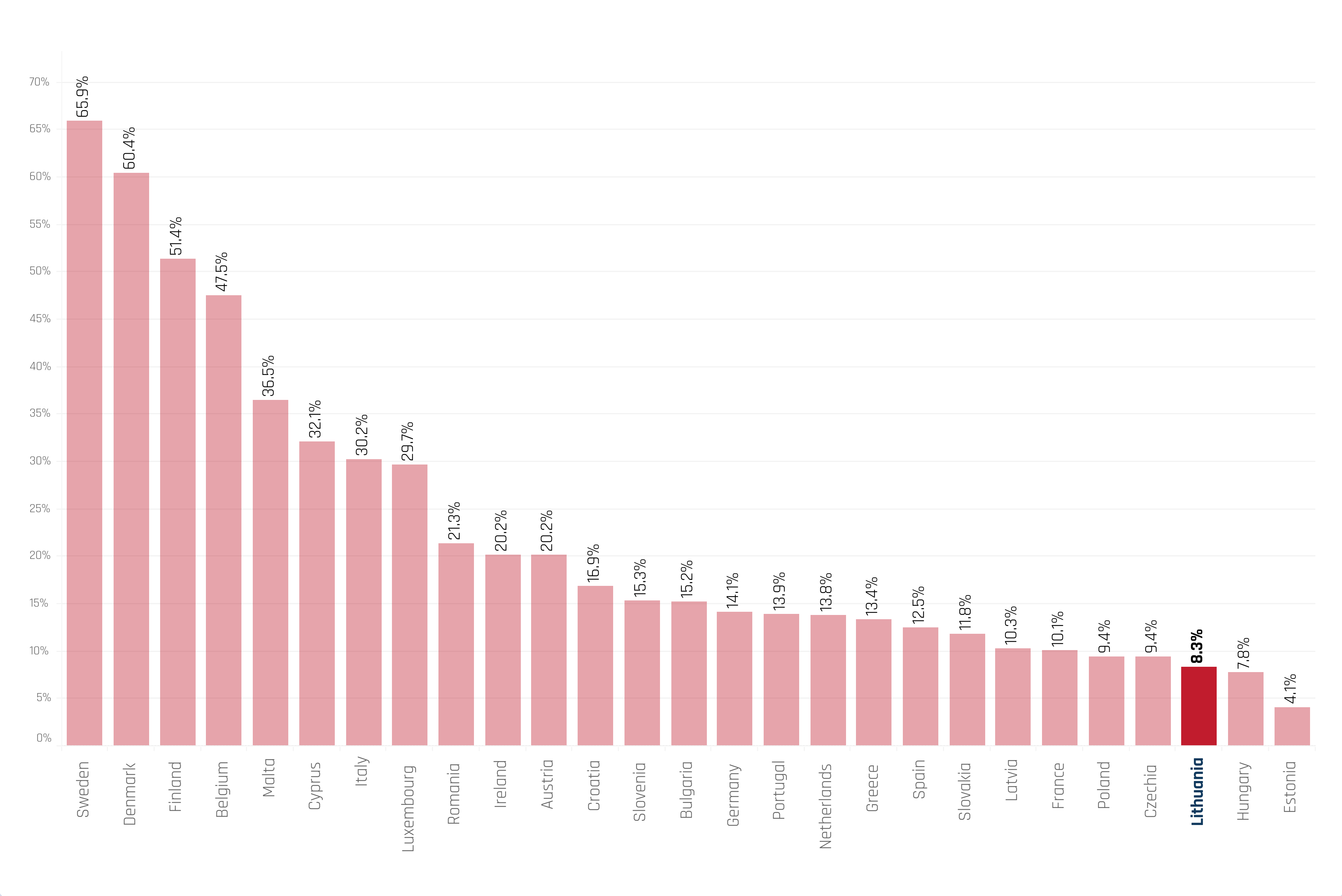
Extension Mechanism
Rare Extension

Valididy of Collective Agreeements after expirations?
No

CB Predominant level at which wage bargaining takes place per Country



CB Trade Union Density (%) for each Country



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

The European Minimum Wage Directive was transposed on 17 October 2024 with the specification of the criteria for setting the minimum wage 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.

Also to be taken into consideration are such criteria as purchasing power in terms of the cost of living, the overall level of wages and their distribution, the rate of wage growth, and long-term levels of and developments in labour productivity. These amendments are to apply to the negotiation and approval of the minimum wage from 2026.

As part of implementation of the Directive and in line with its Article 4.2, which requires all countries in which bargaining coverage is below 80% to establish an action plan to promote collective bargaining, the government also adopted the Social Dialogue Development Plan for 2024–2028 (see above for more information on the content of this plan).

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WAGE-UP

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/

See All Countries