

Amendments to Labour Code (2/49/18)

The Labour Code has been amended with effect from 28 November 2018 to make a number of important changes. This article explores some of the new procedures affecting employers and employees.

Job adverts should specify proposed pay

There is controversy over amendments to article 32 of the Labour Code that require job adverts to state the monthly or annual gross pay or expected range of hourly rates for the job. The amendments were passed to improve employment culture, encourage healthy competition and minimise shadow economy, as passing this rule is believed to make the labour market more transparent.

Foreign language skills

Under the amended Labour Code, an employer cannot demand that employees should have a particular foreign language skill if using that language is not part of their job responsibilities, and the employer cannot prevent employees from using Latvian.

Accordingly, if a company's business does not involve providing services to foreign customers or business partners, the employer cannot demand foreign language skills.

How to issue and challenge warnings and reprimands

The old Labour Code did not lay down procedures to be followed if the employer failed to reach agreement with the employee after issuing a warning or reprimand. Amendments to article 90 of the Labour Code provide that if the employer fails to reply to the employee about a warning or reprimand within seven days after receiving the employee's complaint, the employer will be considered to have cancelled that warning or reprimand. The employee may challenge the employer's refusal to cancel it in the courts within a month after receiving such refusal.

Severance pay after terminating employment for reasons of morality or integrity

Article 112 of the old Labour Code stated that severance pay should be provided not only where the employer dismisses an employee but also where an employee terminates employment for reasons of morality and integrity that prevent them from continuing employment. The old rules required the employer to provide severance pay even if they disagreed with the employee's grounds for termination. The Labour Code has been amended to balance the rights of the parties. If an employee now wants to terminate employment for reasons of morality and integrity, and the employer accepts that the reason given by the employee is important, the employer should provide severance pay prescribed by the Labour Code. If there is a dispute between the parties over the grounds for termination, the employee now has one month to sue the employer for severance pay.

Dismissing a union member

The rules for dismissing a union member have been revised to provide that union consent to dismissal is not necessary if the employee is unable to carry out the agreed work for health reasons or has been away

from work because of temporary incapacity. In this case, the employer will have to warn the union and consult with them. Only employees that have been union members for more than six consecutive months qualify for special protection in the case of dismissal.

The amendments to the Labour Code also provide for other changes agreed between the social partners (organisations representing the interests of employers and employees).