

# Higher minimum salary payable to foreign nationals employed in Latvia (2/16/20)

To primarily provide employment to Latvian residents, employers wishing to hire third-country nationals are required by Latvian law to meet various criteria, including adequate funding for the foreign worker to be employed in Latvia. Carrying out these statutory obligations permits an employer to hire a foreign worker holding a visa or a work/residence permit. This article explores some of the changes to the minimum pay applicable from 1 April 2020.

## The rules

The Cabinet of Ministers has issued rules to determine how much is payable to a foreign national who is seeking or holds a visa or a work/residence permit in Latvia and how the existence of adequate funds should be verified.<sup>1</sup> The monthly salary payable to a foreign national working for a Latvian employer must match the monthly average gross pay in the previous year according to the latest information published by the Central Statistical Office (CSO).

According to [CSO data](#) for 2018 the average salary before taxes was EUR 1,004. So the minimum pre-tax salary payable to a foreign national employed in Latvia up to 31 March 2020 was EUR 1,004.

Does a foreign worker's employment contract need amending?

According to the [CSO data](#) published on 2 March 2020, in 2019 the average pre-tax salary was EUR 1,076. So from 1 April 2020 an employer wishing to continue employing a foreign national in Latvia must amend their employment contract to specify a pre-tax salary of at least EUR 1,076.

The salary payable to an EU Blue Card seeker or holder will be based on the previous year's average pay (EUR 1,076) multiplied by a coefficient of 1.5 or 1.2 under paragraph 11.2 or 11.3 of the cabinet rules respectively.

From 1 April 2020 the required funding levels for a visa/permit holder's spouse and child remain unchanged at EUR 430 and EUR 129 a month respectively.



Is the employer required to publish the original vacancy again?

As you might know, before hiring a foreign national to work in Latvia under an employment contract, the employer is required to announce the free job by publishing a vacancy on the National Employment Agency's portal of CVs and vacancies. The vacancy must also specify the salary payable to a potential employee. However, no vacancy needs to be published if the foreign national applies for an EU Blue Card, which is a special type of work/residence permit for highly skilled workers.

The rules do not allow a period of transition for any vacancies published before 1 June 2020 and stating the old minimum of EUR 1,004. When applying for a visa or a work/residence permit, the employer must file an

invitation or a summons respectively with the Citizenship and Migration Office (CMO) within 30 days after the expiry of the original vacancy posted on the portal of CVs and vacancies, and the employer is not required to publish a new vacancy stating the new minimum of EUR 1,076. When filing the application with the CMO, the employer can cite the vacancy stating the old minimum of EUR 1,004. However, the foreign worker's employment contract must specify a salary of at least EUR 1,076 by the date of filing.

#### Key takeaways

- The minimum salary payable to a foreign national employed in Latvia may change annually according to the monthly average gross pay in the previous year published by the CSO.
- From 1 April 2020 the pre-tax salary payable to a foreign national working for a Latvian employer must be at least EUR 1,076 a month. If the pay is lower than this, the employment contract needs amending.
- An employer who files an application within 30 days after the expiry date of the original vacancy is not required to publish a new one, but the pre-tax salary appearing in the employment contract must be at least EUR 1,076.

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<sup>1</sup> The Cabinet of Ministers' Regulation No. 225 of 25 April 2017, *The required amount of funding for a foreign employee and establishing the existence of such funding*. Latvijas Vēstnesis, 97, 18.05.2017. <https://likumi.lv/ta/id/290808>