

An excerpt of the Labour Law:

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 three-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 regular working time, as well as the calculation of the minimum hourly wage 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.

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 piecework 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, but not longer than until the child

reaches two years of age, 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) *(Excluded by the Law of 01.12.2009)*

(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.

(7) *(Excluded by the Law of 01.12.2009)*

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, Mandatory State Social Insurance Payments Made and Employment Relationship

An employer, upon a written request of an employee, shall, within five working days, issue to such employee a statement of his or her work remuneration, mandatory State social insurance payments made, duration of employment legal relationships and occupation.

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 Associated with Special Risk

(1) A supplement shall be specified for an employee who performs work related to special risks (work which in accordance with the evaluation of the working environment risks is associated with an increased psychological or physical load or such increased risks to the safety and health of an employee which cannot be prevented or reduced up to the permissible level by other labour protection measures).

(2) The amount of such supplement shall be determined by a collective agreement, working procedure regulations, an employment contract or by order of an employer.

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 piecework 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 Public Holiday

(1) An employee who performs overtime work or work on a public 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 piecework pay has been agreed upon, a supplement of not less than 100 per cent of the piecework rate for the amount of work done.

(2) A collective agreement or an employment contract may specify a higher supplement for overtime work or work on a public holiday.

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 public holiday, the work remuneration shall be paid before the relevant date.

(4) Payment for the period of leave and work remuneration for the time period worked until the leave shall be paid not later than one day before the leave. Upon employee's written request, the payment for the period of leave and the work remuneration for the

time period worked until the leave can be paid at another time, but not later than on next work remuneration payment day .

(5) Work remuneration and related mandatory State social insurance payments 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 in which the work remuneration disbursed, the taxes deducted and the mandatory State social insurance payments made, as well as the hours worked, including overtime hours, the hours worked at night and on public holidays have been specified. 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 Annual Paid Leave and Supplementary Leave

An employer has a duty to pay an employee average earnings for the period when the employee is on annual paid leave or supplementary leave.

Section 74. Remuneration in Cases where the Employee does not Perform Work due to a Justifiable Reason

(1) An employer has a duty to pay out the remuneration specified in Paragraph three of this Section if an employee does not perform work due to a justifiable reason, especially in the cases where the employee:

1) on the basis of relevant orders by the employer, undergoes a health examination in a medical treatment institution;

2) upon prior notification of the employer, donates his or her blood or blood components in a medical treatment institution;

3) on the basis of relevant orders by the employer, during working time participates in occupational training or improvement of qualifications;

4) 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;

5) 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;

6) on the basis of a summons, attends an investigative institution, Office of the Prosecutor or a court;

7) 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;

8) does not perform work on public holidays, which fall on a working day specified for the employee; and

9) (*Excluded by the Law of 04.03.2010*)

(2) Employee obligations shall be deemed performed and the employer has a duty to pay out the remuneration specified in Paragraph three of this Section also if the employer does not provide work to an employee or does not perform the necessary activities for the acceptance of employee obligations (idle time). An employee shall not receive work remuneration for idle time due to the fault of the employee.

(3) If for an employee a time salary has been specified, in the cases referred to in Paragraphs one and two of this Section, he or she shall be paid out the specified remuneration for work. If for an employee a piecework salary has been specified, in the cases referred to in Paragraphs one and two of this Section, he or she shall be paid out average earnings.

(4) The remuneration specified in Paragraph three of this Section to an employee in the cases set out in Paragraph one, Clauses 6 and 7 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 remuneration to be paid to an employee shall be determined by the Cabinet.

(5) The provisions of Paragraph one of this Section shall not apply to cases where an employee does not perform work due to temporary incapacity.

(6) An employee after donating his or her blood or blood components in a medical treatment institution has the right to a day of rest. Upon agreement between the employee and the employer, such day of rest may be granted at another time, but not later than within one year after the donation of blood or blood components at a medical treatment institution. The employer has the duty to pay for maximum five such days within the calendar year by paying the remuneration specified in Paragraph three of this Section unless employment contract or the collective agreement does not provide for more paid days of rest.

(7) During the time period between postings, regardless of the contracted period of work, remuneration shall be paid to an employee of the work placement service provider which is not less than the minimum monthly salary specified by the State, proportionate to the time period between postings.

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 calendar 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 calendar months prior to the period of justified absence. If an employee has worked less than six months prior to the beginning of the period of justified absence, average earnings shall be calculated based on the remuneration for the period during which the employee has worked. If the calculated average monthly earnings for the work within the scope of regular working hours is below the valid minimum monthly salary, the average earnings equal to the amount of the valid minimum monthly salary shall be paid out.

(3) The monthly average earnings shall be calculated by multiplying the daily average earnings with the average number of working days of a month during the last six calendar months (by counting the working days during the last six calendar months and dividing this total amount by six).

(4) Daily average earnings shall be calculated by dividing the total amount of work remuneration for the preceding six months by the number of days worked in this period. If aggregated working time has been determined for an employee, the daily average earnings shall be calculated by multiplying the hourly average earning with the average number of hours worked per working day which is calculated by dividing the number of hours worked during the preceding six months by the number of the

calendar working days (excluding any justified absence) during the preceding six months. The number of days worked shall not include temporary incapacity, days of leave and days when the employee has not performed work in the cases specified in Section 74, Paragraph one and six of this Law.

(5) 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.

(6) If an employee has been employed for less than six months, the daily or hourly average earnings shall be calculated on the basis of the work remuneration for the days or hours worked, by dividing the total amount by the number of days or hours worked during this period. This provision shall also be applied if the employee has been employed for less than six month following a justified absence of at least 12 months.

(7) 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.

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

Section 75.¹ Payment of Work Remuneration if an Employed Person is not Entitled to Reside in the Republic of Latvia

(1) If an employer has employed a person who is not entitled to reside in the Republic of Latvia, he or she has the duty to pay this person all the unpaid work remuneration.

(2) If an employer who as a subordinate undertaking has been handed over the performance of contractual obligations fully or partly has employed a person who is not entitled to reside in the Republic of Latvia, then the employer and person to whom the employer has directly handed over the performance of contractual obligations fully or partly shall be jointly and severally liable for the payment of the unpaid work remuneration referred to in Paragraph one of this Section.

(3) If an employer who as a subordinate undertaking has been handed over the performance of contractual obligations fully or partly has employed a person who is not entitled to reside in the Republic of Latvia, then the person who is the initial performer of the contractual obligations shall be jointly and severally liable with the employer for the payment of the unpaid work remuneration referred to in Paragraph one of this Section, as well as any other involved subordinate undertaking if they were aware of such illegal employment.

(4) If a person to whom the employer as a subordinate undertaking has handed over the performance of contractual obligations fully or partly, as well as a person who is the initial performer of contractual obligations or any other involved subordinate undertaking has performed the necessary measures in order to prevent the

employment of a person who is not entitled to reside in the Republic of Latvia, they shall not be jointly and severally responsible for the payment of the unpaid work remuneration referred to in Paragraph one of this Section.