

# Key Changes in Lithuania from 2024

March 2024

As the new year unfolds, several legislative acts have taken effect in Lithuania, impacting salaries, pensions, benefits, and tax policies.

## Minimum Wage Increases

As of January 2024, the minimum monthly wage (MMW) in Lithuania has risen by 10%, or €84, reaching €924 before tax. Simultaneously, the minimum hourly wage has increased by €0.51 to €5.65 before tax. Amendments to the Law on Personal Income Tax have also been enacted, raising the tax-free personal income tax (NPD) by €122, from the existing €625 to €747.

This change predominantly affects those earning the minimum wage, particularly those engaged in unskilled work. The estimated monthly income for such individuals should increase by €75.2. Additionally, changes to the regulation of remuneration for employees of budgetary institutions have eliminated differentiation based on institution groups and professional or managerial experience.

## Pension Scheme Changes

In 2024, individuals who opted out in 2021 and are not saving for retirement will be re-enrolled, along with those not yet enrolled in the second pillar of the pension scheme. The contribution to the pension fund is now set at 3% of salary. Individuals under 40 years of age on 2 January 2024, and engaged in employment or self-employment will be also included in the pension fund.

## Individual Activities and Business Licenses

Starting January, individual activities and business licenses have become more expensive. The increase in the MMW has also affected the rates of some social security contributions. For instance, self-employed residents paying for their health insurance are now required to pay €64.50 to Sodra every month. Similar adjustments apply to individuals engaged in individual agricultural activities.

Changes in social security contributions for business license holders are tied to the MMW. Residents with a business license now pay a pension social security contribution (SSC) of 8.72% of the MMW. The SSC contribution for a full-month business license in 2024 is €80.57 without pension savings, and €108.29 with pension savings.

## Increased Costs and Excise Duties

The costs of services, along with higher excise duties, mark a significant shift. While public supply electricity and centralized natural gas prices may experience fluctuations, the costs of electricity network services for household customers are set to increase by 20-267% in 2024. Amendments to the Law on Excise Duty, effective 1 January, have resulted in higher taxes on LPG, fuel, alcohol, and cigarettes.

## Changes to the Construction Act

Towards the end of 2022, a law was passed, bringing into force provisions of the Law on Construction. These provisions dictate that new buildings or parts thereof can only be used or transferred after 100% completing construction. However, a law adopted in late 2023 stipulates that these provisions will apply only to building permits issued after 2 January 2024.

## Changes to the Food Law

Starting 1 January 2024, the marketing of food products with an expired "Best before..." date is permitted. However, consumers must be clearly informed on the product packaging if the best-before date has passed, and these products must be displayed in a designated and clearly labeled sales area.

It is important to note that traders are not allowed to offer all food products with an expiry date to consumers. The sale of food supplements, baby food, medical products, and complete meal replacements for weight control is strictly prohibited. Additionally, these products cannot be sold to operators in the catering and manufacturing sectors.



## Changes to Road Traffic Rules

Minor amendments to the Road Traffic Regulation now include specific requirements and prohibitions for drivers of electric micro-mobility vehicles. These regulations apply to electric scooters, electric skateboards, unicycles, rollerblades, and other electrically powered vehicles.

## EU Waste Framework Directive

Effective 1 January, residents and businesses in Lithuania must separate food and kitchen waste, complying with the EU Waste Framework Directive. Municipalities decide on the collection methods, which may vary.

## Amendments to the Law on Control of Weapons and Ammunition

As of 1 January, amendments to the Law on the Control of Weapons and Ammunition require applicants for category A and B weapon permits to undergo a civil resistance course. Applications submitted before 1 January, will follow the previous procedure.