

Financing adult learning database

Name of the instrument - Local language	apmācību izdevumu atlīdzināšana darba attiecībās
Name of the instrument - English translation	Payback clause
Scheme ID	247
Country	 Latvia
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible with no explicit limitations
Type of entry	Single instrument
Short description	Employers and employees may conclude a payback clause in relation to employer-provided/financed training which is necessary to the performance of the employee's duties. Training costs can only be subjected to a payback clause if they exceed the minimum wage. The duration of the payback contract must not exceed 2 years from the end of training. The amount to be reimbursed by the employee should not exceed 70% of the total costs of training.
Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Labour Law
Objective(s) and target(s)	No specific objectives for this norm of Labour Law are defined.
Year of implementation	2015

Operation/management	The State Labour inspectorate is responsible for overseeing the correct implementation of the norm.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Any job-related formal and non-formal education and training, including: p Programmes leading to a formal qualification (formal education) of ISCED 6-8 level; - general courses (e.g. language courses); - occupational courses connected to the present economic activity of the participant; - occupational courses of all kinds; - Any kind of non-formal education/courses (e.g. for private issues only).
Source of financing and collection mechanism	Employer funds training, the employee provides (partial) repayment eligible training costs in case of premature departure from the company
Financing formula and allocation mechanisms	Training costs can only be subjected to a payback clause if they exceed the minimum wage and if the training is undertaken is necessary but not essential to the performance of the employee's duties (the costs of essential vocational training directly related to the employee's particular position must always be borne by employer). The duration of the payback contract must not exceed 2 years from the end of the training. The amount to be reimbursed by the employee should not exceed 70% of the total costs of training. The procedure of the payback clause is not regulated.
Eligible costs	Eligible costs are training costs. The details have to be agreed upon between the employer and employee.
Volumes of funding	Evidence on the use of payback clauses is not systematically collected.
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	Not applicable
Monitoring/evaluation reports available	Not available
Most relevant webpage - in English	https://likumi.lv/ta/en/en/id/26019-labour-law
Most relevant webpage - local language	Not available
Recent changes	No recent amendment Recent changes in response to COVID-19 No changes
Sources	https://likumi.lv/ta/en/en/id/26019-labour-law

