

PREPARING**for**SERVICE

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BookingTravel

general information

You will be able to make your own travel arrangements to Lithuania by contacting one of LCC's travel agencies, using another agency of your choice, or by purchasing online. If you wish an LCC charitable contribution receipt for travel, your routing cannot include side trips along the way. The companies identified here are able to work with you in light of this requirement; see faq's: *What if I want to travel before or after my assignment at LCC?* and *What if I want to use my own travel agent?*

The travel agent will work with you on various itinerary and airline options. Virtually all staff fly into Vilnius, Lithuania's capital. Vilnius (VNO) is approximately a four hour drive from Klaipeda, the city where the university is located. From time to time expatriates and other guests are able to fly into Palanga (PLQ), which is only a 30 minute drive from Klaipeda. Flights into Palanga are usually a little more expensive but there are quite a few good connections through Copenhagen, Amsterdam, Stockholm, and other European cities.

travel booking procedure

LCC works with travel agencies who are experts in European travel, including Lithuania. They are also both familiar with LCC's programs and the travel needs of its North American faculty and staff. You will find more information below about our travel agents as well as contact information.

1. Call or email one of our travel agents, identify yourself as being from LCC and indicate to the agent what your departure city will be as well as your travel dates. The agent will also have a copy of dates for LCC's programs.
2. The travel agent will search for an itinerary that matches your needs as well as the date requirements.
3. Once you have confirmed with the travel agent that you are happy with the itinerary, you or the travel agent will email the itinerary to LCC for final confirmation.
4. The travel agent will then book the itinerary and arrange to have the tickets forwarded to you.

As you are arranging your flight, copy your emails to the Expatriate Recruitment Director at LCC (opportunities@lcc.lt). The Expatriate Recruitment Director coordinates all of the arrivals and departures of expatriates and needs to be kept informed of all travel plans. Please continue to copy the Expatriate Recruitment Director on all your correspondence with the travel agencies. All flight arrangements must be approved by the Expatriate Recruitment Director before you confirm and pay for your flight.

lcc's travel agencies

Menno Travel can access “missionary fare” tickets for individuals departing from anywhere in North America. Common carriers used include Air Canada, British Airways, KLM, Air France, Sabena, among others. Irene Adkin, LCC’s contact person, will be happy to help you with your travel arrangements to and from Lithuania as well as any personal travel you may have. You may also want to look at Menno Travel’s website which has helpful travel information about passports, weather conditions, airports, etc.

Contact Person: Irene Adkin
Email: irene@mennotvl.com
Phone: 1-800-667-5559
Website: www.mennotvl.com

MENNO TRAVEL SERVICE OF MINNESOTA - Minneapolis, MN

This Menno Travel agency is a separate company from the one in Winnipeg. (They are in no way related to each other.) Like the other travel agencies, they can offer “missionary fare” tickets for faculty and staff who are traveling to Lithuania on behalf of an LCC assignment.

Contact Person: Anyone at Menno Travel Service
Email: menno@mennotravel-service.com
Phone: 1-800-635-2032
Website: www.mennotravel-service.com

SIAMA WORLD MISSION TRAVEL - Leiden, The Netherlands

SIAMA is an agency that only books missionary travel. Because of their focus, they have received special status with many of the world’s major airlines. You will experience the following benefits by booking through SIAMA:

- Discounted, missionary fares which are usually lower fares that you would be able to access with other travel agents
- Free stopovers
- One way tickets often at 50% of the cost of round trip tickets
- Free date changes with some airlines after tickets have been issued

SIAMA is located in the Netherlands, making communication a little more difficult than a North American travel agent. If you are interested in using SIAMA to book your travel, refer to Appendix 1 for more details. Please note that this agency is often slower to respond, so give yourself plenty of time if you plan to book through them or shop prices.

faq’s - travel

What are my arrival and departure dates?

Your arrival and departure dates depend on your assignment at LCC. All Student Life staff start their assignments at the beginning of August. All other new staff/faculty arrive in the middle of August. This will give time for new staff and faculty orientation before the returning faculty and staff arrive a week later.

All staff and faculty are required to stay until the end of exams, prior to the Christmas break. For the spring semester, it is also required that departure from Lithuania not occur until after

Commencement. For exact dates, please visit the Academic Calendar on the website at https://na.lcc.lt/academics/academic_calendar.html.

Individuals who are serving in multi-year positions on a 12-month basis should consult with their department head to determine when to schedule vacation in the summer months.

When should travel arrangements be made?

Travel arrangements should be made as soon as your assignment at LCC is confirmed. Flights to Europe fill quickly, especially during the summer. At a minimum, travel should be confirmed two months before departure. This will ensure that you have access to discounted fares and flights on the days you need to fly.

How is my travel paid for?

There are two options for payment. Please notify the Expatriate Recruitment Director of the option that you choose. You will receive a tax-deductible receipt for either option.

1. If you pay by personal credit card, you will need to send the ticket receipt and a check for the full amount of the ticket cost to the charity office. Then, the charity office will send you a receipt, as well as a reimbursement.
2. If you want the payment to be made by LCC through the charity office, you need to send the ticket invoice and a check for the full amount of the ticket to the charity office. You must do this at the time you confirm the booking in order for the charity to have the funds to pay for your tickets. The charity will then issue a receipt to you for the contribution for the travel.

What if I want to travel before or after my assignment at LCC?

Our travel agents are able to access tickets that allow for free stopovers in Europe on your way to or from Lithuania. You can then arrange your own personal travel from this city.

Unfortunately you are not able to choose the stopover city as this will be determined by which airline the travel agent is able to receive the lowest fare. It will, however, be a major European city such as London, Frankfurt, or Amsterdam.

The LCC travel agent you choose will be happy to make any personal travel arrangements for you as well. The agent will bill you directly for your personal travel.

Sometimes LCC staff are curious as to why they cannot adjust their travel arrangements to Lithuania in order to fit better with their personal travel plans. In order for your travel to be tax receiptable, it must be a direct route to and from Lithuania. For this reason, any personal travel may only be coordinated from a free stopover, with any additional costs resulting from this being billed to you.

How much luggage am I allowed to bring?

You are typically allowed to bring 2 suitcases, weighing up to 50 lbs each, as well as 1 item of carry-on baggage. You should check with your airline for exact weight requirements, as you will be charged if you exceed the limit. If you have additional baggage, check with the airline as to their exact 'per-kilogram' charge. If you have items you would like to bring, but will not need right away, it may be a good idea to send this as cargo rather than as baggage. It will take longer to arrive, but will be less expensive. For shipping books and other printed matter, see the 'Communications' section in the "*Living in Lithuania*" handbook.

What if I want to use my own travel agent?

We prefer that you use one of LCC's travel agents because they are familiar with LCC and with travel to Lithuania. However, if for some reason, you prefer another agent we can accommodate this. Please note the following procedures for using your own agent:

- In order to receive the tax receipt, travel to and from Lithuania must be a direct routing. Any personal travel may only be arranged from a stopover city.
- LCC must approve the itinerary before you make final confirmation of the ticket. Please forward the itinerary to the Expatriate Recruitment Director by email (opportunities@lcc.lt), or have the travel agent do so.
- You will need to pay for the travel yourself and then arrange to be reimbursed by our office. Please forward your receipt to the Expatriate Recruitment Director.

What if I want to fly on points?

It is possible for you to use mileage or points that you have earned from previous travel. Contact your airline rewards office to book your ticket according to the appropriate dates listed above. Unfortunately you are not able to receive a tax receipt for airline points used for this purpose.

Who makes arrangements for any mandatory overnights enroute to or from Lithuania?

You will be responsible for making your own hotel arrangements. Hotel costs for mandatory overnights en route are not always included with discounted airline tickets. You may choose to have the travel agent book a hotel for you or you may choose to make your own arrangements. Faculty and staff who choose to make their own arrangements often stay at hostels, which tend to be less expensive than hotels but often involve sharing a room with others. You will need to pay the cost of your overnight accommodation yourself. If you would like reimbursement of this cost and have it expensed against your total budget, please save the receipt and submit it to Expatriate Recruitment Director.

Can I purchase a one way ticket if I don't know when I am coming home?

For expatriates who are serving a multiple-year term, it is sometimes difficult to determine when you will next come home. In this case, it may be wiser to purchase a one way ticket. Our travel agents have access to one way tickets at slightly more than half the cost of a return ticket.

Can I purchase airline tickets in Lithuania?

Once you are in Lithuania, you may find that it is less expensive to purchase airline tickets to go home for Christmas or summer from there. LCC works with a number of travel agents in Klaipeda who have English speaking staff and very reasonable prices.

How will I get from the airport in Vilnius to Klaipeda?

For all new faculty and staff, LCC will send a van or bus and transport you to Klaipeda. A few weeks prior to your departure, the Human Resources department will inform you of further details relating to your arrival and transportation to Klaipeda.

When will I receive my tickets?

Your tickets will be sent to you approximately 10 days prior to your departure. The travel agent will request your address, if they have not already done so, and send them directly to your home. If you do not receive your ticket within 10 days of departure, contact your travel agent to confirm when you will receive it.

Housing&Living

general information

LCC takes responsibility for locating and securing your housing. The majority of LCC expatriates live in their own apartments in Klaipeda or in the Karklu student residence. The Resident Directors who work in the Student Life division, also live in the student residences as part of their assignment. The information below pertains to expatriates who will be living in their own apartments. Information about living in Karklu Hall follows this section on apartment living.

apartment living

Although it is not likely that we will be able to find an apartment that meets all of your needs perfectly, we will do our best to meet as many of your preferences as possible. There are two basic preference questions that we will ask you prior to finding your apartment:

Where would you prefer your apartment to be located? There are two choices:

- Close to LCC - There are a number of apartment buildings and houses within a 5-15 minute walk of the university campus. This is an advantage if you want a short walk to work. There are several grocery stores in this neighborhood which will provide easy access to some of your basic shopping needs. A trip to downtown, however, will be approximately a 30-40 minute walk or a 10-15 minute ride on public transportation.
- Close to downtown and Karklu Hall - Apartments in this area provide easy access to downtown shopping, restaurants, theatres, the market, etc. Although the distance to the university is greater, some faculty and staff enjoy being in the center of town and having easier access to recreational activities for after work hours. Getting to LCC's campus will be a 25-35 minute walk or a 10-15 minute ride on public transportation.

Although more faculty and staff live in a closer vicinity to the university, there are a number who do live in the downtown area, preferring the longer walk to the university and the variety of their central location in the city.

What size of an apartment would you like?

There are three choices:

- One Room - This means one room which serves as a combined living and sleeping area, plus a kitchen and a bathroom. It is most suitable for a single staff member.
- Two Room - This means a bedroom, a living room, a kitchen and a bathroom.
- Three Room - This means two bedrooms, a living room, a kitchen and a bathroom.

Rental and utilities costs generally increase with size. The estimates below include utilities:

One Room	\$300 - \$400 USD
Two Room	\$400 - \$500 USD
Three Room	\$500 - \$700 USD

faq's – apartment living

Over the last several years, we have accumulated a list of commonly asked questions about housing to help you better understand what to expect when you arrive. After reading these through, if you have other questions about housing, please don't hesitate to contact us.

What are apartments like in Lithuania?

While the exterior and common areas of most apartment buildings may appear rundown and unkempt, the individual apartments tend to be maintained quite nicely. Hallways will likely be unlit, unpainted and may have a mild odor. It would be a good idea to bring a small flashlight to help you find your way at night. Multi-story buildings of up to five floors usually do not have elevators. Buildings with more than five stories may have elevators, but they can break down from time to time. Repairs can sometimes take several days. Plan to climb lots of stairs. You will find the inside of your apartment to be very well kept, though the furniture and decor may not be a style that you are familiar with.

What furniture will I find in my apartment?

Your apartment will come fully furnished with all of the basic items including the following:

- Bed
- Night Table & Lamp
- Sofa & chairs
- Desk
- Bookshelf
- Kitchen Table with 2-4 chairs
- Refrigerator
- Stove (usually gas)
- Washing Machine (for small loads of laundry)

LCC will work together with your landlord to arrange to have these items in your apartment before you arrive. The list above can also be adapted to meet the needs of your family size. The landlord may also have other items that he is willing to have you use that are not listed above. After your arrival, you will have the opportunity to meet your landlord with an LCC staff person and work out the arrangements for your particular apartment. Other items that are not on the basic list above are available for purchase at inexpensive used furniture stores in Klaipeda which may have what you need.

Besides furniture, what else can I expect to find in my apartment?

LCC will ensure that you have the following basic items:

- Bedding
- Basic kitchen utensils
- Frying pan
- Several pots
- Cutting Board
- Kettle
- Casserole dish
- Pitcher
- Salt & pepper shakers
- Basic kitchen utensils
- Cutlery, bowls, plates, cups and mugs for your family and several guests

Will my apartment have laundry facilities?

Apartments will have a washing machine. These will be European-style machines, which work on a 2 hour cycle and take a much smaller load of clothing than North American washing machines. You will not have a clothes dryer, as it is customary in Lithuania to 'hang dry' clothes on a clothes line.

How will my apartment be heated?

Most apartments are heated through a centralized heating system that is controlled by the city of Klaipeda. This means that you will not have a thermostat in your apartment to control the temperature. The city turns the heat on around the middle of October and turns the heat off around the middle of April. You can expect to find the few weeks before the heat is turned on and the few weeks after the heat is turned off to be quite chilly in your apartment. Many expatriates use small space heaters during this time. Independent heating systems are becoming more common, especially in homes. If your apartment happens to be a suite in a home, you may find that you do have a thermostat control accessible to you.

What about a telephone and a telephone number?

Your apartment will likely have a telephone and we will provide you with your telephone number upon arrival. Most people can also access the internet through a local service provider through this phone line. You should make this request through your landlord. If you plan to bring a laptop computer with you, we can provide you with more information upon arrival as to how this may be possible. Some staff, however, have found that the phone lines into their apartment are very old and do not work well for internet connection and international phone calls. Please see the "*Living in Lithuania*" handbook for more details.

When will I find out what my mailing address is?

Most expatriates use the university address rather than their apartment address to receive mail. When the mail comes in each day it is sorted and placed in your LCC assigned mailbox in the staff lounge. Your university address will be:

Your Name
LCC International University
Kretingos g. 36
Klaipeda, Lithuania LT-92307

How and when will I pay my rent?

Soon after your arrival in Lithuania the Human Resources Office will arrange a time for you to meet your landlord. Many landlords do not speak English so someone will accompany you as a translator. During this first meeting you and the landlord will be able to make arrangements for how and when to pay the rent. Some landlords work on a monthly arrangement, whereas others prefer two or four month's rent at a time.

How and when will I pay my utilities?

The method of paying your utilities (heat, light, phone, etc.) varies from apartment to apartment. Some landlords will include utilities in the price of the rent. Others will expect you to pay the utilities above the price of the rent. Utility costs each month are determined by reading meters that will be located in your apartment. If you are responsible for paying the utilities yourself, you will be shown how to read the meters and pay accordingly. If the landlord is responsible, you can expect that the landlord will enter your apartment each month to read the meters. The method of utility payment will be explained to you in your first meeting with your landlord.

living in karklu Hall

Karklu Hall is home to approximately 200 LCC students. The building has 5 stories. The first floor has several student study rooms, a computer lab, laundry facilities, a staff supply room, and one staff suite. Students live on floors two through five.

Staff washing machines and clotheslines are located on the first floor. There is also a supply of extra cooking utensils (muffin tins, cookie sheets, etc.) that can be borrowed on a sign out basis. The distance from the student residence to the university is a 10 minute ride by public transportation or a 30 minute walk. Karklu Hall is centrally located in Klaipeda, providing easy access to shopping and other activities. There is a full basketball court in the back of the dormitory that is used for university recreational activities. When not in use by the university, the court is used by people from the community.

faq's – Karklu Hall

Will I have a phone in my room?

Resident Director suites have a telephone and a private line. If a call comes for you, the dormitory receptionist will transfer it to your room. Most people will want to purchase a mobile phone.

What type of computer and internet access is available from Karklu Hall?

Computers in the student computer lab have internet access. Every student room and the staff suites have internet hubs available for free computer hook up. Student Life staff have a computer with Internet access in the Residence Life Office on the 2nd floor.

What is the noise level, considering that the building is a student dormitory?

As in all student dormitories, the noise level does creep higher than you may find in a regular apartment building. Quiet hours in the dormitory are enforced by the Resident Directors from 23:00 to 8:00 each day.

Will I receive mail at Karklu Hall?

Most expatriates use the university address rather than the dormitory address to receive mail. When the mail comes in each day it is sorted and placed in your LCC assigned mailbox in the staff lounge. When mail is received at Karklu, it is sorted & left on the Karklu reception desk for pick up. Both addresses are listed below:

Your Name
LCC International University
Kretingos g. 36
Klaipeda, Lithuania LT-92307

Your Name
Karklu Hall
Karklu g. 5
Klaipeda, Lithuania LT-92307

MedicalInsurance

general information

All expatriates must have medical insurance that includes coverage while in Lithuania. You will need proof of medical insurance in order to obtain your Temporary Residence Permit. You will also want to have coverage in case you experience a medical emergency. Lithuanian medical services are very inexpensive however for any emergency situations or more serious medical concerns, we recommend that you use the Baltic American Clinic in Vilnius. This clinic will provide American service and expertise but at American prices. You will need your medical insurance to cover the costs of any services at the Clinic. For a critical medical situation, you would likely be air evacuated to Western Europe. Medical insurance, with emergency evacuation coverage, would also be important in this situation.

We encourage you to first explore the details of your current policy to see what coverage applies while out of the country. Questions to consider are the types of coverage you are eligible to receive and how long you can be covered while out of the country. Here are some agencies you may want to look at for international travel insurance:

Health Care International - <http://www.healthcareinternational.com/home-international-insurance.php>

Specialty Risk International - <http://specialtyrisk.com/>

International Medical Group - <http://www.imglobal.com/>

AIG Travel Guard - <http://www.travelguard.com/>

Travel Insured International - <http://www.travelinsured.com/>

Further information about purchasing medical insurance can be found below. The medical systems in Canada and the US are very different and thus the information below is organized according to your citizenship.

lcc's group insurance plan

You can purchase your own insurance, or you can join LCC's group plan with [InterGlobal](http://www.interglobalpmi.com/) (<http://www.interglobalpmi.com/>). InterGlobal is a provider of international medical insurance coverage. We have two plans with InterGlobal. These are the [International Schools Silver](#) plan and the [International Schools Gold](#) plan. You can read more about these plans on their website at http://www.interglobalpmi.com/index.php?page_id=24. Both plans cover emergency evacuation. Please read these materials carefully. There are also options to add on a Travel Plan and a Personal Accident Plan.

If you choose one of these plans, contact the Expatriate Recruitment Director to be added to the plan. Payment for your coverage will either be taken out from your support, or you will send a check to the charity office to cover your premium. Please note that LCC has a discounted rate with InterGlobal. The rates listed in their documents will give you an estimate of the cost, but your premium will be discounted and will depend on your age.

Canadians have another option of health insurance through the membership the charity has with the Canadian Council of Christian Charities. The cost for insurance is reasonable and should be an option considered by Canadians serving at LCC. This policy is mentioned in the "Canadian Citizens" section below.

canadian citizens

PROVINCIAL HEALTH PLAN

If you are a Canadian citizen you are able to maintain your provincial health coverage for at least a year and sometimes longer even though you are out of the country. Most provinces allow for 'missionary status' to be added to your health coverage file which will allow you to continue your provincial coverage while away. If you plan to be serving at LCC for more than a year, you should request a letter from your provincial health agency indicating that they will allow your basic coverage to continue. If your provincial health agency does not allow you to continue your policy while out of the country, you will need to purchase Private Medical Insurance (see below).

In most cases, your provincial health plan will reimburse you for medical treatment and procedures you have had overseas at the same rate that the procedure would have cost in Canada. Any additional costs exceeding the Canadian rates will need to be covered by you. You

will want to confirm with your provincial health agency as to what exactly they will cover. Because they will not cover all of your medical costs, we **STRONGLY RECOMMEND** that you purchase additional international travel insurance (see below). If you have an extended health policy in addition to your provincial health, you may find that this policy includes international travel insurance and you are already fully covered.

INTERNATIONAL TRAVEL INSURANCE

International travel insurance is like a 'top up' on your provincial health coverage, picking up additional costs that are not covered by your provincial plan while you are overseas. International travel insurance can be purchased from most travel agencies and insurance companies. Both of LCC's travel agents sell international travel insurance. Regardless of where you purchase your international travel insurance we recommend that you carefully consider the various elements of the coverage. We strongly encourage that any policy you purchase has emergency medical evacuation coverage. This will ensure that any costs of transporting you to a medical center in Western Europe are covered.

If you purchase insurance through our travel agents, they will bill us directly. If you choose to purchase your insurance elsewhere, please pay for the insurance yourself. In order to be reimbursed for this cost you will need to send us the receipt of payment. In both cases, we will add the cost to your total budget for your service term. Please note that international travel insurance **MUST** be purchased prior to your leaving the country. You are not eligible to apply for a policy once you have departed.

PRIVATE MEDICAL INSURANCE

If your provincial health agency does not allow you to maintain your provincial health coverage while you are outside of Canada, you will need to purchase private medical insurance. LCC currently has a policy with the 4C's (Canadian Council of Christian Charities). We can discuss these options with you further by email prior to your departure. For most Canadians, this is a better, less expensive option.

american citizens

The first question you should ask is whether you are able to maintain your current medical coverage while you are in Lithuania and what the cost would be. You will also want to find out exactly what type of international coverage your current plan provides. These pieces of information will help you decide if it is best for you to continue with your same policy or whether you will need to purchase a new policy.

It is recommended that you carefully consider the various elements of coverage included in the plan you purchase. We strongly encourage that any policy you purchase has emergency medical evacuation coverage. This will ensure that any costs of transporting you to a medical center in Western Europe are covered.

travel insurance requirements for entering lithuania

Migration authorities require a proof of medical insurance in order to receive a temporary residence permit. The document (and/or a card) verifying your medical coverage should include following items:

- Insurable amount to be no less than \$9,100.00 USD (= 5,800.00 EUR = 20,000.00 LTL; amount in USD varies depending on USD/EUR exchange rate)
- Start date of coverage
- End date of coverage
- Statement of exact coverage of medical/health-related expenses
- Statement that insurance covers medical/health-related expenses

If the document that you received from the company does not have the above information, please ask your insurance company to issue a letter on their letterhead stating the above information. Ideally, the letter should have notary approval.

Passport&Lithuanian Permit Information

passports

You must have a passport for international travel and entrance into Lithuania. Your passport must be valid for at least 6 months after the date you plan to return to your home country. We recommend that you make two photocopies of your passport: one for you to leave at home with your emergency contact person and one to carry with you when you travel, packed separately from your actual passport.

If you do not currently have a valid passport, or your passport needs to be renewed, please begin this process immediately as this process takes time. Children need to have their own passports as well. We cannot begin the application process for your Temporary Residence Permit until you have received your passport.

PASSPORT APPLICATION INFORMATION

Canadians: Passport application forms can usually be obtained at your local post office or at many travel agencies. Information about obtaining a Canadian passport can also be found at www.fdaite-maeci.gc.ca/passport or by calling the number listed under Passports in the blue pages of your telephone book.

Americans: Passport application information can be found at www.travel.state.gov.

general information

Canadian and American citizens do not need a visa to enter Lithuania as long as their stay does not extend beyond 90 days in a 6 month period. If you are a citizen of another country, entrance requirements may be different. Information for citizens of other countries can be found on the Lithuanian US Embassy web site at www.litembassyus.org or by calling the Lithuanian Canadian Embassy at 613-567-5458.

All expatriates serving at LCC for a term of more than 90 days must obtain a Temporary Residence Permit. Although it is not a work permit, it will allow you to remain in the country and serve at LCC .

lithuanian permit application process

The process of obtaining your Temporary Residence Permit can be complicated since it usually involves a significant number of documents. For this reason, LCC will coordinate the permit application process for you. The following is a brief list of the tasks that you will need to complete as part of the process. They are explained in more detail below the list.

1. Complete and return the 'TRP Information Form' to the Migration Affairs Manager..
2. Obtain legalized birth certificates for accompanying children as well as certificates' notarized translation into Lithuanian language (if applicable).
3. Sign, date and add your picture to the Lithuanian Temporary Residence Permit Application Form.
4. Submit the Lithuanian Temporary Residence Permit Application Package and money order cheque to pay the consular fee equal to 90 EUR (amount in USD varies depending on EUR/USD exchange rate) to the Lithuanian Embassy/Consulate in your home country.
NOTE: The package must be submitted to the Lithuanian Embassy/Consulate at least 3 months prior to your arrival into Lithuania (and Schengen area).
5. Upon arrival in Lithuania, submit a copy of your passport (two facing pages and entry stamp), 22 litas (10 USD), 3 black and white photos, and proof of international health insurance to the Migration Affairs Manager who will help you to complete the process and receive your Temporary Residence Permit card from the Migration Office in Klaipeda.

1. TRP INFORMATION FORM

This form will provide us with the information we need in order to complete the Lithuanian Temporary Residence Permit Application Form on your behalf. We complete this form for you because it must be filled out in the Lithuanian language. You will need to sign and date the Lithuanian Temporary Residence Permit Application Package before you forward it to the Lithuanian Embassy/Consulate.

2. LEGALIZED BIRTH CERTIFICATES FOR CHILDREN

Couples with children will need to obtain legalized birth certificates for each child who is accompanying them. This will allow the child to receive their Lithuanian Temporary Residence Permit as an accompanying dependent. Information on how to obtain legalized birth certificates will be forwarded to you if applicable. Once you have completed the legalization process, you will need to get notarized photocopies and notarized Lithuanian translation of birth certificates and add them to your Lithuanian Temporary Residence Permit Application Package before you submit it to the Lithuanian Embassy/Consulate.

3. LITHUANIAN TEMPORARY RESIDENCE PERMIT APPLICATION FORM

We will complete the Lithuanian Temporary Residence Permit Application Form on your behalf and forward it to you for your signature. You will also need to add a black and white picture of yourself to the first page of the Form. The Form will be completed in Lithuanian so you will not be able to read it. It includes your personal information, as well as information about your assignment at LCC, length of stay in the country, living and financial arrangements.

4. SENDING THE LITHUANIAN TEMPORARY RESIDENCE PERMIT APPLICATION PACKAGE

We will forward you all of the documents that comprise your complete Lithuanian Temporary Residence Permit Application Package. In addition to signing the form and adding your picture,

you will need to add notarized photocopies and notarized Lithuanian translation of any legalized documents that were required, and a photocopy of your passport information page. Further instructions will come from LCC Migration Affairs Manager.

5. TEMPORARY RESIDENCE PERMIT

Your Temporary Residence Permit card will be issued within six months from Temporary Residence Permit Application Package submission to the Lithuanian Embassy/Consulate. In order to obtain your permit, you will need to also submit proof of international health insurance, 3 black and white photos, as well as pay 22 litas (\$10 USD). LCC staff in Klaipeda will collect these documents and the fee from you upon your arrival in order to complete the process.

PersonalFinancialManagement

There are a number of personal financial issues you will want to consider prior to your departure to Lithuania. This information is broken down into three categories:

1. **Banking Arrangements**
2. **Paying Your Lithuanian Expenses**
3. **Taxation Issues**

The more time you take to research and plan for these areas prior to your departure, the easier it will be to manage your personal finances from Lithuania. The information below will give you some preparation suggestions.

banking arrangements

Virtually all expatriates at LCC continue to maintain and use their current bank accounts in North America. Very few find a need to open a bank account in Lithuania. The combination of bank cards and Internet banking allow you to withdraw money and manage your accounts from virtually anywhere in the world. To have this accessibility, you will want to ensure that you have looked after the following details.

Register for and practice using Internet banking.

The vast majority of financial institutions now provide an Internet banking service. This service will allow you to access your account information online. Some features of Internet banking include the ability to look at your bank statements and account balances, pay bills, track deposits and transfer between accounts. If you do not currently use Internet banking, we suggest that you register with your bank immediately and begin using the service while you are still at home. This will give you an opportunity to become familiar with the service and have easy access to customer service representatives at your bank if you have any questions. When you leave for Lithuania, be sure to take with you any passwords or account information that you will need to access your accounts online.

Bring at least two bankcards with you to withdraw cash from your account.

Accessing funds in Lithuania from your bank account at home is easily done via a bankcard. There are many ATMs that will accept your cards. The majority of Lithuanian ATMs accept debit cards that operate on the Cirrus system. Recently, ATMs are also beginning to accept cards based on the Plus system. You can check the back of your debit card to see which system yours operates on. ATMs also accept cash withdrawals from a Visa or MasterCard. This is not the best option as most credit cards charge interest immediately on cash withdrawals. You may be able to avoid this charge by 'front loading' your card with cash prior to making a withdrawal. This

means that you would transfer cash onto your Visa or MasterCard so that you have a credit balance. Usually, you can then withdraw this credit balance of cash without interest.

It is important that you have two bank cards available to you to withdraw cash. You may find that from time to time one of your cards may be rejected. This usually happens because the technology is malfunctioning, not because there is a problem with your card or your account. Most banks also place a limit on the amount of cash that you can withdraw in a day. Contact your bank to find out what your limit is. They may also be able to change this limit at your request. In such a case, it is helpful to have another card available to you. Many expatriates use their debit card on a regular basis but use a Visa or MasterCard as a back up. It is usually wise to also carry a small amount of cash with you in the case that you are in a situation where neither of your cards work.

Create a plan for any unexpected financial circumstances.

Sometimes unexpected financial situations arise. To be prepared for this, we suggest you consider the following:

- a. Take all contact information for your bank with you (phone numbers, contact names, etc.) so that you know who to call if you have questions.
- b. Take several checks with you in case you have to pay an unexpected bill.
- c. Consider adding the name of a family member or close friend in North America to your bank account, making it a joint account. They would then be able to act on your behalf as you direct them. This person would be able to go to the bank in person, have access to your account information, and sign on the account if needed.

faq's – banking arrangements

What if I do not want to use internet banking?

Although it will make your financial management more convenient, it is not essential that you have Internet banking while in Lithuania. If you are more comfortable with another method of tracking your banking information, please feel free to use it. It is important to note that you will not be able to check account balances, make bill payments or transfer funds from an ATM. Although you have this access to your account from ATMs in North America, internationally you will only be given the option to withdraw. If you are not comfortable with Internet banking, it is probably best to ask someone at home to keep you updated on your finances by adding their name to your bank accounts as joint account holder.

Will I have 24-hour access to an ATM?

Although ATMs are available 24 hours a day in Lithuania, many have found that during certain hours of the day they cannot withdraw funds from their account. This typically occurs between the hours of 12:00pm and 4:00pm. This is because it is the middle of the night in North America and the systems are offline for the purposes of updating. You may want to keep this in mind if you need to make cash withdrawals during the day.

What language will ATM information and instructions be in?

When traveling internationally, you will find that upon inserting your card the first prompt you will have is to choose a language. In Europe, there are usually at least four language choices, one of which will always be English.

When I withdraw cash from an ATM, what currency will it be in?

The currency you receive from an ATM will always be the currency of the country you are in. If you want another currency, you will usually have to withdraw funds in the local currency and then go to currency exchange to obtain the currency that you want. The exception to this is US

dollars. Although you will not be able to withdraw US dollars from an ATM, you are often able to do this at a bank. For more information, ask the Human Resource Office.

Will there be a limit to the amount of cash I am able to withdraw from an ATM?

Your bank at home sets your cash withdrawal limits. Limits are usually both daily and weekly. You will want to confirm these amounts and determine if they need adjustment. For example, if you think you may need to withdraw both your rent and all of your monthly living allowance on the same day or in the same week, you will want to ensure that the sum of these two amounts do not exceed the limits on your cards.

You may also find it useful to contact your credit card company before leaving North America to advise them that you will be traveling. It is helpful to give them your North American departure and return dates, as well as a general idea of the countries you will be visiting so that your credit card will not be denied when you use it outside of your normal spending locations.

What type of fees can I expect for using my bank cards internationally?

Before leaving North America, you will want to find out from your bank what service fees you can expect, as this will affect some of your banking habits. In particular, you will want to determine what fee is charged for international cash withdrawals. You may also want to research how your bank determines its exchange rates on international charges to your credit card.

What is the best way to pay my bills at home while I am in Lithuania?

Many expatriates continue to have some expenses at home while they are away. Possibilities include credit cards, student loans, or utilities if an expatriate owns a home in North America. There are several ways of managing these payments. The easiest way is to arrange for these to be automatic withdrawals from your account on a monthly basis. Another way is to have someone collect your mail on a regular basis and inform you of what bills need to be paid. If you use Internet banking, you will be able to pay many of these online. If not, you may want to arrange for someone to have signing authority on your account and pay the bills for you.

paying your lithuanian expenses

Some of the costs of your LCC assignment are paid in North America. This includes things like your travel and medical insurance. You will also have expenses while you are in Lithuania, such as paying rent for your apartment, buying groceries and other miscellaneous living expenses. Whatever your source of funding, you will need to arrange to have money transferred to your bank account each month to pay for these expenses. You will want to arrange a schedule that includes the date and the amount of each deposit. Refer to the information in the section "Banking Arrangements" for more information on how to withdraw funds from your North American bank account while in Lithuania.

The information below pertains to expatriates who will be receiving funds from LCC for their Lithuanian expenses. Usually this includes all expatriates who are using LCC's North American charities to issue tax receipts for their fundraising.

MONTHLY DEPOSITS

Before you leave for Lithuania, we will draw up a budget that includes a 'Funds Transfer Schedule' which will outline the amounts you will need each month to pay for your expenses. We will make deposits to your bank account based on this schedule. You will then be able to withdraw these funds in Lithuania.

Funds are usually transferred on the 15^h day of the month. If the 15th falls on a Saturday, Sunday or on a holiday, you can expect the transfer to occur on the working day that precedes the 15th.

NOTE: In order for us to make deposits directly to your bank account, we will need your bank and account information. We ask that you send us a check marked 'void' for the account to which you would like us to make the deposits. All the banking information that we need will be included on the check. Please send this information to the charity office at least 45 days prior to your departure and confirm this with the Expatriate Recruitment Director.

taxation issues

We recommend that you seek professional advice to determine how your service in Lithuania will affect your income tax filing. Each person has different personal circumstances they may affect their status. Below we have listed some basic information that you may want to consider. Please do not consider this to be official tax advice, as we do not claim to be tax advisors. You will want to review these issues with a professional before making any decisions.

RESIDENCY

Your residency status determines the country in which you are required to pay your taxes. We strongly encourage you to make efforts to maintain residency in your country of citizenship while you are away, as paying taxes at home is much simpler than paying in Lithuania. The tax authorities usually assume that if your overseas assignment is two years or less that you are continuing to be a resident of your home country. If you are gone for a longer period they will begin to assess whether this is still the case. By maintaining ties to your home country (bank accounts, location of family members, owning assets, etc.) it is likely that tax authorities will continue to assume that you are a resident of your home country, even if your overseas assignment stretches beyond two years.

PERSONAL INCOME TAX

You will want to consider how your assignment at LCC will affect your taxable income for the year. If your fundraising and expenses are being administrated by your church or a mission agency, you will want to discuss with them whether any of the expenses or allowances will be considered taxable income to you. The information below explains these details for expatriates who are having LCC administrate their fundraising and expenses.

taxation - american citizens

LCC and its U.S. charity engaged in a review to better understand and assess the withholding requirements on the part of LCC and the U.S. charity based on U.S. tax code. This is obviously important in order to maintain the 501c3 status of the U.S. charity, ensure compliance with applicable laws, and to ensure the benefits due to U.S. citizens as a result of withholding are enabled. Ultimately, an assessment of this situation was sought from a CPA firm with a U.S. tax

specialist, engaged by the U.S. charity to answer questions related to our unique funding model. Based on a review of this firm's recommendations, it has been determined that payments paid through the U.S. charity to U.S. citizens serving at LCC, even for volunteer-related service, are deemed to be wages as those paid to an employee. As such, FICA and Medicare are required to be withheld from payments made to you through the U.S. charity, and also matched by the same amount from LCC. LCC is adopted this policy at of the beginning of the August 2006 fiscal year.

Therefore, starting with the period beginning Aug. 1, 2006, 7.65% of any payments made to you will be withheld and paid into your federal FICA/Medicare account which is also matched with another 7.65% from LCC (an additional amount previously not paid or received). The net effect of this is that you will see 7.65% less in the amount transferred to you from the U.S. charity (again, this amount and the matching amount from LCC will be paid in your FICA/Medicare account). FICA/Medicare funds are paid to you later as part of your social-security/Medicare benefits when you become eligible. There is no federal tax withholding requirements at this time.

The costs of your travel and your Temporary Residence Permit are not taxable. Medical insurance is not taxable if it is a part of a group plan, which is normally the case. Individuals who have included some of the optional items in their service budgets will want to consider the tax effects of these items. Education costs for children are not taxable if the children are attending the nearest English language school to the location of the service assignment. The resettlement allowance is considered to be taxable.

Please see the official policy in the Appendix 3.

taxation - canadian citizens

TAXABLE INCOME

The LCC Canadian Charity accountants have advised us that under Canadian tax law, the allowances you receive each month for your rent and living expenses are to be considered taxable income to you. This means that you will receive a T4 slip stating the total you have received for these amounts during the calendar year. You will need to add the amount on this T4 slip to your income calculation when you file your taxes. There are two exceptions to having your rent and living expenses included as taxable income. First, you are considered to be exempt if your service term is not longer than four months. The second option is if you qualify for the 'Special Work Site Exemption'. There is more information about this exemption in a separate section below.

The costs of your travel and your Temporary Residence Permit are not taxable. Medical insurance is not taxable if it is a part of a group plan, which is normally the case. Individuals who have included some of the optional items in their service budgets will want to consider the tax effects of these items. Education costs for children are not taxable if the children are attending the nearest English language school to the location of the service assignment. The resettlement allowance is considered to be taxable.

DEDUCTIONS

We are required by law to deduct both CPP and EI from any amount that is considered to be taxable income. These deductions total approximately 6.82%. You will want to consider this when choosing your rent and living allowance.

LCC is also required to deduct income tax on your monthly allowance if your monthly taxable income is such that it falls within the normal taxable threshold. You will be required to fill out a TD1 Form prior to your departure from Canada. In the event that your income will be taxable, you will want to consider how this will affect your total budget for the year. You may need to adjust your allowances so that they provide you with the funds you need each month after taxes have been deducted. Depending on your total income for the year, you may be eligible for a partial or full refund of these taxes from Canada Revenue Agency when you file your personal Income Tax Return. The TD1 form can be downloaded from the Internet at www.ccradrc.gc.ca/formspubs/forms/all-e.html.

other taxation issues

CANADIANS - SPECIAL WORK SITE EXEMPTION

The Special Work Site Exemption available to Canadians will prevent you from having to declare your rent and living allowance as taxable income. This is a special exemption outlined in the Canadian Income Tax Act that pertains to individuals who are employed by a Canadian organization but are working abroad. As an expatriate, you are considered to be employed by LCC's Canadian charity, LCC International Fund, Inc. To qualify for this exemption you must meet all of the following criteria:

1. Own your own home in Canada
2. You may not rent out your home while you are away
3. You may not be out of the country for more than two years

If you meet the above criteria and want to take advantage of the Special Work Site Exemption, you will need to fill out a TD4 Form which will be maintained in the Canadian charity files in the case of a tax audit. If you are eligible for this exemption, the form can be downloaded from the Internet at www.ccradrc.gc.ca/menu/EmenuLJA.html. Please complete and sign the form and mail it to the Canadian charity office. If you are already on campus, you will give it to the Expatriate Recruitment Director who will send it to the charity office.

INCOME TAX FILING

You will want to make arrangements to file your income taxes while you are away. You may want to do this yourself or have someone in North America coordinate your filing for you. Your W-2 (US) or T4 (CAN) from LCC International Fund Inc. will be forwarded to you in mid-February. It is important that you include the correct mailing address for these forms on your Financial Arrangement (Budget) documents.

Please see the official policy in the Appendix 2.

OTHER GIVING OPTIONS

OPTION 1: SET UP A PRE-AUTHORIZED GIVING PLAN

Automatic monthly transactions can also be set up to transfer money directly from your or your supporter's bank account. This is the preferred giving plan.

OPTION 2: GIVE ONLINE

There is also an option to use our online giving system. Your online gifts are made by credit card (Visa/MasterCard) and processed by the charities. Your tax receipts arrive via mail.

Appendix1

making travel arrangements with siama

All LCC faculty and staff have the opportunity to book through SIAMA World Mission Travel agency. SIAMA is a special agency that only books missionary travel. Because of their focus, they have received special status with many of the world's major airlines.

SIAMA is located in the Netherlands making communication a little more difficult than a North American travel agent. However, the benefits are usually worth the extra effort. Here are a few items to note when booking with SIAMA:

- All individuals booking with SIAMA must be members and have a missionary status. LCC has a group membership with SIAMA which qualifies all LCC faculty and staff.
- SIAMA only sells discounted tickets. This means that you MUST book early as space is limited. If SIAMA does not have space available, it does not mean that there are no seats left on the flight. You may be able to secure a seat with another travel agency. SIAMA, however, cannot access these higher priced seats.
- SIAMA has missionary contracts only with major world airlines. Because of this, they are not always able to access local tickets that will take you from a smaller North American city to a major departure city. You may have to purchase these connecting flights locally.
- Because of the difference in time zones and the high cost of international phone calls, SIAMA prefers that all correspondence between themselves and passengers be done by email.

SIAMA CONTACT PERSON

We work with all SIAMA representatives to help arrange flights. You can contact a representative at one of the following email addresses. When you send the email, put "MS2A" in the subject line and it will go directly to our assigned representative.

siam@siama.antenna.nl

membersupport@siama.nl

FIRST REQUEST

The first step in booking travel with SIAMA is to request a provisional booking. A provisional booking is a guaranteed reservation that allows SIAMA to put your name into their system and reserve space for you on your requested flight.

When making your first email request to SIAMA for a provisional booking, you should be sure to include the following information:

1. Indicate that you are with LCC International University. This allows you to access their services through LCC's group membership.
2. Give your full name (as it appears on your passport), address and phone number.

3. The full names (as it appears on passports) of any other passengers (spouse and/or children) for which you are also requesting a booking.
4. If your booking request includes children, please include the age of each child. Your child's age will determine the ticket price.
5. Indicate your departure and arrival cities.
6. The dates you would like to travel. The arrival and departure dates for your particular assignment are included in other information you have received from LCC. If you are not sure what your arrival and departure dates are, please email your LCC recruitment representative.
7. Indicate your airline preference, if you have one. SIAMA has access to most of the major world airlines however they are not always able to find available space. They will do their best to use your preferred airline, but if this is not possible they will make a provisional booking for you on another airline.
8. If you are only requesting a one way ticket, please indicate this clearly in your email.
9. Send your email to one of the email addresses as mentioned above. Also copy your email to the Expatriate Recruitment Director at LCC (opportunities@lcc.lt). The Expatriate Recruitment Director coordinates all of the arrivals and departures of expatriates and needs to be kept informed of all travel plans. Please continue to copy the Expatriate Recruitment Director on all your correspondence with SIAMA.

SIAMA is a very busy office, receiving hundreds of email requests each day. Because of this, you may not hear from them immediately, however they do guarantee that they will respond to you within four days of your initial request.

MAKING CHANGES

SIAMA will respond to your email with a provisional booking if there is space available on the dates you requested. If the dates you requested are not available, they will send you an itinerary with the closest dates to those which you provided them. In this case, they will choose dates earlier than your requested departure date to Lithuania, and will choose dates that are later than the date you give them for your departure from Lithuania. This is to ensure that you do not arrive at LCC later than your assignment start date, nor will you leave earlier than your assignment end date.

SIAMA will send you a reservation number with their provisional booking. You should quote this number in all future correspondence with them.

If you are not happy with the provisional booking they have emailed you, respond to them with your questions and requests until you are satisfied.

FLIGHT CONFIRMATION

Once you are happy with your itinerary, you can indicate by email that you would like to confirm the reservation. You must have the itinerary approved by the Expatriate Recruitment Director before confirming the flight.

You are still able to make free changes to your itinerary after confirming the reservation, as long as SIAMA has not yet issued the tickets. If tickets have already been issued, you are allowed to change it free of charge.

CANCELLATION

If you need to cancel your flight and the tickets have not yet been issued, there is no fee. If the tickets have already been issued you will be charged a fee of 50 EUR by SIAMA, plus an additional fee may be charged depending on the airline.

TICKET PAYMENTS

Please refer to the “How is my travel paid for?” question in the “FAQ’s – Travel” section.

RECEIVING YOUR TICKETS

Your tickets will be sent to you approximately 10 days prior to your departure. The courier cost is added to the cost of your ticket. SIAMA will send you an email indicating that the tickets have been sent, along with the DHL (courier service) tracking number. You will be able to track your ticket package on the DHL website (www.DHL.com) using this information.

Appendix2

canadian employee tax policy

A. Tax Residency

Individuals should note that the following information pertains only to Canadian tax residents.

In many cases an individual who has left Canada on a temporary basis for a period of two years or less will continue to be a resident for Canadian tax purposes during their temporary absence, if there is an intention to return to Canada or if the individual retains some personal or financial ties to Canada. This may even be the case for Canadians who serve at LCC for more than two years in some situations. Regardless of the length of time spent away from Canada, individuals should consult a professional tax advisor in order to clarify the residency issue in light of their personal circumstances. *(For further information on tax residency, please see the “Interpretation Bulletin IT-221R3 – Determination of an Individual’s Residency Status” which can be found on the Canada Revenue Agency web-site at: www.cra-arc.gc.ca/E/pub/tp/it221r3-consolid/it221r3-consolid-e.html) and form “NR 73 -Determination of Residency Status (Leaving Canada:” at www.cra-arc.gc.ca/E/pbg/tf/nr73/README.html)*

Once individuals have lived in Lithuania for 183 days or more in any 12 month period they also become Lithuanian tax residents. In most cases, the Canada-Lithuania Tax Treaty will resolve this dual residency conflict by indicating that tax residency remains in Canada. *(Please refer to paragraphs 25 and 26 of “Interpretation Bulletin IT-221R3” and consult with a professional tax advisor. Also, please see Section F below.)*

B. Volunteer Status

Volunteers are deemed to be employees of the organization with which they are volunteering, for tax purposes. In general, benefits and allowances received will be taxable. However, Canadians should be aware that there are several opportunities for tax exemptions on income received while serving at LCC. Individuals should take note of the information below to determine whether they are eligible for these exemptions.

C. Tax Exemptions

1. Special Work Site

Due to the distance from an individual's residence in Canada, LCC may qualify as a 'special work site' for Canadian tax purposes. Individuals who meet the following criteria are eligible for tax exemption on their allowance for meals and board as well as their housing allowance. The following criteria must be met in order to qualify for the special work site exemption:

- a) The individual must not have a term of service at the special work site that exceeds two years.
- b) The individual must have a principal place of residence in Canada that is NOT rented out while they are serving at the special work site.

Canadians who meet these criteria must complete Form TD4: "Declaration of Exemption – Employment at a Special Work Site". These forms can be downloaded from the Internet at www.cra-arc.gc.ca/E/pbg/tf/td4/README.html and should be completed and given to LCC's Expatriate Recruitment Director upon arrival in Lithuania. These forms will be forwarded to, and held in the office of the Canadian charity in order to be accessible to Canada Revenue Agency if they are required. (A T4 slip will not generally be issued for someone exempt under the Special Work Site exemption. For further information on this, please see Section E below).

2. Term of Four Months or Less

Canadians whose term of service is four months or less will be exempt from withholding taxes on their allowances for meals and board as well as their housing allowance on the basis that this is a short-term assignment expense. A T4 slip will not be issued to any Canadians working four months or less.

D. Taxable Income

With the preceding exemptions in mind, please note the following information on taxable income.

1. Taxable income for individuals serving at LCC includes the following:

- Living allowance for meals and board
- Housing and utilities allowances
- Medical insurance not part of a group plan
- Resettlement Allowances
- Outfitting allowances for items which become the personal property of the individual
- Payments made on the volunteer's behalf for education, debt assistance, etc.

2. Taxable income does NOT include the following items:

- Travel to and from Lithuania
- Visa and work permit costs
- Group medical insurance
- Outfitting Allowance (*receipts must be submitted to the Canadian charity for the expenditures in order to be exempt*)
- Children's educational costs if children attend the closest English school to LCC. (*NOTE: This exemption is only applicable where there is no school in Klaipeda at the child's level that is suitable for the child primarily using English. If there IS a suitable school in Klaipeda primarily using English, then there is no exemption permitted.*)

E. Verification of Income

All Canadians serving longer than one month will be required to complete a TD1 form (Federal and Provincial). These forms can be downloaded from the Internet at http://www.cra-arc.gc.ca/menu/AFAF_T_TD-e.html#ti and should be completed and given to LCC's Expatriate Recruitment Director upon arrival in Lithuania. These forms will be forwarded to, and held in the office of the Canadian charity in order to be accessible to Canada Revenue Agency if they are required.

Canadians serving four months or less will not receive a T4 slip from LCC Inc. (Canadian Charity).

Canadians serving longer than 4 months will receive a T4 slip from LCC Inc. (Canadian Charity) early in the calendar year outlining the total income amount received for the above items (D.1) while serving at LCC in the previous taxation year. Individuals will be required to pay payroll taxes (CPP & EI) on income received, which in 2006 is 6.82%. The employer will pay the employer's portion of payroll taxes. Canadians will also have Income Tax deducted on taxable items listed in D1 above. Depending on an individual's tax bracket, some or all of the income tax deducted may be refunded by Canada Revenue Agency when Personal Income Taxes are filed.

Canadians who are eligible for the Special Work Site Exemption, and who have completed and submitted a TD4 form to the Canadian charity will only receive a T4 slip early in the calendar year if they have also included taxable items in their budget, such as resettlement allowance, and/or outfitting allowance for items that have become the property of the individual (ie a computer), or will be resold by the individual. These items will be reported as taxable income on the T4, whereas contributions for your housing and living allowance will be reported as non-taxable income.

F. Lithuanian Income Tax

As outlined earlier, most Canadians will be able to maintain their tax residency in Canada as a result of the Canada-Lithuania Tax Treaty. This means that individuals are only required to pay tax in Lithuania on income earned for work in Lithuania. Individuals are able to apply their tax paid in Lithuania as a deduction against the tax payable on the same income in Canada to avoid double taxation.

Canadians who do not maintain Canadian tax residency then become tax residents of Lithuania and are subject to Lithuanian tax on their world wide income. In this case, they would NOT be liable for their world wide income in Canada. *(Please refer to the Income Tax Bulletin "Interpretation Bulletin IT-221R3 – Determination of an Individual's Residency Status" referred to in Section A above for further information, and consult a professional tax advisor.)*

G. Tax Advice

Self supporting individuals staying longer than four months, or who do not qualify under the Special Work Site Exemption may find it more advantageous to use their own personal funds to pay for housing, meals and board, and medical costs, as these items would then not be considered taxable income to the individual, and a T4 would not be issued. Tax receipts will still

be issued for travel, visa and work permits, group medical insurance, outfitting and children's educational costs.

LCC and the Canadian Charity expect individuals to consult a professional tax advisor to obtain a full understanding of their particular tax issues.

Individuals are responsible to ensure that their tax returns are filed properly in their home country, and in Lithuania where applicable, and that all relevant taxes are paid during their time in which they are in Lithuania. LCC does not provide any guarantees regarding personal tax issues, which are subject to review and audit by Canada Revenue Agency.

Appendix3

us employee tax policy

Purpose:

Provide guidance to U.S. citizens and LCC regarding tax liabilities and establish LCC tax policy for U.S. citizens. Tax matters can be complicated and difficult to understand. This is intended to outline LCC's position. Therefore while not every situation will be clearly understood or agreed upon, this policy will serve as the basis for applying tax to U.S. citizens who are paid or reimbursed by the US charity.

Policy:

1. LCC and LCC International, Inc. U.S. (US Charity) comply with U.S. and Lithuanian tax code for the purposes of determining tax liability on any funds paid by LCC or the U.S. Charity for all funds paid to individuals serving or working for LCC.
2. LCC and the U.S. Charity rely on the findings of PBGH documents dated September 16, 2005 as guidance for determining and applying tax withholding to funds paid to U.S. citizens serving or working for LCC or the U.S. Charity in the U.S. and Lithuania.
3. LCC and the U.S. Charity expect individuals to consult their own tax advisor to obtain a full understanding of any individual tax liabilities, specifics regarding individual circumstances and for further guidance.

Key Points from PBGH tax documents dated September 16, 2005:

1. Funds paid by LCC International, Inc. U.S. (U.S. Charity) to any U.S. citizens serving at LCC for more than one month for any purpose associated with a term of service or other work for LCC and/or the U.S. charity shall be treated as wages paid to an employee of the U.S. Charity, whether or not the funds were provided by the U.S. citizen (self-funded), raised by the U.S. citizen from donors/churches, raised from donors by LCC or the U.S. Charity, or, paid from any operations or restricted funds of LCC or the U.S. Charity.
2. All U.S. citizens serving at LCC for more than one month who are paid wages by the U.S. charity will be subject to FICA tax withholding, as well as federal tax withholding except that no federal tax is withheld from any wages earned outside the U.S. that US Charity

can reasonably expect the employee to exclude under either the \$80K foreign earned income exclusion or foreign housing exclusion. See IRS Publication 54 Tax Guide for U.S. Citizens and Resident Aliens Abroad for discussion of these exclusions.

3. U.S. citizens serving at LCC (in Lithuania) more than 183 days of the year AND whose personal and economic relations (center of vital interests) are closer to Lithuania are subject to Lithuanian income taxes payable by the employee. See Article 2 of the joint Tax Convention between Lithuania and U.S. (effective Jan 1, 2000).
4. U.S. citizens subject to Lithuanian income taxes as described above are responsible for paying Lithuanian taxes on any income received external to LCC, whereas wages paid by LCC in Lithuania will have the income tax deducted.
5. The joint Tax Convention between Lithuania and U.S. (effective Jan 1 2000) governs other special tax considerations concerning the applicability of U.S. and Lithuanian tax code. This should be consulted for further guidance such as allowances to avoid double-taxation and special considerations for students and researchers. A copy is available from the U.S. Charity or the Business Office at LCC.