EMPLOYMENT ACT

("Off. Herald of RS", Nos. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014,
13/2017-Decision of the CC, 113/2017 and 95/2018 - authentic interpretation)

I BASIC PROVISIONS

1. Subject-Matter

Article 1

Rights, duties and responsibilities arising from employment, i.e. on the ground of work, are regulated by the present Act and by a special law, in conformity with the ratified international conventions.

Rights, duties and responsibilities arising from employment are also regulated by collective agreement and employment contract, while by employee handbook, i.e. employment contract - only where so specified by the present Act.

Article 2

The provisions of the present Act apply to all employees who work in the territory of the Republic of Serbia for a national or foreign legal, i.e. natural person (hereinafter: employer), as well as to employees assigned to work abroad by an employer, unless otherwise specified by the law.

The provisions of the present Act apply also to the employees in the government agencies, territorial autonomy and local government agencies and public services, unless otherwise specified by the law.

The provisions of this Act also apply to the employees in the field of transport, unless a special regulation provides otherwise.

The provisions of the present Act apply to the employed foreign nationals and stateless persons working for an employer in the territory of the Republic of Serbia, unless otherwise specified by the law.

Article 3

Rights, duties and responsibilities arising from employment, and mutual relations of participants in the collective agreement are regulated by a collective agreement with the employer, in conformity with the law.

Rights, duties and responsibilities arising from employment are regulated by the employee handbook, i.e. employment contract, in conformity with the law:

1) If a trade union is not established at an employer, or no trade union meets the requirements of representativeness, or no agreement of association has been concluded in conformity with the

present Act;

2) If no participant to a collective agreementlaunches an initiative for the start of negotiations for concluding a collective agreement;

3) If participants to a collective agreement fail to reach agreement to enter into collective agreement within 60 days from the day of commencement of negotiations;

4) If, within 15 days from serving of the invitation to commence negotiations for concluding a collective agreement, a trade union rejects the initiative of the employer.

In the event specified in paragraph 2, item 3 of the present Article, the participants to a collective agreement shall continue negotiations in good faith.

In the case referred to in paragraph 2, item 3) of this Article, the employer shall submit the employee handbook to the representative trade union within seven days from the day of its entry into force.

The employer which has rejected the initiative of the representative trade union for accession to the negotiations on conclusion of a collective agreement may not regulate the rights and obligations arising from the employment in the employee handbook.

Employee handbook is rendered by the competent authority of the employer, as determined by law, i.e. by the incorporation certificate or some other employer's bylaw, while at the employer who has not the capacity of a legal person it is rendered by an authorized person in accordance with the law.

Employee handbook of a state-owned company and a corporation established by the Republic, autonomous province or local government unit (hereinafter referred to as: "public enterprise") and a corporation established by a public enterprise, is rendered with prior approval of the founder.

Employee handbook ceases to be valid on the day of entering into force of the collective agreement referred to in paragraph 1 of the present Article.

Article 4

A general and a special collective agreement must be in accordance with the law.

The collective agreement with an employer, the employee handbook, and the employment contract must be in accordance with the law, and in case of the employer referred to in Articles 256 and 257 of the present Act - also with the general and the special collective agreement.

2. Meaning of Particular Terms

Article 5

In terms of the present Act, an employee is a natural person employed by an employer.

In terms of the present Act, an employer is a national, i.e. foreign legal or natural person which employs, i.e. hires for work one or more persons.

Article 6

In terms of the present Act, a trade union is understood to be an autonomous, democratic and independent organization of employees, they associate into on a voluntary basis, for the purpose of acting on behalf, representing, advancing and protecting their professional, labor, economic, social, cultural, and other individual and collective interests.

Article 7

In terms of the present Act, an association of employers is understood to be an autonomous, democratic and independent organization the employers join in on a voluntary basis for the purpose of representation, advancing and protection of their business interests, in conformity with the law.

3. Mutual Relations between the Act, Collective Agreement, Employee Handbook, and Employment Contract

Article 8

A collective agreement and an employee handbook (hereinafter: bylaw) and an employment contract may not contain provisions whereby employee is granted less rights or given less favorable conditions of work than the rights and conditions established by the Act.

A bylaw and an employment contract may stipulate extended rights and more favorable conditions of work than the rights and conditions established by the Act, as well as other rights not established by the Act, unless otherwise specified by the Act.

Article 9

If a bylaw and its particular provisions specify less favorable conditions of work than the ones established by the Act, the provisions of the Act shall apply.

Null and void shall be particular provisions of an employment contract which stipulate less favorable conditions of work than the ones established by the Act and bylaw, i.e. which are based on incorrect information communicated by the employer, regarding the particular rights, duties and responsibilities of the employee.

Article 10

It is not possible to stipulate by a special collective agreement less rights and less favorable conditions of work than the rights and conditions established by a general collective agreement which obligates the employers who are members of the association of employers that concludes such special collective agreement.

It is not possible to stipulate by a collective agreement with an employer less rights and less favorable conditions of work for an employee than the rights and conditions specified by a general, i.e. special collective agreement that obligates such employer.

Article 11

The nullity of provisions of an employment contract is determined before a competent court.

The right to request the establishment of the fact of nullity shall not expire.

4. Basic Rights and Duties

1) Rights of Employees

Article 12

An employee has a right to corresponding salary, safety and health at work, health-care protection, personal integrity protection, personal dignity, and other rights in the event of illness, reduction or loss of work ability and old age, including financial benefits in course of temporary unemployment, as well as the right to other forms of protection, in conformity with the law and bylaw, i.e. the employment contract.

An employed woman is entitled to special protection in course of pregnancy and childbirth.

An employee is entitled to special protection for the purpose of tending for the child, in conformity with the present Act.

An employee under 18 years of age and an employed person with a disability are entitled to special protection, in accordance with law.

Article 13

Employees are entitled to directly, i.e. through their representatives, to associate, participate in negotiations for concluding collective agreements, peaceful settling of collective and individual labor disputes, consulting, information and expression of their standpoints regarding essential issues in the sphere of work.

An employee, i.e. a representative of employees may not be called to account because of the activities referred to in paragraph 1 of the present Article, or be placed in a more disadvantageous position regarding the conditions of work, if he proceeds in conformity with the law and the collective agreement.

Article 14

Participation of an employee in the profit accumulated in the business year may be included in employment contract or employer's decision, in conformity with the law and bylaw.

2) Duties of Employees

Article 15

An employee is obliged to:

1) Perform in good faith and responsibly the jobs he is engaged in;

2) Respect the organization of work and business at the employer, as well as the conditions and rules of the employer in relation to carrying out contractual and other duties in the sphere of employment;

3) Notify the employer on essential circumstances that influence or could influence the performance of jobs stipulated in the employment contract;

4) Notify the employer on every kind of potential danger to life and health, and on the occurrence of property damage.

3) Duties of Employer

Article 16

An employer is obliged to:

1) Pay salary to an employee for the work performed, in conformity with the law, bylaw, and the employment contract;

2) Provide to an employee the conditions of work, and to organize work to achieve safety and protection of life and health at work, in conformity with the law and other regulations,

3) Notify an employee about the conditions of work, organization of work, the rules referred to in Article 15, item 2) of the present Act, and on rights and duties deriving from the employment regulations and regulations covering safety and protection of life and health at work;

4) Ensure to an employee the performance of jobs as stipulated in the employment contract;

5) Request opinion from a trade union in cases provided for by the law, and in the event of an employer without the established trade union - from a representative designated by the employees.

4) Duties of Employer and of Employee

Article 17

The employer and the employee are bound to observe rights and duties specified by law, bylaw, and employment contract.

Article 18

Direct and indirect discrimination of persons seeking employment, as well as the employees, for reasons of sex, birth, language, race, color of skin, age, pregnancy, health condition, i.e. disability, ethnic origin, religion, marital status, family obligations, sexual orientation, political or other belief, social background, financial status, membership in political organizations, trade unions, or any other personal characteristic - is prohibited.

Article 19

In terms of the present Act, direct discrimination is any conduct caused by some of the reasons specified in Article 18 of the present Act whereby a person seeking employment, as well as an employed person, is placed in a more disadvantageous position comparing to other persons in the same or similar situation.

In terms of the present Act, indirect discrimination exists when a specific, seemingly neutral provision, criterion or practice, places or would place in a more disadvantageous position comparing to other persons - a person seeking employment, as well as an employed person, because of a specific characteristic, status, orientation or belief referred to in Article 18 of the present Act.

Article 20

Discrimination specified in Article 18 of the present Act is prohibited in relation to:

1) Employment conditions and choice of candidates for performing a specific job;

2) Conditions of work and all the rights deriving from employment;

3) Education, vocational training and specialization;

4) Job promotion;

5) Termination of the employment contract.

The provisions of an employment contract providing discrimination on any of the grounds specified in Article 18 of the present Act are null and void.

Article 21

Harassment and sexual harassment is prohibited.

In terms of the present Act, harassment is any unwanted conduct that has causes in grounds specified in Article 18 of the present Act, aiming at or amounting to the violation of dignity of a person that seeks employment, as well as of an employed person, and which causes fear or creates a hostile, degrading or offensive environment.

In terms of the present Act, sexual harassment is any verbal, non-verbal or physical behavior aiming at or amounting to the violation of dignity of a person seeking employment, as well as of an employed person in the sphere of sexual life, and which causes fear or creates a hostile, degrading or offensive environment.

Article 22

Making a distinction, exclusion or giving priority regarding a specific job is not considered as discrimination, where the nature of a job is such, or where a job is performed in such conditions, that the characteristics relating to some of the grounds specified in Article 18 of the present Act do amount to the real and decisive condition for performing the job, and where the purpose intended to be achieved through the above is justified.

Provisions of the law, bylaw and employment contract relating to special protection and assistance

to specific categories of employees, and particularly those on the protection of persons with disabilities, women in the course of maternity leave and leave for tending the child, special care for the child, as well as the provisions relating to special rights of parents, adoptive parents, guardians and foster parents - are not considered to be discrimination.

Article 23

In the events of discrimination in terms of the provisions of Articles 18 through 21 of the present Act, a person seeking employment, as well as an employed person, may file a lawsuit against the employer for damages before a competent court, in conformity with the law.

If in the course of the proceedings the claimant made it probable that discrimination in terms of this Act took place, the burden of proof that there was no conduct that constitutes discrimination lies with the defendant.

II ESTABLISHING OF EMPLOYMENT RELATIONSHIP

1. Conditions for Establishing of Employment relationship

Article 24

An employment relationship may be established with a person who is at least 15 years old and satisfies other requirements to work at specific jobs as specified by law i.e. rule book on organization and systematization of jobs (hereinafter: rule book).

The rule book establishes organizational units at the employer, name and description of jobs, type and level of required qualification, i.e. education and other special requirements for work on those jobs, while the number of employees for each job position may also be determined.

To work in certain jobs, exceptionally, no more than two successive level of qualification i.e. education may be a prerequisite in accordance with the law.

The rule book is adopted by the competent authority of the employer, i.e. a person determined by law or bylaw of the employer.

The duty of adopting the rule book does not refer to an employer employing 10 or less employees.

Article 25

An employment relationship may be established with a person under 18 years of age with the consent in writing of a parent, adopting parent or a guardian, provided that such work does not put at risk his health, morality and education, i.e. provided that such work is not prohibited by law.

A person under 18 years of age may establish the employment relationship only with a competent medical certificate attesting that he is capable to perform the activities of the job he is getting, and that such activities do not harm his health.

Costs of medical examination for persons referred to in paragraph 2 of the present Article who are listed in the unemployment records kept by the state organization in charge of employment, are covered by that organization.

Article 26

At the establish of the employment relationship a candidate shall furnish the employer with legal instruments and other evidence of fulfillment of requirements to work in jobs the employment relationship is established for, as specified by the rule book.

An employer may not request from the candidate information relating to family, i.e. marital status

and family planning, i.e. submission of legal instruments and other evidence which are of no direct importance for the performance of jobs the employment relationship is established for.

An employer may not condition establishment of the employment relationship with the pregnancy test, unless the relevant jobs involve considerable risk for the health of the woman and child, as determined by a competent health-care agency.

An employer may not condition establishment of the employment relationship with giving prior statement regarding the cancellation of employment contract by the candidate.

Article 27

An employer shall, prior to the conclusion of employment contract, inform the candidate about the job, the conditions of work, rights and duties relating to employment relationship, and the rules specified in Article 15, item 2) of the present Act.

Article 28

A person with a disability establishes the employment relationship under the conditions and in the manner specified by the present Act, unless otherwise specified by a special law.

Article 29

A foreign national or a stateless person may establish employment relationship under the conditions specified by the present Act and a special law.

2. Employment Contract

Article 30

The employment relationship is established by an employment contract.

An employment contract is concluded between an employee and an employer.

The employment contract is considered concluded when signed by the employee and the employer.

The employment contract is concluded in at least three copies of which one shall be handed to the employee, while the employer retains two.

On behalf of the employer the employment contract is concluded by the competent authority of the employer, i.e. a person determined by law or bylaw of the employer, or a person authorized by them.

Article 31

An employment contract may be concluded either for an indefinite or definite period of time.

An employment contract where the period of time of its validity is not determined is considered to be a contract for an indefinite period of time.

Article 32

An employment contract is concluded in writing before the employee starts to work.

Should an employer fail to conclude the employment contract with an employee in conformity with paragraph 1 of the present Article, it is deemed that the employee has established the employment relationship for an indefinite period of time, as of the day he started working.

Article 33

Employment contract contains:

1) Name and seat of the employer;

2) Personal name of the employee, permanent or temporary residence of the employee;

3) Type and level of qualification, i.e. education of the employee which is necessary for carrying out the activities for which the employment contract is concluded;

4) Name and description of activities the employee needs to perform;

5) Place of work;

6) Type of employment relationship (for an indefinite or definite period of time);

7) Duration of the employment contract for a definite period of time, and the grounds for establishment of employment relationship for a definite period of time;

8) Date of commencement of work;

9) Working hours (full-time, part-time or reduced);

10) Pecuniary amount of base salary at the date of conclusion of the employment contract;

11) Elements for determining base salary, work performance, salary compensation, increased salary and other earnings of the employee;

12) Deadlines for payment of salaries and other earnings to which the employee is entitled;

13) Duration of daily and weekly working hours.

The employment contract does not have to contain the elements referred to in paragraph 1, items 11-13) of this Article, if they are determined by the law, collective agreement, employee handbook, or any other document of the employer in accordance with the law, in which case the contract must specify the document in which such rights were determined at the time of conclusion of the employment contract.

The relevant provisions of the law and bylaw apply to the rights and obligations which were not specified by the employment contract.

3. Starting to Work

Article 34

An employee shall realize the rights and duties deriving from employment relationship as of the day he starts working.

Should an employee fail to start working on the day specified by the employment contract, it is considered that he has not established the employment relationship, unless he was prevented from starting to work due to justifiable reasons, or unless the employer and the employee agree otherwise.

Article 35

The employer is obliged to keep the employment contract, i.e. other contract in accordance with this Act, or a copy thereof, in the seat or other business premise of the employer or elsewhere, depending on where the employee, or the person engaged for work, works.

On the basis of the employment contract or other contract on conducting activities concluded in accordance with the present Act, the employer is obliged to file a joint application for mandatory social insurance in the time period specified in the law governing the Central Register of Mandatory Social Insurance, at the latest prior to the moment the employee, or other person engaged for work starts working.

4. Probation Work

Article 36

The employment contract may stipulate a probation work for performing one or more associated or related activities determined by the employment contract.

The probation work may last for a maximum of six months.

Prior to the expiration of the time for which the probation work was contracted, the employer or the employee may terminate the employment contract with a notice period which may not be shorter than five working days. Employer shall be obliged to give reasons for termination of employment contract.

An employee failing in the course of probation work to present corresponding work and professional abilities, shall have his employment relationship terminated as of the day of expiry of the time limit stipulated in the employment contract.

5. Employment relationship for a Definite Period of Time

Article 37***

An employment contract may be concluded for a definite period of time, for establishment of employment whose duration is predetermined by objective reasons that are justified by the time period or execution of a certain chore, or occurrence of a specific event, during existence of those reasons.

An employer may conclude one or more employment contracts referred to in paragraph 1 of this Article on the basis of which the employment relationship with the same employees is concluded for the period that with or without interruptions may not be longer than 24 months.

Interruption shorter than 30 days shall not be considered as an interruption of the period referred to in paragraph 2 of this Article.

Notwithstanding paragraph 2 of this Article, an employment contract for a definite period of time may be concluded:

1) If it is necessary for replacement of a temporarily absent employee, until his return;

2) For working on a project whose time is predetermined, no longer than the end of the project;

3) With a foreign citizen, on the basis of a work permit in accordance with the law, no longer than the expiry of the work permit;

4) to perform the activities at a newly established employer registered at the competent authority no longer than one year prior to the moment of conclusion of the employment contract, for a time period not longer than 36 months;

5) with an unemployed person which lacks up to five years to fulfill of one of the preconditions for retirement, no longer than such requirement is fulfilled, in accordance with the regulations on retirement and disability insurance.

The employer may conclude a new employment contract for a definite period of time with the same employee after the expiry of the time period referred to in paragraph 4, items 1-3) of this Article, under the same or other legal grounds, in accordance with this Article.

If the employment contract for a definite time period is concluded contrary to the provisions of this law, or if the employee continues to work for the employer for at least five business days after the expiry of the time period for which the contract was concluded, it shall be considered that a full-time employment relationship has established.

6. Employment relationship for Performing Higher-Risk Jobs

Article 38

An employment contract may be concluded for jobs with higher-risk, determined in accordance with the law, only should the employee meet the conditions of work at such jobs.

An employee may work on the jobs specified in paragraph 1 of the present Article only on the ground of a previously established health ability to work at such jobs, by a competent health-care agency, in accordance with law.

7. Part-Time Employment Relationship

Article 39

Employment relationship may also be established as a part-time employment for either indefinite or definite period of time.

Article 40

An employee working part-time is entitled to salary, other salary and other employment relationship rights in proportion to the time spent at work, unless a law, bylaw and employment contract provide otherwise for certain rights.

The employer shall provide the employee who works part-time the same work conditions as to the full-time employee who works on the same or similar jobs.

The employer shall timely notify employees about the availability of full-time and part-time jobs, in the manner and within time periods specified by a bylaw.

The employer shall consider the request of a part-time employee for transfer into full-time, as well as the request of the full-time employee for transfer into part-time.

The collective agreement regulates cooperation and information of trade unions about part-time jobs.

Article 41

An employee working part-time for one employer may for the rest of his work-hours establish employment relationship with another employer, and in this way effect a full-time employment.

8. Employment Relationship for Performing Jobs outside Employer's Premises

Article 42

Employment relationship may be established for performing activities outside the employer's premises.

The employment relationship for performing activities outside the employer's premises includes remote work and work from home.

An employment contract concluded in terms of paragraph 1 of this Article, in addition to the provisions of Article 33 of this Act also includes the following:

1) Duration of working hours according to the standards of work;

2) Manner of supervision of work and quality of work performance of the employee;

3) Work equipment which the employer is obliged to procure, install and maintain;

4) Usage of employee’s work equipment, and compensation for such usage;

5) Compensation for other costs of work and the method of their determination;

6) Other rights and obligations.

The base salary of the employee referred to in paragraph 1 of this Article may not be established in a smaller amount than the base salary of an employee who performs the same work within the employer's premises.

The provisions of this Act on the working hours schedule, overtime work, rescheduling of working hours, night-time work, rest periods and leaves also apply to the employment contract referred to in paragraph 1 of this Article, unless otherwise determined by a bylaw or employment contract.

Volume of work and deadlines for completion of tasks performed under the contract referred to in paragraph 1 of this Article may not be determined in a manner that prevents the employee to use the rest period in course of a working day, daily rest, weekly rest and annual leave, in accordance with the law and bylaw.

Article 43

(Deleted)

Article 44

An employer may contract jobs outside his premises that are not dangerous or hazardous to the health of the employee and other persons, and do not put in danger the environment.

9. Employing Household Help

Article 45

An employment relationship may be established for the performance of work relating to household help.

The employment contract specified in paragraph 1 of the present Article may also stipulate in kind payment of part of the salary.

The in kind payment of part of the salary is understood to mean providing accommodation and food, i.e. providing either accommodation or food.

The value of the in kind payment must be indicated in money.

The lowest percentage of salary that must be calculated and paid out in money is determined by the employment contract, and may not be lower than 50% of employee's salary.

Where salary is stipulated partially in money and partially in kind, in course of the absence from work with provided salary compensation, the employer shall pay to the employee the compensation of salary in money.

The contract referred to in paragraph 1 of this Article may not be concluded with a spouse, adopter or adoptee, blood relative in a straight line regardless of the degree of kinship, and in the collateral line up to the second degree of kinship, and with affine relative up to the second degree of kinship.

Article 46

(Deleted)

10. Trainees

Article 47

An employer may establish the employment relationship with a person entering employment for the first time, in the capacity of a trainee in the profession in which such person has acquired specific

type and level of professional education, where so specified as a requirement for working on specific jobs by law or rule book.

The provision specified in paragraph 1 of the present Article shall refer also to a person who has worked for a time period shorter than the one determined as traineeship within the degree of professional qualification that is a requirement for work on these positions.

The traineeship shall not exceed one year, unless otherwise specified by the law.

In course of traineeship, a trainee is entitled to salary and all other rights pursuant to employment relationship, in conformity with the law, bylaw and the employment contract.

III CONTRACT ON RIGHTS AND DUTIES OF DIRECTOR

Article 48

A director, i.e. other legal representative of the employer (hereinafter referred to as: the director) may establish employment relation for an indefinite or definite period of time.

The employment relationship is established by an employment contract.

The employment relationship for a definite period of time may last until the expiry of director’s mandate, i.e. until his release from duty.

Mutual rights, obligations and responsibilities of a director who has not established an employment relationship, and the employer, are regulated by contract.

A person performing tasks of the director as referred to in paragraph 4 of the present Article is entitled to remuneration for work and other rights, obligations and responsibilities in conformity with the contract.

A competent authority specified by law or bylaw concludes with the director, on behalf of the employer, the contract referred to in paragraphs 2 and 4 of this Article.

IV EDUCATION, VOCATIONAL TRAINING AND SPECIALIZATION

Article 49

An employer shall provide the employee with education, vocational training and specialization, when the needs of the work process and introduction of new manner and organization of work require so.

During the course of work, an employee has the obligation to educate himself, to get vocational training and to specialize for work.

Expenses of education, vocational training and specialization are provided from employer's funds and other sources, in conformity with the law and the bylaw.

In case that an employee discontinues the education, vocational training or specialization, he shall refund the expenses to the employer, unless his reasons have been justified.

V WORKING HOURS

1. The Concept of Working Hours

Article 50

Working hours are a time period in which the employee is required to, i.e. is available to perform activities directed by the employer, at the place where the business is conducted, in accordance with the law.

An employee and employer may agree that the employee spends a part of the contracted working hours working from home.

Working hours are not deemed to be the time in which the employee spends on standby outside the place where his work activities are conducted, according to the law, waiting to respond to the call of the employer to perform activities if such a need arises.

Standby time and the amount of compensation for that activity are regulated by law, bylaw or employment contract.

The time that the employee spends conducting the activities at the call of the employer during standby time is deemed to be part of working hours.

2. Full-Time and Part-Time Working Hours

Article 51

Full-time working hours amount to 40 hours a week, unless this Act provides otherwise.

A bylaw may institute shorter full-time working hours than 40 hours a week, but not shorter than 36 hours a week.

The employee from paragraph 2 of this Article exercises all employment relationship rights as if he was working full time working hours.

Part-time working hours, under this Act, are working hours shorter than full-time working hours.

3. Reduced Working Hours

Article 52

The working hours of an employee working at jobs that are, as specified by law and bylaw, particularly difficult, exhausting and harmful to health, where in spite of applying appropriate safety measures and protection of life and health at the work place, means and equipment for individual protection, there is an increased harmful impact on employee's health - shall be reduced in proportion to the harmful impact of the conditions of work on the health and work ability of the employee, at the maximum for 10 hours a week (higher-risk jobs).

The reduced hours of work are determined on the basis of an expert analysis, in conformity with the law.

An employee working reduced hours has all the rights otherwise provided for the full-time employment.

4. Overtime Work

Article 53

At employer's request, an employee is obliged to work beyond the full time in the event of force majeure, a sudden increase of volume of work and in other cases when it becomes indispensable

to complete an unplanned work within a specific deadline (hereinafter: overtime work).

The overtime cannot last longer than eight hours a week.

An employee cannot work more than 12 hours a day, including overtime.

An employee working in jobs with reduced working hours in accordance with Article 52 of this Act may not be instructed to work overtime in such jobs, unless otherwise specified by law.

Article 54

On call duty in health service institutions, as form of an overtime work is regulated by a special law.

5. Working Hours Schedule

Article 55

A working week lasts, as a rule, five working days.

The working hours scheduling within a working week is done by an employer.

As a rule, a workday lasts for eight hours.

The employer who organizes work in shifts, at night or when the nature of work and organization of work requires so - may organize the working week and working schedule in a different way.

If the nature of work and the organization of work permit it, the beginning and the end of the working hours may be determined, i.e. contracted in a special time interval (flexible working hours).

The employer is obliged to keep daily records on overtime work conducted by employees.

Article 56

The employer is obliged to inform the employees about the schedule and changes to the working hours schedule at least five days in advance, except in the case of the introduction of overtime work.

Exceptionally, the employer may inform employees about the schedule and changes to the working hours schedule in a term shorter than five days, but not shorter than 48 hours in advance in case the needs of the job due to the occurrence of unforeseen circumstances require so.

At the employer where the work is organized in shifts, or where this is the requirement of the organization of work, full or part-time working hours of an employee do not have to be distributed equally in work weeks, but they are determined as average weekly working hours per month.

In the case referred to in paragraph 3 of this Article, an employee may work a maximum of 12 hours per day, i.e. 48 hours a week including overtime.

6. Rescheduling of Working Hours

Article 57

An employer may reschedule the working hours where so required by the nature of the activity, organization of work, better utilization of means of work, more rational use of working hours, and the execution of a specific job within the set deadlines.

The rescheduling of working hours is done in the manner ensuring that total working hours of an employee in the period of six months during the course of a calendar year does not exceed in average the contracted working hours of the employee.

Collective agreement may determine that the rescheduling of working hours should not be associated with the calendar year, i.e. that it may last longer than six months, but not longer than nine months.

For the employee who agreed to work in the rescheduled working hours on the average longer than the time specified in paragraphs 2 and 3 of this Article, hours of work longer than average working hours are calculated and paid as overtime.

In the event of rescheduling of working hours, the working hours cannot last longer than 60 hours per week.

Article 58

The rescheduling of working hours is not considered to be overtime work.

Article 59

(Deleted)

Article 60

Rescheduling of working hours may not be done in jobs where reduced working hours have been introduced, in concordance with Article 52 of the present Act.

Article 61

An employee whose employment relationship ceased prior to the expiration of the rescheduled working hours is entitled to have his hours spent working longer than the contracted during the rescheduling of working hours calculated as working hours and to be unsubscribed by the employer from compulsory social insurance after the expiry of that time, or to have those hours of work calculated and paid as overtime work.

7. Night-Time Work and Work in Shifts

Article 62

Work performed between 10 PM and 6 AM of the following day is deemed to be night-time work.

An employer is bound to provide an employee, working nights for at least three hours every workday or one third of the full-time working hours in course of one working week, the performance of jobs during daytime, should such work, according to the opinion of a competent health-service agency, would cause deterioration of his health condition.

Before introducing night-time work, an employer is obliged to request an opinion of the trade union about the measures of safety and protection of life and health of employees who work during night time.

Article 63

Working in shifts is an organization of work at the employer in which employees take turns on same job positions according to the determined schedule, whereas shift changes may be continuous or intermittent over a certain period of days or weeks.

Employee who works in shifts is an employee who during a month works in different shifts for at least a third of his working hours at the employer where the work is organized in shifts.

If the work is organized in shifts that include night-time work, the employer is obliged to provide alternation of shifts, so that the employee does not work during night time consecutively more than one working week.

An employee may work during night time longer than one working week, but only with his written consent.

VI REST PERIODS AND LEAVES

1. Rest in Course of Daily Work

Article 64

An employee working at least six hours a day is entitled to a rest in the course of a working day lasting at least 30 minutes.

An employee working longer than four and shorter than six hours a day is entitled to a minimum of 15 minutes of rest in the course of work.

An employee working more than 10 hours a day is entitled to a rest in the course of work lasting at least 45 minutes.

The rest period in course of daily work may not be used at the beginning or at the end of working hours.

The rest period specified in paragraphs 1 through 3 of the present Article is calculated into working hours.

Article 65

Rest during daily work is organized so as to ensure that the work is not interrupted, if the nature of work does not allow its interruption, as well as if the work involves contact with clients.

The decision on scheduling the use of rest in the course of daily work is rendered by the employer.

2. Daily Rest

Article 66

An employee is entitled to a rest of a minimum of 12 straight hours within 24 hours, unless otherwise prescribed by the present Act.

An employee who works in the sense of Article 57 of this Act is entitled to a rest of not less than 11 continuous hours within 24 hours.

3. Weekly Rest

Article 67

An employee is entitled to a weekly rest for a minimum of 24 straight hours plus the rest period referred to in Article 66 of this Act, unless otherwise provided by law.

As a rule, the weekly rest shall be used on Sunday.

An employer may determine another day for using the weekly rest, should the nature of work and organization of work so require.

Notwithstanding paragraph 1 of this Article, an employee who, because of working in different shifts or in rescheduled working hours, is unable to use the rest for a period specified in paragraph 1 of this Article, shall be entitled to a weekly rest of at least 24 consecutive hours.

If it is indispensable that an employee works on the day of his weekly rest, the employer is bound to provide him rest of at least 24 straight hours in course of the subsequent week.

4. Annual Leave

1) Acquiring the Right to Annual Leave

Article 68

An employee is entitled to annual leave in accordance with the present Act.

An employee acquires the right to use the annual leave in a calendar year after a month of continuous employment from the day of conclusion of employment relationship with the employer.

It is deemed that continuous work also includes a period of temporary inability for work, pursuant to health-care regulations, and absence from work with compensated salary.

An employee may neither waive the right to annual leave, nor may such right be denied to him or replaced with pecuniary compensation, except in the case of termination of employment relationship in accordance with this Act.

2) Length of Annual Leave

Article 69

For each calendar year an employee is entitled to annual leave in the duration determined by a bylaw or employment contract, but no less than 20 work days.

The length of annual leave is determined in such way so as to increase the 20 work day legal minimum on the ground of work contribution, conditions of work, work experience, professional qualification of the employee, and other criteria determined in a bylaw or employment contract.

Article 70

In determining the length of annual leave, the working week shall be counted as five workdays.

Holidays, designated by law as nonworking days, absence from work with compensated salary, and temporary inability for work in accordance with the health insurance regulations, shall not be counted as annual leave days.

An employee who in course of using the annual leave is temporarily unable to work in terms of the health insurance regulations shall be entitled to continue the annual leave at the expiry of such inability for work.

Article 71

(Deleted)

4) Proportional Part of Annual Leave

Article 72

An employee is entitled to one-twelfth of the annual leave under Article 69 of this Act (proportionate part) for each month of work in the calendar year in which he concluded his employment relationship or in which his employment relationships is terminated.

5) Use of Annual Leave in Parts

Article 73

Annual leave is used in one or two or more parts, in accordance with this Act.

If an employee uses the annual leave in parts, the first part shall be used in the duration of at least two consecutive working weeks during the calendar year, while the remainder shall be used the latest until June 30 of the following year.

An employee is entitled to use the annual leave in two parts, unless he agrees with the employer to use the annual leave in several parts.

An employee who has used in whole or in part the annual leave in the calendar year due to absence from work under the maternity leave, absence from work for child care and special child care - shall have the right to use that leave until June 30 of the following year.

Article 74

(Deleted)

7) Schedule of Using Annual Leave

Article 75

Depending on the needs of the job, the employer decides about the time of use of annual leave, with prior consultation with the employee.

The decree on the use of annual leave shall be handed over to the employee at the latest 15 days prior to the date specified for the commencement of the use of annual leave.

Exceptionally, if the annual leave is used at the request of the employee, the decree on usage of annual leave may also be delivered by the employer immediately before the usage of annual leave.

An employer may alter the time determined for the use of annual leave, should this be required by the needs of the job, at the latest five workdays prior to the day determined for the use of annual leave.

In the case of using a collective annual leave at the employer or in the organizational part of the employer, the employer may render a decree on annual leave listing the employees and organizational units in which they work, and to display it on the bulletin board, at least 15 days before the day set for the usage of the annual leave, thus considered that such a decree was handed over to employees.

Employer may deliver the decree on usage of annual leave to the employee in electronic form, while at the request of the employee the employer is obliged to deliver such decree in written form also.

8) Indemnification for Unused Annual Leave

Article 76

In the event of termination of employment relationship, the employer is obliged to pay the employee who did not use annual leave in whole or in part, a pecuniary compensation instead of usage annual leave, in the amount of average salary in the previous 12 months, in proportion to the number of days of unused annual leave.

The compensation referred to in paragraph 1 of this Article has the character of indemnity.

5. Leave with Salary Compensation (Paid Leave)

Article 77

An employee is entitled to leave from work with salary compensation (paid leave) for a total duration of five workdays in course of a calendar year, in cases of getting married, spouse's childbirth, serious illness of a member of immediate family, and in other cases determined by a bylaw or employment contract.

Duration of paid leave specified in paragraph 1 of the present Article is determined by a bylaw and the employment contract.

In addition to the right to leave specified in paragraph 1 of the present Article, the employee is entitled to a paid leave for another:

1) Five workdays due to death of an immediate family member;

2) Two consecutive days for every instance of voluntary blood donations, counting also the day of donating blood.

Members of the immediate family in terms of paragraphs 1 and 3 of the present Article shall include a spouse, children, brothers, sisters, parents, adoptive parent, adoptee and a legal guardian.

The employer may grant the leave referred to in paragraphs 1 and 3 of this Article to the employee for relatives other than those listed in paragraph 4 of this Article and for other persons who live in the same family household with the employee, for the period specified in the decree of the employer.

It shall be possible to provide by a bylaw and the employment contract the right to a paid leave exceeding the duration determined in terms of paragraphs 1 and 3 of the present Article, i.e. wider circle of persons referred to in paragraph 4 of this Article.

6. Unpaid Leave

Article 78

An employer may grant to an employee a leave without compensation of salary (unpaid leave).

During the time of unpaid leave the rights and duties relating to employee's employment relationship shall stay, unless otherwise determined by law, bylaw and employment contract for specific rights and duties.

7. Stay of Employment

Article 79

Rights and duties of an employee acquired at work and on the ground of work shall stay, except for the rights and duties for which the law, bylaw, i.e. employment contract provide otherwise, should he be absent from work due to:

1) Leaving to serve in the military, i.e. to complete the period of military service;

2) Being assigned to work abroad by the employer or within the framework of international technical or educational and cultural cooperation, to diplomatic, consular and other missions;

3) Being temporarily assigned to work with another employer in terms of Article 174 of the present Act;

4) Being elected i.e. appointed to office within a state agency, trade union, political organization or to other public office the exercising of which requires temporary cessation of work for the employer;

5) Serving a prison sentence i.e. imposed safety, correctional or protective measure, lasting up to three months.

An employee whose rights and duties, referred to in paragraph 1 of the present Article, are on stay, is entitled to, within a term of 15 days from the day when his military service ended, i.e. he completed his military service period, his work abroad ended, i.e. his work for another employer ended, his term of office ended, he returned from serving the prison sentence, i.e. safety, correctional or protective measure - to return to work for the employer.

The rights specified in paragraphs 1 and 2 of the present Article shall appertain also to a spouse of the employee who was sent to work abroad within the framework of international technical or educational and cultural cooperation, to diplomatic, consular and other missions.

VII PROTECTION OF EMPLOYEES

1. General Protection

Article 80

An employee is entitled to safety and protection of life and health at work, in conformity with the law.

An employee is obliged to respect regulations on safety and protection of life and health at work, in order not to put in danger his safety and health, as well as the safety and health of employees and other persons.

An employee is obliged to notify the employer of every kind of potential danger that could influence the safety and health at work.

Article 81

An employee shall not work overtime if, according to the finding of a competent health-care agency, such work could deteriorate his health condition.

An employee with health disturbances established by a competent medical agency, in conformity with the law, may not perform jobs that would deteriorate his health condition or entail consequences dangerous to his entourage.

Article 82

Only an employee who, apart from special requirements established by the rule book, meets also the requirements for work in respect of health condition, psycho-physical abilities and age, in conformity with the law, may work on jobs that involve increased danger of injury, professional and other illnesses.

2. Protection of Personal Data

Article 83

An employee is entitled to inspect the documents containing personal data which are kept with the employer, and to request deleting of data which are of no direct importance for the jobs performed by him, as well as the correction of incorrect data.

Personal data relating to an employee may not be made available to a third party, apart from cases and under conditions specified by law, or where necessary to prove the rights and duties related to employment relationship or those in connection with work.

Personal data of employees may be collected, processed, used and communicated to third parties only by an employee authorized by the director.

3. Protection of Youth

Article 84

An employee younger than 18 years of age may not work at the following jobs:

1) Those involving particularly difficult physical labor, work under ground, under water or at considerable height;

2) Those including exposure to harmful radiation or poisonous and cancerous matters or the ones causing hereditary illnesses, as well as risk to health due to coldness, warmth, noise or vibration;

3) Those which, due to the finding of a competent medical agency, would harmfully and with higher

risk affect his health and life considering his psycho-physical abilities.

Article 85

An employee between 18 and 21 years of age may work at the jobs referred to in Article 84, paragraphs 1/ and 2/ of the present Law only on the ground of a finding of competent medical agency determining that such work is not harmful to his health.

Article 86

Expenses of medical examination referred to in Article 84, item 3) and Article 85 are borne by the employer.

Article 87

Full working hours of an employee younger than 18 years of age may neither be determined in duration longer than 35 hours a week, nor longer than eight hours a day.

Article 88

Overtime work and rescheduling of working hours of an employee younger than 18 years of age is prohibited.

An employee younger than 18 years of age may not work at night, except:

1) If he works in jobs in the area of culture, sport, art, and advertising activity;

2) Where it is necessary to continue the work interrupted due to force majeure, on condition that such work lasts for a definite period of time, and that it has be completed without delay, and that the employer does not have enough number of other adult employees.

In the event specified in paragraph 2 of the present Article, an employer is obliged to ensure that an adult employee supervises the work of the employee younger than 18 years of age.

4. Protection of Motherhood

Article 89

A female employee in course of pregnancy and a female employee who is breastfeeding a child may not work at jobs that are, in terms of a finding of a competent health agency, harmful to her health and child’s health, and particularly at jobs requiring heavy lifting or those characterized by harmful radiation of exposure to extreme temperatures and vibrations.

The employer shall provide other appropriate jobs to the female employee referred to in paragraph 1 of this Article, and if such jobs do not exist, he shall refer her to paid leave.

Article 90

A female employee in the course of pregnancy and a female employee who is breastfeeding a child may not work overtime and during night, should such work, according to the finding of a competent health agency, be harmful to her health and health of the child.

A female employee during pregnancy is entitled to paid leave from work during day to perform medical examinations related to pregnancy, as instructed by the chosen physician in accordance with the law, whereof she is obliged to timely notify the employer.

Article 91

One of the parents of a child not older than three years of age may work overtime i.e. during night

only with own written consent.

A self-supporting parent of a child not older than seven years of age, or a seriously disabled child, may work overtime i.e. during night only with own written consent.

Article 92

An employer may reschedule the working hours of an employed woman in course of pregnancy and of an employed parent of a child younger than three years of age, or a child with serious degree of psycho-physical impairment - only with the written consent of the employee.

Article 93

The rights specified in Articles 91 and 92 of the present Act shall appertain also to an adopting parent, foster parent, i.e. legal guardian of a child.

Article 93a

The employer is obliged to provide that the employed woman who returns to work prior to expiry of a year after the child birth, enjoys the right to one or more daily breaks during the daily working hours in total duration of 90 minutes, or to the right of reducing the daily working hours for 90 minutes, in order to be able to breast feed her child, if the daily working hours of the employed woman amounts to six or more hours.

The break or the reduced working hours from paragraph 1 of this Article shall be calculated into working hours, and the compensation to the employed woman on that basis shall be paid out in the amount of the base salary, increased by seniority compensation.

5. Maternity Leave and Leave for Nursing a Child

Article 94

An employed woman is entitled to a leave of absence due to pregnancy and childbirth (hereinafter: maternity leave), as well as to a leave of absence for nursing a child, in the total length of 365 days.

An employed woman is entitled to commence the maternity leave, on the ground of a finding of a competent health agency, 45 days at the earliest, but imperatively 28 days prior to the time set for childbirth.

The maternity leave lasts until the end of three months from the day of childbirth.

An employed woman after the expiry of maternity leave is entitled to a leave of absence to nurse a child until the expiry of 365 days from the day of commencement of maternity leave referred to in paragraph 2 of the present Article.

The father of a child may exercise the right specified in paragraph 3 of the present Article in case when the mother abandons the child, dies, or is prevented due to other justified reasons to exercise that right (serving a prison term, serious illness and the like). Father of the child has that right even when the mother is not employed.

The father of the child may exercise the right referred to in paragraph 4 of the present Article.

In the course of maternity leave and leave of absence for nursing a child, the employed woman, i.e. father of the child is entitled to compensation of salary, in conformity with the law.

Article 94a

Employed woman is entitled to maternity leave and leave of absence to nurse a child in total duration of two years, for a third and every subsequent newborn child.

The right to maternity leave and leave of absence from work to nurse a child in the total duration of two shall also pertain to an employed woman who gives birth in the first delivery to three or more

children, as well as to an employed woman who has given birth to one, two or three children, and who gives birth in the subsequent delivery to two or more children.

After the expiry of maternity leave, the employed woman referred to in paragraphs 1 and 2 of the present Article is entitled to leave of absence for nursing a child up to the expiry of two years from the day of commencement of the maternity leave referred to in Article 94, paragraph 2 of the present Act.

The father of a child specified in paragraphs 1 and 2 of the present Article may exercise the right to maternity leave in the cases and under the conditions specified in Article 94, paragraph 5 of the present Act, and the right to the leave of absence for nursing a child in the duration specified in paragraph 3 of the present Article.

Article 95

The right to use maternity leave in the duration specified in Article 94, paragraph 3 of the present Act shall appertain also to an employed woman should a child be stillborn or die before the expiry of maternity leave.

6. Leave for Special Care of a Child or another Person

Article 96

One of the parents of a child in need of special care due to a serious degree of psycho-physical impairment, apart from cases prescribed by the health insurance regulations, is entitled to, upon expiry of the maternity leave and the leave of absence for nursing a child, be absent from work, or to work half of the full working hours, the longest until the child becomes five years old.

The right in terms of paragraph 1 of the present Article is exercised on the ground of an opinion of the agency competent for assessing the degree of psycho-physical impairment of the child, in the conformity with the law.

In course of absence from work, in terms of paragraph 1 of the present Article, the employee is entitled to compensation of salary, in conformity with the law.

When working half of the full working hours, in terms of paragraph 1 of the present Article, the employee is entitled to salary in conformity with the law, bylaw, and employment contract, and for the other half of full working hours - compensation of salary, in conformity with the law.

Conditions, procedure, and the manner of exercising the right to leave of absence for special care of a child is regulated in detail by the minister in charge for social childcare.

Article 97

A foster parent, i.e. legal guardian of a child younger than five years of age is entitled to, for the purpose of care of the child, be absent from work for eight consecutive months from the day of placing the child into the foster, i.e. guardian family, and at the most until the child becomes five years old.

Where placing into a foster, i.e. guardian family has taken place before the child became three months old, the foster parent i.e. legal guardian of the child is entitled to, for the purpose of childcare, be absent from work until the child becomes 11 months old.

The right specified in paragraphs 1 and 2 of the present Article shall appertain also to a person to whom the child is directed for adapting before consummation of adoption, while after adoption is consummated - to one of the adoptive parents as well.

During the absence from work for the purpose of childcare, a person exercising the right specified in paragraphs 1 through 3 of the present Article is entitled to compensation of salary in conformity with the law.

Article 98

A parent or legal guardian, i.e. a person who takes care of the person suffering from cerebral palsy, polio, some kind of plegia or muscular dystrophy and other serious illnesses, based on the ground of the opinion of a competent health agency, may upon his request work part-time working hours, but not less than half of the full working hours.

An employee working part-time working hours, in terms of paragraph 1 of the present Article, is entitled to an appropriate salary in proportion to the time spent at work, in conformity with the law, bylaw and employment contract.

Article 99

The rights specified in Article 96 of the present Act appertain also to one of the adoptive parents, foster parent, i.e. legal guardian of the child, should the child, due to a degree of psycho-physical impairment, need special care.

Article 100

One of the parents, adoptive parent, foster parent, i.e. legal guardian is entitled to the leave of absence until the child become three years old.

In course of absence from work specified in paragraph 1 of the present Article, the rights and duties pertaining to employment shall stay, unless otherwise determined for certain rights by law, bylaw and employment contract.

7. Protection of Disabled Persons and Employee with Health Problems

Article 101

The employer is obliged to provide that an employee - a disabled person and employee referred to in Article 81, paragraph 2 of this Act, may perform work according to his work ability, in accordance with the law.

Article 102

An employer may cancel the employment contract of an employee who refuses to accept work in terms of Article 101 of the present Act.

If the employer is not able to provide suitable work to the employee within the meaning of Article 101 of this Act, such employee shall be considered as redundant in terms of Article 179, paragraph 5, item 1) of this Act.

8. Notification on Temporary Work Inability

Article 103

An employee is obliged, not later than within three days of the day of occurrence of temporary inability to work in terms of health insurance regulations, to deliver to the employer a certificate about that issued by a physician, indicating also the expected period of work inability.

In case of serious illness, instead of the employee, the certificate is delivered to the employer by members of immediate family or other persons living with the employee in the family household.

If the employee lives alone, he must deliver the certificate within three days after the day when reasons due to which he has been unable to deliver the certificate have ceased to exist.

A physician is obliged to issue the certificate specified in paragraph 1 of the present Article.

If the employer doubts the justification of the reasons for absence from work in terms of paragraph 1

of the present Article, he may lodge a request to the competent health agency to assess the health ability of the employee, in conformity with the law.

The manner of issuing and the content of the certificate on the occurrence of temporary work inability in terms of health insurance regulations shall be prescribed in agreement between the minister and the minister in charge of health.

VIII SALARY, COMPENSATION OF SALARY AND OTHER EARNINGS

1. Salary

Article 104

An employee is entitled to appropriate salary which is determined in conformity with the law, bylaw and employment contract.

Employees are guaranteed equal salary for the same work or the work of the equal value performed with the employer.

The work of the same value is considered to be work which requires the same level of qualification, i.e. education, knowledge and skill, wherein equal work contribution with equal responsibility were accomplished.

A decision of an employer or an agreement with the employee that is not in accordance with paragraph 2 of the present Article shall be null and void.

Should there be a violation of the right specified in paragraph 2 of the present Article the employee is entitled to indemnity.

Article 105

The salary specified in Article 104, paragraph 1 of the present Act is comprised of the salary for performed work and time spent at work, the salary based on employee's contribution to business success of the employer (awards, bonuses, and the like) and other earnings on the ground of employment, in conformity with a bylaw and employment contract.

Salary in terms of paragraph 1 of the present Article shall be understood to mean the salary which includes tax and contributions payable from salary.

Salary in terms of paragraph 1 of the present Article shall be understood to mean all the employment-related earnings, except for earnings under Article 14, Article 42 paragraph 3 items 4) and 5), Article 118 items 1-4), Article 119, Article 120 item 1) and Article 158 of this Act.

2. Salary for Work Performed and Time Spent at Work

Article 106

Salary for the work performed and time spent at work comprises of base salary, portion of the salary for working performance, and increased salary.

Article 107

The base salary is determined on the ground of conditions, as specified by the rule book, necessary for the work at jobs the employee has concluded the employment contract for, and the time spent at work.

The working performance is determined on the ground of quality and volume of the work performed, as well as of employee's attitude toward work duties.

A bylaw determines the elements for calculating and paying the base salary and salary on the ground of working performance specified in paragraphs 1 and 2 of the present Article.

Employment contract may stipulate the base salary in an amount that exceeds the base salary determined based on elements from the bylaw.

Article 108

An employee is entitled to increased salary in the amount determined by bylaw and employment contract, notably:

1) For working on a day of holiday which is a non-working day - a minimum of 110% of the base;

2) For working at night, if such work has not been taken into account when the base salary was determined - a minimum of 26% of the base;

3) For overtime work - a minimum of 26% of the base;

4) On grounds of time spent at work for each full year spent as the employee of the employer (hereinafter referred to: seniority compensation) - at least - 0.4% of the base.

When calculating the seniority compensation the time spent in employment with the employer predecessor under Article 147 of this Act is calculated also, as well as with entities affiliated with the employer in accordance with the law.

Should simultaneously conditions accumulate on several grounds specified in paragraph 1 of the present Article, the percentage of the increased salary may not be lower than the sum of percentages according to every single ground for increase.

Bylaw and employment contract may stipulate other cases, too, in which an employee is entitled to increased salary, such as the increase of salary based on work in shifts.

The base for calculating the increased salary is the base salary determined in conformity with the law, bylaw and employment contract.

Article 109

A trainee is entitled to salary in the minimum amount of 80% of the base salary for jobs he has concluded the employment contract for, as well as to the refund of expenses and other earnings, in conformity with a bylaw and employment contract.

Article 110

The salary is paid out within time limits determined by a bylaw and the employment contract, at least once a month, at the latest up to the end of the current month, for the preceding month.

The salary is paid out in money exclusively, unless otherwise specified by law.

3. Minimum Salary

Article 111

Employee is entitled to a minimum salary for standard performance and time spent at work.

The minimum salary is determined on the basis of the minimum price of labor established in accordance with this Act, time spent at work and taxes and contributions paid from salary.

Bylaw, i.e. employment contract stipulates the reasons for rendering of a decision on introduction of the minimum salary.

After the expiration of six months period from the rendering of the decision on introduction of minimum salary, the employer is obliged to inform the representative trade union of the reasons for

continuing to pay out minimum salary.

The employer shall pay minimum salary to an employee in the amount which is determined on the basis of the decision on the minimum price of labor which is valid for the month in which payment is made.

Employee who receives minimum salary is entitled to increased salary from Article 108 of this Act, to compensation of expenses, and to other earnings that is considered as salary in accordance with the law.

The base for the calculation of increased salary from paragraph 6 of this Article is the minimum salary of the employee.

Article 112

Minimum price of labor is determined by a decision of the Social and Economic Council established for the territory of the Republic of Serbia (hereinafter: Social and Economic Council).

Should the Social and Economic Council fail to render a decision within 15 days from the day of commencement of bargaining, the decision on the amount of minimum price of labor shall be made by the Government of the Republic of Serbia (hereinafter: the Government) within the following time period of 15 days.

Determination of the minimum price of labor starts in particular from: existential and social needs of the employee and his family expressed through the value of the minimum market basket, movement of the employment rate in the labor market, growth of the rate of gross domestic product, consumer price trends, trends in productivity and movement of the average salary in the Republic.

The decision on determining the minimum price of labor contains an explanation that reflects all elements referred to in paragraph 3 of this Article.

If there is a significant change in any of the elements referred to in paragraph 3 of this Article, the Social and Economic Council shall be obliged to consider the reasoned initiative of one of the participants in the Social and Economic Council to start negotiations for the establishment of the new minimum price of labor.

Minimum price of labor is determined per working hour without taxes and contributions, for the calendar year, not later than 15 September of the current year, and shall apply from 1 January next year.

Minimum price of labor may not be determined in a lower amount than the minimum price of labor established for the previous year.

Article 113

The decision on minimum price of labor specified in Article 112 of the present Act shall be published in the "Official Herald of the Republic of Serbia".

4. Compensation of Salary

Article 114

An employee is entitled to compensation of salary in the amount of average salary for the 12 preceding months, in conformity with a bylaw and employment contract, for the time of absence from work on a holiday that is a non-working day, annual leave, paid leave, military exercise and responding to summons by a state agency.

Unless otherwise determined by law, an employer is entitled to refund of the paid compensation from paragraph 1 of the present Article in case of employee's absence from work due to military exercise or responding to summons of a state agency - from the agency whose summons was responded by the employee.

Article 115

An employee is entitled to compensation of salary for the time of absence from work due to temporary impairment lasting up to 30 days, as follows:

1) In the minimum amount of 65% of the average salary in the 12 preceding months before the month in which temporary impairment occurred, on condition that it may not be lower than the minimum salary determined in conformity with the present Act, where the impairment was caused by illness or injury sustained outside of work, unless otherwise determined by law;

2) in the amount of 100% of the average salary in the 12 preceding months before the month in which temporary impairment occurred, on condition that it may not be lower than the minimum salary determined in conformity with the present Act, if the impairment was caused by an injury sustained at work or by a professional illness, unless otherwise determined by law.

Article 116

An employee is entitled to compensation of salary - amounting to at least 60% of the average salary in the 12 preceding months, on condition that it may not be lower than the minimum salary determined in conformity with the present Act - during an interruption of work, i.e. reduction of the volume of work which occurred without employee's fault, at most for 45 workdays in a calendar year.

Exceptionally, in the case of interruption of work i.e. reduction of volume of work which requires a longer absence, the employer may, with prior consent of the minister, direct the employee to a leave of absence exceeding 45 days, along with the compensation of salary specified in paragraph 1 of the present Article.

Before granting the consent specified in paragraph 2 of the present Article, the minister shall demand the opinion of the representative trade union of the branch or line of activity established at the level of the Republic.

Article 117

An employee is entitled to compensation of salary in the amount determined by a bylaw and employment contract during an interruption of work which occurred at the order of a competent state agency, or employer's competent body due to failure to ensure safety and protection of life and health at work which is a condition for continuing the work without the risk for life and health of employees and other persons, and in other cases in conformity with the law.

Other cases, too, may be determined in a bylaw and employment contract, in which an employee is entitled to compensation of salary.

5. Refund of Expenses

Article 118

An employee is entitled to a refund of expenses in conformity with a bylaw and employment contract, as follows:

1) For commuting to and from work, in the amount of the price of public transportation ticket, if the employer did not provide own transportation;

2) For the time spent on business trip in the country;

3) For the time spent on business trip abroad;

4) For accommodation and food during field work, if the employer failed to provide to the employee the accommodation and food without compensation;

5) For food during work, unless the employer provided this right in some other way;

6) For subsidy for the use of annual leave.

The amount of expenses referred to in paragraph 1, item 5) of this Article must be expressed in money.

Change of residence of employee after the conclusion of the employment contract cannot influence the increase of the amount of transportation costs that the employer is obliged to reimburse to the employee at the time of conclusion of the contract, without the consent of the employer.

6. Other Earnings

Article 119

An employer is obliged to pay, in conformity with a bylaw:

1) To an employee - a retirement gratuity, in the minimum amount of two average salaries;

2) To an employee - a compensation of funeral expenses in the event of death of a member of immediate family, and to members of the immediate family in the event of death of the employee;

3) To an employee - compensation of damage sustained due to an injury at work or a professional illness.

An employer may provide to children of an employee that are younger than 15 years of age, a gift for Christmas and New Year, whose value could be up to the non-taxable amount provided for by the law regulating the citizens income tax.

The average salary specified in paragraph 1, item 1) of the present Article shall be understood to mean the average salary in the Republic of Serbia according to the latest published data of the republic's agency in charge for statistics.

In terms of paragraph 1, item 2) of the present Article, the members of immediate family shall be understood to be a spouse and children of the employee.

An employer may pay to the employees a premium for the voluntary additional pension insurance, collective insurance against the consequences of accidents, and collective insurance in the event of serious illnesses and surgical interventions, with the purpose of carrying out a high-grade additional social protection.

Article 120

A bylaw, i.e. employment contract may stipulate a right to:

1) Jubilee prize and solidarity assistance;

Items 2) and 3) (repealed);

4) Other earnings.

7. Salary and Compensation of Salary Pay Statement

Article 121

An employer is obliged to hand over to an employee a pay statement at every payment of salary and compensation of salary.

An employer is obliged to hand over to an employee a pay statement even for the month he failed to effect the payment of salary, i.e. compensation of salary.

Attached to the pay statement specified in paragraph 2 of the present Article an employer is also obliged to hand over to the employee a notification that the payment of salary, i.e. compensation of salary has not been effected, and the indication of reasons why the payment has not been effected.

An employer is obliged to hand over to an employee the pay statement of salary, i.e. compensation of salary, specified in paragraph 2 of the present Article, at the latest until the end of the month for the preceding month.

Pay statement referred to in paragraph 1 of this Article on the basis of which salary, i.e. compensation of salary were paid in whole, may be delivered to the employee in electronic form.

Pay statement of salary and compensation of salary that the employer is required to pay in accordance with the law shall represent an enforceable instrument.

Employee whose salary and compensation of salary was paid in accordance with the pay statement from paragraphs 1 and 2 of this Article reserves the right to challenge the legality of such pay statement before a competent court.

Contents of the pay statement referred to in paragraphs 1 and 2 of this Article are prescribed by the minister.

8. Records of Salary and Compensation of Salary

Article 122

An employer is obliged to keep monthly records of salary and compensation of salary.

The records contain data for every employee relating to salary, salary after deducting taxes and contributions from the salary, and salary deductions.

The records are signed by a person authorized to represent the company or another person authorized by him.

9. Protection of Salary and Compensation of Salary

Article 123

An employer may collect a pecuniary claim against an employee by withholding the payment of his salary, only on the ground of a final court decision, in the cases specified by law, or by consent of the employee.

Unless otherwise determined by law, an employer may, on the ground of a final court decision and in cases determined by law, withhold from employee's salary up to one third of the salary, i.e. compensation of salary.

IX CLAIMS OF EMPLOYEES IN THE EVENT OF BANKRUPTCY PROCEEDINGS

Article 124

The right to payment of unpaid claims against an employer under bankruptcy protection (hereinafter: the claim), in conformity with the present Act shall appertain to an employee whose claims are determined in accordance with the law governing bankruptcy procedure and who meets the requirements for eligibility under this Act.

The rights referred to in paragraph 1 of the present Article are exercised in conformity with this Act, if they have not been paid in accordance with the law regulating the bankruptcy procedure.

If the rights specified in paragraph 1 of the present Article were partially paid in conformity with the law regulating bankruptcy procedure, the employee is entitled to a difference up to the level of rights as determined by the present Act.

A sole trader, as well as a founder, or a member of a company or other business entity shall not be eligible to payment of claim referred to in paragraph 1 of this Article, unless he concluded an employment contract in accordance with the law.

An employee shall not be eligible to payment of claim referred to in paragraph 1 of this Article if in

accordance with law a decision has been rendered to confirm the adoption of a reorganization plan of the employer under bankruptcy protection.

Article 125

An employee is entitled to payment of:

1) Salary and compensation of salary during the absence from work due to temporary impairment according to health insurance regulations, that were due to be paid by the employer in conformity with the present Act, for the last nine months before initiation of the bankruptcy proceedings;

2) Indemnity for the annual leave which was not used due to employer's fault, for a calendar year in which the bankruptcy proceedings have been initiated, if he had that right before bankruptcy proceedings were initiated;

3) Pension gratuity in a calendar year in which bankruptcy proceedings have been initiated, if he gained the right to retirement before the bankruptcy proceedings have been initiated;

4) Indemnity for an injury at work or professional illness awarded in a court decision rendered in the calendar year in which the bankruptcy proceedings were initiated, if that decision has become final before initiation of the bankruptcy proceedings.

An employee is also entitled to payment of contributions for mandatory social insurance for payments specified in paragraph 1, item 1) of the present Article, in conformity with the mandatory social insurance regulations.

Article 126

The salary and compensation of salary specified in Article 125, paragraph 1, item 1) of the present Act, shall be paid in the amount equal to minimum salary.

The indemnity for unused annual leave specified in Article 125, paragraph 1, item 2) of the present Act, shall be paid out in the amount determined by the decision of the bankruptcy court, but at most in the amount of minimum salary.

The pension gratuity specified in Article 125, paragraph 1, item 3) of the present Act, shall be paid in the amount of two average salaries in the Republic, according to the latest data published by the national authority responsible for statistics.

The indemnity specified in Article 125, paragraph 1, item 4) of the present Act is paid in the amount of compensation determined by a court decision.

Establishing a Solidarity Fund

Article 127

For the purpose of realization of rights specified in Article 125 of the present Act, a Solidarity Fund is established (hereinafter: Fund).

The activity of the Fund is to provide and pay the claims in conformity with the present Act.

The Fund has the status of a legal person and operates as a public service.

The head office of the Fund is in Belgrade.

Article 128

Resources for establishment and commencement of work of the Fund are provided in the budget of the Republic of Serbia.

The Fund commences its work on the day of being entered into the register, in conformity with the law.

Article 129

The bodies of the Fund are:

1) Board of Directors;

2) Supervisory board;

3) Director.

Article 130

The board of directors of the Fund has six members, as follows: two representatives of the Government, two representatives of representative trade unions, and two representatives of the representative associations of employers, established for the territory of the Republic of Serbia.

Each member of the Fund's board of directors has its deputy, who replaces him in the event of absence.

Members of the Fund's board of directors and their deputies are appointed by the Government for a period of four years, as follows:

1) The representatives of the Government - at the proposal of the minister;

2) The representatives of trade unions and associations of employers - at the proposal of the representative trade unions, i.e. representative associations of employers, members of the Social and Economic Council.

The chairman and a deputy-chairman of the board of directors are elected by members of the board from among its members.

Article 131

Articles of association and bylaw of the Fund regulate the manner of work, as well as other matters relevant for the work of the board of directors.

Article 132

The board of directors:

1) Enacts articles of association and other bylaws of the Fund, unless otherwise specified by the present Act;

2) Adopts a financial plan and annual financial statement of the Fund;

3) Appoints a director of the Fund;

4) Performs other duties specified by the present Act and articles of association of the Fund.

The Government gives assent to the articles of association of the Fund, the financial plan and the annual financial statement of the Fund, and to the decision on appointing the director of the Fund.

The board of directors submits a report on operations of the Fund to the Government at the latest until 31 March of the current year for the preceding year.

Article 133

The supervisory board of the Fund has three members, as follows: one representative of the Government, one representative of the representative trade unions, and one representative of the representative associations of employers, established for the territory of the Republic of Serbia.

Each member of the supervisory board of the Fund has his deputy, who replaces him in the event of absence.

Members of the supervisory board of the Fund and their deputies are appointed by the Government for a period of four years, as follows:

1) The representative of the Government, at the proposal of the minister;

2) The representatives of trade unions and associations of employers, at the proposal of representative trade unions and representative associations of employers, members of the Social and Economic Council.

Chairman and deputy-chairman of the supervisory board are elected by the members of the supervisory board from among their peers.

Article 134

The supervisory board:

1) Supervises the financial operations of the Fund;

2) Inspects the implementation of law and other regulations relating to financial operations of the Fund;

3) Inspects the implementation of the decisions of the board of directors;

4) Also performs other activities specified by the present Act and articles of association of the Fund.

The supervisory board submits a report on financial activity of the Fund to the Government at the latest until 31 March of the current year for the preceding year.

Article 135

The director of the Fund:

1) Organizes the work and operations in the Fund, and is responsible for the legality of work in the Fund;

2) Represents the Fund;

3) Executes decisions of the board of directors of the Fund;

4) Enacts the bylaw on organization and systematization of jobs in the Fund, with consent of the Government;

5) Manages the work of employees in the Fund;

6) Also performs other activities in conformity with the present Act and the articles of association of the Fund.

Article 136

Administrative and professional affairs for the Fund are performed by employees of the Fund.

The employees referred to in paragraph 1 of the present Article are subject to the regulations relating to employment relationships in public services.

Financing the Fund

Article 137

The Fund is financed from the resources of the budget of the Republic of Serbia, and other sources in conformity with the law.

The resources of the Fund are used in conformity with the present Act.

Article 138

If the annual statement of receipts and expenses of the Fund indicates that total realized receipts of the Fund surpass the realized expenses, the difference in resources shall be paid to the account of the budget of the Republic of Serbia, and distributed for carrying out the program of active employment policy.

Procedure for Exercising Employee Rights

Article 139

The procedure for exercising the rights referred to in Article 125 of the present Act is instituted at the request of the employee (hereinafter: request).

The request is submitted to the Fund within 45 days from the day of serving of the decision which awarded the right to claim, in conformity with the law regulating the bankruptcy procedure.

Article 140

The request is filed in a special form.

The employee shall enclose to the request:

1) The employment contract, i.e. other document on concluding the employment relationship. A person whose employment has been terminated - the document whereby employment relationship was terminated;

2) The document whereby the right to claim referred to in Article 125, paragraph 1) of the present Act has been determined, in conformity with the law regulating the bankruptcy procedure;

3) Evidence on existence of claim referred to in Article 125, paragraph 1, items 2) through 4) of the present Act.

The contents of the form referred to in paragraph 1 of the present Article and the rest of documentation to be submitted by the employee shall be prescribed by the minister.

Article 141

Official receiver, employer and employee are obliged to, at the request of the Fund, within 15 days from the day of the receipt of the request, deliver all information relevant for rendering the decree referred to in Article 142 of the present Act.

Article 142

The board of directors of the Fund shall decide on the request by a decree.

An appeal may be lodged against the decree, within eight days from the day of serving of the decree.

The minister decides on the appeal against the decree, within 30 days from the day of lodging the appeal.

The decree of the minister is final and administrative dispute may be instituted against it.

Article 143

Request for exercising rights before the Fund may only be submitted, personally or via proxy, by the person to whom this right belongs.

If during the process of exercising rights before the Fund death of the party occurs, the right to proceed with the process rests on his inheritor in accordance with the law.

Article 144

If the entitlement referred to in Article 125 of this Act is paid in whole or in part in accordance with the regulations governing the bankruptcy procedure before execution of the decree referred to in Article 142 of this Act, the Fund shall, ex officio, annul the decree and decide on the request in accordance with the new facts.

The relevant provisions of the law governing administrative procedure apply to the procedure before the Fund which has not been specifically regulated by this Act.

Refund of Unwarrantably Received Resources

Article 145

The Fund is obliged to request from an employee a refund of resources paid in conformity with Articles 125 and 126 of the present Act, increased for the statutory interest and procedural costs, if the rights have been acquired on the ground of untrue and incorrect information, i.e. where the employee has failed to inform the Fund on facts that influence the acquiring and exercising the rights determined by this Act - within a year from the day of becoming aware of the facts that were the basis of the resource refund.

The employee is obliged to make the refund to the bank account of the Fund, within 30 days from the day of serving of the request for the resource refund.

Supervision over Legality of Work

Article 146

The supervision over the legality of work of the Fund is conducted by the ministry in charge of employment (hereinafter: the ministry).

X RIGHTS OF EMPLOYEES IN THE EVENT OF CHANGE OF EMPLOYER

Article 147***

In the event of a status change, i.e. change of employer, in conformity with the law, the successor employer takes over from the predecessor employer the bylaw and all employment contracts that are valid on of the day of the change of employers.

Article 148

The predecessor employer is obliged to notify, completely and truthfully, the successor employer on the rights and duties stipulated in the bylaw and the employment contracts that are transferred.

Article 149

The predecessor employer is obliged to notify, in writing, the employees whose employment contracts are transferred, about the transfer of employment contracts onto the successor employer.

Should an employee refuse the transfer of the employment contract or fail to take stand within five working days from the day of serving of the notification referred to in paragraph 1 of the present Article, the predecessor employer may cancel the employment contract of that employee.

Article 150

The successor employer is obliged to apply the bylaw of the predecessor employer for at least a year from the day of change of employers, unless prior to the expiry of that time limit:

1) The validity period of the concluded collective agreement at the predecessor employer expires;

2) A new collective agreement at the successor employer is concluded.

Article 151

The predecessor employer and the successor employer are obliged to notify the representative trade union at the employer, at least 15 days before the change of employers, about:

1) The date or proposed date of change of employers;

2) The reasons for the change of employers;

3) Legal, economic and social consequences of the change of employers in respect to the status of employees, and measures for their attenuation.

The predecessor employer and the successor employer are obliged to, at least 15 days before the change of employers, in cooperation with the representative trade union, take measures in order to attenuate social and economic consequences relevant for the position of employees.

Should no representative trade union exist at the employer, the employees are entitled to be directly notified on circumstances referred to in paragraph 1 of the present Article.

Article 152

(Deleted)

XI EMPLOYEE REDUNDANCY

Article 153

The employer is bound to develop a solution-finding program of employee redundancy (hereinafter: the program), after finding that due to technological, economic or organizational changes within a period of 30 days the need for work of employees hired for an indefinite period of time shall cease, relating at least to:

1) 10 employees with an employer who employs more than 20, and less than 100 employees engaged for an indefinite period of time;

2) 10% of employees with an employer engaging a minimum of 100, and a maximum of 300 employees engaged for an indefinite period of time;

3) 30 employees with an employer employing more than 300 employees engaged for an indefinite period of time.

The program shall also be developed by an employer who determines that there will be no more need for work of at least 20 employees within a 90 day period, on the ground of reasons referred to in paragraph 1 of the present Article, regardless of the total number of employer’s employees.

Article 154

Before developing the program, an employer is obliged to, in cooperation with the representative trade union at the employer, and the republic’s organization in charge of employment, take appropriate measures for new employment of redundant employees.

Article 155

The program in particularly includes:

1) Reasons for the cessation of the need for work of the employees;

2) Total number of employees with the employer;

3) Number, qualification structure, age, and years of insurance coverage of redundant employees, and jobs they perform;

4) Criteria for establishing the employee redundancy;

5) Measures for finding employment: transfer to other work assignments, employment with another employer, retraining or additional training, part-time work but not shorter than half of the full-time work, and other measures;

6) Resources necessary for solving the social and economic position of redundant employees;

7) Notice period within which the employment contract shall be cancelled.

The employer is bound to deliver the proposal of the program to the trade union referred to in Article154 of the present Act and to the republic's organization in charge of employment, not later than eight days from the day of the proposal of the program has been developed, in order to obtain an opinion.

On behalf of the employer the program is enacted by the responsible authority with the employer, i.e. the person determined by law or bylaw of the employer.

Article 156

The trade union referred to in Article 154 of the present Act is bound to deliver the opinion regarding the proposal of the program, within 15 days from the day of serving of the program's proposal.

The republic's organization in charge of employment is bound to, within the time limit specified in paragraph 1 of the present Article, deliver to the employer the proposal of measures with the aim of preventing or reducing, as much as possible, the number of cancellations of employment contracts, i.e. ensure retraining, additional training, self-employment and other measures aimed at finding new employment for redundant employees.

The employer is obliged to consider and take into account the proposals of the republic's organization in charge of employment and the opinion of the trade union, and to inform them about his stance within eight days.

Article 157

The criterion for establishing employee redundancy may not be the absence from work of an employee due to temporary work impairment, pregnancy, maternity leave, leave for nursing the child, and leave for special care of the child.

Article 158

The employer shall, prior to canceling the employment contract, pursuant to Article 179, paragraph 5, item 1) of this Act, pay to the employee a severance pay in accordance with this Article.

The amount of severance pay referred to in paragraph 1 of this Article is determined by a bylaw or employment contract, provided that it may not be lower than the sum of the third of the employee's salary for each full year of work in employment relationship with the employer where he exercises the right to severance pay.

When determining the amount of the severance pay, the time spent in employment relationship with the employer's predecessor in case of status change and change of employer within the meaning of Article 147 of this Act, as well as time spent at affiliates of the employer in accordance with the law, are also taken into account.

Change of ownership of capital shall not be considered as a change of employer in terms of exercising the right to severance pay in accordance with this Article.

Bylaw or employment contract may not determine a longer period for payment of severance pay than the period specified in paragraphs 2 and 3 of this Article.

An employee may not qualify for severance pay for the same period for which he was already paid a severance pay at the same or another employer.

Article 159

Salary in terms of Article 158 of the present Act is understood to mean the average monthly salary of the employee paid for the last three months that precede the month of payment of severance pay.

Article 160

An employee, whose employment contract, due to cessation of the need for his work, is cancelled by the employer after payment of the severance pay referred to in Article 158 of the present Act, is entitled to pecuniary compensation, and pension and disability insurance and health protection, in conformity with the regulations on employment.

XII PROHIBITION OF COMPETITION CLAUSE

Article 161

An employment contract may stipulate the activities that an employee may not be engaged in on his own behalf and for his own account, as well as on behalf and for the account of another legal or natural person, without the consent of his employer (hereinafter: prohibition of competition).

The prohibition of competition may be stipulated only should conditions exist that the employee may acquire, by working with the employer, new, particularly important technology know-how, a wide circle of business partners, or learn significant business information and secrets.

Territorial validity of the prohibition of competition, depending on the kind of activity subject to prohibition, is also determined by a bylaw and employment contract.

Should the employee violate the prohibition of competition, the employer is entitled to claim damages from the employee.

Article 162

An employer and an employee may agree in the employment contract also about the conditions of prohibition of competition in terms of Article 161 of the present Act following the termination of employment relationship, covering a period that may not exceed two years after the termination of employment relationship.

Prohibition of competition specified in paragraph 1 of the present Article may be stipulated if the employer undertakes the obligation in the employment contract to pay to the employee pecuniary compensation in the agreed amount.

XIII TORT LIABILITY

Article 163

An employee is liable for damage he causes to the employer, at work or in relation to work, with intent or by gross negligence, in conformity with the law.

Should several employees cause damage each employee is liable for the part of damage caused by him.

If it is impossible to establish the part of damage caused by the employee referred to in paragraph 2 of the present Article, it shall be considered that all the employees are equally liable, and they shall compensate the damage in equal shares.

Should several employees cause damage by means of a premeditated crime, they shall be jointly and severally liable for the damage.

Whether the damage exists, how big it is, what are the relevant circumstances of its occurrence, who is the tortfeasor, and how shall the damage be compensated - is determined by the employer in conformity with a bylaw, i.e. employment contract.

If the damage has not been compensated in accordance with the provisions of paragraph 5 of the present Article, the court having the jurisdiction shall decide on the compensation.

An employee who has caused damage to a third party at work or in relation to work, with intent or by gross negligence, which damage has been redressed by the employer, is bound to compensate the employer for the amount of damages paid.

Article 164

Should an employee sustain injury or damage at work or in relation to work, the employer is obliged to redress such damage in conformity with the law and bylaw.

XIV SUSPENSION OF AN EMPLOYEE FROM WORK

Article 165

An employee may be temporarily suspended from work:

1) If criminal prosecution commenced against him in accordance with the law because of a criminal offense committed at work or related to work;

2) If he endangers the property of greater value determined by a bylaw or employment contract by non-compliance with work discipline or by breach of work duty;

3) If the nature of the breach of work duty, i.e. non-compliance with work discipline, or the conduct of the employee is such that he cannot continue to work for the employer before the expiration of the time period referred to in Article 180, paragraph 1 of this Act.

Article 166

An employee placed under police custody shall be suspended from work as of the first day of jail, for as long as the custody lasts.

Article 167

The suspension specified in Article 165 of the present Act may not exceed three months, and after

the expiration of that period the employer is bound to reinstate the employee or cancel his employment contract or impose other measure in accordance with this Act, should justified reasons for doing so exist as specified in Article 179, paragraphs 2 and 3 of the present Act.

If criminal prosecution commenced against the employee because of a criminal offense committed at work or related to work, the suspension may last until the final conclusion of that criminal proceeding.

Article 168

In the course of temporary suspension of an employee from work, in terms of articles 165 and 166 of the present Act, the employee is entitled to the compensation of salary in the amount of one quarter, and where he is a family supporter, in the amount of one third of the base salary.

The compensation of salary in the course of temporary suspension from work in terms of Article 166 of the present Act is paid at the charge of the agency that has ordered the custody.

Article 169

During temporary suspension from work in terms of articles 165 and 166 of the present Act an employee shall be entitled to the difference between the compensation of salary received on the grounds of Article 168 of the present Act and the full amount of the base salary, as follows:

1) If the criminal proceeding against him is discontinued by a final decision, or if he is acquitted by a final decision, or if the charges against have been dismissed, but not due to the lack of jurisdiction;

2) If the employee's responsibility for breach of work duty or for non-compliance with work discipline under Article 179 paragraphs 2 and 3 of this Act has not been determined.

Article 170

(Deleted)

XV CHANGE OF AN EMPLOYMENT CONTRACT

1. Change of Stipulated Work Conditions

Article 171

An employer may offer to an employee a change of the stipulated work conditions (hereinafter: annex to the contract):

1) For the purpose of transfer to another appropriate job, due to the needs of the process and the organization of work;

2) For the purpose of transfer to another place of work at the same employer, in conformity with Article 173 of the present Act;

3) For the purpose of assignment to an appropriate job with another employer, in conformity with Article 174 of the present Act;

4) If a redundant employee has been provided with rights specified in Article 155, paragraph 1, item 5) of the present Act;

5) To alter the elements for determination of base salary, work performance, compensation of salary, increased salary and other employee earnings that are contained in the employment contract in accordance with Article 33 paragraph 1 item 11) of this Act;

6) In other cases as specified by law, bylaw or employment contract.

An appropriate job in terms of paragraph 1, items 1) and 3) is considered to be a job which requires the same kind and degree of professional qualification as stipulated in the employment contract.

Article 172

Along with the annex of the employment contract (hereinafter: the annex to the contract) the employer is obliged to deliver to the employee a written notice that includes: the reasons for the offered annex to the contract, the time period in which the employee should take a stand which may not be shorter than eight working days, and the legal consequences which may arise by not signing the annex of the contract.

Should the employee sign the annex of the contract within the given time period, he reserves the right to challenge the legality of that annex before the competent court.

An employee who refuses the offered annex to the contract within the given time period, reserves the right to challenge the legality of the annex of the contract in the judicial proceedings relating to termination of the employment contract in terms of Article 179 paragraph 5 item 2) of this Act.

It is considered that the employee refused the offered annex to the contract if he does not sign the annex to the contract within the time period referred to in paragraph 1 of this Article.

Article 172a

If it is necessary to perform a particular job without delay, the employee may be temporarily transferred by a decree to other appropriate jobs, without the offered annex to the contract in accordance with Article 172 of this Act, for a maximum of 45 working days in the period of 12 months.

In the event of a transfer referred to in paragraph 1 of this Article, the employee retains the base salary determined for the job from which he was transferred, if that is more favorable to the employee.

The provisions of Article 172 of this Act do not apply in case the annex to the contract was concluded at the initiative of the employee.

Changes of employee’s personal information and employer’s information and other information which does not modify the working conditions may be noted in the annex to the contract, on the basis of appropriate documentation, without following the procedure for offering the annex in accordance with Article 172 of this Act.

Employment contract with annexes which form an integral part of that contract may be replaced with the updated text of the employment contract, signed by the employer and the employee.

2. Transfer to another Place of Work

Article 173

An employee may be transferred to another place of work:

1) If business of the employer is of such nature that the work is performed in places outside 2mployer's registered office, i.e. his organizational part;

2) If the distance from the employee's place of work to the place he is to be transferred to is less than 50 kilometers, and if regular transportation is organized which enables timely arrival to work and return from work, and if transportation costs refund is provided for in the amount of the price of public transportation passenger ticket.

An employee may be transferred to another place of work in the cases not specified in paragraph 1 of the present Article only with his consent.

3. Assigning to Work for another Employer

Article 174

An employee may be temporarily assigned to work for another employer at an appropriate job position, if temporarily there is no more need for his work, if business premises are leased, or a business cooperation contract has been signed - until the reasons exist for his assigning, and for a period not exceeding one year.

An employee, after giving his consent, in the cases specified in paragraph 1 of the present Article and in other cases as specified in a bylaw or employment contract, may be temporarily assigned to work for another employer even for a period exceeding one year, until reasons for such assigning exist.

An employee may be temporarily assigned, in terms of paragraph 1 of the present Article, to another place of work if the requirements specified in Article 173, paragraph 1, item 2) of the present Act have been fulfilled.

An employee concludes an employment contract for a fixed period of time with the employer he has been assigned to.

After the expiry of the time period of assignment to work for another employer, the employee is entitled to return to work for the employer who has assigned him.

XVI TERMINATION OF EMPLOYMENT RELATIONSHIP

1. Reasons for Termination of Employment relationship

Article 175

An employment relationship terminates:

1) By expiry of the period it was concluded for;

2) When an employee reaches 65 years of age and a minimum of 15 years of social insurance coverage, unless otherwise agreed between the employer and the employee;

3) By agreement between the employee and the employer;

4) By cancellation of employment contract by the employer or the employee;

5) At the request of a parent or guardian of an employee younger than 18 years of age;

6) In the event of death of the employee;

7) In other cases specified by the law.

Article 176

Employment relationship of an employee terminates irrelevant of his will and that of the employer:

1) If in a manner specified by law it has been found that the employee has suffered a loss of working ability - as of the day of serving of a final decree establishing the loss of working ability;

2) If, according to the provisions of the law, i.e. final decision of a court or another agency, he was forbidden to perform certain jobs, and it is not possible to provide him other jobs to do - as of the day of serving of the final decision;

3) If, due to serving of a prison sentence, he must be absent from work for a period exceeding six months - as of the day of being sent to serve the sentence;

4) If a security measure, correctional or protective measure has been imposed upon him, in a

duration exceeding a six months, compelling him to be absent from work - as of the day of the commencement of administering such measure;

5) In the event of that the employer goes out of business, in conformity with the law.

2. Consensual Termination of Employment Relationship

Article 177

An employment relationship may terminate on the ground of agreement, in writing, between the employer and the employee.

Before signing the agreement, the employer is bound to notify the employee, in writing, on consequences that may ensue in the procedure for acquiring the unemployment benefits.

3. Cancellation by Employee

Article 178

An employee is entitled to cancel the employment contract with the employer.

The employee delivers the notice of cancellation of employment contract to the employer in writing, at least fifteen days before the day indicated by the employee as the day of termination of employment relationship (notice period).

A bylaw or employment contract may determine a longer notice period, but not longer than 30 days.

4. Cancellation by Employer

1) Reasons for Dismissal

Article 179**

An employer may cancel the employee's employment contract for just cause which relates to employee's work ability and his conduct, such as:

1) If he does not achieve the work results or does not have the necessary knowledge and skills to perform his duties;

2) If he has been sentenced by a final judgment for a crime in the workplace or related to workplace;

3) If he does not return to work for the employer within 15 days of the expiry of the time period of stay of employment under Article 79 of this Act, i.e. unpaid absence under Article 100 of this Act.

The employer may cancel the employment contract of the employee who on his own fault commits a breach of a work duty, as follows:

1) If he is negligent or reckless in performing the work duty;

2) If he abuses his position or exceeds authority;

3) If he unreasonably and irresponsibly uses means of work;

4) If he does not use or uses inappropriately the allocated resources and equipment for personal protection at work;

5) If he commits other breach of work duty as determined by a bylaw or employment contract.

The employer may cancel the employment contract of an employee who does not respect the work discipline, as follows:

1) If he without just cause refuses to perform work duties and execute the orders of the employer in accordance with the law;

2) If he does not submit a certificate of temporary impairment for work in terms of Article 103 of this Act;

3) If he abuses the right to a leave of absence due to temporary impairment for work;

4) If comes to work under the influence of alcohol or other intoxicating substances, i.e. uses alcohol or other intoxicating substances during working hours, which has or may have an impact on the work performance;

5) ** (Repealed by the Decision of the CC);

6) If he gave incorrect information that were critical for entering into employment relationship;

7) If the employee who works in jobs with higher risk, for which specific health fitness is a special requirement for work, refuses to undergo a health condition test;

8) If he does not respect work discipline prescribed by employer's writ, or if his conduct is such that he cannot continue to work for the employer.

The employer may instruct the employee to undergo an appropriate analysis at an authorized medical institution designated by the employer, at his own expense, to determine the circumstances mentioned in paragraph 3, items 3) and 4) of this Article, or to determine the existence of the above circumstances is some other way in accordance with a bylaw. Refusal of an employee to respond to the call of the employer to carry out the analysis shall be considered as breach of work discipline in terms of paragraph 3 of this Article.

Employee's employment relationship may be terminated if there is a valid reason relating to the employer's needs, as follows:

1) If as a result of technological, economic or organizational changes, the need to perform a specific job ceases, or there is a decrease in workload;

2) If he refuses to conclude the annex of the contract in terms of Article 171, paragraph 1, items 1-5) of this Act.

2) Measures against Non-Compliance with Work Discipline, i.e. Violation of Work Duties

Article 179a

Employer may, for breach of work duty or non-compliance with work discipline in terms of Article 179, paragraphs 2 and 3 of this Act, if he considers that there are extenuating circumstances or that breach of work duty, i.e. non-compliance with work discipline, is not of such a nature that the employee's employment relationship should be cancelled, rather than cancelling the employment contract, impose one of the following measures:

1) Temporary suspension from work without compensation of salary, for a period of one to 15 working days;

2) Fine of up to 20% of the base salary of the employee for the month in which the fine was imposed, for a period of up to three months, which is executed by deductions from salary, based on the decision of the employer on the measure imposed;

3) Warning with a threat of dismissal which states that the employer shall cancel the employee's employment contract without repeated warning under Article 180 of this Act, if within the next time period of six months he commits the same breach of work duty, i.e. non-compliance with work discipline.

3) Procedure prior to Cancelling of Employment Relationship or Imposition of other Measure

Article 180

The employer is bound to, prior to cancellation of an employment contract in the case under Article 179, paragraphs 2 and 3 of this Act, warn the employee in writing of the existence of cause for

cancelling the employment contract and to leave him a time period of not less than eight days from the day of serving of the warning to take a stand on the allegations stated in the warning.

The employer is due to state in the warning, referred to in paragraph 1 of this Article, the grounds for dismissal, the facts and evidence which suggest that the conditions for dismissal were met, and the time period for giving a response to the warning.

The warning is served on the employee in the manner prescribed for serving of the decree on cancelling the employment contract referred to in paragraph 185 of this Act.

Article 180a

Employer may terminate the employment contract of the employee referred to in Article 179, paragraph 1, item 1) of this Act, or impose some of the measures under Article 179a, if he has previously given written notice regarding the deficiencies in employee's work, guidance and appropriate deadline to enhance work performance, and the employee does not enhance the work performance within the given deadline.

Article 181

When taking stand, the employee may attach to his plea the opinion of the trade union whose member he is, within the time period specified in Article 180 of this Act.

The employer is obliged to take into consideration the attached opinion of the trade union.

Article 182

If the employer cancels the employment contract of the employee in the case under Article 179, paragraph 5, item 1) of the present Article, the employer may not hire another person to perform the same job activities within three months from the day of termination of employment relationship, except in the case referred to in Article 102, paragraph 2 of this Act.

If need arises, prior to the expiry of time limit specified in paragraph 1 of the present Article, for somebody to perform the same job activities, the employee whose employment relationship had been cancelled has the priority for entering into employment contract.

Article 183

The following shall not be considered as a justified reason for cancelling the employment contract in terms of Article 179 of the present Act:

1) Temporary impairment for work due to illness, accident at work or occupational disease;

2) Use of maternity leave, leave of absence for child care and absence from work due to special child care;

3) Full-term serving or completion of military service;

4) Membership in a political organization, trade union, sex, language, nationality, social background, religion, political or other conviction, or some other personal feature of the employee;

5) Activity as a representative of employees, in conformity with the present Act;

6) Seeking help from a trade union or agencies in charge of protection of employment-related rights, in conformity with the law, bylaw and employment contract.

5. Dismissal Procedure

1) Period of Prescription

Article 184

The employer may cancel the employee's employment contract referred to in Article 179, paragraph 1, item 1) and paragraphs 2 and 3 of this Act, within six months from the day the employer learned of the facts which are grounds for dismissal, i.e. within one year from the occurrence of the facts which are grounds for dismissal.

The employer may cancel the employee's employment contract referred to in Article 179, paragraph 1, item 2) of this Act, not later than the expiry of the period of prescription for the criminal offense established by law.

2) Serving the Dismissal Notice

Article 185

An employment contract is cancelled by a decree in writing which must include explanation of reasons and legal recourse instruction.

The decree is served on the employee in person, in employer's premises, i.e. employee's permanent or temporary residence.

Should the employer be unable to deliver to the employee the decree in terms of paragraph 2 of the present Article, he is obliged to make an official note in writing about that.

In the event specified in paragraph 3 of the present Article, the decree is posted on the employer's billboard, and upon expiry of eight days following such posting, it shall be considered as served.

Employment relationship of the employee ceases as of the day of serving of the decree, unless another time limit is determined by the present Act or the decree.

The employee is bound to notify the employer, in writing, on the day following the day of the receipt of the decree, of his intent to settle the dispute before an arbitrator in terms of Article 194 of the present Act.

3) Duty of Payment of Salary and Compensation of Salary

Article 186

In case of termination of the employment relationship, an employer is bound to pay to the employee all unpaid salary, compensation of salary and other earnings made by the employee until the day of termination of employment relationship, in concordance with a bylaw employment contract.

The employer is bound to make the payment of dues referred to in paragraph 1 of the present Article within 30 days, at the latest, from the day of termination of employment relationship.

6. Special Protection against Cancellation of Employment Contract

Article 187

In the course of pregnancy, maternity leave, leave of absence for nursing a child and leave of absence for special care of a child, the employer cannot cancel the employment contract of the employee.

The period of employment of the employee employed for a definite period of time referred to in Paragraph 1 of the present Article shall be extended until the expiry of the right to use the leave of absence.

The decree on cancelling the employment contract is null and void if at the day of adopting the decree on cancelling the employment contract the employer was aware of the existence of circumstances referred to in paragraph 1 of this Article, or if the employee, within 30 days of termination of employment relationship, informs the employer of the existence of the circumstances referred to in paragraph 1 of this Article, and to submit the appropriate confirmation of an authorized physician or other competent authority.

Article 188

The employer can neither cancel the employment contract, nor in any other way put the employee in a disadvantageous position because of his status or activity as an employee representative, trade union member, or because of his participation in trade union activities.

The burden of proof that the cancelling of the employment contract or placing an employee in a disadvantageous position is not a consequence of the status or activities referred to in paragraph 1 of this Article is on the employer.

7. Notice Period and Monetary Compensation

Article 189

An employee whose employment contract has been cancelled due to unsatisfactory work performance, i.e. lack of necessary knowledge and skills in terms of Article 179, paragraph 1, item 1) of this Act, is entitled to a notice period to be determined by a bylaw or employment contract, depending on length of social insurance coverage, but which may neither be shorter than eight, nor longer than 30 days.

The notice period begins to run on the day following the day of serving of the decree on cancelling the employment contract.

In agreement with the agency in charge specified in Article 192 of the present Act, the employee may stop working even prior to the expiry of the notice period, with the proviso that during that time he be provided with the compensation of salary in the amount determined by a bylaw and the employment contract.

Article 189a

An employee whose employment relationship is terminated is entitled to request a certificate from the employer that contains the date of conclusion and termination of employment relationship and the type, i.e. description of the jobs in which he worked.

At the request of the employee, the employer may also provide an evaluation of his conduct and work results in the certificate referred to in paragraph 1 of this Article, or in a separate certificate.

Article 190

(Deleted)

8. Legal Consequences of Unlawful Termination of Employment Relationship

Article 191

If a court determines during the proceedings that the employee’s employment relationship terminated unlawfully, the court shall, at the request of the employee, decide that the employee shall be reinstated, compensated for damage, and that his contributions for compulsory social insurance shall be paid for the period in which the employee has not been working.

The compensation of damage referred to in paragraph 1 of this Article is determined in the amount

of lost salary which includes the corresponding tax and contributions in accordance with the law, but does not include the compensation for meals during work, subsidy for the use of annual leave, bonuses, awards and other earnings based on contribution to business success of the employer.

The compensation of damage referred to in paragraph 1 of this Article is paid to the employee in the amount of lost salary, which is reduced by the amount of tax and contributions that are charged to salary in accordance with the law.

Tax and contribution for compulsory social insurance for the period in which the employee has not worked shall be calculated and paid according to the determined monthly amount of the lost salary referred to in paragraph 2 of this Article.

If the court, during proceedings, establishes that the employee's employment relationship ceased unlawfully, and the employee does not seek reinstatement, the court shall, at the request of the employee, bind the employer to compensate the employee for damages in the amount of up to 18 employee's salaries, at most, depending of time spent in employment relationship with the employer, the employee's age and number of dependent family members.

If the court, during proceedings, determines that the employee's employment relationship ceased unlawfully, but during the proceedings the employer proves that the circumstances exist which reasonably indicate that the continued employment, taking into account all the circumstances and interests of both sides in the dispute, is not possible, the court shall deny request of the employee to be reinstated and order the employer to compensate employee for damages in the double amount of the damages determined under paragraph 5 of this Article.

If the court does determine that there were grounds for termination of employment relationship, but that the employer acted contrary to the provisions of the law which prescribe the procedure for termination of employment, the court shall reject the request of the employee to be reinstated, and shall order the employer to compensate the employee's damages in the amount of up to six salaries.

Salary under paragraphs 5 and 7 of this Article is considered to be the salary the employee earned in the month preceding the month in which his employment relationship was terminated.

Compensation from paragraphs 1, 5, 6 and 7 of this Article is reduced by the amount of earnings that the employee earned on the basis of work, after termination of employment relationship.

XVII ENJOYING AND PROTECTING EMPLOYEE RIGHTS

Article 192

Following persons decide on rights, duties and responsibilities arising from employment relationship:

1) In a legal person - competent authority of the employer, i.e. the person determined by law or bylaw of the employer, or any person authorized by them;

2) At an employer who is not a legal person - sole trader or a person authorized by him.

The authorization specified in paragraph 1 of the present Article is issued in writing.

Article 193

A written decree on exercising the rights, duties and responsibilities is served on the employee, with the explained reasons and legal recourse instructions, except in the case specified in Article 172 of the present Act.

The provisions of Article 185, paragraphs 2 through 4 of the present Act also relate to the procedure of serving of the decree specified in paragraph 1 of the present Article.

Protection of Individual Rights

Article 194

A bylaw or employment contract may stipulate the procedure of consensual settling of disputed issues between the employer and the employee.

The disputed issues in terms of paragraph 1 of the present Article are settled by an arbitrator.

The arbitrator is picked by agreement of the disputed parties from the ranks of experts in the field under dispute.

Time limit for instituting the proceedings before the arbitrator is three days from the day of serving of the decree to the employee.

The arbitrator is obliged to render a decision within 10 days from the day of submission of request for consensual settling of disputed issues.

During the arbitration proceedings relating to the cancellation of employment contract, the employment relationship stays.

If the arbitrator fail to render a decision within the time limit specified in paragraph 5 of the present Article, the decree on cancellation of the employment contract becomes enforceable.

The decision of the arbitrator is final and binds the employer and the employee.

Article 195

Against the decree which violates a right of the employee, or when the employee becomes aware of the violation of the right, the employee, i.e. trade union representative whose member is the employee, if authorized by the employee, may institute proceedings before a competent court.

The time limit for instituting the court proceedings is 60 days following the day of serving of the decree, i.e. becoming aware of the violation of right.

Periods of Prescription of Claims Deriving from Employment Relationship

Article 196

Period of prescription of all pecuniary claims deriving from employment relationship is three years from the day of creation of the relevant obligation.

XVIII SPECIAL PROVISIONS

1. Work outside the Employment Relationship

1) Temporary and Periodical Jobs

Article 197

For performing jobs whose nature is such that they do not exceed 120 workdays in a calendar year, an employer may conclude a contract on performing temporary and periodical jobs with:

1) An unemployed person;

2) A part time employed person - up to full working hours;

3) An old-age pension beneficiary.

The contract specified in paragraph 1 of the present Article is concluded in writing.

Article 198

For the purpose of performing temporary and periodical jobs, an employer may conclude a contract with a person who is a member of a youth or student cooperative, in accordance with the regulations on cooperatives.

2) Purchase Order Contract

Article 199

An employer may conclude with a particular person a purchase order contract for the performance of jobs outside employer's line of business which include independent manufacture or repair of a particular item, independent carrying out of a particular physical or intellectual work.

The purchase order contract may also be concluded with a person who performs an artistic or other activity in the sphere of culture, in conformity with the law.

The contract referred to in paragraph 2 of the present Article must be in accordance with the special collective agreement relating to persons engaged in independent activity in the spheres of arts and culture, where such agreement has been concluded.

The contract specified in paragraph 1 of the present Article is concluded in writing.

Article 200

(Deleted)

4) Contract on Vocational Training and Internship

Article 201

Contract on vocational training may be concluded, for completing traineeship or taking a professional exam, when the law or a rulebook provides it as a separate requirement for independent work in the profession.

Contract on internship may be concluded, for professional development and acquisition of specific knowledge and skills to work in the profession, or to undergo specialization, during the time established for the program of internship, i.e. specialization, in accordance with a special regulation.

The employer may provide to the person undergoing vocational training or internship monetary

compensation and other rights in accordance with law, bylaw or contract on vocational training and internship.

Monetary compensation referred to in paragraph 3 of this Article shall not be considered as salary in terms of this Act.

Contract from paragraphs 1 and 2 of this Article is concluded in writing.

5) Supplementary Work

Article 202

An employee working full-time with an employer may conclude a contract of supplementary work with another employer to a maximum of one third of the full-time working hours.

The contract of supplementary work specifies the right to pecuniary compensation and other rights and duties based on work.

The contract specified in paragraph 1 of the present Article is concluded in writing.

Article 203

(Deleted)

Article 204*

(Repealed)

XIX ORGANISATIONS OF EMPLOYEES AND EMPLOYERS

1. Council of Employees

Article 205

Employees working with an employer having over 50 employees may establish a council of employees, in conformity with the law.

The council of employees provides opinions and participates in the decision-making relating to economic and social rights of employees, in the way and under the conditions specified by law and bylaw.

2. Trade Union of Employees

Article 206

The employees are guaranteed the freedom to organize in trade unions and engage in trade union activity which shall require no approval, pending registration.

Article 207

An employ joins a trade union by signing a membership application form.

An employer is bound to deduct from the salary of an employee, who is a trade union member, the amount of trade union membership fee, based on his written statement, and to pay that amount in

the appropriate account of the trade union.

Article 208

The trade union is obliged to serve on the employer the document confirming trade union's registration, and the decision relating to the election of president and members of the trade union bodies, within eight days from the day of serving of the trade union's registration document, i.e. the day when trade union bodies have been elected.

Article 209

The trade union is entitled to be notified by the employer on the economic, labor and social matters significant for the status of employees, i.e. trade union members.

Article 210

An employer is bound to provide the trade union which gathers the employees at the employer with technical conditions and space in accordance with the spatial and financial capabilities, as well as to enable access to the data and information necessary for performing trade union activities.

The technical and spatial conditions for performing trade union activities are specified by a collective agreement or agreement between the employer and the trade union.

Article 211

A collective agreement or agreement between the employer and the trade union at the employer may determine the right of the trade union representative to a paid leave in order to perform trade union duties, in proportion to the number of trade union's members.

Where a collective agreement or agreement referred to in paragraph 1 of the present Article has not been concluded, a person authorized to represent the representative trade union at the employer is entitled to following:

1) 40 paid hours a month if the trade union has a minimum of 200 members, and one extra hour each month for every subsequent 100 members;

2) Proportionally less paid hours, where the trade union has less than 200 members.

Where collective agreement or the agreement referred to in paragraph 1 of the present Article has not been concluded, the president of the local branch and the trade union body member are entitled to 50% of paid hours specified in paragraph 2 of the present Article.

Article 212

A trade union representative authorized for collective bargaining, i.e. designated as a member of the collective bargaining board, is entitled to paid leave in course of bargaining.

Article 213

A trade union representative designated to represent an employee in an employment dispute against the employer before an arbitrator or court, is entitled to a paid absence from work in course of representation.

Article 214

A trade union representative absent from work in accordance with Articles 211 through 213 of the present Act is entitled to compensation of salary which may not be larger than his average salary over the past 12 months, in conformity with a bylaw and the employment contract.

The compensation of salary specified in paragraph 1 of the present Article is paid by the employer.

3. Establishing a Trade Union and Association of Employers

Article 215

A trade union, in terms of Article 6 of the present Act, may be established in conformity with a trade union bylaw.

Article 216

An association of employers may be established by employers who employ a minimum of 5% of employees in relation to the total number of the employees in a specific branch, group, subgroup or line of business, i.e. in the territory of a specific territorial unit.

Article 217

Trade union and association of employers are entered into the register in conformity with the law and other regulations.

The manner of making an entry into the register of trade unions and associations of employers is prescribed by the minister.

4. Representative of Trade Union

Article 218

A trade union is considered representative if:

1) It has been established and acts according to the principles of freedom of trade union organizing and acting;

2) It is independent from state agencies and employers;

3) It is financed predominantly from membership fee and other own sources;

4) It has a necessary number of members on the ground of membership application forms, in conformity with articles 219 and 220 of the present Act;

5) It has been registered in conformity with the law and other regulation.

When determining whether a trade union has a representative capacity in terms of the number of its members, the priority shall be given to the last signed trade union membership application form.

Article 219

A representative trade union at an employer is considered to be a trade union which meets the requirements specified in Article 218 of the present Act, and which holds as members at least 15% of the total number of the employer’s employees.

A representative trade union at an employer is also considered to be a trade union in a branch, group, subgroup or line of business which holds as members at least 15% of that employer’s employees.

Article 220

A representative trade union for the territory of the Republic of Serbia, i.e. territorial autonomy unit or local government, i.e. for a branch, group, subgroup or line of business, is considered to be a trade union which meets the requirements specified in Article 218 of the present Act, and which holds as members at least 10% of the total number of employees in the branch, group, subgroup or

line of business, i.e. in the territory of a specific territorial unit.

5. Representative Association of Employers

Article 221

An association of employers is deemed representative if:

1) It has been registered in conformity with the law;

2) It has a necessary number of employees at employers - members of the association of employers, in conformity with Article 222 of the present Act.

Article 222

An association of employers is deemed to be representative, in terms of the present Act, if it holds as members the 10% of the total number of employers in a branch, group, subgroup or line of business, i.e. in the territory of a specific territorial unit, with the proviso that such employers employ a minimum of 15% of the total number of employees in a branch, group, subgroup or line of business, i.e. in the territory of a specific territorial unit.

6. Determining Representativeness of a Trade Union and Association of Employers

1) Body Competent for Determining Representativeness

Article 223

Representativeness of a trade union at an employer is determined by the employer in the presence of representatives of the interested trade union, in conformity with the present Act.

A trade union may submit a request for determining the representativeness to the Board for Determining Representativeness of Trade Unions and Associations of Employers (hereinafter: the Board) if:

1) Its representativeness has not been determined in terms of paragraph 1 of the present Article within 15 days from the day of submitting the request;

2) It considers that the representativeness of the trade union has not determined in conformity with the present Act.

Article 224

Representativeness of a trade union for the territory of the Republic of Serbia, i.e. territorial autonomy unit or local government unit, i.e. for a branch, group, subgroup or line of business, and the representativeness of an association of employers - shall be determined by the minister, at the proposal of the Board, in accordance with the present Act.

Article 225

The Board is composed by three representatives of each, the Government, the trade union and the association of employers, who shall be nominated for a four year term of office.

The representatives of Government are nominated by the Government at the proposal of the minister, while the representatives of the trade union and the association of employers are nominated by the trade unions and associations of employers - members of the Social and Economic Council.

Administrative and professional jobs for the Board are carried out by the ministry.

2) Request for Determining Representativeness

Article 226

The request for determining representativeness (hereinafter: request) in terms of Article 223, paragraph 1 of the present Act shall be submitted by the trade union to the employer.

Enclosed to the request shall be the evidence regarding the fulfillment of conditions of representativeness specified in Article 218, paragraph 1, items 4) and 5), and Article 219 of the present Act.

Article 227

The request for determining representativeness in terms of Article 223, paragraph 2 and Article 224 of the present Act, a trade union, i.e. association of employers submits to the Board.

Evidence on meeting the requirements of representativeness specified in Article 218, paragraph 1, items 4) and 5), and Articles 219 through 222 of the present Act and, for a trade union at an employer also the evidence on meeting the requirements specified in Article 223, paragraph 2 of the present Act, shall be enclosed to the request.

The request shall include a statement of the person authorized to act on behalf of and represent the trade union, i.e. association of employers, on the number of members.

Total number of employees and employers in the territory of a specific territorial unit, in a branch, group, subgroup or line of business is determined on the ground of data supplied by the agency in charge of statistics, i.e. other agency keeping the corresponding records.

Total number of employees with an employer is determined on the ground of a certificate issued by the employer.

At the request of a trade union, an employer is bound to issue the certificate regarding the number of employees.

3) Procedure following Request

Article 228

The representatives of trade unions established at the employer also participate in the procedure of determining representativeness of a trade union at the employer.

The employer decides on the request specified in Article 226 of the present Act by issuing a decree based on submitted evidence as to meeting the requirement for representativeness, within 15 days from the day of the request was submitted.

Article 229

The Board determines whether the request and the evidence have been submitted in conformity with Article 227 of the present Act.

At the demand of the Board, the applicant shall also submit the trade union membership application forms, i.e. agreements and other evidence relating to accession of employers to the association of employers.

The applicant shall eliminate the deficiencies in the request within 15 days, if the evidence specified in Article 227 of the present Act has not been enclosed with the request.

A request is deemed as proper and timely if the applicant of the request eliminates the deficiencies within the time limit specified in paragraph 3 of the present Article.

The board can operate and adopt the proposal if at least two-thirds of all the members of the board are present at the meeting.

The board approves the proposal by majority vote of the total number of members of the Board.

If the board fails to submit a suitable proposal in due time, and not later than 30 days from the date the request has been submitted, the minister may decide on the request even without the board's proposal.

Article 230

At the proposal of the board, the minister shall render a resolution on rejecting the request:

1) Where a trade union at an employer has submitted a request prior to submitting the request for determining representativeness to the employer, i.e. prior to the expiry of the time limit specified in Article 223, paragraph 2, item 1) of the present Act;

2) If the applicant fails to eliminate deficiencies within the time limit specified in Article 229, paragraph 3 of the present Act.

Article 231

The minister renders a decree on determining the representativeness of a trade union, i.e. association of employers, at the proposal of the board, if requirements are met as specified in the present Act.

The decree specified in paragraph 1 of the present Article is rendered within 15 days from the day of submitting the request, i.e. of the day of elimination of deficiencies in terms of Article 229, paragraph 3 of the present Act.

At the proposal of the board, the minister shall render a decree on rejecting the request, should the trade union, i.e. association of employers, fail to meet the requirements of representativeness as specified by the present Act.

Administrative dispute may be instituted against the decree referred to in paragraphs 1 and 3 of the present Article.

Article 232

The minister may request from the board a reassessment of the proposal for determining representativeness within an eight day time limit from the day of submitting the proposal, if he finds that not all the facts essential for determining representativeness have been established.

The board is bound to take a stand relating to the request specified in paragraph 1 of the present Article, and to submit a final proposal to the minister within a three day time limit from the day of serving of the request for reassessment of the proposal of the board.

The minister is bound to act on the proposal specified in paragraph 2 of the present Article and render a decree in terms of Article 231 of the present Act.

4) Reassessment of a Determined Representativeness

Article 233

A trade union, employers and association of employers may submit a request for reassessment of a determined representativeness after the expiry of a three year time limit from the day of rendering the decree specified in Article 228, paragraph 2, Article 231, paragraph 1, and Article 232, paragraph 3 of the present Act.

The reassessment of representativeness of a trade union at an employer, established by a decree of the employer, may be initiated by the employer, i.e. at the request of another trade union at that employer.

A request for reassessment of representativeness of a trade union at the employer, established by a decree of the minister, may be submitted by the employer where the trade union whose representativeness is being reassessed is established at, or by another trade union at that employer.

The request for reassessment of the representativeness of the trade union specified in Article 220 of the present Act may be submitted by a trade union established for a territorial unit, i.e. branch, group, subgroup or line of business for which the trade union whose representativeness is being reassessed has been established for.

The request for reassessment of representativeness of an association of employers specified in Article 222 of the present Act may be submitted by an association of employers established for a branch, group, subgroup or line of business, i.e. territorial unit for which the association of employers whose representativeness is being reassessed has been established for.

Article 234

The request specified in Article 233, paragraph 2 of the present Act is submitted to the employer at which the trade union whose representativeness is being reassessed has been established at.

The request and the initiative specified in Article 233, paragraph 2 contain the name of the trade union, the number of registration act, reasons why the reassessment of representativeness is requested, and the relevant evidence.

Within eight days from the day of receipt of the request specified in paragraph 1 of the present Article, i.e. from instituting the initiative specified in paragraph 2 of the present Article, the employer is obliged to notify on the matter the trade union whose representativeness is in course of reassessment, and to request from it to submit evidence as to meeting the requirements for representativeness, in conformity with the present Act.

Within eight days from the day of receipt of notification specified in paragraph 3 of the present Article, the trade union is obliged to submit to the employer the evidence relative to meeting the requirements for representativeness.

Article 235

The request specified in Article 233, paragraphs 3 through 5 of the present Act is submitted to the board and includes the name of the trade union, i.e. association of employers, the level at the moment of establishment, the number of the registration document, reasons why the reassessment of representativeness is requested, and the indication of relevant evidence.

The board is obliged to, within eight days from receipt of the request specified in paragraph 1 of the present Article, notify on the matter the trade union, i.e. association of employers whose representativeness is in course of reassessment, and to request from them to furnish evidence on meeting the requirements of representativeness, in conformity with the present Act.

A trade union, i.e. association of employers is obliged to, within a 15 day time limit from the receipt of notification referred to in paragraph 2 of the present Article, to deliver to the Board the evidence on fulfilling the requirements of representativeness.

Article 236

The procedure for reassessment of representativeness of a trade union, i.e. association of employers is conducted pursuant to provisions of Articles 228 through 232 of the present Act.

Article 237

A decree on representativeness and a decree on forfeiture of representativeness of a trade union of a specific branch, group, subgroup or line of business, i.e. of a territorial unit, as well as a decree on determining the representativeness, and a decree on forfeiture of representativeness of an association of employers, is made public in the "Official Herald of the Republic of Serbia".

7. Legal and Contractual Capacity of Trade Union and Association of Employers

Article 238

A trade union and an association of employers acquire the status of legal person as of the day of filing into the register, in conformity with the law and other regulation.

Article 239

A trade union, i.e. association of employers whose representativeness has been determined in conformity with the present Act, is entitled to:

1) Collective bargaining and entering into a collective agreement at a corresponding level;

2) Take part in solving collective labor disputes;

3) Take part in the work of tripartite and multipartite bodies on a corresponding level;

4) Other rights in conformity with the law.

XX COLLECTIVE AGREEMENTS

1. Subject Matter and Shape of Collective Agreement

Article 240

A collective agreement, in conformity with the law and other regulation, regulates the rights, duties and responsibilities stemming from employment relationship, the procedure of amending and supplementing a collective agreement, mutual relations of parties to the collective agreement, and of other matters of importance to employees and employers.

A collective agreement is concluded in writing.

2. Kinds of Collective Agreements

Article 241

A collective agreement may be concluded as a general, special, and as an agreement with an employer.

Article 242

A general collective agreement and a special collective agreement for a particular branch, group, subgroup or line of business is concluded for the territory of the Republic of Serbia.

Article 243

A special collective agreement is concluded for the territory of a unit of territorial autonomy or local government.

3. Parties to the Process of Conclusion of Collective Agreement

Article 244

A general collective agreement is concluded between a representative association of employers and a representative trade union, both established for the territory of the Republic of Serbia.

Article 245

A special collective agreement for a branch, group, subgroup or line of business is concluded by a representative association of employers and a representative trade union, established for a branch, group, subgroup or line of business.

A special collective agreement for a territory of a unit of territorial autonomy and local government is concluded by a representative association of employers and a representative trade union, both established for a territorial unit for which the collective agreement is being concluded.

Article 246

A special collective agreement relating to state companies and public services is concluded between a founder, i.e. agency authorized by the founder, and a representative trade union.

Special collective agreement for the territory of the Republic for state companies and public services established by the autonomous province or a unit of local government may be concluded by the Government and the representative trade union, if there is a legitimate interest and in order to ensure equal work conditions.

Special collective agreement for state companies and corporations established by a state company are concluded by the founder of the state enterprise, i.e. the agency authorized by the founder, and a representative trade union.

A special collective agreement relating to persons who independently conduct business in the spheres of fine arts and culture (free-lance artists) is concluded between a representative association of employers and a representative trade union.

Article 247

A collective agreement at an employer relating to state companies, corporations established by a state company and public services, is concluded by a founder, i.e. an agency authorized by the founder, a representative trade union at the employer, and the employer. On behalf of the employer, the collective agreement is signed by a person authorized to represent the employer.

Article 248

A collective agreement at an employer is concluded by the employer and the representative trade union at the employer. On behalf of the employer, the collective agreement is signed by a person authorized to represent the employer.

Article 249

Should none of the trade unions, i.e. none of the associations of employers meet the requirements of representativeness in terms of the present Act, the trade unions, i.e. the associations of employers may conclude an agreement on association for the purpose of fulfilling the requirements of representativeness, as determined by the present Act, and of taking part in the conclusion of the collective agreement.

Article 250

If a trade union has not been established at an employer, the salary, compensation of salary and other earnings of employees may be regulated by an agreement.

The agreement is considered to be concluded upon signing thereof by a person authorized to represent the employer, and a representative of the council of employees, or an employee who acquired the authorization of a minimum of 50% of the total number of employees employed by the employer.

The agreement ceases to be valid on the day the collective agreement enters into force.

4. Negotiations and Concluding a Collective Agreement

Article 251

Where several representative trade unions or representative associations of employers, i.e. trade unions or associations of employers who have concluded an agreement of association in terms of Article 249 of the present Act, take part in concluding a collective agreement - a negotiation board shall be established.

Members of the board referred to in paragraph 1 of the present Article are picked by the trade unions, i.e. associations of employers, in proportion to the number of members.

Article 252

In the negotiations procedure aimed at concluding a collective agreement at an employer, the representative trade union is obliged to cooperate with a trade union whose members constitute a minimum of 10% of employees with the employer, in order to express the interests of employees who are members of that trade union.

Article 253

Representatives of trade unions and employers, i.e. associations of employers, who take part in negotiations procedure aimed at concluding a collective agreement, and who conclude the collective agreement, have to be authorized by their organizations.

Article 254

Participants in the collective bargaining procedure are obliged to negotiate.

If in the course of negotiations an agreement is not reached to conclude a collective agreement within 45 days from the day of commencement of negotiations, the participants may establish arbitration for settling the disputed issues.

As far as activities of public interest are concerned, disputes in the procedure of conclusion, amending and implementation of collective agreements are settled in conformity with the law.

Article 255

Composition, way of work and the effect of the decision of arbitration is determined by the participants in the collective bargaining.

Deadline for rendering the decision may not exceed 15 days from the day of establishing the arbitration.

5. Implementation of Collective Agreements

Article 256

A general and special collective agreement are implemented directly and bind all employers who were, at the time of execution of the collective agreement, members of the association of employers - participant of the collective agreement.

The collective agreement specified in paragraph 1 of the present Article also binds the employers who have subsequently become members of the association of employers - participants of the collective agreement, as of the day of joining the association of employers.

The collective agreement binds the employers specified in paragraphs 1 and 2 of the present Article for six months following the withdrawal from the association of employers - participant of the collective agreement.

Article 256a

The collective agreement may be subsequently accessed by an employer, i.e. association of employers that is not a signatory of the collective agreement, i.e. member of the association of employers - participant of the collective agreement.

Decision on accession to the collective agreement is made by the competent authority of the employer, i.e. association of employers referred to in paragraph 1 of this Article, according to which the collective agreement applies to its employees from the date specified in the decision.

Employer, i.e. association of employers notifies the signatories of the collective agreement and the authority that registers the collective agreement on the decision referred to in paragraph 1 of this Article.

Decision to join the collective agreement ceases to be valid upon cessation of validity of the collective agreement, or earlier, upon decision of the competent authority of the employer, i.e. the association of employers.

Article 257

The Government may decide that a collective agreement or some of its provisions also apply to employers who are not members of the association of employers - participant in the collective agreement.

The decision referred to in paragraph 1 of this Article, the Government may make in order to achieve economic and social policy in the Republic, in order to ensure equal conditions of work which represent the minimum rights of employees, i.e. to mitigate the differences in salary in a particular branch, group, subgroup, or line of business that significantly affect the social and economic position of employees which has, as a consequence, unfair competition, provided that the collective agreement whose effect is being extended obligates employers who employ more than 50% of the employees in a particular branch, group, subgroup, or line of business.

The decision referred to in paragraph 2 of this Article, the Government shall make at the request of one of the participants in the conclusion of the collective agreement whose effect is being extended, on a reasoned proposal of the ministry responsible for the activity in which the collective agreement has been concluded, after obtaining the opinion of the Social and Economic Council.

Attached to the request for the extension of the effect of the collective agreement, the applicant is obliged to submit the proof of fulfillment of the conditions referred to in paragraph 2 of this Article.

Employers, who are committed by the collective agreement whose effect is expanded and the number of their employees, shall be determined on the basis of the data of the authority conducting the register of collective agreements, i.e. other competent authority in accordance with law.

Article 258

At the request of an employer or an association of employers, the Government may decide that the collective agreement specified in Article 257 of the present Act, in the part referring to salary and compensation of salary, is not applicable to individual employers or associations of employers.

An employer, i.e. association of employers may submit a request for exemption from implementation of a collective agreement with the extended effect, should due to financial and business results they are unable to implement the collective agreement.

Along with the request specified in paragraph 2 of the present Article, the employer or association of employers is obliged to deliver the evidence relating to reasons for exemption from the implementation of the collective agreement with extended effect.

Article 259

The decision on exempting from implementation of a collective agreement shall be rendered by the Government upon the proposal of the ministry responsible for the activity in which the collective agreement has been concluded and after obtaining the opinion of the Social and Economic Council.

Article 260

The Government may declare null and void a decision on extending the effect of a collective agreement and a decision on exempting from implementation of a collective agreement, should the reasons specified in Article 257, paragraph 2 and Article 258, paragraph 2 of the present Act cease to exist.

The decision referred to in paragraph 1 of the present Article is made pursuant to the procedure for making a decision on extending the effect of a collective agreement, i.e. decision on exempting from implementation of a collective agreement.

The decision specified in articles 257 and 259 of the present Act ceases to be valid with the termination of validity of the collective agreement, i.e. some of its provisions, whose effect was extended, i.e. exempted from.

Article 261

The decision specified in Articles 257, 259 and 260 is published in the "Official Herald of the Republic of Serbia".

Article 262

A collective agreement at an employer also binds those employees of the employer who are not members of the trade union - signatory to the collective agreement.

6. Validity and Cancellation of Collective Agreement

Article 263

A collective agreement is concluded for a period not exceeding three years.

After the expiry of the time limit specified in paragraph 1 of the present Article, the collective agreement ceases to be valid, unless the participants of the collective agreement agree otherwise, within 30 days at the latest, prior to expiry of the term of validity of the collective agreement.

Article 264

Validity of a collective agreement before the expiry of the time limit specified in Article 263 of the present Article may cease by agreement between all the participants, or by cancellation in the

manner stipulated by such agreement.

In the event of cancellation, the collective agreement shall be applicable at most for six months from the day of submitting the notice of cancellation, with the proviso that the participants are obliged to commence the procedure of negotiations within 15 days, at the latest, from the day of submitting the notice of cancellation.

7. Settling of Disputes

Article 265

Disputed issues in the implementation of collective agreements may be solved by arbitration established by the participants of the collective agreement, within 15 days of the day of occurrence of dispute.

The arbitration decision on a disputed issue binds the participants.

The composition and the way of work of arbitration is regulated by collective agreement.

Participants in concluding a collective agreement may exercise protection of their rights determined in the collective agreement before a competent court.

8. Registration of Collective Agreements

Article 266

A general and a special collective agreement, as well as their amendments i.e. supplements, are registered with the ministry.

The contents and procedure of registration of collective agreements is prescribed by the minister.

9. Publication of Collective Agreement

Article 267

A general and a special collective agreement shall be published in the "Official Herald of the Republic of Serbia".

The manner of publication of other collective agreements is determined by those collective agreements.

XXI SUPERVISION

Article 268

Supervision over implementation of the present Act, other employment-related regulations, bylaws and employment contracts, which regulate the rights, obligations and responsibilities of employees, shall be effected by the labor inspection.

Article 268a

During the inspection the inspector is authorized to:

1) Inspect the bylaws and individual decisions, records and other documents to determine the relevant facts;

2) Determine the identity of persons and take statements from the employer, responsible officers,

employees and other persons he encounters at the employer's workplace;

3) Control whether the employees have been registered with the compulsory social insurance, based on information from the Central Registry of Compulsory Social Insurance;

4) Inspect business premises, facilities, equipment, appliances, and more;

5) Instruct undertaking of preventive and other measures to which he is authorized in accordance with the law, in order to prevent violations of the law.

Article 268b

Employer, responsible officer at the employer, and the employee are required to enable the inspector to supervise, inspect the documentation and work freely, and to provide him with the data needed to perform the inspection, in accordance with the law.

Article 269

During inspection, the labor inspector is authorized to issue a decree and instruct the employer to eliminate, within a specific time limit, the determined violations of law, secondary legislation, bylaw, or employment contract.

The labor inspector is authorized to issue a decree instructing the employer to conclude a written employment contract with the employee who entered into employment relationship in terms of Article 32, paragraph 2 of this Act.

The employer is bound to notify the labor inspectorate about the implementation of the decree, not later than 15 days from the day of expiry of the time limit for elimination of the established violation.

Article 270

The labor inspector shall submit a request for instituting misdemeanor proceedings if he finds that an employer, i.e. director or sole trader, has committed a misdemeanor by violating the laws and other regulations that regulate employment relationships and application to mandatory social insurance.

Article 271

Should a labor inspector find that a decree of an employer relating to cancellation of an employment contract has obviously violated the right of an employee, and the employee has initiated a labor dispute before a court, such inspector shall, at employee's request, postpone by his decree the execution of that decree - until a final court decision is rendered.

The labor inspector shall reject the request referred to in paragraph 1 of this Article, if he finds no obvious violation of the employee's right.

The employee may submit the request specified in paragraphs 1 and 2 of the present Article within 15 days of the day of instituting a labor dispute before the court.

The labor inspector is obliged to render the decree referred to in paragraphs 1 and 2 of this Article within 30 days from the day of submitting the employee's request, if the requirements specified in paragraphs 1 and 2 of the present Article have been fulfilled.

Article 272

An appeal against a labor inspector decree may be lodged to the minister within eight days of the day of serving of the decree.

The appeal against the decree specified in Article 271 of the present Act shall not postpone the enforcement of the decree.

The minister, i.e. a person he authorizes, is bound to decide on the appeal within 30 days of the day of receipt thereof.

An administrative dispute may not be instituted against a final decree referred to in Article 271, paragraphs 1 and 2 of the present Act.

XXIa COOPERATION WITH THE CENTRAL REGISTRY OF COMPULSORY SOCIAL INSURANCE

Article 272a

Ministries in charge of labor, public administration and finance may download the data from a Unified Database of the Central Registry of Compulsory Social Insurance needed to perform the duties in their jurisdiction.

XXII PENAL PROVISIONS

Article 273

A fine of 800,000 to 2,000,000 dinars shall be imposed on the employer who has a status of legal person:

1) If such an employer failed to conclude an employment contract or other contract in terms of this Act with a person that works for them (Articles 30-33, and Articles 197-202);

2) If they have not paid salary, i.e. minimum salary (Articles 104 and 111);

3) If they did not pay salary in money, except in case referred to in Article 45 of this Act (Article 110);

4) If they failed to deliver to the employee a pay statement in accordance with the provisions of this Act (Article 121);

5) If they failed to adopt a solution-finding program of employee redundancy (Article 153);

6) If they cancel the employment contract of the employee contrary to the provisions of this Act (Articles 179-181, and Articles 187 and 188);

7) If they prevent the labor inspector to perform inspection, or otherwise hinders the performance of inspection (Article 268a and 268b);

8) If they fail to act upon the labor inspector’s decree in accordance with the provisions of this Act (Articles 269 and 271).

A fine ranging from 300,000 to 500,000 dinars shall be imposed on a sole trader for a violation referred to in paragraph 1 of this Article.

A fine ranging from 50,000 to 150,000 dinars shall be imposed on a responsible officer of the legal person, i.e. a representative of the legal person for a violation referred to in paragraph 1 of this Article.

Article 274

A fine ranging from 600,000 to 1,500,000 dinars shall be imposed on the employer with the status of a legal person:

1) If such an employer violates the prohibition of discrimination under this Act (Article 18-21);

2) If they establish employment relationship with a person younger than 18 contrary to the provisions of this Act (Article 25);

3) If they order the employee to work overtime contrary to provisions of this Act (Article 53);

4) If they undergo rescheduling of working hours contrary to provisions of this Act (Articles 57 and 60);

5) If they do not provide an employee who works at night to perform work during day according to the provisions of this Act (Article 62);

6) If they do not provide an employee who works in shifts alternation of shifts contrary to the provisions of this Act (Article 63);

7) If they order an employee who is younger than 18 to work contrary to the provisions of this Act (Articles 84, 87 and 88);

8) If they order an employee aged between 18 and 21 to work contrary to the provisions of this Act (Article 85);

9) If they fail to provide the protection of maternity and the rights under child care and special care for a child or other person in accordance with the provisions of this Act (Articles 89-100);

10) If they fail to pay compensation of salary to the employee in accordance with the provisions of this Act (Articles 114-117);

11) If they refuse the employee's rights from employment relationship, contrary to the provisions of this Act (Article 147);

12) If they adopt a decision to suspend an employee from work contrary to the provisions of this Act, or if they suspend the employee from work for a longer period than prescribed by this Act (Articles 165-169);

13) If they offer the employee to conclude an annex to the contract contrary to the provisions of this Act (Articles 171-174);

14) If, until the day of termination of the employment relationship, they fails to pay the employee all outstanding salary, compensations of salary, and other earnings (Article 186);

15) If they decide on an individual right, obligation or liability of the employee, without issuing a decree, or failing to deliver it to the employee, in accordance with the provisions of this Act (Article 193).

A fine ranging from 200,000 to 400,000 dinars shall be imposed on a sole trader for a violation referred to in paragraph 1 of this Article.

A fine ranging from 30,000 to 150,000 dinars shall be imposed on a responsible officer of a legal person, or a representative of the legal person for a violation referred to in paragraph 1 of this Article.

Article 275

A fine ranging from 400,000 to 1,000,000 shall be imposed on the employer that has a status of a legal person:

1) If such an employer calls to account the employees' representative who acts in accordance with the law and the collective agreement (Article 13);

2) If they do not hand over a copy of the employment contract to the employee in accordance with the provisions of this Act (Article 30, paragraph 4);

3) If they act contrary to the provisions of this Act that regulate annual leave (Articles 68-75);

4) If they deny the employee, who gained the right to a stay of employment relationship, to return to work (Article 79);

5) If they do not reimburse expenses of the employee, i.e. other earnings in accordance with the provisions of this Act (Articles 118-120);

6) If they deny the right of the employee to a severance pay, in accordance with the provisions of this Act (Article 158).

A fine ranging from 100,000 to 300,000 dinars shall be imposed on a sole trader for a violation

referred to in paragraph 1 of this Article.

A fine ranging from 20,000 to 40,000 dinars shall be imposed on a responsible officer in a legal person for a violation referred to in paragraph 1 of this Article.

Article 276

A fine ranging from 150,000 to 300,000 dinars shall be imposed for a misdemeanor on an employer who has the status of a legal person, and fine ranging from 50,000 to 150,000 dinars on a sole trader in the following cases:

1) If they do not keep a contract or a copy thereof in accordance with the provisions of this Act (Article 35, paragraph 1);

1a) If they fail to keep daily records on overtime work of employees in accordance with the provisions of the present Act (Article 55, paragraph 6);

2) If they fail to provide rest period in course of a working day, daily and weekly rest in accordance with the provisions of this Act (Articles 64 through 67);

3) If they fail to allow the employee to use paid leave in accordance with the provisions of this Act (Article 77);

4) If they fail to keep monthly records of salary and compensation of salary in accordance with the provisions of this Act (Article 122);

5) (*Deleted*);

6) If they deny the right of the employee to notice period i.e. compensation of salary in accordance with this Act (Article 189);

7) If they fail to return to the employee a properly filled-out employment record booklet (Article 204).

A fine ranging from 10,000 to 20,000 dinars shall be imposed on the responsible officer in the legal person, i.e. representative of a legal person for the violation referred to in paragraph 1 of this Article.

Article 276a

Failing to file, within the prescribed time limit, the joint application for mandatory social insurance (Article 35, paragraph 2), represents a misdemeanor for which a fine shall be imposed that is prescribed by the Article 31 of the Act on the Central Registry of Compulsory Social Insurance ("Official Herald of RS", No. 30/10, 44/14 - other law, and 116/14).

XXIII TRANSITIONAL AND CONCLUDING PROVISIONS

Article 277

Until the enactment of the secondary legislation referred to in Articles 46, paragraph 2, 96, paragraph 5, 103, paragraph 6, 204, paragraph 6, 217, paragraph 2 and 266, paragraph 2 of the present Act, the following shall remain in force:

1) Rulebook on the Manner and Procedure of Registration of Employment Contracts for Performing Jobs outside Employer's Premises and for Household Help Jobs ("Official Herald of RS", No. 1/2002);

2) Rulebook on Conditions, Procedure and Manner of Exercising the Rights to Absence from Work with the Purpose of Special Care of the Child ("Official Herald of RS", No. 1/2002);

3) Rulebook on the Manner of Issuance and Contents of the Certificate on Emergence of Temporary Impairment for Work of an Employee in Terms of Health Insurance Regulations ("Official Herald of RS", No. 1/2002);

4) Rulebook on Employment Record Booklet ("Official Herald of RS", No. 17/97);

5) Rulebook on Filing the Trade Union Organizations into the Register ("Official Herald of RS", Nos. 6/97, 33/97, 49/2000, 18/2001 and 64/2004);

6) Rulebook on Registration of Collective Agreements ("Official Herald of the RS", No. 22/97).

Article 278

An employer is obliged to conclude with the employees who have established the employment relationship until the day of entering into force of the present Act, and who do not have a concluded employment contract, a contract of regulating mutual rights, duties and responsibilities, that contains the elements referred to in Article 33, paragraph 1 of the present Act, except for those specified in items 4) through 8).

The contract specified in paragraph 1 of the present Article does not establish employment relationship.

Article 279

Employers, who until the day of entering into force of the present Act, have rendered a decision on rescheduling of working hours for the year 2005, shall organize the working hours of employees according to that decision.

Article 280

An employee who, on the day this Act entered into force, had not used the entire annual leave for the year 2004, shall use the annual leave for that year in compliance with the regulations that were in force before the day of entering into force of the present Act, should this be more convenient to the employee.

Article 281

The procedure for cancelling an employment contract, which commenced but was not completed up to the day this Act entered into force, shall be completed pursuant to the regulations that were in force until the day of entry into force of the present Act.

Article 282

A procedure of determining employee redundancy that commenced, but was not completed until the coming into force of the present Act, shall be completed pursuant to the regulations that were in force until the day of coming into force of the present Act.

An employee whose right was confirmed, due to cessation of need for his work, by a final decision of a competent body on the basis of regulations that were in force until the day of coming into force of the present Act - shall continue to exercise that right according to those regulations.

Article 283

An employee whose right to pecuniary compensation was granted in terms of Article 107 of the Employment Act ("Official Herald of RS", Nos. 70/2001 and 73/2001) prior to the date of coming into force of the present Act - shall continue to exercise the right to pecuniary compensation in accordance with that Act.

Article 284

The provisions of a collective agreement that was in force on the day of entering into force of the present Act which are not contrary to the present Act shall remain in force until the conclusion of a

collective agreement in conformity with the present Act.

The provisions of a general and special collective agreements concluded prior to 21 December 2001 which are in force on the day of coming into force of the present Act, and are not contrary to the present Act, shall remain in force until the conclusion of collective agreements in conformity with the present Act - at most for the duration of six months from the day of entry into force of the present Act.

Article 285

Appointment of the members of Fund's bodies, in accordance with the provisions of Articles 129 through 136 of the present Act, shall be made within 30 days as of the day of coming into force of the present Act.

The employees whose right to a claim, in terms of Article 139, paragraph 2 of the present Act, is determined in the period between the day of entry into force of this Act and the day of the appointment of members of Fund’s bodies - shall submit the request within 15 days as of the day of appointment of the members of Fund’s bodies.

Article 286

On the day the present Act comes into force, the Employment Act ("Official Herald of the RS", Nos. 70/2001 and 73/2001) shall be repealed.

Article 287

The present Act enters into force on the eighth day following the day of publication in the "Official Herald of the Republic of Serbia".

Independent Articles of the Act on Amending and Supplementing the Employment Act

("Official Herald of RS", No. 61/2005)

Article 11

An employed woman who has commenced the maternity leave in conformity with Article 94 of the Employment Act ("Official Herald of the RS", No. 24/05) until the day of coming into force of the present Act - shall continue to exercise the right to maternity leave and leave of absence to nurse a child in accordance with the provisions of that Article.

The right specified in paragraph 1 of the present Article pertains to the father of the child as well.

Article 12

The provisions of Article 118, items 5) and 6) of the Employment Act ("Official Herald of the RS", No. 24/05), cease to apply as from the day of coming into force of the present Act, and shall apply beginning with 1 January 2006.

The provisions of Article 120, items 2) and 3) of the Employment Act ("Official Herald of the RS", No. 24/05) cease to be valid on 1 January 2006.

Article 13

The present Act enters into force on the day following the day of publication in the "Official Herald of the Republic of Serbia", and the provision of Article 4 of the present Act shall apply as of 1 January 2006.

Independent Article of the Act supplementing the Employment Act

("Official Herald of the RS", No. 54/2009)

Article 2

The present Act enters into force on the eighth day after the day of publication in the "Official Herald of the Republic of Serbia".

Independent Articles of the Act on Amendments and Supplements to the Employment Act

("Official Herald of RS", No. 75/2014)

TRANSITIONAL AND FINAL PROVISIONS

Article 110

The employer is obliged to harmonize the rulebook on internal organization and systematization of jobs with the provisions of this Act within 60 days from the day this Act comes into force.

Article 111

The employer may conclude, with employees who established the employment relationship prior to the day of entry into force of this Act, an employment contract or an annex to the contract, in accordance with the provisions of Article 8 of this Act, within 60 days from the day of this Act's entry into force.

Employment relationship shall not be established by the contract referred to in paragraph 1 of this Article.

If the employer does not conclude an employment contract or annex to the contract in terms of paragraph 1 of this Article with employees referred to in that paragraph, the employment contracts concluded before the day of entry into force of this Act shall remain in force in part which is not contrary to this Act.

Article 112

On the day of this Act's coming into force, the Rulebook on Manner and Procedure for Registration of Employment Contracts for Performing Jobs outside Employer's Premises and Household Help Jobs ("Official Herald of RS", No. 1/02) shall be repealed.

Article 113

The Minister shall issue a document referred to in Article 54 of this Act within 30 days of the day of entry into force of this Act.

Article 114

Procedures for exercising rights before the Solidarity Fund initiated prior to the entry into force of this Act shall be completed under the regulations that were if effect prior to beginning of application of this Act.

Article 115

Agreements on representation and agency which were concluded before the entry into force of this Act shall apply until the expiration of their term of validity.

Article 116

Article 204 of the Employment Act ("Official Herald of RS", No. 24/05, 61/05, 54/09 and 32/13) and Rulebook on employment record booklet ("Official Herald of RS", No. 17/97) shall cease to be in force on 1 January 2016.

Employment record booklets issued until December 31, 2015 shall continue to be used as legal instruments and data stored in such booklets may serve as evidence for the exercise of rights from employment relationship and other rights in accordance with the law.

Article 117

The provisions of the collective agreement, i.e. employee handbook in force on the day of entry into force of this Act, which are not inconsistent with this Act, shall remain in force until the expiry of the collective agreement, i.e. until the conclusion of the collective agreement, i.e. until adoption of the employee handbook in accordance with this Act, but not longer than six months from the day of entry into force of this Act.

The Ministry is obliged to publish in the "Official Herald of the Republic of Serbia" the notice on cessation of validity of special collective agreements referred to in paragraph 1 of this Article.

Article 118

The period for which severance pay is determined in Article 65 of this Act, for employees in companies undergoing restructuring which had that status determined before the entry into force of this Act, may be determined by other regulation as well.

Article 119

This Act shall enter into force on the eighth day after the day of publication in the "Official Herald of the Republic of Serbia", except for the provisions of Article 54 which shall start applying after expiry of 30 days from the day of entry into force of this Act.

Independent Article of the Act on Amendments and Supplements to the Employment Act

("Official Herald of RS", No. 113/2017)

Article 9

This Act shall enter into force on the eighth day after the day of publication in the "Official Herald of the Republic of Serbia".

PUBLISHER'S NOTE

* In accordance with the provisions of Article 116 of the Law Amending the Labor Law ("Official Herald of RS", No. 75/2014) Article 204 of the Labor Law ("Official Herald of RS", No. 24/2005, 61/2005, 54/2009 and 32/2013) is repealed as of 1 January 2016.
** The provision of Article 179, paragraph 3, item 5) of the Labor Law ("Off. Herald of RS" Nos. 24/2005, 61/2005, 54/2009, 32/2013 and 75/2014) is repealed pursuant to the Decision CC Iuz No. 424/2014 of 17 November 2016, published in the "Off. Herald of RS", No. 13/2017 of 24 February 2017.
*** Pursuant to Article 8 para. 1 of the National Assembly Act ("Official Herald of RS", No. 9/10) and Article 194, paragraph 2 of the Rules of Procedure of the National Assembly ("Official Herald of RS", No. 20/12 - consolidated text), the National Assembly of the Republic of Serbia, on the Fourth Meeting of the Second Regular Session in 2018, held on December 7, 2018, brought this

AUTHENTIC INTERPRETATION OF THE PROVISIONS OF ARTICLE 37 PARAS. 1-3, PARAGRAPH 4, ITEM 4) AND ARTICLE 147 OF THE EMPLOYMENT ACT ("OFFICIAL HERALD OF RS", NOS. 24/05, 61/05, 54/09, 32/13, 75/14, 13/17 - CC AND 113/17)

("Off. Herald of RS", No. 95/2018)

In Article 37, paras. 1 and 2 of the Employment Act it is stipulated that an employment contract may be concluded for a specified period of time, in case of the establishment of an employment relationship, the duration of which is determined in advance by objective reasons justified by the time limit or the performance of a particular transaction or by the occurrence of a particular event, for the period these needs exist. An employer may conclude one or more employment contracts referred to in paragraph 1 of this Article on the basis of which the employment relationship with the same employee is concluded for a period that may not be longer than 24 months with or without interruptions.
In Article 37, paragraph 4 it is stipulated that there are cases where a fixed-term employment contract may be concluded independently of the restrictions prescribed in paragraph 2 of this Article. In this regard, Article 37, paragraph 4, item 4) stipulates that: "Notwithstanding paragraph 2 of this Article, a fixed-term employment contract may be concluded: 4) for working on jobs with newly established employer whose entry in the register of the competent authority at the moment of conclusion of the employment contract is not older than one year, for a period whose total duration does not exceed 36 months; ".
Article 147 of the Employment Act stipulated that in the event of a status change, i.e. change of employer, in conformity with the law, the successor employer takes over from the predecessor employer the corporate bylaw and all employment contracts that are valid on of the day of the change of employers.
On the basis of the quoted legal provisions, it is concluded that the exceptions from the limitation of the duration of a fixed-term employment relationship prescribed in Article 37, paragraph 2 of the Employment Act (maximum 24 months per employee) are prescribed in Article 37, paragraph 4 of this Act.
Article 147 of the Employment Act ensures continuity in the employment relationship of an employee who, due to status and other changes of the employer, transfers to work with the successor employer.
In this respect:
Provisions of Article 37, paras. 1 and 2 of the Employment Act in the event of a status and other change of the employer in accordance with Article 147 of this Act, should be understood so that the period of duration of the fixed-termed employment pursuant to Article 37, paragraph 1 of this Act is calculated with the predecessor employer and with the successor employer, so that the total duration of the fixed-term employment relationship of a particular employee on that basis with both employers may not be longer than 24 months, in accordance with Article 37, paragraph 2 of the Labor Law.
Provisions of Article 37, paragraph 4, item 4) of the Employment Act in case of status and other change of the employer in accordance with Article 147 of this Act, when as a consequence of these changes the successor employer gets registered in the register as a newly established legal person in accordance with the law, should be understood so that the successor employer can, with new employees, as well as with the employees who have been taken over from the predecessor

employer, conclude a new fixed employment contract for a period not exceeding 36 months, in a period of one year from the day of entry into the register with the competent authority. In this case, the period of duration of the fixed-term employment relationship concluded with a newly established employer in accordance with Article 37, paragraph 4, item 4) of the Employment Act is not calculated into or accumulated with previous periods of fixed-term employment relationship with the predecessor employer, i.e. successor employer concluded on the basis of Article 37, paras. 1 and 2 of the Employment Act.
This authentic interpretation is to be published in the "Official Herald of the Republic of Serbia".