

LABOR LAW

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I BASIC PROVISIONS

Subject-matter

Article 1

Rights and responsibilities of the employees based on work, manner and procedure of exercise thereof, employment incentives and facilitating flexibility in the labor market shall be regulated by this law, the collective agreement and the labor contract.

Application of the law

Article 2

- (1) The provisions of this law shall apply on employees, with the employer operating in the territory of Montenegro, as well as the employees sent to work abroad by the employer with the headquarters in Montenegro, unless regulated otherwise by the law.
- (2) Provisions of this law shall also apply on the employees in state authorities, state administration authorities, local self-government authorities and public services, unless regulated otherwise by the law.
- (3) Provisions of this law shall also apply on the employed foreign citizens and persons without citizenship who are working for the employer in the territory of Montenegro, unless regulated otherwise by the law.

Definition of employment relationship

Article 3

Employment relationship shall represent a relationship between the employee and the employer based on the labor contract, in accordance with the law and the collective agreement.

Mutual relationship between the law, collective agreement and labor contract

Article 4

- (1) The collective agreement and the labor contract shall not contain the provisions that give the employee less rights or define less favorable working conditions as compared to the rights and conditions defined by the law.
- (2) The collective agreement and the labor contract may define a greater scope of rights and more favorable working conditions than the rights and conditions defined by this law.
- (3) If some provisions of the collective agreement define less favorable working conditions than the conditions defined by the law, the provisions of the law shall prevail.
- (4) If some provisions of the labor contract define less favorable working conditions than the conditions defined by the law and the collective agreement, they shall be considered null and void.
- (5) If the collective agreement with the employer has not been signed, the branch collective agreement for the respective sector shall apply, and if there is no branch collective agreement, the general collective agreement shall apply.

Prohibition of discrimination

Article 5

Direct and indirect discrimination of persons seeking employment, as well as the employed persons based on sex, birth, language, race, religion, skin color, age, pregnancy, health state, that is, disability, nationality, marital status, family duties, sexual orientation, political or other affiliation, social background, material status, membership in political and trade union organizations or some other personal characteristic shall be prohibited.

Direct and indirect discrimination

Article 6

- (1) Direct discrimination, in the sense of this law, shall represent any action caused by any of the grounds defined in Article 5 of this law by which the person seeking employment, as well as the employed person is put in a less favorable position as compared to other persons in the same or similar situation.

- (2) Indirect discrimination, in the sense of this law, shall exist when a certain provision, criterion or practice puts or would put into a less favorable position the person seeking employment or an employed person, as compared to other persons, due to a specific characteristic, status, orientation or conviction.

Discrimination on several grounds

Article 7

- (1) Discrimination from Articles 5 and 6 of this law shall be prohibited with regard to the following:
 - 1) Employment requirements and selection of candidates for the performance of a specific job;
 - 2) Working conditions and all rights based on employment relationship;
 - 3) Education, capacity building and training;
 - 4) Promotion at work;
 - 5) Cancellation of the labor contract.
- 1) (2) Provisions of the labor contract defining discrimination on any of the grounds from Articles 5 and 6 of this law shall be null and void.

2) *Harassment and sexual harassment*

3) Article 8

- (1) Harassment and sexual harassment at work and in relation to work shall be prohibited.
- (2) Harassment, in the sense of this law, shall represent any unwanted behavior caused by one of the grounds from Articles 5 and 6 of this law, as well as harassment via audio and video surveillance, aimed at or constituting violation of dignity of the person seeking employment, as well as an employed person, and which causes fear or creates hostile, humiliating or insulting environment.
- (3) Sexual harassment, in the sense of this law, shall represent any unwanted verbal, non-verbal or physical behavior aimed at or constituting violation of dignity of the person seeking employment, as well as the employed person in the sphere of sexual life, and which causes fear or creates hostile, humiliating aggressive or insulting environment.

- (4) Employee shall not suffer harmful consequences in case of reporting, that is, testifying because of harassment and sexual harassment at work and in relation to work in the sense of Paragraphs 2 and 3 of this Article.

Positive discrimination

Article 9

- (1) Making the difference, exclusion or giving priority with regard to a specific job shall not be considered discrimination if the nature of business is such or if the job is performed in such conditions that characteristics related to one of the grounds from Articles 5 and 6 of this law constitute a real and decisive factor for the performance of job and if the purpose that should be achieved in that manner is justified.
- (2) Provisions of the law, collective agreement and labor contract regarding special protection and assistance to certain categories of the employed persons, and especially the ones regarding the protection of the disabled persons, women during pregnancy and maternity leave and leave from work in order to care for a child, that is, special care for a child, and the provisions regarding the special rights of parents, adoptive parents, guardians and foster parents shall not be considered discriminatory.

Protection before the responsible court

Article 10

In cases of discrimination in the sense of provisions of Articles 5 to 8 of this law, the person seeking employment, as well as the employed person, shall initiate the procedure before the responsible court, in accordance with the law.

Rights of the employed persons

Article 11

- (1) Employee has the right to adequate wage, security and protection of life and health at work (health and safety at work), professional training and other rights in accordance with the law and the collective agreement.

- (2) Employed woman has the right to special protection during pregnancy and child birth.
- (3) Employee has the right to special protection in order to care for the child in accordance with this law.
- (4) Employee below 18 years of age and an employed person with disability have the right to special protection, in accordance with this law.

Representation of the employed persons

Article 12

- (1) The employee directly, i.e. through his/her representatives, has the right to association, participation in negotiations to sign the collective agreements, peaceful resolution of collective and individual labor disputes, consultation, information and expression of views there of regarding important issues in the field of work, in accordance with the law.
- (2) The employee, i.e. the representative of the employees shall not be held responsible because of the activities from Paragraph 1 of this Article, and cannot be put into less favorable position regarding working conditions, if he/she acts in accordance with the law, the collective agreement and the labor contract.

Duties of the employed

Article 13

The employee is obliged as follows:

- 1) To perform the tasks in his responsibility in a conscientious and responsible manner;
- 2) To respect the organization of work and operations of the employer, as well as requirements and rules of the employer regarding the fulfillment of the contracted and other obligations based on employment;
- 3) To take care of and act in a conscientious manner with the working assets and financial assets of the employer;
- 4) To inform the employer about important circumstances that affect or could affect the performance of tasks;
- 5) To inform the employer about any type of potential danger for life and health of the employees and creation of material damage;

- 6) To observe the regulations regarding health and safety at work and perform the work carefully so as to protect life and health thereof and life and health of other persons;
- 7) To act in accordance with other obligations defined by the law, the collective agreement and the labor contract.

Duties of the employer

Article 14

The employer is obliged as follows:

- 1) To secure to the employee the performance of tasks of the job/post stipulated in the labor contract;
- 2) To secure to the employee, in accordance with the law and other regulations, the working conditions and to organize the work so as to secure health and safety at work;
- 3) To pay the salary to the employee for the work performed, in accordance with the law, the collective agreement and the labor contract;
- 4) To inform the employee about the working conditions, organization of work, rules of the employer regarding fulfillment of contracted obligations at work and obligations derived from the health and safety at work regulations;
- 5) In cases stipulated by the law, to request the opinion of the trade union, that is, of the representative of the employees with the employer that has not established a trade union;
- 6) To act in accordance with other obligations stipulated by the law, the collective agreement, and the labor contract;
- 7) To respect the personality, protect the privacy of the employee and to ensure protection of his/her personal data.

Meaning of specific terms

Article 15

(1) Specific terms used in this law shall have the following meaning:

- 1) Employer is a domestic or foreign legal or physical person, or part of the foreign legal or physical person that signs the labor contract with the employee;
- 2) Employee is a physical person that works for the employer and has the rights and responsibilities from employment based on the labor contract;

- 3) Collective agreement involves the following: general, branch/ sector collective agreement and individual collective agreement with the employer;
- 4) Job/ work post is a set of tasks defined in the act on systematization (job description);
- 5) Work experience shall involve the time spent in the working relationship/ employment with the specific level of qualification, that is, level of education and profession;
- 6) Act on systematization shall represent an act that defines jobs/ work posts, description of the jobs, skills and work experience, type and level of qualification, that is, level of education and profession.

(2) This Law shall use the terms employee and employer in male grammatical form and they shall be used as neutral expressions relating to both men and women.

II LABOR CONTRACT

1. The requirements for signing the labor contract

General and special requirements

Article 16

- (1) Labor contract may be concluded by the person who fulfills general requirements stipulated by this law and special requirements stipulated by the law, other regulations and the act on systematization.
- (2) General requirements in the sense of Paragraph 1 of this Article shall be as follows: the person must be minimum 15 years old and must have a generally good health state.
- (3) Person with disability that has the health capacity to work in specific jobs, may sign a labor contract under the conditions and in the manner stipulated by this law, unless regulated otherwise by some other law.

Requirements for a person below 18 years of age

Article 17

- (1) Labor contract may be signed with the person below 18 years of age, with the written consent of the parent, adopted parent or guardian, if such work does not endanger the health, moral and education thereof, that is, if such work is not prohibited by the law.
- (2) Person below 18 years of age may sign a labor contract only on the basis of the certificate issued by the relevant health authority that confirms the capacity thereof to perform the tasks for which the labor contract is signed and that such tasks are not harmful for the health thereof.

Duty to submit evidence

Article 18

- (1) Person who intends to sign a labor contract shall submit to the employer the evidence of fulfillment of the working requirements for the post for which he/she is hired, which are defined in the act on systematization.
- (2) The employer shall not request the employee to submit data regarding family, i.e. marital status and family planning, or to submit instruments and other evidence that are not directly significant for the performance of tasks for which the person is hired, that is, for which the person is signing a labor contract, or to give a statement on the cancellation of labor contract by that person.
- (3) The employer shall not condition the establishment of employment, that is, signing of the labor contract with the evidence of pregnancy, unless the tasks involved carry a significant risk for the health of the woman and child, determined by the responsible health authority.

Trial work

Article 19

- (1) Trial work as a special requirement for work may be stipulated by the act on systematization, unless regulated otherwise by a special law.
- (2) Trial work shall not last longer than six months, except for the member of crew of the long-haul trading navy, and in such a case this trial work may last longer, that is, until return of the ship to the port of origin.
- (3) Duration of trial work shall be stipulated by the labor contract, and the manner of implementation and assessment of results of the trial work shall be regulated by the individual collective agreement with the employer.

Rights of the employee during trial work

Article 20

- (1) During the trial work, the employee shall have all the rights and responsibilities based on employment, in accordance with the tasks of the specific job performed by him/her.
- (2) The employment of the employee who fails to satisfy the requirements of the job during trial work shall end as of the date of expiry of the deadline stipulated by the labor contract.
- (3) Exceptionally from Paragraph 2 of this Article, during the trial work, each contracting party may unilaterally cancel the labor contract even before the expiry of the period for which the contract has been signed, with a written justification, in accordance with the collective agreement and the labor contract.

2. Signing of the labor contract

Establishment of employment relationship

Article 21

- (1) Employment relationship shall be established by way of signing the labor contract.
- (2) Labor contract shall be signed between the employee and the employer.
- (3) Labor contract shall be considered concluded when it is signed by the employee and the employer or the person authorized by the employer.

Signing of the labor contract prior to assuming work responsibilities

Article 22

- (1) Labor contract shall be signed in written form prior to assuming work responsibilities.
- (2) If the employer fails to sign a labor contract with the employee in accordance with Paragraph 1 of this Article, it shall be considered that the employee has established the employment relationship for an unlimited period of time as of the date of assuming work responsibilities, if the employee accepts that employment.

- (3) In the case from Paragraph 2 of this Article the employer shall sign a labor contract for an unlimited period of time within three days from the day of assuming work responsibilities.

Contents of the Labor Contract

Article 23

- (1) Labor contract shall contain the following:

- 1) Name and seat of the employer;
- 2) Name and surname of the employee, place of permanent, i.e. temporary residence of the employee;
- 3) Unique personal identification number of the employee, that is, personal identification number in case of foreign citizen;
- 4) Type and degree of qualification of the employee, that is, level of education and professional training;
- 5) Type and description of tasks that the employee is supposed to perform;
- 6) Place of work;
- 7) Period of time for which the employment relationship is established (for an unlimited or limited period of time);
- 8) Duration of the labor contact signed for a limited period of time;
- 9) Date of assuming work responsibilities;
- 10) Working hours (full-time, less than full time or part-time);
- 11) Amount of the basic wage, coefficient level and elements for determining performance, wage compensations, increased wage and other income of the employee;
- 12) Deadlines for payment of wage and other incomes that employee is entitled to;
- 13) Manner of use of rest during work, daily and weekly rest, holidays and other absences from work, in accordance with the law and the collective agreement.

- (2) Labor contract may regulate other rights and responsibilities, in accordance with the law and the collective agreement.

- (3) Rights and responsibilities that are not stipulated by the labor contract shall be subject to the relevant provisions of the law and the collective agreement.

Duration of the labor contract

Article 24

- (1) Labor contract may be signed for an unlimited or limited time.
- (3) Labor contract that does not specify the period of time for which it is signed shall be understood as the labor contract for an unlimited time.
- (4) Employee who signed the labor contract for a limited time shall have the same rights, duties and responsibilities from employment as the employee who signed the labor contract for an unlimited time.

Labor contract for a limited time

Article 25

- (1) Labor contract for a limited time shall be signed for a period of time that is stipulated in advance.
- (2) For the purpose of replacement of the temporarily absent employee, it shall be possible to sign a labor contract for a limited time until the return of the absent employee.
- (3) The employer may sign a labor contract for an unlimited time with the employee from Paragraph 2 of this Article as of the date of cessation of employment of the employee that s/he substitutes or if the temporarily absent employee is assigned some other job.

Transformation of the labor contract for a limited time to a labor contract for an unlimited time

Article 26

The employer shall transform the labor contract signed for a limited time, in the sense of Article 25, Paragraph 1 of this Law, into the labor contract for an unlimited time, if the employee continues working upon the expiry of the period of time for which labor contract has been signed, and if the employee accepts such employment.

Assuming work responsibilities

Article 27

- (1) The employee shall exercise the rights and responsibilities from employment as of the date of assuming work responsibilities.
- (2) If the employee fails to assume work responsibilities as of the date specified in the labor contract, it shall be considered that s/he has not established employment relationship, unless s/he was prevented from assuming work responsibilities due to justified reasons, in accordance with the collective agreement or if the employer and the employee agree otherwise.

Registration for social insurance purposes

Article 28

- (1) The employer shall register the employee for the purpose of mandatory social insurance (health, pension and disability insurance and insurance against unemployment) in accordance with the law, as of the date of assuming work responsibilities.
- (2) Copy of the registration from Paragraph 1 of this Article shall be submitted by the employer to the employee within 10 days from the date of assuming work responsibilities.

3. Types of labor contract

Labor contract for a director

Article 29

- (1) Director may establish employment relationship for an unlimited or limited time.
- (2) Employment relationship from Paragraph 1 of this Article shall be established by the labor contract.
- (3) Employment relationship for a limited time from Paragraph 1 of this Article may last until the expiry of the time for which the director is elected, that is, until the discharge of the director from duty.
- (4) The contract from Paragraph 2 of this Article shall be signed with the director by the responsible body of the employer, that is, by the employer.

Labor contract for the performance of tasks with high level of risk

Article 30

- (1) Labor contract may be signed for the purpose of execution of tasks for which special working conditions are prescribed only if the employee fulfills the requirements for performance of such work.
- (2) Employee may perform the work from Paragraph 1 of this Article only on the basis of the previously determined health capacity to perform such tasks by the responsible authority, in accordance with the law.

Labor contract for part time work

Article 31

- (1) Labor contract may be signed for part time work, for an unlimited or limited time.
- (2) The employee working part time shall have all the rights from employment and on the basis of work, proportionate to the time spent at work.

Labor contract for work from home

Article 32

- (1) Employer may organize work from home when permitted to do so by the nature of business.
- (2) It shall be possible to perform from home the tasks that fall under the business activity of the employer or the tasks that are directly related to the business activity of the employer.
- (3) The collective agreement with the employer shall stipulate the requirements and manner of performance of work from home.
- (4) Employee performing work from home shall have the same rights and responsibilities as the employee performing work in the business premises of the employer.
- (5) Requirements for the exercise of rights and responsibilities from Paragraph 4 of this Article shall be regulated by the collective agreement with the employer.

- (6) Working hours for the performance of work from home may be determined based on the previously determined quality of work per one unit of time.

Registering labor contract for work from home

Article 33

- (1) Employer shall keep records about work from Article 32 of this law and shall inform the responsible body of the Labor Inspection about it.
- (2) The responsible body of the Labor Inspection may prohibit the performance of work from home to the employer when there is an immediate danger for the life and health of the employees and if such work endangers the environment.

Labor contract with a foreign citizen

Article 34

A foreign citizen or a person without citizenship may conclude a labor contract if s/he fulfills the requirements stipulated by this law, special law and international conventions.

Labor contract for the performance of work in the household

Article 35

- (1) Labor contract may be concluded for the performance of work in the household.
- (2) Labor contract from Paragraph 1 of this Article may stipulate the payment of one part of the wage in kind.
- (3) Payment of one part of the wage in kind shall involve provision of accommodation and food, that is, provision of accommodation or food only.
- (4) Value of the part of wage paid in kind shall be expressed in moneys in the labor contract.
- (5) Minimum percentage of the financial compensation shall be stipulated by the labor contract and it shall not be lower than 50% of the gross wage of the employee.

- (6) If the gross wage is contracted partially in moneys, and partially in kind, during the absence from work, the employer shall pay to the employee the net wage compensation in moneys.

4. Announcement of vacant posts

Announcement

Article 36

The employer shall announce vacant posts in the manner and according to the procedure stipulated by a special law.

Internal announcement

Article 37

Employer who hired a person for a limited time, that is, for part time work, and who has vacant posts with full working hours for an unlimited period of time, shall inform the employees of that fact through the announcement board in the headquarters of the employer, that is, in the organizational unit thereof.

5. Education, professional training and development

Responsibilities of the employer and the employee

Article 38

- (1) Employer shall provide the employee with the possibility to undergo education, professional training and development when required so by the needs of the working process, introduction of the new manner of work organization, and especially in case of adoption and application of new methods in the organization and technology of work.
- (2) Employee shall undergo professional training and development for work, in accordance with the capacities thereof and the needs of the working process.
- (3) Cost of education, professional training and development shall be secured from the funds of the employer and from other sources, in accordance with the law and the collective agreement.

6. Trainees

Employment relationship as a trainee

Article 39

- (1) Employer may sign a labor contract for a limited time as a trainee with the person who is establishing employment relationship for the first time with the specific degree of education and professional training, in accordance with the law and the collective agreement.
- (2) Period of work as a trainee shall be extended in case of absence from work due to: temporary inability to work according to the regulations regarding health protection and health insurance and maternity leave.

7. Change of the contracted working conditions

Annex to the labor contract

Article 40

- (1) Employer and employee may offer to change the agreed working conditions (hereinafter: Annex to the Contract):
 - 1) For the purpose of assignment to another adequate job, based on the needs of the work process and organization of work;
 - 2) For the purpose of assignment to another adequate job with the same employer, if the business activity of the employer is of such nature that the work is performed in the places outside the seat/headquarters of the employer, that is, outside the organizational unit of that employer, in the sense of Article 42 of this Law;
 - 3) Regarding the definition of the basic wage, work performance, wage compensation, increased wage and other incomes, duration of daily and weekly working hours, time when the daily rest is used during work, use of other types of rest/ vacation, etc;
 - 4) In other cases stipulated by the collective n, i.e. by the labor contract.
- (2) Adequate job in the sense of Paragraph 1, Items 1 and 2 of this Article shall be the job the performance of which requires the same level of qualification, i.e. level of education and professional training.

Offer to change the labor contract

Article 41

- (1) The offer from Article 40, Paragraph 1 of this Law shall be submitted in writing and shall contain the following: reasons for the offer, deadline by which the other party is to express its views regarding the offer and legal consequences that may arise by rejecting the offer.
- (2) The party given the offer shall express its view about the offer to sign an annex to the contract within the deadline that shall not be shorter than eight working days from the date of being given the offer.
- (3) It shall be considered that the party has rejected the offer if the party fails to express its view within the deadline from Paragraph 2 of this Article.
- (4) If the party given the offer accepts the offer, annex to the contract shall be signed and it shall become an integral part of the labor contract.

Assignment to another place of work

Article 42

- (1) Employee may be assigned to another place of work, under the following conditions:
 - 1) The business activity of the employer is of such nature that the work is performed in the places outside the seat of the employer, that is, the organizational unit of the employer;
 - 2) Distance from the place where the employee works, that is, his place of permanent or temporary residence to the place where he is sent to work is less than 60 km;
 - 3) There is organized regular transport that enables timely arrival to work and return from work;
 - 4) Compensation for the costs of transport equal to the price of the transportation ticket is provided by the employer.
- (1) Employee may be assigned to another place of work in other cases only with the consent thereof.
- (2) Employed woman during pregnancy, employed woman with the child below five years of age and single parent with a child below seven years of age, employed parent with the child that has serious development difficulties, employed person below 18 years of age and employed person with disability shall not be assigned to work in another place outside the place of permanent or temporary residence.

Referral to work for another employer

Article 43

- (1) Based on the agreement of the employer, an employee may, with the consent thereof, be temporarily referred to work for another employer, to an adequate job, if the need for the work thereof has temporarily ceased or if the business premises have been rented, for the period of duration of the reasons for referral thereof, and for maximum one year.
- (2) In cases from Paragraph 1 of this Article and in other cases stipulated by the collective agreement or the labor contract, an employee may be temporarily referred to work for another employer, with the consent thereof, for longer than one year, for the period of duration of the reasons for the referral thereof.
- (3) An employee may be temporarily referred, in the sense of Paragraphs 1 and 2 of this Article, to another place of work if the requirements from Article 42, Paragraph 1, Item 2 of this Law have been fulfilled.
- (4) Upon the expiry of the period of time for which the employee has been referred to work with another employer, the employee shall have the right to return to work with the employer where the rights and responsibilities thereof are suspended, to the job that corresponds with the level of qualifications, i.e. level of education and professional training thereof.

III RIGHTS AND RESPONSIBILITIES OF THE EMPLOYEES

1. Working hours

Full working hours

Article 44

- (1) Full working hours shall last for 40 hours in a working week, unless regulated otherwise by this Law.
- (2) Collective agreement may define working hours shorter than 40 hours in one working week.

Part-time working hours for several employers

Article 45

- (1) Within the 40-hour working week, an employee may sign a labor contract with several employers and thus achieve full working hours.
- (2) Manner of exercise of the rights and responsibilities and the schedule of working hours of the employees that signed the labor contract, in the sense of Paragraph 1 of this Article shall be regulated by an agreement between employers.

Part-time working hours

Article 46

- (1) Labor contract may be concluded with part-time working hours, but not shorter than one fourth (10 hours) of the full working hours.
- (2) Jobs for which a labor contract with part-time working hours is concluded shall be stipulated by the act on systematization, depending on the nature of tasks and organization of work.

Shorter working hours due to difficult working conditions

Article 47

- (1) Employee performing extremely difficult, tiring jobs and jobs harmful for the health thereof shall have the full working hours shortened proportionate to the harmful effect on the health thereof, that is, working capacity of the employee, but not shorter than 36 hours in one working week.
- (2) Jobs from Paragraph 1 of this Article shall be stipulated by the act on systematization, in accordance with the collective agreement.
- (3) Employee working for shorter working hours from Paragraph 1 of this Article shall have the same rights from employment as the employee working full working hours.
- (4) Employee performing jobs from Paragraph 1 of this Article shall not perform those tasks overtime, and shall not sign a labor contract with another employer to perform such tasks.

Shorter working hours due to improvements in technology and introduction of work in shifts

Article 48

- (1) Employer may introduce working hours shorter than 40 hours in one working week when due to improvements in technology and organization of work in shifts it is possible to operate successfully, in accordance with the collective agreement with the employer.
- (2) Employee working for shorter working hours than full working hours, in the sense of Paragraph 1 of this Article, shall have the same rights as the employee working full working hours if such shorter working hours are not shorter than 36 hours in one working week.
- (3) In case when shorter working hours are less than 36 working hours in one working week, the employee shall exercise the rights from employment proportionate to the time spent at work.

Work longer than full working hours (overtime work)

Article 49

- (1) Working hours of the employee may last longer than full working hours (overtime work) if the adequate organization of work and distribution of working hours cannot secure the fulfillment of the suddenly increased work load.
- (2) Work longer than the working hours shall last only for the time necessary to remove the causes that resulted in the increase of the working hours, but not longer than 10 hours per week.
- (3) Overtime work shall be introduced based on a written decision of the employer prior to initiation of such work.
- (4) If it is not possible to instruct the employee to work overtime in written form, due to the nature of business or urgency of performance of overtime work, the overtime work may be instructed verbally, whereas the employer shall deliver the written decision to that employee subsequently, but within five days upon the execution of overtime work.

Duty to introduce overtime work

Article 50

(1) Employee shall work longer than full working hours in the following cases:

- 1) Prevention of direct creation of danger for health and safety of the people or greater material damage that is directly upcoming;
- 2) Natural disaster (earthquake, floods, etc);
- 3) Fire, explosion, ionizing radiation and greater sudden break-downs on the buildings, devices and plants;
- 4) Epidemic or disease that endanger the life and health of the people, endanger the cattle or flora and other material resources;
- 5) Pollution of a greater scope of water, food and other products for human alimentation or cattle feed;
- 6) Traffic or other accident that endangers the life or health of the people or material resources to a greater extent;
- 7) Need to extend urgently medical assistance or other urgent medical service;
- 8) Need to execute urgent veterinary intervention;
- 9) In other cases stipulated by the collective agreement.

(2) Exceptionally from Article 49, Paragraph 2 of this Law, overtime work from Paragraph 1 of this Article may last only until the causes cease due to which it was introduced.

Overtime work (duty hours in the health sector)

Article 51

Health institution may introduce work longer than full working hours (duty hours), if new employment, introduction of work in shifts or redistribution of working hours cannot secure continuous hospital or out-of-hospital health protection.

Informing the Labor Inspection about the introduction of overtime work

Article 52

(1) Employer shall inform the labor inspector about the introduction of overtime work within three days from the date of adoption of decision on introduction of overtime work.

(2) Labor inspector shall prohibit overtime work if he determines that it was introduced contrary to the provisions of Articles 49 through 51 of this Law.

Distribution of working hours

Article 53

- (1) Decision on the distribution of working hours, redistribution of working hours, shorter working hours and introduction of work longer than full time working hours shall be made by the responsible authority of the employer.
- (2) The decision of the responsible state authority, that is, local self-government authority shall stipulate the schedule, starting and ending time of working hours in specific sectors and for specific jobs.

Redistribution of working hours

Article 54

- (1) Redistribution of working hours may take place when required so by the nature of the business activity, organization of work, better use of working assets, more rational use of working hours and performance of certain tasks within specific deadlines.
- (2) In the cases from Paragraph 1 of this Article, redistribution of working hours is introduced so that the total working hours of the employee on average do not exceed full-time working hours during the year.

Calculation of the hours of work

Article 55

Employee whose work has ended prior to the expiry of the period for which redistribution of working hours has been introduced shall be entitled to have the hours of work longer than full-time working hours calculated into full-time working hours in the total annual working hours fund and have them accepted as the hours of work subject to the payment of social contributions for the achievement of the right to retirement, and the remaining hours of work shall be calculated as the hours of overtime work.

Night work

Article 56

- (1) Work performed in the period from 10 pm to 6 am of the next day shall be considered night work.
- (2) Night work shall represent a special working condition.
- (3) Employee performing night work for minimum three hours of the daily working hours thereof, that is, employee performing night work for minimum one third of the full annual working hours thereof, shall have the

right to special protection, in accordance with the regulations in the field of health and safety at work.

- (4) If the opinion of the responsible health authority is that the health state of the employee performing night work could deteriorate due to such work, the employer shall reassign that employee to an adequate day-time job.

Work in shifts

Article 57

- (1) Employer that organized work in shifts shall secure change of shifts so that the employee shall not work in night shifts continuously for a period longer than one working week.
- (2) Employer working in specific conditions shall regulate work in shifts and duty hours of the employees in accordance with the collective agreement with the employer.

Additional work

Article 58

- (1) Employee working for full-time working hours may sign a labor contract with another employer with the previous consent of the employer for whom s/he works full time.
- (2) Labor contract from Paragraph 1 of this Article shall cease to be valid upon the expiry of the contracted period or by cancelation of contract by one of the contracting parties, that is, if the consent has been withdrawn by the employer for whom the employee works full time.

2. Rests

Rest during the daily work (break)

Article 59

- (1) An employee working full-time hours shall be entitled to break during a daily working hours of at least 30 minutes.
- (2) An employee working longer than four and shorter than six hours per day shall be entitled to break during working hours of at least 15 minutes.

- (3) An employee working longer than full-time hours, and at least 10 hours per day, shall be entitled to a break during working hours of 45 minutes.
- (4) Break during daily working hours cannot be used at the beginning or end of working hours.
- (5) The time of break referred to in paragraphs 1-3 of this Article shall be counted into the working hours.

Schedule for using the break

Article 60

- (1) The break during the daily working hours shall be organized in the manner providing that the work is not interrupted, if the nature of work does not allow the work interruption, as well as if it involves working with clients.
- (2) The decision on the schedule for using the break during the daily working hours shall be adopted by the competent body of the employer.

Daily break

Article 61

An employee shall be entitled to a break of at least 12 consecutive hours between the two consecutive business days, unless determined otherwise by this Law.

Weekly break

Article 62

- (1) An employee shall be entitled to a weekly break of at least 24 consecutive hours.
- (2) As a rule, the weekly break shall be used on Sundays.
- (3) The employer may determine another day for using a weekly break, if the work nature and organization require so.
- (4) If it is necessary that the employee works on the day of his weekly break, the employer shall be obliged to provide him with the break of at least 24 consecutive hours during the following week.

Acquiring the right to annual leave

Article 63

- (1) An employee shall be entitled to an annual leave.
- (2) An employee who is entering employment for the first time shall acquire the right to use the annual leave after six months of uninterrupted work.
- (3) Uninterrupted work shall include the time of inability to work longer than 30 business days in the sense of the regulations on health insurance and absence from work with wage compensation.
- (4) An employee can neither waive his right to annual leave nor can he be deprived of that right.

Proportional part of the annual leave

Article 64

Employee who did not work 6 months uninterruptedly in a calendar year shall be entitled to 1/12 of the annual leave (proportional part) for one month of work in that calendar year.

Duration of the annual leave

Article 65

- (1) An employee under 18 years of age shall be entitled to an annual leave of at least 24 business days.
- (2) An employee working reduced working hours, under Article 47 of this Law, shall be entitled to the annual leave of at least 30 business days.
- (3) Duration of the annual leave shall be determined by increasing the number of business days, referred to in paragraphs 1 to 3 of this Article, on the basis of the criteria determined by the collective agreement and contract of employment.

Days not calculated in the annual leave

Article 66

- (1) When determining the duration of the annual leave, a workweek shall be counted as five business days.

- (2) Annual leave shall not include holidays that are non-working days, in accordance with the law, absence from work with wage compensation and temporary inability to work in accordance with the regulations on health insurance.
- (3) If, during the annual leave, the employee is temporarily prevented from working, under the regulations on health insurance and during maternity leave, the employee shall be entitled to continue to use the annual leave after the termination of that inability.

Annual leave in the education sector

Article 67

- (1) Annual leave of teachers, expert-associates and educators in schools and other educational and upbringing institutions shall be used during the summer school holiday and it cannot exceed that holiday.
- (2) When teaching and upbringing staff are invited, during the summer school holiday, to attend the courses for professional training or for the purpose of performing other activities regarding preparation for the commencement of the school year, as well as for the purpose of performing teaching-upbringing activities that the school or upbringing-educational institution is organizing, the duration of the annual leave shall be determined in accordance with this Law and collective agreement.

Schedule for use of annual leave

Article 68

- (1) Depending on the needs of the work process, the employer shall decide on the time of use of the annual leave, with a prior consultation with the employee.
- (2) The decision on use of the annual leave shall be submitted to the employee within 15 days from the date determined for initiation of use of the annual leave.
- (3) The employer may change the time determined for using the annual leave, if required so by the needs of the work process, within five business days prior to the day determined for use of the annual leave.

Use of annual leave in parts

Article 69

- (1) The annual leave may be used in two parts.
- (3) If the employee is using the annual leave in two parts, he shall use the first part of at least 10 consecutive business days during the calendar year, and the second part at the latest until the 30th of June of the following year.
- (4) If the employee who met the requirement to acquire the right to use the annual leave did not fully or partially use the annual leave in the calendar year due to the absence from work in accordance with the regulations on health insurance, and because of using the maternity leave, absence from work due to child care and special child care, he shall be entitled to use that leave until the 30th of June of the following year.

Annual leave in case of employment termination

Article 70

- (1) An employee, whose employment or contract of employment terminates due to the transfer to work with another employer, shall use, for that calendar year, the annual leave with the employer where he acquired that entitlement, unless otherwise regulated by the agreement between the employee and employer.
- (2) The former employer of employee shall be obliged to issue to the employee the certificate of use of the annual leave.
- (3) The employee who concluded a defined-period contract of employment and whose employment, i.e. contract of employment is terminated due to the age retirement, to use the annual leave prior to termination of the employment, i.e. prior to expiration of the contract of employment, in proportion to the time spent at work in that calendar year.

Compensation of damage for the unused annual leave

Article 71

- (1) An employee, who did not use the annual leave or part of the annual leave due to employer's fault, shall be entitled to compensation of damage.

- (2) The amount of compensation referred to in paragraph 1 of this Article shall be determined, depending on the length of unused annual leave, in accordance with the wage the employee generates in the month when the damage is compensated.

3. Absence from work

Paid absence due to personal needs

Article 72

- (1) An employee shall be entitled to absence from work, with wage compensation (paid absence), in case of: getting married, his wife giving birth, serious illness of an immediate family member, taking a professional examination and in other cases determined by the collective agreement and labor contract.
- (2) Duration of the paid absence referred to in paragraph 1 of this Article shall be determined by the collective agreement and labor contract.
- (3) The employee shall be entitled to paid absence of seven business days in case of death of an immediate family member.
- (4) An immediate family member under paragraphs 1 and 3 of this Article shall mean a spouse, children (in wedlock, out of wedlock, adopted and step children), brothers, sisters, parents, adoptive parent and guardian.

Unpaid absence

Article 73

- (1) An employee shall be entitled to unpaid absence from work during the time of work and in the cases determined by the collective agreement and labor contract.
- (2) During the absence from work, under paragraph 1 of this Article, an employee shall be entitled to health care, and other rights and responsibilities from work and on the basis of work shall be suspended.
- (3) Contribution for health care referred to in paragraph 2 of this Article shall be paid by the employer.

Absence from work due to state and religious holidays

Article 74

- (1) The employee shall be entitled to absence from work during the state and religious holidays in accordance with law.
- (2) If the employee is working during the holidays referred to in paragraph 1 of this Article due to the necessary working process needs, he shall be entitled to increased wage in accordance with the collective agreement and labor contract.

Absence from work due to health reasons

Article 75

- (1) The employee shall be entitled to absence from work in cases of temporary inability to work due to illness, work injury or in other cases in accordance with the regulations on health insurance.
- (2) The employee shall be entitled to absence from work due to voluntary blood, tissue and organ donation, in accordance with the law and collective agreement.
- (3) In case of absence from work, under paragraph 1 of this Article, the employee shall inform the employer thereon within 3 days at the latest.

Suspension of rights from employment

Article 76

- (1) Rights and responsibilities of an employee from work and on the basis of work shall be suspended, if he is absent from work due to the following:
 - 1) Assigning the employee to work abroad under international-technical or cultural – educational cooperation in diplomatic, consular and other missions, as well as professional training or education, with the consent of the employer;
 - 2) Election or appointment to a state function, in accordance with the law, the performance of which requires a temporary suspension of work with the employer, until the expiration of one term of office;
 - 3) Serving imprisonment sentence, safety measure, corrective or protective measure lasting up to six months.
- (2) A spouse of the employee assigned to work abroad, under paragraph 1 item 1 of this Article, shall also be entitled to suspension of the employment.

- (3) The employee and a spouse of the employee shall be entitled to return to work with the employer in the same or other job position that corresponds to the degree of their qualifications, i.e. level of education and profession within 30 days from the day of termination of reasons due to which the rights and responsibilities from work were suspended.

4. Wage, wage compensation and other earnings

Wage

Article 77

- (1) The employee shall be entitled to adequate wage to be determined in accordance with the law, collective agreement, and labor contract.

Wage definition and increased wage

Article 78

- (1) The wage accrued by the employee for the performed work and time spent at work, increased wage, wage compensation and other earnings determined by the collective agreement and labor contract shall mean a gross wage under this Law.
- (2) Wage shall be increased in accordance with the collective agreement and the labor contract for: the work longer than the full-time hours (overtime work and standby); night work; work during the state and religious holidays determined by the law as non-business days; previous work; and in other cases determined by the collective agreement and the labor contract.

Wage for the performed work and time spent at work

Article 79

- (1) Wage for the performed work and time spent at work shall consist of the basic wage, part of the wage for work performance and increased wage, in accordance with the collective agreement and labor contract.
- (2) The contracted wage shall mean a wage determined by the labor contract, and it cannot be lower than the minimum wage determined by Article 80 of this Law.

- (3) Work performance shall be determined on the basis of quality and volume of performed work, as well as employee's commitment and attitude towards work responsibilities, in accordance with the collective agreement.

Minimum wage

Article 80

The employee shall be entitled to the minimum wage for the standard performance and full-time working hours, or working hours equalized with full-time working hours, in accordance with the law, collective agreement and labor contract.

Determination of minimum wage

Article 81

- (1) The minimum wage at the level of Montenegro shall be determined by the general collective agreement.
- (2) The definition of the minimum wage shall start from the following: cost of living, changes in the average wage in Montenegro, existential and social needs of the employee and his family, the unemployment rate, changes in employment in the labor market, productivity of work, rates of profit in the economy and the general level of economic development of Montenegro.
- (3) The minimum wage shall be determined per working hour and it cannot be lower than the minimum wage for the period preceding the period that the minimum wage is determined for.

Wage compensation

Article 82

- (1) The employee shall be entitled to wage compensation in the amount determined by the collective agreement and labor contract during the time of: state and religious holidays that are non-business days; annual leave; paid leave; acting upon the invitation of the state bodies; professional training at the order of the employer; temporary incapacity to work under the regulations on health insurance; work interruption without the employee's fault; refusal to work when the prescribed health and safety measures are not implemented; absence from work based on previously agreed participation in the work of employer's body and trade union's body; during change of qualification, additional training and capacity building to work on other jobs while they last; and in other cases determined by the collective agreement and labor contract.

- (2) The employer shall be entitled to reimbursement of the paid wage compensation referred to in paragraph 1 of this Article in case of employee's absence from work due to acting upon the invitation of the state body, by the body to whose invitation the employee responded, unless stipulated otherwise by the law.

Other earnings

Article 83

The employee shall be entitled to other labor-related earnings determined by the collective agreement, i.e. by the labor contract.

Wage calculation and payment

Article 84

- (1) Wage shall be paid within the deadlines and in the manner determined by the collective agreement and the labor contract, and at least once a month.
- (2) When paying out the wage, the employer shall deliver to the employee the wage calculation.
- (3) The employer, who was unable to pay out the wage or pay it out in its entirety on a due day, shall be obliged to deliver the calculation of due wage to the employee by the end of the month when the wage is due, which has the effect of a valid statement.

Suspension of wage and wage compensation

Article 85

- (1) The employer may satisfy the monetary claim against the employee by suspending his wage only on the basis of a valid court decision, in cases determined by the law or with the employee's consent.
- (2) The wage or wage compensation of an employee may be coercively suspended up to one half for the purpose of mandatory alimentation, on the basis of the valid court decision, and for other obligations up to one third of the wage or wage compensation at the most.

Records on wage and wage compensations

Article 86

The employer shall keep monthly records on wages and wage compensations, in accordance with the law.

5. Rights of the employees in case of change of employer

Status changes and change of employer

Article 87

- (1) In case of status change or change of the employer, in accordance with the law, the employer-successor shall take over from the employer-predecessor the collective agreement and all labor contracts of the employees valid on the day of change of the employer.
- (2) The employer-predecessor shall inform the employer-successor fully and truthfully about the rights and responsibilities referred to in the collective agreement and the labor contracts being transferred.

Transfer of the labor contract

Article 88

- (1) The employer-predecessor shall inform in writing the employees whose contracts of employment are being transferred on the transfer of the contracts of employment to the employer-successor.
- (2) If the employee refuses the transfer of the labor contract or does not state his opinion within five business days from the day of submitting the notice referred to in paragraph 1 of this Article, the employer-predecessor may cancel the employee's labor contract.

Application of the collective agreement of the employer-predecessor

Article 89

- (1) The employer-successor shall apply the collective agreement of the predecessor for minimum one year from the date of changing the employer, unless prior to expiration of that deadline:
 - 1) The period of time for which the collective agreement with the employer predecessor has been signed expires;
 - 2) The employer-successor signs a new collective agreement.

Duty to inform the trade union

Article 90

- (1) Prior to the change of employer, the employer-predecessor and the employer-successor shall inform the representative trade union with the employer on the following:
 - 1) Date of change of employer;
 - 2) Reasons for change of employer;
 - 3) Legal, economic and social consequences of changing the employer for the status of the employees, and measures for mitigation of those effects.
- (2) Prior to changing the employer, in cooperation with the representative trade union, the employer-predecessor and employer-successor shall undertake measures for the purpose of mitigating socio-economic consequences on the status of the employees.
- (3) If there is no registered trade union with the employer, the employer shall be obliged to inform the employees on the circumstances referred to in paragraph 1 of this Article.

Change of ownership over capital

Article 91

In case of change of majority ownership over capital of the company or another legal entity, provisions of Articles 87 to 90 of this Law shall apply.

IV TERMINATION OF NEED FOR WORK OF THE EMPLOYEES (REDUNDANCY)

Notification

Article 92

- (1) If the employer determines that due to technological, economic and restructuring changes within the period of 30 days redundancy shall occur for an undefined period of time, and at least for:
 - 1) 10 employees with the employer employing more than 20, and less than 100 employees for an unlimited period of time;
 - 2) 10% of employees with the employer employing minimum 100 and maximum 300 employees for an unlimited period of time;

3) 30 employees with the employer employing more than 300 employees for an unlimited period of time, he shall immediately inform thereon the trade union, i.e. representatives of the employees and the Employment Agency of Montenegro (hereinafter: the Agency), in writing.

(2) The notification referred to in paragraph 1 of this Article shall also be submitted by the employer who determines that redundancy shall occur for at least 20 employees within the period of 90 days, regardless of the total number of employees.

(3) The notification referred to in paragraph 1 of this Article shall contain the following:

- 1) reasons for redundancy;
- 2) number and category of employees employed for an unlimited period of time;
- 3) criteria for determination of redundant employees;
- 4) number and category of redundant employees;
- 5) period within which the employment measures, referred to in Article 93, paragraph 2, item 5 of this Law, shall be implemented;
- 6) criteria for calculating the amount of severance pay.

(4) The trade union, i.e. representatives of employees and the Agency shall submit to the employer their opinion on the notification referred to in paragraph 1 of this Article within 8 days from the date of receipt of such a notification.

Program for exercising the rights of redundant employees

Article 93

(1) Upon obtaining the opinion of the trade union, i.e. representatives of employees and the Agency, the employer, referred to in Article 92, paragraphs 1 and 2 of this Law, shall adopt the program of measures for resolving redundancy (hereinafter: the program).

(2) The program referred to in paragraph 1 of this Article shall contain especially the following:

- 1) reasons for redundancy;
- 2) criteria for determining redundant employees;
- 3) total number of redundant employees;

- 4) number, qualification structure, age and duration of insurance of redundant employees and jobs they are performing;
 - 5) employment measures: assignment to other activities with the same employer requiring the degree of employee's qualifications, with full or part-time working hours; assignment to another employer requiring the degree of employee's qualifications, with full or part-time working hours; professional training, retraining or additional training for another job position with the same or another employer, and other measures in accordance with the collective agreement or the labor contract.
- (3) The criteria referred to in paragraph 2, item 2 of this Article shall not be contrary to the provisions of this Law regarding prohibition of discrimination against employees.
- (4) The program referred to in paragraph 1 of this Article shall be adopted by a competent body of the employer, i.e. by the employer.

Severance pay

Article 94

- (1) The employer shall provide the employee proclaimed redundant and not granted any of the rights stipulated by the program referred to in Article 93, paragraph 2, item 5 of this Law, with a severance pay in the amount of minimum six average wages in Montenegro.
- (2) The employer shall provide the employee with disability who has been proclaimed redundant, and has not been granted any of the rights stipulated by the program referred to in Article 93, Paragraph 2, Item 5 of this Law, with the severance pay of:
 - 1) minimum 24 average wages, if the disability resulted from injury outside work or from illness;
 - 2) minimum 36 average wages, if the disability resulted from an injury at work or professional disease.
- (3) The wage in the sense of Paragraphs 1 and 2 of this Article shall be the average wage in Montenegro, reduced by the amount of taxes and contributions paid based on those wages, acquired in the month preceding the month in which the employment relationship of the employer is terminated.

- (4) The amount of severance pay from Paragraph 2 of this Article paid to the employee with disability shall be determined based on the average wage paid by that employer, if that is more favorable for him.

Temporary engagement of the employee

Article 95

- (1) The employer may engage the redundant employee for the purpose of performing the activities that correspond to his qualifications, i.e. level of education and profession, until granting him one of the rights stipulated by this Law.
- (2) The employee not engaged in the sense of paragraph 1 of this Article may be temporarily assigned to work with another employer until he attains any of the rights on the basis of redundancy.

Termination of employment upon payment of severance pay

Article 96

- (1) The employment of the employee who attained the right to severance pay, under Article 94 of this Law, shall end, i.e. the labor contract shall be cancelled, on the date of execution of the payment.
- (2) An employee whose employment terminates, i.e. labor contract is cancelled, under paragraph 1 of this Article, shall be entitled to financial compensation and the right to pension-disability insurance and health care, in accordance with special regulations.

**V PROTECTION OF EMPLOYEES IN CASE OF BANKRUPTCY
PROCEDURE**

Unsatisfied claims

Article 97

- (1) In accordance with this law, the right to payment of unsatisfied claims against the employer who is subject to a bankruptcy procedure (hereinafter: the claim) shall be granted to the employee who has been employed on the date of initiation of the bankruptcy procedure for the period necessary to attain the rights stipulated by this Law.

- (2) The rights referred to in paragraph 1 of this Article shall be determined in accordance with this Law, unless they are paid in accordance with the Law on Company Insolvency (hereinafter: the special law).
- (3) If the rights referred to in paragraph 1 of this Article are partially paid in accordance with the special law, the employee shall be entitled to the difference up to the level of rights determined in accordance by this Law.

Right to payment

Article 98

- (1) The employee shall be entitled to the payment of the following:
 - 1) wage and wage compensation for the period of absence from work due to temporary inability to work in accordance with the regulations on health insurance, which the employer was obliged to pay in accordance with this Law;
 - 2) compensation of damage for unused annual leave due to employer's fault, for the calendar year when the bankruptcy procedure is initiated, if he had that right prior to initiation of the bankruptcy procedure;
 - 3) severance pay due to retirement in the calendar year when the bankruptcy procedure is initiated, if the right to retirement is achieved prior to initiation of the bankruptcy procedure;
 - 4) compensation of damage on the basis of the court decision adopted in the calendar year when the bankruptcy procedure is initiated, due to injury at work or professional illness, if that decision has become effective prior to initiation of the bankruptcy procedure.
- (2) The employee shall be entitled to payment of contributions for mandatory social insurance referred to in paragraph 1, item 1 of this Article, in accordance with the regulations on mandatory social insurance.

Amount of payment

Article 99

- (1) Wage and wage compensation referred to in Article 98, paragraph 1, items 1 and 2 of this Law shall be paid in the amount of minimum wage, i.e. compensation of damage for unused annual leave.
- (2) Severance pay due to retirement referred to in Article 98, paragraph 1, item 3 of this Law shall be paid in the amount of three average wages in the economy of Montenegro.

- (3) Compensation of damage referred to in Article 98, paragraph 1, item 4 of this Law shall be paid in the amount of compensation determined by the decision of a competent court.

Data submission

Article 100

- (1) In accordance with the Law, the Labor Fund shall be competent for exercising the rights referred to in Article 98 of this Law.
- (2) The procedure for exercising the rights referred to in paragraph 1 of this Article shall be initiated at the request of the employee or bankruptcy administrator.
- (3) The request shall be submitted to the Labour Fund within 15 days from the day of submission of an effective decision determining the right to claim, in accordance with the special law.
- (4) Together with the request referred to in paragraphs 1 and 2 of this Article, the following shall be submitted:
 - 1) labor contract or another act on entering employment and act on termination of employment;
 - 2) act determining the claim referred to in Article 98 of this Law, in accordance with the special law.

Adoption of the decision

Article 101

- (1) At the request of the Labor Fund, the bankruptcy administrator, i.e. employee shall submit all data of importance for adoption of the decision regarding the request, within 15 days from the date of receipt of the request referred to in Article 100 of this Law.
- (2) The rights of the employee to claims determined in Article 100 of this Law shall be personal and inalienable.
- (3) The employee shall lose the right to claims referred to in Article 98 of this Law, if he provided false data on meeting the requirements for exercising these rights, and if failing to submit the request within the deadline referred to in Article 100, paragraph 3 of this Law.

VI PROTECTION OF EMPLOYEES

General protection

Article 102

- (1) An employee shall be entitled to health and safety at work in accordance with the law and the collective agreement.
- (2) An employee shall not be assigned to a job position or to work longer than full time hours, or at night, if the findings of the authority in charge of health capacity assessment show that such a work could worsen his health state.
- (3) An employee who meets the work requirements regarding health condition, psychological and physical capacity and age, in addition to the requirements determined by the systematization act, may be assigned to a job position associated with an increased danger of disability, professional or other diseases.

1. Protection of women, youth and the disabled

Special protection

Article 103

An employed woman, the employee under the age of 18, and employees with disability shall be entitled to special protection, in accordance with this Law.

Special protection of youth and women

Article 104

An employed woman and the employee under the age of 18 shall not work in a job position with prevailing hard physical labor, works under ground or water, or a job involving tasks that can have detrimental effect on and an increased risk for their health and life.

Protection of women in industry and civil works

Article 105

- (1) An employed woman working in the industry and civil works sectors shall not be assigned to a night shift.

- (2) The prohibition referred to in paragraph 1 of this Article shall not apply to an employed woman engaged in a management position or performing activities regarding health, social and other protection.
- (3) Exceptionally from the provision of paragraph 1 of this Article, an employed woman may be assigned to a night shift, when it is necessary that the work interrupted by natural disasters is continued, i.e. to prevent damage to the raw materials or other material.

Protection of an employee below 18 years of age

Article 106

- (1) An employee below 18 years of age shall not be assigned to work longer than full time hours or to night shift.
- (2) Working hours shorter than full time hours may be determined for the employee referred to in paragraph 1 of this Article by the individual collective agreement (with the employer).
- (3) Exceptionally from the provision of paragraph 1 of this Article, an employee under 18 years of age may be assigned to night shift, when it is necessary that the work interrupted by natural disasters is continued, i.e. to prevent damage to the raw materials or other material.

Protection of persons with disability

Article 107

- (1) Employer shall be obliged to assign an employed disabled person to jobs that correspond to his residual work capacity and degree of his qualifications, in accordance with the systematization act.
- (2) If an employed disabled person cannot be assigned under paragraph 1 of this Article, the employer shall provide him with other rights, in accordance with the law regulating professional training of disabled persons and the collective agreement.
- (3) If an employed disabled person cannot be assigned and provided with other rights in accordance with paragraphs 1 and 2 of this Article, the employer may declare him redundant.

- (4) An employed disabled person, who has become redundant in accordance with paragraph 3 of this Article, shall be entitled to a severance pay referred to in Article 94, paragraph 3 of this Law.

Protection due to pregnancy and child care

Article 108

- (1) An employer shall not refuse to conclude a labor contract with a pregnant woman, or cancel the labor contract due to her pregnancy or if she uses the maternity leave.
- (2) An employer shall not cancel the labor contract with the parent who works half of the full time due to attending a child with severe development difficulties, a single parent of a child under seven years of age, or a child with severe disability, or with a person using one of the aforementioned rights.
- (3) The employees referred to in paragraph 2 of this Article shall not be proclaimed redundant due to introduction of technological, economic or restructuring changes in accordance with this Law.
- (4) The circumstances referred to in paragraphs 1 and 2 of this Article shall not have impact on termination of employment of an employee who concludes a labor contract for a limited period of time.

Temporary assignment

Article 109

- (1) Based on the findings and recommendations of the competent medical doctor, a pregnant and breastfeeding woman may temporarily be assigned to other jobs, if that is in the interest of protecting her health or the health of her child.
- (2) If the employer is unable to provide the assignment of the employed woman, referred to in paragraph 1 of this Article, to another job, under paragraph 1 of this Article, the woman shall be entitled to absence from work, with wage compensation in accordance with the collective agreement, which cannot be lower than the compensation the employed woman would have received if she had been working at her post.

- (3) During a temporary assignment to other jobs, the employed woman referred to in paragraph 1 of this Article shall be entitled to a wage paid for the job she performed prior to the re-assignment.

Protection against work longer than full time hours or night work

Article 110

- (1) An employed woman during her pregnancy and a woman having a child under three years of age cannot work longer than full time hours or in night shift.
- (2) Exceptionally from paragraph 1 of this Article, an employed woman who has a child older than two years of age can work in night shift, only if she gives her written consent to such a work.
- (3) One of the parents of a child having severe development difficulties, as well as a single parent of a child under seven years of age may work longer than full time hours or in night shift only on the basis of a written consent.

2. Protection of maternity and rights of workers taking care of children

Maternity leave

Article 111

- (1) During the pregnancy, childbirth and care, the employed woman shall be entitled to the maternity leave in the duration of 365 days from the date of birth of the child.
- (2) Based on the findings of a competent health authority, an employed woman may initiate the use of the maternity leave 45 days before the childbirth, but no later than 28 days before the childbirth.
- (3) The employed woman may start working prior to the expiration of the leave referred to in paragraph 1 of this Article, but not prior to the expiration of 45 days from the day of childbirth.
- (4) If an employed woman starts working, under paragraph 3 of this Article, in addition to the daily break, she shall be entitled to use additional 60-minute absence from work for baby breastfeeding.
- (5) In the case referred to in paragraph 3 of this Article, the employed woman shall not be entitled to continue to use the maternity leave.

- (6) Father of the child may use the right to parental leave, i.e. leave for child care, in case when a mother abandons the child, dies or is prevented to exercise that right due to other justified reasons (serving imprisonment sentence, serious illness, etc.).
- (7) During the leave referred to in paragraph 1 of this Article, the employed woman, i.e. the father of the child shall be entitled to wage compensation, in accordance with the law and the collective agreement.

Protection in case of stillborn child

Article 112

If an employed woman gives birth to a still-born or the infant passes away before the expiration of the maternity leave, she shall be entitled to extend her maternity leave for the period of time which is, by the findings of an authorized medical doctor, needed for her to recover from the childbirth and psychological condition caused by the loss of a child, but no less than 45 days during which time she shall be entitled to all rights based on the maternity leave.

Parents working one half of the full time working hours

Article 113

- (1) Upon expiration of the leave referred to in Article 111, paragraph 1 of this Law, one of the employed parents shall be entitled to work half of the full time hours until the child turns three years of age, if the child needs additional care.
- (2) The employee who adopted the child, or person who was given the child in custody and care, by a competent custodial body, shall be entitled to work half of the full-time hours, in the duration referred to in paragraph 1 of this Article.

Working one half of the full time working hours due to care for the child with development difficulties

Article 114

- (1) A parent, adoptive parent or person entrusted with a child with development difficulties for custody and care by a competent custodial body, i.e. a person taking care of a person with severe disability shall be

entitled to work half of the full working hours, in accordance with special regulations.

- (2) The working hours referred to in paragraph 1 of this Article and Article 113 of this Law shall be considered full working hours for the purpose of exercising rights from work and on the basis of work.

Exercising the rights from work during child care

Article 115

- (1) The manner and procedure for exercising the rights referred to in Articles 113 and 114 of this Law shall be prescribed by the ministry competent for social and child protection.
- (2) During the absence from work referred to in Articles 113 and 114 of this Law, the employee shall be entitled to wage compensation, in accordance with the law.
- (3) The right referred to in Article 114 of this Law shall not be used during the period for which a sick person was placed in the institution for social and health care.

Absence due to child adoption

Article 116

One of the adoptive parents of a child under the age of eight shall be entitled to absence from work, with wage compensation, for the period of one year uninterruptedly from the day of child adoption, for the purpose of child care, in accordance with law.

Notification on the intention to use maternity leave, i.e. leave due to adoption

Article 117

- (1) An employee intending to use the right to maternity leave or leave due to adoption of a child shall be obliged to inform the employer on the intention thereof in written form, one month prior to initiation of use of that right.
- (2) An employee may stop using the right referred to in paragraph 1 of this Article and employer shall be obliged to return him to work and assign him to adequate positions, within one month from the day the employee informed him of the termination of use of that right.

- (3) An employee who used the right referred to in paragraph 1 of this Article shall be entitled to additional professional training, if there are technological, economic or other changes in the manner of work of the employer.

Absence from work without wage compensation, due to care for a child up to three years of age

Article 118

- (1) One of the parents shall be entitled to be absent from work until the child turns three years of age, and if the parent stops using that right prior to expiration of the aforementioned period, he shall not be entitled to continue to use it.
- (2) During the absence from work, under paragraph 1 of this Article, an employee shall be entitled to health and pension-disability insurance, while other rights and obligations shall be suspended.
- (3) Funds for the health care and pension-disability insurance referred to in paragraph 2 of this Article shall be paid out from the funds for health and pension-disability insurance.
- (4) An employee shall not be entitled to wage compensation during the absence from work referred to in paragraph 1 of this Article.

VII PROTECTION OF RIGHTS OF THE EMPLOYEES

Protection with the employer

Article 119

- (1) Employer shall decide on the rights and responsibilities of the employees from work and on the basis of work, in accordance with the law, the collective agreement and the labor contract.
- (2) An employee who believes that his right from work and on the basis of work has been violated by the employer may submit the request to the employer to enable him to exercise that right.
- (3) The employer shall decide on the employee's request within 15 days from the day of submission of the request.

- (4) The decision referred to in paragraph 3 of this Article shall be final, unless regulated otherwise by the law.
- (5) The decision referred to in paragraph 3 of this Article shall be submitted to the employee in writing, with an explanatory note and a legal remedy note.

Protection before the competent court

Article 120

- (1) An employee who is not satisfied with the decision referred to in Article 119 of this Law or who has not received the decision within the envisaged deadline, shall be entitled to initiate a dispute before the competent court in order to protect his rights, within 15 days from the date of submission of the decision.
- (2) The employer shall be obliged to execute a valid court decision within 15 days from the date of submission of the decision, unless a different deadline is determined by the court decision.

Alternative protection (before an arbitrator or reconciler)

Article 121

- (1) Employee and employer (parties to the dispute) may entrust the resolution of a dispute resulting from work and on the basis of work (hereinafter: individual labor dispute) to an arbitrator.
- (2) Resolution of disputes arising in the procedure of concluding, applying, amending collective agreements, exercising the rights to trade union organization and strike (hereinafter: collective labor dispute) can be entrusted to a reconciler.
- (3) The procedure of peaceful resolution of individual and collective labor disputes shall be conducted in accordance with the law.

Protection before a competent inspection

Article 122

- (1) If the labor inspector determines that it is obvious that the employer's decision on cancellation of the labor contract violates the employee's right, and the employee has initiated a labor dispute, he shall, at the employee's initiative, suspend by his decision the execution of that

decision on cancellation of the labor contract, until the adoption of the final court decision.

- (2) The employee may submit the initiative referred to in paragraph 1 of this Article within 15 days from the day of initiation of a labor dispute.
- (3) The labour inspector shall adopt the decision on suspending the employer's decision on cancellation of the labor contract within 15 days from the day of submission of the employee's initiative, if the requirements referred to in paragraphs 1 and 2 of this Article are met.
- (4) Administrative dispute shall not be initiated against the decision referred to in paragraph 3 of this Article adopted by the labor inspector.

Statute of limitation deadlines for claims arising from employment

Article 123

Monetary claims from work and on the basis of work shall not fall under the statute of limitations.

VIII RESPONSIBILITY OF THE EMPLOYEES

1. Responsibility for violation of duties at work

Responsibility of the employees

Article 124

- (1) An employee shall comply at work with the obligations stipulated by the law, the collective agreement and the labor contract.
- (2) An employee who fails to meet the duties at work due to his fault or fails to comply with the decisions adopted by the employer shall be responsible for the violation of a duty at work, in accordance with the law, the collective agreement and the labor.
- (3) Criminal liability shall not exclude the liability of the employee for fulfilling duties at work, if such an action represents a violation of a duty at work.
- (4) An employee shall be responsible for violation of a duty at work that was determined by the law, the collective agreement, and the labor contract at the time of execution.
- (5) The collective agreement and the labor contract shall regulate in more details the initiation and implementation of the procedure regarding

violations of duties at work and other issues of importance for the protection of work discipline.

Measures in case of violation of duties at work

Article 125

- (1) One of the following measures may be imposed on an employee for violations of duties at work:
 1. Pecuniary fine;
 2. Termination of employment.
- (2) A pecuniary fine may be imposed for less serious violations of duties at work, in accordance with the collective agreement and the labor contract.
- (3) Termination of employment may be imposed for more serious violation of duties at work, in accordance with the collective agreement and the labor contract.

Authority for pronouncement of measures

Article 126

- (1) The decision on imposing measure for violation of duties at work shall be adopted by the competent body of employer, i.e. by the employer.
- (2) The decision referred to in paragraph 1 of this Article shall be final.

Protection before the competent court

Article 127

- (1) An employee may initiate a procedure before the competent court against the final decision on imposing a measure referred to in Article 125 of this Law, within 15 days from the date of submission of the decision.
- (2) The initiation of procedure before the competent court shall not withhold the execution of the decision referred to in paragraph 1 of this Article.

Statute of limitations deadlines for initiation and implementation of the procedure

Article 128

- (1) The initiation of the procedure for determining violations of duties at work shall fall under the statute of limitations within three months from the date of learning about that violation and the perpetrator.

- (2) If the violation of duty at work contains the elements of a criminal offence, the initiation of the procedure shall fall under the statute of limitations by expiration of six months from the date of learning about the violation of duty at work and the perpetrator, i.e. by expiration of the statute of limitation for that criminal offence.
- (3) The implementation of the procedure for determining violations of duties at work shall fall under the statute of limitations by expiration of three months from the date of initiation of the procedure for determining violation of duties at work.

Deadline for execution of the pronounced measure and deletion from records

Article 129

- (1) The imposed measure referred to in Article 125 of this Law shall not be executed upon expiration of 30 days from the date of valid decision pronouncing such a measure.
- (2) The employer shall keep a record on imposed measures for violation of duties at work.
- (3) If the employee does not violate duties at work, within two years from the date of coming into effect of the decision imposing a pecuniary fine, the pronounced measure shall be deleted from the records.

1. Temporary removal of the employee (suspension)

Removal from work

Article 130

An employee shall be temporarily removed from work:

- 1) If he is caught in violating duties at work that the measure of termination of employment is envisaged for, i.e. cancellation of the labor contract;
- 2) If an employee is pronounced detention, starting from the first day of detention, for the period of duration of detention;
- 3) If a criminal procedure is initiated against him due to a criminal offence committed during work or in relation to work.

Decision on removal

Article 131

- (1) An employee shall be temporarily removed from work by a written order of the employer, i.e. other authorized person working for the employer, provided that justified decision on temporary removal is adopted.

- (2) If the decision referred to in paragraph 1 of this Article is not adopted within three days from the day of removal from work, it shall be considered that the order was not issued.

Wage compensation and reimbursement of wage compensation during temporary removal from work

Article 132

- (1) During the temporary removal from work, the employee shall be entitled to wage compensation in the amount of one third, and if he supports the family in the amount of one half of the monthly wage he accrued in the month prior to temporary removal.
- (2) The wage compensation during a detention period shall be paid out at the expense of the body ordering the detention.
- (3) The body that adopted the decision on detention shall be obliged to inform the employer thereon within three days.
- (4) The request for refund, in the name of the amount of wage compensation, for the period the employee is in detention, and contributions and taxes calculated and included in that wage, shall be submitted by the employer to the body that adopted the decision on detention.
- (5) During the temporary removal from work, the employee shall be entitled to the difference between the amount of compensation received on the basis of paragraph 1 of this Article and full amount of wage accrued for the month prior to temporary removal increased by the average increase of wages of the employees with the employer for the period he was entitled to compensation, as follows:
 - 1) If a criminal procedure is terminated by a valid decision, or if he was released from charges by a valid decision, or the charges against him were rejected, but not because of lack of jurisdiction over such matter;
 - 2) If he is released from responsibility or the procedure for determining the violation of duties at work is terminated.

3. Material responsibility

Compensation of damage to the employer

Article 133

- (1) An employee shall be liable for damage he caused to the employer at work or in relation to work intentionally or by serious negligence.
- (2) If the damage is caused by more than one employee, each employee shall be liable for part of the damage he caused.
- (3) If the part of damage caused by each employee, referred to in paragraph 2 of this Article, cannot be determined, it shall be considered that all employees are equally liable and they shall compensate the damage in equal parts.
- (4) If the damage is caused by an intentional criminal offence committed by several employees, they shall be jointly and severally liable for damage.

Compensation of damage to the employee

Article 134

- (1) If an employee is injured or suffers damage at work or in relation to work, the employer shall be obliged to compensate him for the damage.
- (2) A special commission, formed by the employer, shall determine the existence of damage, its amount, circumstances under which it was incurred, who caused it and how it is compensated.
- (3) If the damage is not compensated in accordance with paragraph 2 of this Article, the competent court shall decide on the damage.

Compensation of damage to third party

Article 135

An employee who caused damage at work or in relation to work intentionally or by gross negligence to a third party, which was compensated by the employer, shall be obliged to compensate the employer for the amount of damage paid.

2. Prohibition of competition

Prohibition of competition by an employee

Article 136

- (1) The labor contract may determine the activities the employee cannot perform in his own name and to his own account, as well as in the name and to the account of another legal or physical person, without the consent of the employer where he is employed (hereinafter: prohibition of competition).
- (2) Prohibition of competition may be determined only if the conditions exist for the employee working with the employer to acquire new, especially important technological knowledge, wide range of business partners or to come into possession of important business information and secrets.
- (3) The collective agreement and the labor contract shall also determine the territorial validity of prohibition of competition depending on the nature of work that the prohibition relates to.
- (4) If the employee violates the prohibition of competition determined by the labor contract, the employer shall be entitled to cancel the labor contract and request compensation of damage from the employee.

Conditions for prohibition of competition

Article 137

- (1) The employer and the employee may agree in the labor contract on the conditions for prohibition of competition under Article 136 of this Law upon termination of employment, within the deadline that cannot be longer than two years upon termination of employment, i.e. labor contract.
- (2) Prohibition of competition referred to in paragraph 1 of this Article may be contracted, if the employer commits himself, through the labor contract, to pay to the employee financial compensation in the agreed amount.

IX TERMINATION OF EMPLOYMENT

Manners to terminate employment

Article 138

Employment shall terminate:

- 1) by the force of law;
- 2) by an agreement between the employer and the employee;
- 3) by cancellation of the labor contract by the employer or the employee.

Termination of employment by the force of law

Article 139

Employment shall terminate by the force of law:

- 1) When the employee turns 65 years of age and has minimum 15 years of service/ insurance, unless the employer and the employee agree otherwise – as of the date of submission of the final decision to the employee;
- 2) If it is determined, in the manner stipulated by the law, that the employee lost the working capacity - as of the date of submission of the effective decision determining the loss of working capacity;
- 3) If the employer is prohibited, according to the provisions of the law, i.e. an effective decision of the court or other authority, to perform certain tasks, and he cannot be assigned to other tasks – as of the date of submission of the effective decision;
- 4) If the employee has to be absent from work for more than six months, to serve an imprisonment sentence – as of the date of starting to serve the sentence;
- 5) If the employee must be absent from work due to a safety measure, corrective or protective measure pronounced to him in the duration longer than six months – as of the date of application of that measure;
- 6) Due to bankruptcy or liquidation, i.e. in all other cases of termination of work of the employer in accordance with the law.

Possibility to extend duration of employment

Article 140

- (1) An employee, who turns 65 years of age and has minimum 15 years of service/ paid insurance, may continue to work if that is necessary for the performance of a certain activity, based on a written decision of the competent body of the employer , i.e. of the employer.
- (2) An employee may continue to work after turning 65 years of age, if he does not have 15 years of service/ paid insurance, until this condition is met.
- (3) An employee engaged in upbringing - educational activity in an upbringing - educational institution, i.e. scientific-teaching activity in a university institution, who meets the condition for termination of employment with

respect to the years of age determined by law, may continue to work until the expiration of the current school year, based on the decision of the competent authority of the employer.

Consensual termination of employment

Article 141

- (1) Employment shall terminate by mutual agreement between the employer and the employee.
- (2) The agreement referred to in paragraph 1 of this Article shall be concluded in writing.
- (3) In case of consensual termination of employment, the employer may pay out the severance pay to the employee.

Cancellation by employee

Article 142

- (1) Employment, i.e. labor contract may terminate by resignation of the employee.
- (2) Cancellation of the labor contract may be submitted by a parent or guardian of the employee younger than 18 years of age.
- (3) The employee shall submit the cancellation of the labor contract to the employer in writing, at least 15 days prior to the day he stated as the day of termination of employment.

Cancellation by employer

Article 143

- (1) The employer may cancel the labor contract with the employee, if there is a justified reason to do so regarding working capacity of the employee, his behavior and needs of the employer, as follows:
 - 1) if the employee refuses to work in the job position that he is assigned to or refuses to fulfill duties at work referred to in the labor contract;
 - 2) if the employee does not comply with a labor discipline envisaged by the employer's act and the labor contract, i.e. if his behavior is such that he cannot continue working with the employer;

- 3) with the expiration of the period for which the employment contract for a limited time is signed, i.e. with the expiration of the period of validity of the labor contract signed for a limited time;
- 4) if the employee comes to work under the influence of alcohol or narcotics, drinks during work or uses narcotics;
- 5) if the employee was unjustifiably absent from work for five consecutive business days, or seven business days with interruptions within the period of three months;
- 6) if the employee fails to state his opinion on the offer or refuses the offer to conclude the annex to the labor contract, under Article 40, paragraph 1, items 1 and 2, within the deadline referred to in Article 41, paragraph 2 of this Law;
- 7) if the employee fails to show adequate results during trial work;
- 8) if the employee is provided with one of the rights based on redundancy under Article 93, paragraph 2, item 5 of this Law;
- 9) if the employee refuses one of the rights that the employer offered him on the basis of the redundancy;
- 10) when the severance pay is paid out to the employee on the basis of redundancy;
- 11) if the employee fails to return to work within 30 days, under Article 76 paragraph 3 of this Law;
- 12) if the employee gave false data regarding the performance of the activities that he concluded the labor contract for when starting to work, i.e. when entering employment, and during the employment;
- 13) if a pecuniary fine is imposed on the employee for violation of duties at work two or more times within a period of one year;
- 14) if the employee works for another employer under Article 58, paragraph 1 of this Law, without the consent of the employer where he is employed full time;
- 15) if the employee contracts the activities within the scope of business activity performed by the employer to his own account or account of another person (unfair competition);
- 16) and in other cases determined by the collective agreement.

(2) In the cases referred to in paragraph 1, items 1 to 6 of this Article, the employer shall be obliged, before canceling the labor contract, to warn in writing the employee about the existence of reasons for canceling the labor contract, and to give him the deadline of at least five business days from the day of submission of the warning to respond to the statements referred to in the warning.

- (3) The decision on canceling the labor contract shall be adopted by a competent body of the employer, i.e. by the employer in the form of a decision, and submitted to the employee in accordance with the law.
- (4) The decision referred to in paragraph 3 of this Article shall contain grounds for cancellation, explanatory note and note on the legal remedy.
- (5) The decision referred to in paragraph 3 of this Article shall be final.
- (6) The employee who is not satisfied with the decision referred to in paragraph 5 of this Article shall be entitled to initiate a dispute before a competent court for protection of his rights within 15 days from the day of submission of the decision.

Cancellation notice period

Article 144

- (1) An employee shall have the right and duty to remain at work at least 15 days upon the day of submitting the notice of canceling the labor contract, i.e. the decision on termination of employment (notice period), in cases determined by the collective agreement and the labor contract.
- (2) The employee may, if agreed so with the competent body of the employer, terminate his work prior to expiration of the period for which he is obliged to stay at work, provided that he receives, during that time, wage compensation in the amount determined by the collective agreement and the labor contract.
- (3) If the employee, at the employer's request, ceases to work prior to expiration of the notice period, he shall be entitled to wage compensation and other rights from work and on the basis of work, as if he had worked until the expiration of the notice period.
- (4) During the notice period, the employee shall be entitled to absence of minimum four hours per week for the purpose of seeking new employment.
- (5) If an employee has become temporarily incapacitated to work during the period for which he is obliged to stay at work, at his request, the flow of time referred to in paragraph 1 of this Article shall be suspended and it shall continue to run upon termination of the temporary incapacity to work.

Cancellation of labor contract of the director

Article 145

Employment of the director, who is not re-elected after the expiration of the period that he was elected for, or who is revoked prior to the expiration of this mandate, shall terminate, i.e. his labor contract shall be cancelled, unless determined otherwise by a special law.

Obligation to pay out the wage and wage compensation

Article 146

- (1) The employer shall pay to the employee, in case of termination of employment or cancellation of the labor contract, all unpaid wages, wage compensations, and other earnings accrued by the employee until the day of termination of employment, as well as social insurance contributions, in accordance with the law, the collective agreement and the labor contract.
- (2) The employer shall satisfy the claims referred to in paragraph 1 of this Article prior to adoption of the decision on canceling the labor contract.

X COLLECTIVE AGREEMENTS

Subject-matter and implementation of the collective agreement

Article 147

- (1) The collective agreement shall stipulate, in accordance with the law, the rights and responsibilities from work and on the basis of work, the procedure for amending the collective agreement, mutual relations between the parties to the collective agreement and other issues of importance for the employee and employer.
- (2) Collective agreement shall be concluded in writing.
- (3) Collective agreement shall be applied directly.

Types of collective agreements

Article 148

- (1) Collective agreement may be concluded as: general, branch-level and employer-level (individual) collective agreement.
- (2) General collective agreements shall be concluded for the territory of Montenegro and shall apply to all employees and employers, and branch

collective agreement shall be signed for industries (branches of economy), groups, i.e. sub-groups of industries, and shall apply to the employees and employers in the industry, group, i.e. subgroup.

- (3) Individual collective agreement shall apply to the employees employed by the specific employer.
- (4) Rights and responsibilities from work and on the basis of work of the persons performing independently artistic or other cultural activity shall be stipulated by the branch collective agreement.

Contents of the collective agreements

Article 149

- (1) General collective agreement shall regulate the minimum wage in the economy and the public sector, elements for determining the basic wage, wage compensation, other earnings of employees and scope of rights and responsibilities from work, in accordance with the law.
- (2) Branch collective agreement shall determine the minimum wage in an industry, group or sub-group of business activity, elements for determining the basic wage, wage compensation and other earnings of employees, and it shall regulate the scope of rights and responsibilities of the employees from work, in accordance with the law.
- (3) Individual collective agreement shall determine the minimum wage, elements for determining the basic wage, wage compensations and other earnings of employees, and it shall regulate greater rights and responsibilities of the employee from work and on the basis of work, in accordance with the law and the collective agreement.

Parties in signing the collective agreements

Article 150

- (1) General collective agreement shall be concluded by the competent authority of the representative trade union organization in Montenegro, the competent body of the representative association of employers of Montenegro and the Government of Montenegro (hereinafter: the Government).
- (2) Branch collective agreement in the industry, group, i.e. subgroup of business activity shall be concluded by the following:

- 1) In the economy/ industry – competent authority of the association of employers and competent authority of the representative trade union organization;
 - 2) For public enterprises and other public services founded by the state – representative trade union organization and the Government, and for other public enterprises – representative trade union organization, the founder and a competent authority of the representative association of employers;
 - 3) For public institutions founded by the state – representative trade union organization and the Government, and for other public institutions – representative trade union organization and the founder;
 - 4) For the organizations of mandatory social insurance – representative trade union organization, board of directors of those organizations and the Government;
 - 5) For state authorities and organizations, and local self-government authorities – representative trade union organization and the Government;
 - 6) For political, trade union, sport and non-governmental organizations – representative trade union organization and the competent authority of the representative association of employers;
 - 7) For foreign physical and legal entities (embassies, diplomatic-consular missions, representative offices of the foreign companies, etc) – representative trade union organization and the competent authority of the representative association of employers;
 - 8) For persons performing independently artistic or other cultural activity – representative trade union of artists and the state administration authority responsible for cultural affairs.
- (3) Collective agreement with the employer shall be signed by the competent authority of the employer and the representative trade union organization, that is, representative of the employees.
- (4) Collective agreement with the employer in a public enterprise, institution or other public service founded by the state shall be concluded by the representative trade union organization, the director and the Government, and in case of other public enterprises and public services – representative trade union organization, the director and the founder.

Bargaining and signing of collective agreements

Article 151

- (1) Participants in concluding the collective agreement shall engage in bargaining.
- (2) Collective agreement shall be concluded when signed by the authorized representatives of all the participants.
- (3) General and branch collective agreements shall be registered with the state administration authority responsible for labor-related affairs (hereinafter: the Ministry) and shall be published in the "Official Gazette of Montenegro".
- (4) The manner of publishing the collective agreement with the employer shall be regulated by that agreement.
- (5) The manner and procedure for registering the collective agreement referred to in paragraph 2 of this Article shall be prescribed by the Ministry.

Period for which the collective agreements are signed

Article 152

- (1) Collective agreements shall be signed for an unlimited or limited period of time.
- (2) Collective agreement signed for an unlimited period of time shall terminate by the agreement of all participants or by cancellation, in the manner stipulated in that agreement.
- (3) Collective agreement signed for an unlimited period of time shall determine the manner in which one of the contracting parties may cancel that agreement.
- (4) Collective agreement signed for a limited period of time shall cease to be valid with the expiration of the period of time for which it was concluded.
- (5) Collective agreement signed for a limited period of time may be extended by an agreement between the parties that sign it, within 30 days prior to the expiration of validity of that agreement.

Extended application of the collective agreement with the employer

Article 153

In case of restructuring of the employer, the collective agreement applied prior to restructuring shall apply to the employees until the conclusion of new collective agreement, but not exceeding one year.

XI ORGANIZATIONS OF EMPLOYEES AND EMPLOYERS

Rights of employees and employers to organize at their free choice

Article 154

Employees and employers shall be entitled, at their free choice, without a prior approval, to establish their organizations and become their members, under the conditions determined by the statute and rules of those organizations.

1. Trade union of employees

Freedom of trade union organizing

Article 155

- (1) Employees shall be guaranteed the freedom of trade union organizing and action, without prior approval.
- (2) Trade union organizations shall be entered into the register of trade union organizations kept by the Ministry.
- (3) Procedure of entry into the register, change of entry and deletion from the register from Paragraph 2 of this Article shall be prescribed by the Ministry.

Representativeness of the trade union

Article 156

A representative trade union organization under this Law shall mean a trade union organization that has the largest number of members, and is registered as such with the Ministry.

Conditions for work of the trade union

Article 157

- (1) The trade union organization shall independently decide on the manner of its representation before the employer.
- (2) The trade union organization may appoint or elect one trade union representative that will represent it.
- (3) The employer shall enable the trade union representative to timely exercise the right, under paragraph 2 of this Article, and access the data for exercising that right.
- (4) A trade union representative shall perform trade union activities in the manner that shall not have effect on the efficiency of the employer's operations.
- (5) The trade union organization shall inform the employer on appointing a trade union representative.

Information of the trade union by the employer

Article 158

- (1) The employer shall inform the trade union organization, minimum once a year, on the following:
 - 1) Results of operations;
 - 2) Development plans and their effect on the status of employees, trends and changes in wage policy;
 - 3) Measures to improve working conditions, health and safety at work and other issues important for material and social status of employees.
- (2) The employer shall inform the trade union organization on the following:
 - 1) Health and safety measures at work;
 - 2) Introduction of new technology and organizational changes;
 - 3) The working hours schedule, night work and overtime work;
 - 4) Adoption of the program for introducing technological, economic and restructuring changes, and the program for exercising the rights of employees who became redundant;
 - 5) Time and manner of payment of wages.

- (3) The employer shall timely inform and submit the acts to the trade union organization for the purpose of attending the meetings of the bodies of the employer where the initiatives and proposals of the employer are being discussed.
- (4) Representative of the trade union organization shall be entitled to participate in the discussion before the competent bodies of the employer.

Freedom to exercise trade union rights

Article 159

- (1) The employer shall enable the employees to freely exercise the trade union rights.
- (2) The employer shall provide a trade union organization with conditions for efficient performance of trade union activities that protect interests and rights of the employees, in accordance with the collective agreement.
- (3) A representative of the trade union organization shall be entitled to be absent from work with wage compensation for the purpose of performing the activities organized by the trade union, in accordance with the collective agreement.
- (4) The employer shall not be obliged to pay wage compensation to a trade union representative whose absence from work is not in accordance with the collective agreement referred to in paragraph 3 of this Article.
- (5) The employer shall be informed in writing about the absence of a member of trade union organization in the cases referred to in paragraph 3 of this Article, minimum three days prior to the absence thereof.
- (6) The collective agreement shall regulate conditions, manner and procedure for professionalizing the work of the trade union representative, in the interest of protecting trade union rights.

Protection of trade union representatives

Article 160

- (1) The representative of the trade union organization and representative of employees, during the performance of trade union activities and six months upon termination of trade union activities, shall not be held accountable with respect to performance of trade union activities, declared as redundant, assigned to another job position with the same or

other employer with respect to performance of trade union activities, or placed, in another manner, in a less favorable position, if he acts in accordance with the law and the collective agreement.

- (2) The employer shall not place a representative of the trade union organization or representative of employees in a more or less favorable position due to his membership in a trade union or his trade union activities.

2. Association of employers

Representativeness of the association of employers

Article 161

- (1) The association of employers, under this Law, shall be considered as representative if its members employ minimum 25% of employees in the economy of Montenegro and participate with minimum 25% in the gross domestic product of Montenegro.
- (2) The associations of employers shall be obliged to register with the Ministry, for the purpose of record keeping.
- (3) The Ministry shall prescribe the manner and procedure for keeping records on associations of employers and more detailed criteria for determining representativeness of associations of employers.
- (4) If no association of employers meets the requirements referred to in paragraph 1 of this Article, the employers may conclude the agreement on participating in conclusion of the collective agreement.

Court protection

Article 162

The competent court shall decide, in accordance with law, in case of dispute regarding representativeness of the trade union or association of employers under this Law.

XII SPECIAL TYPES OF LABOR CONTRACTS

1. Temporary and occasional jobs

Performance of temporary and occasional jobs

Article 163

For the purpose of performing certain activities that do not require special knowledge and expertise, and, by their nature are such that they do not exceed 120 business days in a calendar year (temporary and occasional jobs), the employer may conclude a special labor contract with a person registered with the Employment Bureau or intermediation agency.

2. Performance of activities outside the premises of the employer

Production of objects and provision of services

Article 164

For the purpose of production of certain objects and provision of services within its scope of activity outside the premises of the employer (handicrafts, collection of secondary resources, sale of books, brochures, newspapers, provision of computer services, and similar), the employer may conclude a special labor contract.

3. Special contract

Service contract

Article 165

- (1) The employer may conclude a service contract with a person for the purpose of performing the activities outside the business activity of the employer, the subject of which is independent development and repair of a certain object, independent performance of certain physical or intellectual work.
- (2) The service contract may be concluded with a person performing artistic or other activity in the area of culture, in accordance with the law.
- (3) The contract referred to in paragraph 2 of this Article shall be in compliance with the branch-level collective agreement for the persons who are independently performing the activity in the area of art and culture, if such a collective agreement is concluded.

Contents of special labor contracts and the special contract

Article 166

The contracts referred to in Articles 163, 164 and 165 of this Law shall contain the provisions on: personal data of the party executing the work, the work that the contract is concluded for, deadlines for commencing and completing the work, conditions and manner of its execution, as well as the amount, deadline and manner of payment of wages for the executed work.

Insurance of persons concluding special labor contract and the special contract

Article 167

- (1) A person that the contract is concluded with, under Articles 163, 164 and 165 of this Law, shall be entitled to health and pension insurance, in accordance with the law.
- (2) The employer shall keep records on the contracts referred to in Articles 163, 164 and 165 of this Law.

4. Volunteer work

Article 168

Employer may conclude the contract of volunteer work with the unemployed person, in accordance with the special law.

XIII WORKBOOK

Work book as a public document

Article 169

- (1) An employee shall have a workbook.
- (2) Workbook shall be a public document.
- (3) The Ministry shall prescribe the contents of a workbook, the procedure of its issuance, the manner of entering data, the procedure for replacing and issuing new workbooks, the manner of keeping the registry of issued workbooks and form of the workbook.
- (4) Workbook shall be issued by a competent body of the local government.

Keeping the workbook

Article 170

- (1) An employee shall deliver his workbook to the employer on the day of initiation of work.
- (2) Entering of negative data regarding the employee's work into the workbook shall be forbidden.
- (3) The employer shall be obliged to return to the employee properly completed workbook on the day of terminating the employment, i.e. the labor contract.

XIV SUPERVISION

Performance of supervision

Article 171

- (1) The Ministry, through the labor inspection, shall supervise the application of this Law and other labor regulations, collective agreements and labor contracts, i.e. the contracts referred to in Articles 163, 164 and 165 of this Law that regulate rights, obligations and responsibilities of employees.
- (2) An employer shall be obliged to have the approval issued by a competent body for performing the business activity in the business premises or place of execution of work, the concluded labor contract or contract referred to in Articles 163, 164 and 165 of this Law for each employee, as well as mandatory social insurance registration form.
- (3) In performing supervision, a labor inspector shall have authorizations determined by the law.

XV PUNITIVE PROVISIONS

Offences by the employer

Article 172

- (1) A pecuniary fine in the amount of ten to three hundred times the minimum wage in Montenegro shall be imposed for an offence on the employer having the status of a legal entity, if it:
 - 1) Concludes a labor contract contrary to the provision of Article 16 of this Law;

- 2) Concludes a labor contract with a person younger than 18 years of age contrary to the provisions of this Law (Article 17);
- 3) When concluding the labor contract, asks the candidate to provide the data contrary to provisions of Article 18, paragraphs 2 and 3 of this Law;
- 4) Contracts a trial work for a period exceeding six months (Article 19, paragraph 2);
- 5) Failed to conclude a labor contract or a special labor contract with a person who started working (Articles 21, 163, 164, and 165);
- 6) Fails to conclude with the employee the labor contract for an unlimited period of time (Article 22, paragraph 3);
- 7) Fails to transform the labor contract from a limited time to unlimited time labor contract (Article 26);
- 8) Fails to submit to the employee a copy of registration form for mandatory social insurance (Article 28, paragraph 2);
- 9) Fails to keep the records regarding work and fails to inform a labor inspector thereon (Article 33, paragraph 1);
- 10) Fails to pay a contracted wage for the works performed in household in the manner and in the amount determined by Article 35 of this Law;
- 11) Fails to provide the employee with education, professional training and advanced training, when required so by the needs of the working process (Article 38, paragraph 1);
- 12) Fails to enable the employee, working reduced working hours under Article 47 of this Law, to exercise the rights from work that the employee working full time hours is entitled to, or engages him to work overtime hours on these activities (Article 47, paragraphs 3 and 4);
- 13) Introduces the work longer than full time hours lasting longer than the time necessary to remove the causes due to which it was introduced (Article 49, paragraph 2);
- 14) Introduces the work longer than full time hours outside the cases determined by this Law and the collective agreement (Article 50);
- 15) Reschedules the working hours contrary to provisions of Articles 54 and 55 of this Law;
- 16) Fails to provide the employee working in night shift special protection in accordance with Article 56 of this Law;
- 17) Fails to provide the employee working in shifts with a shift change (Article 57, paragraph 1);
- 18) Fails to provide time for break during daily work, daily and weekly break, as well as the use of the annual leave, in accordance with the provisions of Articles 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69 and 70 of this Law;

- 19) Deprives the employee, who acquired the right to employment suspension, of the right to return to work (Article 76, paragraph 3);
- 20) Fails to pay to the employee the wage minimum once a month and fails to deliver to him a wage calculation (Article 84);
- 21) Fails to keep the monthly records on wages and wage compensations (Article 86);
- 22) Does not inform the employer-successor and employee on the transfer of the collective agreement and the labor contract (Article 87, paragraph 2 and Article 88, paragraph 1);
- 23) As an employer-successor fails to apply the collective agreement of the employer-predecessor in accordance with Article 89 of this Law;
- 24) Fails to adopt the program for resolving redundancy (Article 93);
- 25) Fails to make a severance payment in accordance with provisions of Article 94 of this Law;
- 26) Fails to provide for the protection of employees in accordance with provisions of Article 102, 103, 104, 105, 106, 107, 108, 109 and 110 of this Law;
- 27) Fails to enable a pregnant woman to exercise the rights during pregnancy and childbirth, father of the child, single parent, adoptive parent and guardian, in accordance with provisions of Articles 111, 112, 113, 114, 115, 116, 117 and 118 of this Law;
- 28) Fails to make a decision on protection of the rights of an employee within 15 days from the day of submission of request (Article 119, paragraph 3);
- 29) Enables the employee who turns 65 years of age to continue to work, but fails to make a written decision thereon (Article 140, paragraph 1);
- 30) Fails to submit to the employee the cancellation of the labor contract in the form of a decision (Article 143, paragraph 3);
- 31) Fails to pay to the employee outstanding unpaid wages, wage compensations and other earnings until the day of termination of employment in case of cancellation of the labor contract in accordance with Article 146 of this Law;
- 32) Fails to inform the trade union once a year on the issues prescribed by this Law, i.e. fails to inform it timely for the purpose of attending the meetings in which initiatives and proposals of the employer are discussed (Article 158);
- 33) Fails to provide the employees with a free exercise of trade union rights, or fails to provide the trade union with the conditions for exercising trade union rights (Article 159);
- 34) Fails to keep records on the contracts referred to in Articles 163, 164 and 165 of this Law;

- 35) Fails to return to the employee a properly completed workbook on the day of employment termination, i.e. labor contract termination (Article 170, paragraph 3);
- 36) Fails to keep in the business premises or the place of execution of work there the approval for performance of business activity issued by a competent body, or, for each employee, a concluded labor contract or the contract referred to in Articles 163, 164 and 165 of this Law, and the registration form for mandatory social insurance in accordance with Article 171, paragraph 2 of this Law.
- (2) A pecuniary fine in the amount ranging from one half to twenty times the minimum wage in Montenegro shall also be imposed for the offence referred to in paragraph 1 of this Article on a responsible person of the employer.
- (3) A pecuniary fine from ten to two hundred times the minimum wage in Montenegro shall be imposed for the offence referred to in paragraph 1 of this Article on the employer-entrepreneur engaged in economic activity.

Pronouncement of pecuniary fine on the spot

Article 173

- (1) On-the-spot pecuniary fine in the amount three times the minimum wage in Montenegro shall be imposed on a responsible person of the employer and entrepreneur engaged in economic activity for the offence referred to in Article 172, paragraph 1, items 8, 9, 21, 28, 33, 34, 35 and 36 of this Law.
- (2) The pecuniary fine referred to in paragraph 1 of this Article shall be imposed by the labor inspector.

XVI TRANSITIONAL AND FINAL PROVISIONS

Contract on mutual rights

Article 174

- (1) The employer shall conclude the contract regulating mutual rights, obligations and responsibilities, containing the elements referred to in Article 23 (except for items 7, 8, 9) of this Law, with the employees who entered employment until the date of coming into effect of this Law and who have not concluded the labor contract.

- (2) Employment relationship shall not be established by the contract referred to in paragraph 1 of this Article, and the legal labor-related status of the employee shall not be changed by it.

Previously initiated procedures

Article 175

The procedures for exercise and protection of employees' rights initiated prior to the date of coming into effect of this Law shall be terminated according to the regulations that were in force until the date of coming into effect of this Law.

Initiated procedures based on redundancies

Article 176

- (1) The procedure for determining redundant employees initiated but not finalized until the date of coming into effect of this Law, shall be finalized in accordance with the regulations applicable until the date of coming into effect of this Law.
- (2) The employee whose right was determined by the final decision of the competent body, based on his redundancy, and in accordance with the regulations applicable until the date of coming into effect of this Law, shall continue to use that right in accordance with those regulations.

Harmonization of the collective agreements

Article 177

- (1) Provisions of the collective agreements that are in force on the date of coming into effect of this law, which are contrary to the provisions of this law, shall be harmonized with this law within 12 months from the date of coming into effect of this law.

Adoption of the regulations

Article 178

- (1) The Ministry shall adopt the regulations for the implementation of this Law within 12 months from the date of coming into effect of this Law.

(2) Until the adoption of the regulations from Paragraph 1 of this Article, the regulations that were adopted based on the Labor Law (“Official Gazette of RoM”, no. 43/03 and 25/06) shall continue to be in force.

Cessation of validity of the former law

Article 179

As of the date of coming into effect of this Law, the Labor Law (“Official Gazette of RoM”, no. 43/03 and 25/06) shall cease to be valid.

Coming into effect

Article 180

This Law shall come into effect on the eighth day from the date of being published in the “Official Gazette of Montenegro”.