Law On Amendments Of The Labor Law

General Assembly of the Republic of Serbia has passed the Law On Amendments Of The Labor Law on 18 of July 2014, published in the „Official Gazette RS” no. 75/14, which shall enter into force on the eighth day from the date of publishing in Official Gazette, that is on 29 of July 2014. (hereinafter: „Labor law”).

Labor Law introduces significant innovations that relate to a number of institutes in the field of labor law relations, among which the most significant changes are presented in text that follows.

- The Labor law also regulates specific types of employment differently, so it extends the period for which labor relation for definite period of time could be entered into, up to
- Labor law introduces novelties in the part relating to the mandatory general acts of the employer, so it is prescribed an obligation to conclude a collective agreement, and adopt the labor rulebook only in the event the adoption of a collective agreement fails, whereas the obligation to adopt the rulebook on organization and work systematization now applies only to employers with 10 employees or more;
- An important novelty refers to the introduction of options of an employer to impose a fine of up to 20% of the employee salary for a period of
24 months, then specifies the conditions under which probation work is performed and terminated and also introduces distance work;

- Specific novelties in relation to working hours are being introduced, so as to specifying the terms of working hours, full and part-time work and overtime, determining the manner of scheduling of working hours, method of rescheduling of working hours and introducing the term of shift work;

- The provisions relating to annual leave are being specified, whereas one of the most important novelties is that the employee will be entitled to annual leave after one month of continuous employment from the date of employment with the employer in particular calendar year, and also that employee shall be entitled to compensation in case the employee did not use its annual leave in whole or in part before termination of employment and finally the provision under which the employer would be required to issue a certificate of unused annual leave has been deleted;

- Probably the most significant changes relate to the grounds and procedure for termination of employment, where specific provisions are given relating to procedure before the termination of employment, as well as the procedure for termination of employment when the employee does not perform or does not have the necessary knowledge and skills to perform the job in which it operates, also providing that when paying benefits upon termination of employment due to redundancy, an employer shall take into account only the period spent with the last employer, and finally periods of limitation for canceling a contract are prolonged to six months (subjective term) and 12 months (objective term);

- Finally, the Labor Law abolishes workbooks as of 31. of December 2011., while workbooks issued before the specified date shall remain and can be used for exercising the rights of employees.

three months, in case of violation of labor discipline or breach of obligations when the employer believes that there are mitigating circumstances or that these violations are of such a nature that the employee's employment should not be terminated;

- As for the most important changes relating to wages and other employee benefits, the Labor Law introduces novelties related to the abolition of the mandatory increase in pay based on shift work, and provides that the salary increase based on "past work" is calculated only on the time spent in employment with the last employer, employer's predecessor, as well as related entities in accordance with the law, and it introduces minimum work price;

- Labor Law introduces novelties relating to certain procedural issues in the case of initiating a labor dispute, whereas the time limit for initiating proceedings for the annulment of the decision of the employer has been reduced from 90 to 60 days, the legal consequences of unlawful dismissal have been specified, while the provision that limits the obligation of ending the labor dispute within six months has been deleted;

- The Labor Law specifically regulates issues relating to the referral of employees, and so the employees can now be temporarily transferred to another job without following the procedure prescribed by law to offer annex to the contract, for a maximum of 45 working days over a period of 12 months, while at the same time the obligations that in the case of sending an employee to work for another employer, the employee cannot be determined less rights than those which had with an employer who referred to work, is deleted.
The Labor Law specifies i.e. harmonizes the provisions of prescribed fines with the latest changes, while the transitional and final provisions of the Labor law provide for the obligation to harmonize the organizational and systematization rulebook within 60 days of the effective date of the law, i.e. obligation to conclude a collective agreement or to adopt a labor rulebook within six (6) months from the date of entry into force.