

Pursuant to Article 95, item 3 of the Constitution of Montenegro I hereby pass the

**DECREE PROMULGATING THE LAW ON CONTRIBUTIONS FOR COMPULSORY
SOCIAL INSURANCE**

I hereby promulgate the Law on Contributions for Compulsory Social Insurance, adopted by the Parliament of Montenegro at the second sitting of the second regular session in 2007, on 29 November 2007.

Number: 01-1397/2
Podgorica, 11 December 2007

The President of Montenegro
Filip Vujanović, m.p.

**LAW ON CONTRIBUTIONS FOR COMPULSORY
SOCIAL INSURANCE**

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December 2008, 68/09 of 25 December 2009, 78/10 of 29 December 2010, 14/12
of 7 March 2012 62/2013 of 31 December 2013, 08/2015 of 27 February 2015)**

I BASIC PROVISIONS

Article 1

This Law determines contributions for compulsory social insurance, contribution obligors, contribution bases and rates, obligors for calculation and payment of contribution, deadlines for payment and other matters related to payment of contributions for compulsory social insurance.

Article 2

Contributions for compulsory social insurance (hereinafter referred to as the contributions) for the purpose of this Law shall be as follows:

- 1) contribution for compulsory pension and disability insurance;
- 2) contribution for compulsory health insurance;
- 3) contribution for insurance against unemployment.

Article 3

The contributions referred to in Article 2 item 1 of this Law shall be the revenues of the Fund for Pension and Disability Insurance of Montenegro.

The contributions referred to in Article 2 item 2 of this Law shall be the revenues of the Fund for Health Insurance.

The contributions referred to in Article 2 item 3 shall be the revenues of the Employment Office.

Article 3a

- (1) The basis for calculation and payment of the contributions shall be a gross wage of the employee including the wage for work performed and time spent at work, increased wage, wage compensation and other personal earnings set by law, collective bargaining agreement and employment contract for which the tax on income of natural persons is paid,
- (2) The gross wage of the employer referred to in paragraph 1 of this Article shall also include remunerations directly connected to work and work performance (remuneration for work in working bodies, groups, teams and similar) for which the tax on income of natural persons is not paid.

Article 4

The terms used in this Law shall have the following meaning:

- 1) **contribution obligor** shall be the insured person, the employer or payer of revenues, who bears the burden of contribution payment;
- 2) **contribution calculation obligor, or contribution payment obligor** shall be the insured person, the employer, or another payer of revenues who is obliged to calculate, or pay the contribution in his own name and on his own behalf or in his own name and on behalf of the insured person;
- 3) **the insured person** shall be the natural person insured in accordance with law;
- 4) **employee** shall be the natural person working with an employer and having rights and obligations in respect of employment based on labour contract or decision;
- 5) **sent employee** shall be an employee who performs activities in another country for the employer with the registered office in Montenegro or works in a diplomatic or consular representative office or in an international organization abroad;
- 6) **citizen of Montenegro employed abroad** shall be a person employed abroad with a foreign employer if during such time this person is not covered with compulsory insurance with the foreign insurance bearer or if the rights in respect of compulsory social insurance, according to the regulations of such country, may not be realized or used outside its territory, and immediately prior to departure this person was insured in Montenegro, or prior to departure had permanent residence in Montenegro;

- 7) **foreign pensioner** shall be a person receiving pension or disability benefit solely from foreign insurance bearer, and having permanent residence in Montenegro;
- 8) **person performing part-time and intermittent work** shall be the person performing activities based on special contracts concluded in accordance with the law governing labour relations, and who earns the contracted fee at the account thereof;
- 9) **employer** shall be a legal and natural person performing business activities, an institution, state authority, local self-government or local government authority, the Army of Montenegro, bank, insurance company, association, agency, cooperative and other legal and natural persons where the employees entered into employment based on a conclude labour contract or decision;
- 10) **payer of revenues** shall be the employer, other legal or natural person which is, in the name and on behalf of the insured person or in his own name, and on behalf of the insured, obliged to calculate and pay the contribution;
- 11) **self-employment activity** shall be a business activity performed by entrepreneur, professional or other activity performed by natural persons as core vocations, and clergy, religious professional, and agricultural producer;
- 12) **intermittent self-employment activity** shall be the activity performed by a natural person on intermittent basis for the purpose of generating revenue;
- 13) **entrepreneur** shall be a natural person performing business activity for the purpose of generating profit in accordance with law;
- 14) **person realizing contracted fee** shall be a natural person performing activities based on a contract (service contract, work-for-hire agreement and other);
- 15) **contracted fee** shall be a fee including tax and contributions the payment of which bears the person realizing such fee;
- 16) **pecuniary benefit** shall be the benefit realized during the unemployment period, in accordance with the law governing employment;
- 17) **salary compensation** shall be the benefit realized as the right arising from a temporary prevention to work;
- 18) **agriculture producer** shall be a person performing agriculture activities as the only or main vocation, who is not a personal income taxpayer on those grounds;
- 19) **contribution from the base** shall be the amount of contributions calculated, withheld and paid by the employer, or other payer of revenues in the name and on behalf of the insured person;
- 20) **contribution on the base** shall be the amount of the contribution calculated and paid by employer, or other payer of revenues in his own name, and on behalf of the insured person, or the insured person who pays the contribution for himself;
- 21) **lowest monthly contribution base** shall be the lowest amount on which the contributions for one insurance calendar month are calculated and paid, which is prescribed by general collective bargaining agreement for corresponding professional qualification category, stated in gross amount;
- 22) **maximum annual contribution base for pension and disability insurance** shall be the maximum amount on which the contributions for pension and disability insurance are calculated and paid for an insurance calendar year;
- 23) **average monthly wage in Montenegro** shall be the average amount of a monthly wage paid in the previous year to the employee in Montenegro, according to the information of the authority in charge of statistics;

- 24) **minimum price of labour in Montenegro shall be the amount of the monthly price of labour set in a manner stipulated by the General Collective Bargaining Agreement;**

II CONTRIBUTION OBLIGORS

1. Obligors of contributions for pension and disability insurance

Article 5

(1) Obligors of contribution for pension and disability insurance shall be:

- 1) persons employed with an employer;
- 2) persons performing part-time and intermittent work assignments;
- 3) elected or appointed persons, if making wage for performance of functions;
- 4) members of boards of directors in a business organization and other legal entity and members of boards of directors in public enterprises and institutions who receive compensation for their work;
- 5) sent persons, if not covered by compulsory insurance according to regulations of such country or unless otherwise determined by international agreement;
- 6) citizens of Montenegro who are, at the territory of Montenegro, employed with foreign or international organizations and institutions, foreign diplomatic and consular representative offices or with foreign legal or natural persons, unless otherwise determined by an international agreement;
- 7) citizens of Montenegro employed abroad;
- 8) foreign citizens and persons without citizenship who are at the territory of Montenegro employed with foreign legal and natural persons, unless otherwise determined by an international agreement, or unless insured in accordance with the regulations of another country;
- 9) foreign citizens and persons without citizenship who are at the territory of Montenegro employed with international organizations and institutions and foreign diplomatic and consular representative offices, if such insurance is envisaged by an international agreement;
- 10) foreign citizens and persons without citizenship who are at the territory of Montenegro employed with local legal or natural persons, based on special contracts and agreements on international-technical cooperation, unless otherwise determined by an international agreement, or unless insured in accordance with the regulations of another country;
- 11) persons realizing pecuniary benefit in accordance with the law governing employment;
- 12) entrepreneurs and persons carrying out professional and other activity as a core profession;
- 13) persons realizing the contracted fee, unless contribution obligors on other grounds;
- 14) clergy, religious professionals, monks, and nuns;
- 15) agriculture producers;

(2) Obligors of the contribution for pension and disability insurance:

- 1) for the persons referred to in paragraph 1 items 1 to 3, and items 5, 6, 8, 9 and 10 of this Article shall also be the employer, or other payer of revenues;
- 2) for the persons referred to in paragraph 1 item 11 of this Article shall be the Employment Office;
- 3) for the persons referred to in paragraph 1 item 14 of this Article shall be the religious communities.

2. Obligors of contributions for health insurance

Article 6

(1) Obligors of contributions for health insurance shall be:

- 1) persons employed with an employer;
- 2) persons performing part-time and intermittent work assignments;
- 3) elected or appointed persons, if making wage for performance of functions.
- 4) members of boards of directors in a business organization and other legal entity and members of boards of directors in public enterprises and institutions who receive remuneration for their work, unless they are obligors based on other grounds;
- 5) citizens of Montenegro who are, at the territory of Montenegro, employed with foreign or international organizations and institutions, foreign diplomatic and consular representative offices or with foreign legal or natural persons, unless otherwise determined by an international agreement;
- 6) sent persons, if not covered by compulsory insurance in accordance with the regulations of the country they are sent to, or unless otherwise determined by an international agreement;
- 7) citizens of Montenegro employed abroad in the households of the citizens of Montenegro referred to in paragraph 1 item 6 of this Article;
- 8) citizens of Montenegro employed abroad;
- 9) foreign citizens and persons without citizenship who are employed at the territory of Montenegro with domestic legal, or natural persons, based on special contracts and agreements on international-technical cooperation, unless otherwise determined by an international agreement, or unless insured according to regulations of another country;
- 10) foreign citizens and persons without citizenship who are employed at the territory of Montenegro with foreign legal and natural persons, unless otherwise determined by an international agreement, or unless insured according to regulations of another country;
- 11) foreign citizens and persons without citizenship who are at the territory of Montenegro employed with international organizations and institutions and foreign diplomatic and consular offices, if such insurance is envisaged by an international agreement;
- 12) entrepreneurs and persons carrying out professional and other activity as a core profession;
- 13) persons realizing contracted fees, unless they are obligors in other respect;
- 14) persons realizing pecuniary benefits in accordance with the law governing employment;
- 15) unemployed persons entered in the records of unemployed persons, who do not receive benefits in such a respect;

- 16) users of pensions according to regulations on pension and disability insurance;
- 17) war veterans, war invalids, civilian war invalids, members of their families and users of rights to pecuniary benefit for financial support for war veterans;
- 18) users of social care rights, in accordance with special regulations;
- 19) foreign pensioners, unless otherwise determined by an international agreement ;
- 20) agriculture producers and persons who are the owners of agriculture land;
- 21) clergy, religious professionals, monks, and nuns ;
- 22) person under imprisonment, as well as persons imposed with the measure of compulsory care and compulsory treatment of alcohol and drug addicts;
- 23) persons who are holders of personal insurance, in accordance with law governing health insurance.

(2) Obligors of the contributions for health insurance:

- 1) for the persons referred to in paragraph 1 items 1 to 7, items 9, 10 and 11 of this Article shall also be employers, or other payers of revenues;
- 2) for the persons referred to in paragraph 1 item 14 of this Article shall be the Employment Office;
- 3) for the persons referred to in paragraph 1 items 15, 17, 18 and 22 of this Article shall be the competent administration authority;
- 4) for the persons from paragraph 1 item 16 of this Article shall be the Fund for Pension and Disability Insurance of Montenegro;
- 5) for the persons referred to in paragraph 1 item 21 of this Article shall be the religious communities.

3. Obligors of the contribution for insurance against unemployment

Article 7

(1) Obligors of the contributions for insurance against unemployment shall be as follows:

- 1) persons employed with the employer;
- 2) persons performing part-time and intermittent work assignments;
- 3) elected or appointed persons, if making wage for performance of the functions;
- 4) citizens of Montenegro who are employed at the territory of Montenegro with foreign or international organizations and institutions, foreign consular and diplomatic representative offices or with foreign legal or natural persons, unless otherwise determined in an international agreement;
- 5) sent person if not covered with compulsory insurance in accordance with the regulations of the country they are sent to, or if otherwise determined by an international agreement;
- 6) foreign citizens and persons without citizenship who are at the territory of Montenegro employed with foreign legal and natural persons, unless otherwise envisaged by an international agreement, or unless insured in accordance with the regulations of another country;

- 7) foreign citizens and persons without citizenship who are, at the territory of Montenegro, employed with international organizations and institutions, foreign diplomatic and consular representative offices, if such insurance is envisaged by an international agreement;
 - 8) foreign citizens and persons without citizenship who are employed at the territory of Montenegro with domestic legal, or natural persons, based on special contracts and agreements on international-technical cooperation, unless otherwise determined by an international agreement, or unless insured according to regulations of another country;
 - 9) entrepreneurs and persons carrying out professional and other activity as a core profession,
- (2) Obligors of the contribution for insurance against unemployment for the persons referred to in paragraph 1 items 1 to 8 of this Article shall also be the employers, or other payers of revenues;

4. Obligors of additional contribution for pension and disability insurance

Article 8

- (1) The employer shall be the obligor of additional contribution for pension and disability insurance for years of contributing to insurance that is calculated for the employee with accelerated rate, in accordance with the law governing compulsory pension and disability insurance.
- (2) Entrepreneur shall be the obligor of additional contribution for pension and disability insurance for the years of contributing to insurance that is calculated with accelerated rate, which the insured person realizes in accordance with the law regulating compulsory pension and disability insurance.

III CONTRIBUTION BASES

1. Contribution bases for pension and disability insurance

Article 9

The base for calculation and payment of contributions for pension and disability insurance:

- 1) for obligors referred to in Article 5 paragraph 1 items 1 to 3 and items 8 to 10 of this Law shall be the gross wage of the employee referred to in Article 3a of this Law, where the base may not be lower than the minimum monthly contribution base;
- 2) for obligors referred to in Article 5 paragraph 1 item 4 of this Law shall be the remuneration for work in the board of directors, or management board;
- 3) for obligors referred to in Article 5 paragraph 1 item 5 of this Law shall be the wage which would be, in accordance with the law and collective bargaining

- agreement, realized by such persons in Montenegro performing the same or similar activities, where the base may not be lower than the minimum monthly contribution base;
- 4) for obligors referred to in Article 5 paragraph 1 item 6 of this Law shall be the paid wage which may not be lower than the minimum monthly contribution base;
 - 5) for obligors referred to in Article 5 paragraph 1 item 7 of this Law shall be stipulated in the general act by the ministry in charge of activities related to pension and disability insurance, but may not be lower than the minimum monthly contribution base;
 - 6) for obligors referred to in Article 5 paragraph 1 item 11 shall be the pecuniary benefit received by such persons in accordance with the laws governing labour and employment;
 - 7) for obligors referred to in Article 5 paragraph 1 item 12 of this Law who are subject to annual lump sum taxation, shall be taxable income set in accordance with the law and other legislation governing the personal income tax, and for obligors who are paying tax based on actual income shall be set depending on the level of actual or planned annual turnover and so as follows:
 - up to 9,000.00 euro, 60% of the average monthly wage in Montenegro,
 - up to 15,000.00 euro, 100% of the average monthly wage in Montenegro,
 - in excess of 15,000. euro, 150% of the average monthly wage in Montenegro, whereby the obligor may pay the contribution on the base in excess of the amount stated in indents 1 to 3 of this Item;
 - 8) for obligors referred to in Article 5 paragraph 1 item 13 of this Law shall be taxable income from self-employment activity, in accordance with the law governing personal income tax;
 - 9) for obligors referred to in Article 5 paragraph 1 item 14 of this Law the insurance bases shall be determined by the ministry in charge of pension and disability insurance activities based on the duty that the obligor is assigned to, his/her educational qualifications and years of service, where the base may not be lower than minimum monthly contribution base;
 - 10) for obligors referred to in Article 5 paragraph 1 item 15 of this Law the insurance base shall be 20% of the average monthly wage in Montenegro, where the obligor may choose to pay a base higher than the prescribed, in accordance with the provisions of the law regulating compulsory pension and disability insurance;

2. Contribution base for health insurance

Article 10

The base for calculation and payment of contributions for compulsory health insurance:

- 1) for obligors referred to in Article 6 paragraph 1 items 1 to 3 and items 9, 10, and 11 of this Law shall be the gross wage of the employee referred to in Article 3a of this Law, where the base may not be lower than minimum monthly contribution base;
- 2) for obligors referred to in Article 6 paragraph 1 item 4 of this Law shall be the remuneration for work in the board of directors, or management board;

- 3) for obligors referred to in Article 6 paragraph 1 item 5 of this Law shall be the paid wage which may not be lower than minimum monthly contribution base;
- 4) for obligors referred to in Article 6 paragraph 1 item 6 of this Law shall be the wage which would be, in accordance with law and collective bargaining agreement, realized by such persons in Montenegro performing the same or similar activities while the base may not be lower than minimum monthly contribution base;
- 5) for obligors referred to in Article 6 paragraph 1 items 7, 20 and 21 of this Law the base shall be 20% of the average monthly wage in Montenegro;
- 6) for obligors referred to in Article 6 paragraph 1 item 8 of this Law shall be the amount of paid remuneration which cannot be lower than the minimum monthly contribution base;
- 7) for obligors referred to in Article 6 paragraph 1 item 12 of this Law who are subject to annual lump sum taxation, shall be taxable income set in accordance with the law and other legislation governing the personal income tax, and for obligors who are paying tax based on actual income shall be set depending on the level of actual or planned annual turnover and so as follows:
 - up to 9,000.00 euro, 60% of the average monthly wage in Montenegro,
 - up to 15,000.00 euro, 100% of the average monthly wage in Montenegro,
 - in excess of 15,000. euro, 150% of the average monthly wage in Montenegro;
- 8) for obligors referred to in Article 6 paragraph 1 item 13 of this Law shall be taxable income in accordance with the law governing income tax;
- 9) for obligors referred to in Article 6 paragraph 1 item 14 of this Law shall be the pecuniary benefit obtained in accordance with laws governing labour and employment;
- 10) for obligors referred to in Article 6 paragraph 1 items 15 and 22 of this Law shall be the amount of the minimum price of labour in Montenegro for the month for which the contribution is paid;
- 11) for obligors referred to in Article 6 paragraph 1 items 16 and 19 of this Law shall be the amount of the pension;
- 12) for obligors referred to in Article 6 paragraph 1 items 17 and 18 of this Law shall be the amount of paid benefit, where such benefit may not be lower than the minimum labour price in Montenegro;
- 13) for obligors referred to in Article 6 paragraph 1 item 23 of this Law shall be the amount of average monthly wage in Montenegro.

3. Contribution Bases for insurance against unemployment

Article 11

The base for calculation and payment of contributions for insurance against unemployment:

- 1) for obligors referred to in Article 7 paragraph 1 items 1 to 3 and items 7, 8 and 9 of this Law shall be the gross wage of the employee referred to in Article 3a of this Law;
- 2) for obligors referred to in Article 7 paragraph 1 item 4 of this Law shall be the remuneration for work in the board of directors, or management board;
- 3) for obligors referred to in Article 7 paragraph 1 item 5 of this Law shall be paid wage which may not be lower than minimum monthly contribution base;

- 4) for obligors referred to in Article 7 paragraph 1 item 6 of this Law shall be the wage which would be, in accordance with law and collective bargaining agreement, realized by such persons in Montenegro performing the same or similar activities, while the base may not be lower than minimum monthly contribution base;
- 5) for obligors referred to in Article 7 paragraph 1 item 9 of this Law who are subject to annual lump sum taxation, shall be taxable income set in accordance with the law and other legislation governing the personal income tax, and for obligors who are paying tax based on actual income shall be set depending on the level of actual or planned annual turnover and so as follows:
 - up to 9,000.00 euro, 60% of the average monthly wage in Montenegro,
 - up to 15,000.00 euro, 100% of the average monthly wage in Montenegro,
 - in excess of 15,000. euro, 150% of the average monthly wage in Montenegro.

4. Contribution bases for the period of temporary prevention to work

Article 12

The contributions base for compulsory social insurance for persons, who due to temporary prevention to work, are entitled to wage compensation in accordance with the law governing health insurance, shall be such compensation.

Article 13

The base on which the contribution for the insured persons using the right to wage compensation in respect of maternity leave, or during the period of part time work is paid shall be the compensation in accordance with the law on social and child care.

5. Maximum annual base for payment of contributions

Article 14

- (1) In case when the insured person generates revenues in several different respects (employment, and other), the contribution for compulsory pension and disability insurance shall be calculated and paid in each respect, to the amount of maximum annual contribution base, in accordance with this Law.
- (2) The maximum annual base for payment of contributions for 2012 shall be 50,000.00 euro.
- (3) The base referred to in paragraph 2 of this Article shall be adjusted annually with the trend of average wage in Montenegro in the previous calendar year, according to the data provided by the administration authority in charge of statistics affairs.
- (4) The ministry in charge of financial affairs shall adopt the act on adjustment of the maximum annual base referred to in paragraph 2 of this Article.

- (5) The ministry in charge of financial affairs shall stipulate the detailed manner and procedure for stopping payment or refunding contributions once the maximum annual contribution base is reached.

IV CONTRIBUTION RATES

1. Contribution rates for pension and disability insurance

Article 15

Contribution rates at which paid is the contribution for pension and disability insurance on the prescribed base shall amount to:

- 1) 5.5% to be paid by employer and 15.0% to be paid by insured person in case of obligors referred to in Article 5 paragraph 1 items 1, 2, 3, 5, 6, 8, 9 and 10 and Articles 12 and 13 of this Law;
- 2) 20.5% to be paid by insured person in case of obligors referred to in Article 5 paragraph 1 items 4, 7, 12, 13, 14 and 15 of this Law ;
- 3) 20.5 % to be paid by the payer of the benefit in case of obligors referred to in Article 5 paragraph 1 item 11 of this Law;
- 4) 20.5% to be paid by the religious community for obligors referred to in Article 5 paragraph 1 item 14 of this Law.

2. Additional contribution rate for pension and disability insurance

Article 16

Additional contributions for years contributing to insurance which is calculated with accelerated rate, paid by employer shall amount to:

- 1) 6% for obligors assigned to work positions where 12 months of effective work is calculated as 14 months of period contributing to insurance;
- 2) 9% for obligors assigned to work positions where 12 months of effective work is calculated as 15 months of period contributing to insurance;
- 3) 12% for obligors assigned to work positions where 12 months of effective work is calculated as 16 months of period contributing to insurance;
- 4) 18% for obligors assigned to work positions where 12 months of effective work is calculated as 18 months of period contributing to insurance;
- 5) 28% for obligors assigned to work positions where 12 months of effective work is calculated as 24 months of period contributing to insurance.

3. Contribution rates for health insurance

Article 17

- (1) Contribution rates at which the contribution for health insurance on the prescribed base is paid shall be as follows:

- 1) 4.3% charged to the employer and 8.5% charged to the insured person for obligors referred to in Article 6 paragraph 1 items 1 to 7, items 9, 10, 11 and Articles 12 and 13 of this Law;
 - 2) 12.8% charged to the insured person for obligors referred to in Article 6 paragraph 1 items 8, 12 and 13 of this Law;
 - 3) 4.3% for obligors referred to in Article 6 paragraph 1 items 14, 15, 17, 18, and 22 of this Law;
 - 4) 1.0% for obligors referred to in Article 6 paragraph 1 item 16 of this Law;
 - 5) 12.8% for obligors referred to in Article 6 paragraph 1 item 19 of this Law;
 - 6) 12.8% for obligors referred to in Article 6 paragraph 1 items 20, 21 and 23 of this Law.
- (2) For employees on leave-without-pay exceeding 30 days, the employer shall pay the contribution for health insurance at the rate of 12.8%.

4. Contribution rates for insurance against unemployment

Article 18

Contribution rates at which the contribution for insurance against unemployment on the prescribed base paid is shall be as follows:

- 1) 0.5% to be paid by employer and 0.5% to be paid by insured person for obligors referred to in Article 7 paragraph 1 items 1 to 8 and Articles 12 and 13 of this Law;
- 2) 1% to be paid by insured person for obligors referred to in Article 7 paragraph 1 item 9 of this Law.

IVa Exemption from Payment of Contributions on Personal Earnings

Article 18a

- (1) The contributions shall not be paid on personal earnings of natural persons up to the amount set by a law governing the tax on income of natural persons.
- (2) Notwithstanding paragraph 1 of this Article, the contributions shall not be paid on earnings resulting from severance payment, solidarity and social assistance, family separation allowance and jubilee awards.
- (3) The contributions shall not be paid on personal earnings received in form goods, gifts and in case of doing or giving amenities to the employee except when such personal earnings are provided as compensation for unpaid wage.
- (4) For employees in diplomatic-consular representative offices and missions of Montenegro abroad shall not pay the contribution on special supplement on the core wage, special compensations of costs (for health insurance, maternity leave,

for accommodation, share for education of children, in case of death abroad) and other earnings (earnings of *chargé d'affaires*, *ad interim* and functional earnings and earnings for sustaining family members) in accordance with legislation governing the rights and obligations of employees in diplomatic-consular representative offices and missions of Montenegro abroad.

V CONTRIBUTION LIABILITY PAYMENT STANDSTILL

Article 19

For the employee with approved standstill of employment in accordance with the law governing labour relations, the contribution payment liability shall also standstill during such period, unless otherwise stipulated by this Law.

Article 20

- (1) For entrepreneur and natural person carrying out professional or other activity as core profession who temporarily cancels performance of the activity in accordance with law governing such activity, the contribution payment liability shall standstill during such period, unless such person submits the request for payment of contributions during such period.
- (2) The request referred to in paragraph 1 of this Article shall be submitted within five business days from the day of temporary cancellation of performance of the activity.

VI CALCULATION AND DEADLINES FOR PAYMENT OF CONTRIBUTIONS

Article 21

- (1) Contribution for obligors referred to in Article 5 paragraph 1 items 1, 2, 3, 5, 6, 8, 9 and 10, Article 6 paragraph 1 items 1 to 7 and items 9, 10 and 11, Article 7 paragraph 1 items 1 to 8 and Articles 12, 13 and 16 of this Law shall be calculated and paid by employer, or payer of revenues at the occasion of payment of the wage, or wage compensation, at the account of insured person and employer.
- (2) Contribution for obligors referred to in Article 5 paragraph 1 item 7 and Article 6 paragraph 1 items 8, 19 and 23 of this Law shall be paid by the insured persons themselves by 15th in a month, upon the expiry of each calendar quarter.
- (3) Contribution for obligors referred to in Article 5 paragraph 1 item 11 and Article 6 paragraph 1 item 14 of this Law shall be calculated and paid by the Employment Office at the occasion of payment of benefits.

- (4) Contribution for obligors referred to in Article 5 paragraph 1 item 12, Article 6 paragraph 1 item 12, Article 7 paragraph 1 item 10 and Article 16 this Law shall be calculated and paid by the insured person, in the manner in which tax is calculated and paid according to the law governing the personal income tax.
- (5) Contribution for obligors referred to in Article 5 paragraph 1 items 4 and 13 and Article 6 paragraph 1 item 13 of this Law shall be calculated and paid by the payer of contracted fee at the occasion of its payment.
- (6) Contribution for obligors referred to in Article 5 paragraph 1 item 14 and Article 6 paragraph 1 item 21 of this Law shall be calculated and paid by religious community by 15th in the month upon the expiry of each quarter.
- (7) Contribution for obligors referred to in Article 6 paragraph 1 item 16 of this Law shall be paid by Fund for Pension and Disability Insurance, at the occasion of payment of the pensions.
- (8) Contribution for obligors referred to in Article 6 paragraph 1 items 17 and 18 of this Law shall be paid by the ministry in charge of the activities related to war veterans and disabled and social welfare, at the occasion of payment of corresponding benefits.
- (9) Contribution for obligors referred to in Article 6 paragraph 1 items 15 and 22 of this Law shall be paid by a competent administration authority by 15th in the month for previous month.
- (10) If the payer of personal earnings does not calculate and pays contributions for employees in diplomatic or consular representative office of a foreign state, in international organization, office or organization having diplomatic immunity at the territory of Montenegro, the very employee shall be obliged to calculate and pay contributions from and on personal earnings within five days as of receipt of such earnings.
- (11) Contributions for pension and disability insurance and health insurance for obligors who are agricultural producers shall be determined by way of a decision of the competent tax authority, and shall be paid quarterly by 15th in the month upon expiry of each quarter.
- (12) Contributions for health insurance for obligors who are owners of agricultural land shall be paid by the insured person, quarterly by 15th in the month upon expiry of each quarter.
- (13) The ministry responsible for finance shall stipulated more detailed manner and procedure for calculation and payment of contributions referred to in paragraph 1 of this Article, while ministry responsible for agriculture shall stipulate the contributions referred to in paragraph 12 of this Article.

VII REFUND OF OVERPAID CONTRIBUTIONS

Article 22

- (1) The contribution obligor who paid contributions by himself, or who had the contribution from the base paid in his name and on his behalf in the amount exceeding the maximum annual base for a calendar year, shall be entitled to refund of such overpaid contributions.
- (2) Employer or payer of revenues who has paid in his name but on behalf of the insured person the contribution from the base that exceeds the maximum annual base for a calendar year shall be entitled to a refund of such overpaid contributions.
- (3) The contribution obligor referred to in paragraphs 1 and 2 of this Article shall submit the request for refund of the overpaid contribution to the competent tax authority upon year-end.
- (4) The competent tax authority shall render a decision upon the request referred to in paragraph 2 of this Article by way of a decision.

Article 23

Deleted (Official Gazette of Montenegro, No 79/08)

Article 24

The ministry responsible for finance shall stipulate more detailed procedure and manner for refunding overpaid contribution.

VIII CONTROL OF CALCULATION AND PAYMENT OF CONTRIBUTIONS

Article 25

The law governing the tax procedure shall apply in terms of determining, control and collection of contributions, deadlines, interest and statute of limitation, except for statute of limitations for contributions for pension and disability insurance, as well as for other issues not regulated by this Law.

IX PENALTY PROVISIONS

Article 26

- (1) A pecuniary fine ranging from 2,000 euro to 20,000 euro shall be imposed for an offence on a legal entity if as the payer of income on which contributions for compulsory social insurance are paid fails to calculate, incorrectly calculates, fails to withhold or fails to pay contributions at each occasion of payment of revenues (Article 21 paragraphs 1, 3, 4, 5, 6, 7, and 8).
- (2) A pecuniary fine ranging from 500 euro to 10,000 euro shall also be imposed on a responsible person in the legal entity, state authority, state administration authority or local self-government authority and local administration for the offence referred to in paragraph 1 of this Article.
- (3) A pecuniary fine ranging from 1,000 euro to 6,000 euro shall be imposed on an entrepreneur for the offence referred to in paragraph 1 of this Article

Article 27

A pecuniary fine ranging from 250 euro to 2,000 euro shall be imposed for an offence on the contribution obligor – natural person who fails to pay contributions for compulsory social insurance within the prescribed deadline (Article 21 paragraphs 2, 10, 11, and 12).

XI TRANSITIONAL AND FINAL PROVISIONS

Article 28

Notwithstanding Articles 15 and 17 of this Law, the contribution rates for 2008:

- 1) for pension and disability insurance shall amount to:
 - 9.0% for obligors referred to in Article 5 paragraph 1 items 1, 2, 3, 5, 6, 8, 9, and 10 and Articles 12 and 13 of this Law to be paid by employer,
 - 21.0% for obligors referred to in Article 5 paragraph 1 items 4, 7, 12, 13, 14 and 15 of this Law to be paid by insured persons;
 - 21.0% for obligors referred to in Article 5 paragraph 1 item 11 of this Law to be paid by the payer of the benefit.
- 2) for health insurance shall amount to:
 - 5.5% to be paid by employer and 6.5% to be paid by insured persons for obligors referred to in Article 6 paragraph 1 items 1 to 7, items 9, 10, 11 and Articles 12 and 13 of this Law;
 - 12.0% for obligors referred to in Article 6 paragraph 1 items 8, 12, and 13 of this Law to be paid by insured person;

- 6.5% for obligors referred to in Article 6 paragraph 1 items 14, 15, 17, 18, and 22 of this Law;
- 12.0% for obligors referred to in Article 6 paragraph 1 items 20, 21, and 23 of this Law;
- 12.0% for employees on leave-without-pay exceeding 30 days.

Article 29

Notwithstanding Articles 15 and 17 of this Law, the contribution rates for 2009:

- 1) for pension and disability insurance shall amount to:
 - 8.5% for obligors referred to in Article 5 paragraph 1 items 1, 2, 3, 5, 6, 8, 9, and 10 and Articles 12 and 13 of this Law to be paid by employer,
 - 20.5% for obligors referred to in Article 5 paragraph 1 items 4, 7, 12, 13, 14 and 15 of this Law to be paid by insured persons;
 - 20.5% for obligors referred to in Article 5 paragraph 1 item 11 of this Law to be paid by the payer of the benefit.
- 2) for health insurance shall amount to:
 - 5.5% to be paid by employer and 5.0% to be paid by insured persons for obligors referred to in Article 6 paragraph 1 items 1 to 7, items 9, 10, 11 and Articles 12 and 13 of this Law;
 - 10.5% for obligors referred to in Article 6 paragraph 1 items 8, 12 and 13 of this Law to be paid by insured person;
 - 5.0% for obligors referred to in Article 6 paragraph 1 items 14, 15, 17, 18, and 22 of this Law;
 - 10.5% for obligors referred to in Article 6 paragraph 1 items 20, 21 and 23 of this Law;
 - 10.5% for employees on leave-without-pay exceeding 30 days.

Article 30

The Ministry responsible for finance shall adopt more detailed regulations for application of this Law within six months as of the day this Law enters into force.

Article 30a

Exceptionally, for 2009 and 2010 no contributions for compulsory social insurance shall be paid on employee earnings originating from redundancy payments.

Article 31

Until regulations arising from authorities contained in this Law are adopted, regulations adopted under the Law on Pension and Disability Insurance (*Official Gazette of the Republic of Montenegro* No 54/03, 39/04 and 79/04) shall apply, unless contrary to this Law.

Article 32

As of the day of commencement of application of this Law, the following shall be rescinded:

- 1) Provision of the Law on contributions for compulsory social insurance (*Official Gazette of the Republic of Montenegro* No 32/93, 3/94, 42/94, 13/96 and 45/98), governing obligors, contribution bases and rates for insurance against unemployment;
- 2) Articles from 147 to 164, 166 paragraph 1, 167, 168, 169, 170, 171, 172, 173, 175, Article 188 paragraph 1 item 6, Articles 191, 192 and 209 of the Law on Pension and Disability Insurance (*Official Gazette of the Republic of Montenegro* No 54/03, 39/04 and 79/04);
- 3) Articles from 64 to 67 of the Law on Health Insurance (*Official Gazette of the Republic of Montenegro* No 39/04).

Article 32a

As of the day of commencement of application of this Law, Article 137 of the Law Amending and Supplementing laws stipulating pecuniary fines for offences (*Official Gazette of Montenegro*, No 40/11) shall be rescinded.

Article 33

This Law shall enter into force on the eighth day following the day of its publication in the *Official Gazette of Montenegro*, and shall apply from 1 January 2008.

SU-SK No 01-522/11
Podgorica, 29 November 2007

Parliament of Montenegro
The Speaker
Ranko Krivokapić, m.p.

NOTE:

The consolidate text of the Law does not include the following provision of the Law Amending the Law on Contributions for Compulsory Social Insurance (*Official Gazette of Montenegro*, No 08/2015 of 27 February 2015):

"Article 2

This Law shall enter into force on the next day following the day of its publication in the Official Gazette of Montenegro."

The consolidate text of the Law does not include the following provision of the Law Amending and Supplementing the Law on Contributions for Compulsory Social Insurance (*Official Gazette of Montenegro*, No 62/2013 of 31 March 2013):

"Article 7

This Law shall enter into force on the next day following the day of its publication in the Official Gazette of Montenegro, and shall apply from 1 January 2014."

The consolidate text of the Law does not include the following provision of the Law Amending and Supplementing the Law on Contributions for Compulsory Social Insurance (*Official Gazette of Montenegro*, No 14/2012 of 7 March 2012):

"Article 10

This Law shall enter into force on the day of its publication in the Official Gazette of Montenegro."

The consolidate text of the Law does not include the following provision of the Law Amending and Supplementing the Law on Contributions for Compulsory Social Insurance (*Official Gazette of Montenegro*, No 78/2010 of 29 December 2010):

"Article 5

This Law shall enter into force on the next day following the day of its publication in the Official Gazette of Montenegro and shall apply from 1 January 2011."