

LABOUR LAW
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I GENERAL PROVISIONS

Subject matter of the Labour Law

Article 1

The rights and obligations of employees arising from employment, the method and the procedure of their exercise, encouraging employment and facilitating flexibility in the labour market, shall be regulated by this Law, collective agreement and contract of employment.

Application of the Law

Article 2

- (1) The provisions of this Law shall apply to all persons employed with an employer who work in the territory of Montenegro, and to employees who have been assigned to work abroad by their employer with the head office in Montenegro, unless otherwise prescribed by the law.
- (2) The provisions of this Law shall also apply to the employees in state bodies, public administration authorities, local government authorities and public services, unless otherwise prescribed by the law.
- (3) The provisions of this Law shall also apply to employees who are foreign citizens and persons without citizenship who work with an employer in the territory of Montenegro, unless otherwise prescribed by the law.

Definition of employment relationship

Article 3

Employment relationship is a relationship based on employment between an employee and an employer that is established by a contract of employment, in accordance with the law and collective agreement.

Relation between the law, collective agreement and contract of employment

Article 4

- (1) Collective agreement and contract of employment may not contain provisions stipulating narrower scope of rights or less favourable terms of employment than the rights and conditions provided by the law.
- (2) Collective agreement and contract of employment may stipulate broader scope of rights and more favourable terms of employment than the rights and conditions defined by this law.
- (3) If certain provisions of collective agreement stipulate narrower scope of rights or less favourable terms of employment than the rights or terms stipulated by the law, the provisions of the law shall apply.
- (4) If certain provisions of contract of employment stipulate narrower scope of rights or less favourable terms of employment than the rights or terms stipulated by the law and collective agreement, they shall be null and void.
- (5) In case collective agreement was not concluded with the employer, branch collective agreement for relevant activity shall apply directly and in case there is no branch collective agreement the general collective agreement shall apply.

Prohibition of discrimination

Article 5

Direct or indirect discrimination of a person seeking employment and an employed person, on the grounds of gender, birth, language, race, religion, colour of skin, age, pregnancy, health condition, or disability, nationality, marital status, family responsibilities, sexual orientation, political or other belief, social background, financial status, membership in political and trade union organizations or any other personal feature shall be prohibited.

Direct and indirect discrimination

Article 6

- (1) Direct discrimination, pursuant to this Law, shall include any treatment based on any of the grounds referred to in Article 5 of this Law whereby a person seeking employment and an employed person is placed in a less favourable position in comparison to other persons in the same or similar situation.
- (2) Indirect discrimination, pursuant to this Law, exists when a certain provision, criterion or practice places or would place a person seeking employment and an employed person in a less favourable position in comparison to other

persons on the basis of his or her particular characteristic, status, orientation or belief.

Discrimination on several grounds

Article 7

- (1) Discrimination referred to in Articles 5 and 6 of this Law shall be prohibited in relation to:
 - 1) employment requirements and selection of candidates for the performance of a particular job;
 - 2) terms of employment and all rights arising from employment relationship;
 - 3) education, training and professional improvement;
 - 4) promotion at work;
 - 5) termination of contract of employment.
- (2) Provisions of a contract of employment introducing discrimination on any of the grounds referred to in Articles 5 and 6 of this Law shall be null and void.

Harassment and sexual harassment

Article 8

- (1) Harassment and sexual harassment at work or in relation to work shall be prohibited.
- (2) Harassment, pursuant to this Law, shall include any unwanted conduct based on any of the grounds referred to in Articles 5 and 6 of this Law, as well as harassment through audio and video surveillance, intended to or actually undermining the dignity of a person seeking employment, and an employed person, creating an intimidating, hostile, degrading or offensive environment.
- (3) Sexual harassment, pursuant to this Law, shall include any unwanted verbal, non-verbal or physical conduct intended to or actually undermining the dignity of a person seeking employment, and an employed person in the sphere of sexual life, creating an intimidating, hostile, degrading, embarrassing or offensive environment.
- (4) An employee may not suffer harmful consequences in case of reporting, or witnessing harassment and sexual harassment at work and in relation to work pursuant to paragraphs 2 and 3 of this Article.

Abuse at work place (mobbing)

Article 8a

- (1) Any form of abuse at work place (mobbing), or any conduct towards an employee or a group of employees with an employer which is repeated and which is intended to or actually undermines the dignity, reputation, personal and professional integrity, position of an employee creating an intimidating, hostile, degrading, embarrassing or offensive environment, aggravating terms of employment or leading to isolation of an employee or inducing him/her to terminate his/her contract of employment upon his/her own initiative shall be prohibited.
- (2) Prohibition of abuse at work place (mobbing), measures for prevention of abuse, the procedure for protection of persons exposed to abuse as well as other matters of importance for prevention of and protection from abuse at work and in connection to work shall be regulated by a special law.

Positive discrimination

Article 9

- (1) Any distinction, exclusion or preference in respect of a particular job shall not be considered discrimination when the nature of the job or conditions in which it is performed are such that characteristics related to particular grounds referred to in Articles 5 and 6 of this Law constitute a genuine and determining requirement for a position and that the objective aimed at is legitimate.
- (2) Provisions of the law, collective agreement and contract of employment relating to special protection and assistance for specific categories of employees, and in particular those governing the protection of persons with disabilities, women during pregnancy and maternity leave and leave from work for the purpose of child care, i.e. special child care, as well as provisions relating to special rights for parents, adoptive parents, guardians or foster parents, shall not be considered as discrimination.

Protection before relevant court

Article 10

In case of discrimination, in accordance with Articles 5 through 8a of this Law, a person seeking employment, and an employee, may initiate proceedings before a relevant court, in accordance with the law.

Rights of employees

Article 11

- (1) An employee shall be entitled to an adequate salary, safety and protection of life and health at work, professional improvement and other rights in accordance with the law and collective agreement.
- (2) An employed woman shall be entitled to special protection during pregnancy and child delivery.
- (3) An employee shall be entitled to special protection during parental leave.
- (4) An employee shall be entitled to special protection for the purpose of providing child care in accordance with this Law.
- (5) An employee under 18 years of age and an employee with disability shall be entitled to special protection, in accordance with this Law.

Representation of employees

Article 12

- (1) Any employee shall be entitled to form associations, to participate in bargaining when concluding collective agreements, to settle collective and individual labour disputes amicably, to be consulted, informed and to express his/her own positions regarding the important issues in respect of employment directly or through his/her representatives, in accordance with the law.
- (2) An employee, or a representative of employees, may not be held responsible, or placed in a less favourable position with regard to terms of employment due to activities referred to in paragraph 1 of this Article, if he/she acts in accordance with the Law and collective agreement and contract of employment.

Obligations of employees

Article 13

An employee shall:

- 1) perform duties assigned to him/her in a conscientious and responsible manner;
- 2) respect the organization of work and operations with the employer, as well as conditions and rules of the employer with regard to meeting of contractual and other obligations arising from employment relationship;
- 3) take care and treat means of work and material resources of the employer in a conscientious manner;
- 4) notify the employer of relevant circumstances affecting or which could affect performance of work;
- 5) notify the employer of any type of potential dangers for life and health of employees and occurrence of material damage;
- 6) respect regulations for safety and health at work and perform work carefully while protecting own life and health as well as life and health of others;
- 7) act in accordance with other obligations stipulated by the law, collective agreement and contract of employment.

Obligations of employer

Article 14

An employer shall:

- 1) allow any employee to perform duties within his/her working position set forth by the contract of employment;
- 2) provide any employee, in accordance with the law and other regulations, with working conditions and organize work with regard to safety and protection of life and health at work;
- 3) pay salary for the work carried out to each employee, in accordance with the law, collective agreement and contract of employment;
- 4) inform employee of the terms of employment, organization of work, employer's rules with regard to meeting of contractual obligations at work and rules and obligations arising from regulations on safety and protection of life and health at work;
- 5) ask for an opinion from the trade union, or the representative of employees with the employer where trade union is not established, in cases stipulated by the law;
- 6) act in accordance with other obligations stipulated by the law, collective agreement and contract of employment;
- 7) respect personality, protect privacy of an employee and provide protection of his/her personal information.

Definitions of terms

Article 15

(1) Certain terms used in this Law shall have the following meanings:

- 1) an employer is a national or foreign legal person, or a part of a foreign legal person, or a physical person concluding contract of employment with an employee;
- 2) an employee is a physical person working with an employer who has rights and obligations arising from employment relationship based on contract of employment;
- 3) collective agreement includes: general, branch collective agreement and employer's collective agreement;
- 4) work position means a set of duties envisaged in the systematization act;
- 5) work experience is time spent in employment relationship with a certain qualification level, or level of education and occupation;
- 6) systematization act is a document defining work positions, job descriptions, the skills and work experience, the type and level of qualification, or level of education and occupation.

(2) Terms employee and employer used in this Law shall be used as neutral terms, both for men and women.

II CONTRACT OF EMPLOYMENT

1. Conditions for conclusion of contract of employment

General and special conditions

Article 16

- (1) Contract of employment may be entered into by a person fulfilling general conditions envisaged by this Law and special conditions envisaged by the law, other regulations and the systematization act.
- (2) General conditions referred to in paragraph 1 of this Article are: that the person is at least 15 years old and that he/she has general health ability to work.
- (3) A person with disability whose general health condition allows professional engagement on corresponding positions may enter into contract of

employment under conditions and in the manner stipulated by this Law, unless otherwise provided for by a special law.

Requirements for persons under the age of 18

Article 17

- (1) Contract of employment may be concluded with a person who is under the age of 18, with a written consent from the parents, adoptive parents or guardians, if such work does not compromise his/her health, moral and education, or provided that such work is not prohibited by law.
- (2) A person under the age of 18 may enter into contract of employment only based on findings from a relevant health authority determining his/her ability to perform duties covered by the contract of employment and that such duties are not harmful to his/her health.

Obligation of providing evidence

Article 18

- (1) When establishing employment relationship, an employee shall present to the employer documents proving that he/she fulfils the conditions to work on positions for which he/she is establishing employment relationship stipulated by systematization act.
- (2) An employer may not ask from a person information on family or marital status and family planning, or ask from him/her to present identity documents and other evidence which is not of direct importance for performing duties for which he/she is establishing employment relationship, i.e. contract of employment, or to give statement of termination of contract of employment by that person.
- (3) An employer may not hold establishing employment relationship, i.e. contract of employment, conditional upon evidence of pregnancy, unless those are positions which include significant risk for the health of woman and child determined by a relevant health authority.

Probationary period

Article 19

- (1) Probationary period, as a special condition for employment, may be defined by the systematization act, unless otherwise stipulated by a special law.
- (2) Probationary period shall not exceed six months, except in case of a crew member of deep-sea merchant marine where a probationary period may be negotiated for a longer period, i.e. until the return of the ship into the main harbour.
- (3) The extent of probationary period, the method of its organizing and result assessment is defined by collective agreement or contract of employment.

Rights of employee during probationary period

Article 20

- (1) During the probationary period, an employee shall have all rights and obligations arising from employment relationship, in accordance with duties of the employee's position.
- (2) If an employee fails to satisfy requirements of the position in the probationary period, his/her employment shall cease upon expiry of the term defined by the contract of employment.
- (3) Exceptionally of paragraph 2 of this Article, during probationary period each contractual party may terminate contract of employment unilaterally even prior to expiry of the term of the contract with written explanation, in accordance with collective agreement and contract of employment.

2. Conclusion of contract of employment

Establishing of employment relationship

Article 21

- (1) Employment relationship is established by conclusion of a contract of employment.
- (2) Contract of employment shall be concluded between an employee and an employer.
- (3) Contract of employment shall be considered as concluded upon signing by the employee and the employer, or a person authorized by the employer.

Conclusion of contract of employment prior to commencement of work

Article 22

- (1) Contract of employment shall be concluded prior to commencement of work, in written form.
- (2) If an employer fails to conclude a contract of employment with an employee in accordance with paragraph 1 of this Article, it shall be considered that the employee has entered into employment relationship for an indefinite time period, as of the day of commencement of work, if the employee accepts employment.
- (3) In cases referred to in paragraph 2 of this Article the employer shall conclude contract of employment for an indefinite time period within three days as of the day of commencement of work.

Contents of contract of employment

Article 23

- (1) A contract of employment shall contain the following:
 - 1) name and headquarters of the employer;
 - 2) first and last name of the employee, place of residence, or stay of the employee;
 - 3) citizens central register number of the employee, or personal identification number in case of a foreign citizen;
 - 4) type and degree of professional qualification of the employee, or the level of education and occupation;
 - 5) type and description of jobs to be performed by the employee;
 - 6) the place of work;
 - 7) the duration of employment relationship (fixed-term or contract for an indefinite time period);
 - 8) duration of a fixed-term contract of employment;
 - 9) the date of commencement of work;
 - 10) working hours (full-time, part-time or reduced);
 - 11) the amount of the basic salary, the level of coefficient and elements for determining of work performance, wage compensation, increased salary and other earnings of the employee;
 - 12) time-frame for the payment of salary and other benefits to which an employee is entitled;

- 13) the method of using break during work, daily and weekly break, annual holiday, public holidays and other leave from work, in accordance with the law and the collective agreement.
- (2) A contract of employment may also entail other rights and obligations, in accordance with the law and the collective agreement.
- (3) The appropriate provisions of the law and collective agreement shall apply to the rights and obligations not established by a contract of employment.

Duration of contract of employment

Article 24

- (1) A contract of employment shall, as a rule, be concluded for an indefinite period of time.
- (2) A contract of employment for an indefinite period of time shall be binding for the contractual parties until one of them terminates it or until it terminates on other grounds prescribed by this law.
- (3) A contract of employment that does not specify the time period of duration of employment shall be considered a contract for an indefinite period of time.

Fixed-term contract of employment

Article 25

- (1) A contract of employment may be concluded for a fixed term, for the purpose of performing certain jobs whose duration is predetermined for objective reasons or due to occurrence of unforeseeable circumstances or events.
- (2) An employer may not conclude one or more contracts of employment referred to in paragraph 1 of this Article with the same employee if their duration, continuously or with interruptions, is longer than 24 months.
- (3) An interruption of less than 60 days shall not be considered an interruption in accordance with paragraph 2 of this Article.
- (4) Exceptionally of paragraph 2 of this Article, a fixed-term contract of employment may last even longer than 24 months only if it is necessary for the purpose of substituting a temporary absent employee, performance of seasonal jobs or work on a specific project until the completion of the project, in accordance with the law and collective agreement.

(5) An employee who has concluded a fixed-term contract of employment shall have the same rights, obligations and responsibilities arising from and based on employment for the duration of the contract as an employee who has concluded a contract of employment for an indefinite period of time.

*Transformation of contract of employment from fixed-term contract
to contract for an indefinite period of time*

Article 26

If a fixed-term contract of employment was concluded contrary to Article 25 of this Law, or if the employee continued working for the employer after the expiry of the period for which the contract had originally been made, the employee shall be considered to have concluded a contract of employment for an indefinite period of time if he/she accepts such employment.

Commencement of employment

Article 27

- (1) An employee shall become entitled to the rights and obligations based on employment relationship as of the day of commencement of work.
- (2) Should an employee fail to commence employment on the day established by contract of employment, it shall be considered that he/she failed to establish employment relationship, unless he/she was prevented from doing so due to justifiable reasons in accordance with collective agreement or unless otherwise arranged between the employer and employee.

Registering for social insurance

Article 28

- (1) An employer is obliged to register an employee to mandatory social insurance (health, pension, disability and unemployment insurance) in accordance with the law, as of the day of commencement of employment.
- (2) An employer shall deliver a copy of the registry forms referred to in paragraph 1 of this Article to the employee not later than 10 days from the day of commencement of employment.

3. Types of contracts of employment

Contract of employment for a director

Article 29

- (1) A director may establish employment for an indefinite time period or for a fixed term.
- (2) Employment referred to in paragraph 1 of this Article shall be established by a contract of employment.
- (3) Employment for an indefinite time period referred to in paragraph 1 of this Article may last until expiry of the term for which the director was appointed, or until his/her dismissal.
- (4) The contract referred to in paragraph 2 of this Article with a director shall be concluded by the employer's relevant body, or the employer.

Contract of employment for performance of higher risk jobs

Article 30

- (1) A contract of employment may be concluded for the jobs where special conditions of work are prescribed only if the employee meets the conditions to work at such positions.
- (2) An employee may perform jobs referred to in paragraph 1 of this Article only on the basis of the previously established health ability to work at such position by a competent authority, in accordance with the law.

Contract for part-time employment

Article 31

- (1) A contract of employment may be concluded for part-time work, for an indefinite time period or for a fixed term.
- (2) A part-time employee shall have all rights arising from and based on employment in proportion to the time period spent at work.

Contract of employment for performance of jobs at home

Article 32

- (1) An employer may organize work at home if allowed by the nature of work.
- (2) The jobs which may be performed at home are those that are a part of employer's activity scope or are in close relation to that activity.
- (3) Employer's collective agreement defines requirements and methods of working at home.
- (4) An employee who performs a job at home shall have the same rights and obligations as an employee who performs a job in the employer's premises.
- (5) Employer's collective agreement shall regulate the conditions for exercising the rights and obligations referred to in paragraph 4 of this Article.
- (6) Working hours for performance of jobs at home may be established based on the predetermined quality of work per time unit.

Records of contracts for work at home

Article 33

- (1) An employer is obliged to keep records on work referred to in Article 32 of this Law and inform the competent labour inspection body.
- (2) The competent labour inspection body may prohibit work at home for a particular employer whenever there is a direct threat to life and health of the employees and if it poses a threat to the environment.

Contract of employment with a foreigner

Article 34

A foreigner or a person without citizenship may conclude a contract of employment if he/she meets the conditions prescribed by this Law, a special law and international conventions.

Contract of employment for household jobs

Article 35

- (1) A contract of employment may be concluded for household jobs.
- (2) A contract of employment referred to in paragraph 1 of this Article may also include payment of a portion of the salary in kind.
- (3) The payment of a portion of the salary in kind shall include provision of accommodation and meals, or only accommodation or only meals.
- (4) The value paid in kind shall be expressed in money in the contract of employment.
- (5) The smallest percentage of salary shall be established by the contract of employment and may not be lower than 50% of the employee's gross salary.
- (6) If the contract stipulates payment of salary partially in money and partially in kind, an employer shall pay the employee the net compensation in money for the time period of absence from work.

4. Announcement of vacancies

Announcement

Article 36

An employer shall announce vacancies in the manner and according to the procedure established by a special law.

Internal announcement of vacancies

Article 37

An employer who has hired an employee for a fixed term, or for part-time work and who has available vacancies for full-time jobs for an indefinite time period may inform the employees of that on the notice board at the employer's headquarters, or in employer's organization unit.

5. Education, vocational training and further improvement

Obligations of employer and employee

Article 38

- (1) When required by the work process, a new method of organisation of work, and in particular when new methods in organization and technology of work are introduced and applied, the employer shall make it possible for an employee to receive education, vocational training or further improvement.
- (2) An employee shall undergo vocational training and further improvement of skills for work according to his/her abilities and needs.
- (3) Costs of education, vocational training or further improvement shall be provided from the employer's funds and other sources, in accordance with the law and collective agreement.

6. Trainees

Trainee employment

Article 39

- (1) An employer may sign a contract with a person being employed for the first time as a trainee for a specific level of education, or professional qualification, in accordance with the law and collective agreement.
- (2) The traineeship shall be extended in case of absence from work due to: temporary incapacity for work in accordance with the regulations on health protection and health insurance and maternity leave.

7. Amendment of the contractual terms of employment

Annex to the contract of employment

Article 40

- (1) An employer and an employee may offer amendment of the contractual terms of employment (hereinafter referred to as: annex to the contract):
 - 1) for the purpose of deployment to another adequate job, due to the needs of the process and organization of work;
 - 2) for the purpose of deployment to another position with the same employer, if the activity of the employer is of such nature that the work is performed in

- places outside the employer's headquarters, or employer's organization unit, in accordance with Article 42 of this Law;
- 3) which refers to defining of the salary;
 - 4) in other cases defined by collective agreement, or contract of employment.
- (2) An adequate job referred to in paragraph 1 items 1 and 2 of this Article shall include a job which requires the same level of professional qualification, or level of education and occupation.

Offer to amend contract of employment

Article 41

- (1) An offer referred to in Article 40 paragraph 1 of this Law shall be submitted in written form and it shall contain: reasons for the offer, deadline for the other party to declare about the offer and the legal consequences that may occur in case of rejection of the offer.
- (2) The party receiving the offer shall declare about the offer for conclusion of annex to the contract within the time period which may not be less than eight working days as of the day of delivering the offer.
- (3) If the party receiving the offer does not declare within the time period referred to in paragraph 2 of this Article, it shall be presumed that the offer was rejected.
- (4) If the party receiving the offer accepts it, an annex to the contract shall be concluded, which becomes a constituent part of the contract of employment.
- (5) An employee referred to in paragraph 4 of this Article shall have the right to dispute an annex to the contract of employment with the labour inspection, the Agency for Peaceful Settlement of Labour Disputes or with the relevant court.

Deployment to another work place

Article 42

- (1) An employee may be deployed to another work place provided that:
- 1) the employer's activity is of such nature that work is performed in places outside the employer's headquarters, or employer's organization unit;

- 2) distance from the place where the employee works, or his/her place of residence, or stay, to the place where he/she is transferred to work is less than 60km;
- 3) there is organized regular transport allowing timely arrival to and return from work;
- 4) compensation of travel expenses is provided by the employer in the amount of the ticket cost.

(2) An employee may be deployed to another work place in other cases only with his/her consent.

(3) An employed woman during pregnancy, an employed woman with a child under five years of age and a single parent with a child under seven years of age, an employed parent with a child with severe developmental disabilities, an employee under 18 years of age and an employed person with disability may not be deployed to work in another place outside the place of residence, or stay.

Transfer of contract of employment to a new employer

Article 43

(1) An employee may be transferred to work with a new employer upon his/her consent, and based on an agreement between employers.

(2) An employee referred to in paragraph 1 of this Article shall conclude a contract of employment with the other employer prior to the commencement of employment with that employer.

8. Temporary work

Agency for temporary assignment of employees

Article 43a

(1) Assignment of employees for performance of jobs with another employer (hereinafter referred to as: beneficiary) may be done by an agency for temporary assignment of employees (hereinafter referred to as: Agency).

(2) Agency shall obtain the capacity of a legal person upon entry into the registry maintained by the public administration authority in charge of labour affairs (hereinafter referred to as: the Ministry).

(3) Agency may undertake assigning of employees to a beneficiary only provided that it is its sole activity and that it has a licence for work issued by the Ministry.

(4) The Ministry shall issue the licence for work referred to in paragraph 3 of this Article within seven days as of the day of filing of a request.

(5) The Ministry shall regulate the closer conditions, the method and procedure for issuing and revoking of licence for work and keeping records of the issued and revoked licences.

Employee assignment agreement

Article 43b

(1) An agreement shall be concluded between an Agency and the beneficiary for the purpose of employee assignment.

(2) An agreement referred to in paragraph 1 of this Article shall contain, in particular:

- 1) the number of employees assigned to the beneficiary;
- 2) the time period during which the employee is assigned;
- 3) the place of work;
- 4) the duties the employee will perform;
- 5) application of the measures of protection at work place where the employee is to perform the jobs;
- 6) the method and the time period within which the beneficiary has the obligation to submit pay slip to the Agency, as well as the regulations applied by the beneficiary in determining salaries;
- 7) responsibility of the Agency if the employee assigned to work fails to fulfil his/her obligations.

(3) An agreement referred to in paragraph 1 of this Article may not be concluded for the purpose of:

- 1) substitution of employees during strike, in accordance with the law, with the beneficiary where the strike is on;
- 2) assignment of an employee to perform jobs for which the beneficiary had terminated contracts of employment on the grounds of redundant employees in the last 12 months;
- 3) performance of jobs within the scope of the activity of the Agency, and

- 4) performance of jobs in other cases established by a collective agreement which is binding for the beneficiary.

Contract of employment for temporary performance of jobs

Article 43c

(1) An Agency may conclude a contract of employment with an employee for a fixed term or for an indefinite time period, in accordance with this Law.

(2) An employee shall realize his/her rights arising from and based on employment with the Agency.

(3) A contract of employment referred to in paragraph 1 of this Article, apart from the information referred to in Article 23 paragraph 1 items 1 through 6 and item 13 of this Law, shall also contain the following information:

- 1) that the contract is concluded for the purpose of assignment for temporary performance of particular jobs with the beneficiary;

- 2) obligations of the Agency towards the employee during the assignment to the beneficiary.

(4) Salary of an employee assigned to a beneficiary may not be lower than the salary of a person employed with the beneficiary working on the same or similar jobs with the same professional qualification, or the level of education and occupation.

(5) For the period during which an employee is not assigned to a beneficiary, he/she shall be entitled to wage compensation in accordance with this Law and the contract of employment.

Protection of an employee assigned to a beneficiary

Article 43d

(1) Cessation of the need for an employee's work with an employer, prior to the expiry of the time period for which he/she was assigned, may not constitute a reason for termination of contract of employment.

(2) An employee who believes that any of his/her rights arising from and based on employment were violated during the work with a beneficiary may realize protection of the right with the Agency.

Obligations of the Agency towards an employee

Article 43e

(1) Agency shall introduce an employee with the content of the agreement and deliver the agreement upon his/her request not later than on the day of commencement of work with the beneficiary.

(2) Prior to assignment of an employee to a beneficiary, the Agency shall introduce an employee with all risks of performing work with a beneficiary relating to health and protection at work and for that purpose train him/her for work on such jobs, in accordance with the regulations on protection at work, unless the employee assignment agreement stipulates that these obligations are to be met by the beneficiary.

(3) Agency shall introduce an employee with the new technologies of work for jobs to be performed by the employee, unless the employee assignment agreement stipulates that the beneficiary committed to meet that obligation.

(4) Agency shall pay the agreed salary to an employee for the work carried out with a beneficiary even if the beneficiary does not deliver the agreed pay slip to the Agency, or does not meet its obligations towards the Agency.

Obligations of a beneficiary

Article 43f

(1) A beneficiary shall be considered as an employer for an employee with regard to the obligation of application of regulations regulating protection of health, protection at work and special protection of particular categories of employees.

(2) A beneficiary shall notify its trade union of the number and reasons for engagement of employees at least once in six months.

Indemnification

Article 43g

(1) If an employee suffers damage at work and in connection to work with a beneficiary, he/she shall be indemnified by the Agency, unless otherwise stipulated by the agreement referred to in Article 43 b of this Law.

(2) Damage caused to a third person by an employee at work or in connection to work with a beneficiary shall be indemnified by the beneficiary.

(3) The Agency shall be responsible for the damage caused to a beneficiary by an employee at work or in connection to work, in accordance with the law.

III RIGHTS AND OBLIGATIONS OF EMPLOYEES

1. Working hours

Full-time employment

Article 44

(1) Full-time employment shall not be longer than 40 hours a week, unless otherwise specified by the Law.

(2) Working hours with less than 40 hours a week may be established by collective agreement.

Part-time employment with several employers

Article 45

(1) An employee can conclude contracts of employment with several employers within the scope of 40-hours working week and in that way achieve full time engagement.

(2) Modalities of achieving rights and obligations and the work schedule of employees who concluded a contract of employment, as referred to in paragraph 1 of this Article, shall be regulated by an agreement between employers.

Part-time employment

Article 46

- (1) A contract of employment may be concluded with part-time engagement, but not less than $\frac{1}{4}$ (10 hours) of a full time engagement.
- (2) The positions for which contract of employment is concluded for part-time engagement shall be established by systematization act, depending on the nature of work and organization type.

Shorter working hours due to harder working conditions

Article 47

- (1) An employee working on a position that is extremely difficult, arduous and detrimental to health shall have shorter working hours proportionally to the detrimental effect to employee's health or working ability, but not shorter than 36 hours in a week.
- (2) The work positions referred to in paragraph 1 of this Article shall be defined by systematization act in accordance with collective agreement.
- (3) An employee with shorter working hours referred to in paragraph 1 of this Article shall have the same rights based on employment as an employee with full-time engagement.
- (4) An employee working on positions referred to in paragraph 1 of this Article shall not work over time on such tasks, or conclude a contract of employment for such jobs with another employer.

Reduction of working hours due to technology improvement and shift work introduction

Article 48 

- deleted -

Overtime work

Article 49

- (1) Working hours of an employee may last beyond the full time engagement (overtime work) provided that an unexpected increased workload cannot be completed through adequate organization of work or work schedule.
- (2) Overtime work may only last for such a period required to eliminate the cause of its introduction, but not longer than 10 hours a week.
- (3) Overtime work shall be introduced upon a written decision of the employer prior to the beginning of such work.
- (4) If it is not possible to set overtime work for an employee by a written decision due to the nature of such work or urgency of performing overtime work, such work may also be set orally, and the employer shall subsequently deliver the written decision to the employee but not later than five days after the completed overtime work.

Obligation of introduction of overtime work

Article 50

- (1) An employee shall work overtime in case of:
 - 1) prevention of direct occurrence of danger for safety and health of people or larger imminent material damages;
 - 2) natural hazard (earthquake, flood and other);
 - 3) fire, explosions, ionizing radiation and significant sudden breakdown of facilities, equipment and installations;
 - 4) epidemics or diseases threatening human life or health, endangering livestock or herbal stock or other tangible assets;
 - 5) larger pollution of water, food and other objects for human or livestock nutrition;
 - 6) traffic or other accidents that endangered human life or health or tangible assets to a larger extent;
 - 7) the need to immediately provide urgent medical help or other immediate medical service;
 - 8) the need to perform urgent veterinary intervention;
 - 9) in other cases envisaged by the collective agreement.
- (2) Exceptionally of Article 49 paragraph 2 of this Law, overtime work referred to in paragraph 1 of this Article may last until causes of its introduction are eliminated.

Overtime work (hours on duty in health institutions)

Article 51

A health institution may introduce overtime work (work on duty), if new employment, introduction of work in shifts or rescheduling of work cannot provide continuous hospital and out-patient health care..

Notifying labour inspection of introduction of overtime work

Article 52

- (1) An employer shall notify the Labour Inspector of introduction of overtime work not later than three days from passing of the decision on introduction of overtime work.
- (2) The Labour Inspector shall prohibit overtime work if he/she determines that introduction of such work is contrary to the provisions of Articles 49 through 51 of this Law.

Schedule of working hours

Article 53

- (1) The decision on the work schedule, rescheduling, shorter working hours and introduction of overtime work shall be enacted by a relevant body of an employer.
- (2) The schedule, the start and finish of working hours for specific activities and for specific positions shall be defined by the decision of a relevant state body or local government body.
- (3) An employer shall pass a written decision on the schedule of working hours for the employees and their distribution in shifts, if the employer's work is organized in shifts.

Rescheduling of working hours

Article 54

- (1) The rescheduling of working hours may be performed whenever required by the nature of the activity, work organization, the need for better usage of

assets, more rational distribution of working hours and performance of certain activities within defined time limits.

- (2) The work rescheduling in cases referred to in paragraph 1 of this Article, shall be performed so that the total full time engagement of an employee does not exceed, in average, annual full time work.

Calculation of hours of work

Article 55

An employee whose employment terminated prior to expiry of the rescheduling time shall be entitled to have the overtime hours recalculated into the full working hours in the total annual working hours and to be recognized as service period for entitlement to pension, and the remaining working hours to be calculated as an overtime work.

Night-time work

Article 56

- (1) Work between ten o'clock in the evening and six o'clock in the morning the next day shall be considered night time work.
- (2) Night-time work shall constitute special work conditions.
- (3) An employee who works for at least three hours of his/her working hours during night, or an employee who works at least a third of his/her full annual working hours during night, shall be entitled to special protection, in accordance with regulations regarding protection at work.
- (4) If, according to an opinion of a relevant health authority, an employee's health condition could be aggravated due to work during night, the employer shall deploy the employee to an adequate day-time work.

Work in shifts

Article 57

- (1) An employer that has work organized in shifts shall provide switching of shifts so that an employee does not work during night (night shift) for more than one working week continuously.
- (2) An employer working under specific conditions shall regulate work in shifts and work on duty for the employees, in accordance with the employer's collective agreement.

Additional work

Article 58

- (1) An employee who works full-time may conclude a contract on additional work with the same or another employer, unless otherwise prescribed by a special law.
- (2) A contract of employment referred to in paragraph 1 of this Article shall cease to apply upon expiry of the contracted time period or upon termination of the contract by either party.

2. Rest and leave

Rest during day-time work (break)

Article 59

- (1) A full time employee shall be entitled to a rest period of a minimum 30 minutes every working day.
- (2) An employee who works longer than four and shorter than six hours a day shall be entitled to rest period of a minimum 15 minutes every working day.
- (3) An employee who works longer than full working hours, and at least 10 hours a day, shall be entitled to rest during the day for 45 minutes.
- (3a) Pursuant to religious and traditional believes, the employee has the right to demand to the employer once a week to adjust the rest period, referred to in paragraphs 1 through 3 of this Article, to the period adequate for practicing the abovementioned rights and believes, if the nature of his/her occupation is such to permit the interruption of the work.
- (4) The rest period during a working day may not be used at the beginning or at the end of the working hours.

- (5) The rest period referred to in paragraphs 1 through 3a of this Article shall be counted into the working hours.

Schedule of breaks

Article 60

- (1) If the nature of work does not allow for interruptions, as well as in case of work with clients, the rest period during working hours shall be organized so that the work is not interrupted.
- (2) Decision on schedule of breaks during working hours shall be made by the relevant body of the employer.

Daily rest

Article 61

An employee shall be entitled to a recess of at least 12 successive hours between two consequent working days, unless otherwise prescribed by the law.

Weekly rest

Article 62

- (1) An employee shall have the right to a weekly rest of not less than 24 successive hours.
- (2) Weekly rest shall be used on Sundays.
- (3) An employer shall provide another day for an employee to use his/her weekly rest if the nature of work and work organization requires so.
- (4) In case referred to in paragraph 3 of this Article the employer shall determine the schedule for the employee to use weekly rest.
- (5) In case an employee has to work during his/her weekly rest period, the employer shall allow him/her one day of a leave during the following week for at least 24 successive hours.
- (6) An employee under 18 years of age shall be entitled to weekly rest of at least two consecutive days, one of which is Sunday.

Entitlement to annual leave

Article 63

- (1) An employee shall be entitled to an annual leave.
- (2) Duration of annual leave shall be determined in proportion to the time spent at work.
- (3) An employee shall be entitled to 1/12 of the annual leave for each month of work with an employer if his/her employment commences or terminates during that calendar year.
- (4) A temporary working disability due to illness, paid leave, maturity leave, recess during official and religious holidays and absence due to responding to requests of state or military entities shall be considered as time spent at work for the purpose of achieving the right to an annual leave.
- (5) An employee may not waive the right to annual leave, and that right may not be denied to an employee.

Proportional part of annual leave

Article 64

- Deleted -

Duration of annual leave

Article 65

- (1) For each calendar year an employee shall have the right to annual leave in duration determined by collective agreement or contract of employment but not less than 20 working days.
- (2) An employee under 18 years of age shall be entitled to annual leave of at least 24 working days.
- (3) An employee working for shorter working hours as referred to in Article 47 of this Law shall be entitled to annual leave of at least 30 working days.

- (4) Duration of annual leave shall be determined by increasing the number of working days referred to in paragraphs 1 through 3 of this Article based on the criteria determined by collective agreement and contract of employment.

Days not calculated into annual leave

Article 66

- (1) When determining the duration of annual leave, the working week shall consist of five working days.
- (2) The holidays which are not working days in accordance with the law, paid absence from work and temporary inability to work in accordance with the health insurance regulations shall not be counted into the annual leave period.
- (3) If an employee is temporarily unable to work during his/her annual leave in accordance with the health insurance regulations and during maternity or parental leave, he/she shall have the right to continue the annual leave at the end of sick leave.

Annual leave in education

Article 67

- (1) An annual leave of teachers, expert-associates and educators in schools and other educational and teaching institutions shall be entitled to an annual leave during the summer vacation and may not last longer than that vacation.
- (2) In case teachers and educators are obliged to attend courses for professional improvement or performing other activities related to the beginning of a school year or performing educational and teaching activities organized by the school / educational institution during the summer vacation, the extent of an annual leave shall be determined in accordance with this Law and the collective agreement.

Schedule for using annual leave

Article 68

- (1) An employer shall decide about the schedule for using annual leave, taking into consideration the needs of the organisation of work and based

on the plan for using annual leaves, upon prior consultation with the employee.

- (2) An employer shall deliver the decision on annual leave to the employee not later than 30 days prior to the date of commencement of annual leave.
- (3) Exceptionally of paragraph 2 of this Article, decision on annual leave may be delivered even earlier, if the employer and the employee agree.
- (4) An employer may alter the duration of annual leave if so required for the performance of work, not later than five working days prior to the day set for the annual leave, upon a consent from the employee.
- (5) Exceptionally of paragraph 4 of this Article, consent from the employee shall not be necessary in case of force majeure.

Article 69

- (1) Annual leave may be used in two parts.
- (2) If an employee uses annual leave in two parts, the first part shall be used as at least 10 consecutive days during the calendar year, and the second part until June 30th the following year the latest.
- (3) If an employee has not used his/her annual leave or a part of annual leave in the calendar year due to absence from work in accordance with the regulations on health insurance, maternity or parental leave, leave from work for the purpose of providing child care and special child care, he/she shall be entitled to use that leave until June 30th the following year.

Annual leave in case of termination of employment

Article 70

- (1) An employee whose engagement / contract of employment has been terminated due to a transfer to another employer shall exercise the right to an annual leave for the referred calendar year with the employer from whom the right to an annual leave originates, unless otherwise negotiated by an agreement between the employee and employer.
- (2) The employer that had provided the previous work engagement to an employee is obliged to issue a certification on the use of annual leave.

- (3) In case of an employee with a fixed-term contract of employment whose employment or contract of employment terminates due to retirement, an employer shall be obliged to provide usage of an annual leave to such employee prior to termination of employment or contract of employment, in proportion to the time period spent at work in that calendar year.

Indemnification for unused annual leave

Article 71

- (1) An employee that did not use the right to an annual leave or used it partially due to employer's fault is entitled to compensation for damage.
- (2) The compensation referred to in paragraph 1 of this Article shall be defined on the basis of employee's remuneration for the month during which compensation is made, depending on the length of the unused leave.

3. Absence from work

Paid absence for personal needs

Article 72

- (1) An employee shall have the right to absence from work with wage compensation (paid absence) in case of matrimony, child birth, severe illness of a closer family member, taking of professional examination and in other cases defined in collective agreement and contract of employment.
- (2) Duration of the paid absence referred to in paragraph 1 of this Article shall be determined by collective agreement and contract of employment.
- (3) An employee shall be entitled to paid absence for seven working days in case of death of a closer family member.
- (4) Closer family members referred to in paragraphs 1 and 3 of this Article shall include spouse, children (in and out of wedlock, adopted and foster children), siblings, parents, adoptive parents and guardians.

Unpaid leave

Article 73

- (1) An employee shall be entitled to unpaid leave during and in cases determined by collective agreement and contract of employment.
- (2) During leave from work, as referred to in paragraph 1 of this Article, an employee shall be entitled to health care, and other rights and obligations based on and arising from employment shall be suspended.
- (3) The contribution for health protection referred to in paragraph 2 of this Article shall be paid by the employer.

Absence from work due to public and religious holidays

Article 74

- (1) An employee shall be entitled absence from work during public and religious holidays in accordance with the law.
- (2) If an employee works during the holidays referred to in paragraph 1 of this Article due to work process needs, he/she shall be entitled to increased salary in accordance with collective agreement and contract of employment.

Absence from work due to health condition

Article 75

- (1) An employee shall be entitled to absence from work in cases of temporary inability to work, due to illness, injury at work or other cases in accordance with the regulations on health insurance.
- (2) An employee shall be entitled to absence from work for voluntary donating of blood, tissue and organs, in accordance with the law and collective agreement.
- (3) In case of absence from work, as referred to in paragraph 1 of this Article, an employee shall notify the employer of the absence within three days and submit a report of temporary inability to work to the employer within five days from the day of preparation of the report.

Suspension of employment-based rights

Article 76

- (1) Rights and obligations of an absent employee arising from and based on employment shall be suspended in case of:
 - 1) delegating employee to another country for engagement under international technical or cultural and educational cooperation, delegating to diplomatic, consular or other missions, and appointing for specialization or professional education, upon employer's consent;
 - 2) Appointing or delegating an employee to a public position requesting temporary termination of work engagement with the employer, until expiry of one term of office, in accordance with the law;
 - 3) Execution of a prison sentence, safety measure, correctional or protective measure, up to six months.
- (2) A spouse of an employee sent abroad as referred to in paragraph 1 item 1 of this Article shall also be entitled to suspension of employment status.
- (3) An employed individual and his / her spouse shall be entitled to return to work with the same employer within 30 days upon cessation of reasons for the suspension of rights arising from and based on employment, to the same position or to other position correspondent to the level and type of their professional qualification, or the level of their education and occupation.

4. Salary, compensations and other allowances

Salary

Article 77

- (1) An employee shall be entitled to an adequate salary, determined in accordance with the law, collective agreement and contract of employment.
- (2) An employee man or woman shall be guaranteed the same salary for the same work or work of the same value performed with an employer.
- (3) Work of the same value shall include work for which the same level of professional education, or the level of their education, or professional

qualification, responsibility, skills, working conditions and work results are required.

- (4) In case of violation of the rights referred to in paragraph 2 of this Article an employee shall be entitled to an indemnification in the amount of the unpaid portion of the salary.
- (5) An employer's decision or an agreement with an employee which is not in accordance with paragraph 2 of this Article shall be null and void.

Gross salary and salary increase

Article 78

(1) Salary realized by an employee for the work performed and time spent at work, wage compensation and other earnings determined by collective agreement and contract of employment shall comprise the gross salary under this Law.

(2) Salary shall be increased in accordance with collective agreement and contract of employment in case of: overtime work, night-time work, service period, work on public and religious holidays determined in accordance with the law as non-working days and in other cases determined by collective agreement and contract of employment.

Salary for the work performed and time spent at work

Article 79

(1) Salary for the work performed and time spent at work shall consist of the basic salary, portion of the salary for work performance and increased salary, in accordance with collective agreement and contract of employment.

(2) The contracted salary shall be the salary determined by contract of employment and it may not be lower than the minimum wage stipulated in Article 80 of this Law.

(3) Work performance shall be determined based on the quality and scope of the work performed, as well as effort and attitude of the employee towards work duties, in accordance with collective agreement.

Minimum wage

Article 80

- (1) An employee shall be entitled to minimum wage for the standard performance and full working hours, or working hours equivalent to full working hours in accordance with this law, collective agreement and contract of employment.
- (2) Minimum wage referred to in paragraph 1 of this Article may not be lower than 30% of the average wage in Montenegro in the previous six months according to the official data determined by the administration body in charge of the statistics.
- (3) The amount of the minimum wage referred to in paragraph 2 of this Article shall be determined by the Government of Montenegro (hereinafter referred to as: the Government) upon a proposal from the Social Council of Montenegro, every six months.

Definition of Minimal Wage

Article 81

- Deleted -

Wage compensation

Article 82

- (1) An employee shall be entitled to a wage compensation in the amount determined by collective agreement and contract of employment during: public and religious holidays which are non-working days; annual leave; paid leave; responding to a summon from public authorities; professional improvement upon an order from the employer, temporary incapacity during inability to work in accordance with the health insurance regulations and during maternity, or parental leave and leave for the purpose of providing care to child, in accordance with this Law; termination of work occurring without employee's fault; refusal to work if prescribed measures of protection at work are not implemented; absence from work based on previously agreed participation in work of an employer's body or trade union body; during retraining, additional training and training for work on other positions and in

other cases determined by the law, collective agreement and contract of employment.

- (2) An employer shall be entitled to a refund of the compensation paid out under paragraph 1 of this Article case of an employee's absence from work due to responding to a summons from public authorities, from the authority issuing the summons, unless otherwise prescribed by the law.

Other allowances

Article 83

An employee shall be entitled to other allowances relating to work determined by the collective agreement or contract of employment.

Pay slip and payment of salary

Article 84

- (1) Salary shall be paid in terms and in the manner determined by collective agreement and contract of employment, and at least once a month.
- (2) An employer shall deliver the pay slip to an employee upon payment of the salary.
- (3) An employee that was not in position to pay the salary when it is due or does not pay the entire amount shall deliver the pay slip that was due for payment to the employee by the end of the month when the salary is due, which will have the effect of a valid statement.

Suspension and compensation of salary

Article 85

- (1) An employer may collect employee's debts by withholding a portion of his/her salary only based on a final court decision, in cases determined by the law or upon consent from the employee.
- (2) A withheld portion of an employee's salary for the purpose of mandatory alimentation, based on a final court decision, may not exceed a half of his/her salary, and one third of the salary or wage compensation for other obligations.

Salary records and wage compensation

Article 86

An employer shall keep monthly records of salaries and wage compensations, in accordance with the law.

5. Rights of employees when changing employers

Status changes and changes of employers

Article 87

(1) In case of a change in status, or a change of employer, in accordance with the law, an employer successor shall overtake employees from the employer predecessor and shall respect all the rights and obligations of the employees under the contract of employment in force on the day of the takeover.

(2) An employer predecessor shall inform the employee of the takeover referred to in paragraph 1 of this Article in writing not later than five days prior to the takeover.

(3) An employer successor shall conclude a contract of employment with the employees referred to in paragraph 1 of this Article within five days as of the takeover.

(4) The contract of employment referred to in paragraph 3 of this Article may not contain lesser scope of rights for the employee than the rights determined by the contract of employment with the employer predecessor, for the duration of the obligations under the collective agreement taken over.

(5) An employer predecessor shall terminate contract of employment with an employee who refuses to conclude a contract of employment or does not declare about acceptance of conclusion of contract of employment within the time period referred to in paragraph 3 of this Article with the employer successor.

Working contract transfer

Article 81

- Deleted -

Implementation of the employer predecessor's collective agreement

Article 89

- (1) An employer successor shall apply the collective agreement of the predecessor for at least one year from the day of change of the employer, unless prior to that deadline:
 - 1) the validity period of the collective agreement with the employer predecessor expires;
 - 2) a new collective agreement is concluded with the employer successor.

Obligation to notify the trade union

Article 90

- (1) An employer predecessor and an employer successor shall, prior to the change of employer, notify the representative trade union of:
 - 1) the date of the change of employer;
 - 2) reasons for the change of employer;
 - 3) legal, economic and social consequences of the change of employer to the positions of the employees and measures for their mitigation.
- (2) An employer predecessor and an employer successor shall, prior to the change of employer, in cooperation with the representative trade union take measures with the aim of mitigating social-economic consequences to the position of the employees.
- (3) If a registered trade union does not exist with the employer, the employer shall inform the employees of 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 the capital of the company or other legal person, provisions of Articles 87 through 90 of this Law shall apply accordingly.

IV REDUNDANT EMPLOYEES

Notification

Article 92

- (1) If an employer determines that, due to technological, economic and restructural changes, in the period of 30 days the number of redundant employees with a contract of employment for an indefinite period is at least:
 - 1) 10 employees with an employer employing more than 20, and less than 100 employees with a contract of employment for an indefinite time period;
 - 2) 10% employees with an employer employing at least 100, and maximum 300 employees with a contract of employment for an indefinite time period;
 - 3) 30 employees with an employer employing more than 300 employees with a contract of employment for an indefinite time period, the employer shall immediately inform the trade union or the representatives of employees and the Employment Agency of Montenegro (hereinafter referred to as: the Agency).
- (2) The notification referred to in paragraph 1 of this Article shall also be delivered by an employer that determines at least 20 redundant employees in 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:
 - 1) reasons for termination of the need for work of employees;

- 2) the number and the category of employees with contract of employment for an indefinite time period;
- 3) the criteria for determining the redundant employees;
- 4) the number and the category of redundant employees;
- 5) period within which employment measures referred to in Article 93 paragraph 2 item 5 of this Law will be implemented;
- 6) the criteria for calculation of the amount of severance pay.

(4) If an employer determines that, due to technological, economic and restructural changes, the number of redundant employees with a contract of employment for an indefinite period will be less than the census determined in paragraphs 1 and 2 of this Article, the employer shall notify the employee at least five days prior to the decision to terminate his/her employment.

(5) Trade union, or the representatives of employees and the Agency shall submit their opinion regarding the notification referred to in paragraph 1 of this Article to the employer within 15 days after receiving the notification.

Program for realization of the rights of redundant employees

Article 93

- (1) Upon receiving the opinion of the trade union, or the representatives of employees and the Agency, the employer referred to in Article 92 paragraphs 1 and 2 of this Law shall pass a program of measures for resolving redundant employees (hereinafter referred to as: program).
- (2) The program referred to in paragraph 1 of this Article shall contain in particular:
 - 1) reasons for termination of the need for work of employees;
 - 2) the criteria for determining the redundant employees;
 - 3) the total number of redundant employees;
 - 4) the number, the qualification structure, the age and insurance service period for redundant employees and the jobs they are performing;
 - 5) employment measures: deployment to other jobs with the same employer within the level of the professional qualification of the employee, deployment with another employer within the level of the professional qualification of the employee, upon his/her consent, professional training, retraining or additional training for work on other position with the same or other employer and other measures in accordance with the collective agreement or contract of employment.

- (3) The criteria referred to in paragraph 2 item 2 of this Article may not be contrary to the provisions of this Law relating to prohibition of discrimination of employees.
- (4) The program referred to in paragraph 1 of this Article shall be passed by the relevant body of the employer, or the employer.
- (5) The employer shall not have the obligation to pass the program referred to in paragraph 1 of this Article, in case of redundant employees as referred to in Article 92 paragraph 4 of this Law.

Severance pay

Article 94

(1) In case of a redundant employee who was not provided with any of the rights referred to in Article 93 paragraph 3 item 5 of this Law, the employer shall pay him/her a severance pay in the amount of at least 1/3 of his/her average monthly pay less the taxes and contributions in the previous six months for each year of employment with the employer, or 1/3 of the average monthly pay less the taxes and contributions in Montenegro, if the latter is more favourable for the employee.

(2) The severance pay referred to in paragraph 1 of this Article may not be lower than three average monthly pays less the taxes and contributions with the employer in the last six months, or the average monthly pay less the taxes and contributions in Montenegro in the last six months, if the latter is more favourable for the employee.

(3) In case of an employed person with disability who was determined the status of a redundant employee, who was not provided with any of the rights under the program referred to in Article 93 paragraph 2 item 5 of this Law, the employer shall pay him/her a severance pay:

- 1) of at least 24 average salaries, if the disability was caused by an injury outside work or an illness;
- 2) of at least 36 average salaries, if the disability was caused by an injury at work or a professional disease.

(4) The amount of the severance pay referred to in paragraph 2 of this Article for an employed person with disability shall be determined based on the average salary with the employer, if that is more favourable for him/her.

Temporary engagement of employees

Article 95

- (1) An employer may hire a redundant employee for the purpose of performing duties correspondent to his/her professional qualification, or the level of education and occupation, until any of the rights determined by this Law are provided to him/her.

Termination of employment after payment of severance pay

Article 96

- (1) Employment relationship, i.e. contract of employment, of an employee who has become entitled to a severance pay, as referred to in Article 94 of this Law, shall be terminated, as of the day of payment of the severance pay.
- (2) An employee whose employment relation, or contract of employment, terminates, as referred to in paragraph 1 of this Article, shall become entitled to a cash benefit and to pension and disability insurance and health care, in accordance with special regulations.

V PROTECTION OF EMPLOYEES IN CASE OF BANKRUPTCY PROCEDURE

Outstanding claims

Article 97

- (1) An employee who was employed on the day when the bankruptcy procedure was initiated shall be entitled to settlement of outstanding claims with an employer that is in bankruptcy procedure (hereinafter referred to as: claim), in accordance with this Law, shall belong to in the period for which the rights determined by this Law are realized.

- (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 referred to as: the special law).
- (3) If the entitlements referred to in paragraph 1 of this Article are partially paid in accordance with the special law, an employee shall be entitled to the difference up to the level of the entitlements determined by this Law.

Entitlement to payment

Article 98

- (1) An employee shall be entitled to payment of:
 - 1) salary and wage compensation during absence from work due to temporary inability to work in accordance with the health insurance regulations that the employer has the obligation to pay in accordance with this Law for each month not paid for a period of six months prior to the bankruptcy proceedings;
 - 2) indemnification for unused annual leave due to employer's fault, for the calendar year in which the bankruptcy procedure was initiated, if he/she was entitled to it prior to initiation of the bankruptcy procedure;
 - 3) severance pay due to retirement in the calendar year in which the bankruptcy procedure was initiated, if he/she became entitled to retirement prior to initiation of the bankruptcy procedure;
 - 4) Indemnification based on a court decision passed in the calendar year in which the bankruptcy procedure was initiated due to an injury at work or a professional disease, if that decision became final prior to initiation of the bankruptcy procedure.
- (2) An employee shall be entitled to payment of contributions for mandatory pension and disability insurance referred to in paragraph 1 item 1 of this Article, in accordance with the regulations on mandatory social insurance.

Payment amount

Article 99

- (1) Salary and wage compensation, referred to in Article 98 paragraph 1 items 1 and 2 of this Law shall be paid in the amount of the minimum wage, or indemnification 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 two times the minimum net wage in Montenegro.
- (3) Indemnification referred to in Article 98 paragraph 1 item 4 of this Law shall be paid in the amount of the indemnification determined by a decision of the relevant court.

The right to payment of contributions

Article 99a

The Labour Fund shall be paying pension and disability insurance contributions for the lacking years of service to a person whose employment terminated due to bankruptcy, until such person meets the retirement requirements, for the period for which the employer failed to make payment of such contributions.

The right referred to in paragraph 1 of this Article may be granted to a person, who until applying for the exercise of the right before the Fund, acquired one of the legal requirements for entitlement to a pension.

The competent authority deciding on the procedure for acquiring the rights on pension and disability insurance shall issue the data for acquiring the rights referred to in paragraphs 1 and 2 of this Article, to the individual referred to in paragraph 1 of this Article.

The basis of the contribution referred to in paragraph 1 of this Article shall be the minimum wage in Montenegro, established before the application to the Labour Fund.

Data Delivery

Article 100

(1) The Labour Fund shall be competent for exercising the rights referred to in Article 98 of this Law

Decision Issuing

Article 101

- cease to be valid

VI PROTECTION OF EMPLOYEES

General protection

Article 102

- (1) An employee shall be entitled to protection at work in accordance with the law and collective agreement.
- (2) An employee may not be deployed to a position or work longer than full-time hours, or at night, if such work could aggravate his/her health condition in accordance with findings of an authority in charge of assessing health ability.
- (3) An employee who, apart from the conditions determined by systematization act, also meets the conditions to work regarding health conditions, mental and physical abilities and age may be deployed to a position with increased danger from occurrence of disability, professional or other diseases.

Protection of employees reporting corruption

Article 102 a

- (1) In case when an employee acts in good will and reports that there is grounds for suspicion of a criminal offence with the character of corruption, his/her employment relationship may not be terminated on that basis, or he/she removed from the work place (suspended), and he may not be deprived of any of the rights arising from employment.
- (2) If an employee is placed into an unfavourable position in comparison to other employees due to reporting of the suspicion referred to in paragraph 1 of this Article so that any of his rights arising from employment relationship is violated, the burden of proof shall be borne by the employer.
- (3) An employer shall provide protection from disclosure of identity to unauthorized persons for an employee who reports suspicion of corruption.

1. Protection of women, young people and persons with disabilities

Special protection

Article 103

An employed woman, an employee under 18 years of age and employed persons with disabilities shall be entitled to special protection, in accordance with this Law.

Special protection of young people and women

Article 104

An employed woman and an employee under the age of 18 may not work on positions where mostly very difficult physical work is performed, on positions performed underground or under water, or positions which may be harmful and increase risk for their health and life.

Protection of women in industry and civil engineering

Article 105

- (1) An employed woman working in industry and civil engineering may not be deployed to work at night.
- (2) The prohibition referred to in paragraph 1 of this Article shall not refer to an employed woman working on executive positions or performing jobs of health, social and other protection.
- (3) Exceptionally of paragraph 1 of this Article, an employed woman may be deployed to work at night when it is necessary to continue work which was interrupted due to natural hazards, or to prevent damage to raw materials or other materials

Protection of an employee under 18 years of age

Article 106

- (1) An employee under 18 years of age may not be ordered to work overtime, or at night.
- (2) An employee referred to in paragraph 1 of this Article may be ordered to work part-time by the employer's collective agreement.

- (3) Exceptionally of paragraph 1 of this Article, an employee under 18 years of age may be deployed to work at night when it is necessary to continue work which was interrupted due to natural hazards, or to prevent damage to raw materials or other materials.

Protection of persons with disabilities

Article 107

- (1) An employer shall deploy an employed person with disability to positions corresponding to his/her remaining working ability according to the level of professional qualification, in accordance with the systematization act.
- (2) If an employed person with disability may not be deployed, as referred to in paragraph 1 of this Article, the employer shall provide other rights to him/her, in accordance with the law regulating training for work of persons with disabilities and collective agreement.
- (3) If an employed person with disability may not be deployed, or provided with other rights in accordance with paragraphs 1 and 2 of this Article, the employer may not establish his/her status as a redundant employee.
- (4) A redundant employed person with disability, 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 nursing of child

Article 108

- (1) An employer may not refuse to conclude a contract of employment with a pregnant woman, or terminate her contract because of pregnancy or if she is on maternity leave.
- (2) An employer may not terminate contract of employment with a parent who is working with half of working hours due to providing care to a child with severe developmental disabilities, a single parent with a child up to seven years old or a child with severe disability, or with a person using any of the stated rights.
- (3) During absence from work for the purpose of nursing a child and parental leave an employer may not terminate the employer's contract of employment.

(4) In case of an employed woman whose fixed-term contract of employment expires while she is on maternity leave, the term of employment according to the fixed-term contract of employment shall be extended until expiry of the maternity leave.

(5) Employees referred to in paragraph 2 of this Article may not be declared redundant employees due to introduction of technological, economic or restructuring changes in accordance with this Law.

(6) An employee who has concluded a fixed-term contract of employment the circumstances referred to in paragraph 2 of this Article shall not affect termination of employment relationship.

Temporary deployment

Article 109

- (1) Based on findings and recommendation of the relevant medical doctor, a woman during pregnancy and breastfeeding a child may be temporarily deployed to other positions, if it is in the interest of preservation of her health or the health of her child.
- (2) If an employer is not in position to provide an employee referred to in paragraph 1 of this Article with deployment to another position, as referred to in paragraph 1 of this Article, the employee shall be entitled to absence from work, with wage compensation in accordance with the collective agreement, which may not be lower than the compensation she would receive if she were on her position.
- (3) An employed woman referred to in paragraph 1 of this Article during temporary deployment to other positions shall be entitled to the salary corresponding to the position where she worked prior to the deployment.

Protection from overtime work, or night-time work

Article 110

- (1) An employed woman during pregnancy and a woman with a child under three years of age cannot work longer than full time hours, or at night.
- (2) Exceptionally of paragraph 1 of this Article, an employed woman with a child over two years of age may work at night only if she accepts such work in a written statement.

- (3) One of the parents with a child with severe developmental disabilities, as well as a single parent with a child under seven years of age may work overtime, or at night, only based on a written consent.

2. Protection of the rights of employees providing care to child

Parental leave

Article 111

- (1) Parental leave is entitlement of one of the parents to use absence from work for the purpose of providing care and nursing to child.
- (2) Parental leave may be used for 365 days from the birth of the child.
- (3) The parent may start work even prior to expiry of the leave referred to in paragraph 2 of this Article, but not prior to expiry of 45 days from the birth of the child.
- (4) In case referred to in paragraph 3 of this Article the parent shall not be entitled to continue to use parental leave.
- (5) If one of the parents interrupts parental leave as referred to in paragraph 3 of this Article, the other parent shall be entitled to use the remaining part of the parental leave referred to in paragraph 2 of this Article.
- (6) A child's mother may not interrupt parental leave prior to expiry of 45 days from the birth of the child.

Maternity leave

Article 111a

- (1) An employed woman may start maternity leave 45 days prior to delivery, and 28 days prior to delivery as mandatory leave.
- (2) If an employed woman starts work as referred to in Article 111 paragraph 3 of this Law she shall be entitled to use, apart from daily break, in agreement with the employer, another 90 minutes of leave for the purpose of breastfeeding the child.

Wage compensation and return to the same position

Article 111b

(1) During the leave referred to in Articles 111 and 111a of this Law the parent shall be entitled to wage compensation in the amount of the salary he/she would earn if he/she was at work, in accordance with the law and collective agreement.

(2) The employer shall provide the employee referred to in Articles 111 and 111a of this Law with return to the same working position or to an adequate working position with at least the same salary upon expiry of maternity, or parental, leave.

Protection in case of stillborn

Article 112

If an employed woman gives birth to a stillborn or if the child dies prior to expiry of the maternal leave she shall be entitled to extend her maternity leave for as long as it is necessary, according to the finding of the relevant specialist doctor, to recover from the delivery and the physical condition caused by the loss of the child, and at least 45 days, and she shall be entitled to all rights based on maternity leave during that period.

Work of parents with half the full-time working hours

Article 113

(1) Upon expiry of the leave referred to in Article 111 paragraph 1 of this Law, one of the employed parents shall be entitled to work half the full-time working hours until the child reaches three years of age, if the child needs additional care.

(2) An employed adoptive parent of the child or a person who is entrusted with the child for care and nursing by a relevant guardian authority shall be entitled to work half the full-time working hours, for the period referred to in paragraph 1 of this Article.

Work with half the full-time working hours for the purpose of nursing a child with developmental disabilities

Article 114

- (1) A parent, adoptive parent or a person entrusted with a child with developmental disabilities for care and nursing by a relevant guardianship authority or a person providing care to a person with severe disability shall be entitled to work half the full-time working hours, in accordance with special regulations.
- (2) Working hours referred to in paragraph 1 of this Article i Article 113 of this Law shall be considered as working hours for exercising of the rights arising from and based on employment.

Employment-based rights during nursing of a child

Article 115

- (1) The method and the procedure for exercising the rights referred to in Articles 113 and 114 of this Law shall be regulated by the ministry in charge of social and child welfare.
- (2) During leave referred to in Articles 113 and 114 of this Law an employee shall be entitled to a wage compensation, in accordance with the law.
- (3) Entitlement referred to in Article 114 of this Law may not be used while the ill person is placed in a social and health care institution.

Child adoption leave

Article 116

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

Notification of intention to use parental leave, or leave for the purpose of adoption

Article 117

- (1) An employee intending to use a right to parental leave or leave due to adoption shall notify the employer on the intention in written form, one month prior to the beginning date of exercising the referred right.

- (2) An employee can stop exercising the right referred to in paragraph 1 of this Article and employer shall accept his/her return to work and provide deployment to the correspondent position within the period of one month from receiving the employee's notification on termination of exercising the referred right.
- (3) An employee that exercised the right referred to in paragraph 1 of this Article shall be entitled to additional professional training, if the employer introduced certain changes of technological, economic or structural nature or changes in the method of operating.

*Leave from work without wage compensation
for the purpose of nursing a child under the age of three*

Article 118

- (1) One of the parents has a right to a leave from work until the time the child turns three, and he/she may not continue the leave if he/she terminates exercise of this right before expiry of the stated period.
- (2) During the absence from work, as referred to in paragraph 1 of this Article, an employee shall be entitled to health insurance and pension and disability insurance, and other rights and obligations shall be suspended.
- (3) Funds for the health insurance and pension and disability insurance referred to in paragraph 2 of this Article shall be provided from the health insurance and pension and disability insurance funds.
- (4) An employee shall not be entitled to wage compensation during the leave from work referred to in paragraph 1 of this Article.

VII PROTECTION OF EMPLOYEES' RIGHTS

Protection with the employer

Article 119

- (1) The employer shall decide on the rights and obligations of the employees arising from and based on employment, in accordance with the law, collective agreement and contract of employment.

- (2) An employee who believes that the employer has violated any of his/her rights arising from and based on employment may file a claim with the employer to request exercise of the right.
- (3) An employer shall decide on the request of an employee, within 15 days as of the day of filing the request.
- (4) The decision referred to in paragraph 3 of this Article shall be final, unless otherwise prescribed by the law.
- (5) The decision referred to in paragraph 3 of this Article shall be delivered to the employee in writing, with explanation and note on the legal remedy within eight days as of the day of expiry of the period for making the decision.

Protection with the relevant 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 prescribed period, shall be entitled to initiate proceedings before the relevant court for the purpose of protecting his/her rights within 15 days as of the day of receiving the decision.
- (2) An employer shall enforce the final court decision within 15 days as of the day of receiving the decision, unless other deadline is prescribed by the court decision.

Alternative resolution of labour disputes

Article 121

An employee and an employer may entrust the Agency for Amicable Settlement of Labour Disputes with resolving disputes arising from and based on employment, in accordance with a special law.

Protection provided by the competent inspection

Article 122

- Deleted -

The statute of limitations regarding employment relationship claims

Article 123

The statute of limitations shall not apply to cash claims arising from and based on employment.

VIII EMPLOYEE'S RESPONSIBILITIES

1. Responsibility for breach of work obligations

Responsibility of employees

Article 124

- (1) At work, an employee shall observe the obligations prescribed by the law, collective agreement and contract of employment.
- (2) An employee that fails to meet the work obligations due to his fault or fails to act upon decisions of the employer shall be responsible for the breach of a work obligation, in accordance with the law, collective agreement and contract of employment.
- (3) Criminal liability shall not exclude responsibility of an employee to meet work obligations if such offence constitutes a breach of work obligation.
- (4) An employee shall be liable for a breach of work obligation that was regulated by collective agreement and contract of employment at the time of its execution.
- (5) Initiating and conducting procedure for breach of work obligations and other matters of importance for protection of work discipline shall be closely regulated by collective agreement and contract of employment.

Measures in case of breach of work obligations

Article 125

- (1) If an employee breaches work obligations, one of the following sanctions may be applied:
 1. a fine;
 2. termination of employment relationship.

- (2) A fine may be imposed for less serious breaches of work obligations, in accordance with collective agreement and contract of employment in the amount up to 20% of monthly salary of the employee realized in the month when the decision was passed, for a period from one to three months.
- (3) Termination of employment relationship may be imposed for a serious breach of work obligations in accordance with collective agreement and contract of employment.

Authority imposing measures

Article 126

- (1) Decision on imposed measure in case of breach of work obligation shall be passed by the relevant body of the employer, i.e. the employer.
- (2) The decision referred to in paragraph 1 of this Article shall be final.

Protection before relevant court

Article 127

- (1) An employee may initiate procedure before relevant court against a final decision imposing a measure referred to in Article 125 of this Law, within 15 days from the day of delivering the decision.
- (2) Initiation of procedure before relevant court does not suspend enforcement of the decision referred to in paragraph 1 of this Article.

The statute of limitations for initiating and conducting procedure

Article 128

- (1) The statute of limitations shall be applied to initiation of a procedure of investigating breaches of work obligation within three months from the day when the information on the breach and the perpetrator became known.
- (2) If breach of work obligation includes criminal elements, the statute of limitations shall be applied within six months from learning about the breach and the perpetrator or upon expiration of term legally envisaged for applying statute of limitations for the correspondent criminal act.

- (3) The statute of limitations shall be applied to the procedure of investigating breaches of work obligations within three months from its initiation.

Deadline for enforcement of the imposed measure and deletion from the records

Article 129

- (1) The imposed measure referred to in Article 125 of this Law may not be enforced after expiry of 30 days from the day when the decision imposing the measure became legally binding.
- (2) The employer shall keep record on measures imposed in case of breach of work obligations.
- (3) If an employee does not breach work obligations within two years from the day the decision imposing a fine became legally binding, the imposed measure shall be deleted from the records.

1. Temporary exclusion of an employee (suspension)

Suspension from work

Article 130

An employee shall be temporarily suspended from work:

- 1) if he/she was found in breaching work obligation for which imposing of a measure of termination of employment relationship, i.e. termination of the contract of employment, was prescribed;
- 2) If an employee was convicted to a detention, starting from the first day of sentence serving until the end;
- 3) If a criminal investigation on a criminal act related to work or work engagement was initiated against the employee;
- 4) If a procedure on a criminal act of corruption was initiated against the employee.

Decision of suspension

Article 131

- (1) An employee shall be temporarily suspended from work by a written order from the employer, or other authorized person employed with the

employer, followed by a decision on temporary suspension and its rationale.

- (2) If a decision referred to in paragraph 1 of this Article is not passed within three days from suspension of an employee from work, it shall be considered that the decision was not passed at all.

Wage compensation and reimbursement of wage compensation during temporary suspension

Article 132

- (1) While temporary suspended from a position, an employee shall be entitled to wage compensation amounting to one third of his / her monthly earnings for the month preceding the month of temporary suspension or to one half of the referred earnings if the employee supports a family.
- (2) The wage compensation during a period of detention shall be disbursed at the expense of the body that imposed the detention.
- (3) The body which passed the decision on detention shall notify the employer of its decision within three days.
- (4) A request to refund wage compensation for the period of employee's detention, as well as taxes and contributions included in the referred earnings shall be submitted by an employer to the body that enacted decision on the detention.
- (5) While temporary suspended from a position, an employee shall be entitled to a difference between the compensation received under paragraph 1 of this Article and the amount of full earnings received for the month prior to the month of temporary suspension increased by the average increase of employees' earnings with the employer, for the period the compensation was due, especially:
 - 1) If the criminal procedure is terminated due to a final decision or if employee is absolved from criminal charges by a final decision or the charge against the employee is overruled for other reasons than the lack of competence, and;
 - 2) If the employee is absolved from liability or if the procedure of investigating breaches of work obligations is terminated.

3. Financial responsibility

Compensation of damage to employer

Article 133

- (1) An employee shall be responsible for the damage at work or for work-related damage caused to the employer by the employee intentionally or due to gross negligence.
- (2) If the damage is caused by more than one employee, each of the employees shall be responsible for a portion of the damage he participated in.
- (3) If the proportion of the damage caused by each employee referred to in paragraph 2 of this Article is not determinable, all employees shall be considered as equally responsible and shall be obliged to recover the damage in equal portions.
- (4) If the damage is caused by premeditated criminal act of more than one employee, they shall bear joint and several liability.

Compensation of damage to employee

Article 134

- (1) If an employee is injured or suffered damage at work or in relation to work, the damage shall be recovered by the employer.
- (2) A special commission, formed by the employer, shall be responsible for investigating whether the damage occurred or not and defining of the level of the damage caused, circumstances in which it occurred, the persons liable for the damage and method of its recovery.
- (3) If the damage is not recovered in accordance with the provision of paragraph 2 of this Article, the decision concerning the damage shall be taken by the relevant court.

Compensation of damage to a third person

Article 135

An employee that caused damage at work or work-related damage to a third person deliberately or due to gross negligence, and the referred damage was covered by the employer, shall compensate the amount paid by the employer.

2. Prohibition of competition

Prohibition of competition of employee

Article 136

- (1) The contract of employment may stipulate the jobs an employee may not perform on his/her behalf and for his/her account, or on behalf and for the account of another legal or physical entity, without the consent of his/her current employer (hereinafter referred to as: prohibition of competition).
- (2) Prohibition of competition may be stipulated only if there is possibility for an employee to acquire through his/her work with the employer new, important technological knowledge, a wide circle of business partners or to acquire knowledge of important business information and secrets.
- (3) Collective agreement and contract of employment shall also determine territorial limitations of prohibition of competition relative to the type of job to which the prohibition refers.
- (4) Should an employee violate the prohibition of competition, an employer shall be entitled to request damage compensation from the employee.

Conditions for prohibition of competition

Article 137

- (1) The conditions of prohibition of competition as referred to in Article 136 of this Law may be stipulated through an agreement between an employer and an employee following termination of employment, where such period may not exceed two years after termination of employment.
- (2) Prohibition of competition referred to in paragraph 1 of this Article may be agreed if an employer commits in a contract of employment to pay cash compensation to an employee in the agreed amount.

IX TERMINATION OF EMPLOYMENT

Methods of termination of employment

Article 138

Employment shall terminate:

- 1) by virtue of law;

- 2) by mutual agreement between the employer and employee;
- 3) by notice of cancellation of employment contract by an employer or an employee.

Termination of employment by virtue of law

Article 139

Employment shall terminate by virtue of law:

- 1) when the employee reaches the age of 67 and minimum 15 years of pension insurance, unless otherwise agreed between an employer and an employee – as of the day of delivering a final decision to the employee;
- 2) if it is determined in a manner set out by the law that an employee has suffered a loss of working ability – as of the date of delivery of the final decision determining a loss of working ability;
- 3) if, pursuant to provisions of the law, i.e. a final court decision or a decision of another body, an employee is forbidden to perform particular jobs and he/she cannot be deployed to other jobs – as of the date of delivery of the final decision;
- 4) if an employee is absent from work for more than six months due to serving a prison sentence – as of the date of commencement of serving the prison sentence;
- 5) if a security, correctional or protective measure of more than six months has been pronounced to an employee and consequently he/she would be absent from work – as of the date of commencement of application of such measure;
- 6) in case of bankruptcy or liquidation, or in all other cases when an employer ceases to work, in accordance with the law.

Possibility of continuing employment

Article 140

- (1) An employee who has reached the age of 67 and has minimum 15 years of insurance service may continue to work, if required so for performance of certain activities, based on a written decision of the relevant body of the employer, i.e. the employer.
- (2) An employee can continue to work after the age of 67 if he/she has not accrued 15 years of insurance service, until the referred condition is met.
- (3) An employee engaged in educational and teaching activities in an educational institution, or scientific and teaching activities in higher education institution, who has met the condition for termination of the work engagement in regard

to the legally envisaged age, may continue to work until the end of the school year, based on a decision of the employer's relevant body.

Termination of employment by mutual agreement

Article 141

- (1) Employment shall terminate by mutual agreement between an employer and an employee.
- (2) Mutual agreement referred to in paragraph 1 of this Article shall be concluded in written form.
- (3) In case of mutual agreement on termination of employment the employer may provide severance pay to the employee.

Termination by employee

Article 142

- (1) Employment, i.e. contract of employment may be terminated by a notice of termination from the employee.
- (2) Termination of a contract of employment may be initiated by a parent or a guardian of an employee under the age of 18.
- (3) An employee shall deliver notice of termination of the contract of employment to the employer in written form, at least 15 days prior to the day stated as the day of termination of employment.

Termination by employer

Article 143

- (1) An employer may terminate a contract of employment of an employee if there is justified reason for such action, as follows:
 - 1) if an employee fails to meet the results of work defined by collective agreement, employer's act or contract of employment, in a period of not less than 30 days;
 - 2) if an employee fails to comply with obligations prescribed by the law, collective agreement and contract of employment, which shall be harmonized with the law and the collective agreement;

- 3) if an employee's behaviour is such that he/she cannot continue employment with the employer, in cases prescribed by the law and the collective agreement or employer's act, which shall be harmonized with the law and the collective agreement;
- 4) if an employee refuses to conclude an annex to the contract of employment referred to in Article 40 paragraph 1 items 1 and 2 of this Law;
- 5) if an employee refuses to conclude an annex to the contract of employment referred to in Article 40 paragraph 1 item 3 of this Law;
- 6) if an employee abuses the right to temporary inability to work;
- 7) due to economic problems in operations;
- 8) in case of technical and technological or restructural changes causing cessation of the need for work of an employee.

(2) An employer may terminate a contract of employment as referred to in paragraph 1, item 1 of this Article if the employer has previously provided instructions for work to the employee.

(3) An employer may terminate a contract of employment without the obligation to respect the notice period of termination referred to in Article 144 of this Law, in a case referred to in Article 143 paragraph 1 items 2 and 3 of this Law.

(4) An employee referred to in paragraph 1 items 5, 7 and 8 of this Article shall be entitled to a severance pay as referred to in Article 94 of this Law.

What is considered as justified grounds for termination of a contract of employment

Article 143 a

The following shall not constitute justified grounds for termination of a contract of employment, as referred to in Article 143 of this Law:

- 1) temporary absence from work due to illness, accident at work or professional disease;
- 2) maternity, or parental, leave, absence from work for child care and absence from work due to special child care;
- 3) membership in a political organization, trade union, difference according to a personal trait of an employee (gender, language, ethnicity, social status, religion, political or other beliefs or other personal traits of the employee);
- 4) acting as a representative of employees, in accordance with the law;
- 5) in case when an employee addresses trade unions or competent authorities for protection of employment rights in accordance with the law and contract of employment;

- 6) in case when an employee addresses the competent public authorities for justified suspicion of corruption or filing a complaint of such suspicion in good faith.
- 7) in case when an employee addresses or points out to compromising of environment connected to the employer's operations to the employer or the relevant public authorities.

Procedure for termination of contract of employment

Article 143b

- (1) An employer may pass a decision on termination of a contract of employment in cases referred to in Article 143 paragraph 1, items 1, 2 and 3 of this Law after giving a previous warning notice to the employee of the possible reasons for termination of employment.
- (2) The warning notice referred to in paragraph 1 of this Article shall be given in written form and shall contain the grounds for termination of employment, evidence pointing to realized conditions for termination and the time period to reply to the warning notice.
- (3) The time period referred to in paragraph 2 of this Article may not be less than five working days.
- (4) An employer shall deliver the warning notice referred to in paragraph 2 of this Article to the trade union the employee is a member of, for the purpose of obtaining its opinion, and the trade union shall provide statement of the warning notice in writing within five working days.

Decision on termination of employment

Article 143 c

- (1) A decision on termination of a contract of employment shall be passed by the relevant body of the employer, i.e. the employer, in the form of a decision, and it shall deliver it to the employee.
- (2) A decision referred to in paragraph 1 of this Article shall contain: the grounds for termination of employment, explanation and note of legal remedy.
- (3) A decision referred to in paragraph 1 of this Article shall be final.

- (4) Provisions of the Law on General Administrative Procedure shall apply accordingly to delivery of warning notice, notification and decision, unless otherwise prescribed by this Law.

Protection of the rights of an employee in case of termination of employment

Article 143 d

(1) An employee that finds a decision referred to in Article 143 c of this Law unsatisfactory shall be entitled begin litigation with the competent court with the purpose of seeking protection of defined rights, not later than 15 days from the date of the receipt of the decision, and he/she may also begin litigation before the Agency for Amicable Settlement of Labour Disputes.

(2) In case of a dispute concerning termination of employment, the burden of proving justifiability and legality of the grounds for termination shall belong to the employer.

(3) If a procedure referred to in paragraph 1 of this article determines that there were no legal or justifiable grounds for termination of a contract of employment, whether prescribed by an act of the employer or agreed by the employer in the contract of employment, the employee shall be entitled to return to work, as well as to a compensation of financial and non-financial damage in a procedure prescribed by the law.

(4) If a procedure referred to in paragraph 1 of this Article determines that and employee's contract of employment was terminated without legal or justifiable grounds, he/she shall be entitled to a compensation of financial damage in the amount of the lost salary and other earnings he/she would earn at work, in accordance with the law, collective agreement and contract of employment, and payment of contributions for mandatory social insurance.

(5) Compensation of damage referred to in paragraph 4 of this Article shall be reduced by the amount of earnings realized by the employer based on the contract of employment, upon termination of employment.

(6) If a procedure referred to in paragraph 1 of this Article determines that the termination of employment resulted in violation of the rights of personality, honour, reputation and dignity, the employee shall be entitled to compensation of non-financial damage within the procedure prescribed by the law.

Termination notice period

Article 144

- (1) An employee shall have the right and duty to remain working for at least 30 days as of the day of receipt of termination of the contract of employment, i.e. decision on termination of employment (termination notice), in cases determined by collective agreement and contract of employment.
- (2) An employee may, upon agreement with the relevant body of the employer, cease to work even prior to expiry of the time period during which he/she has the duty to remain working, and he/she will be provided with a wage compensation during that time period in the amount determined by collective agreement and contract of employment.
- (3) If an employee ceases to work prior to the expiry of the notice period upon a request from the employer, he/she shall be entitled to a wage compensation and other rights arising from and based on employment, as if he/she has worked until expiry of the notice period.
- (4) During notice period, an employee shall be entitled to be absent from work for at least four hours a week for the purpose of seeking new employment.
- (5) If an employee has become temporarily unable to work during the period when he/she has the duty to remaining working, the time period referred to in paragraph 1 of this Article shall be suspended upon his/her request and shall continue upon termination of the temporary inability to work.

Termination of contract of employment of a director

Article 145

Employment, i.e. contract of employment of a director, who is not re-elected upon expiry of his/her terms of office, or who is dismissed prior to the expiry of his/her terms of office, shall terminate, unless otherwise provided for by a special law.

Obligation of payment of salary and wage compensation

Article 146

- (1) In case of termination of employment, i.e. contract of employment an employer shall pay to an employee all outstanding salaries, wage compensations and other earnings realized by the employee until termination of employment, and pay contributions for social insurance in accordance with the law, collective agreement and contract of employment.

- (2) An employer shall make payment of earnings referred to in paragraph 1 of this Article prior to passing of the decision on termination of the contract of employment.
- (3) An employee may file a request for protection of rights, for payment of earnings referred to in paragraph 1 of this Article to labour inspection within 30 days as of the day of termination of employment.

Limitation of Employment

Article 146a

- (1) An employee who is paid redundancy benefit based on the agreed termination of employment in public company, public institution and other public service, which majority owner is the state or local government unit or the state, i.e. local self-government has the share in capital, may not be employed in another public company, public institution and other public service, state authority, state administration authority and local administration authority within a period of five years from the date of paid redundancy benefit.
 - (2) An employee who is paid redundancy benefit based on expiration of need for his work in public company, public institution and other public service, which majority owner is the state or local government unit or the state, i.e. local self-government has the share in capital, except an employee who is a person with disability, may not be employed in another public company, public institution and other public service, state authority, state administration authority and local administration authority within a period of one year from the date of paid redundancy benefit.
 - (3) An employer referred to in Paragraph 1 of this Article shall provide information about employees who have received redundancy benefit to the Employment Agency and the administrative authority in charge for personnel management.
 - (4) The limitation referred to in Paragraphs 1 and 2 of this Article shall not apply to an employee who returns the total amount of paid redundancy benefit. "

X COLLECTIVE AGREEMENTS

Subject matter and application of collective agreement

Article 147

- (1) A collective agreement, in accordance with the law, shall define the rights, obligations and responsibilities arising from and based on employment, the procedure of amending the collective agreement, mutual relations between participants of the collective agreement and other matters of importance for an employee and an employer.
- (2) A collective agreement shall be concluded in written.
- (3) A collective agreement shall be applied directly.

Types of collective agreements

Article 148

- (1) A collective agreement may be concluded as: general, branch and employer's collective agreement.
- (2) General Collective Agreement shall be negotiated for the territory of the Republic and shall apply to all employees and employers, and branch collective agreements shall be negotiated for branches of activity, groups, or subgroups of activity and shall apply to employees and employers in a branch, group or subgroup.
- (3) Employer's Collective Agreement shall apply to employees of the employer.
- (4) Rights and obligations arising and based on employment of individuals self-employed in art or other cultural activity shall be defined in accordance with the Branch-Level Collective Agreement.

Content of collective agreements

Article 149

- (1) The General Collective Agreement shall establish basic elements for defining salary, wage compensation, other earnings of employees and the scope of the rights and obligations arising from employment in accordance with the law.

- (2) A branch-level collective agreement shall establish minimum wage in a correspondent branch of activity, group or subgroup of activity, elements for determining basic salary and other earnings of employees and regulate the scope of the rights and obligations of employees arising from employment in accordance with the law.
- (3) Employer's collective agreement shall establish minimum wage, elements for determining basic salary, wage compensation and other earnings of employees and regulate broader rights, obligations and responsibilities of an employee arising from and based on employment in accordance with the law and collective agreement.

Participants in conclusion of collective agreements

Article 150

- (1) General Collective Agreement shall be signed between a relevant body of the representative trade union organization of Montenegro, a relevant body of the representative employers' federation of Montenegro and the Government of Montenegro (hereinafter referred to as: the Government).
- (2) A branch-level collective agreement for a branch of activity, group, or subgroup of activity shall be signed:
 - 1) for industry - a relevant body of the representative employers' federation and a relevant body of the representative trade union organization;
 - 2) for public companies and other public services founded by the State – a representative trade union organization and the Government, and for other public companies – a representative trade union organization and the founder;
 - 3) for public institutions founded by the State - a representative trade union organization and the Government, and for other public institutions - a representative trade union organization and the founder;
 - 4) for mandatory social insurance organizations - a representative trade union organization, management board, i.e. board of directors of those organizations and the Government;
 - 5) for public bodies and organizations and local government bodies - a representative trade union organization and the Government;
 - 6) for political, trade union, sports and non-governmental organizations - a representative trade union organization and the relevant body of the representative employers' federation;
 - 7) for foreign legal and physical entities (embassies, diplomatic-consular missions, foreign companies' regional offices etc.), a representative trade union organization and the relevant body of the representative employers' federation;

- 8) for persons who are self-employed in art or other cultural activity - a representative trade union of artists and a public administration body in charge of the cultural matters.
- (3) Employer collective agreement shall be signed between a relevant body of the employer and a representative trade union organization, i.e. a representative of the employees.
- (4) Collective agreement of an employer in public sector, institution or other public service founded by the State shall be signed between representative trade union organizations, the director and the Government, and for other public companies and public services - a representative trade union organization, the director and the founder.

Bargaining and signing of collective agreements

Article 151

- (1) Participants in signing of a collective agreement shall negotiate the agreement.
- (2) Each party may initiate negotiations by offering the other party, in written form, a draft of a new text or amendment to the text of the collective agreement.
- (3) The party offered a draft agreement referred to in paragraph 2 of this Article shall provide its opinion of the offered draft agreement for negotiations in writing within 15 days.
- (4) If parties do not continue negotiations or do not reach agreement within three months from the beginning of the negotiations, they shall address the Agency for Amicable Settlement of Labour Disputes.
- (5) A collective agreement shall be considered negotiated as of the moment of its signing by authorized representatives of all parties.
- (6) General and branch collective agreement shall be registered with the Ministry and published in "Official Gazette of Montenegro".
- (7) The modality of publishing employer collective agreement shall be envisaged by that agreement..
- (8) The modality and method of registering collective agreements referred to in paragraph 5 of this Article, shall be defined by the Ministry.

Term of collective agreements

Article 152

- (1) Collective agreements shall be negotiated for an indefinite period or a fixed term.
- (2) A collective agreement concluded for an indefinite period shall be terminated by agreement of all participants or by cancellation, in the manner prescribed by the agreement.
- (3) A collective agreement concluded for an indefinite period shall define the method in which any of the parties may terminate that agreement.
- (4) A collective agreement concluded for a fixed term shall cease to apply upon expiry of the validity period of the agreement.
- (5) A collective agreement concluded for a fixed term may be extended by an agreement of the participants concluding the agreement, not later than 30 days prior to the expiry of the agreement.

Extended application of an employer's collective agreement

Article 153

In case of restructuring of an employer, the collective agreement applicable prior to the restructuring shall apply to the employees until conclusion of a new collective agreement, but maximum for a year.

XI ORGANIZATIONS OF EMPLOYEES AND EMPLOYERS

Rights of employees and employers to organize at their own discretion

Article 154

Employees and employers shall have the right to establish their organizations and become members of those organizations at their own discretion, without previous approval, under the conditions defined by the statute and the rules of those organizations.

1. Employee's trade union

Freedom of trade union association

Article 155

- (1) Employees shall be guaranteed the right to trade union association and activities, without previous approval.

. Trade Union Representation

Article 156

- cease to be valid -

Conditions for operation of trade unions

Article 157

- (1) A trade union organization shall decide independently on the manner of its representation with an employer.
- (2) A trade union organization may appoint or elect one person to act as the trade union representative.
- (3) An employer shall provide the trade union representative with timely exercise of rights, as referred to in paragraph 2 of this Article, and access to information relevant for realization of the rights.
- (4) A trade union representative shall perform trade union activities in such a manner which will not affect the efficiency of the employer's operations.
- (5) A trade union organization shall inform the employer of the appointment of a trade union representative.

Informing trade union by an employer

Article 158

- (1) An employer shall inform a trade union organization at least once a year of:
 - 1) the results of operations;
 - 2) development plans and their influence to the position of employees, developments and changes in the salary policy

3) measures for improvement of conditions of work, safety and protection at work and other matters relevant for the financial and social status of employees.

(2) An employer shall inform a trade union organization of:

- 1) measures of safety and protection at work;
- 2) introduction of new technology and changes in organization;
- 3) schedule of working hours, night-time work and overtime work;
- 4) passing of a program of introduction of technological, economic and restructuring changes and a program for exercise of the rights of redundant employees;
- 5) time and method of payment of salaries.

(3) An employer shall timely inform and deliver acts for trade union organization for the purpose of attending meetings of employer's bodies where initiatives and proposals of the employer are discussed.

(4) A trade union organization representative shall be entitled to participate in a discussion before relevant employer's bodies.

Freedom to exercise trade union rights

Article 159

- (1) An employer shall provide employees with free exercise of their trade union rights.
- (2) An employer shall provide the trade union organization with conditions for efficient performance of trade union activities for protection of interests and rights of employees, in accordance with the collective agreement.
- (3) A trade union organization representative shall be entitled to be absent from work with a wage compensation for the purpose of performing activities organized by the trade union in accordance with the collective agreement.
- (4) An 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) An employer must be informed in writing of absence of a trade union organization member in cases referred to in paragraph 3 of this Article, at least three days prior to his/her absence.

- (6) A collective agreement shall regulate conditions, manner and procedure of professionalization of work of a trade union representative, in the interest of protection of trade union rights.

Protection of trade union representatives

Article 160

- (1) A trade union representative and a representative of employees, while performing trade union activities and six months upon their termination, may not be called to account in relation to trade union activities, proclaimed redundant, deployed to another position with the same or another employer in relation to trade union activities, or placed in a less favourable position in any other manner, provided the referred employee acts in accordance with the law and collective agreement.
- (2) An employer may not place a trade union representative or employees' representative in a more or less favourable position due to their membership in trade union or his/her trade union activities.

2. Employers' Association

Representativeness of employers' federations

Article 161

- (1) An employers' federation, as referred to in of this Law, shall be considered as representative if its members employ at least 25% of the employees in the economy of Montenegro and participate in the gross domestic product of Montenegro with at least 25%.
- (2) Employers' federations shall file an application with the Ministry for the purpose of registration.
- (3) The Ministry shall regulate the method and the procedure of registering employers' federations and closer criteria for determining representativeness of employers' federations.
- (4) If none of the employers' federations meet the conditions referred to in paragraph 1 of this Article, employers may make an agreement on participation in conclusion of collective agreement.

Court protection

Article 162

The relevant court shall rule in case of a dispute regarding trade union, or employers' federation, representativeness, as referred to in of this Law, in accordance with the law.

XII SPECIAL TYPES OF CONTRACTS OF EMPLOYMENT

1. Temporary and occasional jobs

Performance of temporary and occasional jobs

Article 163

In case of a need for performing certain activities that do not require particular knowledge and skills and, by their nature, are not likely to last for more than 120 working days in a calendar year (temporary and occasional jobs), an employer may enter into a special contract of employment with a correspondent individual registered in the records of the Employment Agency or an intermediation agency.

2. Performing Activities outside Employer's Premises

Manufacture of items and provision of services

Article 164

An employer may enter into a special contract of employment for manufacture of certain items or provision of services from its scope of activity outside its premises (manufacture of home-made items, collection of secondary raw materials, selling books, brochures, newspapers, providing computer services etc.).

- Item Deleted -

Service Contract



Article 165

- Deleted -

Content of special contracts of employment

Article 166

Contracts referred to in Articles 163 and 164 of this Law shall contain provisions on: personal information of the employee, the activity which is the basis for the agreement, terms for beginning and finishing the work, the conditions and modality of performing work, as well as the amount, schedule and method of payment of salary for work to be performed.

Insurance of persons who conclude a special contract of employment

Article 167

- (1) A person who has concluded a contract as referred to in Articles 163 and 164 of this Law shall be entitled to health and pension insurance, in accordance with the law.
- (2) An employer shall keep records of the contracts referred to in Articles 163 and 164 of this Law.

4. Volunteering

Article 168

An employer may conclude a contract on volunteering with an unemployed person, in accordance with a special law.

XIII EMPLOYMENT RECORD CARD

Employment record card as a public identity document

Article 169

- (1) An employee shall have an employment record card.
- (2) An employment identity card is a public identification document.
- (3) The content of an employment record card, the procedure of its issuance, modality of data entry, method for substituting and issuing new employment record cards, the method of maintaining the registry of issued employment

record cards and the format of an employment record card shall be defined by the Ministry.

- (4) An employment record card shall be issued by an authorized body of the local government.

Safeguarding of employment record card

Article 170

- (1) An employee shall deliver his / her employment record card to the employer on the day of commencement of engagement.
- (2) Entering negative data regarding an employee's work into an employment record card shall be forbidden.
- (3) On the day of termination of employee's engagement, the employer shall hand employee a neatly filled in employment record card.

XIV SUPERVISION

Conducting of supervision

Article 171

- (1) Supervision over applying of this Law, other labour regulations, collective agreements contracts of employment, or contracts referred to in Articles 163 and 164 of this Law regulating the rights, obligations and responsibilities of employees shall be conducted by the Ministry through labour inspection.
- (2) An employer shall obtain approval from a competent body for conducting business in its premises or place of work, a concluded contract of employment or a contract referred to in Articles 163 and 164 of this Law with each employee, as well as registration for mandatory social insurance.
- (3) A labour inspector shall have authorizations in performing supervision as defined by law.

XV PENALTY PROVISIONS

Infringement by employer

Article 172

(1) A fine in the amount from EUR 2,000 to EUR 20,000 shall be imposed to an employer with the status of a legal entity for an infringement if the referred employer:

- 1) concludes a contract of employment contrary to the provision of Article 16 of this Law;
- 2) concludes a contract of employment with a person under the age of 18, contrary to the provisions of this Law (Article 17);
- 3) requests from a candidate information contrary to the provisions of Article 18 paragraphs 2 and 3 of this Law when concluding a contract of employment;
- 4) agrees on a trial period of more than six months (Article 19 paragraph 2);
- 5) fails to enter into contract of employment, or a special contract with an individual prior to the beginning of his/her engagement (Articles 21, 163, 164);
- 6) fails to enter into contract of employment for an indefinite time period with an employer (Article 22 paragraph 3);
- 7) fails to carry out transformation of a fixed-term contract of employment to a contract of employment for an indefinite time period (Article 26);
- 8) fails to deliver a copy of the registration for mandatory social insurance to an employee (Article 28 paragraph 2);
- 9) does not keep records of employment and fails to inform the labour inspector of that (Article 33, paragraph 1);
- 10) fails to pay the agreed salary for work in a household in the manner and in the amount defined in Article 35 of this Law;
- 11) fails to provide an employee with education, professional training and improvement when required by the needs of the work process (Article 38 paragraph 1);
- 11a) concludes a contract of employment for temporary jobs contrary to Article 43c of this Law;
- 11b) fails to introduce an employee with all the risks of performing work with the employer; fails to introduce an employee with the content of the contract and fails to deliver the contract upon his/her request not later than on the day of beginning engagement with the beneficiary; fails to pay to an employee the agreed salary for performed work with the beneficiary and in case when a beneficiary fails to meet its obligations towards the Agency (Article 43e);
- 12) fails to provide to an employee who works for shorter working hours as referred to in Article 47 of this Law to use the rights arising from employment belonging to an employee with full working hours or engages him/her to work overtime in such jobs (Article 47 paragraphs 3 and 4);
- 13) introduces work for longer than full time working hours for a period longer than it is necessary to remove the causes of its introduction (Article 49 paragraph 2);
- 14) introduces work for longer than full time working hours in cases other than the ones defined by this law and collective agreement (Article 50);

- 15) has conducted rescheduling of working hours contrary to the provisions of Articles 54 and 55 of this Law;
- 16) fails to provide an employee who works at night with special protection in accordance with Article 56 of this Law;
- 17) fails to provide an employee who works in shifts to switch shifts (Article 57 paragraph 1);
- 18) fails to provide a break during daily work, daily and weekly and annual leave, in accordance with provisions of Articles 59, 60, 61, 62, 63, 65, 66, 67, 68, 69 and 70 of this Law;
- 18a) fails to define the schedule of using weekly break (Article 62 paragraph 4);
- 19) deprives an employee who has exercised the right to temporary suspension of employment of the right to return to work (Article 76 paragraph 3);
- 20) fails to pay to an employee salary at least once a month and fails to deliver pay slip to an employee (Article 84);
- 21) fails to keep monthly records of salaries and wage compensations (Article 86);
- 21a) an employer successor fails to take over all employees from the employer predecessor and fails to conclude a contract of employment with them and fails to provide respect of their rights, in accordance with contract of employment and collective agreement with the employer predecessor, in accordance with Article 87 of this Law;
- 22) fails to apply collective agreement of the employer predecessor in accordance with Article 89 of this Law; -- **deleted**
- 23) fails to pass a program of measures for resolving the redundant employees (Article 93);
- 24) fails to provide severance pay in accordance with provisions of Article 94 of this Law;
- 25) fails to provide protection of employees, in accordance with provisions of Articles 102, 102a, 103, 104, 105, 106, 107, 108, 109 and 110) of this Law;
- 26) fails to provide an employed parent, adoptive parent and guardian to use the rights in accordance with Articles 111, 111a, 111b and 117 of this Law;
- 27) fails to pass and deliver decision on protection of the rights of an employee within 15 days as of the day of filing the request (Article 119 paragraph 3);
- 28) allows an employee who reaches the age of 67 to continue work, without passing a written decision (Article 140 paragraph 1);
- 29) fails to deliver to an employee a decision on termination of contract of employment in the form of a formal decision (Article 143, paragraph 3);
- 30) fails to pay to an employee the outstanding salaries, compensations of salaries and other earnings until the day of termination of employment in case of termination of a contract of employment in accordance with Article 146 of this Law;
- 31) fails to inform the trade union once a year of the matters prescribed by this Law, or fails to timely inform the trade union for the purpose of attending the

meetings where initiatives and proposals of the employer are to be discussed (Article 158);

32) fails to provide the employees with free exercise of trade union rights or fails to provide the trade union with conditions for exercise of trade union rights (Article 159);

33) fails to keep records of contracts referred to in Articles 163 and 164 of this Law;

34) fails to return to an employee a neatly filled employer record card on the day of termination of employment, i.e. contract of employment (Article 170 paragraph 3);

35) fails to obtain approval from a competent body for conducting business in its premises or place of work, or a concluded contract of employment or a contract referred to in Articles 163 and 164 of this Law with each employee, as well as registration for mandatory social insurance in accordance with Article 171 paragraph 2 of this Law.

(2) A responsible person with an employer shall also be fined for an infringement referred to in paragraph 1 of this Article in the amount from EUR 200 to EUR 2,000.

(3) An employer-entrepreneur performing an industrial activity shall be fined for an infringement referred to in paragraph 1 of this Article in the amount from EUR 600 to EUR 6,000.

Imposing a fine on site

Article 173

(1) A fine shall be imposed on site for an infringement referred to in Article 172 paragraph 1 items 8, 18a, 28, 34, 35 and 36 of this Law:

1) to a physical and responsible person in the amount of EUR 200;

2) to an entrepreneur in the amount of EUR 300.

(2) A fine referred to in paragraph 1 of this Article shall be imposed by a labour inspector.

XVI TRANSITIONAL AND FINAL PROVISIONS

Contract on mutual rights

Article 174

- (1) An employer shall conclude a contract regulating mutual rights, obligations and responsibilities containing elements referred to in Article 23 (except for the ones referred to in items 7, 8 and 9) of this Law with employees who started their employment prior to coming into effect of this Law, but have not concluded a contract of employment.
- (2) A contract referred to in paragraph 1 of this Article shall not include entering into employment relationship, or change labour legal status with the employee.

Deadline for conclusion of contract on mutual rights

Article 174a

- (1) An employer shall offer a contract referred to in Article 174 of this Law to an employee within 90 days as of the day of coming into effect of this Law.
- (2) Employment of an employee who refuses to sign a contract referred to in paragraph 1 of this Article shall terminate.

Initiated procedures for protection of the rights of employees

Article 174b

Procedures for the exercise and protection of the rights of employees, initiated prior to coming into effect of this Law, shall be finalized according to the regulations which were in force prior to coming into effect of this Law.

Initiated procedures in case of redundant employees

Article 174c

The procedure for determining redundant employees, which was initiated but not finalized prior to coming into effect of this Law, shall be finalized according to the regulations which were in force prior to coming into effect of this Law.

Harmonization of collective agreements

Article 174d

(1) A general collective agreement in accordance with this Law shall be concluded not later than December 31st, 2011.

(2) The provisions of collective agreements which are not contrary to the provisions of this Law shall apply until conclusion of a general collective agreement referred to in paragraph 1 of this Article.

Passing of regulations

Article 174e

The regulation referred to in Article 43a of this Law shall be passed within 90 days as of the day of coming into effect of this Law.

Initiated procedures

Article 175

Procedures for the exercise and protection of the rights of employees, initiated prior to coming into effect of this Law, shall be finalized according to the regulations which were in force prior to coming into effect of this Law.

Initiated procedures in case of redundant employees

Article 176

(1) The procedure for determining redundant employees, which was initiated but not finalized prior to coming into effect of this Law, shall be finalized according to the regulations which were in force prior to coming into effect of this Law.

(2) In case when a final decision of a relevant authority determined a right based on regulations applicable prior to the day of coming into effect of this Law for an employee on grounds of his/her redundancy, the employee shall continue to use the right according to those regulations.

Harmonization of collective agreements

Article 177

The provisions of collective agreements applicable on the day of coming into effect of this Law, and which are contrary to the provisions of this Law, shall be harmonized with this Law within 12 months as of the day of coming into effect of this Law.

Passing of regulations

Article 178

- (1) The Ministry shall pass regulations for implementation of this Law within 12 months from the day of coming into effect of this Law.
- (2) The regulations passed based on the Labour Law ("Official Gazette of the Republic of Montenegro", no. 43/03 and no. 25/06) shall apply until regulations referred to in paragraph 1 of this Article are passed.

Cessation of the previous law

Article 179

The Labour Law ("Official Gazette of the Republic of Montenegro", no. 43/03 and no. 25/06) shall cease to apply as of the day of coming into effect of this Law.

Entry into force

Article 180

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