

- February 2009 -

**SERBIA: EMPLOYMENT**

**Annex II to the General Collective Agreement and Decision on the Application of the General Collective Agreement to all Employers in the Republic of Serbia**

***(Aneks II Opšteg kolektivnog ugovora i Odluka o primeni Opšteg kolektivnog ugovora na sve poslodavce na teritoriji Republike Srbije, "Službeni glasnik RS" n. 8/2009)***

The Serbian Government, the representative trade unions, and the Union of Serbian Employers (*Unija poslodavaca Srbije*) reached an agreement on amendments to the General Collective Agreement (*Opšti kolektivni ugovor, "Službeni glasnik RS" n. 50/2008, 104/2008 and 8/2009*) and its extended application to all employers in the Republic of Serbia on 30 January 2009. In line with that agreement, the Serbian Minister of Labor and Social Policy rendered the decision prescribing that all employers in Serbia must adhere to the GCA starting from 11 February 2009. The GCA stipulates certain provisions already prescribed by the Labor Law in more detailed manner (paid leave, criteria for payment of minimum salary, procedure in case of termination due to incompetence, etc.) and introduces the new trade union rights (right to be informed on employee-related matters, adequate office space, company car for the purpose of attending trade union's meetings, etc.). At the same time, the representative trade unions and the Union of Serbian Employers concluded Annex II to the GCA which provides for a temporary 6-month suspension of the application of the following additional financial obligations imposed on employers by the GCA:

1. increased salary for:(i) work during a public holiday in the amount of 120% of basic salary, compared with 110% under the Labor Law,(ii)work in night shifts in the amount of 30% of basic salary, compared with 26% under the Labor Law and (iii)years of past employment in the amount of 0,5% of basic salary for each year of employment, compared with 0,4% under the Labor Law;
2. compensation to employees for the difference between minimum salary and regular salary;
3. compensation in the amount of 65% of salary in case of work interruption without employees' fault, compared with 60% under the Labor Law;
4. food allowance in the amount of 15% of average salary in Serbia, holiday allowance in the amount of 15% of average salary in Serbia and compensation for field-work in the amount of 3% of average salary in Serbian industry per day;
5. setting aside a minimum of 0,15% of the total monthly payroll cost. for prevention of disability and recreation of employees;
6. severance payment in case of dismissal, in the amount of 1/3 of employee's average salary earned in the course of a 3-month period preceding the dismissal, but in any case no less than 50% of average salary in Serbia, per each year of employment;
7. contribution to the fund for development of democratic industrial relationships in the amount of 0,5% of each employee's salary.

The application of the aforementioned provisions will be reconsidered by the Social-Economic Council (*Socijalno-ekonomski savet*) one month prior to the expiry of the 6-month period and the starting date of their application will be determined in a new annex to the GCA.

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