

**Prevention of Undeclared Work and Employment Act**  
**(official consolidated text)**  
**(ZPDZC-UPB1)**

Pursuant to Article 153 of the Rules of Procedure of the National Assembly, the National Assembly of the Republic of Slovenia approved the official consolidated text of the Prevention of Illegal Work and Employment Act at its session on 1 February 2007; the text encompasses:

- the Prevention of Undeclared Work and Employment Act (*Uradni list Republike Slovenije* [Official Gazette of the Republic of Slovenia], no 36/00 of 26 April 2000); and
- the Act Amending the Prevention of Undeclared Work and Employment Act (*Ur. l. RS*, no 118/06 of 17 November 2006).

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President of the  
National Assembly  
of the Republic of Slovenia  
France Cukljati, MD (signed)

**PREVENTION OF UNDECLARED WORK AND EMPLOYMENT ACT**  
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I. GENERAL PROVISIONS

General  
Article 1

This Act shall specify in which cases the activities or work and the employment of a worker shall be deemed undeclared; it shall also identify participants in undeclared work, and define illicit advertising.

Terms  
Article 2

(1) For the purposes of this Act, a legal entity shall mean a company, a co-operative, an institution or any other legal entity pursuing its registered activity.

(2) For the purposes of this Act, an entrepreneur shall mean a natural person independently pursuing a gainful activity in the market in accordance with applicable legislation.

(3) For the purposes of this Act, an individual shall mean a Slovene national or an alien who pursues an activity or work without a registration or notification, and without fulfilling other statutory conditions.

Undeclared work  
Article 3

- (1) The following cases of performing an activity or work shall be deemed undeclared work:
- a legal entity pursues an activity that is not recorded in the register of companies or carries out an activity not defined in its constituent instrument or has no statutory documents relating to the fulfilment of the conditions for performing a registered activity or the activity defined in its constituent instrument;
  - an entrepreneur pursues an activity that is not recorded in the relevant register or has no statutory documents relating to the fulfilment of the conditions for carrying out a registered activity;
  - a legal entity or an entrepreneur pursues an activity despite a temporary ban on carrying out such an activity;
  - a foreign company fails to carry out activities in the Republic of Slovenia through an affiliated company or carries out an activity without an appropriate permit;
  - an individual who is not registered or notified as stipulated by this or any other Act carries out an activity or work.

(2) It shall be prohibited to carry out the undeclared work referred to in the previous paragraph.

A participant in undeclared work  
Article 4

(1) A legal entity, an entrepreneur or an individual who knowingly enables one or more people to carry out undeclared work shall be deemed a participant in undeclared work.

(2) A legal entity, an entrepreneur or an individual who concludes a contract with another legal entity, entrepreneur or individual and understands that undeclared work is involved shall be deemed a participant in undeclared work.

Undeclared employment  
Article 5

(1) Undeclared employment shall be prohibited. Undeclared work shall be deemed to occur when a legal entity or an entrepreneur that fulfils the conditions for carrying out an activity:

- fails to conclude an employment contract or a civil law contract on the basis of which work can be carried out, and fails to register a worker for health, and pension and disability insurance;
- employs an alien or a stateless person in contravention of regulations governing the employment of aliens;
- allows a student to work without a student referral form issued by an authorised job-brokerage agency, or uses the referral form for another person.

(2) The activity of a worker employed by an individual in his or her own name and on his or her own account to carry out undeclared work shall be deemed undeclared employment.

(3) An unemployed person engaged in undeclared employment as referred to in the first indent of paragraph (1) hereof shall be deemed to have employment contract concluded for an indefinite period. A legal entity or an entrepreneur shall deliver a written contract of employment for an indefinite period to this worker within three days after a labour inspector established undeclared employment. Should the contract not be delivered in the stipulated time limit, the worker may seek judicial protection.

#### Illicit advertising Article 6

(1) It shall be prohibited to commission or publish advertisements (illicit advertising) in newspapers, journals, on radio, television or other electronic media (advertising media) or communicate or publicise advertising messages in any other way accessible to the public if:

- a legal entity, an entrepreneur or an individual offers or advertises undeclared work as referred to in Article 3 of this Act;
- a legal entity, entrepreneur or individual announces the need for a worker whose work is not linked to the registered or notified activity.

(2) When commissioning an advertisement, the following data shall be provided: company name and registered office and full name of the responsible person or full name of the person commissioning the advertisement and his or her permanent address.

(3) An advertising organisation may not publish advertisements if the data referred to in the preceding paragraph are not provided.

(4) An advertising organisation shall submit the data on the person placing an order for advertising to the authorities referred to in Article 13 of this Act upon request.

## II. EXCEPTIONS NOT DEEMED UNDECLARED WORK

### Activities not deemed undeclared work or employment Article 7

(1) Notwithstanding the provisions of Article 3 of this Act, the following shall not be deemed undeclared work:

- mutual neighbourly help,
- work for one's own account,
- emergency work,
- humanitarian, charity, voluntary and aid work under this Act or other regulations,
- personal supplementary work.

(2) Notwithstanding the provisions of Article 5 of this Act, the following shall not be deemed undeclared work:

- short-term work,
- mini-jobs,
- emergency work, humanitarian, charity, voluntary and aid work under this Act or other regulations.

Neighbourly help  
Article 8

Mutual neighbourly help shall mean work carried out by neighbours if the neighbours' residences are located in a defined spatial proximity, if there is no contract concluded between the neighbours, if the work is not paid or carried out by a legal entity or an entrepreneur engaged in an activity directly linked to the work in question; it shall also mean other forms of neighbourly help stipulated by law.

Work for one's own account  
Article 9

Work for one's own account shall include any work on immovable property, unless otherwise stipulated by a special act, and on movable property in personal ownership; it shall also mean the provision of services if rendered by the owner personally, by his or her spouse or cohabiting partner, or together with any third degree relative.

Emergency work  
Article 10

Emergency work to prevent accidents or mitigate the consequences of natural and other disasters shall include any work intended to prevent natural disasters (floods, avalanches, etc.) or to mitigate the consequences of natural (removal of rubble or alluvial material) or other disasters (mitigation of the effects of fire, etc.).

Humanitarian, charity, voluntary and aid work  
Article 11

(1) Humanitarian, charity, voluntary and aid work shall include unpaid work for organisations registered as humanitarian or charity organisations, and organised voluntary work within other non-governmental organisations.

(2) Charity work shall include unpaid work for the benefit of residents of occupation and care centres, pupils and students in educational institutions, patients in hospitals and residents of residential homes for the elderly.

Personal supplementary work  
Article 12

(1) Personal supplementary work shall include work carried out by an individual as a domestic help and similar, the harvesting and sale of forest fruit and herbs, and other minor jobs, unless otherwise stipulated by special regulations.

(2) Personal supplementary work shall also include the personal manufacture of domestic art and craft products subject to the obtained opinion referred to in Article 15 of the Small Business Act (*Ur. l. RS*, no 50/94).

(3) The work referred to in paragraphs (1) and (2) hereof may be carried out if the annual income from this work does not exceed the minimum wage in the Republic of Slovenia for the preceding year and if such work is specified in the 'Rules on the work deemed personal supplementary work and on a notification procedure'.

(4) An individual shall notify the competent administrative unit of the personal supplementary work referred to in paragraph (1) and (2) hereof; the administrative unit shall include the individual to the list of taxable persons engaged in personal supplementary work.

Short-term work  
Article 12a

(1) Short-term work shall include unpaid work in a micro-company, a private institute or with an entrepreneur with a maximum of 10 employees if carried out by a spouse of the entrepreneur or the company's or private institute's owner or co-owner or carried out by a relative to the first degree, provided that the work does not exceed 40 hours per month.

(2) The work referred to in the preceding paragraph shall be carried out in accordance with employment regulations governing the work of children younger than 15 years of age, and regulations on working time, night work, break and rest periods, the protection of women, the protection of workers younger than 18 years of age, and safety and health at work.

(3) This work may be carried out on the basis of prior notification to the administrative unit where the work is performed. The notification shall indicate the person carrying out the work, the location and duration of the work and a statement of compliance with the conditions defined in this Act. The administrative unit shall forthwith submit one copy of the notification to the competent labour inspectorate.

#### Mini-jobs Article 12b

(1) Mini-jobs shall include work carried out by a person not employed full time or not self-employed or not in receipt of a pension, provided that such work does not exceed 20 hours per week and 40 hours per month and the respective payment does not amount to more than fifty per cent of the statutory minimum wage.

(2) The work referred to in the preceding paragraph shall be carried out in accordance with employment regulations governing the work of children younger than 15 years of age and regulations on working time, night work, break and rest periods, the protection of women, the protection of workers younger than 18 years of age, and safety and health at work.

(3) An employer and a person engaged in a mini-job shall conclude a mini-job contract specifying:

- data on the contracting parties,
- date of commencement of work,
- type of work with a short description and the location of the work,
- duration of work per day, week and month,
- provision on the amount of the payment for the completed work and the manner of payment,
- other rights and obligations.

(4) An employer shall arrange for the registration of a person engaged in a mini-job in social insurance and shall calculate and deduct statutory social security contributions from the payment. For the purpose of establishing and assessing the social security rights, the insurance under this Article shall be reckoned as part-time employment.

### III. SUPERVISION

#### Supervisory authority Article 13

(1) The violations of the provisions of this Act shall be established by the following inspectorates and other authorities within the powers defined by this Act and other special acts:

- the market inspectorate shall monitor violations of the provisions in Articles 3, 4, Article 6 (1)(1) and Article 6 (2)(3)(4) of this Act;
- the labour inspectorate shall monitor violations of the provisions of Article 5 and Article 6(1)(2) of this Act;
- the traffic inspectorate shall monitor violations of the provisions of Article 3 of this Act;
- the tax inspectorate shall monitor violations of the provisions of Article 3 of this Act.

(2) The Tax Administration of the Republic of Slovenia shall keep records of the annual income from the personal supplementary work referred to in Article 12(3) of this Act; the Tax Administration's

authorised persons shall carry out indirect monitoring of the violations of the provisions of this Act. Indirect monitoring of the violations of this Act shall also be carried out by the customs administration, the agriculture and forestry inspectorate, the construction inspectorate, the environment and spatial planning inspectorate, the health inspectorate, the school inspectorate and the police. These authorities shall forthwith notify the competent authorities referred to in the preceding paragraph in writing about any alleged or established violations of this Act.

(3) When establishing violations of the provisions of this Act, the minor offence authorities referred to in paragraphs (1) and (2) hereof shall have the right to request a legal entity, an entrepreneur or an individual to submit all documents that may serve as proof of the violations of this Act.

(4) If undeclared work referred to in Article 3 of this Act is carried out, the minor offence authority referred to in paragraph (1) hereof shall issue a decision prohibiting it.

(5) An appeal against the decision referred to in the preceding paragraph shall be lodged within eight days of it being served. The appeal shall not stay the execution of the decision.

(6) If an item used for carrying out undeclared work may be confiscated pursuant to this Act, the minor offences authority referred to in paragraph (1) hereof may temporarily seize this item.

#### National Commission Article 14

(1) The Government of the Republic of Slovenia shall appoint a commission for detecting and preventing undeclared work and employment, and shall entrust it with the tasks of defining, coordinating and monitoring the activities to prevent undeclared work and employment.

(2) The commission referred to in the preceding paragraph shall coordinate the work of inspection services referred to in the preceding Article and shall prepare a report on the activities and results of the prevention of undeclared work and employment once a year.

(3) The commission shall submit the report referred to in the preceding paragraph to the Economic and Social Council and to the Government of the Republic of Slovenia for consideration.

#### IV. PENAL PROVISIONS

##### Article 15

(1) A fine of between SIT 1 000 000 and SIT 5 000 000 shall be imposed for a minor offence on a legal entity carrying out the activity referred to in the first indent of Article 3 of this Act.

(2) A fine of between SIT 1 000 000 and SIT 5 000 000 shall be imposed for a minor offence on an entrepreneur carrying out the activity referred to in the second indent of Article 3 of this Act.

(3) A fine of between SIT 800 000 and SIT 3 000 000 shall be imposed for a minor offence on a legal entity or an entrepreneur carrying out the activity referred to in the third indent of Article 3 of this Act.

(4) A fine of between SIT 1 000 000 and SIT 5 000 000 shall be imposed for a minor offence on a foreign legal entity or an entrepreneur carrying out the activity referred to in the fourth indent of Article 3 of this Act.

(5) A fine of between SIT 50 000 and SIT 450 000 shall be imposed for a minor offence on an individual carrying out the activity or work specified in the fifth indent of Article 3 of this Act.

(6) In addition to a fine, a minor offence referred to in paragraphs (1), (2), (3) and (5) of this Article may also be punished by seizure of objects.

(7) A fine of between SIT 100 000 and SIT 500 000 shall also be imposed on a responsible person of a legal entity who commits the offence referred to in paragraphs (1), (3) and (4) of this Article.

#### Article 16

(1) A fine of between SIT 500 000 and SIT 3 000 000 shall be imposed on a legal entity or an entrepreneur who is a participant in the undeclared work referred to in Article 4 of this Act.

(2) A fine of between SIT 80 000 and SIT 300 000 shall also be imposed on a responsible person of a legal entity referred to in the preceding paragraph.

#### Article 17

A fine of between SIT 50 000 and SIT 450 000 shall be imposed on an individual who is a participant in the undeclared work referred to in Article 4 of this Act.

#### Article 18

(1) A fine of between SIT 1 000 000 and SIT 5 000 000 shall be imposed on a legal entity or an entrepreneur who commits a minor offence referred to in Article 5(1) of this Act.

(2) A fine of between SIT 100 000 and SIT 500 000 shall also be imposed on a responsible person of a legal entity for a minor offence referred to in the preceding paragraph.

(3) A fine of between SIT 100 000 and SIT 450 000 shall be imposed on an individual who commits a minor offence referred to in Article 5(2) of this Act.

(4) A fine of between SIT 100 000 and SIT 450 000 shall be imposed on an individual who commits a minor offence referred to in Article 5(1)(3) of this Act.

(5) A fine of between SIT 1 000 000 and SIT 3 000 000 shall be imposed on a legal entity or an entrepreneur who fails to deliver a written contract of employment within the time limit referred to in Article 5(3) of this Act.

(6) A fine of between SIT 100 000 and SIT 500 000 shall also be imposed on a responsible person of a legal entity for a minor offence referred to in the preceding paragraph.

#### Article 19

(1) A fine of between SIT 300 000 and SIT 3 000 000 shall be imposed on a legal entity or an entrepreneur who commits a minor offence referred to in Article 6 of this Act.

(2) A fine of between SIT 50 000 and SIT 300 000 shall also be imposed on a responsible person of a legal entity for a minor offence referred to in the preceding paragraph.

#### Article 20

A fine of between SIT 50 000 and SIT 450 000 shall be imposed on an individual who commits a minor offence referred to in Article 6 of this Act.

#### Article 21

In addition to a fine, an alien individual who commits a minor offence pursuant to this Act may also be punished by banishment from the country for a period of between one to five years.

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**The Prevention of Undeclared Work and Employment Act (*Ur. l. RS*, no 36/00) contains the following transitional and final provisions:**

## V. TRANSITIONAL AND FINAL PROVISIONS

### Article 22

(1) In agreement with the minister responsible for finance, the minister responsible for labour shall issue the rules referred to in Article 12(3) hereof within six months of the effective date of this Act.

(2) The Government shall appoint the commission referred to in Article 14 hereof within six months of the effective date of this Act.

### Article 23

On the date of application of this Act, the following shall cease to apply:

- Article 573(1)(2) of the Companies Act (*Ur. l. RS*, nos 30/93, 29/94, 82/94, 20/98, 94/98 and 54/99);
- Article 28 of the Trade Act (*Ur. l. RS*, no 18/93);
- Article 23 of the Hospitality Industry Act (*Ur. l. RS*, nos 1/95 and 40/99);
- Article 12 of the Act Amending the Labour Inspection Act (*Ur. l. RS*, no 32/97);
- Article 34 of the Foreign Trade Act (*Ur. l. RS*, nos 13/93, 66/93, 7/94, 1/95, 28/95, 58/95 and 23/99);
- Article 132(1), points 3 and 13, of the Employment Relationships Act (*Ur. l. RS*, nos 14/90, 5/91 and 71/93);
- Article 84(1)(1) of the Public Media Act (*Ur. l. RS*, no 18/94);
- Articles 90 and 91 of the Health Services Act (*Ur. l. RS*, nos 9/92, 26/92, 13/93, 45/94, 37/95, 8/96, 59/99 and 90/99);
- Article 55(1)(2) and Article 56(1)(3),(4) of the Telecommunications Act (*Ur. l. RS*, no 35/97);
- Article 43 of the Small Business Act (*Ur. l. RS*, no 50/94);
- Article 55 of the Road Transport Act (*Ur. l. RS*, nos . 72/94, 18/95, 54/96, 48/98 and 65/99);
- Article 117, points 1 and 2, of the Social Assistance Act (*Ur. l. RS*, nos 54/92, 42/94, 1/99 and 41/99);
- Article 60 and Article 61(1)(1) of the Institutes Act (*Ur. l. RS*, nos 12/91, 17/91, 55/92, 13/93, 66/93, 45/94 and 8/96).

### Article 24

This Act shall enter into force on the fifteenth day after its publication in *Uradni list Republike Slovenije* and shall begin to apply twelve months from its effective date, except for the provisions of Articles 6, 19 and 20, which shall begin to apply on its effective date.

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**The Act Amending the Prevention of Undeclared Work and Employment Act (*Ur. l. RS*, no 118/06) contains the following transitional and final provisions:**

### Article 12

The minister responsible for labour shall issue detailed instructions and prescribe the forms for carrying out work referred to in Articles 12a and 12b hereof within three months of the effective date of this Act.

### Article 13

This Act shall enter into force on the fifteenth day after its publication in *Uradni list Republike Slovenije*.