

LAW ON EMPLOYMENT AND UNEMPLOYMENT INSURANCE

I. BASIC PROVISIONS

1. Scope of the Law

Article 1

The Law hereof shall govern employment-related activities and institutions competent for employment affairs, rights and obligations of the unemployed person and employer, active employment policy, unemployment insurance and other matters relevant to employment, raising employment and preventing long-term unemployment in the Republic of Serbia.

2. Unemployed person

Article 2

An unemployed person, for the purposes of this Law, shall be person between 15 years of age and the age eligible for retirement, or 65 years of age at the most, capable and ready to start working, who has not entered into a contract of employment or exercised the right to work in any other way, and who is on the unemployment register and is looking for employment actively.

An unemployed shall be deemed to be looking for employment actively if he/she duly fulfils the obligations set forth by the Law and individual employment plan.

A full-time secondary school student, an undergraduate student up to 26 years of age, a person on administrative leave in accordance with the Law and a person who has fulfilled retirement requirement, in accordance with regulations governing pension and disability insurance shall not be considered unemployed for the purposes of this Law.

3. Jobseeker

Article 3

A jobseeker, for the purposes of this Law, shall be an unemployed person, employed person seeking change of employment and other person seeking employment.

An employed person seeking change of employment is a person who is employed or otherwise exercises the right to work, is actively seeking to change employment and is on the registry of persons seeking change of employment.

Other person seeking employment is a person over 15 years of age who is looking for employment, and who cannot be considered either as unemployed or as person seeking change of employment, as defined by this Law.

4. Employer

Article 4

For the purposes of this Law, an employer shall be a national or foreign legal entity or natural person that registers a vacancy, employs persons and pays contributions on account of unemployment insurance.

5. Principles of the Law

Article 5

This Law shall be governed by the following principles:

- 1) Prohibition of discrimination, in accordance with the Law;
- 2) Impartiality in the conduct of employment activities;
- 3) Gender equality;
- 4) Affirmative action directed towards hard-to-employ unemployed persons;
- 5) Freedom of choice of occupation and work;

- 6) Provision of services to unemployed persons free of charge.

II. EMPLOYMENT ACTIVITIES

1. Employment activities

Article 6

Employment activities, in terms of the Law hereof, shall comprise:

1. Dissemination of information on employment opportunities and conditions;
2. Jobmatching within the country and internationally;
3. Vocational guidance and career counselling;
4. Implementation of active employment policy measures;
5. Issuing work permits to foreigners and stateless persons, pursuant to law.

2. Institutions Competent for Employment Affairs

Article 7

Employment affairs shall be carried out by the National Employment Service (hereinafter: NES) and employment agencies.

3. National Employment Service

Article 8

Employment affairs, unemployment insurance affairs, exercise of unemployment insurance rights and other rights pursuant to Law and keeping records in the field of employment shall be conducted by NES.

Along with the affairs referred to in para. 1 of this Article, NES shall conduct professional and organizational, administrative, economic/financial and other general affairs in the field of employment and unemployment insurance.

The seat of the NES shall be in Kragujevac.

The NES shall be a legal entity with the status of a mandatory social insurance organisation.

The NES shall be registered with the competent authority, pursuant to Law. For the purpose of conducting affairs referred to in para. 1 and 2 of this Article, Provincial Service, NES branches and other interior units set forth by NES statutory instrument shall be established.

Article 9

The NES is obliged to provide employer and job seeker with:

- 1) Information on law, by-laws, collective agreements and other general legal instruments in force, rights, duties and responsibilities of employers and employees, as well as associations thereof pertaining to employment and unemployment insurance;
- 2) Advice on the procedures and ways of exercising rights and observing duties as well as assistance in filling out and submission of forms and other documents to NES.

Article 10

NES is obliged to make the information available to jobseekers within 24 hours of the receipt of the employer's vacancy registration by posting the advertisement on the bulletin board, web page and the first subsequent periodical issue of NES job advertisements.

Article 11

The NES Bodies shall be the Managing Board and the Director.

The Law governing prevention of conflict of private and public interest in the exercise of public office shall apply to the Managing Board members and the Director.

Persons referred to in para. 2 of this Article may be appointed to the public office in NES no more than two times.

Article 12

The Managing Board shall manage the work of the NES.

The Managing Board shall have nine members.

The Managing Board members, as well as the Director, shall be appointed and discharged by the Government, as follows:

- 1) Four members at the proposal of the Minister in charge of employment affairs, of which at least two shall be from the Ministry in charge of employment (hereinafter: the Ministry);
- 2) Four members at the proposal of the Socio-economic Council of the Republic of Serbia, of which two trade union representatives and two employer representatives.

The NES Director shall be an ex officio member of the Managing Board.

Managing Board members shall be appointed for a four-year term.

Managing Board decision shall be adopted by the majority vote of total membership.

Work, mandate and responsibilities of the Managing Board members, as well as other matters relevant to the work of the Managing Board shall be regulated by the NES Statute.

Article 13

The Managing Board shall:

- 1) Adopt the Statute and other statutory instruments of the NES;
- 2) Adopt the NES annual work plan;
- 3) Adopt the NES financial plan and annual accounts, pursuant to the Law;
- 4) Adopt the NES annual report;
- 5) Take decisions on NES operations and application of funds, pursuant to the Law;
- 6) Take decisions on other matters, pursuant to the Law and the NES Statute.

The Government shall approve the NES Statute and work plan.

Article 14

The Managing Board shall submit semi-annual NES report to the Ministry.

The Ministry may request a special report, which the Managing Board is obliged to provide without delay.

The Managing Board shall submit the annual NES report to the Government, pursuant to the Law.

Article 15

The Director shall manage the work of NES, pursuant to the decisions of the Managing Board.

The Director shall be appointed and discharged by the Government for a four-year term.

The Director is required to have a university degree and at least nine years of experience, as well as previous experience in the area of employment.

Article 16

The NES Director shall:

- 1) Organize NES work and operations;
- 2) Represent and act on behalf of the NES;
- 3) Execute decisions of the Managing Board;
- 4) Adopt the statutory instrument on the organizational structure and job classification in the NES;
- 5) Manage the work of NES employees;
- 6) Select branch office directors following completion of a public competition;
- 7) Conduct other activities regulated by the Statute of the Service.

Article 17

The Director of the Provincial Employment Service shall be appointed by the Managing Board, at the proposal of the competent authority of the autonomous province.

Director of the Provincial Employment Service shall take part in the work of the Managing Board.

Director of the Provincial Employment Service, upon conducted competition, shall propose candidate for director of a branch office established on the autonomous province territory to the NES Director.

Article 18

Affairs set forth by law, the Statute and other NES statutory instruments shall be conducted by NES employees.

Persons conducting employment-related activities in NES are required to have passed the employment professionals' examination.

4. NES financing

Article 19

NES revenues shall comprise resources provided from:

- 1) Mandatory unemployment insurance contributions;
- 2) The budget of the Republic of Serbia;
- 3) Capital investments;
- 4) Domestic and international loans, pursuant to law;
- 5) Grants, donations and legacies;
- 6) Other sources accrued pursuant to law.

5. Employment agencies

Article 20

An employment agency (herein after: agency) may be founded by legal or natural entities for the purpose of conducting employment affairs, namely:

- 1) Dissemination of information on employment opportunities and conditions;
- 2) Jobmatching within the country and internationally;
- 3) Vocational guidance and career counselling;
- 4) Implementation of particular active employment policy measures, based on a contract with the NES.

The Agency shall not engage in employment of minors, or placement in high risk jobs, in accordance with provisions regulation the relevant field.

During a strike, an agency shall not perform placement services to fill the strikers' jobs, except in the event that the minimum service has not been provided, pursuant to law.

Article 21

The operating license shall be issued to an agency by the Ministry upon a written request, on condition that the agency fulfils requirements regarding:

- 1) Space and technical equipment,;
- 2) Professional qualifications of its staff;

Operating license may be issued to an agency which has at least one employee with a university degree.

A qualified person shall be understood to be a person who has completed at least secondary school and passed the employment professionals' examination.

Requirements in terms of space and technical equipment, professional qualifications of its staff, as well as the programme, contents and manner of sitting the employment professionals' examination shall be prescribed by the Minister in charge of employment affairs

The Ministry shall keep a register of issued licenses.

Article 22

An Agency may not be founded by, or have employment affairs conducted by a person who:

- 1) Has received an unconditional sentence of imprisonment for at least six months for a criminal offence; this prohibition shall apply for three years following the completion of the sentence;
- 2) Is the founder of an agency whose license to conduct employment affairs has been revoked; this prohibition shall apply for three years from the day of the revocation of the license.

Article 23

Upon obtaining the license to conduct employment affairs, an agency shall be registered with the competent authority, whereupon it may start operations.

For the purpose of conducting employment affairs on a specific territory, an agency may establish branches, which are required to meet the conditions prescribed for obtaining the license referred to in Article 21 of this Law.

Article 24

An agency shall pay a fee for issuing of the license, the amount whereof shall be determined by the Government.

The income collected from the fees referred to in para. 1 of this Article shall be used to finance active employment policy.

Article 25

The license shall be issued for a period of five years and may be extended.

Article 26

The license shall be revoked by the Ministry if the agency:

1. Ceases to meet the requirements referred to in Article 21 hereof;
2. Has performed employment services contrary to the Law hereof;

The license shall also be revoked if the agency's founder receives an unconditional sentence of imprisonment for at least six months.

The agency whose license has been revoked for reasons envisaged in para. 1, clause 2) or para. 2 of the Article hereof may be reissued the license upon expiry of three years from the day of revocation of the license.

Article 27

NES may, by means of public procurement, contract an agency to implement particular employment affairs, in accordance with the Performance Agreement.

In the case referred to in para. 1 of this Article, mutual rights and duties of NES and an agency shall be defined by a contract.

6. Employment Council

Article 28

An employment council shall be founded for the territory of the Republic of Serbia (hereinafter: the National Employment Council), and may be founded for the province territory (Provincial Council), or for one or several municipalities (hereinafter: Local Council).

The National Employment Council shall be established by the Government.

The Provincial and local councils may be established by the competent authority of the autonomous territory or local government.

Local council competent for the territory of several municipalities shall be established by agreement of competent local authorities of each local government unit.

Article 29

The National Employment Council shall be an advisory body that provides its founder with opinions and recommendations on matters pertinent to employment promotion, namely:

- 1) Employment plans;
- 2) Active employment policy programmes and measures;
- 3) Regulations in the area of employment;
- 4) Other issues pertaining to employment.

Article 30

The National Employment Council shall be comprised of representatives of the founder, representative trade unions and employers' organizations, NES and employment agencies, associations relevant to employment, i.e. associations concerned with the protection of interests of various categories of the unemployed (persons with disabilities, national minorities, veterans of armed conflicts, women, youth, etc.) and employment experts.

III. RIGHTS AND DUTIES OF UNEMPLOYED PERSON AND EMPLOYER

1. Rights and duties of the unemployed person

Article 31

An unemployed person, in accordance with this Law, shall have the rights:

- 1) To choose occupation and employment freely;
- 2) To obtain the information from the NES and agency on employment opportunities and conditions;
- 3) To use NES and agency services free of charge;
- 4) To agree an individual employment plan with the NES;
- 5) To participate in active employment policy programmes and measures, in line with the individual employment plan;
- 6) To receive unemployment benefit during unemployment;
- 7) To exercise other rights, pursuant to Law.

The unemployed that enters into a contract of employment out of his/her place of permanent residence may receive a lump sum on account of reimbursement of travel and relocation costs, pursuant to the NES statutory instrument.

The unemployed belonging to a group of hard-to-employ persons may take precedence or have special rights in the implementation of certain active employment policy programmes and measures pursuant to Law.

A hard-to-employ unemployed person shall be understood to be a person that, owing to his/her medical condition, insufficient or inadequate education, social or demographic characteristics, regional or occupational mismatch between labour market demand and supply, or other objective circumstances, has difficulties finding employment.

Article 32

An unemployed person, in accordance with this Law, is obliged:

- 1) To search for a job actively and contact employers directly;
- 2) To draw up an individual employment plan with the NES and comply with all the rights and duties stipulated therein;
- 3) To participate in active labour market measures, in accordance with the Law, statutory instrument and individual employment plan;
- 4) Not to refuse a suitable offer of employment and education and training, in line with the Law and individual employment plan;
- 5) To present himself/herself to employers for interviews when referred by the NES or at his/her own initiative;
- 6) To present himself/herself to the NES to obtain information on employment opportunities and conditions and jobmatching services, in accordance with the individual employment plan, at least once in three months or at each request by NES;
- 7) To notify NES of any change of circumstances that affects acquisition or loss of rights or duties pursuant to this Law, at the latest within five days of the occurrence of the change;
- 8) To fulfil other duties prescribed by this Law, statutory instrument and individual employment plan

The unemployed person is obliged to provide evidence of fulfilment of the duties prescribed by para. 1, clauses 1) and 5) of this Article at the request of NES.

Article 33

During the first 12 months from an unemployed person's entry in the NES register, adequate employment, for the purposes of this Law, shall be employment corresponding to the unemployed person's level and type of education.

Upon expiry of 12 months, adequate employment for the unemployed person shall also include employment below the level of his/her educational attainment within the framework of same or similar type of education, in accordance with the individual employment plan, taking into consideration working experience and labour market situation.

2. Rights and duties of the employer

Article 34

In accordance with this Law, an employer shall have the right:

- 1) To request NES to offer a selection of persons for employment;
- 2) To choose at will whom to hire;
- 3) To hire a person without NES or agency jobmatching services;
- 4) To participate in active employment policy programmes and measures, pursuant to the Law and statutory instrument;
- 5) To use NES services free of charge;
- 6) To exercise other rights determined by this Law and statutory instrument.

The services for which a fee is charged shall be prescribed by the Government.

Article 35

In accordance with this Law, an Employer shall be obliged:

1. To ensure equal treatment of the persons that applied for the interview;
2. To deliver notification on conducted job interview – at the request of NES or the unemployed with whom interview has been conducted;
3. To comply with other duties pursuant to this Law;
4. To register vacancies with the NES, pursuant to this Law.

IV. ACTIVE EMPLOYMENT POLICY

Article 36

Active employment policy represents a system of plans, programmes, and measures aimed at increasing employment and decreasing unemployment.

1. National Employment Action Plan

Article 37

The core instrument of active employment policy shall be the National Employment Action Plan (hereinafter: Action Plan).

The Action Plan, compliant with the National Employment Strategy, shall be adopted by the Government, at the Ministry's proposal.

The Action Plan shall be adopted annually, at the latest by 31 July of the current year for the following year.

The Ministry shall submit to the Government an annual report on Action Plan implementation, at the latest by 30 April for the preceding year.

Article 38

The Ministry shall lead the preparation and implementation of the Action Plan and coordinate, direct and monitor the work of all stakeholders involved in its implementation.

Article 39

The Action Plan shall contain:

- 1) The macroeconomic framework for employment policy design and implementation;
- 2) Labour market situation and trends, in detail for the following year and in general for the three subsequent years;
- 3) Employment policy goals and priorities;
- 4) Active employment policy programmes and measures for the following year, with assigned responsibilities for their implementation and required funds;
- 5) Financial framework for employment policy and funding sources;
- 6) Institutions responsible for implementation of activities envisaged by the Action Plan;
- 7) Groups of hard-to-employ persons that have priority in inclusion into active employment policy measures;
- 8) Success indicators of programmes referred to in clause 4) of this paragraph;
- 9) Other elements.

2. Provincial and Local Employment Action Plans

Article 40

The competent authority of the autonomous territory may, upon obtaining the opinion of the Provincial Council, adopt the Provincial Employment Action Plan.

The Provincial Employment Action Plan shall be in line with the [National] Action Plan.

Article 41

The competent authority of the local government may, upon obtaining the opinion of the Local Council, adopt the Local Employment Action Plan.

In case that the Local Council has been founded for several municipalities, competent authorities of the local governments may, upon obtaining the opinion of the Local Council, jointly adopt the Local Employment Action Plan for the territory of these municipalities.

The Local Employment Action Plan shall be in line with the [National] Action Plan and the Provincial Employment Action Plan.

3. NES Performance Agreement

Article 42

NES performance and monitoring of the efficiency of implementation of active employment policy measures envisaged by the Action Plan shall be defined by Performance Agreement.

Performance Agreement shall be concluded by the Minister in charge of employment affairs and NES Director, upon obtaining opinion of the NES Managing Board.

Performance Agreement shall define in more detail:

- 1) Measures and activities from the Action Plan to be carried out by NES;
- 2) Timeframe for the implementation of measures and activities from the Action Plan;
- 3) Expected results;
- 4) Responsibilities in NES;
- 5) Financial framework;
- 6) Submission of regular quarterly reports and annual report, as well as extraordinary reports of NES to the Ministry on the implementation of programmes and measures from the Action Plan;

The extent to which the performance referred to in para. 1 of this Article has been achieved shall constitute the basis for assessment of active employment policy implementation by the NES.

4. Active Employment Measures

Article 43

Active employment measures are measures aimed at stimulating employment, namely:

- 1) Jobmatching services for jobseekers;
- 2) Vocational guidance and career counselling;
- 3) Employment subsidies;
- 4) Support to self-employment;
- 5) Further education and training;
- 6) Incentives for users of unemployment benefit;
- 7) Public works;
- 8) Other measures aimed at persons seeking employment.

The NES shall regulate in more detail the criteria and manner of conducting active employment measures by a statutory instrument.

4.1 Jobmatching

Article 44

Jobmatching, for the purposes of this Law, shall be understood as the activities of matching jobseekers and employers for the purposes of entering into a contract of employment or other engagement.

Jobmatching activities comprise:

- 1) Matching labour market supply and demand;
- 2) Preliminary selection of jobseekers, in view of a particular employer's requirements for a specific job, as well as the jobseekers' education level and type, occupation, knowledge and skills and working experience;
- 3) Counselling aimed at adequate occupational choice and active job search techniques;
- 4) Development of individual employment plan with an unemployed person;
- 5) Referring jobseekers to employer for the purpose of taking part in the selection for employment or other engagement.

In the jobmatching procedure, an unemployed person shall take precedence over a person seeking change of employment.

An unemployed person exercising rights to financial assistance pursuant to Law shall have the right to reimbursement of expenditures incurred by sending a job application and travelling to a job interview by public transport.

Article 45

An individual employment plan, containing measures to be taken with the aim of employment, shall be concluded by the NES and an unemployed person.

The plan referred to in para. 1 of this Article shall constitute the basis for financing and implementation of active employment measures targeting the unemployed person.

The NES statutory instrument shall define the content and manner of developing an individual employment plan.

Article 46

The NES and an unemployed person shall develop an individual employment plan at the latest within 90 days of his/her entry in the unemployment register, unless the NES and the unemployed person agree otherwise.

A hard-to-employ unemployed person shall take precedence in the development of the individual action plan.

The measure and activities set by the individual employment plan shall be revised in response to labour market needs and characteristics of the unemployed person at least once in six months.

Article 47

The NES shall prepare and monitor individual employment plan implementation, in conformity with this Law.

Exceptionally, the NES may outsource the preparation and monitoring of individual employment plan implementation to:

- 1) An agency, through the public procurement procedure or
- 2) Local government, in the event that the local government provides more than one half of the funds for programmes and measures set in the individual employment plan.

Article 48

The inclusion of an unemployed person in active employment measures shall be regulated by the individual employment plan, based on the objective criteria that reflect the anticipated difficulties in employment of the unemployed person and employability assessment conducted by the NES.

The objective criteria referred to in para. 1 of this Article shall include the unemployed person's educational attainment, age, working experience, sex, unemployment period, place of residence and the like.

Prior to inclusion in active employment measures, an unemployed person may be referred to a health check at the NES expense.

The Minister shall set more specific conditions for inclusion of the unemployed person in active employment measures by a Directive.

4.2 Vocational guidance and career counselling

Article 49

Vocational guidance and career counselling, for the purposes of this Law, shall mean activities of offering group or individual assistance to jobseekers or other persons who need career planning, in choice or change of occupation and making decisions on career development.

Activities referred to in para. 1 of this Article shall comprise:

- 1) Providing information on the labour market and career development;
- 2) Vocational guidance of persons seeking employment and other persons in planning career development;
- 3) Developing jobseekers' skills to make career decisions;
- 4) Development of active job search skills;
- 5) Selection of candidates based on job requirements and persons' psychological and physical abilities;
- 6) Other counselling activities aiming to increase a jobseeker's employability.

4.3 Employment Subsidies

Article 50

Employment subsidies shall be funds to which employers may gain access for the employment of the unemployed, namely:

1. Job-creation subsidies;
2. Subsidies to fill vacant posts by hard-to-employ persons pursuant to this Law and the Action Plan;
3. Other subsidies determined by the Action Plan.

Mutual rights and obligations shall be regulated by the contract between the NES and subsidy beneficiaries.

4.4 Support to Self-Employment

Article 51

Support to self-employment shall be financial and professional support to which an unemployed person becoming self-employed is entitled.

Self-employment, for the purposes of this Law, shall mean starting a sole proprietorship, cooperative, agricultural estate or some other form of entrepreneurship by an unemployed person or jointly by a group of unemployed persons, as well as establishing a company if the founder enters into a contract of employment with the company.

Mutual rights and duties shall be defined by a contract between the NES and the unemployed person exercising the right to support to self-employment.

4.5 Further Education and Training

Article 52

Further education and training, for the purposes of this Law, shall be activities aimed at offering an unemployed person or an employed person whose services are no longer required by the employer, and to whom adequate employment cannot be offered, the possibility to undergo theoretical and practical training to gain new skills and knowledge in order to find employment, thus creating possibilities for employment and self-employment.

Further education and training activities shall be organized by NES or agencies, at an employer's request or in response to labour market needs.

The costs of further education and training activities organized by the NES at an employer's request shall be borne by the employer, while the costs of further education and training activities organized in response to labour market needs shall be borne by the NES, in line with the NES statutory instrument.

The costs of further education and training activities for a specific employer's needs may be borne by the NES, in line with the NES statutory instrument.

Article 53

An unemployed person shall be obliged to take part in adequate further education and training measures which he/she is instructed to undergo by the NES with the aim of employment or increasing employment perspectives, in accordance with the individual employment plan.

The rights and obligations of the unemployed person instructed to undergo further education and training shall be determined by a contract between the NES and the unemployed person.

An unemployed person instructed by the NES to undergo further education and training shall be entitled to the required textbooks free of charge and to reimbursement of travel expenses in the amount prescribed in the contract referred to in para. 2 of this Article.

Persons that complete further education and training shall be issued with a document on their competency to perform work for which they have been trained.

Article 54

The annual further education and training programme, set by the Action Plan in response to labour market needs, shall be implemented by NES; the programme may be delivered on an employer's premises in the form of on-the-job training or NES may contract training providers, through public procurement, to implement specific/individual programmes.

Mutual rights and obligations between the NES and the training provider shall be regulated by a contract.

An unemployed may exercise the right to further education and training in accordance with the individual employment plan.

4.6 Incentives for unemployment benefit recipients

Article 55

An unemployed person who has been a recipient of unemployment benefit for at least three months as of the moment of recognition of the entitlement thereto and enters into an open-ended contract of employment shall be entitled to a lump sum employment subsidy amounting to 30% of the total amount of unemployment benefit, net of mandatory social insurance contributions, that would be paid to him/her during the remaining time until the exhaustion of his/her entitlement to unemployment benefit.

A recipient of unemployment benefit may exercise the right referred to in para. 1 of this Article for conclusion of only one contract of employment during the same entitlement to unemployment benefit, if he/she files an application in writing within 30 days from the conclusion of that contract of employment.

Duties of the beneficiary of the right referred to in para. 1 of this Article shall be regulated by a contract.

4.7 Employment on public works

Article 56

Public works, for the purposes of this Law, shall mean works organised with the aim of employing unemployed persons and preserving and promoting their working capacities, as well as in pursuit of certain social interests.

Article 57

An autonomous territory and local government may determine activities, criteria and means for the implementation of public works of interest for that territory.

Public works of interest for the Republic of Serbia may be designed and implemented in cooperation with the autonomous territory and local government, pursuant to a contract regulating modalities and sources of funding.

Article 58

Public works shall be conducted by the employer – public works contractor identified by the NES by means of a public competition.

The employer implementing public works shall conclude a fixed-term employment contract with the unemployed person.

The NES shall give precedence to a hard-to-employ unemployed person and unemployed person in need of social assistance in inclusion in public works.

5. Funding the active employment policy

Article 59

The programs and measures of active employment policy shall be financed:

- 1) From the Republic of Serbia budget;
- 2) From the resources of autonomous territory and local government;
- 3) From grants, donations, bequests, loans, interests and other resources in accordance with the law;
- 4) From unemployment insurance contributions;
- 5) From other sources, in accordance with the law.

Funds referred to in para. 1, clause 2 of this Article shall be kept within a budget fund established by the autonomous province or local government in conformity with Art. 44–47 of the Law on the Budget System.

Article 60

An autonomous territory or local government which, within its provincial or local employment action plan, as appropriate, provides more than half of the resources needed for financing a specific active employment programme or measure, may file a request with the Ministry for co-financing of such program or measure.

The minister competent for employment affairs shall decide upon the request referred to in paragraph 1 of this Article based on the available resources and criteria from the Action Plan.

The minister competent for employment affairs may grant the request referred to in paragraph 1 of this Article even if the autonomous territory or local government in question

provides less than one half of the resources required for financing a particular active employment program or measure, in cases where such program or measure targets an underdeveloped municipality identified in line with a special Government regulation.

6. Monitoring and evaluation of active employment policy impact and labour market forecasting

Article 61

Monitoring and evaluation of active employment policy impacts shall represent a set of activities aimed at supervision of the implementation of active employment programs and measures, as well as their impact on labour market situation and trends, with a view to ensuring conditions for taking action aimed at improvement thereof.

Article 62

Monitoring and evaluation of active employment policy impacts shall be conducted by the Ministry, either directly or through collaboration with the Republic authority competent for statistical affairs, the NES and other entities, which shall provide:

- 1) Data on labour market situation and trends;
- 2) Monitoring the efficiency of active employment programs and measures.

Article 63

Labour market forecasting shall be activities aimed at identifying and monitoring trends, situations and present and future employer needs at the national and regional level with a view to matching active employment measures to such needs and raising the efficiency and effectiveness of the institutions competent for employment affairs.

The system of statistical indicators and methodology of computation thereof shall be regulated in conformity with international and European standards.

V. UNEMPLOYMENT INSURANCE

1. Mandatory insurance

Article 64

Mandatory unemployment insurance (hereinafter: mandatory insurance) is part of the citizens' mandatory social insurance system, whereby unemployment rights are ensured on the basis of the principles of mandatory participation, reciprocity and solidarity.

Mandatory insurance shall ensure the following unemployment rights:

- 1) Unemployment benefit;
- 2) Health insurance and pension and disability insurance in accordance with the law;
- 3) Other rights in accordance with the law.

Article 65

Resources for the exercise of rights arising from mandatory insurance shall be provided from the mandatory unemployment insurance contributions, as well as from other resources provided in accordance with the law.

2. Entitlement to unemployment benefit

Article 66

The individual covered by mandatory insurance shall be entitled to unemployment benefit if he/she was insured for at least 12 months continuously or intermittently within the past 18 months.

Insurance with an interruption shorter than 30 days shall also be deemed to be continuous insurance referred to in paragraph 1 of this Article.

Article 67

An unemployed person shall be entitled to unemployment benefit in case of termination of the employment contract or termination of mandatory insurance on the grounds of:

- 1) Termination of the employment contract by the employer in accordance with labour regulations:
 - If, owing to technological, economic or organizational changes, the need for carrying out a certain job ceases or the workload decreases, in conformity with the law, with the exception of persons who have voluntarily chosen a benefit or a special benefit exceeding the amount of severance pay stipulated by the Labour Law, pursuant to the Government decision setting the redundancy programme in the process of streamlining, restructuring and preparation for privatisation;
 - If the employee fails to perform at work, or lacks the knowledge and competencies required to fulfil tasks at work;
- 2) Expiry of a fixed-term employment contract, contract on temporary and casual work, probation period;
- 3) Termination of public office of the elected, appointed and nominated persons, unless the right to administrative leave or salary reimbursement has been exercised, in accordance with the law;
- 4) Transfer of ownership rights of the company owner or member;
- 5) Commencement of the bankruptcy or liquidation procedure, as well as other cases of winding up of the employer, in conformity with the law;
- 6) Relocation of the spouse, in accordance with specific regulations;
- 7) Termination of the employment contract abroad, in accordance with the law or international agreement.

Article 68

An unemployed person shall be entitled to unemployment benefit from the first day of termination of mandatory insurance, if he/she registers and files an application with the NES within 30 days from the day of termination of the employment contract or termination of insurance.

The unemployed person that files the application referred to in paragraph 1 of this Article after the expiry of the 30 days' time period shall be entitled to unemployment benefit from the day of filing the application.

The right to unemployment benefit shall not be granted to the unemployed person who files an application after the expiry of the period during which he/she would be entitled to unemployment benefit, in accordance with this Law.

The time during which the unemployed person was temporarily incapable of work pursuant to health insurance regulations shall not form part of the time limits referred to in paragraphs 1–3 of this Article.

2.1 Unemployment benefit amount

Article 69

The base for computation of unemployment benefit amount shall be the average salary or wage or salary reimbursement of the unemployed person, as appropriate, in conformity

with the law, in the last six months prior to the month in which his/her employment contract or insurance was terminated.

Article 70

The unemployment benefit amount shall equal 50% of the base referred to in Article 69 hereof.

The unemployment benefit referred to in paragraph 1 of this Article may not be higher than 160% or lower than 80% of the minimum wage determined pursuant to labour regulations for the month in which the unemployment benefit is paid.

Article 71

The unemployment benefit shall be paid for the month preceding the month in which the payment is effectuated.

2.2 Duration of the entitlement to unemployment benefit

Article 72

The unemployment benefit shall be paid to the unemployed person:

- 1) For three months, if he/she has an insurance span from one to five years;
- 2) For six months, if he/she has an insurance span from five to 15 years;
- 3) For nine months, if he/she has an insurance span from 15 to 25 years;
- 4) For twelve months, if he/she has an insurance span longer than 25 years.

One year of insurance span for the purposes of para. 1 of this Article shall be deemed to be 12 months for which the contribution payer was covered by mandatory insurance.

In exceptional cases, the unemployed person shall be entitled to unemployment benefit for 24 months, if he/she needs up to two years to fulfil the nearest retirement requirement, in accordance with regulations governing pension and disability insurance.

The beneficiary is obliged to present himself/herself to the NES in order to obtain information on employment opportunities and conditions and jobmatching services every 30 days, in accordance with the individual employment plan.

Article 73

The unemployment benefit payment shall be continued:

- 1) During further education and training, in accordance with the individual employment plan;
- 2) During temporary incapacity to work, assessed pursuant to regulations governing health insurance, but no longer than 30 days from the day of occurrence of such temporary incapacity;
- 3) During maternity leave, childcare leave or special childcare leave, pursuant to regulations governing labour or other regulations governing leave from work.

Article 74

At the beneficiary's request, the unemployment benefit may be paid as a lump sum for the purpose of self employment, in conformity with the NES statutory instrument.

Article 75

The payment of unemployment benefit shall be suspended while his/her unemployment rights are inactive, namely:

- 1) For the duration of a contract on temporary and casual work;
- 2) During military service;

- 3) For the duration of a sentence of imprisonment, security measure, correctional or protective measure, lasting up to six months;
- 4) During a stay abroad in the event that the unemployed person or his/her spouse has been posted abroad to diplomatic, consular or other missions as part of international technical or cultural and educational co-operation.

Upon cessation of the grounds referred to in paragraph 1 of this Article, the unemployed person shall exercise the entitlement to unemployment benefit payment for the remaining period for which the right to unemployment benefit is recognized if he/she registers and files an application for the exercise of such right within 30 days.

2.3 Termination of the entitlement to unemployment benefit

Article 76

The beneficiary's entitlement to unemployment benefit shall be terminated if:

- 1) He/she is removed from the registry, in accordance with this Law;
- 2) Records on him/her in the registry are discontinued, in accordance with the law;
- 3) He/she fails to notify the NES within five days of a change in circumstances which constitute a requirement or grounds for gaining, exercising or terminating the right to unemployment benefit;
- 4) The competent authority ascertains that he/she works in dependent employment without an employment contract or contract on temporary and casual work;
- 5) Files an application for the termination of rights.

Article 77

An unemployed person whose entitlement to unemployment benefit has been terminated may gain such right again if he/she fulfils the requirements again; in this case, the insurance span on the grounds of which he/she exercised such right the previous time shall not be included in the insurance span for the second time.

An unemployed person whose entitlement to unemployment benefit has been terminated on the grounds of entry into a contract of employment or becoming insured on other grounds shall receive an extension of the entitlement to unemployment benefit for the remaining period in the set amount if he/she becomes unemployed again and if this is more favourable for him/her.

3. Right to Health and Pension and Disability Insurance

Article 78

The beneficiary shall be entitled to health insurance and pension and disability insurance during the exercise of the entitlement to unemployment benefit.

Health and pension and disability insurance contributions shall be contained in the unemployment benefit and paid at the expense of the beneficiary.

The base for which the contributions are paid shall equal the amount of unemployment benefit.

The NES shall compute and pay the contributions for the insurance referred to in paragraph 1 of this Article.

Article 79

The beneficiary's family members shall be entitled to health insurance unless they are health-insured on some other grounds.

4. Procedure for exercising insurance rights

Article 80

Decisions on the insurance rights of an unemployed person shall be taken in the procedure stipulated by the law governing the general administrative procedure, unless otherwise stipulated herein.

The first-instance decision on the rights of an unemployed person shall be taken by the NES competent body specified by the NES statute.

The second instance in decision-making on the insurance rights of an unemployed person shall be the NES director.

With respect to the final NES decision, the unemployed person may institute proceedings in contentious administrative matters by filing a lawsuit with the competent court, in accordance with the law.

VI. EMPLOYMENT REGISTRIES

1. Types of registries

Article 81

Employment registries shall contain data collected by institutions competent for employment affairs in conformity with the Law hereof for the purpose of gaining insight into the labour market situation and trends.

Separate employment registries shall be maintained by institutions competent for employment affairs, and the central employment registry shall be maintained by the NES, in conformity with the principles of personal data protection, efficiency, cost-effectiveness, conscientiousness and accountability.

Article 82

Employment registries shall comprise the registries of:

- 1) Jobseekers;
- 2) Employers;
- 3) Unemployment insurance contribution payers;
- 4) Available vacancies.

Article 83

The NES shall maintain separate registries on:

- 1) Foreign citizens and stateless persons;
- 2) Persons with inactive unemployment rights;
- 3) Persons with temporary incapacity to work pursuant to regulations governing health insurance.

2. Registry of jobseekers

Article 84

The registry of jobseekers shall be registry of:

1. Unemployed persons;
2. Persons seeking change of employment;
3. Other jobseekers.

The registry of jobseekers shall be kept by means of personal identification number, based on data from public and other documents containing the required data.

Article 85

A jobseeker shall personally register with the NES at the place of permanent residence, or at the place of work or employment termination, if he/she has temporary residence in such place.

A foreign citizen or stateless person may register as unemployed if he/she has a permanent or temporary residence permit and a valid work permit.

Article 86

Records on a jobseeker in the registry shall be kept from the day of his/her registration with the NES to the day of occurrence of grounds for removal from the register or cessation of keeping records on him/her, in accordance with the law.

Article 87

The unemployed shall be removed from the register if, without a justifiable reason, he/she fails to fulfil his/her obligations towards the NES, namely if he/she:

- 1) Fails to present himself/herself to the NES within the deadlines prescribed by this Law;
- 2) Fails to provide evidence of active search for employment at the NES request;
- 3) Declines the offer of jobmatching services for adequate employment;
- 4) Fails to present himself/herself to the employer in connection with jobmatching services for adequate employment as instructed by the NES;
- 5) Declines to develop an individual employment plan or fails to comply with its provisions;
- 6) Declines or, through a fault of his/hers, fails to complete a further education and training measure;
- 7) Fails to present himself/herself at the NES request;
- 8) Works without an employment contract or a non-labour contract.

An unemployed person shall be removed from the registry as of the day of failure to observe a duty stipulated herein.

If there is a justifiable reason, in terms of paragraph 1 of this Article, for failure to present himself/herself, the unemployed is obliged to present himself/herself and notify the NES immediately upon cessation of such reason.

A person seeking change of employment or other jobseeker shall be removed from the registry if he/she fails to present himself/herself to the NES at least once in six months or when requested by NES.

Article 88

The record of an unemployed person shall be discontinued if:

- 1) He/she withdraws his/her registration;
- 2) He/she enters into an employment contract, or becomes insured on some other grounds in accordance with the law;
- 3) He/she becomes a full-time secondary school student, or a college/university student, on condition that he/she is under 26 years of age;
- 4) He/she fulfils the requirements to exercise the right to old-age pension, or exercises the right to a family or disability pension, in accordance with the law;
- 5) He/she attains 65 years of age;
- 6) He/she becomes fully incapable of work pursuant to the law;

- 7) He/she commences serving a prison sentence, safety measure, correctional or protective measure of over six months;
- 8) His/her permanent or temporary residence terminates, if he/she is a foreigner;
- 9) He/she is deceased.

The record of the person seeking change of employment or other jobseeker shall be discontinued if the conditions from paragraph 1, item 1 or items 4–9 of this Article are fulfilled.

Article 89

A jobseeker removed from the registry shall have the right to be reinstated in the NES registry upon expiry of six months following the discontinuance of the record.

A beneficiary of unemployment benefit removed from the registry on the grounds of working without a concluded employment contract or non-labour contract shall have the right to be reinstated in the NES registry upon expiry of nine months following the discontinuance of the record.

Article 90

A jobseeker shall have the right to inspect his/her personal data kept in the NES registry and request correction of any inaccurate data.

Subject to consent of the individual concerned, the NES may make the data available to other legal entities and agencies with a view to including him/her in active labour market measures.

3. The registry of employers

Article 91

The registry of employers shall contain data on the name, identification number in the single registry, tax identification number, number of employees and other data required for keeping the registry.

The registry of employers shall be kept by the employer's seat.

4. The registry of unemployment insurance contribution payers

Article 92

The registry of unemployment insurance contribution payers shall contain data on:

- 1) Unemployment insurance contribution payer;
- 2) Employee insurance;
- 3) Termination of employee insurance.

The registry of unemployment insurance contribution payers shall be kept based on registrations filed by contribution payers, employers or other payers of income.

The registry of unemployment insurance contribution payers shall be kept by the place of registered office of the contribution payer, employer's seat, i.e. the employer's organizational unit in which the employee works.

5. Registry of vacancies

Article 93

The registry of vacancies shall contain the data on the available vacancy, skills and knowledge required for the job, required number of jobholders and other conditions for the job.

The registry of vacancies shall be kept based in vacancy registrations:

1. In the country;

2. Abroad.

A vacancy in the country shall be registered by an employer that has an available job in conformity with the law and by an employer that exercises rights administered by the institutions competent for employment affairs

The registry of vacancies in the country shall be kept by the employer's seat, or by the place of work if the employer has a registered organisational unit.

The registry of vacancies abroad shall be kept by the place of filing the vacancy registration.

6. Modality of keeping registries

Article 94

The specific data contents, modality of keeping registries and forms in which registries regulated by this Law are to be kept shall be prescribed by the minister competent for employment affairs.

VII. EMPLOYMENT ABROAD

Article 95

Employment abroad shall be performed on the basis of registration of a vacancy abroad, received by the Ministry, NES or agency.

In order to facilitate employment abroad, the Ministry may conclude a contract on employment with the foreign competent authority, organisation or employer.

Article 96

The NES and agency shall engage in jobmatching for the purpose of employment abroad in the manner and according to the procedure envisaged for employment in the country.

The NES and agency are obliged to ensure the protection of the individuals that are employed abroad.

Article 97

The protection of individuals employed abroad shall mean at least equal treatment on the basis of labour with the nationals of the destination country during the work and stay abroad.

Protection of individuals employed abroad shall mean securing: working and residence permits, costs of general, sanitary and specific medical examinations and issuing of the health capability bill; transport expenses; information with regard to living and working conditions, labour rights and obligations; conclusion of the employment contract prior to the departure abroad and other contractual rights.

Article 98

The NES and agency shall provide information on the opportunities and requirements for employment abroad, living and working conditions, labour rights and obligations, forms and methods of protection according to the contract on employment abroad, as well as the rights upon return from work abroad, in accordance with the law.

Article 99

The NES and agency may engage in jobmatching for the purpose of employment abroad if there are no obstacles for the departure of the individual abroad in accordance with law.

The individual employed abroad shall provide evidence that there are no obstacles referred to in paragraph 1 of this Article.

Article 100

The NES and agency shall submit to the Ministry notifications on individuals to be employed abroad, their number and structure, and other data pertaining to employment abroad, prior to their departure to work abroad.

VIII. SUPERVISION OF THE INSTITUTIONS COMPETENT FOR EMPLOYMENT AFFAIRS

Article 101

The Ministry shall supervise the enforcement of this Law and its implementation regulations, as well as the operations of the NES and agency.

IX. PENALTY PROVISIONS

Article 102

The legal entity – NES shall be fined RSD 200,000 800,000 for an infraction:

- 1) If it fails to conduct employment affairs stipulated by Art. 6 and 8 hereof or conducts them in contravention of this Law;
- 2) If it fails to facilitate the exercise of rights stipulated by Art. 31 hereof by an unemployed person;
- 3) If it fails to facilitate the exercise of rights stipulated by Art. 34 hereof by an employer;

The responsible person in the NES shall also be fined RSD 10,000 to 50,000 for the infractions referred to in para. 1 of this Article.

Article 103

An employment agency – legal entity shall be fined RSD 200,000 to 600,000 for an infraction:

- 1) If it conducts employment affairs for which it has been licensed in contravention of this Law (Art. 6);
- 2) If it conducts employment affairs for which it has not been licensed (Art. 20, para. 1);
- 3) If it engages in employment of minors, employment in high-risk jobs or jobmatching to fill strikers' jobs (Art. 20, paragraphs 2 and 3);
- 4) If employment affairs are conducted by a person without professional qualifications (Art. 21, para. 3);
- 5) If employment affairs are conducted by a person who does not fulfil the requirements stipulated by Art. 22 hereof;

The responsible person in the legal entity shall also be fined RSD 10,000 to 50,000 for the infractions referred to in para. 1 of this Article.

An employment agency – sole proprietorship shall be fined RSD 50,000 to 400,000 for the infractions referred to in para. 1 of this Article.

X. TRANSITIONAL AND FINAL PROVISIONS

Article 104

Individuals who, by the day of the entry of this Law into force, attained rights pursuant to regulations and instruments which were in force prior to the entry of this Law into force shall exercise rights to the extent and for the duration stipulated by such regulations.

Article 105

Procedures commenced prior to the entry of this Law into force shall be finalised pursuant to the Law on Employment and Unemployment Insurance (*RS Official Gazette* No 71/03 and 84/04 – another law), unless finalising the procedure pursuant to this Law is more favourable for the jobseeker concerned.

Article 106

Individuals who passed the employment professionals' examination pursuant to regulations which were in force prior to the entry of this Law into force shall not be under an obligation to sit the employment professionals' examination pursuant to this Law.

Article 107

The minister competent for employment affairs shall issue regulations pursuant to powers delegated by this Law within six months of the day of entry of this Law into force.

Article 108

The NES, established by the Law on Employment and Unemployment Insurance (*RS Official Gazette* No 71/03 and 84/04 – another law), shall continue its operation in conformity herewith.

The NES shall harmonise its organisational structure and modalities of work within six months of the day of entry of this Law into force.

Article 109

An agency established in conformity with the Law on Employment and Unemployment Insurance (*RS Official Gazette* No 71/03 and 84/04 – another law) shall continue its operation in conformity herewith.

The agency referred to in para. 1 of this Article is obliged to harmonise its organisational structure, work and statutory instruments with the provision hereof within six months of the day of entry of this Law into force.

Article 110

On the day of the entry of this Law into force, the Law on Employment and Unemployment Insurance (*RS Official Gazette* No 71/03 and 84/04 – another law), provisions of Articles 2–10 of the Law on the Protection of Citizens of the Federal Republic of Yugoslavia Working Abroad (*FRY Official Journal* No 24/98 and *RS Official Gazette* No 101/05) – the part pertaining to employment, provisions of Articles 8–22 and 26–40 of the Law on Registries in the Field of Labour (*FRY Official Journal* No 46/96 and *RS Official Gazette* No 101/05) shall cease to be in force.

Article 111

Regulations passed pursuant to the Law on Employment and Unemployment Insurance (*RS Official Gazette* No 71/03 and 84/04 – another law) shall remain in force until

the entry into force of the regulations passed pursuant to this Law, unless the former are contrary to the provisions hereof.

Article 112

This Law shall enter into force on the eighth day following its publication in the *RS Official Gazette*.