

## **The Collective Agreements Act (ZKoIP)**

Pursuant to the second indent of the first paragraph of Article 107 and the first paragraph of Article 91 of the Constitution of the Republic of Slovenia, I hereby issue the

O R D E R  
to promulgate the Collective Agreements Act (ZKoIP)

I hereby promulgate the Collective Agreements Act (ZKoIP), passed by the National Assembly of the Republic of Slovenia at the session held on 4 April 2006.

No. 001-22-52/06  
Ljubljana, 12 April 2006

PhD Janez Drnovšek  
President  
of the Republic of Slovenia

# COLLECTIVE AGREEMENTS ACT (ZKoIP)

## I. GENERAL PROVISION

### Article 1 (purpose and use of the act)

(1) This act regulates the parties, content and procedure for the signing of a collective agreement, its form, validity and termination, the peaceful settlement of collective labour disputes and the register and publication of collective agreements.

(2) For issues related to collective agreements which are not regulated by this act or other acts, the general rules of civil law shall be reasonably applied.

## II. COLLECTIVE AGREEMENT PARTIES

### Article 2 (parties)

(1) Collective agreements are concluded by trade unions or associations of trade unions as a party on the side of workers (hereinafter referred to as: worker) and employers (hereinafter referred to as: employer) or associations of employers as a party on the side of employers (hereinafter referred to as: parties).

(2) The Government of the Republic of Slovenia or a ministry authorised by the Government, or other body authorised by law, as a party on the side of employers, concludes collective agreements concluded for employees of the state bodies of the Republic of Slovenia, administrations of local self-governing communities, public agencies, public funds, public institutes, public commercial institutes and other legal persons in private law, if they are indirect users of the state budget or budgets of local self-governing communities.

(3) Associations of trade unions and employees may conclude collective agreements in accordance with their statutes or other adequate documents.

## III. CONTENT OF COLLECTIVE AGREEMENTS

### Article 3 (binding and procedural section)

(1) Collective agreements in the binding section regulate the rights and commitments of parties which concluded the agreement, and may also regulate the manner of peaceful settlement of collective labour disputes.

(2) Collective agreements may in their procedural sections contain provisions which regulate the rights and commitments of employees and employers in concluding employment contracts during employment relationships, and in respect of the termination of employment contracts, pay for work and other personal remunerations and reimbursements regarding work, occupational safety and health, or other rights and obligations arising from relationships between employers and employees, and which also regulate the provision of conditions for the activities of trade unions.

Article 4  
(restriction of autonomy of contracting parties)

Collective agreements may contain only provisions which are more favourable for employees than provisions provided for by legislation, only in a case when the Employment Relationship Act (Official Gazette of RS, no. 42/02) stipulates otherwise.

Article 5  
(hierarchy of collective agreements)

(1) When concluding collective agreements, employers bound by a collective agreement shall agree at a narrower level on those rights and working conditions which are more favourable for employees.

(2) Notwithstanding the provision from the previous paragraph, the rights and working conditions which are different or less favourable to employees may be determined by collective agreement at a narrower level under conditions determined by a collective agreement at a broader level.

#### IV. CONCLUSION AND FORM OF COLLECTIVE CONTRACT

Article 6  
(general)

(1) Procedures for the conclusion of a collective agreement are initiated by a written proposal from one of the parties.

(2) In the written proposal for the conclusion of a collective agreement, a party also has to define the content of the proposed collective agreement. The other party has to send an answer in written form within 30 days from the day it received the proposal.

(3) When more trade unions or associations of trade unions, or more employers or associations of employers act as a party, the party determines a negotiating group for negotiations, while each of them are signatories to the agreement.

(4) Persons who sign collective agreements on the behalf of agreement signatories need to have written authorisation for their signature in accordance with the statute or other adequate document of the signatory.

Article 7  
(subsequent approach to collective agreement)

(1) With consent from the parties to the agreement, trade unions and employers or their associations may accede to an already concluded agreement and thus become its signatories.

(2) Representative trade unions and employers or their associations may subsequently accede to a collective contract with an extended validity defined in Article 12 of this act. Accession has legal effect from the day the agreement signatories are informed of the accession.

(3) Written accession from previous paragraphs is published in the manner determined in Article 28 of this act.

Article 8  
(form of collective agreement)

A collective agreement is concluded in written form.

V. VALIDITY OF A COLLECTIVE AGREEMENT

Article 9  
(general)

(1) A collective agreement can be concluded for a definite period of time or for an indefinite period of time.

(2) A collective agreement shall enter into force fifteen days after its publication. The parties may agree on a shorter period of time in the collective agreement.

Article 10  
(validity of collective agreements)

(1) A collective agreement is valid for the parties of the collective agreement or its members.

(2) When the signatories of a collective agreement are associations of trade unions or associations of employers, the collective agreement must contain a provision determining to which members of the association it shall apply.

(3) A collective agreement binds the parties to the collective agreement or their members from paragraphs 1 and 2 of this article also when a signatory leaves the association, but for a year at the most.

Article 11  
(general validity of collective agreements)

(1) A collective agreement is valid for all persons employed by an employer or employers to whom the collective agreement applies, if the collective agreement is signed by one or more representing trade unions.

(2) When an individual employer is bound by more collective agreements of the same kind at the same level, those provisions which are more favourable to employees are applied.

Article 12  
(extension of validity of a collective agreement)

(1) If a collective agreement on one or more activities is concluded between one or more representative trade unions and one or more representative associations of employers, one of the parties may propose to the minister (hereinafter referred to as: minister) responsible for labour to extend the validity of the whole of the collective agreement or a part of it to all employers in an activity or activities for which the collective agreement has been concluded.

(2) The minister recognises an extended validity of the whole or a part of collective agreement if the collective agreement has been concluded between one or more representative trade unions and one or more associations of employers, the members of which employ more than half of all employees at employers for whom an extension of the collective agreement has been proposed.

(3) In his or her decision on extending the validity of the whole or a part of the collective agreement, the minister is bound by the proposal from the proponent from paragraph 1 of this article.

Article 13  
(recognition of extended validity)

(1) The minister responsible for labour recognises an extended validity of the complete or a part of collective agreement with a decision.

(2) This decision is published in the Official Gazette of the Republic of Slovenia.

Article 14  
(termination of extended validity)

(1) Extended validity is terminated with the expiration of validity of the collective agreement.

(2) If a collective agreement with an extended validity is amended or supplemented, the minister responsible for labour may rescind an extended validity of the collective agreement on a proposal from one party after the other party has previously consented.

(3) The minister responsible for labour recognises the expiration of the validity of a collective agreement on a proposal from one of the parties if the conditions in Article 12 of this act have not been met.

## VI. EXPIRY OF COLLECTIVE AGREEMENTS

### Article 15 (expiry)

A collective agreement expires with the expiry of the time limit for which it has been concluded, with the agreement of both parties on the expiry of validity or with a rescind.

### Article 16 (rescind period)

(1) Cases and conditions for rescinding a collective agreement and a rescind period are determined by the parties to a collective agreement.

(2) If a collective agreement does not contain a rescind period, the collective agreement may be rescinded with a rescind period of six months.

(3) Collective agreements concluded for a definite period of time cannot be rescinded prematurely.

### Article 17 (use of collective agreements after the expiry of validity)

After the expiry of validity of collective agreement, provisions of the procedural part which regulate the rights and duties of employees and employers when concluding employment contracts, during employment relationships and in respect of the termination of employment contracts, pay for work and other personal remunerations and reimbursements regarding work, and occupational safety and health, shall still be applied until a new contract is concluded, but for one year at the most, unless otherwise specified by the parties.

## VII. SETTLEMENT OF COLLECTIVE LABOUR DISPUTES

### Article 18 (general)

(1) Collective labour disputes are settled peacefully by negotiation, mediation and arbitration, and in accordance with the Labour and Social Courts Act (Official Gazette of RS, no. 2/04 and 61/04) before the competent labour court.

(2) Collective labour disputes are settled in accordance with this act if a procedure for dispute settlement has not been determined in the collective agreement.

Article 19  
(interest disputes)

(1) A collective interest dispute which is a consequence of the different interests of the parties (hereinafter referred to as: interest dispute) occurs when the parties fail to agree on individual questions regarding the conclusion, amendment or supplementation of a collective agreement.

(2) Procedures for a peaceful settlement of an interest dispute through mediation or arbitration are begun when one of the parties, no sooner than six weeks or later than three months from the day when a proposal for the conclusion, amendment or supplementation of the collective agreement was submitted, states in written form that negotiations have been unsuccessful.

(3) Each party may propose, with the written consent of the other party, that an interested dispute should be mediated by an expert (hereinafter referred to as: expert) appointed by the minister responsible for labour. A party proposes the mediation to the minister responsible for labour with a written proposal which must contain a description of outstanding issues and the written consent of the other party to the settlement of dispute by mediation. The proposal may also contain the name of the expert.

(4) If the consent of both parties on the settlement of an interest dispute with mediation is not reached or if a dispute is not settled with mediation, the parties may agree that the interest dispute be settled by arbitration. In this case, the parties determine individual outstanding issues and deadline for their settlement, and agree that the decision of the arbitration will be respected. An arbitration award becomes a part of the collective agreement and is published in the same manner as the collective agreement.

(5) If the parties agree that an interest dispute should be settled by mediation or arbitration, they have to refrain from exerting any form of pressure for their demands, because of which the dispute occurred, to be met, unless otherwise agreed between the parties.

Article 20  
(dispute over rights)

(1) A collective labour dispute on rights (hereinafter referred to as: dispute on rights) arises when the parties do not agree with the manner of implementation of provisions of a collective agreement in force, or when one party recognises its violation.

(2) Procedures for a peaceful settlement of disputes on rights begins when the party who believes that the collective agreement has been violated or incorrectly implemented sends to the other party a written proposal for negotiations, together with explanations.

(3) If a dispute on rights cannot be settled by negotiation, each party may propose, with the written consent of the other party, that the dispute should be mediated by an expert appointed by the minister responsible for labour. A party proposes the mediation to the

minister responsible for labour with a written proposal which must contain a description of outstanding issues and the written consent of the other party to the settlement of the dispute with mediation. The proposal may also contain the name of the expert.

(4) If the consent of both parties on the settlement of dispute on rights with mediation is not reached, or if a dispute is not settled with mediation, the parties may agree that the dispute on rights is settled by arbitration. In this case, the parties determine individual outstanding issues and deadline for their settlement, and agree that the decision of the arbitration will be respected. The arbitration award is published in the same manner as the collective agreement.

(5) An arbitration award is considered as enforceable. Each party may contest an arbitration award by means of an application to a court competent for labour disputes because of reasons and by procedures determined by legislation regulating civil procedures.

(6) If a dispute on rights has been settled by negotiation, mediation or arbitration, the parties should also specify a time limit within which a party has to comply with the decision.

(7) An arbitration award is applied to all parties to which the collective agreement is applied.

(8) If the parties agree that a dispute on rights should be settled by mediation or arbitration, they have to refrain from exerting any form of pressure for their demands, because of which the dispute occurred, to be met, unless otherwise agreed between the parties.

#### Article 21

(list of experts for mediation)

The minister responsible for labour determines the list of experts from which experts are appointed for mediation in an individual case on a proposal from a representative association of trade unions or employers.

#### Article 22

(structure of arbitration)

(1) Each party appoints in arbitration an equal number of members (hereinafter referred to as: members). The president of the arbitration (hereinafter referred to as: president of arbitration) is appointed by the parties by common consent.

(2) As part of a collective agreement, the parties may agree on the establishment of permanent arbitration, on the number of its members and procedures before the arbitration. If permanent arbitration is established, the parties determine a list of arbitrators who participate in individual arbitration procedures. Each time an arbitration procedure is initiated, the parties appoint their arbitrators from this list, from which the president of arbitration is also appointed by common consent.



On a proposal from a representative association of trade unions and employers, the minister responsible for labour determines a list of arbitrators from which arbitrators are appointed when permanent arbitration is not established.

Article 23  
(appointment of arbitrators)

(1) A party proposes the introduction of arbitration procedures together with the appointment of arbitrators by means of a written proposal sent to the other party to the collective agreement. This party may answer the proposal and appoint his or her arbitrators within eight days of receiving the proposal.

(2) If the parties fail to agree on the appointment of the president of arbitration, they may propose that the president is appointed by a court competent for labour disputes from the list from paragraph 3 of the previous article.

Article 24  
(arbitration procedures)

The provisions of the Labour and Social Courts Act related to collective labour disputes shall reasonably be applied in arbitration procedures, unless otherwise agreed between the parties.

## VII. REGISTER AND PUBLICATION OF COLLECTIVE AGREEMENTS

Article 25  
(register)

(1) Collective agreements concluded at the national level are entered into the register of collective agreements. The title of collective agreement, signatories, dates of conclusion, entry into force and termination, amendments, approach to already concluded collective agreement, and possible recognition of an extended validity or termination of an extended validity of a complete or a part of collective agreement are entered into the register.

(2) The register of collective agreements concluded at the national level is kept by the ministry responsible for labour.

Article 26  
(commitments of parties)

(1) The parties to a collective agreement must send the original copy of the concluded collective agreement or its amendments, and as many copies as there are signatories of the collective agreement to the ministry responsible for labour not later than 30 days after the conclusion of the agreement, to be entered in a register.

(2) The party which has to submit the agreement to the register is determined in the collective agreement. If the parties fail to agree, the agreement is submitted by the party named first in the agreement.

Article 27  
(confirmation and deposit)

The ministry responsible for labour issues a confirmation of entry into the registry and sends it together with one copy of the concluded collective agreement or its amendments to each signatory of the collective agreement. The original copy of the collective agreement is kept by the ministry responsible for labour.

Article 28  
(publications of collective agreements)

(1) The parties are obliged to publish the concluded collective agreement. The manner of its publication is determined in the collective agreement.

(2) Notwithstanding the provision from the previous paragraph, the parties are obliged to publish the collective agreement concluded at the national level in the Official Gazette of the Republic of Slovenia together with confirmation of entry into the registry.

Article 29  
(availability of collective agreements)

An employer must enable all employees to become acquainted with all the collective agreements which bind the employer. For this purpose, collective agreements should always be available at an accessible place, where employees can become acquainted with its content without supervision.

## IX. SUPERVISION

Article 30  
(general)

The implementation of collective agreements is supervised by the body competent for labour inspection.

## X. CRIMINAL LAW PROVISION

Article 31

(1) An employer who employs ten or fewer employees and to whom the collective agreement applies shall be penalised with a fine between 500,000 and 1,000,000 tolar if he or she fails

to comply with enforceable decisions on the settlement of disputes on rights (paragraph 6 of Article 20).

(2) An employer who employs more than ten employees and commits an offence under the previous paragraph shall be penalised with a fine of 1,000,000 tolas.

(3) A responsible person of an employer - legal persons and a responsible person in a state body, state organisation or local community - who commits an offence under paragraph 1 of this article shall be penalised with a fine of at least 100,000 tolas.

## XI. TRANSITIONAL AND FINAL PROVISIONS

### Article 32

(employers' associations with mandatory membership)

Notwithstanding the provision from paragraph 1 of Article 2 of this act, collective agreements on the side of employers may also be concluded by associations of employers with mandatory membership in the transitional period of three years after this act enters into force.

### Article 33

(Salary System in the Public Sector Act)

Notwithstanding the provisions of this act, salaries in the public sector are subject to the collective agreement system as determined in the Salary System in the Public Sector Act (Official Gazette of RS, no. 70/05 – official consolidated text).

### Article 34

(expiry of validity of collective agreements)

(1) Provisions of collective agreements applicable on the day this act enters into force shall be used until the term of validity expires, or until the conclusion of new collective agreements, unless they are in contradiction to this act or the act regulating individual employment relationships.

(2) The provisions of collective agreements whose signatories on the side of employers are only associations of employers with mandatory membership shall cease to have effect with the expiry of the transitional period from Article 32 of this act.

### Article 35

(expiry of validity of acts)

(1) On the day this act enters into force, the provisions of Articles 86 and 87 of the Basic Rights Stemming from the Employment Act (Official Gazette of SFRJ, no. 60/89 and 42/90) shall cease to have effect.

(2) On the day this act enters into force, the provisions of Articles 112 and 119 of the Employment Relationship Act (Official Gazette of RS, no. 14/90, 5/91 and 71/93) shall cease to have effect.

Article 36  
(enforcement of the act)

This act shall enter into force on the fifteenth day following its publication in the Official Gazette of the Republic of Slovenia.

No. 102-01/90-6/47  
Ljubljana, 12 April 2006

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President  
of the National Assembly  
of the Republic of Slovenia  
France Cukjati