

Pursuant to Article 88, item 2 of the Constitution of the Republic of Montenegro, I adopt the Decree on Promulgating the Law on Labour.

The Law on Labour, adopted by the Parliament of the Republic of Montenegro at the second meeting of the first regular session on the 8th July 2003, is being promulgated.

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President of the Republic of Montenegro
Filip Vujanovic

LABOUR LAW

I BASIC PROVISIONS

Article 1

The labour-based rights and obligations of employees, the method and the procedure of their implementation are subject to this Law, collective agreement and labour agreements, in compliance with international conventions.

Article 2

- (1) The Collective Agreement and labour agreements shall not define lower rights or less favorable work conditions than those set by the Law.
- (2) The Collective Agreement and labour agreements may envisage other rights or expand the scope of rights or define more favorable employees' work conditions than those defined by this Law.
- (3) The labour-based rights and obligations of employees are established as of the day of employee's beginning to work with the employer, in compliance with the labour agreement.

Article 3

- (1) Employees are equally treated in achieving their labour-based rights, regardless of their nationality, race, gender, language, religion, political or other orientation, as well as education, social background, wealth or other individual attributes.
- (2) An employer is obliged to respect employee's rights, provide an equal treatment in protection of those rights and the privacy and dignity of any employee.

Article 4

- (1) Employees working at the employer with more than 20 employees have the right to form the council of employees.

- (2) In case that less than 20 employees work with one employer, the role of the council of employees is assumed by an authorized representative of employees.
- (3) The council of employees provides its opinion on: relevant decisions and decrees of employer's departments that affect the employees' status in accordance with the collective agreement; promotion of a professional rehabilitation; working conditions for elderly employees, disabled persons, women and employed juveniles; as well as decisions on providing for employees that become redundant.
- (4) The mandate, the number and the method of electing Council of Employees members / employee representatives within an employer is defined in the employer's collective agreement.

Article 5

Employees and employers shall have the right to establish their organizations and become their members, at their free choice and without prior approval, under conditions stipulated by the By-law and procedures of those organizations.

Article 6

- (1) The employer is obliged to create conditions for the union representative, the representative of the council of employees or an authorized representative of employees to participate in the process of defining rights, obligations and responsibilities of employees under the law and the collective agreement.
- (2) The union representative or the representative of the Council shall not be called to account nor brought to less favorable position as a result of activities assumed in performing the referred duty nor can his labour agreement be terminated on that basis, unless his / her actions present violation of the law and the collective agreement.

Article 7

The provisions of this Law shall also apply to employees working in public administration bodies or local government units, unless otherwise prescribed by a correspondent law.

Article 8

The expressions in the sense of this Law have the following meaning:

- 1) "Employer" is a legal or physical entity engaged in economic activities, an institution, a bank, an insurance company, an association, an agency, a cooperative or other legal and physical entity entering into a labour agreement with an employee;

- 2) "Employee" is an individual engaged with an employer having labour-based and labour-originated rights and obligations, based on a labour agreement;
- 3) "Trainee" is a high-school graduate or individual with the first or the second university degree diploma that is employed for the first time with the purpose of professional qualifying for independent work, in accordance with the level of obtained education;
- 4) "Work Experience" is time spent on the working position correspondent to the level of education required in certain business;
- 5) "Systematization Act" is a document defining positions, job descriptions, the type and the level of education, skills and experience required, as well as other special requirements of the position.

II LABOUR AGREEMENT

I Conditions Governing Conclusion of a Labour Agreement

Article 9

- (1) "Labour-Based Relation" is a relation between an employee and employer that is established by labour agreement, in accordance with the law and collective agreement.
- (2) An employer shall conclude a labour agreement with the employee before the latter starts working.
- (3) The labour-based rights and obligations arise at the moment of employee's beginning to work with an employer on the basis of a labour agreement.

Article 10

- (1) A labour agreement can be entered into by an individual fulfilling general conditions envisaged by this Law, as well as specific conditions envisaged by this Law, other regulations and the employer's systematization act.
- (2) A labour agreement can be negotiated by an individual over 15 years of age and having a general ability.
- (3) A labour agreement can be concluded by a disabled person whose general health condition allows professional engagement on corresponding positions.

Article 11

Any foreign citizen or an individual without a citizenship may conclude a labour agreement under conditions determined by a special law and international conventions.

Article 12

From the moment of concluding a labour agreement, an individual assuming the role of a general manager or an executive manager becomes entitled to achieve labour-based and labour-related rights in accordance with the labour agreement signed with the competent body of the employer.

2 Types and Duration of Labour Agreements

Article 13

- (1) A labour agreement may be negotiated for a defined period of time or as an open-ended labour agreement.
- (2) An employee that entered into a labour agreement for a defined period of time has the same labour-based and labour-originated rights, obligations and responsibilities as an employee that conducted an open-ended agreement.

Article 14

A labour agreement for a defined period of time can be negotiated for in case of:

- Seasonal work for a period not exceeding 9 consequent months;
- Increased volume of work for a defined period not exceeding 9 consequent months;
- A need for replacement of temporarily absent employee until his return;
- Performing certain activities in theatre, radio and television, film making, musical, musical-scenic and other activities – until the termination of the referred activities;
- Preparation of a certain project – until its termination, but not longer than 5 years;
- Teaching in kindergarten, primary or secondary school, but only through the end of a school year;
- Performing preparatory activities with employers in founding process, in establishing new programs, technology and other technical and technological improvements of a work process / employee training, but not beyond the limits set for expiration of the project / employee training;
- Performing activities in relation to ships in sea shipping, but only by the return in of a ship in departing port;
- Specialization - during the process; and
- Performing public activities organized in accordance with the Law.

Article 15

An employer may enter into an open-ended labour agreement with an employee referred to in article 14 paragraph 1 item 2 and 3 of this Law that meets the requirements of the Law and systematization act for the required activities, any time when temporarily increased scope of activities becomes permanent, as well as on the day of termination of a replaced employee's engagement or in case a temporarily absent employee is transferred to another position.

The temporarily increased scope of work, in the sense of paragraph 1 of this Article, shall be considered as permanent if an employee performs related activities in a period exceeding nine consequent months.

3 Contents of a Labour Agreement

Article 16

- (1) A labour agreement is concluded in a written form;
- (2) A labour agreement basically includes:
 - 1) Employer data (title and head office);
 - 2) Employee data (first and last name, qualification, permanent address / temporary residence etc.);
 - 3) Date of beginning the professional engagement with the employer;
 - 4) The position of the newly employed individual and the place of work, followed by data on the number of working hours and the time schedule;
 - 5) Data on labour-based earnings and other compensations of employee;
 - 6) Extent of an annual leave;
 - 7) Agreement duration, in case it is conducted for a defined period of time;
 - 8) Terms for termination of the open-ended labour agreement;
 - 9) Description of activities to be performed in special work conditions, if any;
 - 10) Obligations and responsibilities of an employee at work and in relation to work, and
 - 11) Other information employer and employee may find important in regard of regulating labour relations.

Article 17

- (1) A labour agreement is considered to be conducted as of the moment it's signed by employer or individual authorized by employer and individual being employed.
- (2) If an individual that contracted a labour agreement fails to begin work engagement on the day envisioned by the labour agreement due to reasons defined in the collective agreement, the employer is obliged to enable him to start working upon cessation of the referred reasons.
- (3) An employer is obliged to register individual with whom he entered into a labour agreement or the agreement referred to in Article 141 and 142 of this Law to health insurance, pension and disability insurance and insurance of unemployment in accordance with the law.

4 Public Announcements

Article 18

- (1) An employer is obliged to advise the Employment Fund of the Republic of Montenegro (hereinafter referred to as: the Employment Fund) on the available position and the related working conditions.
- (2) The Employment Fund shall publicly advertise the available position and the related conditions in a way and under terms accordant to the law.
- (3) Funds intended for public announcing of an available position are provided by the Employment Fund.
- (4) The Employer may as well advise any other legal person officially registered as a mediator in the employment process on the vacant post and related conditions.

Article 19

An employer shall take a decision not later than 30 days from expiration of the application period and advise in written form all applicants and the Employment Fund.

Article 20

- (1) An employer may enter a labour agreement without previous public announcement:
 - 1) With individual receiving employer's scholarship or loan;
 - 2) Based on an agreement on assumption of employee, with employee's consent;
 - 3) With an individual professionally trained, retrained or additionally trained for working on a certain position, based on an agreement between the employer and the Employment Fund;
 - 4) With employee classified as disabled in accordance with regulations on pension and disability insurance that has been professionally trained by the employer for performing activities required by a certain position, provided the Employment Fund acts as a mediator;
 - 5) If task urgency eliminates possibility of a public announcement, but not longer than 30 days;
 - 6) For performing professional activities in accordance with the business-technical agreement between the employer and a foreign partner, for production cooperation, technology transfer and / or foreign investments;
 - 7) With an individual declared as redundant by another employer, due to technological, economic or organizational changes, by mutual agreement between the two employers;
 - 8) With an individual that ceased working engagement due to bankruptcy, reorganization or individual management in the process of employer's bankruptcy or liquidation;

- 9) For performing activities of a family housekeeper or a nurse.
- (2) The employer shall advise the Employment Fund on execution of labour agreements referred to in paragraph 1 of this Article, with exception of cases described in paragraph 1, items 2, 3 and 4 of this Article.

5 Precedent Working Ability Testing

Article 21

- (1) Precedent working ability testing, as a special condition for employment, is defined in systematization act.
- (2) Precedent working ability testing of a candidate is performed in accordance with employer's Collective agreement.

6 Probation Period

Article 22

- (1) The probation period, as a special condition for employment, is defined by the systematization act, if not prescribed differently by a special law.
- (2) The probation period shall not exceed six months, except in case of crew member of merchant marine long voyages where a probation period may be negotiated for longer period, i.e. until the return of the ship into the main harbor.
- (3) The extent of the probation period is defined by a labour agreement, while the method of its organizing and result assessment is defined by employer's collective agreement.

Article 23

- (1) During the probation period, an employee has all rights arising from labour-based relation, in accordance with tasks of the position the employee is covering.
- (2) The employment of an employee that fails to satisfy requirements of the position in the probation period shall cease with expiration of the term defined by agreement on probation period.

7 Trainees

Article 24

- (1) An employer may enter into agreement with a trainee.
- (2) Trainee status shall not last less than six months or longer than one year, if not prescribed differently by a special law.
- (3) Upon expiration of a trainee status, the trainee shall take a professional examination.

- (4) The method of professional training, the extent of a trainee status and the modality of taking the professional examination is defined by employer's Collective agreement.
- (5) The trainee status shall be extended if case of trainee's absence from work due to: temporary working inability envisaged in regulation on community health and health insurance, maturity leave and reporting upon a state authority or military requests.

Article 25

- (1) A labour agreement with a trainee is concluded for a defined period.
- (2) Upon expiration of a trainee period and completion of a professional examination, employer's body in charge may decide to enter into open-ended labour agreement with trainee, if not prescribed differently by a special law.

8 Education and Training

Article 26

- (1) An employer can delegate employee to attend certain professional training and specialization, in accordance with requirements and needs of the position of employee's deployment, especially when it comes to implementation and applying new methods in work organization and technology.
- (2) An employee is obliged to obtain professional training and specialization, depending on his capabilities and requirements of the work process.

9 Transfer of a Labour Agreement to a New Employer

Article 27

- (1) If the change of employer or employer owner occurs, rights and obligations defined by labour agreement shall be transferred to the new employer, provided employee's compliance is obtained.
- (2) The new employer and an employee can enter into a labour agreement in a way and within the deadlines established by labour agreement between the employee and preceding employer.

10 Special Case of Organizing Work – Work at Home

Article 28

- (1) An employer may organize work at home if allowed by the nature of work.

- (2) The tasks feasible at home are those that are a part of employer's activity scope or are in close relation to that activity.
- (3) Employer's collective agreement defines requirements and methods of working at home, as well as modality of achieving rights and meeting obligations of an employee engaged at home.
- (4) In case of work at home, criteria for establishing working hours can be previously defined by the quantity of work per time unit.

Article 29

- (1) An employer is obliged to keep records on work at home and advise the competent inspection body about it.
- (3) The competent inspection body may prohibit work at home in particular employer whenever treat for a life of employees or for the environment is present.

Article 30

- (1) A labour agreement on position of a housekeeper or a nurse cannot be conducted between members of an immediate family.
- (2) A member of an immediate family, in the context of paragraph 1 of this Article, is: spouse, children, (legitimate, illegitimate, adopted children or stepchildren) and parents.

III EMPLOYEES' RIGHTS

1 Employees' Deployment

Article 31

- (1) An employee is assigned to a position defined in the labour agreement entered with the employer.
- (2) If required by the work process and organization, another position correspondent to the level and type of employee's qualification, experience and capabilities can be assigned to the employee, in compliance with the labour agreement.
- (3) An employee can be transferred from one position to another within the same employer under the labour agreement in cases envisaged by the employer's collective agreement.
- (4) A position out of the employee's permanent or temporary residence cannot be assigned to an employed woman during her pregnancy, employed mother of a child under the age of five, single parent of a child under the age of seven, an employed parent of a child with severe development disturbances, employee under 18 nor disabled employee.

Article 32

- (1) An employee can be temporarily transferred to a position that requires a degree of qualification inferior to the one he / she possesses in case of a vise major occurred or impending (an earthquake, fire or other elementary emergencies) or due to a need for replacement of an absent employee, as well as in other cases envisaged in the Collective agreement.
- (2) An employee shall perform tasks referred to in paragraph 1 of this Article as long as the exceptional circumstances prevail or, in case of replacement of an absent employee, not longer than 30 working days.
- (3) An employee transferred to a position referred to in paragraph 1 of this Article is entitled to earnings equivalent to earnings he would have had if he had worked on his original position, if that is more favorable for him.

Article 33

- (1) An employee can be temporarily transferred, with his consent, to a position within another employer on the basis of an agreement between two employers, to a position correspondent with employee's qualification in certain profession, in the following cases:
 - 1) It has been ascertained that the need for employee's work has seized;
 - 2) The temporary work discontinuation or reduction occurred; or
 - 3) The business premises or working assets were temporarily rented to another employer.
- (2) A labour agreement shall be entered into by the temporary employer and the employee.
- (3) The rights and obligations of a temporary transferred employee in his / her pre-transfer employer, in the sense of paragraph 1 of this Article, shall be temporarily suspended.
- (4) The employee referred to in paragraph 1 item 1 of this Article has the right to return to the work position within his original employer or to exercise one of the rights defined by the law.
- (5) The employee referred to in paragraph 1 item 2 and 3 of this Article, upon expiration of the period of his / her temporary deployment to another position, has the right to return to the original employer at the same or alternate position correspondent to his / her professional qualification.

Article 34

- (1) If an employee fails to demonstrate the knowledge and skills required for performing tasks of a position he was deployed to or fails to produce the required work results in a period not shorter than three and not longer than six months, an immediate supervisor can place a request for initiating a procedure of expertise and skills' verification or verification of work results of the referred employee.
- (2) The request for initiating the procedure shall be submitted to the general manager or executive manager, who is obliged to form a commission to investigate justification of the immediate supervisor's request.
- (3) The Commission referred to in paragraph 2 of this Article is consisted of commissionaires of at least the same qualification in certain profession as the employee being evaluated.
- (4) If the Commission, in manner prescribed by the collective agreement, finds immediate supervisor's request justified, the referred employee can be transferred to another position that requires expertise and skills correspondent to those obtained by that employee. If such position is not available, the employee's engagement / the labour agreement with the employer shall be ceased.
- (5) The decision in sense of paragraph 4 of this Article is made by the general / executive manager and the referred decision is final.

2 The Working Hours

a) Full Time Engagement

Article 35

- (1) Full time engagement consists of 40 hours in a workweek.
- (2) Work between 10 pm and 6 am next morning is considered to be a night work.
- (3) Night work is considered as the position special requirement.

Article 36

- (1) An employee can negotiate labour agreements with several employers within the scope of 40-hours work week and in that way achieve full time engagement.
- (2) Modalities of achieving rights and obligations and the work schedule of employees that negotiated labour agreements in the sense of paragraph 1 of this Article are defined by inter-employer agreements.

Article 37

- (1) An employer that has implemented the shift system is obliged to provide shift change and in that way prevent the situation of having one employee working during the night (a night shift) continuously for more than one workweek.
- (2) An employer operating in specific conditions shall schedule the shift system and attendance of employees in accordance with the collective agreement.

b) Additional Work

Article 38

An employee, with consent of employer that provides the full time based engagement, can negotiate an agreement on additional work with another employer, provided no other candidate meeting the required conditions has applied to employer's advertisement.

v) Part Time Engagement

Article 39

- (1) A labour agreement can be negotiated on part time based engagement, but not less than 1/ 4 (10 hours) of a full time engagement.
- (2) The positions under part time based labour agreement are defined by systematization act, depending on the nature of work and organization type.
- (3) The employee referred to in paragraph 1 of this Article can exercise labour-based rights proportionally to the time spent on work.

g) Short Time Engagement

Article 40

- (1) An employee working on a position extremely difficult, arduous and detrimental to health shall be given a short time engagement, proportionally to the detrimental effect to employee's health or working ability.
- (2) The work positions referred to in paragraph 1 of this Article are defined by the systematization act, in accordance with the collective agreement.
- (3) An employee working on a short time basis shall have the same labour-based rights as an employee working on full time basis.
- (4) An employee working on positions referred to in paragraph 1 of this Article shall not work over time on such tasks nor can negotiate a labour agreement on the same type of activities with another employer.

Article 41

- (1) In accordance with the employer's collective agreement, an employer can introduce working hours of less than 40 hours in a workweek if, due to the technology and organizational improvements and implementation of a shift system, it becomes possible to operate successfully even with shortened business hours.
- (2) An employee working less than 40 hours in a workweek in sense of paragraph 1 of this Article shall have the same labour-based rights as an employee working on full-time basis.

d) Working beyond the Full Time Engagement (Extra Hours)

Article 42

- (1) Work engagement of an employee may last beyond the full time engagement (extra hours) provided an unexpectedly increased scope of work cannot be overcome by neither correspondent organization of work nor the work time scheduling.
- (2) Extra hours cannot exceed the time required for eliminating the cause of its introduction.

Article 43

- (1) An employee is obliged to work extra hours in case of:
 - 1) Elementary disasters (earthquakes, floods, etc.);
 - 2) Fire, explosions, ionizing radiation and significant sudden damage of facilities, equipment and installation;
 - 3) Epidemics or diseases threatening human life or health or endangering livestock or herbal stock or other tangible assets;
 - 4) Larger volume pollution of water, groceries and other items for human and livestock alimentation;
 - 5) Traffic or other accidents that endangered human life or health or tangible assets to a larger extent;
 - 6) The need to immediately provide urgent medical help or other immediate medical service;
 - 7) The need to perform proposed veterinary intervention, and
 - 8) In other cases envisaged by the collective agreement.

Article 44

A health care institution can introduce extra hours (attendance) if additional recruitment, introducing a shift system or work rescheduling cannot provide constant hospital and off-hospital care.

Article 45

- (1) An employer shall advise the Labour Inspector on introducing extra hours not later than three days from enactment of a decree on introducing the referred type of work schedule.
- (2) The Labour Inspector shall prohibit extra hours in case the introduction of the referred schedule was against provisions of Article 42, 43 and 44 of this Law.

e) Work Schedule

Article 46

- (1) The decision on the work schedule, rescheduling, short time work and introducing extra hours shall be enacted by a competent body of an employer.
- (2) The schedule and starting and closing work hours for specific operating areas and for specific positions are defined by the decision of a competent state body or local government body.

Article 47

- (1) The rescheduling can be performed whenever required by the nature of activity, work organization, the need for more efficient usage of capital assets and more rational distribution of work hours and execution of certain activities in defined time limits.
- (2) The work rescheduling in cases described in paragraph 1 of this Article is performed in such way that the total full time engagement of an employee does not exceed, in average, annual full time work.

Article 48

An employee whose work engagement ceased before the expiration of the rescheduling time shall have the right to a calculation of extra hours into the full time employment in the total annual working hours fund and to be acknowledged as a extent of service, and the remaining working hours to be calculated as an extra hour work.

3 Vacations and Absence

a) Day Break; Daily and Weekly Recess

Article 49

- (1) An employee is entitled to a 30-minute day break, which cannot be used at the beginning or at the end of working hours.
- (2) The day break is defined in a way that provides continuation of a working process in case of working with clients and if the nature of work demands continuity.
- (3) The break time referred to in paragraph 1 of this Article shall be added to the regular working hours.

Article 50

- (1) An employee is entitled to a recess of at least 12 successive hours between two consequent working days.
- (2) During the seasonal engagement, an employee shall have the right to a recess of not less than 10 successive hours and in case of an employee under the age of 18, the recess shall last not less than 12 successive hours.

Article 51

- (1) An employee shall have the right to a weekly recess of not less than 24 successive hours. In case an employee has to work during his weekly recess, the employer shall allow him one day of a leave during the following week.
- (2) An employee cannot be deprived from his day break or from his daily / weekly recess.

Article 52

- (1) If an employee works beyond the regular working hours during a certain period in the calendar year and on short-time basis in the other period, the employee's right to use daily and weekly recess can be defined in another way and in another period, provided the daily and weekly recesses in accordance with this Law were put at his disposal.

b) Annual Leave

Article 53

- (1) An employee shall have the right to an annual leave of at least 18 work days.
- (2) An annual leave in case of employee under 18 years shall not be less than 24 work days.
- (3) An employee working on short-time basis in the sense of Article 40 of this Law shall have the right to at least 30 working days of an annual leave.
- (4) An employee that has not completed a year of working in a calendar year, as well as an employee recruited for the first time, shall have the right to 1/12 of a

minimum annual leave defined in paragraph 1, 2 and 3 of this Article per each completed month of engagement (proportional part of the annual leave).

- (5) A temporary working disability due to illness, paid leave, maturity leave, recess during official and religious holidays and absence due to responding to requests of state or military entities shall be considered as time spent at work for the purpose of achieving the right to an annual leave.

Article 54

- (1) The extent of an annual leave shall be defined on the basis of: contribution to work / complexity of certain position tasks, working conditions, experience, invalidity, general health condition and other criteria defined by the collective agreement and labour agreement.
- (2) For the purpose of calculating an annual leave, a working week is counted as five working days.

Article 55

- (1) An annual leave of teachers, expert-associates and educators in schools and other educational and teaching institutions shall be entitled to an annual leave during the summer vacation that would end before the beginning of a new school year.
- (1) In case teachers and educators are obliged to attend courses for professional improvement or performing other activities related to the beginning of a school year or performing educational and teaching activities organized by the school / educational institution during the summer vacation, the extent of an annual leave shall be determined in accordance with this Law and the collective agreement.

Article 56

- (1) The timetable for annual leaves' exercising is determined by the employer.
- (2) An employer may take into account justified requests and preferences of employees in the process of preparation of a timetable for annual leaves' exercising.
- (3) An employee is advised in writing on the schedule and the number of approved vacation days not later than 30 days before the starting date of an annual leave.

Article 57

The times spent on sickness leave, military exercise, acting upon the request of state bodies and paid leave and free time exercised during religious and official holidays under the provisions of regulations on community health and health insurance are not accounted as annual leave and exercising of a right to an annual leave is accordingly terminated.

Article 58

- (1) An annual leave can be availed in two portions.
- (2) If an employee uses an annual leave in two portions, the first part of the referred leave is to be used in portion of at least 10 concessive days during the calendar year and the second portion has to be utilized before June 30th of the following year.

Article 59

A ship crew member, as well as employees engaged abroad, may in current year spend the whole of an annual leave accumulated in the last calendar year.

Article 60

- (1) An employee whose engagement / labour agreement has been terminated due to a migration to another employer shall exercise the right to an annual leave for the referred calendar year with the employer from whom the right to an annual leave originates, if not differently negotiated by an agreement between the employee and employer.
- (2) The employer that had provided the previous work engagement to an employee is obliged to issue a certificate on usage of an annual leave.
- (2) An employer is obliged to provide usage of an annual leave to an employee whose work engagement / labour agreement has ceased due to the retirement before termination of work engagement / labour agreement.

Article 61

- (1) An employee cannot relinquish his right to an annual leave nor can he be deprived of the referred right.
- (2) An employee that did not use the right to an annual leave or used it partially due to employer's fault is entitled to compensation for damage.
- (3) The compensation referred to in paragraph 2 of this Article, depending on the number of unused days off, shall be defined on the basis of employee's remuneration for the month damage compensation reimbursement.

v) **Absence from Work**

Article 62

- (1) An employee shall have the right to paid absence during the calendar year up to seven business days in case of: matrimony, moving, delivery of a immediate family member, passing a professional examination and in other cases defined in the collective agreement.

- (2) Aside the cases of absence from paragraph 1 of this Article, an employee shall have the right to seven days of paid absence in case of death of an immediate family member.
- (3) An immediate family member in the sense of paragraph 1 and 2 of this Article is spouse, children (legitimate, illegitimate, adopted children and stepchildren) and parents.
- (4) An employee has the right to an unpaid leave during the advanced professional training during working hours, under the program of professional training for a certain position or during the Union education, in a way and under the procedure defined in the collective agreement.

Article 63

- (1) An employee has the right of an unpaid leave for the period and in circumstances defined by the collective agreement.
- (2) During the absence in the sense of paragraph 1 of this Article, an employee has the right to a health protection, while other labour-based and labour-originated rights and obligations are suspended.
- (3) The contribution for health protection referred to in paragraph 2 of this Article shall be paid by the employer.

g) Suspension of Labour-Based Rights

Article 64

- (1) Labour-based and labour-originated rights and obligations of an absent employee are suspended in case of:
 - 1) Serving or completing military service;
 - 2) Delegating employee to another country for engagement under international technical or culturally – educational cooperation, delegating to diplomatic, consular or other mission and appointing for specialization or professional education, with employer's consent;
 - 3) Appointing or delegating an employee for the position in public body or for other public position requesting temporary termination of work engagement with the employer;
 - 4) Detention, meeting security of educational or security provisions up to six months.
- (2) A spouse of an employee sent abroad in the sense of paragraph 1 item 2 of this Article also has a right to suspension of the employment status.

- (3) An employed individual and his / her spouse have the right to return to work with the same employer not later than 30 days upon cessation of reasons for the suspension of labour-based and labour-originated rights, to the same position or to other position correspondent to the level and type of their education.

4 Earnings, Compensations and other Allowances

a) Earnings

Article 65

- (1) An employee has the right to earnings defined under the provisions of this Law and the collective agreement.
- (2) Earnings, in sense of this Law, are earnings accumulated by an employee as a result of the work contribution and the time spent at work, incremented earnings, earnings compensation and other allowances defined by the collective agreement paid in amount that exceeds earnings prescribed by the General COLLECTIVE Agreement.
- (3) Earnings increase in accordance with the collective agreement due to: extra hours; overnight work; working during official and religious holidays defined by law as non-working days; extent of service and in other cases defined by the collective agreement.

Article 66

- (1) Earnings are calculated on the basis of the wage rate of the related position, the contribution to work and the time spent at work in accordance with the law and the General Collective Agreement.
- (2) The work rate and other elements for calculation of the level of earnings are defined by the labour agreement, in accordance with this Law and the collective agreement.

Article 67

- (1) Earnings shall be paid in terms and in the manner defined by the collective agreement at least once a month.
- (2) The employer shall deliver a calculation of earnings to the employee simultaneously with the disbursement of earnings.
- (3) An employer that was not able to disburse earnings in total or executed the referred obligation partially on due date is obliged to deliver the calculation of the due earnings to the employee by the end of the due month.
- (4) The calculation of earnings referred to in paragraph 3 of this Article has the validity of a credible executive document.

- (5) An employee's earnings or earnings compensation shall be coercively suspended to the extent of maximum one half of the earnings in case of mandatory alimentation adjudicated by confirmed court sentence or to the maximum extent of one third of earnings or earnings compensation in other cases.

b) Guaranteed Earnings

Article 68

- (1) An employee has the right to a guaranteed earnings amounting to the minimal wage rate defined in accordance with the need of employee and his family, general level of wages in the Republic of Montenegro (hereinafter referred to as: the Republic), cost of living, economic factors and the productivity level.
- (2) The minimal wage rate is determined in away and under the method defined in the General Collective Agreement.
- (3) Tan employee shall be paid guaranteed earnings for full time engagement or the equivalent time or, in case of short time engagement, the part of the guaranteed earnings in proportion to the time spent at work or working performance based on norms, standards and other criteria.

Article 69

- (1) The employer shall provide funds for disbursement of guaranteed earnings to employees in case of disturbances in employer's operating, but not exceeding the amount of three monthly guaranteed earnings in a calendar year.
- (2) The decision on disbursement of guaranteed earnings, in the sense of paragraph 1 of this Article, shall be enacted by an employer's management body, based on the proposal of the general or executive manager, provided the judgment of an union and the council of employees or authorized representative of employees is obtained.
- (3) If a management body in the employer has not been formed, the decree referred to in paragraph 2 of this Article shall be enacted by a general or executive manager, provided the judgment of an union and the council of employees or authorized representative of employees is obtained.
- (4) The decree from paragraph 2 of this Article includes rationale on the disturbances in employer's operating that had significant influence on employer's inability to disburse correspondent earnings in accordance with the law and the collective agreement.
- (5) An employer is obliged to disburse the difference between the guaranteed earnings and earnings that would have been accumulated by an employee in accordance with the collective agreement at latest with preparation of an annual statement.

v) Earnings Compensation and other Allowances

Article 70

- (1) An employee has the right to earnings compensation in amount defined by the collective agreement during: official and religious holidays; annual leave; paid absence in accordance with the law and the collective agreement; military training and acting upon the request of state bodies; professional training and education on employer's request; temporary working disability due to illness; interruption of work occurring aside employee's fault; employee's objection to work while the prescribed precautions were not taken; absence from work due to participation in employer's bodies and union bodies; pending for migration to other position; pending for new professional training or additional professional training in accordance with regulations on social security and during the professional training and in other cases envisaged by the law and the collective agreement.

Article 71

An employee shall have the right to other labour-based allowances defined by the General Collective Agreement.

IV PROTECTION OF EMPLOYEES

1 General Protection

Article 72

An employee has the right to a protection at work in accordance with the law and the collective agreement.

Article 73

- (1) If a body in charge of assessment of employees' health condition specifies that a certain type of work may damage the health of an employee, the employee shall not be deployed to the referred position nor be requested to work overtime or overnight.
- (2) The position carrying an increased level of endangerment by invalidity, professional or other disorder can be covered by an employee meeting the health and psychophysical requirements and age requirements, in addition to the requirements outlined in the systematization act.

2 Protection of Women, Juveniles and Disabled persons

Article 74

An employed women or employees under the age of 18 or disabled employees have the right to a special protection under the provisions of this Law.

Article 75

An employed woman and employees under the age of 18 cannot engaged on a position that requires extremely difficult manual work, underground or underwater activities nor on a position that bear high level of risk of damaging the condition and life of the referred employees.

Article 76

- (1) An overnight work cannot be assigned to an employed woman working in the Industry Sector or the Construction Sector unless she has previously exercised the right to a minimum of 12 hours of daily recess.
- (2) The limitation referred to in paragraph 1 of this Article shall not be applied to an employed woman engaged in a management position or an employed woman performing activities of health care or social and other protection.
- (3) As an exception of the provision in paragraph 1 of this Article, an overnight work can be assigned to an employed woman in case of a need for continuation of activities interrupted by natural disaster or in case of a need for preventing damage to the raw and other material.

Article 77

- (1) An overtime or overnight work cannot be assigned to an employee under the age of 18.
- (2) The working schedule based on short time engagement can be defined by an employee's collective agreement for the employee referred to in paragraph 1 of this Article.
- (3) As an exception of the provision defined in paragraph 1 of this Article, an overnight work can be assigned to an employee under the age of 18 in case of the need for continuation of activities interrupted by natural disaster or in case of a need for preventing damage to the raw and other material.

Article 78

The employer shall be obliged to assign an employed disabled person to jobs appropriate to his remaining work capacity at the level of his qualifications in compliance with the systematization act.

If the employed disabled person cannot be assigned as under paragraph 1 of this Article, the employer shall be obliged to provide him with other rights in compliance with the special law and Collective Agreement.

Article 79

- (1) An employer cannot refuse to enter into an agreement with a pregnant woman, nor terminate the labour agreement due to her pregnancy or her absence due to the maternity leave.
- (2) An employer cannot terminate labour agreement with an employed woman engaged half of the full time due to attending a child with severe development difficulties, with a single parent of a child under seven, with a single parent of a highly disabled child, nor with an individual exercising one of the mentioned rights.
- (3) An employee referred to in paragraph 2 of this Article cannot be proclaimed as a redundant due to implementation of technological, economic or structural changes, in accordance with this Law.
- (4) The conditions from paragraph 1 and 2 of this Article are of no influence to cessation of a work engagement.

Article 80

- (1) Based on findings and recommendations of the competent medical doctor, a pregnant or nursing woman can temporarily be deployed to another position if it is on the best interest of protection of her or her child's health.
- (2) If an employer is not in a position to provide another position to a woman, in the sense of paragraph 1 of this Article, the woman is entitled to a leave and earnings compensation, in accordance with the collective agreement. The referred compensation shall not be less than earnings that would have been accumulated if the woman continued working on the same position.

Article 81

- (1) A woman employed during her pregnancy and an employed mother of a child under the age of three cannot be assigned to work overtime or overnight.
- (2) In an exception from paragraph 1 of this Article, an employed woman with a child older than two can be assigned to work overnight in case the employer was provided with her written consent.
- (3) One of the parents of a severely disabled child and a single parent of a child under the age of seven can be assigned to work overtime or overnight only if a written consent of such employee has been provided.

3 Maternity Protection and Rights of Child Guarding Employees

Article 82

- (1) During her pregnancy, child delivery and baby nourishment, an employed woman has the right to a maternity leave of 365 years from the beginning of exercising the referred right.

- (2) Based on a finding of a competent health institution, an employed woman can begin to exercise the right to a maternity leave 45 days before the delivery, but not later than 28 days before the childbirth.
- (3) An employed woman may cease her maternity leave before its expiration, but not before expiration of 45 days upon the delivery.
- (4) If an employed woman ceases the maturity leave in the sense of paragraph 3 of this Article, she has the right to utilize additional 60-minute break for baby nourishment in addition to the defined day break.
- (5) In the case from paragraph 3 of this Article, an employed woman has no right to continue the utilization of an interrupted maternity leave.
- (6) During the maternity leave, an employed woman has the right to an earnings compensation, in accordance with the Law.

Article 83

If an employed woman gives birth to a still-born or the infant passes away before the expiration of a maturity leave, she is entitled to extend her maternity leave for the period of time which is, by the opinion of an competent medical doctor, required for her to recover from the delivery and the physical trauma caused by the loss of a child, but not less than 45 days during which she will be entitled to exercise all rights comprised by maternity leave.

Article 84

- (1) Upon expiration of a maturity leave, one of the employed parents has the right to work half of the full time engagement by the time the child turns three, in case the child is in need for an additional care.
- (2) A right to work referred to in paragraph 1 of this Article has an employee adopting a child or individual entrusted with child custody and nursing by the competent custodial body.

Article 85

- (1) A biological parent, adopting parent or individual entrusted with child custody and nursing by the competent custodial body or an individual nursing a patient suffering from: cerebral palsy, child palsy, certain type of plegia or suffering from dystrophy or other muscular or neuromuscular or other severe illnesses has the right to work only half of the full time.
- (2) Working hours referred to in paragraph 1 of this Article and Article 84 of this Law shall be considered as a full time engagement for the purpose of achieving labour-based and labour-originated rights.

Article 86

- (1) The way and the method of executing rights referred to in Article 84 and 85 of this Law shall be defined by the ministry in charge of social and child welfare activities.
- (2) During the absence from work referred to in Article 84 and 85 of this Law, an employee shall have the right to earnings compensation as prescribed by the law.
- (3) The right referred to in Article 84 and 85 of this Law cannot be exercised during patient's accommodation with social or health care institution.

Article 87

The right referred to in Article 82 paragraph 1 of this Law can be exercised by an employed woman or employed father of a child.

Article 88

One of adopters of a child under the age of eight has a right to absent in continuous period of one year starting from the day of adoption and shall have the right to earnings compensation in accordance with the Law.

Article 89

- (1) An employee intending to use a right to maturity leave or leave due to adoption is obligated to advise the employer on the intention in written form, before expiration of one month from the beginning date of exercising the referred right.
- (2) An employee can terminate benefiting from the right referred to in paragraph 1 of this Article and employer is obliged to accept his / her return and provide deployment to the correspondent position within the period of one month from receiving the employee's notification on cessation of benefiting from the referred right.
- (3) An employee that exercised the right referred to in paragraph 1 of this Article has a right to an additional professional training, if the employer introduced certain changes of technological, economic or structural nature or changes in the method of operating.

Article 90

- (1) One of the parents has a right to absent work until the time the child turns three, and if the parent terminates utilization of this right before its expiration, the referred right shall be suspended.
- (2) During the absence from work in sense of paragraph 1 of this Article, an employee has the right to a health insurance and retirement and pension insurance, while other rights and obligations rest.

- (3) Funds for the health insurance and retirement and invalidity insurance referred to in paragraph 2 of this Article shall be provided from funds of health and retirement and invalidity insurance reserves.
- (4) An employee is not entitled to earnings compensation during the absence from work referred to in paragraph 1 of this Article.

V EMPLOYEES' RESPONSIBILITIES

Article 91

- (1) An employee and the general manager or executive manager shall observe labour-based obligations prescribed by the law, the collective agreement and the labour agreement.
- (2) An employee that fails to meet the work obligation due to his fault or fails to act upon decisions of the employer shall be responsible for the violation of a labour-based obligation in accordance with the law, the collective agreement and the labour agreement.
- (3) A criminal charges or responsibility of a felony of violation does not exclude employee's responsibility of complying with the labour-based obligations if the referred violation constitutes a breach of a labour-based obligation.
- (5) An employee is responsible for violation of a labour-based obligation that was legally defined or regulated by the collective agreement or labour agreement at the time of execution.
- (6) The procedure of initiating and conducting a process of identifying violation of a labour-originated obligation and other issues of importance for the work discipline are regulated in more detail by the General Collective Agreement.

Article 92

- (1) The responsibility of a general manager or an executive manager shall be assessed by the body that delegated or appointed him / her to the position.
- (2) A labour inspector or union representative may place a request for validation of general manager's or executive manager's responsibility in case, if assesses that the authorizations have been exceeded regarding the rights envisaged by this Law.

1 Violations of Labour-originated Obligations

Article 93

If an employee violates a labour-based obligation, one of the following sanctions may be applied:

- 1) Penal sum;
- 2) Termination of the work engagement / labour agreement.

Article 94

- (1) An employer shall apply the penal sum in one of the following cases of violation of labour-based obligations:
 - 1) An employee unreasonably fails to advise the employer on the working inhibition in period of three days from occurring;
 - 2) An employee arrives to work after than the time defined as the beginning hour leaving before the end of the end of a working day;
 - 3) An employee arrives to work inebriated, drinks during the work or takes narcotics;
 - 4) An employee presents incorrect information of importance for enactment of a competent body's decision;
 - 5) An employee thoughtlessly or irresponsibly treats an official data;
 - 6) An employee avoids wearing an overall or other clothing for safety at work or individual nametags when prescribed; or
 - 7) An employee causes disorder or participates in fighting in employer's premises.
- (2) A penal sum shall be applied in other cases of violation of labour-based obligations defined by the collective agreement.
- (3) A penal sum cannot exceed 40% of advanced monthly earnings of employee for the period between one and six months.
- (4) The earnings of the employee accumulated during the month of enactment of the penalty shall be used as the basis for establishing the penal sum.

Article 95

Violations of labour-based obligations that may result in termination of an employee's engagement / labour agreement by the employer are as follows:

- 1) Refusing to perform labour-based obligations defined by the labour agreement;
- 2) Untimely, unconscionable or irresponsible performing labour-based obligations;
- 3) Illegitimate disposal of the working assets;

- 4) Failing to accomplish anticipated outputs due to unjustified reasons in the period of three months;
- 5) Violation of regulations on firefighting, explosions, natural disasters and damaging influence of venomous and other endangering materials, as well as violation of other regulations and failing to assume measures of protection of employees, work assets and work environment;
- 6) Abuse of position, authorization exceeding and disclosing a business, official or other secret defined by the law or the collective agreement of the employer;
- 7) Disturbing one or several employees in working process that particularly complicate performing labour-based obligations;
- 8) Other violations of labour-based obligations defined by the collective agreement.

2 Bodies and Procedure of Investigating Violations of Labour-Based Obligations

Article 96

- (1) The action under the provisions of Article 93 of this Law shall be taken by a general manager or executive manager.
- (2) The general manager or executive manager can delegate to another employee his authorization for conducting an investigation for identifying violations of labour-based obligations and action taking.
- (3) If an employer has a management board or board of directors to consider employees' demurrers on decisions of employer to terminate employee's engagement / labour agreement, a secondary instance in the decision-making process is the management board / board of directors.
- (4) If an employer does not have a management board or board of directors to consider employees' demurrers on decisions of employer to terminate employee's engagement / labour agreement, the competent body is the one referred to in paragraph 1 of this Article.
- (5) The demurrer referred to in paragraph 3 or the request from paragraph 4 of this Article shall be submitted at latest 15 days upon reception of the decision.
- (6) If violation of labour-based obligation caused certain damage, the body in charge of investigating violations of labour-based obligations shall either enact a decision on the recovery of damage or initiate launching of a procedure of establishment of damage recovery by a competent body.
- (7) The demurrer referred to in paragraph 3 or the request from paragraph 4 of this Article suspends execution of the decision on termination of an employee's engagement / labour agreement.

Article 97

- (1) An employee may initiate litigation with the competent court against the executive decision on enacting provisions from Article 93 of this Law at latest 15 days upon receiving the referred decision.
- (2) The litigation referred to in paragraph 1 of this Article shall not reprieve execution of the referred decision.

Article 98

- (1) The statute of limitations shall be applied to initiation of a procedure of investigating violations of labour-based obligations within three months from cognition on the violation and the violator or within six months from the violation itself.
- (2) The statute of limitations shall be applied within six months from learning about the violation and the violator or upon expiration of term legally envisaged for applying statute of limitations for the correspondent criminal act, if violation of a labour-based obligation possesses criminal elements.
- (3) The statute of limitations shall be applied to the procedure of investigating violations of labour-based obligations within three months from its initiation or within six months from the violation itself.

Article 99

- (1) The action under the provisions of Article 93 of this Law cannot be imposed upon expiration of 30 days from the day the referred decision became legally-binding.
- (2) The employer shall keep record on actions undertaken in case of violation of labour-based obligations.
- (3) If an employee does not violate a labour-based obligation within two years from the day the decision on applying penal sum became legally-binding, the imposed action shall be deleted from records.

3 Temporary Exclusion of an Employee (Suspension)

Article 100

An employee can be temporarily appointed to another position in case of:

- 1) Abuse of authorizations in material and financial operating;
- 2) The employee's engagement on the correspondent position locking out or aggravating other employee's work.

Article 101

A temporary exclusion of an employee can be imposed:

- 1) If an employee has been found while violating a labour obligation and the termination of an engagement / labour agreement was envisaged for the referred violation;
- 2) If an employee was convicted to a detention, starting from the first day of sentence serving throughout the end;
- 3) If a criminal investigation on a criminal act related to work or work engagement was initiated against the employee.

Article 102

- (1) An employee that has been temporarily excluded due to circumstances from envisaged by Article 100 of this Law shall be deployed to another position correspondent to his / her education, experience and skills; if the referred position does not exist, the employee shall be temporary deployed to a position demanding the closest level of education to the one obtained by the employee.
- (2) The employee referred to in paragraph 1 of this Article shall have the right to earnings defined for the position of deployment.
- (3) An employee can be temporary excluded from his position or from work until the decision on establishing responsibility for violation of labour obligation becomes legally-binding or until expiration of the statute of limitations of initiating and carrying a procedure of investigating violation of labour-based obligations.

Article 103

- (1) An employee shall be temporary suspended from the position or work by a written instruction of the employer's general manager / executive manager, followed by decision on temporary exclusion and its rationale.
- (2) If the decision referred to in paragraph 1 of this Article is not enacted within three days from suspension of an employee from position or work, it is considered that the decision was not enacted at all.

Article 104

- (1) While temporary suspended from a position, an employee has the right to earnings compensation amounting to one third of his / her monthly earnings for the month preceding the month of temporary suspension or to one half of the referred earnings if the employee supports a family.
- (2) The earnings compensation for the period of detention shall be disbursed on the account of body that imposed the custody.
- (3) The body referred to in paragraph 2 of this Article shall have a duty to advise the employer at latest three days upon enactment of the decision on arrest.

- (4) The request to refund earnings compensation for the period of employee's detention, as well as taxes and contributions included in the referred earnings shall be submitted by an employer to a body that enacted decision on the arrest.
- (5) While temporary suspended from a position, an employee is entitled to a difference between the compensation received under paragraph 1 of this Article and the amount of full earnings received for the month prior to the month of temporary suspension increased by the average increase of employees' earnings in the employer, for the period the compensation was due, especially:
 - 1) If the criminal procedure is terminated due to an executive decision or if employee is absolved from criminal charges by an executive decision or the charge against the employee is overruled for other reasons than the lack of competence, and
 - 2) If the employee is absolved from criminal charges or if the procedure of investigating violations of labour-based obligations is terminated.

4 Financial Responsibility

Article 105

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

Article 106

- (1) If an employee is injured or suffered damage at work or in regard to work, the damage shall be recovered by the employer.
- (2) A special commission, formed by the general manager or executive manager, shall be responsible for investigating whether the damage occurred or not and defining, the level of damage caused, circumstances in which it occurred and individual liable for the damage and method of its recovery.

- (3) If the damage is not recovered in accordance with the provision of paragraph 2 of this Article, the decision concerning the damage shall be taken by the court in charge.
- (4) An employee that caused damage at work or work-related damage to a third individual deliberately or due to an extreme negligence and the referred damage was covered by the employer shall be obliged to compensate the amount paid by the employer.

5 Prohibition of Competing Against the Employer

Article 107

An employee engaged by employer or an employee that entered into full-time based labour agreement with an employer cannot negotiate or perform activities from employer's area of operating on his or other individual's account without employer's consent.

VI TERMINATION OF ENGAGEMENT

L Termination of Work Engagement – Labour Agreement

Article 108

- (1) An employee's work engagement / labour agreement shall be terminated (by operational law):
 - 1) Upon completing 65 years of age and at least 15 years of contributing to employment insurance as of the day of receiving the executive decision;
 - 2) If the procedure envisaged by the law determined the lost of working ability of a employee – as of the day of delivering executive decision on identifying the lost of working ability;
 - 3) If the employee was forbidden to perform certain operations related to the position by provisions of the law or by an executive decision of the court or other competent body and, at the same time, the employee cannot be deployed to another position - as of the day of receiving the executive decision;
 - 4) If the employee has to be absent for more than six months, due to a detention – as of the day of beginning of detention;
 - 5) If the employee was prescribed a safety measure or educational measure or measure of protection for more than six months and has to be absent from work – as of the day of applying the referred measure, and
 - 6) Due to the bankruptcy process, reorganization, individual management in bankruptcy process or liquidation, as well as due to all other cases of termination of employer operating in accordance with the law.

Article 109

- (1) An employee can continue to work after the age of 65 if required for performing certain activities, based on the decision of the general manager or executive manager.
- (2) An employee can continue to work after the age of 65 if the retirement condition of 15 years of contributing to employment insurance, until the referred condition is met.
- (3) An employee engaged in educational and teaching activities in schools and other educational institutions or educational and teaching activities in collegiate institution, that met the condition for termination of the work engagement in regard to the legally envisaged age, can continue work engagement by the end of the school year, based on the decision of the employer's body in charge.

Article 110

- (1) A labour agreement shall be terminated by mutual agreement of employee and employer.
- (2) Labour agreement can be cancelled by either employer or employee.
- (3) The employee is obliged to deliver cancellation of the labour agreement to the employer in written.

Article 111

- (1) An employer can terminate employee's labour agreement:
 - 1) If employee was unjustifiably absent for five consequent business days or seven work days in an interrupted period of three months;
 - 2) With expiration of the period defined by a labour agreement for a defined period of time or with expiration or with expiration of the labour agreement for the defined period of time;
 - 3) If the employee fails to achieve envisaged results during the probation period;
 - 4) If the employee refuses to work on the position he was deployed to in accordance with the labour agreement;
 - 5) If the employee accomplishes one of the rights referred to in Article 116 paragraph 1 of this Law;
 - 6) If the employee refuses to exercise one of the redundancy rights offered by the employer;
 - 7) If the severance pay in the sense of Article 117 of this Law was paid to the employee;

- 8) If the employee misses to return to work within 30 days in sense of Article 64 paragraph 3 of this Law;
 - 9) If the employee, at the time of starting the engagement or entering the labour agreement, presented inexact data significant for performing activities that were the basis for the engagement in the first place;
 - 10) If a penalty sum for violation of labour-based obligations was imposed consequently twice or more;
 - 11) If employee is engaged with another employer without consent of the employer of original full-time based engagement;
 - 12) If employee in his / her behalf or in behalf of the third individual negotiates activities from the area of employer's operating, without the consent of the employer (unfair competition).
- (2) The decision on canceling e labour agreement, with its rationale, shall be enacted by the general or executive manager.
 - (3) The decree referred to in paragraph 2 of this Article is final.

Article 112

Cancellation of a labour agreement or the decision of work engagement termination shall be delivered to an employee in written form and shall state: the basis for termination of work engagement, rationale and precept on legal remedy.

Article 113

The general manager or executive manager which is not reelected after expiration of the mandate or the general manager relieved of duty before the end of the mandate shall be deployed to a position correspondent to his / her level of education, and in case such position is not present, his / her engagement / labour agreement shall be terminated.

Article 114

- (1) An employee has the right and obligation to remain employed at least one month upon receiving the notification on cancellation of the labour agreement or decision on work engagement termination (notification period), in cases envisaged by collective agreement and labour agreement.
- (2) If mutual agreement between an employer and employee has been reached, the employee can cease his engagement before expiration of the notification period and shall receive earnings compensation for the referred period in amount defined by the collective agreement and labour agreement.

- (3) Employee that ceases engagement at demand of employer before expiration of notification period has the right to earnings compensation and other labour-based and labour-originated rights as if he / she worked throughout the notification period.
- (4) During the notification period an employee is entitled to at least four hours of absence with the purpose of seeking engagement.
- (5) If an employee was called to a military exercise or military service for less than three months or if an employee became temporarily disabled during the period he / she was obliged to keep working, at his / her request, the march of time referred to in paragraph 1 of this Article shall be terminated and continued upon return from military exercise or military service or upon termination of the temporary work disability.

VII CESSATION OF A NEED FOR EMPLOYEES' WORK ENGAGEMENT

Redundant Labour

Article 115

- (1) An employer reducing the number of employees in accordance with the program of Introducing technological, economic and restructuring changes, in a year following the year of Program implementation, enact a program of honoring rights of employees that were proclaimed redundant.
- (2) Exceptionally from the paragraph 1 of this Article, an employer intending to cancel labour agreements of less than five employees shall have the duty of enacting a program of honoring rights of employees that were proclaimed redundant.
- (3) An employer shall advise Union and the Employment Fund on reasons for termination of employment or cancellation of labour agreement, number and categories of employees and the term intended for termination of employment / cancellation of labour agreement, not later than one month upon enactment of the program.
- (4) An employer is obliged to advise the Employment Fund, the Union and employees that were proclaimed redundant on timely basis and at least three months before termination of employment or cancellation of labour agreement, as well as on the data on the age structure, type and the level of education of redundant employees and the proposal of measures for honoring rights prescribed by this Law.

Article 116

- (1) The program referred to in Article 115 of this Law includes data on employees proclaimed redundant, activities performed by them, qualification structure, age and provisions for achieving their rights as follows: reallocation to other positions at same employer, within an employee's level of education, on full time or short time basis; transfer of employees to other employee , within an employee's level of education, on full time or short time basis; professional training, extra training or additional training for working on another position with the same or with another employer; as well as other provisions accordant to the collective agreement and labour agreement.
- (2) During the assessment of employees that were proclaimed redundant, an employee shall determine the quality of performed activities and work contribution of the employee being assessed, in accordance with employer's collective agreement.

Article 117

- (1) An employee proclaimed redundant that was not allowed to exercise any of the rights envisaged by the program referred to in Article 116 paragraph 1 of this

Law, as well as an employee engaged with employer canceling labour agreements of less than five employees due to termination of a need for their services, an employer is obliged to disburse severance pay in value of minimum six average wages in the Republic.

The employer shall be obliged to pay out severance payment to the employed disabled person who is declared redundant and has not been provided with any right anticipated in the program under Article 116, paragraph 1 of this Law:

- 1) minimum in the amount of 24 average wages in the Republic if disability is caused by injury out of work or disease:
- 2) minimum in the amount of 36 average wages in the Republic if disability is caused by injury at work or occupational disease.

The wage under paragraphs 1 and 2 of this Article shall be deemed to be the average wage in the Republic, reduced for taxes and contributions paid out of the wage, accrued in the month that precedes the month in which employee's employment terminates».

Should the amount of severance payment under paragraph 2 of this Article be more favorable for the employed disabled person, it shall be set based on the average wage at the employer.

Article 118

- (1) The employment or labour agreement of an employee that become eligible for receiving a severance pay in sense of Article 117 paragraph 1 of this Law, shall be terminated as of the day of severance pay disbursement.
- (2) An employee whose work engagement has been terminated or an employee whose labour agreement has been cancelled in sense of paragraph 1 this Article has the right to receive cash compensation and pension and invalidity insurance and health care, in accordance with existing law.

Article 119

- (1) An employee can engage employee for performing activities correspondent to employee's level of qualification, until exercising of one of the rights envisaged by this Law is enabled.
- (2) An employee unengaged in sense of paragraph 1 of this Article can be temporarily transferred to another employer, until exercising of one of the rights envisaged by Article 116 paragraph 1 of this Law is enabled.

VIII PROTECTION OF EMPLOYEES' RIGHTS

Article 120

- (1) The general manager or executive manager or other authorized individual is entitled to enact decisions on labour-based and labour-originated rights and obligations of employees, in accordance with the law and collective agreement.
- (2) An employee which is in belief that the employer violated his / her labour-based or labour-originated right is entitled to submit a request to the employer, asking to be enabled to exercise the right in question.
- (3) An employee is obliged to decide on the employee's request not later than 15 days from the date of receiving request.
- (4) The decision from paragraph 3 of this Article is final, unless otherwise prescribed by law.
- (5) The decision from paragraph 3 of this Article shall be delivered to the employee in written form, with rationale and precept on legal remedy.

Article 121

- (1) An employee that finds decision referred to in Article 120 of this Law unsatisfactory has the right to begin litigation with the competent court with the purpose of seeking protection of defined rights, not later than 15 days from the date of the decision receipt.
- (2) An employer is obliged to carry out the executive court decision not later than 15 days upon its receipt, unless otherwise prescribed by the law.

Article 122

- (1) The employer and employee (disputed parties) can request arbitration for the labour-based and labour-originated dispute (hereinafter referred to as: the labour dispute).
- (2) Arbitration referred to in paragraph 1 of this Article is represented through mediation and assisting to resolving the labour dispute arisen under the decision of a competent body on particular right, obligation or responsibility of an employee.
- (2) Composition, procedure and method of arbitration shall be defined by the employer's collective agreement.

Article 123

- (1) The employee and employer can place a request for initiating an arbitration procedure within eight days upon receipt of the final decision.
- (2) Arbitration is considered as an emergency procedure.
- (3) Arbitration referred to in paragraph 1 of this Article is obliged to initiate arbitration procedure within eight days upon receipt of the request, while reaching an

agreement on the disputed issue cannot take place upon expiration of 30 days from the date of request receipt.

- (4) Parties in the labour dispute can agree that execution of the disputed decision or other disputed act cannot take place before finalization of arbitration procedure.
- (5) During the procedure of arbitration, the terms envisaged for initiating litigation with a competent court are dormant.
- (6) The decision on agreement reached in front of the Arbitration has to be accompanied by rationale and has the legal validity of a court settlement.

Article 124

- (1) Resolution of disputes arisen during the processes of contracting, implementing, amending and complementing collective agreements shall be subjected to arbitration.
- (2) The composition, method and the procedure in front of the Arbitration shall be defined by the collective agreement.
- (3) The decision taken by the Arbitration is final.

Article 125

- (1) An employee has the right to seek protection of rights with the competent labour inspector, independently of the procedure of protection of rights initiated with the employer or in front of the competent court or Arbitration.
- (2) If an employee begun a procedure for protection of rights in front of the competent court, the labour inspector can suspend execution of an act or activity of the employer if the right of the employee was apparently violated, until enactment of a court decision on the disputed issue.

Article 126

If employer simultaneously receives requests for protection of labour-based or labour-originated rights from 10 employees or from at least 10% of total number of employees, the employer is obliged to seek and take into consideration an opinion of the Employees Council or, if such body does not figure, the position of the Union's opinion.

IX COLLECTIVE AGREEMENTS

Article 127

- (1) A collective agreement defines work-related rights and obligations of employee and employer, as well as mutual relations between participants of the collective agreement, in accordance with the law.

- (2) Agreements referred to in paragraph 1 of this Article can be negotiated as general, branch-level agreement and the employer collective agreement.
- (3) Collective Agreements shall be applied directly.

Article 128

- (1) General Collective Agreement shall be negotiated for the territory of the Republic and shall apply to employees and employers in general.
- (2) Branch-Level Agreement shall be negotiated at the level of branches of economy, operational groups or subgroups at the territory of the Republic and shall apply to employees and employers in certain branches of economy, operational groups or subgroups.
- (3) Employer Collective Agreement shall apply to employees of the employer. If Employer Collective Agreement is not negotiated, the correspondent Branch-Level Collective Agreement shall apply directly if negotiated and if not, the General Collective Agreement shall be applied.
- (4) Labour-based and labour-originated rights and obligations of individuals self-employed in art or other cultural activity (free-lance artists) shall be defined in accordance with the Branch-Level Collective Agreement negotiated between the Free-Lance Artists Union and the ministry in charge of cultural activities.

Article 129

- (1) The General Collective Agreement shall establish basic elements for defining minimal wage rate to be used as the basis for calculating employees' earnings, earnings compensation, other allowances of employees and other labour-based and labour-originated rights and obligations, in accordance with the law.
- (2) A Branch-Level Collective Agreement shall establish minimal wage rate in correspondent branch for the rudimentary work, the wage rate for standard working positions, basic elements for defining employees' earnings and other labour-based rights and obligations of employees, in accordance with the law and General Collective Agreement.
- (3) The Employer Collective Agreement shall establish minimal wage rate for rudimentary work, the wage rate for specific working positions, basic elements for defining employees' earnings and other labour-based rights, obligations and responsibilities of employees, in accordance with the law and collective agreements.

Article 130

Rights and obligations of employees and employer engaged with an employer that has not formed a Union shall be defined by labour agreement, in accordance with the law and General or Branch-Level Collective Agreement.

Article 131

- (1) General Collective Agreement shall be signed between a competent body of an authorized organization of Republic Trade Union, a competent body of the authorized association of employers in the Republic and the Government of Republic of Montenegro (hereinafter referred to as: the Government).
- (2) A Branch-Level Collective Agreement shall be signed between:
 - 1) for employer - a competent body of the Union and the competent body of the authorized association of employers;
 - 2) for public companies and other public services founded by the State, authorized Union organization and the Government, or authorized Union organization, the founder and a competent body of authorized association of employers - for other public institutions;
 - 3) for public institutions whose earnings are financed by the Budget of the Republic – an authorized Union organization and the Government, or an authorized Union organization and the founder - for other public institutions;
 - 4) for organizations of mandatory social insurance - an authorized Union organization, management board / board of directors of those organizations and the Government;
 - 5) for public institutions and organizations and local governments - an authorized Union organization and the Government;
 - 6) for political and union institutions and non-governmental organizations - an authorized Union organization and the competent body of the authorized association of employers;
 - 7) for foreign legal and physical entities (embassies, diplomatic-consular mission, foreign companies' regional offices etc.), an authorized Union organization and a competent body of the authorized association of employers.
- (3) Employer Collective Agreement shall be signed between a competent body of the employer and authorized Union organization.
- (4) Collective Agreement of employer in public sector, institution or other public entity founded by the State shall be signed between an authorized Union organization, general manager / executive manager and the Government, or by an authorized Union organization, general manager / executive manager and the founder – for other public organizations and institutions.

Article 132

An authorized Union organization, in sense of this Law, is a union organization that has the largest number of members and that is, as such, registered with the ministry in charge of labour-originated activities.

Article 132a

Authorized association of employers under this Law shall be the association of the representative employers whose members have minimum 25% of employees in the economy of the Republic and participate in the gross domestic product of the Republic with minimum 25%.

Association of employers shall be obliged to register with the Ministry competent for labor affairs for record keeping purposes.

The manner and the procedure for record keeping of association of employers and more detailed criteria for establishing representation of authorized association of employers, as under paragraph 1 of this Article, shall be prescribed by the Ministry competent for labor affairs.

Should no association of employers meet the requirements under paragraph 1 of this Article, the employers may sign an agreement on participation in concluding the Collective Agreement.

Article 132b

In case of a dispute on representation of trade unions and/or association of employers as under this Law, the competent court shall bring a decision in compliance with the Law

Article 133

- (1) A collective agreement shall be considered negotiated as of the moment of its signing by authorized representatives of all parties.
- (2) General Collective Agreement and Branch-Level Collective Agreement shall be registered in the ministry in charge of labour-originated and published in "Official Gazette of the Republic of Montenegro".
- (3) The modality of employer collective agreements' publishing shall be envisaged by that agreement.
- (4) The modality and method of registering collective agreements referred to in paragraph 1 of this Article shall be defined by the ministry in charge of labour-originated activities.

Article 134

- (1) Collective Agreements shall be negotiated both as definite and open-ended.

- (2) Open-Ended Collective Agreement can cease by mutual understanding of all participants or by its cancellation, in a way envisaged by that Agreement.
- (3) The validity of a definite collective agreement negotiated for a defined period shall cease with expiration of the defined period.
- (4) A Definite Collective Agreement can be extended by a mutual agreement of all parties, not later than 30 days before its expiration.

Article 135

If an employer is being restructured, the application of a collective agreement applied before the process of restructuring shall continue up to negotiation of a new collective agreement.

X UNION OPERATING CONDITIONS

Article 136

- (1) A Union Organization shall be registered in the registry of union organizations maintained by a ministry in charge of labour-originated activities.
- (2) The procedure of registration in the registry referred to in paragraph 1 of this Article shall be prescribed by a ministry in charge of labour-originated activities.

Article 137

- (1) The union organization is independent in enacting decisions on the method of its representation in employer.
- (2) The union Organization can appoint or elect one union representative which would represent the Union.
- (3) An employer shall have a duty to provide Union representative with a timely exercising of rights, in sense of paragraph 2 of this Article, as well as access to data required for exercising the referred right.
- (4) A Union representative is obliged to perform union activities in a way which would not efficiency of employer's operating.
- (5) The union organization is obliged to advise the employer on appointment of a union representative.

Article 138

- (1) An employer shall, at least once a year, advise union organization on:
 - 1) Business results;

- 2) Development plans and their prospective effects on employees' status and trends and changes in earnings' policies;
 - 3) Provisions for improvement of work conditions, occupational health and protection and other issues of importance for wealth and social status of employees.
- (2) An employer shall coordinate with an union organization on:
- 1) Provisions aimed for occupational health and protection;
 - 2) Introducing new technology and organizational changes;
 - 3) The work schedule, overnight and overtime engagement;
 - 4) Enactment of technological, economic or restructuring changes, as well as program for providing rights' exercising for employees proclaimed redundant;
 - 5) The schedule and a method of earnings disbursement.
- (3) An employer shall have the duty to timely notify union organization and provide it with documentation required for participation in meetings of employer's bodies for consideration of employer's initiatives and proposals.
- (4) A union representative has the right to participate in the discussion with employer's bodies in charge.

Article 139

- (1) An employer shall have the duty to provide freely exercising of employees' rights.
- (2) An employer is obliged to provide union organization with conditions for efficient performing of all union-related activities on protection of employees' rights and interests, in accordance with the collective agreement.
- (2) A representative of the Union has the right to an earnings compensation while absent from work due to performing activities organized by the Union, in accordance with the collective agreement.
- (3) The employer has to be advised on absence of a member of Union in cases referred to in paragraph 3 of this Article at least three days before the absence.
- (4) The collective agreement defines conditions, modality and method of professionalizing engagement of Union representative, in the best interest of Union rights.

Article 140

- (1) The representative of Union and representative of employees, during performing Union activities and six months upon their termination, cannot be called to

account, proclaimed redundant, deployed to another position in same or other employer, nor put in a less favorable position in any other way, provided the referred employee acts in accordance with the law and collective agreement.

- (2) An employer cannot put Union representative or employees' representative in more or less favorable position due to their participation in Union or performing union activities.

XI SPECIAL TYPES OF LABOUR AGREEMENTS

1 Temporary and Occasional Work

Article 141

In case of a need for performing certain activities that do not require particular knowledge and skills and, by their nature, are not likely to last for more than 90 days in a calendar year (temporary and occasional activities), an employer can enter into a special labour agreement with correspondent individual registered in records of the Employment Fund.

2 Performing Activities outside Employer's Premises

Article 142

An employer is entitled to enter into a special labour agreement on making certain items or providing services from its sphere of activity outside its premises (cottage industry, collection of secondary raw materials, selling books, brochures, newspaper, providing computer services etc.).

Article 143

Agreement referred in Article 141 and 142 of this Law contains provisions on: the activity which is the basis for the agreement, terms for beginning and finishing work, conditions and modality of work performing, as well as the amount, schedule and method of disbursement compensation for work to be performed.

Article 144

- (1) The individual that entered into agreement with the employer, in sense of Article 141 and 142 of this Law, has the right to: health, pension and disability insurance, as well as employment insurance, in accordance with the law.
- (2) Employer is obliged to keep records on agreements from Article 141 and 142 of this Law.

XII EMPLOYMENT RECORD CARD

Article 145

- (1) An employee obtains an Employment Record Card.
- (2) An Employment Record Card is a public identification document.
- (3) The content of an Employment Record Card the procedure of its issuance, modality of data entry, method for substituting and issuing new employment record cards, the method maintaining the registry of issued employment record cards and the format of an employment record card shall be defined by a ministry in charge of labour-originated activities.
- (4) An Employment Record Card shall be issued by an authorized body of the local government.

Article 146

- (1) An employee shall deliver his / her Employment Record Card to the employer on the day of engagement beginning.
- (2) Entering negative data regarding an employee's work into an Employment Record Card is forbidden.
- (3) On the day of termination of employee's engagement, the employer is obliged to hand employee a neatly filled Employment Record Card.

XIII SUPERVISION

Article 147

- (1) Supervision over applying of this Law, other labour regulations and provisions of collective agreements, systematization acts and labour agreements or agreements form Article 141 and 142 of this Law that define rights, obligations and responsibilities of employees shall be performed by a ministry in charge of labour activities, through a labour inspection department.
- (2) An employer is obliged to obtain approval of a competent body for doing business in its premises or place of work, signed labour agreement or agreement referred to in Article 141 and 142 of this Law with each employee, as well as mandatory social insurance return.
- (3) Authorities of a labour inspector in performing supervision are defined by law.

XIV PENALTY PROVISIONS

Article 148

- (1) A cash penalty amounting to a 50-fold to 200-fold minimal wages in the Republic shall be applied to an employer with status of a legal entity if the referred employer:

- 1) Violates rights or equal treatment of each employee in protection of employee's rights, as well as his privacy and dignity (Article 3 paragraph 2);
- 2) Prevents representative of Union or representative of council of employees or authorized representative of employees to participate in the procedure of defining rights, obligations and responsibilities of employees (Article 6 paragraph 1);
- 3) Calls to account and put in less favorable position representative of the Union or representative of council of employees or authorized representatives of employees, due to their engagement in union, or if cancels labour agreements of those representatives (Article 6 paragraph 2);
- 4) Fails to enter into labour agreement with individual to be engaged before the work engagement begins (Article 9 paragraph 2);
- 5) Enters into a labour agreement with an individual that does not meet general of specific conditions (Article 10);
- 6) Fails to enter into labour agreement with foreign resident or individual without a citizenship in accordance to provision of Article 11 of this Law;
- 7) Fails to provide an employee he entered a labour agreement with with labour-based and labour-originated rights of full time engaged employee (Article 13 paragraph 2);
- 8) Enters into labour agreement for a defined period of time aside cases or terms defined by provision of Article 14 of this Law;
- 9) Violates a right of an employee that signed a labour agreement to return to work upon cessation of reasons referred to in Article 17 paragraph 2 of this Law;
- 10) Fails to register an individual he entered into labour agreement or agreement referred to in Article 141 and 142 for health insurance, retirement and disability insurance and unemployment insurance (Article 17 paragraph 3);
- 11) Fails to publicly announce vacant positions and correspondent conditions (Article 18 paragraph 1);
- 12) Fails to enact a decision on selecting among candidates in a prescribed term or fails to advise participants and Employment Fund on the results of advertisement (Article 19);
- 13) Enters into labour agreement without prior public announcement aside situations envisaged by Article 20 of this Law;
- 14) Fails to advise the Employment Fund on labour agreement entered into with an individual, in cases defined in Article 20 paragraph 1 items 1, 5, 6, 8 and 9 (Article 20 paragraph 2);

- 15) Re-negotiate labour agreement in contrast with provisions of Article 20 paragraph 1 item 5 of this Law;
- 16) Fails to keep records on work at home or fails to advise the competent labour inspection body on cases of employees' working at home (Article 29 paragraph 1);
- 17) Enters into labour agreement with an immediate family member for performing activities of a house-keeper or a nurse (Article 30 paragraph 1);
- 18) Fails to deploy an employee to a position that was defined by the correspondent labour agreement or during engagement transfers an employee to another position inconsistent to employee's level of education (Article 31, paragraph 1 and 2);
- 19) Deploys employees referred to in Article 31, paragraph 4 of this Law to positions outside their residence or habitat;
- 20) Fails to provide change of shifts (Article 37, paragraph 1);
- 21) Fails to provide an employee engaged based on short-time engagement in sense of Article 40 paragraph 1 and 2 of this Law with a right to exercise labour-based rights equivalent to those exercised by a full time engaged employee;
- 22) Introduces working beyond full time engagement that lasts beyond the time required for eliminating conditions which caused the extension of official working hours (Article 42 paragraph 2);
- 23) Introduces working beyond full time engagement aside situations envisaged by the provisions of Article 43 of this Law;
- 24) Fails to advise a labour inspector on introducing working beyond full time engagement within three days from enactment of the correspondent decision (Article 45 paragraph 1);
- 25) Fails to provide conditions for an employee to exercise the right to a day break or daily or weekly recess (Article 51 paragraph 2);
- 26) Fails to provide conditions for an employee to exercise the right to an annual leave before termination of work engagement or expiration of a labour agreement (Article 60 paragraph 3);
- 27) Prevents an employee from exercising a right to an annual leave (Article 61 paragraph 1);
- 28) Fails to disburse employee's earnings at least once a month (Article 67 paragraph 1);

- 29) Fails to provide an employee with Earnings Calculation Form (Article 67 paragraph 2 and 3);
- 30) Fails to disburse guaranteed earnings to employees (Article 69 paragraph 1);
- 31) Fails to disburse the difference between regular and guaranteed earnings at latest with preparation of the Annual Statement (Article 69 paragraph 5);
- 32) Fails to provide conditions for employees' exercising the rights in accordance with provisions of Article 73 to 81 of this Law;
- 33) Fails to provide conditions for a pregnant employed woman during pregnancy and delivery, single parent, child's father, foster parent or a guardian to exercise their rights in accordance with provisions of Article 82 to 90 of this Law;
- 34) Fails to keep record on actions undertaken in case of violation of labour-based obligations (Article 99 paragraph 2);
- 35) Allows an employee to continue working after the age of 65, but fails to enact a decision (Article 109 paragraph 1);
- 36) Fails to deliver cancellation of a labour agreement or the decision of work engagement termination to an employee in written form (Article 112 paragraph 2);
- 37) Fails to prepare a program of honoring rights of employees that were proclaimed redundant (Article 115 paragraph 1);
- 38) Fails to advise Union and the Employment Fund on reasons for termination of employment or cancellation of labour agreement, number and categories of employees and the term intended for termination of employment / cancellation of labour agreement within one month upon enactment of the program, or if the employer fails to advise the Employment Fund, the Union and employees that were proclaimed redundant at least three months before termination of employment or cancellation of labour agreement, with additional submission of the prescribed data (Article 115 paragraphs 3 and 4);
- 39) Fails to disburse severance pay in sense of Article 117 paragraph 1 of this Law;
- 40) Terminates engagement of a disabled employee contrary to the Article 117 paragraph 3 of this Law;
- 41) Fails to decide on the employee's request not later than 15 days from the date of receiving request (Article 120 paragraph 3);
- 42) Fails to carry out the executive court decision within the term defined in the referred court decision (Article 121 paragraph 2);

- 43) Fails to advise the union on issues referred to in Article 138 paragraph 1 of this Law at least once a year;
 - 44) Fails to timely notify union organization and provide it with documentation required for participation in meetings of employer's bodies for consideration of employer's initiatives and proposals (Article 138 paragraph 3);
 - 45) Fails to provide freely exercising of employees' rights or fails obliged to provide union organization with conditions for efficient performing of all union-related activities (Article 139, paragraphs 1 and 2);
 - 46) Fails to keep records on labour agreements referred to in Article 141 and 142 of this Law;
 - 47) Fails to hand employee a neatly filled Employment Record Card on the day of termination of employee's engagement (Article 146 paragraph 3).
 - 48) Fails to obtain an approval of a competent body for doing business in its premises or place of work, signed labour agreement or agreement referred to in Article 141 and 142 of this Law with each employee, as well as mandatory social insurance return (Article 147 paragraph 2).
- (2) In addition to a cash penalty applied to an employer in accordance to paragraph 1 of this Article, the cash penalty amounting to 10-fold to 20-fold minimal wages in the Republic shall be applied to the employer's liaison person.
 - (3) A cash penalty amounting to 30-fold to 200-fold minimal wages in the Republic shall be applied to physical entity-employer engaged in economic activities, as well as any other individual for a case of violation referred to in paragraph 1 of this Article.

Article 149

- (1) On-site cash penalty amounting to triple minimal wages in the Republic shall be applied to employer's liaison person or a physical entity engaged in economic activities in case of violation referred to in Article 148, paragraph 1, items 11, 12, 15, 21, 24, 29, 35, 36, 47 and 48 of this Law.
- (1) The cash penalty from paragraph 1 of this Article shall be delivered by a labour inspector.

XV TRANSITIONAL AND CLOSING PROVISIONS

Article 150

Employees engaged before the day of effectiveness of this Law shall not be obliged to negotiate labour agreements.

Article 151

An employee proclaimed redundant under regulations that were effective before the day of effectiveness of this Law which had not exercised any of the rights envisaged in those regulations shall exercise redundancy-based rights in accordance with the provisions of this Law.

Article 152

An employee exercising the right to a maturity leave under regulations that were effective before the day of effectiveness of this of this Law shall continue to exercise the referred rights in accordance to those regulations

Article 153

The procedures for achieving and protection of employees' rights whose exercising begun before the day of effectiveness of this Law shall be ceased under provisions of this Law.

Article 154

- (1) The General Collective Agreement shall be reconciled with this Law within three months upon the day of effectiveness of this Law.
- (2) The Branch-Level Collective Agreements and Employer Collective Agreements shall be reconciled with this Law within six months upon the day of effectiveness of this Law.
- (3) The current collective agreements shall be applied before the final reconciliation in sense of paragraphs 1 and 2 of this Article.

Article 154a

Notwithstanding provisions of Article 154, paragraph 3 of this Law until the signing of branch collective agreements and collective agreements with employers concerning wage compensation and other income of employees, provisions of the General Collective Bargaining Agreement shall be applicable (Official Gazette of RM, No. 1/04).

Article 154b

The regulation under Article 132a, paragraph 3 of this Law shall be adopted within 60 days as of the effective date of this Law

Article 155

- (1) The ministry in charge of labour issues shall enact regulations for implementation of this Law within six months upon the day of effectiveness of this Law.
- (2) Until the regulations referred to in paragraph 1 of this Article are enacted, regulations enacted pursuant to the Law on Labour Relations ("Official Gazette of

SFRMN”, No 29/90, 42/90 and 28/91, and “Official Gazette of ROMN” No 16/95) shall be applied.

Article 156

As of the day of effectiveness of this Law, the Law on Labour Relations (“Official Gazette of SFRMN”, No 29/90, 42/90 and 28/91, and “Official Gazette of ROMN” No 16/95) and Article 71 paragraph 3 and Article 76 of the Law on Social and Child Protection (“Official Gazette of ROMN”, No 45/93, 16/95 and 44/01) shall cease to be valid.

Article 157

This Law shall come into force on the eight day from its publishing in "Official Gazette of Republic of Montenegro"