

**LABOUR RELATIONS Act**, dated 27 December 1993

Published in the Official Gazette of the Republic of Macedonia No.80/93-2007

(Unofficial Translation)

**PART I - GENERAL PROVISIONS**

Section 1

This Act regulates the implementation of rights, obligations and responsibilities of the employee and employer pertaining to employment.

Under this Act, employment signifies a confirmed relation between the employee and employer, for the purpose of performing particular tasks and acquiring the rights and obligations of that relationship.

An employer, under paragraph 2 of this Section, means: enterprises and other legal entities performing business activities, establishments and other legal entities rendering public services, government agencies, bodies of the local self-government and other domestic and foreign physical persons and legal entities which employ workers.

Section 2

Employment is regulated by this Act, other Acts and collective agreements.

Section 3

The worker commences employment voluntarily, in the manner and under conditions determined by law and the collective agreement.

Employment may terminate solely under procedures and under conditions determined by Act.

Section 4

The worker is obliged to fulfill obligations derived from employment.

The worker assumes personal responsibility for violations of working obligations and damages caused, in compliance with the provisions of Act and the collective agreement.

Section 5

Employment rights under the Constitution, Act and collective agreements, cannot be deprived nor restrained by enactments and actions undertaken by the employer.

Section 6

According to the provisions of this Act and the collective agreement, the managing body or legal representative of the employer, acquires the employment rights and obligations of the employer, during the appointment and performance of representative duties.

## **PART II - COMMENCING EMPLOYMENT**

### **1. Conditions for Commencing Employment**

#### Section 7

Persons who meet the general conditions determined by this Act and other Acts, as well as the specific conditions determined by Act, collective agreement and the acts of the employer, may commence employment.

Persons over 15 years of age may commence employment. Only persons over 18 years of age who are in a good state of health may perform underground work in mines.

Disabled persons, qualified to perform particular work, shall be considered to be in a good state of health and capable of performing that type of work.

Foreign citizens and persons without citizenship may commence employment under stipulations determined by this Act or other laws.

#### Section 8

The general requirement for commencing employment is good health, which is determined through a medical examination and verified by a medical certificate.

The state authority in charge of health shall designate the content and procedure of the medical examination for determining the state of health and the content, the issuing procedure and validity of the medical certificate.

### **2. The Procedure for Commencing Employment**

#### Section 9

Decisions regarding employment needs are made by the employer or a body appointed by the employer.

Employers are obliged to issue public notifications which seek employees and state the requirements that are to be fulfilled by the employee and the period of selection.

Prior to issuing public notifications, employers must submit a request for employees to the office in charge of employment services.

The duration period for public notification is eight days.

Employment may commence without public notification, for a maximum of 30 days, through the office in charge of employment services, when there are urgent and pressing duties the performance of which cannot be delayed until the completion of the selection procedure.

#### Section 10

Disabled persons may commence employment in compliance with the procedures and conditions determined under this Act, unless otherwise resolved by another law.

#### Section 11

The employer or the body appointed by the employer shall select the candidate, at the latest within 15 days of the expiration date of public notification.

All candidates shall be informed of the selection within eight days from the date of the final decision.

#### Section 12

Rejected candidates are entitled to lodge a complaint to the body appointed in the collective agreement, within 15 days from receipt of the final decision, should they consider that the selected candidate does not meet the requirements or that the selection procedure has been violated.

The complaint under paragraph 1 of this Section shall be resolved in compliance with the provisions for protection of the rights of employees under this Act.

#### Section 13

A test of working capabilities, as indicated in the collective agreement, may be conducted for a position before the final selection, should this be specified as an employment requirement. This requirement shall not be applicable to trainees.

#### Section 14

Employment may commence upon conclusion of an agreement of employment between the employer and employee.

The agreement of employment shall be in writing, following the final selection and verified by the office in charge of employment services.

The agreement of employment is kept on the working premises of the employer.

A verified copy of the agreement of employment shall be given to the employee by the employer.

#### Section 15

The employee cannot commence employment prior to the conclusion and verification of the agreement of employment.

Should the employee without valid reason fail to commence employment on the date stipulated in the employment agreement, he shall be considered unemployed.

#### Section 16

The agreement of employment contains provisions, particularly pertaining to: the grounds for commencing employment; the term of employment (part time or full time); the duties of the employee and the place of work; the commencement date; the procedure for testing working skills, should this be a prerequisite for commencing employment; the working hours; vacations and leave; professional training; the base pay amount, the pay period and compensation; reassignment; protection at work; termination of employment and other employment rights and obligations in compliance with this Act and the collective agreement.

#### Section 17

The office in charge of employment services is obliged to keep on file concluded and verified employment agreements and, at the request of the body for labor inspection, the office of the pension and disabled insurance fund and the health insurance fund in the region of the employer's head office, must provide information from the verified employment agreements.

### **3. Employment Booklet**

#### Section 18

Employees commencing employment shall be provided with an employment booklet.

The employment booklet is a public document, which is maintained according to the registry number for civilians and contains general information about the employee, such as professional skills, details of employment and other information, and serves as a document through which the right of employment is attained with the employer.

#### Section 19

The employment booklet is issued by the office in charge of employment services according to the place of residence of the employee.

Employment booklets are issued upon written request to persons over 15 years of age, excluding full time pupils and students.

The applicant bears the expenses for issuing the employment booklet.

#### Section 20

Upon commencement of employment, the employment booklet is handed over to the employer and is kept on the business premises during the course of employment.

After the termination of employment, the employer is obliged to enter the date of completion in the employment booklet and to return it to the employee within three days following such termination.

#### Section 21

The official appointed by the state authorities in charge of labor, provides instructions for issuing, content, completion, replacement, issuing of duplicates and the form of the

employment booklet as well as the procedure for maintaining the employment booklet register.

#### **4. Full Time and Part Time Employment**

##### Section 22

Employment may commence for an indeterminate period of time (full time employment).

##### Section 23

Employment may commence for a period of time that has previously been determined (part time employment), particularly in the following instances:

- 1) seasonal work, for a maximum of nine months in the course of one calendar year;
- 2) increased scope of work, for a maximum of six months in the course of one calendar year;
- 3) replacement of an absent worker, during the period of absence and
- 4) work on a particular project, until the completion of the project.

In instances under paragraph 1 of this section, employees are entitled to the same rights and obligations as full time employees.

##### Section 24

Employees who are engaged in part time seasonal work and who have rendered over 40 hours of service in the working week during the period of employment, shall receive overtime and those hours shall be calculated in the years of service.

#### **5. Trainees**

##### Section 25

Employers may hire unemployed persons, who have completed at least four years of secondary education, as full time or part time trainees, for the purpose of vocational training and independent work in the profession.

##### Section 26

The maximum duration of the training period is one year, unless otherwise determined by Act.

The collective agreement determines the duration of the training period, the vocational training process, supervision and appraisal of trainees, the salary amount and the trainees' rights to other allowances.

#### **6. Reassignment of Employees**

##### Section 27

Employees shall be engaged in work at the position for which they have been hired.

Employees may be reassigned to any position that corresponds to their qualifications, in instances that have been determined by the collective agreement.

The decision of reassignment is made by the employer or by his appointed employee.

#### Section 28

As a rule, employees perform their working duties on the working premises of the employer, or at home, if permitted by the disposition of their duties.

#### Section 29

Employees may be reassigned from one position to another if the distance of the place of work does not exceed 50 kilometers and if transportation is provided either through public transport or the use of employers vehicles.

If the activities are such that they require work outside the working premises of the employer (construction, installation,

traffic and communications, geo-research, etc.) and the distance

from the place of work exceeds 50 kilometers, employees can be reassigned to different places of work if they are provided with appropriate accommodation and meals or with transportation to and from work in compliance with the employment agreement.

### **PART III - EMPLOYEES' RIGHTS AND THEIR STATUS**

#### **1. Working Hours**

##### Section 30

Working hours amount to 40 hours per working week (full working hours).

Employers may introduce working hours shorter than 40 hours per week in such cases and under such conditions stipulated by this Act (reduced working hours).

##### Section 31

Employers may introduce working hours of fewer than 40 hours but not less than 32 hours per week when work is organized in shifts.

The rights of employees under paragraph 1 of this section shall be the same as the rights of employees working 40 hours per week.

##### Section 32

The working hours of employees exposed to exceptionally difficult, strenuous and detrimental jobs, with harmful effects to the employees' health, i.e. their working capabilities, which cannot be fully eliminated through protective measures, shall be reduced in proportion to the harmful effects to their health or working ability, but not to less than 30 hours per working week, in compliance with the collective agreement.

The working hours under paragraph 1 of this Section are considered full working hours.

The following jobs are considered exceptionally difficult, strenuous and detrimental to human health : exceptionally difficult physical labor; work under increased atmospheric pressure or intense noise; work in water or high humidity; work exposed to ionizing radiation; work with patients contaminated with contagious diseases or with infected materials; surgical work in operating rooms; psychiatry work; work with patients undergoing strenuous obstacles to mental development; work in forensic medicine and pathological anatomy; work with harmful chemicals; work of aviation personnel; ballet dancers; wind instrument musicians; folk dancers and opera singers.

Official approval of reduced working hours under paragraph 3 of this section is issued by the state authorities in charge of labor related issues, based on an opinion previously provided by an organization specialized in occupational medicine and labor inspection.

Employees assigned to duties under paragraph 3 of this section, cannot work longer than the reduced working hours that have been determined.

### Section 33

Employers may assign shorter working hours than those considered as full time, for the completion of everyday duties in smaller scope or if the disposition of the work requires it.

Employees who have commenced employment as stipulated under paragraph 1 of this section, are entitled to employment rights and obligations, which are fulfilled based on the length of time worked and the work produced, in compliance with the collective agreement.

### Section 34

Employees assigned to positions with reduced working hours may commence employment with more than one employer and consequently achieve full working hours.

In cases under paragraph 1 of this section, employees acquire employment rights with the employer if they have rendered a larger number of hours than those designated.

### Section 35

By exception, working hours may exceed 40 hours per working week, but not by more than 10 hours per week in the following instances:

- 1) during earthquakes, floods, fires, epidemics, epizootics and other major forces or disasters which have already occurred or present a direct threat;

- 2) when helping other employers who have suffered a misfortune or are directly threatened by one;
- 3) when essential to complete an initiated working process, whose interruption, considering the type of technology and organization of work, would cause considerable material damage or would present a threat to people's life or health;
- 4) to prevent squandering of raw materials or substances, or to eliminate the defects of the instruments of labor;
- 5) to replace the unexpected absence of an employee in a continuous work process;
- 6) to begin or complete urgent medical (human or veterinary) intervention or other pressing health measures and
- 7) to complete urgent and pressing activities in the work process.

In cases under paragraph 1 of this section, employees are obliged to work and the filing of a complaint shall not delay the implementation of the decision.

Working hours exceeding 40 hours in the working week can last only as long as it is necessary to eliminate risks or to prevent damaging effects.

The decision to require longer working hours is made by the employer or an employee that he himself has appointed by the employer.

#### Section 36

Working hours between 10:00 p.m. and 6:00 a.m. the following day, and in agriculture between 10:00 p.m. and 4:00 a.m. the following day, are considered night work.

Nightly working hours represent a specific working condition in determining the rights of the employees.

#### Section 37

Working hours may be rearranged if required by the disposition of the job, i.e., tasks and duties, organization of the work, better utilization of labor, more rational use of working hours and completion of certain jobs and tasks within established requirements.

In cases under paragraph 1 of this section, working hours are rearranged in such a way that the total working hours of employees on average are not to exceed 40 hours in the working week in the course of the year.

#### Section 38

The schedule of working hours, within the framework of annual working hours, is determined by the employers' decision, in compliance with the collective agreement.

#### Section 39

The schedule and duration of working hours related to professions in the field of transport and communications, retail trade, health, social and child welfare, pre-school guidance, education and other non-economic public services, public utilities, catering, tourism, small scale industries and in other fields, are determined by Act or a regulation issued by the body of the state authorities in the appropriate field.

## **2. Vacations and Leave**

### Section 40

Employees are entitled to a 30 minute rest period during daily working hours.

Rest periods during working hours are organized in a way to ensure continuity of work, should the disposition of the work be such that it does not permit interruption or it involves work with clients.

The rest period under paragraph 1 of this section is calculated as part of daily working hours.

The rest period under paragraph 1 of this Section cannot be scheduled to the place at the beginning or at the end of working hours.

### Section 41

Employees are entitled to a rest period between two consecutive working days of at least 12 hours continual work.

During seasonal work, employees are entitled to a rest period under paragraph 1 of this section, amounting to at least 10 hours, whilst employees under 18 years of age are entitled to a rest period of at least 12 hours.

### Section 42

Employees are entitled to at least 24 hours consecutive hours of rest each week , however, should they be required to work during such a weekly rest period, the hours worked during the rest period are to be compensated during the next working week.

### Section 43

Employees are entitled to annual leave during the course of one calendar year of a minimum of 18 and a maximum of 26 working days.

Employees who have not accumulated one year of work in the calendar year in which they have commenced employment, are entitled to annual leave of two working days for each month of employment, but not exceeding 18 working days.

The duration of annual leave for employees working under specific working conditions is determined by branch collective agreements, but may not exceed 36 working days.

In particular, the duration of annual leave is determined by the employer on the basis of: the length of working experience, the complexity of the working duties, the working conditions and the employee's state of health.

#### Section 44

As a rule, annual leave is taken during the course of the calendar year.

Annual leave may be taken in two parts.

Should employees take annual leave in parts, the first part must be taken continuously, lasting at least 12 working days in the course of the calendar year, and the second portion also continuously, by June 30 of the following year at the latest.

Annual leave, i.e., the first part of annual leave that has been interrupted or has not been taken in the calendar year due to sickness or maternity leave, may be taken by employees by June 30 of the following year at the latest, on condition that they have worked at least six months in the year prior to the year in which they returned to work.

#### Section 45

Employers or bodies appointed by employers determine the schedule for taking annual leave, in compliance with the collective agreement.

Employees must be notified at least 30 days prior to taking annual leave, of the schedule and duration of annual leave as stipulated in the collective agreement.

Employees may take one day of annual leave as desired, with the obligation that they notify employers within the period stipulated in the collective agreement.

When determining the duration of annual leave, Saturdays are not considered to be working days.

Periods during military service or completion of military service shall not be considered suspension of work for the purpose of attaining the right to annual leave.

The commencement of new employment, within eight days from the termination date of previous employment, shall not be considered suspension of work for the purpose of attaining the right to annual leave.

#### Section 46

Employees cannot renounce the right to paid daily, weekly and annual leave, nor can they be denied this right.

#### Section 47

Approved sick leave, while on annual leave, is not calculated as part of annual leave. Employees are required to notify employers within 24 hours of taking sick leave.

#### Section 48

Employees are permitted leave from work with pay and other employment rights, in cases and under conditions determined in the collective agreement, in compliance with this Act.

Approval of leave under paragraph 1 of this section is given by the employer or authorized employees.

#### Section 49

Blood donors are permitted two consecutive days of leave following each blood donation, which are to be considered as working days.

#### Section 50

Employees are permitted seven days' leave from work during the calendar year with compensated pay, in instances and under conditions determined by the collective agreement, particularly in cases of marriage, death of a close family member, and professional or other kinds of examinations to meet the requirements of the employer.

Should employees be assigned to professional training, the leave under paragraph 1 of this section may exceed seven working days.

#### Section 51

Employees are permitted leave without pay in instances and under conditions determined by the collective agreement, but not exceeding three months during the calendar year.

During leave without pay, employment rights and obligations are suspended.

#### Section 52

Employees who are on leave from work with employers due to military service or completion of military service, are permitted within 30 days after completion of service to return to a working position which corresponds to the qualifications of their particular profession.

#### Section 53

Employees assigned to work abroad in the field of international, technical or educational, cultural and scientific cooperation, in diplomatic or consular missions, on vocational training or scholarships, as approved by the employer, are permitted within 30 days from termination of employment abroad, to return to work for the employer at positions that correspond to the qualifications of their particular profession.

Employment rights and obligations shall be suspended at the request of employees whose spouses are assigned to work abroad in the field of international, technical or educational, cultural and scientific cooperation, in diplomatic or consular missions, and shall be permitted within 30 days from the termination date of the spouse's employment abroad, to return to

work for the employer at a position that corresponds to the qualifications of their particular profession.

During absences from work provided for under paragraphs 1 and 2 of this section, employment rights and obligations are suspended, with the exception of the rights and obligations that are otherwise determined by law.

#### Section 54

Employees who are elected or appointed to state or public functions determined by law, which require temporary cessation of work with employers, are permitted within 30 days of termination of the performed function to return to the position corresponding to the employees' qualifications.

### **3. Occupational Safety and Health**

#### Section 55

Employers are required to provide the necessary conditions for occupational safety and health in compliance with this Act, other Acts and the collective agreement.

Employees are entitled to occupational safety and health in compliance with the prescribed measures and standards of occupational safety and health in accordance with this Act and the collective agreement.

Employees are required to observe measures for occupational safety and health and to perform their duties carefully in order to protect their lives and health and those of other employees and civilians.

#### Section 56

Employers are required to notify employees of all occupational dangers and of their rights and obligations regarding occupational safety and health and working conditions.

If the stipulated measures for occupational safety and health have not been implemented, employees are permitted to refuse work, should their lives or health be under direct threat.

In cases under paragraph 3 of this Section, employers are required to undertake immediate measures to eliminate direct threats to the lives and health of their employees.

#### Section 57

Considering current scientific methods and achievements, employers are required to organize the work process in a manner that ensures occupational safety and health and protection of civilians' health, that is, they must create working conditions and undertake prescribed measures and regulations and other generally approved measures for occupational safety and health, which ensure mental and physical health and personal safety of employees and civilians.

#### **4. Special Protection of Women, Juveniles and Disabled Employees**

##### **Section 58**

Female employees are entitled to nine months' continuous leave from work during pregnancy, birth and maternity, and one year's leave for birth of more than one child (twins, triplets, etc.).

Based on the findings of authorized medical institutions, female employees may begin maternity leave 45 days before delivery and must take such leave 28 days before delivery.

Female employees who have adopted a child are entitled leave until the child is nine months old and one year's leave for the adoption of more children (two or more).

Female employees who have adopted children who are between the age of nine months and five years, are entitled to three months' leave from work.

During maternity leave under paragraphs 1 and 3 of this section, female employees are entitled to pay in compliance with health care regulations.

##### **Section 59**

The child's father is entitled to the rights under Section 58 of this Act in the event of the mother's death or abandonment or if she has been prevented from exercising the above rights for justified reasons.

Employees adopting children are provided equal rights to those of other parents under Sections 58 and 59 of this Act.

##### **Section 60**

In the event of death at birth or the death of a child before the expiration of maternity leave, female employees are permitted to extend maternity leave for the period of time, which on the basis of a physician's findings, would be required for recovery from birth and the psychological state caused by child loss, amounting to at least 45 days, during which they are provided with all maternity leave rights.

During leave listed under paragraph 1 of this section and Section 58 paragraph 2 of this Act, female employees are entitled to salary compensation in compliance with the health care regulations.

##### **Section 61**

Female employees, are not to work longer than full working hours nor in night shifts during pregnancy or when they have children under two years of age.

As an exception to the above, female employees with children over one year of age, are permitted to work on night shifts, only at their request.

Self supporting parents, whose children are under the age of seven or are disabled, are permitted to work longer than the full working hours or in night shifts solely on the basis of their written consent.

#### Section 62

One of the parents of handicapped children are permitted to work half of the full working hours when either both parents are employed or, if the parent is self supporting, based on the findings of competent medical board when the child is not placed in a social or medical institution.

Reduced working hours under paragraph 1 of this section are considered as full working hours, and the right to salary compensation is acquired in compliance with social security regulations.

#### Section 63

Male and female employees under 18 years of age are not permitted to perform work which involves strenuous physical labor, underground or underwater work or other jobs, which may be harmful or threatening to their health and life, as determined in the collective agreement.

#### Section 64

Employees under 18 years of age acquire annual leave according to the general rules and standards by which the length of annual leave is determined for other employees increased by seven additional working days.

#### Section 65

Female employees working in industries and building construction cannot be assigned to night shifts unless a minimum seven hour rest period has been provided between 10:00 p.m. and 5:00 a.m. the following day.

The prohibition under paragraph 1 of this section does not pertain to female employees granted special authority and responsibilities or those engaged in health, social or other protection of employees.

With the exception of the provision under paragraph 1 of this section, female employees may be assigned to night shifts when they are required to continue interrupted work due to major force or when needed to prevent damages to raw materials or other substances.

Female employees may be assigned to night shifts when there are particularly critical economic, social and similar circumstances and on condition that their employers are granted approval for such assignments.

The approval under paragraph 4 of this section is issued by the state authorities in charge of labor related issues.

#### Section 66

Employees under 18 years of age cannot be assigned to work longer than the full working hours. Shorter working hours may be determined in the collective agreement for employees under paragraph 1 of this section.

#### Section 67

Employees under 18 years of age employed in the fields of industry, building construction or transport, cannot be assigned to night shifts between 10:00 p.m. and 6:00 a.m. the following day.

As an exception to the above when compelled by the public interest owing to exceptionally difficult circumstances, employees under 18 years of age, may be assigned to night shifts under the same conditions provided to other employees engaged in night shifts and with the approval of the body of the state authorities in charge of labor related issues.

#### Section 68

Disabled employees are entitled to reduced working hours, reassignment to other appropriate positions, retraining and improvement of skills, and the right to proper financial compensation pertaining to the utilization of those rights, in compliance with pension and disability insurance regulations.

Employees whose working skills have changed and those engaged in occupations where there is the threat of injury, are entitled to reassignment to other appropriate positions.

In cases under paragraphs 1 and 2 of this section, employers are obliged to engage employees in positions corresponding to their qualifications, under the conditions and in the manner stipulated in the collective agreement.

### **5. Salaries and Benefits**

#### Section 69

Employees are entitled to payment of salaries.

The salaries of employees are provided from the employers' resources, in proportion to the work rendered and their participation in the earnings, according to the conditions and criteria stipulated in the collective agreement.

#### Section 70

The salaries of employees working full time cannot be less than the lowest salary which is determined for the specific levels of work complexity, according to Act or the respective collective agreement.

#### Section 71

Salaries are calculated and paid at least once monthly.

The amount of salaries for the current month are determined and paid no later than the 15th day of the following month.

Contributions and taxes on employees' salaries are paid by employers at the end of payment of salaries.

#### Section 72

Employees are entitled to their salaries during leave from work, under conditions and in the amount determined by this Act and the collective agreement, as follows: during annual leave; holiday leave; pregnancy, delivery and maternal care; child care; retraining and improvement of skills; vocational training arranged by the employer; military drills; defense and protection training; responses to invitations issued by bodies without the employees' knowledge and other cases stipulated by this Act and the respective collective agreement.

Salaries are the responsibility of employers or of the respective administration.

#### Section 73

Employees are entitled to a salary during work interruptions caused by factors beyond the employees' responsibilities, such as a lack of energy, raw materials or reproduction materials, or malfunction repairs, but not to exceed 30 days, in cases when lost working hours cannot be offset during free days or weekends.

The compensation amount under paragraph 1 of this section is determined in the respective collective agreement.

#### Section 74

Employees are entitled to an increased salary for work during holidays, night shifts and work exceeding 40 hours in the working week, at the amount determined in the collective agreement.

#### Section 75

Employers are obliged to maintain records of salaries, compensation and salary allowances and to issue a document to the employees for the payment of such salaries, compensation and allowances.

Records of salaries, compensation and allowances are maintained on the working premises of the employer.

## **PART IV - TRADE UNIONS AND EMPLOYERS**

#### Section 76

Employees are permitted to form trade unions for the purpose of fulfilling their economic and social rights in employment as determined by this Act and the collective agreement.

Employees are free to join a trade union.

Employees and employers are permitted, without prior approval, to form organizations and to join these organizations free of choice, under the conditions stipulated in the statutes of such organizations.

"Organizations" listed under paragraph 3 of this section, means all organizations of employees and employers whose main objective is improvement and protection of the employees' and employers' interests.

#### Section 77

Organizations of employees and employers adopt their statutes, regulations and program, elect their delegates and establish the method of administration and management of their activities.

#### Section 78

Organizations of employees and employers cannot be dissolved nor can their activities be suspended by way of administrative procedures if they are established and function according to the law and other regulations.

The activities of the trade unions and their delegates cannot be restrained through acts of the employers if they are in compliance with the Act and the collective agreement.

#### Section 79

In accordance with this Act, employees are permitted to go on strike for the purpose of attaining their economic and social rights in employment.

#### Section 80

In accordance with this Act, trade union delegates are individuals that have been freely elected by the trade union, members of the trade union or employees, in compliance with the trade union statute and have been entered in the register of trade union organizations.

#### Section 81

Trade union organizations are entered in separate registers maintained by the body of the government administration in charge of labor related issues.

#### Section 82

Employers are obliged to facilitate the activities of the trade union regarding the protection of employment rights of their employees.

When more than one trade union represents employees of an employer, the obligations under paragraph 1 of this section apply solely to the trade union with the greatest number of members.

### Section 83

Delegates of trade union organizations are granted special protection and their employment cannot be terminated, due to trade union membership or participation in trade union activities which protect the employees' rights and interests, as long as they comply with the law and the collective agreement.

Trade union delegates are granted special protection during their mandate.

## **PART V - COLLECTIVE AGREEMENTS**

### Section 84

Collective agreements regulate employment rights, obligations and responsibilities of employees and employers, in compliance with this Act and other regulations, as well as the extent and means of fulfilling the rights, obligations and other stipulations pertaining to the interests of employees and employers and the procedures for the settlement of their disputes.

Collective agreements are implemented directly and are of mandatory application in organizations which have concluded such agreements on behalf of all employees and employers.

### Section 85

Collective agreements are concluded in writing for a determined or indeterminate term.

### Section 86

Collective agreements cannot contain provisions which establish inferior rights or less favorable working requirements than the rights and requirements defined by law. Should collective agreements contain such provisions, the appropriate provisions determined by law shall apply.

Decisions and acts which determine the employees' rights cannot be inconsistent with the collective agreement unless they are more beneficial to the employees.

When employers perform several activities, the provisions of the collective agreement pertaining to the activity occupying most of their employees shall be implemented.

### Section 87

Collective agreements are concluded at the national level , as branch agreements or directly with individual employers.

### Section 88

At the national level, the leading trade union organization of employees concludes a general collective agreement pertaining to employees and employers of the economy of the Republic of Macedonia.

At the national level, the Government of the Republic of Macedonia and the leading trade union organization conclude a general collective agreement pertaining to public services, public enterprises, government agencies, bodies of local self-government and other legal entities carrying out non-commercial activities.

#### Section 89

The authorised trade union organization and the authorised organization of employers, as determined by the statute of the trade union organization and that of the employers' organization, conclude a branch collective agreement.

#### Section 90

Collective agreements at the level of individual employers are concluded by managing boards or other respective management bodies (which are determined by law under the statute of the employers) between employers and trade unions.

#### Section 91

Collective agreements are considered to be concluded when undersigned by the authorized delegates of the participants in collective bargaining negotiations.

#### Section 92

General and branch collective agreements, their amendments and annexes are registered with the body of government administration in charge of labor related issues and are published in the Official Gazette of the Republic of Macedonia.

Collective agreements at the level of individual employers are established in the form designated in the agreement.

#### Section 93

Should the body of government administration in charge of labour related issues decide during the registration of general and branch agreements, that particular provisions of the collective agreement are not in compliance with the Act or the general collective agreement, the signatories of the agreement shall be notified and the time period for rectification shall be established.

Should the signatories of the collective agreement fail to eliminate the non-compliant provisions within the established time period, the official of the government administration body will undertake legal action through the authorized court to examine the matter.

#### Section 94

Should disputes arise during the conclusion, amendment or annexation of a collective agreement, they shall be resolved as designated in the collective agreement.

In cases of disputes related to the application of collective agreements, special arbitration committees shall resolve the questions at issue.

Collective agreements define the structure, the application and legal impact of decisions of the arbitration committee.

#### Section 95

Collective agreements cease to be valid after the designated date of expiration.

The validity of collective agreements may be extended upon agreement of the participants, which is to be concluded 30 days at the latest before the expiration of the collective agreement and registered with the authorised body under section 92 of this Act.

The validity of collective agreements concluded for an indeterminate period, may terminate by agreement of the participants as designated in the agreement.

#### Section 96

Participants in collective bargaining negotiations may supervise the application of collective agreements as determined by the collective agreement.

#### Section 97

When determining salaries, participants in collective bargaining negotiations are obliged to consider the defined salary policy and the basic accumulative amounts in the macro-economic policy of the appropriate year.

The Government of the Republic of Macedonia is obliged to notify participants in the collective bargaining negotiations, should the evaluations of the accumulative amounts change, as designated in paragraph 1 of this section.

In the event that participants in collective bargaining negotiations fail to observe the defined salary policy, the Government shall pass an appropriate law to govern the matter.

The Government of the Republic of Macedonia may form a committee in charge of salaries and comprised of delegates of trade union organizations, employers and Government, which shall indicate to the participants in collective bargaining negotiations the determining factors for salaries in accordance with the accumulative amounts in the macro-economic policy of the appropriate year.

## **PART VI - LIABILITIES**

#### Section 98

Employees who are responsible for causing damage to employers at work or pertaining to work are obliged to compensate for such damages.

Should the damage be caused by several employees, each employee shall be responsible for their portion of the damage.

When the portion of the damage cannot be determined for each employee, all employees shall be equally responsible and liable to compensate for the damage.

When several employees cause damage by a premeditated criminal act, they shall be charged collectively.

#### Section 99

The managing board or the body appointed by the board, shall bring charges that delineate and establish the required compensation for the damages.

When damages cannot be estimated based on the costs listed by the employer, an expert committee, which is appointed by the employer or by its body, shall determine the existence of damages, their occurrence, the extent of the damages and their cause.

#### Section 100

Decisions regarding compensation for damages are made by employers or their appointed bodies.

Employees may submit a complaint against a decision regarding compensation for damages to the body designated in the collective agreement, within eight days from the date of issuance of the decision.

#### Section 101

Employers shall bring charges to the authorized court against employees who fail to compensate for damages within three months from the final decision made by the employers.

#### Section 102

Employers may release employees from the requirement that they compensate for damages, either partially or in full, for justified reasons and under the conditions, circumstances and standards determined in the employers' collective agreement.

#### Section 103

Employers are responsible for damages caused by employees to individuals or legal entities either at work or pertaining to work.

Employers are permitted to demand compensation payments from employees that have caused damages intentionally or through extreme carelessness.

#### Section 104

Should employees suffer damages at work or pertaining to work, employers are obliged provide compensation for the damages in accordance with general principles for damage liability.

Should employers and employees fail to reach an agreement for the compensation of damages within 15 days from the final decision, employees are entitled to demand compensation for such damages from the authorized court.

## **PART VII - TERMINATION OF EMPLOYMENT**

### Section 105

Employment shall terminate in the following instances:

- 1) through agreement;
- 2) following expiration of term of employment;
- 3) when enforced by law;
- 4) through notice and
- 5) due to economic, technological, structural or similar transformations.

#### **1. Termination of Employment Through Agreement**

##### Section 106

Employment may terminate following a written agreement of termination between employers and employees.

The agreement stipulated under paragraph 1 of this section is concluded between employees and the managing bodies, i.e., employers.

#### **2. Termination of Temporary Employment**

##### Section 107

Employment established on a temporary basis shall terminate after the expiration of the term of employment.

#### **3. Termination of Employment Enforced by Act**

##### Section 108

Employment shall terminate by force of law in the following instances:

- 1) when it is determined, according to the procedure prescribed by Act, that employees are no longer capable of work - on the date of issuance of the effective decision determining the loss of the ability to work ;
- 2) when according to the provisions of law, on the basis of effective decisions issued by a court or other body, employees are prohibited from performing certain tasks and duties and cannot be appointed to another position - on the date of issuance of the effective decision;
- 3) when the employees are absent from work over six months due to confinement under a prison sentence - on the date the sentence takes effect;
- 4) when employees will be absent from work due to a pronounced measure for safety, guidance or protection, lasting over six months, - on the date the measure is implemented.
- 5) when employees accrue 40 years of service or attain 65 years of age and a minimum of 15 years of insured service, and when employers decide to terminate employment, in compliance with stipulations determined by law and the collective agreement, and
- 6) when proceedings have begun regarding the discontinuation of legal entities, under conditions and in the manner determined by law.

The decision to terminate employment is made by the managing bodies or the employers.

#### **4. Termination of Employment Through Notice**

##### Section 109

Employment shall terminate through notice given by employers or employees, under the conditions determined by law and the collective agreement.

##### Section 110

Employment shall terminate through notice given by employees in the form of a written statement requesting termination of employment.

The notice period required for termination under paragraph 1 of this section is 30 days, unless otherwise agreed with the employer.

##### Section 111

Employment shall terminate through notice received from employers, when employees are incapable of fulfilling their work duties as determined by law, the collective agreement and the employment contract, or for violation of work discipline and order.

##### Section 112

Employment cannot terminate through notice received from employers without just cause with regard to the employee's behavior or for reasons unrelated to the operational needs of the employers.

### Section 113

The following shall not be considered just cause for termination of employment through notice received from the employer:

- 1) membership in a trade union or participation in trade union activities in compliance with the law and the collective agreement;
- 2) filing complaints or participating in proceedings against employers concerning violations of law or other regulations, or applying to government bodies.
- 3) taking maternity leave;
- 4) taking approved sick leave;
- 5) taking approved leave from work and annual leave;
- 6) taking leave for military service or military training;
- 7) taking advanced training for the requirements of employers and
- 8) during other interruptions of employment provided for by law.

### Section 114

Prior to giving an employee notice of termination, the employer must establish that it specified the work requirements and gave appropriate instructions and guidelines together with written notification of dissatisfaction with the work performance to the employee, and that despite such instructions, guidelines and notification the employee's work did not improve to a satisfactory level within thirty days.

### Section 115

Employment shall terminate through notice received from an employer due to breach of work discipline or non-fulfillment of responsibilities determined by law, the collective agreement and the employment contract in particular for:

- 1) disobeying the rules of order and discipline prescribed by the employer;
- 2) non-fulfillment or dishonest and delayed performance of work duties;
- 3) disregarding regulations pertaining to the fulfillment of work duties;
- 4) disregarding the scheduled working hours;
- 5) failing to request leave or to notify the employer promptly when taking leave;

- 6) taking unapproved leave for three consecutive working days or five discontinued working days in the course of one year;
- 7) failing to notify the employer within 24 hours of absence from work due to illness or for justified reasons;
- 8) misuse of sick leave;
- 9) deficient handling of the instruments of labor or disobeying technical working instructions;
- 10) failing to notify employers immediately of damages, defects or losses caused in the process of work;
- 11) disobeying regulations for protection against illnesses, protection at work from fire, explosions, harmful effects of poisons and other dangerous substances and violating the regulations for protection of the environment;
- 12) deficient handling of or not maintaining the means and equipment for protection at work;
- 13) consuming alcohol and narcotics;
- 14) illegal and unauthorized use of the employer's facilities;
- 15) committing theft or causing damage to the employer due to extreme carelessness;
- 16) misusing and transgressing granted authorization and
- 17) revealing business and other secrets.

Other such breaches of order, discipline and responsibilities at work may be determined by law and the collective agreement.

#### Section 116

In the alternative, the employer may impose a fine that shall not exceed 15% of the employee's monthly salary, for one to six months, depending on the employee's position, the circumstances under which the working responsibilities were violated, the employee's previous position and conduct, and the extent of the damage and its consequences.

#### Section 117

Notices of discharge are given to employees by employers in writing.

At the employee's request, employers are obliged to present a written explanation of the reasons for discharge.

#### Section 118

By proposal of the managing bodies, decisions for termination of the employment of managers through notice are made by employers.

#### Section 119

The managing body, who has not been re-elected or has been released from that duty, and whose employment terminates accordingly, shall be given a period of notice in compliance with the provisions of this Act.

#### Section 120

Managing bodies shall decide on the termination of employment through notice of employees who have over 25 years of service or at least 20 years' continuous work with the same employer.

#### Section 121

The period of notice can neither be shorter than 30 days nor longer than six months, and shall take account the length of the years of service and the reasons for notice, in compliance with the collective agreement.

Employees shall have employment rights and obligations during the period of notice.

#### Section 122

During the period of notice, employers are obliged to permit employees to take leave for the purpose of seeking new employment in compliance with the collective agreement.

During the leave stipulated under paragraph 1 of this section, employees are entitled to compensation in compliance with the collective agreement.

#### Section 123

Employees may file complaints to the managing bodies, i.e., employers, about notices terminating employment.

Complaints shall be filed within eight days of receipt of such notice.

Complaints shall be resolved within 15 days from the date of their submission.

Employees may initiate court proceedings should the resolution following their complaint be unsatisfactory.

#### Section 124

Should the court decide, following the employee's appeal, that employment has been terminated illegally, the decision terminating employment shall be revoked and the employer shall be compelled to return employees to positions corresponding to their skills and ensure that other employment rights and obligations are respected.

## **5. Termination of Employment Through Notice Due To Economic, Technological, Structural or Similar Changes**

### Section 125

Employment may terminate through notice due to economic, technological, structural or similar changes when employers plan to introduce major changes in production, programming, reorganization, structure and technology, requiring reductions in the number of employees.

### Section 126

Prior to introducing the changes listed under paragraph 125 of this Act, employers are obliged to inform employees and trade unions of the types of changes and their consequences, the number and structure of discharged employees, the measures that will be taken to prevent and alleviate the consequences of such changes, and the guaranteed rights of the employees.

### Section 127

Employers are obliged to notify employees of employment termination due to economic, technological, structural or similar changes, at least six months prior to termination.

Employers are obliged to notify the office in charge of employment services of employees whose employment has terminated, for the purpose of providing new employment.

### Section 128

Employers shall undertake measures to alleviate negative effects following termination of employment, particularly by: limiting the number of new employees; defining the number of employees in order to facilitate the outflow of the labor force; internal reassignment of employees; limiting overtime work; reducing working hours; vocational retraining and improvement of skills.

### Section 129

The number and structure of employees whose employment shall terminate through notice due to economic, technological, structural or similar changes, is determined based on the standards defined in the collective agreement taking into account the requirements for efficient working performance, vocational training and skills, work experience, accomplishments at work, position category and type, years of service, age and other standards defined in the collective agreement.

The collective agreement shall define the requirements and standards for protection of disabled persons in cases of termination of employment through notice stipulated in paragraph 1 of this section.

### Section 130

Employment shall not terminate unless one of the rights listed below has been ensured by the employer:

- 1) employment with another employer, without previous advertisement of the position, through acceptance and conclusion of employment contracts corresponding to the employee's vocational training and skills;
- 2) vocational training, retraining or improvement of skills for employment with the same or with other employers or
- 3) single severance payment at the level of one monthly salary for each two years of service, not exceeding 12 monthly salaries earned in the month prior to the date of termination of employment, payable on the date of termination.

### Section 131

The employer shall record any severance payment in the employment booklet of the terminated employee.

Employees who obtain a severance payment must register in the office in charge of employment services.

### Section 132

Employees who obtain severance pay are entitled to pecuniary compensation and all other unemployment rights.

### Section 133

An employee, whose employment has been terminated, shall be given priority for employment by the employer for two years with respect to positions requiring their skills.

## **PART VIII - PROTECTION OF THE RIGHTS OF EMPLOYEES**

### Section 134

During the fulfillment of particular employment rights, employees are entitled to request protection from employers, before the authorized court, the trade union, the inspectorate and other bodies in compliance with the law.

### Section 135

Employees are entitled to lodge claims for the fulfillment of their employment rights and to file appeals against decisions concerning their rights, liabilities and obligations.

Employees shall submit claims and appeals to the body determined in the collective agreement, within 15 days from the date of issuance of the decision which they claim violates their rights, or from the date on which they allege the violation occurred.

The lodging of claims, stipulated under paragraph 1 of this section, delays the enforcement of decisions until the employer's final decision is made, except in cases determined by law.

#### Section 136

The authorized court is obliged to bring a decision within 15 days of submission of any such claim or appeal.

#### Section 137

The administrative body is obliged, prior to taking the decision pertaining to the claim or appeal submitted by an employee, to seek the opinion of the employee's trade union, and to further examine and consider the opinion of the trade union should it be provided.

Trade unions may participate in proceedings before the administrative body, that shall resolve the claim or appeal submitted by an employee, and at the employee's request or approval, may act on his or her behalf for the purpose of ensuring the employee's rights.

#### Section 138

In the event that an employee is discontent with the final decision brought by the administrative body, or if such body fails to take a decision within 15 days of the submission date of the claim or appeal, the employee may request protection of their rights before the authorized court within the subsequent 15 day period.

Employees cannot seek protection of their rights before the authorized court prior to requesting protection of their rights before the administrative body of the employer, with the exception of the right to pecuniary claims.

Employers are obliged, without delay, to enforce any court decision for protection of the employee's rights made during the proceedings or at the latest within eight days of the date of notification of the decision, unless another term is established by the court.

### **PART IX - SUPERVISION AND INSPECTION IN THE FIELD OF EMPLOYMENT**

#### Section 139

The body of government administration in charge of labor inspection shall supervise the implementation of laws and other regulations pertaining to labor relations and employment, collective agreements and employment contracts that regulate rights, liabilities and obligations of the employees.

Labour inspectors shall be responsible for supervising the implementation of labour standards.

#### Section 140

Employees are entitled to appeal to labor inspectors for the purpose of enforcing their employment rights.

Labor inspectors are obliged to act on behalf of the employee's appeals, to notify them of the established conditions and to give advise on how to protect their rights.

#### Section 141

Should labor inspectors discover violations of the law or other regulations, collective agreements or employment contracts whose implementation they are to supervise, they shall take a decision ordering the elimination of the determined irregularities and deficiencies within a set period.

Should employers fail to proceed according to such a decision, labor inspectors shall bring action before the authorized court.

#### Section 142

Should labor inspectors determine that the rights of employees have been violated by the final decision of the administrative body, and that employees have not initiated a labor dispute before the authorized court, the labor inspectors shall bring a decision deferring the enforcement of the final decision until the verdict becomes effective.

#### Section 143

Labor inspectors shall prohibit work on the employer's working premises by decision in the following instances:

- 1) when individuals have not commenced employment in compliance with the Act and the collective agreement and
- 2) when contributions have not been made so that employees do not receive health, pension and disability insurance though their employment.

The prohibition of work stipulated under paragraph 1 of this section shall extend for 90 days until the date of issuance of the decision.

#### Section 144

Complaints may be lodged to the official of the government administration body in charge of labor-related issues against the decision of the labor inspector under Sections 141 paragraph 1 and 143 of this Act, within a period of eight days from receipt of the decision.

The enforcement of the decision shall be delayed by the complaint, except for instances under Section 141 paragraph 1 and 143 of this Act.

## **PART X - PENALTY CLAUSES**

### Section 145

Employers shall be fined for violations by penalties in an amount between 50 to 100 times the average salary paid the previous month in the Republic as published by the Republic's Bureau of Statistics (further referred to below as "salaries") in the following instances:

- 1) for hiring employees that do not fulfill the general and specific work requirements (Section 7);
- 2) if agreements of employment have not been concluded between employers and employees; if agreements are not in writing after the final selection for employment, and if they have not been verified by the office in charge of employment services; if agreements of employment are not maintained on the working premises of employers (Section 14);
- 3) if employees commence employment prior to concluding and verifying agreements of employment (Section 15 paragraph 1);
- 4) if employees are ordered to work longer than the working hours determined by Act (Sections 30, 32 paragraph 1 and 5);
- 5) for failing to observe the regulations pertaining to the schedule and duration of the working hours in the fields and professions under this Act (Section 39);
- 6) for failing to provide: a rest period during daily working hours, a rest period between two consequent working days, the weekly rest period and annual leave in compliance with this Act (Sections 40, 41, 42 and 43);
- 7) for depriving employees of the right to return to work after interruption due to military service or completion of military service, when employees and their spouses have been assigned to work abroad or when employees are elected or appointed to state or public functions (Sections 52, 53 and 54);
- 8) for failing to protect employees at work and protecting the health of civilians in compliance with the provisions of this Act and other regulations (Sections 55, 6 and 57);
- 9) for failing to provide special protection for male and female employees under 18 years of age (Sections 58 and 67);
- 10) for failing to reassign disabled employees to other appropriate positions (Section 68);
- 11) for failing to pay salaries and compensation to employees in compliance with the provisions of this Act and the collective agreement (Sections 69-74);

- 12) for not facilitating the activities of the trade union (Section 82) and
- 13) for taking a decision to terminate employment through notice contrary to the provisions of this Act (Sections 109-133).

Responsible employees, appointed by employers, shall be fined for violations stipulated under paragraph 1 of this Section with penalties in an amount between five and ten salaries.

#### Section 146

Employers shall be fined with penalties in an amount between 40 and 90 salaries for the following violations:

- 1) for failing to publicly announce that they are looking for new employees, the requirements to be fulfilled by such employees and the period of selection (Section 9 paragraph 2);
- 2) for not submitting notification of the need for new employees and the job requirements to the office in charge of employment services (Section 9 paragraph 1 and 2);
- 3) if the candidates are selected prior to the expiration date of the public notification; if the selection is not conducted in compliance with the Act and the employer's statute; and if the candidates are not informed within eight days from the date of the final decision (Section 9 paragraph 4 and Section 11 paragraphs 1 and 2);
- 4) if employment booklets are not kept on the employer's working premises during the course of employment; if the date of employment termination is not entered in the employment booklet; and if employment booklets are not returned to employees within three days following termination (Section 20);
- 5) if employees who have commenced employment for a limited period are deprived of their rights under this Act (Section 23 paragraph 2);
- 6) if employees are assigned to positions contrary to the provisions of this Act (Sections 27-29);
- 7) if approved sick leave is computed as part of annual leave (Section 47 paragraph 1);
- 8) if the employee's salaries, compensation and allowances are not recorded and if records of salaries, compensation and allowances are not maintained on the employer's working premises (Section 75);
- 9) for not enforcing a court decision within the established period for the protection of the employment rights of the employees made during court proceedings (Section 138 paragraph 3) and

- 10) for failing to enforce decisions or not eliminating the determined deficiencies (Section 141 paragraph 1, Sections 142 and 143).

Responsible employees, appointed by employers, shall be fined for violations stipulated under paragraph 1 of this Section with penalties in an amount equivalent to between five and ten salaries.

## **PART XI - TRANSITIONAL AND CONCLUDING PROVISIONS**

### Section 147

Collective agreements shall be concluded or coordinated within a period of three months from the date that this Act comes into force.

### Section 148

The Labor Relations Act (Official Gazette of the SRM No. 20/90, 27/90, 10/91 and Official Gazette of the Republic of Macedonia No. 18/92 and 12/93) and the Act on Basic Rights of Employment (Official Gazette of the SFRJ No. 60/89 and 42/90) shall no longer be valid as of the date this Act enters into force.

### Section 149

This Act shall enter into force on the eighth day from the date of publication in the Official Gazette of the Republic of Macedonia.