LABOR LAW OF FEDERATION OF BOSNIA AND HERZEGOVINA

I – BASIC PROVISIONS

Scope of the law

Article 1

This law shall govern the conclusion of labor contract, working hours, salaries, termination of labor contract, exercise of rights and obligations arising from employment, conclusion of collective agreements, peaceful settlement of collective labor disputes and other matters arising from labor relations, unless otherwise provided for in another law or international agreement.

Gender specific terms

Article 2

Gender specific terms for male and female gender for notions used in this law shall be understood to include both genders.

Gender equality

Article 3

Establishment of Council of employees, Peaceful settlement council, Economic – Social Council and other bodies under this law and collective agreements shall reflect gender equality.

Conclusion of labor relations

Article 4

(1) Labor relation shall commence with the arrival of employee to his job based on concluded labor contract.

(2) Following the conclusion of labor contract, employer shall be obliged to report the employee for the pension and disability insurance, healthcare insurance, and insurance in case of unemployment (hereinafter: mandatory insurance) in line with the law.

Employer

Article 5

In terms of this law, employer shall be a natural or a legal person providing job to the employee based on labor contract.

Employee

Article 6

In terms of this law, employee is a natural person, employed based on labor contract.

Basic rights and responsibilities of employees

Article 7

(1) Employer shall define the place and manner of performing work while respecting the rights and dignity of employees, whereas the employee is obliged to, based on instructions of employer given based on nature and type of work, personally carry out the undertaken duties, respect the organization of work and business operation of employer, as well as laws and employer's general acts.

(2) Employee shall be entitled to a fair salary, working conditions that provide for safety and protection of life and health at work, and other rights, in line with the laws, collective agreement, Rulebook on labor and labor contract.

Grounds and types of discrimination

Article 8

(1) Discrimination of employees and job seekers shall be prohibited based on gender, sexual orientation, marital status, family obligations, age, disability, pregnancy, language, religion, political and other opinion, nationality, social background, financial standing, birth, race, skin color, membership or non-membership in political parties and trade unions, health status, or any other personal characteristic.

(2) Discrimination may be direct or indirect.

(3) Direct discrimination in terms of this Law shall mean any conduct caused by any of the grounds referred to paragraph 1 of this Article, by which the employee, as well job seeker, is placed in unfavorable position compared to other individuals in same or similar situation.

(4) Indirect discrimination in terms of this Law shall occur if a seemingly neutral provision, rule, criterion, or practice places or would place an employee, or job seeker, in an unfavorable position due to a certain characteristics, status, determination, belief, or system of values, which falls under grounds of prohibition of discrimination, referred to in paragraph 1 of this Article, compared to another employee or job seeker.

Harassment and violence at work

Article 9

(1) Employer and other persons employed with an employer shall not harass or sexually harass, commit violence based on gender, as well as systematically harass employees at work or in relation to work (mobbing), including job seekers with an employer.

(2) Harassment in terms of paragraph 1 of this Article shall be any unwanted action caused by any of the grounds referred to in Article 8 of this Law, aimed at or constituting a violation of dignity of an employee or job seeker, which ultimately causes fear or hostility, degrading or offensive environment.

(3) Sexual harassment in terms of paragraph 1 of this Article shall be any conduct, which by way of words or actions of sexual nature intends to violate or constitutes a violation of dignity of an employee or a job seeker, which causes fear and creates degrading or offensive environment.

(4) Gender-based violence shall be any act inflicting physical, psychological, sexual or economic damage or suffering, as well as a threat of committing such acts which seriously constrains persons in their rights and freedoms based on the principle of gender equality at work or in relation to work.

(5) Mobbing shall constitute a specific form of non-physical harassment in the workplace, which implies repeating actions by which one or more persons psychologically abuse and humiliate another person, and whose purpose or consequence is to undermine that person's reputation, honor, dignity, integrity, working conditions or professional status.

Prohibition of discrimination

Article 10

(1) Discrimination referred to in Article 8 of this Law shall be prohibited in relation to:

a. requirements for employment and selection of candidates for a particular job,
b. working conditions and all the rights arising from employment,
c. education, vocational training and professional development,
d. career progress, and

e. termination of a labor contract.

(2) Provisions of labor contract proven to be discriminative on any of the grounds referred to in Article 8 of this Law shall be null and void.

Exceptions from anti-discrimination provisions

Article 11

(1) Differentiation, exclusion or priority given in relation to a particular job shall not be considered discrimination when the nature of the job is such, or the job is performed under such conditions, that characteristics associated with any of the grounds referred to in Article 8 of this Law constitute the substantive and decisive requirement for the performance of the job, and when the intended purpose is justified.

(2) Provisions of this Law, collective agreement and labor contract providing for special protection of certain categories of employees in accordance with the law shall not be considered discrimination.

Protection in cases of discrimination

Article 12

(1) In cases of discrimination in terms of the provisions of this Law, an employee, as well as a job seeker, may, within 15 days from learning of the discrimination, seek protection from the employer.

(2) If employer, within 15 days from filing a request referred to in previous paragraph, fails to respond to the request, the employee may, within following 30 days, take a legal action with the competent court.

(2) If an employee or a job seeker presents facts in case of dispute, which corroborate the suspicion that an employer acted contrary to the anti-discrimination provisions of this Law, the burden of proof shall be on the employer to demonstrate that there was no discrimination, i.e. that the existing difference is not discriminative, but rather has its objective justification.

(3) If the court establishes that the legal action referred to in paragraph 2 of this Article is justified, the employer shall restore and secure to the employee the exercise of denied rights, and compensate the damage inflicted through discrimination.

Right to institute criminal or civil proceedings

Article 13

In cases of discrimination, harassment, sexual harassment, gender-based violence and mobbing in the workplace or in relation to work, no provision of this Law shall be interpreted as a restriction or reduction of the right to institute criminal or civil proceedings.

Freedom of association

Article 14

(1) Employees shall be entitled to organize trade union, and become its members, at their own discretion, in accordance with the statute or the rules of that trade union.

(2) Employers shall be entitled to set up an association of employers and to become its members, at their own discretion, in accordance with the statute or the rules of that association.

(3) Trade unions and associations of employers may be established without any prior approval.

Voluntary membership

Article 15

(1) Employees and/or employers shall be free to decide on their joining or leaving the trade union or the association of employers.

(2) An employee and/or employer may not be put at a disadvantage based on his membership or non-membership in a trade union or an association of employers.

Prohibition of interference with the operation of associations

Article 16

(1) Employers or association of employers, acting in their own name or through another person, member or agent, shall be prohibited to:

a. interfere with the establishment, functioning or management of the trade union;
b. advocate for or help a trade union with the aim to control such trade union.

(2) A trade union, acting in its own name or through another person, member or agent, shall be prohibited to interfere with the establishment, functioning or management of an association of employers.

Non-prohibition of lawful activity of associations

Article 17

Lawful activity of trade union or association of employers may not be forbidden, either permanently or temporarily.

Ensuring conditions for trade union operation with the employer

Article 18

(1) An employer shall ensure appropriate conditions for trade union activities in accordance with a collective agreement.

(2) With a written consent of an employee, an employer shall calculate and withhold trade union membership fees from the employee's salary, and deposit them into the account of the trade union, in line with the trade union's instructions.

(3) Trade union representatives who are not employed by an employer, but whose trade union has members with the employer, shall be allowed access to the employer's premises when necessary for the performance of trade union activity.

(4) In performing trade union activity, trade union representatives referred to in paragraph 3 of this Article may not undermine work and technological processes, as well as occupational safety and health measures of the employer, pursuant to the collective agreement.

The most favorable right

Article 19

(1) A collective agreement, Rulebook on labor or a labor contract may not provide for less favorable rights than those defined by this Law.

(2) A collective agreement, Rulebook on labor or a labor contract may provide for more favorable rights than those defined by this Law.

(3) If a right arising from labor relations is differently defined by the law, a collective agreement, Rulebook on labor or a labor contract, the most favorable right for an employee shall apply.

II – CONCLUSION OF LABOR CONTRACTS

Requirements for conclusion of a labor contract

Article 20

(1) Labor contract may not be concluded with a person less than 15 years of age, nor can such person be employed for any type of work.

(2) A person between 15 and 18 years of age (hereinafter: a minor) may conclude a labor contract, i.e., take up employment, with the consent of his legal representative and provided that he has obtained a medical certificate of general health proving ability to work, issued by an authorized medical doctor or a competent health institution.

Probationary Period

Article 21

(1) A probationary period may be agreed upon on conclusion of a labor contract.

(2) The probationary period referred to in paragraph 1 of this Article may not last longer than six months.

(3) If the probationary period is terminated before it agreed period expires, the termination notice period shall be at seven days.

(4) Employment shall be terminated to the employee who fails to satisfy the work requirements during the probationary period once the probationary period agreed in probationary period agreement expires.

Labor contract for unlimited and fixed duration

Article 22

(1) A labor contract shall be concluded for:

a. an unlimited period;

b. a fixed period.

(2) Labor contract which does not contain data on duration shall be considered a labor contract for unlimited duration.

(3) Fixed term labor contract cannot be concluded for a period longer than three years.

(4) In an employee has explicitly or tacitly renewed a fixed term labor contract with the same employer, or has explicitly and tacitly concluded successive fixed term labor contracts with the same employer for a period longer than three years, without any interruption between them, such a contract shall be considered an unlimited duration labor contract.

Leave of absence, not considered termination of labor contract

Article 23

In following cases, discontinuance shall not be considered a termination of a labor contract in terms of Article 22(3) of this Law:

a. annual leave;

b. temporary sick leave;

c. maternity leave;

d. leave of absence in accordance with the law, collective agreement, Rulebook on labor or labor contract;

e. a period between termination of a labor contract and the day of return to job pursuant to the decision delivered by a court or another body, in accordance with the law, collective agreement, Rulebook on labor or labor contract;

f. leave of absence approved by employer;

g. a period of up to 15 days between labor contracts with the same employer, unless otherwise defined for a longer period by a collective agreement.

Contents of a concluded labor contract

Article 24

(1) Labor contract shall be concluded in writing, specifically containing data on:

a. name and registered address of the employer;

b. name and family name, permanent or temporary residence of employee;

c. duration of labor contract;

d. day of commencement of work;

e. place of work;

f. post to which the employee is deployed and brief job description;

g. duration and schedule of working hours;

h. salary, benefits, and period of payment;

i. remuneration;

j. length of annual leave;

k. termination notice;

l. other data related to terms of employment defined in a collective agreement.

(2) In lieu of data referred to in paragraph 1, items, g, h, i, j, k, and I of this Article, a labor contract may indicate a relevant article from the law, collective agreement, or Rulebook on labor, which regulates these matters.

(3) If an employer fails to conclude in writing a labor contract with an employee, and the employee performs tasks for the employer for remuneration, it shall be considered that labor relations for unlimited duration have been established, unless proven otherwise by the employer.

Referring for the work abroad

Article 25

If an employee is referred to work abroad, prior to his departure to a foreign country, an agreement has to be reached in writing between the employer and the employee regarding the following terms of the contract:

a. work post abroad;

b. duration of work abroad;

c. place of work and residence abroad;

d. currency in which the salary and other incomes would be paid in money or in kind, to which the employee shall be entitled during his time abroad;

e. conditions for return to the country.

Work outside the premises of employer

Article 26

(1) A labor contract may also be concluded for performing tasks outside the employer's premises (at the employee's home or in some other space provided by the employee), in accordance with collective agreement and Rulebook on labor.

(2) A labor contract concluded in terms of paragraph 1 of this Article, in addition to the information referred to in Article 24 of this Law, shall also contain data on:

a. working hours,
b. type of tasks and the method for organizing work,
c. working conditions and the method for supervising the work,
d. salary for the work performed and payment terms,
e. use of the employee's own means for work and reimbursement of costs for their use,
f. refund of other costs associated with the performance of tasks and the methods for their determination,
g. other rights and obligations.

(3) Contract referred to in paragraph 1 of this Article may be concluded only for the jobs which are not hazardous or detrimental to the health of an employee or other persons, and do not threaten working environment, in accordance with the law.

Legal status of a director

Article 27

(1) President and members of management, that is, managerial body of different titles (hereinafter: director) may carry out managerial function with or without having entered into labor relations, in accordance with the Rulebook on labor.

(2) Director may enter into labor relations for unlimited or fixed period.

(3) Labor relations for a fixed term shall continue until the lapse of period for which he was appointed, that is, until his removal from office.

(4) Provisions of the Chapter IV-VII and XI of this Law shall apply to the director.

(5) If a director performs his managerial function without entering into labor relations, the rights, duties, and responsibilities shall be governed by a contract, in accordance with the employer's general act.

Delivery of a copy of the mandatory insurance registration to an employee

Article 28

An employer shall deliver copies of the mandatory insurance registration form to an employee, against written proof, within 15 days from the day of the conclusion of labor contract, that is, the commencement of work, as well as from any change in insurance applicable to the employee.

Data that may not be requested

Article 29

In the candidate selection procedure (interviews, testing, surveys, etc.) and conclusion of labor contracts, an employer may not require an employee to provide information which is not directly related to labor relations, and especially in relation to the provision of Article 8 of this Law.

Processing personal data of employees

Article 30

Personal data on employees may not be gathered, processed, used or supplied to third persons, unless this is laid down by the law or if this is necessary to exercise the rights and obligations arising from labor relations.

III – EDUCATION, VOCATIONAL TRAINING AND PROFESSIONAL DEVELOPMENT

Rights and obligations related to education, vocational training, and professional development

Article 31

(1) An employer may, in accordance with the needs of business, facilitate education, vocational training, and professional development of employees.

(2) An employer shall ensure education, vocational training, and professional development to an employee when introducing changes or new methods or organization of work.

(3) An employee shall undergo education, vocational training, and professional advancement commensurate with his capacities and the needs of business.

(4) Terms and method of education, vocational training and professional development related to work referred to in paragraphs 2 and 3 of this Article shall be governed by a collective agreement or Rulebook on labor.

Employment of trainees

Article 32

(1) An employer may conclude a labor contract with a trainee for the purpose of providing professional training aimed at enabling him to work autonomously.

(2) A trainee shall be a person with secondary or post-secondary school qualifications and/or a university degree who for the first time enters into labor relations in a particular profession, and who is obliged to pass a professional examination under the law or needs prior work experience to be able to work in the profession.

(3) A labor contract with a trainee shall be concluded for a fixed term, however not longer than one year, unless otherwise provided for by the law.

(4) During the training period, a trainee shall be entitled to 70% of the salary set for the job for which he is trained.

(5) An employer and a trainee may agree on a higher salary referred to in paragraph 4 of this Article.

Professional examination

Article 33

Following the completion of training period, a trainee shall take the professional examination, if so prescribed by the law, Canton regulations or Rulebook on labor.

Vocational training without entering into labor relations

Article 34

(1) If the professional examination or work experience stipulated in the law or in the Rulebook on labor constitutes a requirement for performing tasks in a certain profession, an employer may take the person who has completed education for such a profession in vocational training for autonomous work, without his entering into labor relations.

(2) Time of vocational training referred to in paragraph 1 of this Article shall be counted into the internship and work experience stipulated as a requirement for work in specific professions, and may not last longer than the period of internship.

(3) A contract on vocational training shall be concluded in writing.

(4) A copy of the contract referred to in paragraph 3 of this Article shall be submitted by the employer to the competent employment service for record-keeping and supervision purposes, within eight days.

(5) A person undergoing vocational training shall be entitled to healthcare insurance as laid down by regulations for unemployed persons, whereas the rights arising from insurance in case of injury at work or occupational disease shall be provided by the employer, pursuant to the regulations on pension and disability insurance.

(6) A person undergoing vocational training shall be entitled to breaks during work, a daily rest period between two successive working days and weekly rest.

IV- WORKING HOURS

Definition of working hours

Article 35

(1) Working hours shall be a period of time in which an employee, based on labor contract, is obliged to perform tasks for the employer.

(2) Working hours shall not be period of time in which an employee is on stand-by to report for duty, in case of such a need.

(3) Stand-by to report to duty and compensation for the time spent in stand-by shall be governed by collective agreement, Rulebook on labor, and labor contract.

Full-time and part-time working hours

Article 36

(1) Labor contract may be conclude for full-time or part-time.

(2) Full-time shall be 40 hours a week, unless otherwise defined to be shorter in accordance with the law, collective agreement, Rulebook on labor, or labor contract.

(3) Full-time for minors cannot exceed 35 hours a week.

(4) Full-time may be distributed between five, that is, six working days, in accordance with the collective agreement and Rulebook on labor.

(5) Part-time shall be considered working hours shorter than full-time.

(6) An employee, who has concluded a labor contract for part-time work, may conclude several such contracts in order to achieve full-time working hours.

(7) A part-time employee shall exercise all the rights arising from labor relations depending on duration of working hours in compliance with the collective agreement, Rulebook on labor, or labor contract.

Reducing working hours

Article 37

(1) On the jobs where, irrespective of the occupational safety and health measures applied, it is not possible to protect employees against harmful effects, the working hours shall be reduced in proportion to the harmful effect of the working conditions on the health and working ability of employees.

(2) Jobs referred to in paragraph 1 of this Article and working hours shall be governed by the Rulebook on occupational and health safety, in accordance with the law.

(3) The Federation and/or Canton ministry in charge of labor shall decide on the decrease in the number of working hours in terms of paragraph 1 of this Article, at the request of employer, labor inspector or trade union, on the basis of a technical analysis issued by an authorized professional organization, in accordance with the law.

(4) In the exercise of rights to salary and other rights arising from labor relations and in relation to labor relations, reduced working hours in terms of this Article shall be equal to full-time working hours.

Overtime

Article 38

(1) In case of force majeure (fire, earthquake, flood) or a sudden workload increase, as well as in other similar cases of emergency, at the request of employer an employee shall be obliged to work longer hours than his full-time hours (overtime work), however up to 10 hours a week.

(2) If the overtime takes longer than three consecutive weeks or more than 10 weeks in a year, the employer shall inform the competent labor inspectorate about it.

(3) Employee may voluntarily, at the request of employer, work overtime, however no longer than hours a week.

(4) No overtime work shall be allowed for minor employees.

(5) Pregnant women, mothers and/or adoptive parents of children under three years of age, as well as for single parents, single adoptive parents and a person entrusted with childcare pursuant to a decision issued by the competent authority, until the child has turned six years of age may work overtime provided they gave their approval in writing on voluntary consent to such a work.

(6) Labor inspectorate shall prohibit overtime, introduced in contravention to paragraphs 1-5 of this Article.

Redistribution of working hours

Article 39

(1) If the nature of the job requires, full-time and part-time working hours may be redistributed so that they last longer in one and shorter in another period than full working hours, whereby the average working hours during the redistribution may not exceed 52 hours a week, and 60 hours a week for seasonal jobs.

(2) An employer shall issue a decision in writing on the introduction of working hours redistribution referred to in paragraph 1 of this Article, which he shall deliver to the employee.

(3) If the redistribution of working hours is introduced, the average working hours during a calendar year or another period defined in a collective agreement, may not last longer than full-time or part-time working hours.

(4) Redistributed working hours shall not be considered overtime.

(5) Minor employees, pregnant women, mothers and/or adoptive parents of children under three years of age, as well as single parents, single adoptive parents and a person entrusted with childcare pursuant to a decision issued by the competent authority, until the child has turned six years of age, may work in the regime of redistributed working hours only if he makes a statement in writing accepting such work.

Work during night

Article 40

(1) Work in the period between 22 hours in the evening and 6 hours in the morning of the following day, and in agriculture between 22 hours in the evening and 5 hours in the morning of the following day, shall be considered night work, unless otherwise provided for regarding a specific case by the law, Canton regulations, or a collective agreement.

(2) If work is performed in shifts, which include night work, the shift rotation shall be organized so as to ensure that an employee does not work consecutive night shifts for more than one week.

Special Protection for Employees Working at Night

Article 41

(1) When organizing work during night or in shifts, an employer shall pay special attention to the organization of work adjusted to employees, and to safety and health conditions in line with the nature of the job performed during night or in shifts.

(2) The employer shall provide safety and health care to night and shift workers, in line with the nature of the job they perform, as well as protective and preventive means, appropriate and applicable to all other workers, which are available at any time.

(3) The employer shall secure periodical medical check-ups for workers who work at night at least once in every two years.

(4) If it has been determined in a medical check-up referred to in paragraph 3 of this Article that the employee is subjected to a threat of disability caused by work at night, the employer shall offer to him to conclude a labor contract for the performance of same or similar tasks outside of night shifts, if applicable, or a possibility for redeployment to other jobs

provided that the employee undergoes a requalification or additional training for that other potential job.

(5) Night work by pregnant women as of the sixth month of pregnancy, mothers and adoptive parents, as well as a person entrusted with childcare pursuant to a decision issued by the competent authority, until the child has turned two years of age, shall be forbidden.

Night work for minor employees

Article 42

(1) Night work shall be prohibited for minor employees.

(2) For minor employees in industry, work in the period between 19 hours in the evening and 7 hours in the morning of the next day, shall be considered night work.

(3) For minor employees not employed in industry, work in the period between 20 hours in the evening and 6 hours in the morning of the following day shall be considered night work.

(4) Exceptionally, minor employees may temporarily be exempted from the prohibition of night work in case of major breakdowns, force majeure and protection of interests of the Federation of Bosnia and Herzegovina (hereinafter: Federation), based on the approval by the Canton labor inspectorate (hereinafter: competent labor inspectorate).

(5) The Federation Minister of Labor and Social Policy (hereinafter: Federation Minister) shall prescribe the activities considered to be industrial in terms of paragraph 2 of this Article by virtue of a Rulebook.

Obligation to keep records

Article 43

(1) An employer shall keep records on a daily basis on employees and other persons engaged to perform work.

(2) The records referred to in paragraph 1 of this Article shall contain data on the beginning and end of working hours, shifts, and other data on the presence of employees at work.

(3) An employer shall, in addition to the records referred to in paragraph 1 of this Article, keep personal records on employees employed by him – master records.

(4) The employer shall make available records, referred to in paragraphs 1 and 3 of this Article, to a labor inspector.

(5) The Federation Minister shall prescribe in a Rulebook the contents and method of keeping records referred to in paragraphs 1 and 3 of this Article.

V – BREAK AND LEAVE OF ABSENCE

Break during working hours

Article 44

(1) An employee who works for more than six hours a day shall be entitled to a break during a working day, lasting for not less than 30 minutes.

(2) An employer shall ensure the break referred to in paragraph 1 of this Article to an employee, at his request, lasting one hour in a day over the working week.

(3) The break referred to in paragraphs 1 and 2 of this Article shall not be counted in working hours.

(4) The manner and time of using breaks referred to in paragraphs 1 and 2 of this Article shall be defined in a collective agreement, Rulebook on labor, and a labor contract.

Daily break

Article 45

(1) An employee shall be entitled to a break between two consecutive working days (daily break) lasting at least 12 hours without any interruptions.

(2) While performing seasonal jobs, an employee shall be entitled to an uninterrupted break lasting at least 10 hours, and at least 12 uninterrupted hours for minor employees.

Weekly break

Article 46

(1) An employee shall be entitled to a weekly break of at least 24 uninterrupted hours, and if necessary that he works on the day of his weekly break, he shall be provided with one day in the period agreed between the employer and the employee, which may not be longer than two weeks.

(2) An employee may be requested to work on the day of his weekly break only in case of force majeure, a sudden increase in the workload if the employer may not apply other

measures, prevention of losses on perishable goods and in other cases set out in the collective agreement or Rulebook on labor.

(3) An employee may not be denied his right to a break during working hours, daily break, and weekly break.

Minimum annual leave

Article 47

(1) For each calendar year, an employee shall be entitled to paid annual leave lasting at least 20 working days, however no longer than 30 working days.

Acquiring right to annual leave

Article 48

(1) An employee entering into employment for the first time or having a gap between two employments longer than 15 days shall acquire the right to annual leave after six months of continuous work.

(2) If an employee has not acquired the right to annual leave in terms of paragraph 1 of this Article, he shall be entitled to at least one day of annual leave for each completed month of work, in accordance with the collective agreement, Rulebook on labor, and labor contract.

(3) Absence from work due to temporary inability to work, maternity or another type of leave of absence not depending on the will of an employee, shall not be considered to be the gap referred to in paragraph 1 of this Article.

Manner of using annual leave

Article 49

(1) Specific duration of annual leave shall be governed by collective agreement, Rulebook on labor, or labor contract.

(2) The period of temporary inability to work, the time of non-working holidays, or other leave of absence recognized for the purposes of pension coverage shall not be included in the duration of annual leave.

(3) If the work is organized in a working week containing less than six working days, the calculation of annual leave shall include only working time distributed between six working days, unless otherwise decided in a collective agreement, Rulebook on labor, or labor contract.

Use of annual leave in segments

Article 50

(1) Annual leave may be used in two segments.

(2) If an employee uses annual leave in segments, the first part shall be used without interruption in duration of at least 12 working days in course of a calendar year, and the second part shall be used by no later than 30 June next year.

(3) Employee who fails to use a part of his annual leave referred to in paragraph 2 of this Article shall not be entitled to transfer his annual leave to the next year.

(4) An employee shall be entitled to use one day of annual leave when he wishes so, with the obligation to inform the employer to this effect at least three days before its use.

Protection of right to annual leave

Article 51

(1) An employee may not waive his right to annual leave.

(2) An employee may not be denied the right to annual leave, nor may he be paid in lieu of annual leave, with the exception referred to in Article 52(4) of this Law.

Use of annual leave

Article 52

(1) Employer shall make annual leave schedule, based on previous consultations with employees or their representatives, in accordance with the law, while taking account of business needs and valid reasons of an employee.

(2) An employer shall inform an employee by a decision in writing about the duration of his annual leave and the period for its use at least seven days prior to the use of annual leave.

(3) An employee shall be entitled to salary during his annual leave, in the amount of salary he would receive if he was at work.

(4) In case of termination of labor contract, an employer shall pay compensation in lieu of annual leave used to the employee who has not used his annual leave, or part of his annual leave, in the amount he would have received if he had used his entire annual leave, or the remaining part of it, if he did not use his annual leave or part of it through the employer's fault.

Paid leave of absence

Article 53

(1) An employee shall be entitled to paid leave of absence of up to seven working days in a calendar year - paid leave of absence in case of: entering into marriage, child-birth by an employee's wife, a serious disease and death of a member of the close family or household, in accordance with collective agreement, Rulebook on labor, and labor contract.

(2) Close family members, in terms of paragraph 1 of this Article, shall include: spouses or common-law partners, a child (born in wedlock, born out of wedlock, adopted, step-child, or parentless child taken for support), father, mother, step-father, step-mother, adoptive parents, grandfather, grandmother (paternal and maternal), brothers and sisters.

(3) An employee shall be entitled to paid leave of absence during education or vocational training and professional development, and training for the needs of trade union work, under the conditions, in the duration and against the compensation set forth in the collective agreement or Rulebook on labor.

(4) An employee who is a voluntary blood donor shall be entitled to not less than one day of paid leave of absence each time he donates blood.

(5) With respect to acquiring rights arising from labor relations or related to labor relations, the time of paid leave of absence shall be considered the time spent at work.

(6) An employee shall also be entitled to pay leave of absence in other cases, as well as during periods set out in a Canton regulation, collective agreement or Rulebook on labor.

Unpaid leave of absence

Article 54

(1) An employer may, at the written request of an employee, allow the employee to be absent from work without compensation – unpaid leave of absence.

(2) Terms and period of unpaid leave of absence shall be laid governed by a collective agreement or Rulebook on labor.

(3) An employer shall grant an employee to be absent from work for up to four days in a calendar year, to meet his religious and/or tradition-related needs, of which the absence of two days shall be used with compensation – paid leave of absence.

(4) During leave of absence referred to in paragraph 1 of this Article, the rights and obligations of employees acquired through labor relations and arising from labor relations shall be suspended.

VI – PROTECTION OF EMPLOYEES

Occupational safety and health

Article 55

(1) An employer shall provide an employee with an opportunity to familiarize himself with the labor regulations and occupational safety and health regulations at the commencement of his employment, and inform him of the manner in which the work is organized.

(2) Employees shall have the right and duty to use all the protective measures laid down by the occupational safety and health regulations and other applicable regulations.

(3) An employee shall have the right to refuse to work if his life and health are directly threatened because the prescribed occupational safety and health measures have not been implemented, and he shall immediately report this to the employer and the competent labor inspectorate.

(4) An employee who has refused to work for the reasons stated in paragraph 3 of this Article shall be entitled to salary as if he worked, namely for the period necessary to implement measures set out in the occupational safety and health regulations and other regulations, if he was not redeployed to other appropriate tasks in that period.

Article 56

(1) On the occasion of conclusion of labor contract and during the employment, an employee shall have to inform the employer of a health condition or another circumstance, which prevents him or seriously prevents him from meeting duties arising from labor contract or which threatens life or health of persons, with whom he gets into contact during the performance of tasks from labor contract.

(2) Employer may refer the employee to a medical check-up to determine the status of his health necessary for performance of certain tasks.

(3) Costs of medical check-up, referred to in paragraph 2 of this Article shall be borne by employer.

Protection of minors

Article 57

(1) A minor may not perform particularly hard manual labor, underground or underwater works, or other jobs, which could have a harmful effect or pose increased risks to his life and health, development or morality, given his psychological and physical capacities.

(2) Federation Minister shall, in a separate regulation, determine the jobs referred to in paragraph 1 of this Article.

(3) A labor inspector shall prohibit the work of minors on the jobs referred to in paragraph 1 of this Article.

(4) In case referred to in paragraph 3 of this Article, an employer shall offer to a minor employee to conclude a labor contract related to performance of other appropriate jobs, and if there are no such jobs, he shall offer to him a possibility of requalification and additional training for other appropriate jobs.

(5) If, following the requalification or additional training, there are no jobs, which the minor employee may perform, the employer may terminate his labor contract in a manner and under the terms provided for in this law.

Medical examination of minors

Article 58

(1) A minor employee shall be entitled to medical examinations with a view to protecting his health and psychological and physical development.

(2) Costs of medical examinations referred to in paragraph 1 of this Article shall be borne by the employer.

Protection of women

Article 59

A woman may not perform underground labor (in mines), unless she holds a managerial position, which does not require physical labor, or she works in a healthcare or welfare service, i.e., if a women has to spend a certain amount of time in underground training or has to

occasionally enter the underground part of a mine for the purpose of practicing an occupation which does not include physical labor.

Prohibition of unequal treatment

Article 60

(1) An employer may not refuse to employ a woman on account of her pregnancy, or terminate her labor contract during her pregnancy, maternity leave, as well as during the exercise of rights referred to in Articles 63, 64, and 65 of this Law, that is an the employee who is exercising one of the mentioned rights.

(2) Termination of a fixed-term labor contract shall not be considered a termination of a labor contract in terms of paragraph 1 of this Article.

(3) An employer cannot ask for any information about the pregnancy, unless a female employee requests a certain right provided for by the law or another regulation, which protects pregnant women.

Temporary deployment of women during pregnancy

Article 61

(1) An employer shall redeploy a female employee to other jobs during pregnancy or breast-feeding of a child, if this is in the interest of her health, as established by an authorized medical doctor.

(2) If an employer is not able to secure the redeployment of a woman in terms of paragraph 1 of this Article, the woman shall be entitled to pay leave of absence, in accordance with the collective agreement and Rulebook on labor.

(3) Temporary redeployment referred to in paragraph 1 of this Article may not result in reduction of the woman's salary.

(4) An employer may redeploy the woman referred to in paragraph 1 of this Article to another workplace only with her written consent.

Maternity leave

Article 62

(1) During pregnancy, delivery, and care for the baby, a woman shall be entitled to maternity leave of one year without interruption.

(2) Based on the findings of an authorized medical doctor, a woman may start maternity leave 28 days prior to the anticipated date of delivery.

(3) A woman may use shorter maternity leave, but not shorter than 42 days after delivery.

(4) After 42 days from the delivery, an employee – father of a child may also exercise the right to paternity leave, if the parents so agree.

(5) An employee – father of the child may also exercise the right referred to in paragraph 1 of this Article in case of the mother's death, if the mother has abandoned the baby, or if she is prevented from using maternity leave for other justified reasons.

Half of full-time working hours after the maternity leave

Article 63

(1) Following the maternity leave, a woman with the baby of up to one year of age shall be entitled to work half of full-time working hours, and for twins, the third or each subsequent child she shall be entitled to work half of full-time working hours until her baby has turned two years of age, unless the Canton regulation provides for longer duration of this right.

(2) The right referred to in paragraph 1 of this Article may also be exercised by an employee – father of the child, if the women works full working hours during that period.

Working half of full-time working hours until the child is three years of age

Article 64

After the baby has turned one year of age, one of the parents shall be entitled to work half of full-time working hours until the baby turns three years of age, if the baby, according to the findings of competent health institution, requires enhanced care.

Right of a woman to leave of absence for breast-feeding

Article 65

(1) A woman who breastfeeds a baby, who works full-time working hours after the maternity leave, shall be entitled to be absent two times a day from work to breastfeed her child, until the baby turns one year of age.

(2) Time referred to in paragraph 1 of this Article shall be counted towards full-time working hours.

Right to maternity leave in case of loss of a child

Article 66

If a woman gives birth to a stillborn child or if the child dies before the expiry of maternity leave, she shall be entitled to extend maternity leave by such time as is necessary, according to the findings of an authorized medical doctor, to recover from the delivery and the psychological condition caused by the loss of the baby, however no less than 45 days from the delivery or the death of the baby, during which time she shall be entitled to all the rights arising from maternity leave.

Right to leave of absence after the maternity leave

Article 67

(1) One of the parents may be absent from work until the baby has turned three years of age, if this is provided for in the collective agreement or Rulebook on labor.

(2) During absence from work in terms of paragraph 1 of this Article, the rights and obligations arising from labor relations shall be suspended.

Compensation of salary during maternity leave and the work on half of full-time working hours

Article 68

(1) During maternity leave, an employee shall be entitled to compensation of salary in accordance with the separate law.

(2) In addition to the right referred to in paragraph 1 of this Article, an employee may also be paid the difference up to the full salary at the expense of the employer.

(3) During the work at half of full-time working hours referred to in Articles 62 and 63 of this Law, an employee shall be entitled to compensation of salary for the half of full-time working hours he is not working, in accordance with the law.

Rights of parents of a child with serious developmental disability

Article 69

(1) One of the parents of a child with serious difficulties in development (of a seriously handicapped child) shall be entitled to work half of full-time working hours, in case of a single parent or if both parents are employed, provided that the child is not placed in a social welfare/healthcare institution, based on the findings of the competent healthcare institution.

(2) The parent exercising the right referred to in paragraph 1 of this Article shall be entitled to compensation of salary in accordance with the law.

(3) The parent exercising the right referred to in paragraph 1 of this Article may not be ordered to work at nights, overtime, nor may his workplace be changed, unless he has given his written consent to that effect.

Rights of adoptive parents and a person entrusted with childcare

Article 70

Rights referred to in Article 61, paragraphs 1 and 3; Articles 63, 64, 67, 68, and 69 of this Law may be exercised by one of the adoptive parents or a person entrusted with childcare pursuant to a decision by the competent authority.

Protection of an employee in case of temporary inability to work due to an Injury at work or an occupational disease

Article 71

(1) An employer may not terminate a labor contract to an employee who has suffered an injury at work or has developed an occupational disease, during his medical treatment or rehabilitation, unless he committed a grave offense or grave breach of working obligation arising from the labor contract.

(2) In cases and over the period referred to in paragraph 1 of this Article, an employer may not terminate a fixed-term labor contract of an employee, unless he committed a grave offense or grave breach of working obligation arising from the labor contract.

(3) In the case referred to in paragraph 2 of this Article, a fixed-term labor contract shall not be considered unlimited duration labor contract in terms of Article 22(4) of this Law.

Employee's right to return to work after being temporarily incapacitated

Article 72

(1) An injury at work, a disease or an occupational disease may not have any detrimental effect on the exercise of an employee's rights arising from labor relations.

(2) An employee who was temporarily incapacitated for work during the period of up to six months due and regarding whom, following the medical treatment and rehabilitation, the competent healthcare institution or an authorized medical doctor established that he may

return to his job, shall be entitled to return to his duties he performed prior to becoming temporarily incapacitated for work.

(3) If there is no possibility for the employee, who was temporarily incapacitated for work in he period longer than six months, to return to his job or other appropriate jobs, the employer may deploy him to other duties in accordance with his qualifications and skills required for work.

(4) If there is no possibility for redeployment referred to in paragraphs 2 and 3 of this Article, the employer may, following the consultations with the Council of employees, terminate labor contract this employee.

(5) An employee shall inform the employer in writing of the temporary incapacity for work, no longer than three days from the day on which incapacity for work occurred.

Rights of an employee with altered work capacity

Article 73

If an institution competent for providing expert medical opinions on health status has assessed that the capacity of an employee for work has changed (a person with II – category disability), the employer shall be obliged to offer to him a new labor contract in writing for the performance of jobs for which the employee has the capacity, if there are such jobs, that is, if there is a possibility to redeploy the employee to other jobs provided that he undergoes requalification or additional training.

Termination of a labor contract to employee with altered capacity for work

Article 74

(1) Only with the previous consent of the Council or employees and/or trade union, an employer may terminate a labor contract to an employee with altered capacity for work, if a Council of employees and/or a trade union has been formed at the employer.

(2) If the Council of employees and/or trade union deny the consent referred to in paragraph 1 of this Article, the resolution of the dispute shall be referred to arbitration in accordance with the collective agreement and Rulebook on labor. If dissatisfied with the arbitration award, the employer may, within 15 days from the date of the service of the arbitration award, request the substitution of the said consent by a court decision.

(3) In case of termination of a labor contract referred to in paragraph 1 of this Article, an employee shall be entitled to severance pay in the amount increased by at least 50% compared

to the severance pay referred to in Article 111 of this Law, unless a labor contract is terminated due to the breach of duties arising from labor relations or failure of an employee to fulfill the obligations stipulated in the labor contract.

VII – SALARY AND COMPENSATION OF SALARY

Right to salary

Article 75

(1) Salary of an employee shall be governed by a collective agreement, Rulebook on labor, and labor contract.

(2) Salary for the work performed and time spent at work shall consist of basic salary, part of salary for performance and increased salary referred to in Article 76 of this Law, in accordance with the collective agreement, Rulebook on labor, and labor contract.

(3) The collective agreement and Rulebook on labor shall define the elements for determination of basic salary and part of salary for performance.

Right to increased salary

Article 76

An employee shall be entitled to an increased salary for particularly difficult working conditions, overtime, and night work, and for work on the days of weekly breaks, holidays, or any other day which is statutorily defined as a non-working day, in accordance with the collective agreement, Rulebook on labor, and a labor contract.

Equal pay

Article 77

(1) An employer shall pay equal salaries for equal work to employees, irrespective of their national, religious, gender, political and trade union affiliation, as well as another discriminatory ground referred to in Article 8(1) of this Law.

(2) Equal labor shall be understood to mean the labor, which requires the same level of professional qualifications, same capacity for work, responsibility, physical and intellectual work, skills, working conditions, and work outputs.

Minimum salary

Article 78

(1) Collective agreement and Rulebook on labor shall define the minimum salary.

(2) Minimum salary shall be defined based on minimum labor price defined in the collective agreement and Rulebook on labor.

(3) The Federation Government shall harmonize minimum salary, upon prior consultation with the Federation of BiH Economic and Social Council, in line with the index of consumer prices, at least once a year.

(4) Employer cannot calculate and pay the salary to employee, which is lower than the minimum salary defined in collective agreement and Rulebook on labor.

Payment of salary

Article 79

(1) Salary shall be paid after the work is performed in periods, which cannot be longer than 30 days.

(2) Salary and compensation of salary shall be paid in money.

(3) Employer shall deliver the payroll slip to employee during the payout of salary.

(4) Individual salaries shall not be public.

Calculation of salary

Article 80

(1) An employer who fails to pay salary within timeframe referred to in Article 78(1) of this Law, or fails the full amount, shall hand over a payroll slip of the calculated salary to an employee, by the end of month in which the salary payment fell due, for the salary he was obliged to pay out.

(2) The calculation referred to in paragraph 1 of this Article shall be considered a writ of execution.

Compensation of salary

Article 81

(1) An employee shall be entitled to compensation of salary for the period of his absence from work due to justified reasons as provided for in the law, Canton regulation, collective agreement and Rulebook on labor (annual leave, temporary incapacity for work, maternity leave, paid leave of absence, etc.).

(2) Period referred to in paragraph 1 of this Article for which the compensation is paid at the expense of employer shall be determined in the law, Canton regulation, collective agreement, Rulebook on labor or labor.

(3) An employee shall be entitled to compensation of salary during the interruption in work for which the employee is not responsible (force majeure, temporary stoppages in production, etc.), in accordance with collective agreement, Rulebook on labor and labor contract.

Protection of salary and compensation of salary

Article 82

(1) Without an enforceable court ruling or consent of an employee, an employer may not collect his claim against the employee by withholding the payment of his salary, or a part of it, that is, by withholding the payment of compensation of salary or part of it.

(2) Consent of an employee referred to in paragraph 1 of this Article may not be given before the claim has arisen.

Enforced holdback of salary and compensation of salary

Article 83

An employee's salary or compensation of salary may be withheld by force of law, in accordance with the regulation governing enforcement procedure.

VIII – EMPLOYEES' INVENTIONS, INDUSTRIAL DESIGN AND TECHNICAL INNOVATIONS

Actions in case of inventions, industrial design, and technical innovations at work or in relation to work

Article 84

(1) An employee shall inform the employer about the invention, industrial design, or technical innovation he has made at work or in relation to work.

(2) Inventions and/or industrial design in terms of paragraph 1 of this Article shall be those defined by the industrial property regulations.

(3) An employee shall keep the data on the invention and/or industrial design as a business secret and cannot hand it over to a third party without the approval of the employer.

(4) Inventions and/or industrial design made at work or in relation to work shall belong to the employer, and the employee shall be entitled to remuneration defined in the collective agreement, labor contract, or a separate contract.

(5) An employee shall inform his employer about his invention or industrial design not created at work or in relation to work, if such invention is associated with the activity of the employer, and offer him the assignment of rights related to the invention in writing.

(6) If an employer has applied the technological improvement and/or technical solution arrived at through the streamlining, i.e., innovative solutions proposed by an employee, he shall pay to the employee the remuneration defined in the collective agreement, labor contract, or a separate contract.

IX – BAN ON COMPETITION BETWEEN THE EMPLOYEE AND EMPLOYER

Statutory ban on competition

Article 85

An employee can, only with a prior approval of the employer, enter into business arrangements, for his own or somebody else's account, and perform tasks falling within the activity of the employer.

Contractual ban on competition

Article 86

(1) An employer and an employee may conclude a contract stipulating that the employee, for a specific period of time following the lapse of labor contract, however no longer than two years, may not be employed with a competitor of the employer, and that he may not, either for his own account or for the account of a third party, enter into business arrangements and perform jobs by which he competes with the employer.

(2) Contract referred to in paragraph 1 of this Article shall be concluded in writing or may be an integral part of the labor contract.

Compensation in case of a contractual ban on competition

Article 87

(1) The contractual ban on competition shall put an employee under an obligation only if the employer has committed himself under the contract to the payment of compensation to the employee during the period of the ban, amounting to at least half of the average salary paid to the employee in the period of three months preceding the termination of labor contract.

(2) Compensation referred to in paragraph 1 of this Article shall be paid by the employer to the employee at the end of each calendar month.

(3) Amount of the compensation referred to in paragraph 1 of this Article shall be indexed in the manner and under the terms determined by the collective agreement, Rulebook on labor, or labor contract.

Termination of a contractual ban on competition

Article 88

The terms and the method of termination of the competition ban shall be regulated in a contract between the employer and the employee.

X – PAYMENT OF DAMAGES

Liability of an employee for the damage caused to the employer

Article 89

(1) An employee who, at work or in relation to work, deliberately or due to gross negligence, causes damage to the employer shall compensate the employer for the damage.

(2) If the damage has been caused by a number of employees, each employee shall be held liable for the part of the damage he has caused.

(3) If it is not possible to establish the part of the damage caused by each respective employee, it shall be assumed that all the employees are equally responsible and they shall compensate the damage in equal parts.

(4) If a number of employees have caused damage by committing a premeditated criminal offense, they shall be held jointly and severally liable for the damage.

Setting the lump-sum of damages

Article 90

(1) If the exact value of damages may not be established, or the establishment of this value would cause disproportional expenses, the collective agreement or Rulebook on labor may provide for the setting of the value of damages to be paid as a lump-sum, the method to determine the lump-sum and the authority setting this amount, as well as other matters related to such compensation.

(2) If the damage that has been caused is much higher than the determined lump-sum of damages, the employer may request compensation in the amount of the actually caused damage.

Liability for damage caused to third party

Article 91

An employee who has deliberately or due to ultimate negligence caused damage to a third party at work or in relation to work, and the employer has compensated the damage, shall compensate the employer for the amount of compensation paid to the third party.

Reduction of and exemption from the obligation to compensate damages

Article 92

A collective agreement and Rulebook on labor shall determine the terms and method of reduction or exemption of an employee from the obligation to compensate damages.

Employer's liability for damage caused to an employee

Article 93

(1) If an employee has suffered damage at work or in relation to work, the employer shall compensate the employee for this damage according to the general provisions of the law on contracts.

(2) The right to compensation for damage referred to in paragraph 1 of this Article shall also apply to the damage caused by an employer to an employee by way of breaching his rights arising from labor relations.

(3) Compensation of salary received by an employee on account of unlawful dismissal shall not be considered compensation for damage.

XI – TERMINATION OF LABOR CONTRACT

Methods of termination of labor contract

Article 94

A labor contract shall be terminated:

a. due to the death of an employee;
b. by an agreement between the employer and employee;
c. when the employee reached 65 years of age and 20 years of pension insurance coverage, unless otherwise agreed upon between the employer and employee;
d. when it is determined based on records that the employee worked for 40 years, unless otherwise agreed upon between the employer and employee;
e. on the day of delivering the decision acknowledging rights to disability pension due to loss of working abilities;
f. through dismissal;
g. by lapse of time to which the fixed-term contract was concluded;
h. if an employee is sentenced to a prison term longer than three months – on the day of commencement of prison term;

i. if a security, correctional or protective measure has been imposed on an employee, lasting for more than three months – on the day of commencement of measure enforcement;
j. by a final decision of a competent court resulting in termination of labor relations.

Agreement on termination of labor contract

Article 95

(1) An agreement on termination of a labor contract shall be in writing.

(2) The agreement referred to in paragraph 1 of this Article shall stipulate the time limit in which labor relations cease to apply, as well as all other mutual rights and obligations arising from the termination of labor relations.

Termination of labor contract

Article 96

(1) An employer may terminate the labor contract of an employee with the prescribed notice period, if:

a. the termination is justified for economic, technical or organizational reasons, or
b. an employee is not able to perform his duties arising from labor relations.

(2) An employer may terminate a labor contract in cases referred to in paragraph 1 of this Article, if the employer cannot be reasonably expected to engage the employee on other jobs, or train or qualify him for performing other jobs.

(3) If an employer intends to employ, within one year from the termination of his labor contract in terms of paragraph 1, item a. of this Article, an employee with same qualifications and educational level or on the same job post, he shall have to offer employment to those employees whose labor contracts were terminated prior to employing other persons.

Termination of contract without the obligation of notice period

Article 97

(1) An employer may terminate a labor contract to an employee, without the obligation to abide by the notice period, if the employee is responsible for a serious offense or serious breach of duties arising from labor contract, which are of such a nature that the employer cannot be reasonably expected to continue with his employment.

(2) In case of a minor offense or minor breach of duties arising form a labor contract, the labor contract cannot be terminated without a prior written warning to the employee.

(3) The written warning referred to in paragraph 2 of this Article shall contain a description of the offense or breach of duty for which the employee is deemed responsible, as well as a statement about the intention to terminate a labor contract without the prescribed notice period if the offense is repeated within six months from the issuance of the written warning by the employer.

(4) A collective agreement or Rulebook on labor shall determine types of offenses or breaches of duty referred to in paragraphs 1 and 2 of this Article.

Unjustified grounds for dismissal

Article 98

Unjustified grounds for dismissal shall be:

a. temporary inability to work caused by an illness or injury;
b. filing an appeal or a complaint, that is, participating in the proceedings against the employer for a violation of a law, another regulation, collective agreement or Rulebook on labor, or addressing competent executive bodies by the employee;
c. the employee's address to responsible persons or competent state administration bodies or a bona fide report filed with these persons or bodies, regarding a reasonable suspicion of corruption.

Resignation from work without the obligation to respect notice period

Article 99

(1) An employee may terminate his labor contract without the obligation to respect the notice period, if the employer is responsible for an offense or breach of duties arising from labor contract, and they are of such a nature that the continuation of employment by the employee cannot be reasonably expected.

(2) In case of termination of labor contract referred to in paragraph 1 of this Article, an employee shall be entitled to all the rights in accordance with the law, as if the labor contract was unlawfully terminated by the employer.

Deadline for termination of labor contract without notice period

Article 100

In the cases referred to in Articles 97 and 99 of this Law, a labor contract may be terminated within 60 days from the day on which the fact causing dismissal came to one's knowledge, but no longer than one year from the breach committed.

Facilitating an employee to present his defense

Article 101

If an employer terminates a labor contract because of the conduct or performance of an employee, he shall allow the employee to present his defense related to the charges standing against him.

Burden of proof

Article 102

In the case of a dispute over the termination of a labor contract, the burden of proof relative to the justification of reasons for the termination of labor contract, in terms of Article 96(1), items a. and b. and Article 97(1) and (2) of this Law, shall rest on the employer.

Consent for dismissal for shop stewards

Article 103

(1) An employer cannot, without prior consent of the Federation ministry in charge of labor, in reference to a shop steward during the discharge of his duties and six months after he is no longer in this function:

a. terminate a labor contract, or

b. in other way put him in a less favorable position compared to a job post he held prior to this function.

(2) A shop steward in terms of paragraph 1 of this Article shall be an employee who is an authorized representative of the trade union organized at the employer in line with the regulations governing organization and activities of trade unions.

(3) If the competent ministry denies the consent referred to in paragraph 1 of this Article, an employer may request the substitution of the decision by a court ruling, within 30 days from the date of delivery of such decision.

A notice of dismissal in writing

Article 104

(1) A notice of dismissal shall be given in writing.

(2) Employer shall in writing justify dismissal.

(3) Notice of dismissal, that is, the letter of resignation shall be given to the employee, that is the employer.

Duration of notice period

Article 105

(1) The notice period may not be shorter than seven days when an employee is terminating a labor contract, or shorter than 14 days when an employer is terminating a labor contract.

(2) The notice period shall start to run from the day of delivery of the notice to an employee or an employer.

(3) The collective agreement, Rulebook on labor, and a labor contract may define a longer notice period, but not more than a month when an employee is giving a notice to an employer, i.e., three months when an employer is giving a notice.

Rights of employees in case of unlawful dismissal

Article 106

(1) If an employee, at the request of the employer, stops working before the prescribed notice period lapsed; the employer shall pay to him the compensation of salary and recognize all his other rights as if he had worked the notice period.

(2) If the court finds that the dismissal was unlawful, it can put the employer under an obligation to:

a. reinstate an employee, at his request, to the tasks he previously performed or other adequate tasks, and pay him the compensation of salary in the amount the employee would have received if he had worked, as well as compensate him for the damage, or

b. pay to the employee:

- the compensation of salary in the amount the employee would have received if he had worked;

- Compensation for the damage suffered;
- Severance pay to which the employee is entitled to in accordance with the law, collective agreement, Rulebook on labor or labor contract;
- Other benefits which the employee is entitled to in accordance with the law, collective agreement, Rulebook on labor or labor contract.

(3) If an employee stops working prior to the lapse of the prescribed notice period, without the employer's consent, the employer shall be entitled to compensation for damage in accordance with the general regulations related to compensation of damages.

(4) An employee contesting the termination of his labor contract may request the court to deliver the injunction related to his reinstatement, pending the conclusion of court proceedings.

Dismissal with the offer of a modified labor contract

Article 107

(1) Provisions of this Law pertaining to dismissal shall also apply when the employer terminates a contract, and at the same time offer the employee to conclude a labor contract under modified terms.

(2) If an employee accepts the offer of the employer referred to in paragraph 1 of this Article, he shall reserve the right to contest the admissibility of such modification of contract before a competent court.

(3) An employee shall decide on the offer to conclude a labor contract on modified terms within the time limit set by the employer, which may not be shorter than eight days.

Temporary redeployment of an employee to another post

Article 108

(1) In urgent cases (replacement of unexpectedly absent employee, a sudden surge in workload, prevention of major damage, a defect of machinery, disasters, etc.), an employer may take a unilateral decision to redeploy an employee to a different post, but not for more than 60 days in one calendar year.

(2) In the case referred to in paragraph 1 of this Article, an employee's salary and other benefits shall be calculated as if he worked on the post for which he has concluded a labor contract.

(3) A request for protection of rights, filed against the decision referred to in paragraph 1 of this Article, shall not stay its execution.

Welfare program for redundant employees

Article 109

An employer employing over 30 employees, who has an intention to terminate labor contracts of at least five of the employees in the coming three months, due to economic, technical or organizational reasons, shall be obliged to consult with the Council of employees and trade union.

Obligation of consultations

Article 110

(1) The obligation of consultations in terms of Article 109 of this Law:

a. shall be based on a document in writing program prepared by the employer;

b. shall start at least 30 days before giving the notice of dismissal to the employees, which it refers to.

(2) The written document referred to in paragraph 1 of this Article shall be presented to the Council of employees or trade union before consultations, and shall specifically contain the following information:

- reasons for the envisaged termination of labor contract;
- number, category and gender of employees whose labor contracts are to be terminated;
- measures for which the employer believes that they can help to avoid some or all of the dismissals (e.g. redeployment of employees to other jobs with the same employer, requalification where applicable, temporary reduction of working hours);
- measures for which the employer believes that they could help the employees in finding employment with other employers;
- measures for which the employer believes that they could be undertaken to re-qualify employees aimed at their finding employment with other employers.

(3) If the employer intends to employ other employees with the same qualifications and same educational levels, or on the same jobs, within a one year from the termination of labor contracts, in terms of Article 108 of this law, he shall first offer employment to those employees whose labor contracts had been terminated, before he employs other persons.

Severance pay

Article 111

(1) An employee who has concluded an unlimited duration labor contract with an employer, and whose labor contract was terminated by the employer after at least two years of uninterrupted work, unless the contract was terminated due to the breach of duties arising from labor relations or due to a failure on the part of the employee to fulfill the obligations under the labor contract, shall be entitled to severance pay in the amount to be determined based on the length of the past uninterrupted employment with that particular employer.

(2) Severance pay referred to in paragraph 1 of this Article shall be determined in the collective agreement, Rulebook on labor or labor contract. It may not be lower than one third of the average monthly salary, paid to the employee in the last three months before the termination of his labor contract, for each full year of employment with that employer.

(3) Severance pay referred to in paragraph 2 of this Article cannot exceed six average salaries, paid to the employee in the last three months before the termination of his labor contract.

(4) Exceptionally, instead of severance pay referred to in paragraph 2 of this Article, an employer and an employee may also agree on a different type of compensation.

(5) The method, terms and time limits for the payout of severance pay referred to in paragraphs 2 and 4 of this Article, shall be set out in a written contract between the employee and the employer.

XII – EXERCISE OF RIGHTS AND DUTIES ARISING FROM LABOR RELATIONS

Deciding on rights and duties arising from labor relations

Article 112

(1) The rights and duties of employees under the labor contract shall be determined by the employer or another authorized person designated by the Statute or Articles of Incorporation, in accordance with this law, collective agreement, and other regulations.

(2) If an employer is a natural person, he may issue a written power or attorney authorizing another person of age, with legal capacity to act on his behalf in the exercise of rights and duties arising from labor relations or related to labor relations.

Exercise of employee's individual rights

Article 113

In exercising individual rights arising from labor relations, an employee may seek the exercise of these rights before the employer, competent court and other authorities, in accordance with this Law.

Protection of rights arising from labor relations

Article 114

(1) An employee, who believes that the employer violated any of his rights arising from labor relations, may request the employer to respect such right within 30 days from the day on which the decision that had violated his right was delivered, and/or from the day on which the violation of the right came to his knowledge.

(2) If the employer fails to meet such request within 30 days from the day on which the request for the protection of the right was filed or an agreement on peaceful dispute resolution referred to in Article 116(1) of this Law was reached, the employee may file a legal action with the competent court within further 90 days.

(3) An employee who did not submit to his employer the request referred to in paragraph 1 of this Article may not seek protection of the violated right before the competent court, except in the case of the employee's request for the payment of damages or another monetary claim arising from labor relations.

Article 115

All monetary claims arising from labor relations shall fall under the statute of limitations within three years from the day on which the claim was generated.

Peaceful dispute resolution

Article 116

(1) Prior to a legal action, an employee and an employer may agree on a peaceful dispute resolution in the manner and on the terms provided for by the law.

(2) If the procedure referred to in paragraph 1 of this Article is not completed in a reasonable time, which may not be longer than 60 days, or if the reconciliation attempt fails, an employee shall be entitled to file a legal action with the competent court, within the time limits referred to in Article 114 of this Law, which shall start running from the day on which the reconciliation procedure was concluded.

Transfer of labor contract in case of change of employer

Article 117

(1) In case of a change in the status of an employer, and/or change of an employer in accordance with the law (merger, acquisition, division, transformation of the company's legal form, etc.) or in case of change in the ownership of the employer's equity, all labor contracts valid on the date of the change of the employer, with written consent of employees, shall be transferred to the new employer (employer – legal successor).

(2) The employee whose labor contract was transferred as provided for in paragraph 1 of this Article shall retain all the rights he has acquired as a result of employment until the date of the transfer of the labor contract.

(3) The employer – legal predecessor shall inform in writing employees whose labor contracts were transferred to the employer – legal successor about the transfer of labor contracts.

XIII – RULEBOOK ON LABOR

Obligation to adopt Rulebook on labor

Article 118

(1) An employer employing more than 30 employees shall adopt and publish Rulebook on labor regulating salaries, organization of work, job classification, special requirements for employment and other issues of relevance to employees and the employer, in accordance with the law and collective agreement.

(2) An employer shall be under an obligation to consult with the trade union and/or Council of employees, if they are established, regarding the adoption of Rulebook on labor.

(3) The Rulebook on labor referred to in paragraph 1 of this Article shall be posted on the notice board of the employer, and shall enter into force on the eighth day from the day of its publication.

(4) The trade union and/or Council of employees may request the competent court to declare null and void Rulebook on labor or some of its provisions.

XIV – INVOLVEMENT OF EMPLOYEES IN DECISION-MAKING – COUNCIL OF EMPLOYEES

Article 119

(1) Employees with an employer employing at least 30 employees shall be entitled to establish a Council of employees to act on their behalf with the employer in protection of their rights and interests.

(2) If no Council of employees was established with the employer, the trade union shall have the obligations and the powers of the Council of employees in accordance with the law.

Article 120

A Council of employees shall be established at the proposal of the representative trade union or at least 20% of employees working with the employer.

Article 121

The manner and procedure for the establishment of Council of employees, as well as other matters related to the work and functioning of the Council of employees, shall be regulated by the law.

XV – REPRESENTATIVENESS OF TRADE UNIONS AND ASSOCIATION OF EMPLOYERS

Requirements for trade union representativeness

Article 122

(1) A trade union shall be considered to be representative, if it is:

a. registered with the competent authority, in accordance with the law;
b. financed predominantly out of membership fees and other own sources;
c. with a qualified percentage of members from among employees, in accordance with this Law.

Representativeness of trade unions with employers

Article 123

Such trade union with an employer shall be considered representative in which a minimum of 20% of the total number of employees working for an employer are members.

Trade union representativeness for the area of economic activity

Article 124

Such trade union shall be considered representative for one or more area of economic activities which, in addition to the requirement referred to in Article 122 of this Law, also meets the requirement of having members who account for at least 30% of the total number of employees in the respective branch in the territory of the Federation and/or the canton.

Representativeness of trade union in the territory of the Federation

Article 125

Such trade union shall be considered representative in the territory of the Federation, which in addition to the requirement referred to in Article 122 of this Law, also meets the requirement of having members who account for at least 30% or the total number of employees in the Federation, according to the data of the Federation Statistical Office.

Requirements for representativeness of trade union in a Canton

Article 126

If a Canton trade union constitutes an organizational part of a trade union referred to in Articles 124 and 125 of this Law, it shall be considered to meet the requirements set out in Article 122(1), items a. and b.

Representative trade union

Article 127

(1) If a trade union referred to in Articles 123, 124, and 125 of this Law does not meet the requirement regarding the percentage of members compared to the total number of employees, trade union with the largest number of members relative to the total number of employees shall be considered a representative trade union.

Requirements for representativeness of the association of employers

Article 128

(1) An association of employers shall be considered to be representative if:

a. it is registered in accordance with the law;
b. it has sufficient number of members;
c. it is financed predominantly from membership fees and other own sources.

(2) Such an association of employers shall be considered to be representative in terms of paragraph 1 of this Article, whose members employ at least 20% of the total number of employees in the industry in the territory of Federation and/or a Canton.

(3) If no association of employers meets requirement referred to in paragraph 2 of this Article, such an association of employers shall be considered to be representative whose members employ the largest number of employees in the industry in the territory of the Federation, and/or the a Canton.

(4) If a Canton association of employers constitutes an organizational part of a Federation association of employers, it shall be considered to meet the requirements set out in paragraph 1 of this Article.

Procedure for determination of representativeness of trade unions with the employer

Article 129

(1) Representativeness of a trade union with the employer shall be determined by the employer at the request of the trade union, which is active with the employer, in the presence of representatives of interested trade unions, in accordance with this Law.

(2) The request shall be accompanied by proof of meeting requirements for representativeness, as prescribed in Article 122 of this Law, and a statement by the person authorized to act on behalf of and represent the trade union.

(3) If a trade union with the employer constitutes a part of the trade union registered with the competent authority in accordance with the law, the request for determining representativeness shall be accompanied by a decision on registration of that trade union in the register of associations and a certificate of that trade union confirming that it is its integral part.

(4) An employer shall decide on the request referred to in paragraph 1 of this Article by a decision based on the submitted proof on meeting the requirements of representativeness, within 15 days from the day of the submission of the request.

(5) If the employer fails to establish representativeness of a trade union within the time limit referred to in paragraph 4 of this Article or if a trade union believes that its representativeness was not established in accordance with this Law, trade union representativeness with the employer may be decided upon, at the request of the trade union, by the Federation and/or Canton ministry in charge of labor.

Procedure for determination of representativeness of trade unions and associations of employers in the territory of the Federation and/or a Canton

Article 130

(1) Trade union and/or associations of employers representativeness in the territory of the Federation and/or a Canton, at the request of interested parties shall be determined by the Federation and/or a Canton ministry in charge of labor.

(2) The total number of employees shall be established on the basis of data of competent institutions, which the competent ministry collects through official channels.

(3) An employer shall, at the request of a trade union, issue a certificate of the number of employees.

(4) The Federation and/or a Canton ministry in charge of labor, within 15 days from the day of submission of the request referred to in paragraph 1 of this Article, shall pass a decision on the determination of the representativeness of a trade union and/or an association of employers, if the requirements set forth in this Law have been met.

(5) An administrative dispute may be instituted against the decision referred to in paragraph 4 of this Article.

Powers of representative trade union and association of employers

Article 131

(1) A trade union and/or association of employers whose representativeness was established in accordance with this Law shall be entitled to:

a. represent its members before the employer, authorities, associations of employers, other institutions and/or legal persons;

b. participate in collective bargaining and conclude collective agreements;

c. participate in bipartite and tripartite bodies comprising representatives of the authorities, associations of employers and trade unions, and

d. other rights in accordance with the law.

(2) The right to represent its members before the employer shall have all trade unions in accordance with the rules on the organization and activity of trade unions.

Review of the established representativeness

Article 132

Trade unions and employers and/or their associations may file a request for the review of established representativeness, if they believe that facts have changed on the basis of which representativeness was determined upon the expiry of one year from the service of the decision on the determination of representativeness.

Procedure for reviewing established representativeness of trade unions with the employer

Article 133

(1) The request for review of representativeness of trade union established with the employer shall be submitted to the employer with which the trade union was established.

(2) The request shall state the name of the trade union, the number of the act on registration, reasons for requesting representativeness review and evidence pointing to that.

(3) An employer shall deliver the request to the trade union, whose representativeness was reviewed, within eight days from the date of receipt of such request.

(4) A trade union shall within 15 days from the date of receipt of the request referred to in paragraph 3 of this Article submit to an employer proof of meeting the requirements of representativeness.

(5) An appeal from the decision of the employer on the already established representativeness may be filed with the Federation and/or a Canton ministry in charge of labor within 15 days from the date of receipt of the decision.

Procedure for reviewing established representativeness of trade unions and association of employers in the territory of the Federation and/or a Canton

Article 134

(1) Request for the review of representativeness of a trade union and/or an association of employers for the territory of the Federation and/or the a Canton, shall be filed with the Federation and/or a Canton ministry in charge of labor and shall contain the number of the registration act, reasons for requesting the review of representativeness and evidence pointing to that.

(2) The competent ministry referred to in paragraph 1 of this Article shall forward the request within 15 days from the date of receipt of the request to the trade union and/or an association of employers whose representativeness is under review, for the purpose of verification of the existing representativeness, in accordance with this Law.

(3) Trade unions and/or association of employers shall submit proof within 30 days from the date of receipt of the request referred to in paragraph 2 of this Article relative to meeting the requirements of the representativeness.

Application of the Law on administrative procedure

Article 135

The Law on administrative procedure shall apply to the procedure related to the determination of the representativeness of a trade union and/or an association of employers, for matters not defined in this Law.

Publication of decision on the representativeness or loss of representativeness

Article 136

A decision on representativeness and on the loss of representativeness by a trade union and an association of employers for the territory of the Federation shall be published in the *Official Gazette of the Federation of BiH*.

XVI – COLLECTIVE AGREEMENTS

Types of collective agreements

Article 137

(1) A collective agreement may be concluded as general, branch and individual (with the employer).

(2) A general collective agreement shall be concluded for the territory of the Federation, while branch collective agreements shall be concluded for the territory of the Federation or one or more Cantons.

Parties to collective bargaining

Article 138

(1) A general collective agreement shall be concluded by a representative association of employers and a representative trade union established in the territory of the Federation.

(2) A branch collective agreement shall be concluded by a representative association of employers and a representative trade union of one or more branches established in the territory of the Federation and/or one or more Cantons.

(3) Branch collective agreements for employees in the public administration, judicial authorities, public institutions, and other budget beneficiaries, shall be concluded by competent ministries and/or the Federation of BiH Government and competent ministries and Canton Governments from one side and representative trade unions of civil servants and employees of the Government, public institutions, and other budget beneficiaries from the other.

(4) An individual collective agreement shall be concluded by a representative trade union with the employer and the employer.

(5) In the bargaining procedure for the purpose of concluding collective agreements referred to in paragraphs 1, 2 and 3 of this Article, a representative trade union shall cooperate with other trade unions with fewer members, for the purpose of also taking account of the interests of employees who are members of that trade union.

Procedure of collective bargaining

Article 139

(1) All the parties to a collective agreement shall in good faith engage in collective bargaining and undertake reasonable efforts to conclude a collective agreement.

(2) The procedure of collective bargaining and the procedure for concluding collective agreements shall be initiated on the basis of a written initiative of one of the contracting parties.

(3) If no consent was reached within 45 days of collective bargaining to enter into a conclusion of a collective agreement, participants may set up arbitration to resolve disputed matters.

Format and applicability of collective agreements

Article 140

(1) A collective agreement shall be concluded in writing.

(2) A collective agreement may be concluded for a fixed period of time that cannot last more than three years.

(3) A collective agreement cease to apply after the lapse of period referred to in paragraph 2 of this Article, and shall continue to apply no longer than 90 days following the lapse of term to which it was concluded.

(4) A collective agreement referred to in paragraph 2 of this Article may be extended by an agreement between the parties that concluded the agreement not later than 30 days prior to the expiry of the collective agreement.

Contents of collective agreements

Article 141

(1) Collective agreements shall regulate rights and obligations of the parties, which concluded the collective agreement, and rights and duties arising from labor relations or related to labor relations, in accordance with the law and other regulations.

(2) Collective agreements shall also regulate the rules on the procedure of collective bargaining, the procedure for the termination of a collective agreement, and reasons and time limits for its termination, the composition and the method of operation by the bodies authorized for peaceful resolution of collective labor disputes.

Mandatory character of collective agreement

Article 142

A collective agreement shall be binding for the signatory parties, as well as for the parties that have joined it subsequently.

Extending the application of collective agreement

Article 143

(1) If there is interest of the Federation, the Federation minister may extend the application of the general and branch collective agreements to include other employers who are not members of an association of employers – party to the collective agreement, with

respect to which it has been assessed that there is a justified interest for the purpose of pursuing economic and social policies in the Federation aimed at ensuring equal working conditions.

(2) Prior to the issuance of a decision to extend the application of the collective agreement, the Federation minister shall be obliged to request the opinion of the Economic and Social Council of the Federation of Bosnia and Herzegovina.

(3) The decision on the extension of application of the collective agreement may be revoked in the manner prescribed for its adoption.

(4) The decision on the extension of application of the collective agreement shall be published in the *Official Gazette of the Federation of BiH*.

Amendments to collective agreements

Article 144

The provisions of this Law governing adoption of collective agreements shall also apply to their amendments.

Submission of collective agreements

Article 145

(1) Collective agreements and their amendments, concluded for the territory of the Federation or two or more cantons, shall be submitted to the Federation ministry in charge of labor, and all other collective agreements shall be submitted to the competent authority of the Canton.

(2) The procedure of submission of collective agreements referred to in paragraph 1 of this Article shall be defined in a regulation adopted by the Federation minister or the competent Canton minister.

Publication of collective agreements

Article 146

The collective agreement concluded for the territory of the Federation or several Cantons shall be published in the *Official Gazette of the Federation of BiH*, and for the territory of a Canton in the *Official Gazette* of that Canton.

Termination of collective agreements

Article 147

(1) A collective agreement may be terminated for the reasons, under the procedure and on the terms envisaged in that collective agreement.

(2) The termination of the collective agreement shall be mandatorily served on all the contractual parties.

Application of collective agreement in case of change of the employer or the economic activity

Article 148

(1) In the case of change of an employer referred to in Article 117 of this Law, pending the conclusion of a new collective agreement, the collective agreement that was applicable to the employees at the time of change of the employer shall continue to apply.

(2) In the case of change of an economic activity of the employer, the collective agreement of the new economic activity shall apply to his employees, namely as of the day of change of the economic activity.

Protection of rights under collective agreements

Article 149

Parties to a collective agreement, as well as the employees who exercise their rights under that collective agreement may seek protection of the rights provided for by the collective agreement before the competent court.

XVII – PEACEFUL RESOLUTION OF COLLECTIVE LABOR DISPUTES

Reconciliation

Article 150

(1) In case of dispute over the conclusion, application, amendment or termination of a collective agreement, or any similar dispute related to the collective agreement (a collective labor dispute), if the parties have not agreed on the method of peaceful settlement of dispute, the reconciliation procedure shall be conducted in accordance with this law.

(2) The reconciliation referred to in paragraph 1 of this Article shall be conducted by the Peaceful settlement council.

Peaceful settlement council

Article 151

(1) Peaceful settlement council may be established for the territory of the Federation and/or a Canton.

(2) Peaceful settlement council for the territory of the Federation shall consist of three members, namely: a representative of the employer, a representative of a trade union and a representative selected by the parties to the dispute from the list determined by the Federation Minister.

(3) The list referred to in paragraph 2 of this Article shall be formulated for a four-year period.

(4) Peaceful settlement council referred to in paragraph 2 of this Article shall pass the rules on the procedure before that council.

(5) Administrative tasks for the peaceful settlement council established for the territory of the Federation shall be performed by the Federation ministry in charge of labor.

(6) Costs incurred by the member of the peaceful settlement council from the list determined by the Federation minister shall be borne by the Federation ministry in charge of labor.

Peaceful settlement council for the territory of a Canton

Article 152

The establishment of the peaceful settlement council for the territory of a Canton, its composition, method of work and other matters pertaining to the work of that peaceful settlement council shall be regulated by the Canton regulation.

Effects of proposals made by peaceful settlement council

Article 153

(1) Parties to the dispute may accept or reject the proposal of the peaceful settlement council, and if they accept it, the proposal shall have a legal force and effect of a collective agreement.

(2) Parties to a dispute shall inform the Federation ministry or the competent authority of the Canton about the outcome and results of the reconciliation within three days from the conclusion of reconciliation in accordance with the Canton regulation.

Arbitration

Article 154

(1) Parties to a dispute may agree to refer their collective labor dispute for resolution to an arbitration body.

(2) The appointment of arbitrators and of an arbitration board and other matters related to arbitration procedure shall be regulated in a collective agreement or an agreement of the parties.

Arbitration award

Article 155

(1) The arbitration shall base its decision on the law, other regulations, collective agreement, and fairness.

(2) An arbitration award shall be substantiated, unless the parties to the dispute decide otherwise.

(3) No appeal shall be allowed against an arbitration award.

(4) An arbitration award shall have the legal force and effect of a collective agreement.

XVIII – STRIKE

Organization of strike

Article 156

(1) A trade union shall be entitled to call a strike and carry it out for the purpose of protecting and exercising economic and social rights and interests of its members.

(2) A strike may be organized only in accordance with the Law on strike, trade unions' rules on strike and the collective agreement.

(3) A strike may not begin before the conclusion of reconciliation procedure stipulated in this Law, that is, before completion of another procedure for peaceful settlement of the dispute on which the parties have agreed.

Protection of employees participating in strike

Article 157

(1) An employee may not be put at a disadvantage compared to other employees for organizing or participating in a strike, in terms of Article 156(2) of this Law.

(2) An employee may in no manner be forced to participate in a strike.

(3) If an employee acts contrary to Article 156(2) of this Law or if during a strike he deliberately causes damage to the employer, he may be dismissed, in accordance with the law.

XIX – ECONOMIC AND SOCIAL COUNCIL

Establishment of Economic and Social Council of the Federation of BiH

Article 158

(1) The Economic and Social Council can be established with a view to promoting and harmonizing economic and social policies, that is, the interests of employees and employers, and encouraging conclusion and application of collective agreements and their harmonization with the measures of economic and social policies.

(2) The Economic and Social Council can be established for the territory of the Federation and/or a Canton.

(3) The Economic and Social Council shall be based on trilateral cooperation of the Federation of Bosnia and Herzegovina Government, that is, the a Canton Government, a trade union and an association of employers.

(4) The Economic and Social Council referred to in paragraph 2 of this Article shall be established through agreement of social partners, while its composition, competencies, powers and other matters of relevance for the work of this council shall be governed by a separate law.

XX – SUPERVISION OVER THE IMPLEMENTATION OF LABOR LEGISLATION

Duties of Labor inspectorate

Article 159

(1) The Federation and/or Canton labor Inspector shall perform supervision over the implementation of this Law and the regulations passed pursuant to it.

(2) In addition to the tasks related to inspection referred to in paragraph 1 of this Article, a labor inspection shall:

a. give instructions to employers and employees regarding the most efficient manner for the implementation of laws and regulations;

b. inform the competent authorities about the shortcomings not specifically defined by the applicable legislation;

c. Cooperate with other administrative bodies, employers and associations of employers and employees.

Competences of the Federation labor inspector

Article 160

(1) A Federation labor inspector shall carry out on-site inspections in companies, firms and institutions of interest for the Federation, as well as at other employers in the territory of the Federation when he has assessed that it is necessary to take measures aimed at enforcement of implementation of regulations referred to in Article 159(1) of this Law and in other cases set out in this and other laws.

Competences of the Canton labor inspector

Article 161

(1) A Canton labor inspector shall carry out on-site inspections referred to in Article 159 of this Law at employers, except for those inspection tasks performed by Federation labor inspectors in accordance with this and other laws.

(2) The Director of the Federation Inspection Directorate may, with the consent of the Canton Head of Inspectorate, issue an authorization-order, where necessary, to a Canton labor inspector to carry out inspection falling under the competence of the Federation labor inspectorate, in the territory of the Federation.

Conduct of inspection

Article 162

(1) In conduct of inspection, a labor inspector shall have powers defined by the law and regulations passed pursuant to the laws.

(2) An employee, a trade union, an employer and a Council of employees may file a request with a labor inspector to conduct inspection.

XXI – SPECIAL PROVISIONS

Employment record book

Article 163

(1) An employee shall have an employment record book.

(2) An employment record book shall be a public document.

(3) An employment record book shall be issued by a municipal administrative body in charge of labor.

Treatment with the employment record book

Article 164

(1) On the day on which an employee commences employment, he shall submit his employment record book to the employer against a written receipt to that effect issued by the employer.

(2) On the day of the termination of labor contract, the employer shall return the duly completed employment record book to the employee.

(3) The return of the employment record book referred to in paragraph 2 of this Article may not be made conditional upon potential claims of the employer against the employee.

Return of document of the employee and issuance of receipt

Article 165

(1) In addition to the employment record book referred to in Article 164(2) of this Law, the employer shall also return to the employee other documents and at his request issue a reference letter specifying the jobs he worked on and the length of employment.

(2) The reference letter referred to in paragraph 1 of this Article may not contain the data, which would make the conclusion of a new employment contract more difficult for the employee.

Temporary and occasional jobs

Article 166

(1) For the purpose of performing temporary or occasional jobs, a contract may be concluded for performing temporary and occasional jobs, provided:

a. that temporary and occasional jobs are defined in the collective agreement or Rulebook on labor,

b. that temporary and occasional jobs are not jobs for which fixed-term or unlimited duration labor contracts are concluded, with full-time or part-time working hours, and that their duration does not exceed 60 days within one calendar year.

(2) A person performing temporary and occasional jobs shall be provided with the break during his work under the same conditions as the employees in labor relations, as well as other rights in accordance with the regulations on pension and disability insurance.

Format and contents of contracts on temporary and occasional jobs

Article 167

(1) A written contract shall be concluded for the purpose of performing the jobs referred to in Article 166 of this Law.

(2) The contract referred to in paragraph 1 of this Article shall contain the following elements: the type, the manner, the time frame for completing jobs and the amount of remuneration for the job.

Rights of an employee elected to a professional post in trade union

Article 168

(1) Rights and obligations arising from labor relation shall be suspended at the request of an employee elected to a professional post in trade union, however for the maximum of four years from the day of his election, that is, appointment.

(2) An employee who wishes to return to the same employer, following his term referred to in paragraph 1 of this Article shall inform the employer about it within 30 days from the completion of term, and the employer shall take the employee back within 30 days from the day of the notification by the employee.

(3) An employee who notified the employer in terms of paragraph 2 of this Article shall be deployed by the employer to jobs in which the employee worked before his term in trade unions or to other appropriate jobs, except in case that there is no further need for the performance of these jobs due to economic, technical, or organizational reasons in terms of Article 96 of this law.

(4) If the employer cannot reinstate the employee due to the fact there is no further need for performance of these jobs in terms of paragraph 3 of this Article, he shall be obliged to pay him a severance pay determined in Article 111 of this Law, whereby the average salary has to be adjusted to the level of salary the employee would receive had he worked.

Article 169

(1) An employee who is a candidate for a public office in the bodies of Bosnia and Herzegovina, Federation, a Canton, city or municipality, shall be entitled to unpaid leave of absence, during the pre-election campaign, for a period of up to twenty working days.

(2) An employee shall have to inform the employer about the leave of absence referred to in paragraph 1 of this Article at least three days before it commences.

(3) At the request of an employee, instead of leave of absence referred to in paragraph 1 of this Article, an employee may, under the same terms, use his annual leave, in duration to which he is entitled until the first day of voting.

(4) If a prior working experience with the same employer is relevant for acquiring or exercising any of the rights, the unpaid leave of absence referred to in paragraph 1 of this Article shall be equaled with the time spent at work.

XXII – PENAL PROVISIONS

Article 170

(1) A fine ranging from KM 5,000.00 to KM 10,000.00 for a misdemeanor shall be imposed on an employer – legal person, for every employee with whom he fails to conclude labor contract and fails to register him to the mandatory insurance (Article 4):

(2) For a misdemeanor referred to in paragraph 1 of this Article, a fine shall be imposed on an employer – natural person ranging from KM 200.00 to KM 1,000.00, and a fine ranging from KM 1,500.00 to KM 3,000.00 in case of repeated offense.

(3) For a misdemeanor referred to in paragraph 1 of this Article, a fine ranging from KM 500.00 to KM 2,000.00 shall also be imposed on a responsible person with the employer – a legal person, and a fine ranging from KM 3,000.00 to KM 5,000.00 in case of repeated offense.

(4) For a misdemeanor referred to in paragraph 1 of this Article, a fine shall also be imposed on a person found working without a labor contract ranging from KM 100.00 to KM 300.00.

Article 171

(1) A fine ranging from KM 5,000.00 to KM 10,000.00 for a misdemeanor shall be imposed on employer – legal person, if he:

1. prevents the organization of a trade union or puts an employee to a disadvantage on account of his membership or non-membership in a trade union (Article 14(1) and Article 15(2),

2. prevents trade union representatives from accessing the employer's premises and/or fails to ensure conditions for performance of trade union activities, in accordance with the collective agreement (Article 18),

3. enters into a labor contract with, and/or employs a minor employee for any type of work in contravention of Article 20 of this Law,

4. fails to conclude a labor contract in writing and/or concludes a labor contract which does not contain data prescribed by this law (Articles 24 and 26(2)),

5. refers an employee to work abroad in contravention of Article 25,

6. enters into a contract which is hazardous or harmful to the health of employees or other persons, or which poses a threat to the work environment (Article 26(4)),

7. regulates the labor status of a director in a legal person, in contravention of Article 27 of this Law,

8. Fails to deliver to an employee a copy of the registration form for mandatory insurance in accordance with Article 28 of this Law,

9. Requests data from an employee that are not directly linked to labor relations (Article 29),

10. 11 gathers, processes, uses, or shares with third parties personal data on an employee (Article 30),

11. concludes a labor contract with a trainee or sets a trainee's salary in contravention of Article 32 of this Law,

12. Fails to conclude a contract on vocational training in writing or fails to submit within the set time limit a copy of the contract to the competent employment service (Article 34),

13. Concludes a labor contract in which full-time or part-time working hours are contracted in contravention of Article 36 of this Law,

14. requires an employee to work longer hours than the reduced working hours on jobs in which, irrespectively of enforcement of occupational safety and health measures, it is not possible to ensure protection from harmful effects (Article 37),

15. Requires an employee to work longer than his full-time working hours (overtime) in contravention of Article 38(1) and (3) of this Law,

16. Fails to inform the competent labor inspectorate about the overtime, which he has to do (Article 38(2)),

17. Orders a minor employee to work overtime (Article 38(4)),

18. orders a pregnant woman, a mother and/or adoptive parent of a child up to three years of age, or a single parent, single adoptive parent and a person who has been entrusted with childcare by virtue of a decision by the competent authority, up to the child's six years of age, without their written consent, to work overtime (Article 39(5)),

19. fails to follow the ban on overtime issued by a labor inspector (Article 38(6)),

20. Conducts a redistribution of working hours in contravention of Article 39, paragraphs 1, 2 and 3 of this Law,

21. orders a minor employee, a pregnant woman, a mother and/or adoptive parent of a child up to three years of age, or a single parent, single adoptive parent and a person who has been

entrusted with childcare by virtue of a decision by the competent authority, up to the child's six years of age, without their written consent, to work redistributed working hours (Article 39(5)),

22. Fails to ensure change of shifts during work in shifts which include night work (Article 40(2)),

23. Fails to secure periodical medical examinations for workers performing night work at least once in two years (Article 41(3)),

24. orders a pregnant woman as of the sixth month of her pregnancy, a mother and an adoptive parent, as well as a person who has been entrusted with childcare by virtue of a decision by the competent authority, up to the child's two years of age, to work night shifts (Article 41(5)),

25. Orders a minor employee to work night shifts in contravention of Article 42 of this Law,

26. fails to keep records on the employees working for him, or keeps records contrary to the prescribed manner and contents, or fails to produce to a labor inspector, at his request, the data from the records (Article 43),

27. fails to allow an employee to use breaks during a working day (Article 44),

28. Fails to allow an employee to use daily and weekly breaks (Articles 45 and 46),

29. Fails to allow an employee to use during the working day, daily and weakly break (Article 4(2)),

30. Fails to allow an employee to use annual leave in the minimum duration as determined by this law (Article 47 and 48(2)),

31. Denies an employee the right to use annual leave, that is, pays him compensation in lieu of annual leave, except in the case referred to in Article 52(4) of this Law (Article 51),

32. Denies the right to an employee to receive compensation of salary during annual leave and/or compensation in lieu of annual leave (Article 52(3) and (4)),

33. fails to enable an employee to use paid leave of absence (Article 53),

34. Fails to enable an employee to get acquainted with the labor regulations and regulations on occupational safety and health when commencing work, or fails to inform an employee about the work organization (Article 55(1)),

35. Denies the right of an employee to compensation of salary in the case referred to in Article 55(4) of this Law,

36. deploys a minor employee to work on the jobs in contravention of Article 57(1) of this Law,

37. fails to ensure a medical examination of a minor at least once in two years (Article 58),

38. employs a woman on an underground job (in mines) in contravention of Article 59 of this Law,

39. refuses to employ a woman because of her pregnancy, or terminates a labor contract to a female employee during her pregnancy, maternity leave and a period in which the rights laid down by Articles 63, 64 and 65 were exercised, or to employee who exercised any of the mentioned rights (Article 60(1)),

40. Requests any information on pregnancy, except when a female employee requests any of the rights provided for by the law or another regulation for the protection of pregnant women (Article 60(3)),

41. during pregnancy and/or the period of breastfeeding deploys a women to other jobs or another post contrary to the law, and/or denies her paid leave of absence (Article 61),

42. Fails to enable a woman, an employee – father of the child or an adoptive parent and/or person who has been entrusted with childcare by virtue of a decision by the competent authority, to use maternity/paternity leave (Article 62),

43. fails to allow a woman, the father of a child or adoptive parent, and/or person who has been entrusted with childcare by virtue of a decision by the competent authority, to work half of fulltime working hours (Article 63 and 64),

44. Prevents a woman from being absent from work in order to breastfeed her child (Article 65),

45. prevents one of the parents of a child with serious developmental disability (severely handicapped child) or an adoptive parent and/or person who has been entrusted with childcare, from exercising the rights referred to in Article 69 of this Law,

46. terminates a labor contract or fixed-term labor contract to an employee who has suffered an injury at work or has developed an occupational disease during the period of his temporary inability to work because of treatment or recovery (Article 71),

47. fails to reinstate an employee to the jobs he previously performed or to other appropriate jobs (Article 72(2)),

48. fails to offer other jobs to an employee in accordance with Article 73 of this Law,

49. terminates a labor contract to an employee with an altered capacity for work in contravention of Article 74 of this Law,

50. denies to an employee increased severance pay referred to in Article 74(3),

51. Denies to an employee the right to increased salary in cases referred to in Article 76 of this Law,

52. pays salary in the amount lower than the one determined in the collective agreement and Rulebook on labor (Article 78(4)),

53. Fails to pay salary within the period set out in Article 79(1) of this Law,

54. Fails to deliver to an employee a payroll slip for the salary he was obliged to pay out (Article 80(1)),

55. Fails to pay to an employee compensation of salary during leave of absence in the cases and on the terms referred to in Article 81 of this Law,

56. collects his claim against an employee in contravention of Article 82 of this Law,

57. fails to compensate an employee for damage in accordance with Article 93 of this Law,

58. concludes a labor contract with another employee in contravention of Article 96(3) of this Law,

59. fails to enable an employee to present his defense regarding elements of his alleged liability (Article 101),

60. fails to deliver a termination notice in writing to an employee, and justify the dismissal (Article 104),

61. Fails to meet the obligations against an employee set forth in Article 106(1) of this Law,

62. In urgent cases, deploys an employee to another post for more than 60 days during a calendar year (Article 108(1)),

63. calculates a salary and other benefits of an employee contrary to Article 108(2) of this Law,

64. fails to consult with the Council of employees and trade union in accordance with Article 109 of this Law,
65. acts contrary to the provisions of Article 110 of this Law,

66. denies severance pay to an employee in accordance with Article 111 of this Law,

67. fails to adopt and publish the Rulebook on labor in accordance with Article 118 of this Law,

68. puts an employee at a disadvantage on the ground of organizing or participating in a strike (Article 157(1)),

69. Refuses to return an employment record book to an employee (Articles 164(2) and 175(2)),

70. acts contrary to the provisions of Articles 166 and 167 of this Law,

71. Fails to harmonize Rulebook on labor within six months from date of entering of this Law into force (Article 176),

72. Fails to offer an employee to conclude a labor contract in accordance with this Law, within three months from date of entering of this Law into force (Article 177).

(2) If the misdemeanor referred to in paragraph 1 of this Article has been made against a minor employee, the lowest and the highest amount of the fine shall be doubled.

(3) For a misdemeanor referred to in paragraph 1 of this Article a fine shall be imposed on an employer – natural person ranging from KM 2,000.00 to KM 5,000.00.

(4) For a misdemeanor referred to in paragraph 1 of this Article a fine shall also be imposed on a responsible person with the employer – a legal person ranging from KM 2,000.00 to KM 5,000.00.

Article 172.

A fine ranging from KM 10.000,00 to KM 50,000.00 for a misdemeanor shall be imposed on employer – legal person, if he fails to pay salary within the period established in Article 79, paragraph (1) of this law with all the contributions.

XXIII – TRANSITIONAL AND FINAL PROVISIONS

Article 173

The procedures for exercising and protection of rights of employees instituted prior to entering of this Law into force shall be completed pursuant to the provisions of the Labor Law (*Official Gazette of the Federation of BiH Federation*, Nos. 43/99, 32/00 and 29/03).

Article 174

(1) The Federation and/or Canton committee for the implementation of Article 143 of the Labor Law (*Official Gazette of the Federation of BiH*, Nos. 43/99, 32/00 and 29/03) shall

continue with its work until the completion of procedures for exercising of rights initiated under this Article.

(2) Final and binding decisions of the Federation and/or Canton committees referred to in paragraph 1 of this Article shall have the effect of writ of execution.

Article 175

The applicability of the provisions of Articles 150 – 155 of this Law shall cease upon the adoption of a separate regulation on peaceful resolution of labor disputes.

The applicability of the provisions of Articles 122 – 136 of this Law shall cease upon the adoption of a separate regulation on representativeness of trade unions and associations of employers.

Article 176

(1) The applicability of the provisions of Articles 163 – 165 of this Law shall cease on 30 June 2016.

(2) An employer shall return to an employee his employment record book, no later than within two months from the cessation of application of paragraph 1 of this Article of this Law.

(3) Return of the employment record book referred to in paragraph 2 of this Article may not be made conditional upon a claim, which the employer may have against an employee.

(4) Employment record books that have ceased to be valid in accordance with paragraph 1 of this Article shall preserve their status of public documents.

Article 177

Employers shall harmonize their Rulebooks on labor with the provisions of this Law within six months from its coming into force.

Article 178

(1) Employers shall offer employees to conclude labor contracts within three months form coming of this Law into force, if these are not in accordance with the provisions of this Law, and for employers referred to in Article 176 of this Law, the deadline for harmonization of labor contracts shall be three months from the date of the harmonization of Rulebook on labor.

(2) An employee who is not offered by the employer to conclude a labor contract referred to in paragraph 1 of this Article shall remain in labor relation for unlimited duration, that is, a fixed-term.

(3) A contract referred to in paragraph 1 of this Article may not be less favorable in terms of conditions under which the labor relations were initially established, that is, under which the labor relations between the employee and the employer were regulated, prior to the date of conclusion of contract referred to in paragraph 1 of this Article, unless those matters are differently regulated by the provisions of this law.

(4) If an employee does not accept the offer of the employer to conclude a labor contract in accordance with paragraph 1 of this Article, his employment shall be terminated within 30 days from the day of delivering labor contract for conclusion.

(5) If an employee accepts the offer of the employer, but thinks that the contract offered to him by the employer is not consistent with paragraph 3 of this Article, he may contest the applicability of the employer's offer before a competent court within 30 days from the day of accepting the offer.

Article 179

Trade unions and/or associations of employers pursuing their activities in accordance with applicable regulations shall file a request for determining representativeness referred to in Article 129 and 130 within six months from entering of this Law into force.

Article 180

(1) Implementing regulations for the application of this Law shall be passed within one year from entering of this Law into force.

(2) Pending the adoption of the regulations referred to in paragraph 1 of this Article, regulations shall apply which were in force prior to coming of this Law into force.

Article 181

Competent Canton authorities shall pass and/or harmonize regulations with this Law within three months from entering of this Law into force.

Article 182

(1) Applicable collective agreements shall be harmonized with this Law within 120 days from entering of this Law into force.

(2) If collective agreements are not harmonized within the time limit referred to in paragraph 1 of this Article, their application shall cease.

(3) Exceptionally, if collective agreements are not harmonized within deadline referred to in paragraph 1 of this Article, the Federation Government, following the consultations with

the Federation Economic and Social Council may extend, by its decision, the application of collective agreement for additional 90 days.

Article 183

On the effective date of this Law, the Labor Law (Official Gazette of FB&H no. 43/99, 32/00 i 29/03) shall cease to apply.

Article 184

This Law shall enter into force on the eight day after its publication in the *Official Gazette of the Federation of BiH*.