

TMF Group Croatia

Summary of legislative changes in the period from December 2014 until February 2015

February 2015



1.1. Rulebook on method of publication of collective agreements - *Official Gazette no. 146/10.12.2014.*

Rulebook is editing method of publication of collective agreements. It entered into force on December 18th 2014. With this Rulebook's entry into force, the Rulebook on method of publication of collective agreements (OG 70/10) ceased to apply.

1.2. Regulation on Amendments to the Law on pension insurance - *Official Gazette no. 151/19.12.2014.*

Regulation on Amendments to the Law on Pension Insurance from 1.01.2015, in its Article 112, changed the deadline for submission of insurance registration for the employees.

According to the mentioned article, the employer is obligated to register the new employee to the Croatian Pension Insurance Fund at the earliest eight days before beginning of work and at the latest on the day before start of work. If the employee does not start to work on the date specified in registration of insurance, the employer shall inform the Fund the same day.

Employer who fails to register employees before the start of work is at risk that labor inspector will ban its business activities for a certain period of time, until correction of deficiencies. Exceptionally, a ban will not be executed if the employer submits proof to the competent labor inspector within five days that all the deficiencies are corrected, and makes a payment of 30,000.00 HRK in favour of the state budget for each employee failed to report. Fines can range from 5000 HRK to 100000 HRK.

1.3. Regulation on the amount of the minimum salary - *Official Gazette no. 151/19.12.2014*

Minimum wage for the period from January 1st to December 31st 2015 shall be determined in the gross amount of 3029.55 HRK.

1.4. The decision on the annual quota of permits for foreigners in the calendar year 2015. - *Official Gazette no. 151/19.12.2014*

The total annual quota for employment of foreigners in Republic of Croatia amounts to 1 730 permits. The annual quota for extension of already issued permits for foreigners in the Republic of Croatia amounts to 1 500 permits.

The annual quota of permits for new employment of foreigners in the Republic of Croatia is 215 permits, as follows:

- Agriculture and Forestry - 20 licenses
- Tourism and Catering - 106 licenses
- Culture - 28 licenses
- Traffic - 20 licenses
- Health - 9 licenses
- Science and Education - 17 licenses
- Processing Industry - 15 licenses

Taking into account the labour market situation, the annual quota of permits for seasonal employment is determined, and equals 15 permits for employment in agriculture and forestry.

1.5. Law on Amendments to Property Act and other proprietary rights - *Official Gazette no. 152/22.12.2014.*

The Law on Amendments to Property Act and other Proprietary Rights delays application of the principle of protection of confidence in the accuracy and completeness of land registers in favour of the acquisition which will occur up to January 1st 2017, for the real estates which were registered as a state property and which have not been erased as such until the Property Act came into force on January 1st 1997, because the procedure of alignment of condition and restoration of land registry has not been completed yet, so it is necessary to prolong the deadline of application of this principle and thus prevent serious adverse consequences for the country. The amendment entered into force on December 30th 2014.

1.6. Law on Amendments to the Law on administrative disputes - *Official Gazette no. 152/22.12.2014.*

Amendments enable the appellate courts to conduct their prescribed function which ensures the uniformity of court practice and prevents the growing legal uncertainty of citizens and, at the same time, specifies the provisions on territorial jurisdiction, interruption of proceedings, exemptions, management of discussions and publication of judgements, decisions making in administrative disputes and procedure for assessing the legality of general acts. The amendments came into force on December 30th 2014.

1.7. Law on Amendments to the Law on criminal procedure - *Official Gazette no. 152/22.12.2014.*

The Criminal Procedure Act is amended and thereby primarily achieved is the adjustment of the CPA/08 with the Law on the domains and seats of courts.

The above mentioned Act seeks to remedy shortcomings in the existing structure of the court network (too many courts, uneven distribution of judges' workload, lengthy court proceedings and backlog in the work, as well as lack of uniformity of judicial practice and lack of necessary specialization and mobility of judicial personnel), in a way that the existing judicial network is significantly rationalized. The Act introduces a number of innovations, and one of the most important is that from April 1st 2015 each county court will become competent to decide on appeals against judgments of municipal courts in criminal cases. The changes came into force on December 30th 2014.

1.8. Law on Amendments to the Law on professional rehabilitation and employment of disabled persons - *Official Gazette no. 152/22.12.2014.*

Law on Professional Rehabilitation and Employment of Disabled Persons is amended.

The law regulates the right of persons with disabilities to professional rehabilitation, employment and work in the open labor market and under special conditions, establishment and activity of centres for professional rehabilitation, employment promotion measures and activities and competence of the Institute for the expertise, professional rehabilitation and employment of persons with disabilities. The amendments came into force on December 30th 2014.

1.9. Law on Amendments to the Law on social care - *Official Gazette no. 152/22.12.2014.*

Law on Social Care is amended allowing that in accordance with the Law on unique body of expertise, from January 1st 2015, the expert's tasks in exercising rights from the social care system in the first and second stage is performed by the Institute. It will also, due to the confusion of the definition of certain provisions of the Law on Social Care, ensure uniform application and legal security of users' rights and services in the system. The amendments came into force on December 30th 2014.

1.10. The obligation of issuance of Employee Handbook and alignment of existing rulebooks with the new Labour Act

Employer who employs at least twenty employees shall adopt and publish Employee Handbook regulating salaries, work organization, procedure and measures for the protection of employee's dignity and measures of protection against discrimination and other issues important for the employees employed by the employer, if these issues are not regulated with the collective agreement.

Employers who already have employee handbooks are required to align them with the new Labour Law at the latest by February 7th, 2015.

1.11. Distraint on salary in 2015.

Official Gazette no. 133/14. published the average monthly net salary in legal entities per employee in the Republic of Croatia for January - August of the previous year 2014, which is applied during enforcement of the salary in 2015. The above mentioned average salary is 5.510,00 HRK.

In accordance with the provisions of the Distraint Act (Official Gazette no. 112/12., 25/13. and 93/14.), if it is not alimony or debt on the basis of public benefits and the employee's salary is higher than 5.510,00 HRK, the amount equal to two-thirds of the average net salary is excluded from distraint, which means that everything above 3.673,33 HRK ($5.510,00 / 3 \times 2$) can be seized.

However, in case where the employee's net salary is less than 5510.00 HRK, amount equal to two-thirds of the salary of the employee is excluded from distraint.

1.12. Special contribution for employment of disabled persons is not calculated in payroll for January 2015.

With the entry into force of the Law on professional rehabilitation and employment of disabled persons from January 1st, 2015 (Official Gazette no. 157/13.), obligation of special contribution remittance for employment of persons with disabilities which were, under the provisions of the previous Law on professional rehabilitation and employment of disabled persons (Official Gazette no. 143/02. and 33/05.) paid at the rate of 0.1% or 0.2%, no longer exists. Instead of the special contribution, the payment of cash contribution is introduced in the event quotas prescribed for the employment of persons with disabilities are not fulfilled.

For all employers (for calculation of the salary for January 2015 onwards) a flat rate of 1.7% is prescribed for calculation of contributions for employment.

Furthermore, due to the above-mentioned changes in the JOPPD form from January 1st 2015 in the field 7.2. site B, only 0 can be entered.

1.13. Exemption from payment of contributions on salaries for the employment of persons under 30 years of age

In the Official Gazette no. 143/14., the Law on Amendments to the Law on Contributions, is published and entered into force on January 1st 2015, except for some articles which will come into force as of January 1st 2016.

The employer who concludes employment agreement for an indefinite period with the person under 30 years of age, is in the period for up to five years required to calculate only contributions from the base, as follows:

- 20% - pension insurance contribution or
- 15% - pension insurance contribution and
- 5% - contribution for pension insurance based on individual savings.

In the period of up to five years there would be no obligation to calculate and pay contributions to the base, as follows:

- 15% - health insurance contribution
- 0.5% - contribution for health protection at work
- 1.7% - employment contribution

Other changes:

- **Ordinance on amendments to the Ordinance on energy audits and energy certification of the buildings.** - *Official Gazette no. 150/17.12.2014.*

- **The consumer price index in November 2014.** - *Official Gazette no. 150/17.12.2014.*

The consumer price index in November 2014, compared to October 2014, is 99, 7.

- **Law on Amendments to the Law on maternity and parental benefits** - *Official Gazette no. 152/22.12.2014.*
- **Regulation on Amendments to the Law on travel documents of Croatian citizens** - *Official Gazette no. 154/24.12.2014.*
- **Regulation on Amendments to the Law on safety at work** - *Official Gazette no. 154/24.12.2014.*
- **Regulations on amendments to the Ordinance on the rights, conditions and manner of exercising rights under the mandatory health insurance in case of accidents at work and occupational diseases** - *Official Gazette no. 154/24.12.2014.*
- **Regulations on automatic exchange of information in the field of taxation** - *Official Gazette no. 157/31.12.2014.*
- **Regulations amending the Ordinance on excise taxes** - *Official Gazette no. 157/31.12.2014.*
- **Regulations on Amendments to the Ordinance on contributions** - *Official Gazette no. 157/31.12.2014.*
- **Regulations on Amendments to the Ordinance on Income Tax** - *Official Gazette no. 157/31.12.2014.*
- **Regulations on Amendments to the Ordinance on Value Added Tax** - *Official Gazette no. 157/31.12.2014.*
- **Regulations on Amendments to the Ordinance on Corporate Income Tax** - *Official Gazette no. 157/31.12.2014.*
- **Regulations on Amendments to the Ordinance on establishing quotas for the employment of persons with disabilities** - *Official Gazette no. 2/07.01.2015.*
- **Regulations on Amendments to the Ordinance on professional rehabilitation and professional rehabilitation centres for persons with disabilities** - *Official Gazette no. 2/07.01.2015.*
- **Regulations on Amendments to the Ordinance on stimulations for employment of persons with disabilities** - *Official Gazette no. 2/07.01.2015.*
- **Regulations on amendments to the Ordinance on the content and manner of keeping the register of employed persons with disabilities** - *Official Gazette no. 2/07.01.2015.*
- **Regulations on type and amount of charges and administrative fees of the Croatian Agency for Supervision of Financial Services** - *Official Gazette no. 151/19.12.2014.*
- **Regulations on the calculation, amount and charging of fees paid to the Croatian Agency for Supervision of Financial Services for 2015** - *Official Gazette no. 151/19.12.2014.*
- **The industrial producer price index for products on the domestic market in December 2014.** - *Official Gazette no. 5/16.01.2015.*



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The industrial producer price index for products on the domestic market in December 2014. compared to November 2014 is 98,8.

■ **The consumer price index in December 2014.** - *Official Gazette no. 7/21.01.2015*

The consumer price index in December 2014 compared to November 2014 is 99,1.