CROATIA

Items	Regulations in force on 1 January 2015
1: Notification procedures in the case of individual dismissal of a worker with a regular contract	Pursuant to Art. 120. Par. 1 of the Labour Act the notice of dismissal must be served **in writing**. The employer shall explain in writing the reasons for dismissal. The notice of dismissal shall be handed over to the worker it pertains to. According to Art. 119. Par. 1. of the Labour Act prior to giving regular notice of dismissal due to the worker's misconduct, the employer shall be obliged to alert the worker in writing to his obligations arising from the employment contract indicating possible dismissal should the breach of obligations persists, unless circumstances exist due to which the employer cannot be reasonably expected to do so. Par. 2 of the Art. 119 states that prior to giving a regular notice of dismissal due to the worker's misconduct or extraordinary notice of termination (without notice, which can be motivated only by the worker's serious breach of obligations), the employer shall be obliged to give the worker an opportunity to present his defence, unless circumstances exist due to which the employer cannot be reasonably expected to do so. Prior to dismissal the employer must **consult the works council** about the proposed decision (Art 150. Par. 3. Item 2.). However, in some situations the employer will have to receive prior consent of the works council. That includes following decisions: 1) dismissing a member of the works council, 2) dismissing a candidate for the works council who was not elected, for a period of three months following the establishment of the election results, 3) dismissing a worker with reduced capacity for work due to an injury at work or professional illness, 4) dismissing a worker over 60 years of age, 5) dismissing a workers' representative in an employer's body, 6) including persons in parental leave or reduced working time due to childcare (Article 34 (1), Labour Act) in collective redundancy, except in cases when the employer has initiated or is conducting liquidation proceedings in accordance with specific provisions, 7) collecting, processing, using and disclosing the information about a worker to third parties, 8) appointing a person authorized to supervise whether personal information about workers is collected, processed, used or disclosed to third parties in accordance with the provisions of this Act. (Art 151. Par. 1, Labour Act) If the worker is trade union commissioner's during the performance of his duty and six months after the termination of this duty it is not allowed without prior consent of the trade union: 1) to terminate an employment contract, or 2) to place him in a less favourable position than his previous working conditions or than other workers. (Art 188. Par. 1, Labour Act)

2: Delay involved before notice can start	Prior to dismissal the employer must consult the works council about the proposed decision (Art 150. Par. 3. Item 2.) Unless otherwise specified by an agreement between the employer and the works council, the works council shall provide the employer with a feedback concerning the proposed decision within **eight days**. In case of an extraordinary dismissal, the deadline shall be **five days**. (Art. 150. Par. 5. Labour Act) If the works council is not established the employer will not have obligation to consult. If the worker is union commissioner it is necessary to receive a prior consent from trade union to terminate his employment contract. According to Art. 188. Par. 2. of the Labour Act if the trade union fails to grant or denies its consent within **eight days**, it shall be presumed to have consented to the employer's decision. The notice of dismissal must be served to worker in writing. It can be directly handed or sent by post. In case of extraordinary notice of termination or dismissal due to the worker's misconduct the employer needs to give opportunity to the worker to present his defence. The deadline for workers respond is not proscribed but the employer should give the reasonable time for respond. If worker commits serious violation of employment obligation, it represents circumstances due to which the employer cannot be reasonably expected to ensure worker oportunitiy for respond. Calculation (for EPL indicators): 1 day for notification of trade union + 8 days (for feedback or consent of trade union depending on employee's status) + 1 day for notification of employee: 10 days
3: Length of notice period at different tenure durations (a)	Notice period depends on duration of employment relationship. In case of regular notice of dismissal, the notice period shall be a minimum of: 1) two weeks, for less than one year of tenure with the same employer, 2) one month, for one year of tenure with the same employer, 3) one month and two weeks, for two years of tenure with the same employer, 4) two months, for five years of tenure with the same employer, 5) two months and two weeks, for ten years of tenure with the same employer, 6) three months, for twenty years of tenure with the same employer. (Art. 122, Par. 1 Labour Act) For the worker with twenty years of tenure with the same employer, the period of notice shall be increased by two weeks if the worker has reached the age of 50 or by one month if the worker has reached the age of 55. (Art. 122, Par. 2 Labour Act) In case of termination of the employment contract due to the breach of obligations arising from the employment relationship (dismissal due to the worker's misconduct) the period of notice shall be two times shorter than the notice periods established in paragraphs 1 and 2 of this Article. (Art. 122, Par. 3 Labour Act) In case of extraordinary notice of termination there isn't any notice period, so the employment relationship expires on the day when the notice of dismissal is handed over to the worker. (Art. 116, Par. 1, Labour Act) In case of failure of requirements during the probationary period, notice period is minimum seven days. (Art. 53, Par. 5, Labour Act)
4: Severance pay at different tenure durations (a)	The worker is entitled to severance pay when the employer dismisses him following a two-year tenure, unless dismissal is given due to the worker's misconduct Severance pay for **each year of tenure** with the same employer must not be agreed upon or determined in an amount lower than **one-third** of the average monthly salary earned by the worker in a period of three months prior to the termination of the employment contract. (Art. 126, Par. 2, Labour Act) Unless otherwise provided for by the law, collective agreement, working regulations or employment contract, the aggregate amount of severance pay referred to in paragraph 2 of this Article **may not exceed six** average monthly salaries earned by the worker in a period of three months preceding the termination of the employment contract. (Art. 126, Par. 3, Labour Act)

5: Definition of unfair dismissal (b)	**Fair:** According to Art. 115, Par 1 of the Labour Act the employer is allowed to terminate the employment contract by giving either the statutory notice or the notice stated in the contract of employment (regular notice of dismissal), in the following cases: 1) where there is no need to perform certain work due to economic, technological or organisational reasons (dismissal on economic grounds), 2) where the worker is not able to fulfil his obligations from the employment relationship due to his specific characteristics or capacities (dismissal on personal grounds), or 3) the worker violates his obligations from the employment relationship (dismissal due to the worker's misconduct), or 4) the workers did not satisfy during probationary period (dismissal due to incompetence during probationary period). When making a decision about a dismissal on economic grounds, the employer shall take into account the worker's tenure, age and his family responsibilities. That provision shall not apply to employers employing less than 20 workers. **Unfair:** During pregnancy, maternity, paternity or adoption leave, periods of part-time work, periods of short-time work due to intensified childcare, the leave of pregnant women or a breastfeeding mother, and the periods of leave or short-time work due to the care for a child with serious development disabilities, that is within fifteen days after the end of pregnancy or the end of use of such entitlements, the employer may not terminate the employment contract of the pregnant woman and a person exercising any of these rights. (Art. 34, Par. 1, Labour Act) During the temporary incapacity for work due to medical treatment or recovery from an injury at work or a professional illness the employer may not terminate the employment contract of the worker who has suffered from an injury at work or a professional illness. (Art. 38, Labour Act) Art. 117, Labour Act: (1) Temporary absence from work due to illness or injury shall not constitute a just cause for terminating the employment contract. (2) An appeal or civil action, or participation in a proceeding against the employer due to violation of laws, regulations or administrative provisions, collective agreement or working regulations, or the worker's approach to the competent state authorities shall not constitute a just cause for terminating the employment contract. (3) The worker's approach to the competent state authorities on the grounds on reasonable suspicion of corruption or his report in good faith on the said suspicion to the competent persons or state authorities shall not constitute a just cause for terminating the employment contract. The worker's resistance to the behaviour constituting harassment or sexual harassment shall not be regarded as the breach of obligations arising from employment and must not be grounds for discrimination against the worker. (Art. 134, Par. 10, Labour Act) A worker must not be placed in a less favourable position than other workers on the ground of his membership in a trade union. It is, in particular, prohibited to: 1) conclude an employment contract with a worker, under the condition that he does not join a trade union or that he leaves a trade union, 2) terminate an employment contract or place a worker in a less favourable position than other workers in some other way because of his membership in a trade union or participation in trade union activities after working hours, or during working hours subject to the consent of the employer. (2) The employer must not take into consideration membership in a trade union and participation in trade union activities when rendering a decision whether or not to conclude an employment contract, on the assignment of a worker to a particular job or to a particular workplace, on training, advance in employment, pay, social benefits and termination of an employment contract. (Art. 186, Par. 1 and 2, Labour Act) Organization of a strike or participation in a strike, which is organized in compliance with the law, collective agreement and trade union rules, do not constitute a violation of an employment contract. (Art. 215, Par. 1, Labour Act) Performing defence-related services shall not constitute a just cause for dismissal, and during that period, the employer shall not be allowed to terminate the employment contract by regular notice of termination. If the employer terminates the employment contract contrary to the provisions of this Article, the worker shall be entitled to all the rights provided for by this Act for cases of unfair dismissal. (Art. 224, Par. 8, Labour Act)
6: Length of trial period (c)	Probation may not exceed six months. The failure of the worker to fulfil the position requirements during the probationary period shall constitute a just cause for terminating the employment contract. (Art. 53, Labour Act)

7: Compensation following unfair dismissal (d)	When the court establishes unlawfulness of the dismissal effected by the employer, and the worker finds it unacceptable to resume the employment relationship, the court shall, upon the worker's request, **determine the date of termination of employment** and award him an indemnity in an amount **not less than three and not more than eight average monthly salaries** that were paid to the worker over the preceding three months, depending on the tenure, age and family responsibilities of the worker. (Art. 125, Par. 1, Labour Act) Calculation for EPL indicators: in the absence of reinstatement (average of minimum and maxium values : 3 and 8 months), that is 5.5 months, and 6 months in the case of reinstatement.
8: Reinstatement option for the employee following unfair dismissal (b)	Where the court establishes that a dismissal was not permissible and that employment was not terminated, it shall **order the employer to reinstate the worker**. (Art. 124, Par. 1, Labour Act) When the court establishes unlawfulness of the dismissal effected by the employer, and the worker finds it unacceptable to resume the employment relationship, the court shall, upon the worker's request, determine the date of termination of employment and award him an indemnity in an amount not less than three and not more than eight average monthly salaries that were paid to the worker over the preceding three months, depending on the tenure, age and family responsibilities of the worker. The court may also render the decision referred to in paragraph 1 of this Article at the request of the employer, if there are circumstances that reasonably demonstrate that, in view of all the circumstances and interests of both contracting parties, the continuation of employment relationship is not possible. Both the employer and the worker may file a request for the cancellation of employment contract in the manner referred to in paragraphs 1 and 2 of this Article, until the conclusion of the hearing before the court of first instance. (Art. 125, Labour Act)
9: Maximum time period after dismissal up to which an unfair dismissal claim can be made (e)	The worker who considers that his employer has violated any of his rights arising from employment may require from the employer the exercise of this right within fifteen days following the receipt of a decision violating this right, or following the day when he gained knowledge of such violation. (Art. 133, Par. 1, Labour Act)
10: Valid cases for use of standard fixed term contracts	Employment contracts may be concluded for fixed terms for the purpose of taking up an employment where the end of the employment is determined by objective conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event. (Art. 12, Par. 1, Labour Act) The employer may enter into a successive fixed-term employment contract with the same worker solely on objective grounds, which must be clarified in the same contract or in a letter of engagement. (Art. 12, Par. 2, Labour Act) The cumulative duration of all successive fixed-term employment contracts, including the first employment contract, may not exceed three consecutive years, unless where it is necessary for the purpose of replacing a temporarily absent worker or where it is on objective grounds allowed by law or a collective agreement. (Art. 12, Par. 3, Labour Act) Member of board or executive director and those executive workers who manage the operations of an employer may as an employed worker perform certain works for the employer. In that case provisions on fixed-term employment contract do not apply. (Art. 4, Par. 4, Labour Act)
11: Maximum number of successive standard FTCs (initial contract plus renewals and/or prolongations)	No limit within the 3 years.
12: Maximum cumulated duration of successive standard FTCs	The cumulative duration of all successive fixed-term employment contracts, including the first employment contract, may not exceed three consecutive years, unless where it is necessary for the purpose of replacing a temporarily absent worker or where it is on objective grounds allowed by law or a collective agreement. (Art. 12, Par. 3, Labour Act)

13: Types of work for which temporary work agency (TWA) employment is legal	Temporary work agency employment is **generally allowed** except for: 1) replacing the workers in strike at the user undertaking, 2) performing works that were performed by workers subject to the collective redundancy procedure referred to in Article 127 of the Labour Act effected by the user undertaking in a previous period of six months, 3) works that were performed by the workers whose employment contracts were terminated by the user undertaking on economic reasons in a previous period of six months, 4) works that are, under the regulations on safety protection at work, regarded as works under special working conditions, and the assigned worker does not meet the particular requirements, 5) assigning workers to another agency. (Art. 45, Par. 4, Labour Act)
14: Are there restrictions on the number of renewals and/or prolongations of TWA assignments? (f)	No restrictions within the 3 years (Art. 48 Labour Act)
15: Maximum cumulated duration of TWA assignments (f)	The user undertaking may not use the work of the assigned worker for the performance of the same works for an uninterrupted period exceeding three years unless it is necessary for the purpose of replacing a temporarily absent worker or where it is allowed by collective agreement on the grounds of some other objective reasons. An interruption of less than two months shall not be regarded as the interruption of the three-year period referred to in paragraph 1 of this Article. (Art. 48, Labour Act)
16: Does the set-up of a TWA require authorisation or reporting obligations?	The agency may perform the activity of assigning workers to the user undertaking provided that it is established in accordance with specific provisions and registered with the Ministry of Labour and Pension System. (Art. 44, Par. 3, Labour Act) Furthermore, agencies are obliged to deliver statistical data on assignments of workers to another employer once a year. (Art. 44, Par. 7, Labour Act)
17: Do regulations ensure equal treatment of regular workers and agency workers at the user firm?	According to Art. 46, Par. 5 of the Labour Act agreed salary and other working conditions applicable to the assigned workers may not be lower or less favourable when compared to the salary or working conditions applicable to the worker employed with the user undertaking for the performance of the same tasks, which would be applicable to the assigned worker should he have concluded an employment contract with the user undertaking. As for other working conditions applicable to the assigned worker, they include working time, breaks and rest periods, safety at work protection measures, protection of pregnant workers, parents, adoptive parents and youth, and non-discrimination, in accordance with specific anti-discrimination regulations. Exceptionally, the less favourable working conditions applicable to the worker assigned to the user undertaking when compared to those applicable to the worker employed at the user undertaking may be agreed upon by collective agreement concluded between the agency or an association of agencies and trade unions. (Art. 46, Par. 7, Labour Act)
18: Definition of collective dismissal (b)	The employer who in the period of 90 days might have at least 20 redundancies, out of which at least 5 employment contracts were terminated on economic grounds, shall be obliged to begin consultations with the works council in good time and in the manner laid down by Labour Act, with a view to reaching an agreement aimed at avoiding redundancies or reducing the number of workers affected. (Art. 127, Par. 1, Labour Act)
19: Additional notification requirements in cases of collective dismissal (g)	The employer is obliged to consult the works council. (Art. 127, Par. 1, Labour Act). If no works council has been established with an employer, all the rights and obligations pertaining to works councils shall be exercised by a trade union's representative. (Art. 153, Par. 3) After consultation with the works council employer must notify Croatian employment service. (Art. 127, Par. 5, Labour Act)
20: Additional delays involved in cases of collective dismissal (h)	The employer is obliged to notify Croatian employment service, and the notification shall contain the information on the duration of consultations with the works council, outcomes and conclusions resulting therefrom, with a statement of the works council attached thereto, should he receive it. (Art. 127, Par. 5, Labour Act) Projected collective redundancies notified to the competent public authority responsible for employment **shall take effect not earlier than 30 days after the notification**. (Art. 128, Par. 1, Labour Act) The competent public authority responsible for employment may, until the last day of the time limit, request the employer to postpone either collective or individual redundancies for maximum **30 days**, if he is able to ensure the continuation of employment for the workers during this extended period. (Art. 128, Par. 2, Labour Act)

21: Other special costs to employers in case of collective dismissals (i)	There are no additional requirements

Legend: d: days; w: weeks; m: months; y: years. For example “1m < 3y” means “1 month of notice (or severance) pay is required when length of service is below 3 years”.

Notes:
a) Three tenure durations (9 months, 4 years, 20 years). Case of a regular employee with tenure beyond any trial period, dismissed on personal grounds or economic redundancy, but without fault (where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment). Averages are taken where different situations apply – e.g. blue collar and white collar; dismissals for personal reasons and for redundancy.
b) Based also on case law, if court practice tends to be more (or less) restrictive than what specified in legislation.
c) Initial period within which regular contracts are not fully covered by employment protection provisions and unfair dismissal claims cannot usually be made.
d) Typical compensation at 20 years of tenure, including back pay and other compensation (e.g. for future lost earnings in lieu of reinstatement or psychological injury), but excluding ordinary severance pay and pay in lieu of notice. Where relevant, calculations of scores to compute OECD EPL indicators assume that the worker was 35 years old at the start of employment and that a court case takes 6 months on average. Description based also on case law.
e) Maximum time period after dismissal up to which an unfair dismissal claim can be made.
f) Description based on both regulations on number and duration of the contract(s) between the temporary work agency and the employee and regulations on the number and duration of the assignment(s) with the same user firm.
g) Notification requirements to works councils (or employee representatives), and to government authorities such as public employment offices. Only requirements on top of those requirements applying to individual redundancy dismissal count for the OECD EPL indicators (cf. Item 1).
h) Additional delays and notice periods in the case of collective dismissal (only delays on top of those required for individual dismissals – as reported in Items 2 and 3 – count for the OECD EPL indicators).
i) This refers to whether there are additional severance pay requirements and whether social compensation plans (detailing measures of reemployment, retraining, outplacement, etc.) are obligatory or common practice.