**THE CROATIAN PARLIAMENT**

2332

Pursuant to Article 89 of the Constitution of the Republic of Croatia, I hereby issue the

**DECISION**

**PROMULGATING THE MINIMUM WAGE ACT**

I hereby promulgate the Minimum Wage Act, passed by the Croatian Parliament at its session held on 14 December 2018.

Class: 011-01/18-01/212

Reg. No.: 71-06-01/1-18-2

Zagreb, 19 December 2018

President
of the Republic of Croatia

Kolinda Grabar-Kitarović,m.p.

**MINIMUM WAGE ACT**

Article 1

This Act regulates the method for determining the amount of the minimum wage, the period for determining the amount of the minimum wage and implementation of supervision of the implementation of this Act.

Article 2

The gender-specific terms used in this Act shall be used as gender-neutral and shall apply equally to male and female gender.

Article 3

(1) The minimum wage, within the meaning of this Act, shall mean the lowest monthly amount of a gross wage paid to an employee for the full-time work.

(2) The minimum wage shall not include the premium pay for overtime work, night work and work on Sundays, holidays or other non-working day stipulated by law.

(3) The minimum wage of a part-time worker shall be determined and paid in proportion to the contracted working hours.

Article 4

(1) All the workers employed in the Republic of Croatia shall be entitled to the minimum wage, determined in accordance with the provisions of this Act, regardless of the seat or registration of the employer.

(2) By way of derogation from paragraph 1 hereof, the provisions of this Act shall not relate to the employee who is the only employee of a certain employer and also a member of the management, an executive director, manager of a cooperative, an official receiver etc. in accordance with special regulations.

Article 5

The amount of the minimum wage shall be determined once a year, by 31 October of the current year for the following year at the latest.

Article 6

(1) By virtue of a regulation, the Government of the Republic of Croatia shall lay down the amount of the minimum wage for every calendar year, at the proposal of the minister competent for the labour affairs (hereinafter: the Minister).

(2) The minimum wage may not be determined in the amount that is lower than the amount of the minimum wage laid down for the preceding year.

(3) Following the consultations with social partners, the Minister shall propose to the Government of the Republic of Croatia the amount of the minimum wage. The Minister shall take into consideration the increase of share of the minimum wage in the average gross wage paid in legal entities in the period from January to July of the current year, the inflation, wage, employment, unemployment and demographic trends as well as the overall economic position by paying special attention to the low-wage business activities and vulnerable employee groups.

(4) The regular annual consultations with social partners referred to in paragraph 3 of this Article shall be held in September and October.

Article 7

(1) The Minister shall establish an expert committee (hereinafter: the Committee) for the monitoring and analysis of the minimum wage trends.

(2) By virtue of a decision the Minister shall determine the composition of the Committee referred to in paragraph 1 of this Article, its tasks, methods of work and the relevant remuneration to the Committee' members.

Article 8

(1) By way of derogation from Article 6 hereof, the minimum wage may be contracted in the amount that is lower than the amount stipulated by the Regulation of the Government of the Republic of Croatia by means of a collective agreement.

(2) The amount of the minimum wage referred to in paragraph 1 of this Article may not be lower than 25 percent of the minimum wage amount stipulated by the Regulation referred to in Article 6 hereof.

(3) In the case referred to in paragraph 1 and 2 of this Article, the provision referred to in Article 9, paragraph 3 of the Labour Act (Official Gazette, no. 93/14 and 127/17) shall not apply.

Article 9

The implementation of this Act shall be supervised by the central government bodies, who are authorised by special regulations for supervision in relation to the labour and employment. The central government body competent for financial affairs shall supervise the legality, regularity and timeliness of the accounting, application for and payments of the budget revenue.

Article 10

(1) A fine ranging from HRK 60,000.00 to HRK 100,000.00 shall be imposed on the employer who is a legal entity and who fails to pay out the minimum wage in the amount stipulated by the provisions of this Act and within the prescribed periods.

(2) A fine ranging from HRK 7,000 to 10,000 shall be imposed on the employer who is a natural person for the infringement referred to in paragraph 1 of this Article.

(3) The amount of the fine imposed to the employer for the infringement referred to in paragraph 1 of this Article shall be increased in accordance with the number of workers whom the employer failed to account and pay the minimum wage in the amount laid down by the provisions of this Act after the due date. This fine may not exceed the largest fine prescribed by a special regulation.

TRANSITIONAL AND FINAL PROVISIONS

Article 11

The Minister shall adopt the decision referred to in Article 7 of this Act within six months following the effective date hereof.

Article 12

The monthly base for accounting the wage contributions stipulated by the regulations that regulate the compulsory insurance contributions for the workers for whom, pursuant to this Act, the employer exercised the right to a reduced wage base in accordance with Article 2, paragraph 4 of the Minimum Wage Act (Official Gazette, no. 39/13 and 130/7) shall be reduced by 50% for the period from 1 January 2019 to 31 December 2019 and 25% for the period from 1 January 2020 to 31 December 2020.

Article 13

The 2019 Regulation on the Minimum Wage adopted pursuant to the Minimum Wage Act (Official Gazette, no. 39/13 and 130/17) stipulating the minimum wage for the period 1 January 2019 to 31 December 2019 shall remain in force.

Article 14

The Ministry of Labour and Pension System shall assess the effects of this Act within two years following the effective date of this Act.

Article 15

On the date of entry into force of this Act, the Minimum Wage Act (Official Gazette, no. 39/13. and 130/17) shall cease to have effect.

Article 16

This Act shall be published in the Official Gazette and shall come into force on 1 January 2019.

Class: 022-03/18-01/250

Zagreb, 14 December 2018

CROATIAN PARLIAMENT

President of the
Croatian Parliament