

Globalization Partners provides employer of record services for customers that want to hire employees and run payroll without first establishing a branch office or subsidiary in Montenegro. Your candidate is hired via Globalization Partners' Montenegro PEO in accordance with local labor laws and can be onboarded in days instead of the months it typically takes. The individual is assigned to work on your team, working on your company's behalf exactly as if he or she were your employee to fulfill your in-country requirements.

## Table of Contents

- [Montenegro Holidays](#)
- [Working Hours in Montenegro](#)
- [Vacation in Montenegro](#)
- [Sick Leave in Montenegro](#)
- [Maternity/Paternity Leave in Montenegro](#)
- [Termination/Severance in Montenegro](#)
- [Montenegro Tax](#)
- [Health Insurance in Montenegro](#)
- [Additional Benefits in Montenegro](#)
- [Employment Contracts in Montenegro](#)
- [Why Globalization Partners](#)

Our solution enables customers to run payroll in Montenegro while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. As a Global PEO expert, we manage employment contract best practices, statutory and market norm benefits, and employee expenses, as well as severance and termination if required. We also keep you apprised of changes to local employment laws in Montenegro.

Your new employee is productive sooner, has a better hiring experience and is 100% dedicated to your team. You'll have peace of mind knowing you have a team of dedicated employment experts assisting with every hire. Globalization Partners allows you to harness the talent of the brightest people in more than 185 countries around the world, quickly and painlessly.

Montenegro is a small country located on the Adriatic Sea in Southeastern Europe. Nearly

700,00 people live in Montenegro, which is a mountainous country with a narrow coastal plain. The primary languages of Montenegro are Montenegrin and Serbian, with Montenegrin designated as the official language.

When negotiating terms of an employment contract and offer letter with an employee in Montenegro, it may be useful to keep the following in mind:

### **Montenegro Holidays**

Montenegro celebrates 8 national holidays, many of which are multi-day events:

- New Year's Day
- Orthodox Christmas Eve
- Orthodox Christmas
- Orthodox Good Friday
- May Day
- Orthodox Easter Monday
- Independence Day
- Statehood Day

### **Working Hours in Montenegro**

In general, the work week is 40 hours.

### **Vacation in Montenegro**

In general, employees are entitled to 21 days of paid annual leave.

Additionally, employees are eligible for up to 7 days of paid leave for:

- matrimony
- birth
- professional examinations
- death of an immediate family member

## **Sick Leave in Montenegro**

Employees are eligible for at least 5 paid sick days per year.

## **Maternity/Paternity Leave in Montenegro**

Female employees are entitled to up to 365 days of maternity leave, which can start up to 45 days before the birth and not later than 28 days before the birth. She may not return to work until at least 45 days after the birth. Maternity leave pay is outlined in the labor law. If the mother returns to work before she has used all of her leave, the father may use the balance.

After the maternity leave, either parent can work half time until the child turns three years old.

A parent can also take unpaid leave until the child turns 3 and receive job protection.

## **Termination/Severance in Montenegro**

Probationary periods of up to 6 months are permitted. If after 3 months, the employee is not satisfactory, his supervisor can request a skills review and a commission to assess will be formed. If the commission agrees with the supervisor, the employee can either be transferred to a more suitable job or terminated.

Employees may be terminated for just cause and must provide written notice of at least 30 days. The employee has 5 days to respond.

Employees are generally eligible for severance pay of at least 1/3 of their monthly pay in the last six months for each year of employment, with a minimum of the equivalent 3 months' of the employee's pay or average Montenegrin pay, whichever is more favorable to the employee.

## Montenegro Tax

Employers and employees must both make contributions to social security as follows:

- Pension & Disability
  - Employer: 5.5%
  - Employee: 15%
- Health Insurance
  - Employer: 3.8%
  - Employee: 8.5%
- Unemployment Insurance:
  - Employer: 0.5%
  - Employee: 0.5%

## Health Insurance in Montenegro

Montenegro has universal, compulsory health insurance. Employers contribute 6% of wages and employees contribute 7.5% of wages.

There are also private clinics available for which supplementary health insurance can be purchased, and dental care is generally paid for out of pocket.

## Additional Benefits in Montenegro

Common benefits include supplementary health insurance, meal allowance, transportation allowance.

## Employment Contracts in Montenegro

Fixed term contracts are permitted for up to 2 years.

It is legally required to put a written employment contract in place in Montenegro, in the local language, which spells out the terms of the employee's compensation, benefits, and

termination requirements. An offer letter and employment contract in Montenegro should always state the salary and any compensation amounts in Euro rather than a foreign currency.

This information is provided as generally accepted information and is not intended as advisory services.

### **Why Globalization Partners**

Establishing a branch office or subsidiary in Montenegro to engage a small team is time-consuming, expensive and complex. Montenegrin labor law has strong worker protections, requiring great attention to detail and an understanding of local best practices. Globalization Partners makes it painless and easy to expand into Montenegro. We can help you hire your candidate of choice, handle HR matters and payroll, and ensure that you're in compliance with local laws, without the burden of setting up a foreign branch office or subsidiary. Our Montenegro PEO and [Global Employer of Record](#) solution provides you peace of mind so that you can focus on running your company.

If you would like to discuss how Globalization Partners can provide a seamless employee leasing or PEO solution for hiring employees in Montenegro, please [contact us](#).