

Globalization Partners provides employer of record services for clients that want to hire employees and run payroll without first establishing a branch office or subsidiary in Serbia. Your candidate is hired via Globalization Partners' Serbia 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

- [Basic Facts About Hiring in Serbia](#)
- [Serbian Holidays](#)
- [Bonus in Serbia](#)
- [Working Hours in Serbia](#)
- [Vacation in Serbia](#)
- [Sick Leave in Serbia](#)
- [Maternity/Paternity Leave in Serbia](#)
- [Termination/Severance in Serbia](#)
- [Serbia Tax](#)
- [Additional Benefits in Serbia](#)
- [Employment Contracts in Serbia](#)
- [Why Globalization Partners](#)

Our Global Employer of Record Platform™ and Global PEO service enables clients to run payroll in Serbia 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 Serbia.

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 170 countries around the world, quickly and painlessly.

Serbia, a small, landlocked country, sits between Central and Southeastern Europe and is home to 7 million people. While Serbia is in the process of acceding to the EU, it is unlikely to become a member until at least 2020. Serbian work culture is similar to that of Western Europe. Many business people in Serbia speak English, and the population is well educated. Serbians place high value on relationships and establishing a local presence can improve marketplace perception. The business culture is fairly hierarchical, so be sure that the person with whom you are negotiating has the power to conclude the agreement.

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

Basic Facts About Hiring in Serbia

Serbia's complicated regulatory environment can make opening a business tricky. Historically, it has been very difficult to hire and fire employees and high social security contributions made a disincentive to work part-time and low paying jobs. In 2014, Serbia passed legislation to open up the economy and make it easier to do business. As a result the economy is improving, but the country still has a long way to go.

Calculating salary in Serbia can be complicated. Salary includes:

- basic salary
- performance-based salary
- salary increment
- meal allowance
- cost of public transportation to and from work
- holiday allowance

These last three mandatory payments must be accounted for separately from other salary components.

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

Serbian Holidays

Serbia celebrates seven national holidays:

- New Year's Day - 1 and 2 January
- Christmas Day - 7 January
- Sretenje- 15 and 16 February (Presentation of Jesus Christ in the Temple - Statehood Day of the Republic of Serbia)
- Easter holidays-(Good Friday-Easter Monday)
- Labour Day - 1 and 2 May
- Armistice Day - 11 November

Bonus in Serbia

A performance-based portion of salary is part of the usual salary calculation in Serbia.

Working Hours in Serbia

The standard work week in Serbia is 40 hours. Overtime is permitted, but should not exceed four hours per day or eight hours per week. Workers are entitled to a twelve hour break between work days and at least one 24 hour break per week.

Vacation in Serbia

Employees are entitled to a minimum of 20 days of vacation annually, with at least two weeks of it to be taken together.

Sick Leave in Serbia

If the employee misses work due to an on the job injury, s/he is entitled to 100% of pay for up to 30 days. If the injury or illness was not sustained on the job, the employee is entitled to 65% of salary.

Maternity/Paternity Leave in Serbia

Female employees are entitled to receive maternity leave of up to 365 days for their first two children and two years for their third and fourth children. If the employee's first or second pregnancy results in a multiple birth, she is entitled to two years of maternity leave.

Women on maternity leave are entitled to pay equal to the average salary they received during the twelve months leading up to when they started their leave, up to a maximum of five times the average Serbian salary. Women cannot be terminated during leave.

If the woman has a fixed-term employment contract, that term is automatically extended to the end of her leave.

Fathers are entitled to seven days of paternity leave.

Termination/Severance in Serbia

Fixed term employment agreements end automatically at the end of the term.

Permanent contracts of employment can be terminated on grounds of poor performance and notice of at least eight days must be given. Notice of more than 30 days may be required, depending on the employee's length of service. The exact duration of notice should be included in the employee's contract.

Prior to termination for a violation of work duty or discipline, the employer must give the employee a warning. The employee can respond to this warning and submit it to the opinion of the trade union. The employer is only required to take the trade union opinion into consideration.

The employee can appeal the termination if this is allowed in the employment contract. Such an appeal must be initiated within three days of the initial notice of termination. An arbitrator will render a decision within 10 days. During the proceedings, the employee is suspended from work.

Employees can also file a court proceeding to nullify the termination. Within 15 days of the filing, the employee can also request from the Labor Inspectorate authorization to return to work until the case is decided.

When dismissing an employee for a violation of work duty or discipline, the employer must pay severance pay to the employee.

If the employer terminates an employee due to redundancy, the employer must pay a minimum severance pay based on the employee's salary.

Serbia Tax

Companies and employees contribute to social security at the following rates:

Pension and disability

- Employer 17.9%
- Employee 19.9%

Health insurance

- Employer 6.15%

- Employee 6.15%

Unemployment insurance

- Employer 0.75%
- Employee 0.75%

Additional Benefits in Serbia

Employees highly value a private health care supplement.

Employment Contracts in Serbia

New labor laws allow fixed-term contracts for up to 24 months. In some cases, these can be extended to 36 months, the entire length of a project, or for people within five years of retirement, the entire length of their remaining service.

It is legally required to put a strong employment contract in place in Serbia, 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 Serbia should always state the salary and any compensation amounts in dinar 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 Serbia to engage a small team is time-consuming, expensive and complex. Serbian 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 Serbia. 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 Serbia PEO and [Global Employer of Record Platform](#) provides you peace of mind so that you can focus on running your business.

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

[Request a Proposal](#)