

# Croatia: Reemployment obligation after restructuring

---

## Croatia

Phase:

Management

Type:

Reemployment obligation after restructuring

 Last modified: 30 April, 2021

Native name:

**Zakon o radu 93/2014, 127/17, 98/19**

---

English name:

**Labour Act 93/2014, 127/17, 98/19**

## Article

---

### Article 115

### Description

---

Article 115 stipulates that an employer can terminate an employment contract for legitimate reasons by giving either the statutory notice or the notice stated in the contract of employment (regular notice of dismissal). Among others, grounds for dismissal include cancellation due to business reasons, where there is no longer the need to perform certain work due to economic, technological or organisational reasons. If dismissals happen for business reasons, the employer cannot employ another employee for the same position for six months after the date of the dismissal notice. In case there is a need for employment in the same position within these six months, the employer must offer an employment contract to the employee dismissed for business reasons.

Accordingly, an employer who has made a regular termination of employment contract cannot employ other employees for these positions for at least six months. The obligation is valid also in cases of collective dismissals with the respective thresholds, pursuant to article 127. If there is a need for employees in the same positions within a period of six months from the redundancies, employers are obliged to offer employment contracts first to the employees dismissed for business reasons.

## Comments

---

Judicial practice recognises several causes as justified reasons for cancellation due to business reasons, including market downsizing, reduction in the scope of activities and non-profitability of a certain activity and/or an individual job position. There are no legally prescribed control

mechanisms to track whether an employer first offers jobs to employees made redundant within six months of the redundancy.

Information on employment flows within the company must be made available to the works council, provided that the number of employees in the company from the date of dismissal to the date of reemployment has not fallen below 20 (as the establishment of a works council is a right in companies with at least 20 employees). Provided that the works council still exists, it can report to the public authorities on the compliance of the employer to these legal provisions. Otherwise, redundant employees can find out informally from former colleagues whether new employees were employed for their positions within six months following their dismissal and check this information with the public employment service which retains an updated register of employment.

The law does not specify the consequences for non-compliance. Under article 228 (18), an employer is fined from HRK 31,000 to 60,000 (about €4,200 to €8,100) for serious offences, which include the employment of a new employee in the same position before the six-month threshold from the redundancy.

---

#### **Cost covered by**

Not applicable

#### **Involved actors other than national government**

Works council

#### **Thresholds**


Company size by number of employees:

20

Number of affected employees:

20

#### **Sources**

 Labour Act 93/2014 ([http://narodne-novine.nn.hr/clanci/sluzbeni/2014\\_07\\_93\\_1872.html](http://narodne-novine.nn.hr/clanci/sluzbeni/2014_07_93_1872.html))

#### **Revision log summary**