

**LAW**  
**ON MANDATORY SOCIAL SECURITY INSURANCE CONTRIBUTIONS**

*the Official Gazette no. 84/04, 61/05, 62/06 and 5/09*

**I. GENERAL PROVISIONS**

**Article 1**

This Law shall regulate the contributions for the mandatory Social Security Insurance (hereinafter: contributions), the contribution payer, contribution base, contribution rate, the method of calculation and payment of contributions, as well as other issues of importance to the assessment and payment of contributions.

**Article 2**

Contributions shall provide funds for financing mandatory social security insurance, as follows:

- 1) pension and disability insurance;
- 2) health insurance;
- 3) unemployment insurance.

**Article 3**

Contributions, under this law, shall be:

- 1) pension and disability insurance;
  - (1) contributions for mandatory pension and disability insurance;
  - (2) an additional contribution to pension insurance calculated at an accelerated rate in accordance with the law;
  - (3) contribution for the event of disability and physical impairment from professional injuries and occupational diseases in the cases determined by the law;
- 2) Health Insurance:
  - (1) contributions for mandatory health insurance;
  - (2) contribution for the professional injuries and occupational diseases in the cases determined by the law;
- 3) the unemployment insurance - a contribution for mandatory unemployment insurance.

**Article 4**

Contribution funds are public revenue, under control and accessible for organizations of mandatory Social Security Insurance, established by the laws governing the system of mandatory social security insurance, for the purposes determined in accordance with these laws.

**Article 5**

If the contributions governed by this law are differently regulated by another law, the provisions of this Law shall be enforced.

**II. DEFINITIONS OF TERMS**

**Article 6**

Terms used herein shall have the following meanings:

- 1) The contribution payer is the insured person and the employer or payer of income, against whose account contributions are paid;
- 2) Liable for calculation, or paying of contributions is the insured natural person and the employer or other payer of income who is liable to calculate and pay contributions on his/her own behalf and on his/her own benefit, or on his/her own behalf and on benefit of the insured person;
- 3) The contribution payer is a natural person insured under the laws governing the system of

the mandatory social security insurance;

4) An employee is insured person - a natural person employed by the employer, who performs duties under the laws governing labour relations;

5) Referred employee is contribution payer- employee who for an employer based in the Republic of Serbia (hereinafter: Republic) performs duties in another state or is employed in a diplomatic or consular mission or in the international organization abroad;

6) Domicile citizen employed abroad is the insured person employed abroad by a foreign employer, if for that period is not mandatory insured by a foreign insurance carrier or if the rights from mandatory social security insurance, according to the law of that State, cannot exercise outside its territory;

7) The foreign retiree is insured person- domicile citizen who receives a pension, disability pension or rent only from the foreign insurance carrier;

8) A person who performs temporary and occasional work is the insured person who performs duties under a contract of temporary and occasional work, concluded in accordance with the law governing labour relations, and on that basis achieves the contracted fee;

9) A volunteer is a natural person who, in accordance with the regulations, based on the contract on voluntary work, is on professional training or internship without an employment contract;

10) The employer is a legal or natural person or other legal entity that is contribution payer, liable for calculation and payment of contributions for employees, natural persons engaged in temporary and occasional work and the elected, nominated and appointed officials who achieve deference to salaries or wages. Co-operatives shall be considered as Employer, for natural persons who perform temporary and occasional works through the cooperative;

11) The cooperative is a youth or student cooperative established in accordance with the law governing cooperatives;

12) The payer of income is an employer or other legal or natural person or other legal entity that shall on behalf and benefit of insured person, or on his own behalf and on benefit of the insured person calculate and pay contributions simultaneously with the payment of revenue to which contributions shall be paid;

13) Entrepreneurial activity is commercial, professional or other activity performed by: entrepreneur, founder or a member of a company, an independent artist, and priest and religious officials;

14) The entrepreneur is the insured person - a natural person who performs independent business, professional or other activity in accordance with the law governing tax on entrepreneurs;

15) The founder or a member of the company is insured person – a natural person working in a company whose founder or a member is, regardless of whether is employed by the company. The work, in addition to employment, includes the representation of the company based on entry in the register of the competent court, as well as performing executive powers and duties of management in accordance with the law governing the status of companies;

16) Independent artist is insured person – a natural person whose status of a person who independently performs an art activity or other activity in the field of culture, is determined according to the records kept by the artist association, in accordance with the law governing independent performing of art or other activities in the field of culture, if not is insured on other basis.

17) A person who achieves the contracted fee is a natural person who performs tasks based on service contract, copyright contract, additional work contract and other contract or on any other basis, and for performed tasks achieves the contracted fee or remuneration (hereinafter referred to as contracted fee);

18) The contracted fee is a fee that holds taxes and contributions paid on account of the

person who achieves that fee;

19) Compensation based on disability is a reimbursement that shall be achieved based on the remaining work capacity and the risk of occurrence of disability, as an acquired right under the law governing the mandatory pension and disability insurance from the organization of mandatory pension and disability insurance;

20) The financial compensation is a reimbursement achieved during the unemployment period from the organization responsible for employment, and holds that contributions which are paid on account of the person who achieves that compensation;

21) The salary compensation is reimbursement achieved as a right out of the funds of mandatory health insurance, as well as compensation based of the law governing financial support for families with children;

22) Farmer or agricultural labourer is the insured person who performs agricultural activity;

23) A person included in the mandatory insurance is a natural person who is at his/her request, included in the mandatory social security insurance in accordance with the law;

23a) The person for whom the funds for the payment of contribution are provided in the budget of the Republic is insured person- a natural person who, according to the law governing the mandatory health insurance and under the conditions prescribed by the law: is affiliated to the population that is exposed to the increased risk of disease; a person whose health care needs are related to prevention, control, early detection and treatment of diseases of major socio-medical importance, as well as the person who is in the category of socially disadvantaged population, if is not qualified for the status of insured person on other basis in accordance with the law, or if is not entitled to mandatory health insurance as a family member of insured person - for which the budget of the Republic, according to the law governing the mandatory health insurance, provides funds for payment of contributions for mandatory health insurance;

24) The contribution from the basis is the amount of contribution calculated, withheld and paid by the employer or other payer of income on the behalf and benefit of the insured person;

25) The contribution to the bases is the amount of contribution calculated and paid by the employer or other payer of income on their own behalf and on the benefit of the insured person or the insured person who paid a contribution for itself;

26) The monthly contribution base is the amount to which contributions are calculated and paid for one calendar month of insurance;

27) The minimum monthly contribution base is the minimum amount to which contributions are calculated and paid for one calendar month of insurance;

28) The maximum monthly contribution base is the highest amount to which contributions are calculated and paid for one calendar month of insurance;

29) The maximum annual contribution base is the highest amount to which contributions are calculated and paid on all grounds for the calendar year of insurance;

30) The average monthly salary in the Republic is the average amount of monthly salary paid per employee in the Republic within a specified period, according to published data of the republic authorities responsible for the statistics;

31) The average annual salary in the Republic is the average amount of annual salary paid per employee in the Republic, for the year for which contributions are calculated and paid, according to published data of the republic authority responsible for the statistics.

### **III. Contribution payers**

#### **Article 7**

(1) Contribution payers for pension and disability insurance are insured persons in accordance with the law governing the mandatory pension and disability insurance, as follows:

1) Employees;

- 2) Elected, nominated and appointed officials who achieves a differences to salaries or wages;
  - 3) Persons who perform temporary and occasional work under the contract concluded directly with the employer or through a cooperative excluding persons under the age of 26 years if they are on education;
  - 4) Persons receiving earnings compensation under the law governing financial support for families with children;
  - 5) Persons receiving earnings compensation under the law governing mandatory health insurance;
  - 6) Entrepreneurs;
  - 7) The founders or members of the company;
  - 8) Farmers or agricultural labourers;
  - 9) Persons who achieve the contracted fee;
  - 10) Independent artists;
  - 11) The priests and religious officials;
  - 12) Persons who achieve an unemployment compensation under the low governing the employment and unemployment insurance;
  - 13) Domicile citizens working abroad;
  - 14) Persons involved in the mandatory insurance, in accordance with the law;
  - 15) Other insured persons, in accordance with the law governing the mandatory pension and disability insurance.
- (2) Contribution payers to the base, for the insured persons in paragraph 1 item 1) to 5) of this article are the employers or other payers of income, at the same rate and on the same basis as those insured persons.

#### **Article 8**

- (1) Contribution payers for the health insurance are insured persons in accordance with the law governing the mandatory health insurance, as follows:
- 1) employees;
  - 2) elected, nominated and appointed officials who achieves differencesto salaries or wages;
  - 3) persons performing temporary and occasional work under the contract;
  - 4) persons receiving earnings compensation under the law governing financial support for families with children;
  - 5) persons receiving earnings compensation under the law governing mandatory health insurance;
  - 6) entrepreneurs;
  - 7) the founders or members of the company;
  - 8) farmers or agricultural labourers;
  - 9) independent artists;
  - 10) the priests and religious officials;
  - 11) deleted (the Official Gazette ofthe RS, no. 5 / 09);
  - 12) persons who achieve an unemployment compensation under the legislation governing the employment and unemployment insurance;
  - 13) Domicile citizens working abroad;
  - 14) foreign retirees;
  - 15) foreign citizens during education or professional training in the Republic;
  - 15a) persons for whom the funds for contributions payment are provided in the budget of the Republic;

6) other insured persons, in accordance with the law governing the mandatory health insurance. (2) Contribution payers to the base, for the insured persons in paragraph 1 items 1) to 5) of this

article are the employers or other payers of income, at the same rate and on the same basis as those insured persons.

(3) Contribution payers to the base shall be employers for:

1) employees during unpaid leave in accordance with the law governing the mandatory health insurance;

2) foreign citizens who are employed by the local employer on the territory the Republic on the basis of a special agreement on the exchange of experts and agreements on international technical cooperation.

(4) Contribution payers to the base are the payers of pensions and compensations based on disability under the law governing the mandatory pension and disability insurance.

(5) Liable for contribution on the basis, for the insured persons in paragraph 1 item 15 a) of this Article shall be the budget of the Republic, according to the law governing the mandatory health insurance.

### **Article 9**

(1) Contribution payers for unemployment insurance shall be insured persons in accordance with the law governing the system of mandatory unemployment insurance, as follows:

1) employees;

2) elected, nominated and appointed officials who achieve differences to salaries or wages;

3) persons performing temporary and occasional work under the contract;

4) persons receiving earnings compensation under the law governing financial support for families with children;

5) persons receiving earnings compensation under the law governing mandatory health insurance;

6) Entrepreneurs;

7) the founders or members of the company;

8) other insured persons, in accordance with the law governing the system of mandatory unemployment insurance.

(2) Contributors to the base, for the insured persons in paragraph 1 items 1) to 5) of this article are the employers or other payers of income, at the same rate and on the same basis as insured persons.

### **Article 10**

(1) The employer shall be liable for additional contributions for pension and disability insurance for period that is calculated at an accelerated rate for the employee, in accordance with the law.

(2) An entrepreneur shall be liable for additional contributions for pension and disability insurance for period that is calculated at an accelerated rate that the insured person acquires in accordance with the law.

### **Article 11**

Contribution payer to pension and disability insurance in occurrence of disability and physical damage from injuries and occupational diseases and contributions for health insurance in occurrence of injuries and occupational diseases, in cases determined by law shall be as follows:

1) Cooperative - for persons who, in accordance with law, perform temporary and occasional work through the cooperative, in accordance with the laws governing the system of mandatory social insurance;

2) the organization of employment - for persons who, in accordance with the law governing

- employment and unemployment insurance, refer to additional education and training;
- 3) authority, organization or institution (school, college, etc.) - where a pupil or a student is on the mandatory manufacture work, professional practice or practical training;
- 4) The authority, organization or institution where volunteer work is performed or organization for employment when refer to volunteer work - for volunteers;
- 5) other legal entities, in accordance with the laws governing the system of mandatory social security insurance.

#### **Article 12**

- (1) When the insured person secure income on multiple basis (employment, self-employment, contracts, etc.) contribution for the mandatory pension and disability insurance shall be calculated and paid on all these grounds, to the amount of the highest annual base of contributions, in accordance with this law.
- (2) Notwithstanding to the provisions of paragraph 1 of this article, the obligation to calculate and pay contributions for mandatory pension and disability insurance based on employment or self-employment shall exclude the obligation of paying contributions based on agricultural activities.

### **IV. Contribution base**

#### **Article 13 [1]**

- (1) The contribution base for employees and employers shall be salary, respectively salary compensation or earnings in accordance with the law governing labour relations, general act and the labour contract or decision of the competent authority (hereinafter referred to as earnings).
- (2) the Contribution base for employees and employers in paragraph 1 of this Article shall not be reduced by the amount of 5,000 [1] dinars in Article 15a, paragraph 2 of the Law on Personal Income Tax.
- (3) The contribution base for employees and employers shall be and premiums for voluntary and additional pension insurance paid by an employer for employees - the insured persons involved in the voluntary insurance, in accordance with the law governing voluntary pension insurance, above monthly amount of 3,000 [1] dinars.
- (4) Contribution base for employees and for employers shall be and pension contribution to the voluntary pension fund paid by the employer at the expense of own funds for employees - members of the voluntary pension fund, in accordance with the law governing pension funds and pension plans, above monthly amount of 3,000 [1 ] dinars.
- (5) The base from the paragraph 1 to 4 of this article for employers shall be and base of additional contributions for period of insurance calculated at an accelerated rate for the employee in accordance with the law.

#### **Article 14**

- (1) The contribution base for referred workers, if are not mandatory insured by the regulations of the State to which they are referred or if an international agreement provides otherwise, as well as for employers, shall be the amount of income achieved in the Republic on the same or similar jobs, in accordance with the law, general act and labour contract.
- (2) Contribution base in paragraph 1 of this Article shall not be less than twice of the minimum monthly contribution base from Article 37 of this law.

#### **Article 15**

Contribution base for domicile citizens employed on the territory of the Republic at foreign or international organizations and institutions, foreign diplomatic and consular missions or by foreign legal or natural entities, if an international agreement provides otherwise, and for foreign citizens and stateless persons employed on territory of the Republic at foreign legal or natural entities, if an international agreement provides otherwise, respectively at

international organizations and institutions and foreign diplomatic and consular missions, if such insurance is provided by international agreement, and for employers shall be earnings.

#### **Article 16**

Contribution base for persons performing temporary and occasionally work as well as for employers shall be contracted fee on that ground.

#### **Article 17**

Contribution base for the elected, nominated and appointed officials who, in addition to earnings with the employer where are employed, achieve differences in salary or wage while performing public functions, as well as for payers shall be that difference in wage or salary.

#### **Article 18**

Contribution base for insured persons who receive earning compensation during maternity leave, absence from work for childcare and leave for special childcare in accordance with the law

governing financial support for families with children, as well as for the payers of the earning compensation shall be the amount of earning compensation.

#### **Article 19**

Contribution base for insured persons who receive earning compensation based on a temporary inability to work from the funds of the mandatory health insurance, in accordance with the law, as well as the payers of the earning compensation shall be the amount of earning compensation.

#### **Article 20**

Contribution base for payers of pension and benefits based on disability from the funds of the organization of mandatory pension and disability insurance, in accordance with the law, shall be the amount of pension or compensation.

#### **Article 21**

The Contribution base for insured persons who receive financial compensation from the funds of organization responsible for employment, in accordance with the law, shall be the amount of financial compensation.

#### **Article 22**

- (1) Contribution base for entrepreneurs shall be taxable income or determined lump sum income that is taxable under the law governing personal income tax.
- (2) In anticipation of final determination of taxable income for the current year, entrepreneurs shall pay a monthly contribution base to the advance consisting of base for a monthly advance payment of personal income tax.
- (3) The base from paragraph 1 and 2 of this article for entrepreneurs shall be and base of additional contribution to pension insurance calculated at an accelerated rate that the entrepreneur achieved in accordance with the law.

#### **Article 23**

- (1) Contribution base for the founders and members of the company shall be taxable profits on which tax is paid specified by the law governing the corporate income tax.
- (2) In anticipation of final determination of taxable income for the current year, the founders and members of the company shall pay a monthly contribution to the advance on the base consisting of a monthly base of an advance payment of income tax.
- (3) Notwithstanding to paragraphs 1 and 2 of this article, contribution base for the founders and members of the company employed by companies whose founders and members are, shall be the salary in accordance with Article 13 of this law.

#### **Article 24**

If the income from entrepreneur activity or profit of the company is divided into several entrepreneurs, or founders and members of the company, contribution base for each of them

shall be their share in the revenue or in the profit.

#### **Article 25**

(1) Contribution base for independent artists shall be taxable income on which is paid personal income tax, according to the law governing personal income tax, achieved in the year for which contributions shall be determined and paid.

(2) In anticipation of final determination of taxable income under paragraph 1 of this article, independent artists shall pay quarterly contributions on an advance basis that depend on the level of expected revenues for the year, assigned from one of the following amount multiplied by the coefficient of the three:

- 1) the lowest contribution base in accordance with the paragraph 38 of this Law;
- 2) the average monthly salary in the Republic paid per employee in the previous year;
- 3) the double average monthly salary in the Republic paid per employee in the previous year;
- 4) the average quadruple monthly salary in the Republic paid per employee in the previous year.

#### **Article 26**

(1) Contribution base for the priests and religious officials shall be one of the amount to which the insured person, based on the duties allocate to the insured person, his educational attainment, years of service and other criteria contained in the domicile law of the church or religious community, assigned by the church or religious community, as follows:

- 1) minimum monthly contribution base in accordance with Article 38 of this Law;
- 2) the average monthly salary in the Republic paid per employee in the previous year multiplied by the coefficient of 1, 2, 3, 4 or 5

(2) The basis from paragraph 1 of this Article church or religious community shall assign in collaboration with the Organization for Social Security Insurance that data for each insured person submits to the organizational unit of the Tax Administration within 15 days from the date of acquisition of capacity of insured person.

(3) The base assigned to the insured person under paragraphs 1 and 2 of this Article shall not be modified during the current year, and shall be modified for next year, under condition that provided data on the modified contributions are submitted to the competent organizational unit of the Tax Office by the 15th February of the year for which the liability is determined.

#### **Article 27**

(1) Contribution base for farmers and agriculture labours shall be the income from agricultural activities on which tax is paid in accordance with the law governing personal income tax.

(2) If, in accordance with the law governing personal income tax, base for a certain period is not determined and tax on personal income from agriculture and forestry to the cadastral income is not paid, contribution base for that period shall be the lowest monthly contribution under Article 38 of this Law.

#### **Article 28**

Contribution base for persons who achieved contracted fee shall be taxable income of the contractual fee in accordance with the law governing personal income tax.

#### **Article 29**

Contribution base for the persons involved in mandatory social security insurance shall be basis as are prescribed by the Act of organization for Social Security insurance, approved by the Government of the Republic of Serbia.

#### **Article 30**

Contribution base for domicile citizens employed abroad shall be the average monthly salary



in the Republic paid in the fourth quarter of previous year, according to published data of the authority responsible for the statistics.

#### **Article 31**

(1) Contribution base for foreign retirees shall be the amount of pensions, disability pension or rent achieved in the month for which the contribution are determined or paid.

(2) pension, disability pension or rent that is received in foreign currency, for the determination of contributions under paragraph 1 of this article, shall be converted into dinars at the official middle exchange rate of the National Bank of Serbia, prevailing on the last day of the month for which the contribution shall be determined or paid.

#### **Article 32**

Contribution base for the employers for the employee on unpaid leave shall be a salary that employee should received at work.

#### **Article 33**

Contribution base for employers to foreign nationals employed by domicile employer in the territory of the Republic under special agreement on the exchange of experts and agreements on international technical cooperation shall be the average monthly salary in the Republic paid in the fourth quarter of previous year, according to published data of the authority responsible for the statistics.

#### **Article 34**

Contribution base for foreign citizens during their education or professional training in the Republic shall be the average monthly salary in the Republic paid per employee in the fourth quarter of the previous year.

#### **Article 35**

Contribution base for contribution payer under Article 11 of this law for pension and disability insurance in occurrence of disability and physical damage from injuries at work and occupational diseases and of health insurance in occurrence of injuries at work and occupational diseases, in cases determined by law shall be the minimum monthly contribution base, or contracted fee if is achieved and if it is higher than the minimum monthly contribution base.

#### **Article 35a**

Deleted (the Official Gazette no. 5 / 09)

#### **Article 35b [2]**

(1) Contribution base for mandatory health insurance of persons for which the funds for payment of contributions are provided in the budget of the Republic, shall be the monthly contribution base, which is the amount of 15% of the average monthly salary in the Republic paid per employee in the previous year, according to published data of the competent authorities for the statistics.

(2) The amount of monthly contribution base under paragraph 1 of this article, shall be published on annual bases by the Minister of Finance, and shall be used for the calculation and payment of contributions for mandatory health insurance from the 1st of January of the year for which contributions are determined and paid.

### **V. Minimum and maximum Contribution base**

#### **1. The lowest monthly contribution base**

#### **Article 36**

(1) Monthly contribution base shall not be less than the minimum monthly contribution base.

(2) If the contributions base prescribed by this law is less than the minimum monthly contribution base, the calculation and payment of contributions shall be performed on the minimum monthly contribution base, if it is not otherwise specified by this law.

(3) Notwithstanding to paragraphs 1 and 2 of this article, the minimum monthly contribution base shall not be applied to the calculation and payment of contributions under Article 17 to

21 and Article 28 and 35b of this Law.

#### **Article 37**

(1) A minimum monthly contribution base shall be the amount of 35% of the average monthly salary paid in the preceding quarter for which the data are published by the republic authorities responsible for the statistics, unless otherwise is provided by the law.

(2) The amount of the minimum monthly base, in paragraph 1 of this article shall be determined and announced by the Minister responsible for Finance, and shall be applied from the first day of the following month after the publication of this amount.

#### **Article 38**

(1) The minimum monthly contribution base for the insured persons under the Article 25, 26 and

27 of this Law shall be the amount of 35% of the average monthly salary paid in the fourth quarter of previous year, according to published data of the authority responsible for the statistics.

(2) The amount of the minimum monthly base in paragraph 1 of this article, shall be published on annual bases by the Minister responsible for Finance, and shall be used for the calculation and payment of contributions from the first day of January in the year for which contributions are determined and paid.

#### **Article 39**

(1) When the period for which the contribution are calculated is less than a month, and conditions for the application of the minimum monthly contribution base are met, calculation of the contribution shall be performed on a proportionate amount of the minimum monthly contribution base.

(2) Where the employee works part-time on the basis of disability in accordance with the decision of an authorized institution for mandatory pension and disability insurance, and the conditions are fulfilled for the application of the minimum monthly contribution base on salary and other benefits basis under Article 13 of this law, calculation of the contribution shall be performed to a proportionate amount of the minimum monthly contribution base.

(3) Proportionate amount of the minimum monthly contribution base shall be determined by the minimum monthly contribution base in proportion to the number of days or number of hours in the month for which liability to calculate contribution is established.

#### **Article 40**

(1) For an employee who works part time with one employer, and the revenue earned is lower

than the minimum monthly contribution base, contribution base shall be the minimum monthly contribution base.

(2) For an employee who works part time at two or more employers, and so achieves full time work, and the total revenue earned at all employers is lower than the minimum monthly contribution base, every employer shall calculate and pay contributions on a proportionate amount of the minimum monthly contribution base that is determined in proportion to work time of employee at each employer.

(3) For an employee who works part time at two or more employers, and the total earned revenue at all employers is higher than the minimum monthly contribution base, every employer shall calculate and pay contributions on salary that is paid, without application of the minimum monthly contribution base .

### **2. The maximum monthly contribution base**

#### **Article 41**

(1) If prescribed contribution base is above the maximum monthly contribution base, the calculation and payment of contributions shall be performed to the highest monthly contribution base.

(2) Notwithstanding to paragraph 1 of this Article, the maximum monthly contribution base shall not be applied to the calculation and payment of contributions on the basis under Article 28 of this Law.

#### **Article 42**

The maximum monthly contribution base shall be five times the average monthly salary paid per employee in the Republic according to the latest published data of authorities responsible for the statistics, and shall be applied to the first day of the following month after the publication of data on average monthly salary paid per employee in the Republic.

### **3. The Maximum annual contribution base**

#### **Article 43**

(1) The maximum annual contribution base shall be five times the average annual salary paid in the year for which the contributions are calculated and paid.

(2) Nominal amount of the maximum annual base, in accordance with paragraph 1 of this Article, shall be published by the Minister responsible for Finance.

## **VI. CONTRIBUTION RATES**

#### **Article 44**

(1) The rates at which contributions shall be calculated and paid are as follows:

- 1) for mandatory pension and disability insurance - 22%;
- 2) for mandatory health insurance - 12.3%;
- 3) the unemployment insurance - 1.5%.

(2) When the contributions are paid simultaneously from the base and at the base, the calculation of the contribution shall be at the following rates:

- 1) for mandatory pension and disability insurance - 11%;
- 2) for mandatory health insurance - 6.15%;
- 3) the unemployment insurance - 0.75%.

#### **Article 45**

(1) An employer who employs a person who is on the date of conclusion of contracts older than

50 years and who has at the National Employment Service the status of beneficiary of unemployment compensation or is registered at the Service as unemployed person for at least six months without interlude, shall be released from the obligation to pay contributions for mandatory social security insurance that are paid to the base or against the account of the employer.

(2) An employer who employs a person who on the date of conclusion of contracts is older than

45 years and who has at the National Employment Service the status of beneficiary of unemployment compensation or is registered at the Service as unemployed person for at least six months without interlude, shall have the right calculate and pay contributions to mandatory

social security insurance to the base or against the account of employer, at rates determined by the Article 44 Paragraph 2 of this Law reduced by 80%.

(3) The right to pay contributions in accordance with paragraphs 1 and 2 of this Article, the employer shall exercise for a period of two years from the date of employment of the employee.

(4) If an employee from paragraph 1 and 2 of this article terminates employment contract during the exemption, as well as in the coming three years after the expiration of exemption from paragraphs 1 to 3 of this Article, the employer shall lose the right to exemption and shall pay a contributions that would otherwise be paid if exemption was not exercised, valorised by applying of the growth rate of retail prices according to the republic authorities responsible for

the statistics, within 30 days of termination of employment contract of the employee.

(5) Notwithstanding to the paragraph 4 of this Article, the employer shall continue to exercise tax exemption for the remain period of exemption, if the employment contract is cancelled by the employee and the employer instead of him/her within 15 days from the date of termination of employment contract employs another person under paragraph 1 or under paragraph 2 of this Article.

(6) The paragraph 4 of this Article shall not apply in the event of termination of employment contract because of employee's death or other reasons independent of the will of the employee and the employer, in accordance with the law governing labour relations.

(7) the National Employment Service shall pay contributions, respectively contributions differences for the person for whom the employer achieved exemption in accordance with paragraphs 1 and 2 of this article.

(8) Exemption from payment of contributions under this article shall not be exercise by the governmental authorities and organizations, public enterprises, public services and other direct or indirect budget beneficiaries.

(9) The method and procedure of implementation of provisions in this article shall be regulated by the Minister responsible for Finance and the Minister responsible for Labour, Employment and Social Policy.

#### **Article 45a**

(1) An employer who employs a person who under the terms of the law governing the labour is considered as a trainee, and who is on the date of conclusion of employment contract younger than 30 years and is registered at the National Employment Service as an unemployed person shall be released from the obligation to pay contributions for mandatory social security insurance to the contribution base or against the account of the employer, for a period of three years from the date of employment of that person.

(2) Employer who employs for indefinite period of time a person who on the date of conclusion of the employment contract is younger than 30 years, and who is registered as unemployed person at the National Employment Service for at least three months without interlude prior to employment, shall be released from the obligation to pay contributions for Social Security insurance that are paid to the basis or against the employer account for a period of two years from the date of the employment of that person.

(3) The newly employed person, in terms of paragraph 1 and 2 of this Article, shall be the person with whom the employer concluded an employment contract in accordance with the law governing the labour and who is reported to the mandatory social security insurance at responsible organizations for mandatory social security insurance.

(4) The newly employed person referred to in paragraph 2 of this Article shall not be considered a person who prior to employment were employed by the employer who is a founder or a related person with an employer with whom employment is established, regardless of whether there were interlude of employment.

(5) Exemption from payment of contributions from paragraph 1 and 2 of this Article shall be accomplished by the employer if the employment of the newly employed person increases the number of employees at an employer in relation to the number of employees as at on 1st day of September of year 2006.

(6) If during the exercise of the exemption of payment of contributions for newly employed person, as well as in the next three years period for persons under paragraph 1 of this Article, respectively two years for persons under paragraph 2 of this Article, after the expiration of exemption, the employer reduce the number of employees related to the number of employees as at 1 day of September of year 2006, increased by the newly employed persons for whom achieved released from payment of contributions, shall lose the right to exemption, when the exemption is achieved for more newly employed persons, first shall loss exemption for that new employed person who is previously employed.

(7) The employer shall pay the contributions that otherwise shall be paid if exemption is not

exercised, valorised by applying the growth rate of retail prices according to data of the republic authorities responsible for the statistics, within 30 days of downsizing number of employees in terms of paragraph 6 of this Article.

(8) If to a newly employed person employment is terminated during the exemption of contributions, as well as in the following period under paragraph 6 this Article, an employer instead of employee, within 15 days upon termination of employment, employs another person, under condition to not reduce the number of employees in terms of paragraph 6 of this article shall continue to exercise the exemption based on employment of other newly employed person to the extent established by the law for a previously newly employed person. The total period of exemption under this paragraph shall be reduced by the time that the newly employed person, whom employment was terminated, worked for the employer.

(9) If to a trainee in paragraph 1 of this article employment is terminated during the exemption of contributions, the employer shall continue to exercise the exemption for a new trainee to the extent specified in paragraph 1 of this Article, if employ another new trainee.

(10) If to the person referred to in paragraph 2 of this article employment is terminated during the period of exemption of contribution, the employer shall continue to exercise release for newly employed person younger than 30 years to the extend determined in paragraph 2 of this Article, if employs another person younger then of 30 years.

(11) Exemption from payment of contributions under this article shall not be exercised by the governmental authorities and organizations, public enterprises, public services and other direct or indirect budget beneficiaries.

(12) the National Employment Service shall pay a contributions, respectively contributions for the person for whom the employer achieved exemption in accordance with paragraphs 1 and 2 of this article.

(13) The method and procedure of applying the provisions of this article shall be regulated by the Minister of Finance, the Minister of Labour, Employment and Social Affairs and the Minister of Health.

#### **Article 45b**

(1) Employer who employs person with a disability for indefinite period of time in accordance with the law governing the prevention of discrimination against persons with disabilities, for whom the appropriate legal and medically valid documentation prove disability, shall be released from the obligation to pay contributions for mandatory social security insurance to the base, or against the account of the employer for three years period from the date of employment of that person.

(2) The newly employed person with a disability under paragraph 1 of this Article shall be a person with whom the employer concluded employment contract in accordance with the law governing the labour relations and is reported to the mandatory social security insurance at the appropriate organizations for the mandatory social insurance.

(3) The newly employed person with a disability under paragraph 1 of this Article shall not be considered a person who prior to employment were employed by the employer who is a founder or a related person with an employer with whom employment is established, regardless of whether there was interlude.

(4) Exemption from payment of contributions under this article shall not be exercised by the authorities and organizations, public enterprises, public services and other direct or indirect budget users.

(5) The National Employment Office shall pay contributions for newly employed disabled persons for whom the employer achieved exemption in accordance with paragraph 1 of this article.

(6) The method and procedure of implementation of this article shall be regulated by the Minister responsible for Finance and the Minister responsible for Labour, Employment and Social Policy and the Minister responsible for Health care.

#### **Article 46**

Rates of additional contributions for pension and disability insurance for insurance period that to the employee and an entrepreneur shall be calculated at an accelerated rate in accordance with the law shall be as follows:

- 1) when effective 12 months of work counts as 14 months of insurance - 3.70%;
- 2) when the effective 12 months of work counts as 15 months of insurance - 5.50%;
- 3) when the effective 12 months of work counts as 16 months of insurance - 7.30%;
- 4) when the effective 12 months of work counts as 18 months of insurance - 11.00%.

#### **Article 47**

Contribution rates for occurrence of disability and physical injury from occupational injury and occupational disease, or in case of injury and occupational diseases, in cases determined by law, shall be:

- 1) for pension and disability insurance - 4.00%;
- 2) for health Insurance - 2.00%.

### **VII. SUSPENSION OF OBLIGATIONS OF PAYMENT OF CONTRIBUTIONS**

#### **Article 48**

During the unpaid leave approved to the employee in accordance with the law governing labour relations, the obligation to pay contributions shall be suspended, unless otherwise is provided by the law.

#### **Article 49**

The farmer whose status of insured farmer is suspended, in accordance with the law governing the pension and disability insurance, obligation to pay contributions for mandatory pension and disability insurance shall be suspended for that period.

#### **Article 50**

(1) The entrepreneur who temporary cancelled performing of activities in accordance with the law, obligation to pay contributions shall be suspended for that period, unless application for payment of contributions for that period is submitted to the Tax Administration.

(2) An entrepreneur may submit the request in paragraph 1 of this Article to the competent organizational unit of the Tax Administration within 30 days from the date of the temporary cancellation of performing activities.

### **VIII. CALCULATION, DETERMINATION AND PAYMENT OF CONTRIBUTIONS**

#### **Article 51**

(1) Employer shall be liable to calculate and pay contributions from the base and to the base for employees, elected, nominated and appointed officials and persons performing temporary and occasional work.

(2) The employer shall contributions from paragraph 1 of this Article calculate and pay simultaneously with the payment of salary, salary differences and contracted fee for temporary and occasional work, according to the regulations in forced at the time of payment of those earnings.

(3) If the employer does not pay salaries to the 30th in the current month for the previous month, shall be liable to calculate and pay of contributions for the previous month to the lowest monthly contribution base from the Article 37 of this Law, not later than that date.

(4) The employer shall with the pay of the salary for the appropriate month, to pay the difference between paid contributions amount in accordance with paragraph 3 this article and the amount of contributions calculated to the salary that is paid.

(5) A contributor who achieves salary or reimbursement for temporary and occasional work at the non-resident of the Republic (diplomatic or consular mission of a foreign state or international organization or a representative and employee of such offices or organizations, etc.)

or with another person who by law is not required to calculate and pay withheld contributions

and the employer fails to calculate and pay contributions simultaneously with the calculation and payment of salaries or reimbursement, shall calculate and pay contributions at rates from the Article 44 Paragraph 1 of this law in a manner prescribed for cases of pay personal income tax, according to the law governing personal income tax.

#### **Article 52**

If the salary is paid in portion, and the first portion of the salary is the less than the minimum monthly contribution base, the employer shall be obliged when disburse first half of salary to calculate and pay contributions on the minimum monthly contribution base.

#### **Article 53**

Contributions for the founder or a member of a company who is employed in a company whose founder or a member is, shall be calculated and paid in the manner as for other employees in the company, and contributions for mandatory pension and disability insurance shall be paid to the organization responsible for the those insured persons in accordance with the law governing the mandatory pension and disability insurance.

#### **Article 54**

The calculation and payment of contributions for an employee on unpaid leave, the employer shall be obliged to perform simultaneously with the payment of salaries to other employees.

#### **Article 55**

The calculation and payment of contributions for foreign citizen at work under a special agreement on the exchange of experts or agreement on international technical cooperation, the employer shall be obliged to perform simultaneously with the payment of salaries to other employees.

#### **Article 56**

Contributions based on earnings or financial compensation that is paid out of the funds of mandatory health insurance organization, organization for employment and unemployment insurance, or in accordance with the law governing financial support for families with children, payers shall be liable to calculate and pay simultaneously with the payment of compensation under regulations in force at the time of payment of compensation.

#### **Article 57**

- (1) Contributions for persons who achieve contracted fee, the payer shall calculate, withhold and pay simultaneously with the payment of the contracted fee.
- (2) A person who achieves the contracted fee shall be liable calculate and pay contributions in cases when the compensation derived from a person who is not liable to calculate and pay contributions simultaneously with payment.
- (3) The provisions of paragraphs 1 and 2 shall not apply to independent artists for whom the base of contributions and payment of contributions is determined in accordance with Article 25 and 58a of this Law.

#### **Article 58**

For persons who perform an activity (entrepreneurs, founders or members of the company, independent artists, priests and religious officials), apart from persons specified in Article 53 of this Law and for farmers, the contribution liability shall be determined by decision of the Tax Administration.

#### **Article 58a**

- (1) Determining of contributions for independent artists shall be performed by decision of tax administration, upon data on insured persons provided by the competent organizations for mandatory social security insurance, information provided by art associations and application for determining contributions liability provided by these insurers.
- (2) The final contribution liability for independent artists shall be determined at the end of the calendar year in which revenue specified in Article 25, Paragraph 1 of this law is realized based on independent artistic activities or other activities in the field of culture.

(3) Individual artists shall be liable to pay advance contributions specified in the Article 25 Paragraph 2 of this Law, upon the decision of the Tax Administration, which determines annual and quarterly advance of contributions liability.

(4) In the determining of final liability of contributions for the previous year, independent artists shall submitted to the competent organizational unit of the Tax Administration report on the data and evidence on gross taxable income that are subject to personal income tax under the law governing personal income tax.

(5) The report referred to in paragraph 4 of this article, independent artists shall present and the basis for an advance payment of contributions selected for the calendar year.

(6) The application referred to in paragraph 4 of this Article shall be submitted no later than 15th day of February of the following for the previous year, or within 15 days of acquiring the status of an independent artist, on a form prescribed by the Minister of Finance.

#### **Article 58b**

(1) In the purpose of determination of contributions liability for independent artists, art associations that keep Register of independent artist shall provide the competent organizational unit of the Tax Administration with notice on data on independent artists that are not otherwise insured annually, not later than 31st day of January of the current year.

(2) The notice referred to in paragraph 1 of this article shall include the name of an independent artist who is not otherwise insured, address and tax identification number.

#### **Article 59**

Determining contributions liability for the priests and religious officials, for domicile citizens working abroad and for foreign retirees shall be performed by the Tax Office decision, upon data provided to the competent organizations for mandatory social security insurance on insured persons on that basis.

#### **Article 59a**

(1) Contributions under Article 58a of this Law shall be paid within 45 days from the date of the quarter.

(2) In anticipation of the decision on determining the advance contribution payment for the current year, independent artists shall be liable to pay an advance in the amount of the advance payment determined by the decision of the Tax Administration for the previous year.

(3) Difference between paid contributions and the advance contribution payment and the final amount of contributions determined for the previous year by the decision of the Tax Administration, independent artists shall pay within 15 days of receipt of the first instance decision on determining the final liability.

#### **Article 60**

(A) Contributions from Article 58 of this Law shall be paid in term that is determined by the law governing personal income tax as final for paying taxes on these grounds.

(2) Contributions from Article 59 of this Law shall be paid by 15th day of the month for the previous month.

(3) Contributions under Article 11 of this Law shall be paid simultaneously with payment of the contracted fee, or to the fifth of the month for the previous month if contracted fee is not achieved.

#### **Article 61**

For determining contributions liability for individuals who are involved in the social security insurance shall be responsible organization for Social Security Insurance, in accordance its enactment.

#### **Article 62**

(1) Foreign citizens who are on training or professional development in the territory of the Republic shall be liable to pay contributions for health insurance until the date of registration of the school year, semester, or beginning of other forms of professional development, for



the period.

(2) Educational institutions where foreign citizen is on training or professional development in the territory of the Republic shall not perform the registration of such persons to education, certification of the semester, or approve other forms of professional development if evidence on paid contributions for mandatory health insurance is not provided.

(3) Manner of payment of contributions referred to in paragraph 1 of this article shall be determined by the organization for mandatory health insurance to its enactment.

#### **Article 63**

Where relevant organization for mandatory social security insurance determines the capacity of the insured person, for the reason of unfilled application within the term or other reasons, in accordance with the law, simultaneously with determining capacity of an insured person shall determine the contributions liability.

#### **Article 64**

Contribution payer shall not be exempted from the obligation to calculate and pay contributions.

#### **Article 64a**

(1) Contributions for pension and disability insurance and health insurance contribution for independent artists in Article 6 item 16 of this Law may pay local governments, autonomous provinces, the Republic of Serbia or the institutions of culture established by the local governments, units of territorial autonomy or the Republic of Serbia.

(2) Contributions for pension and disability insurance and health insurance contributions for the priests and religious officials shall be paid by the local governments, units of territorial autonomy or the Republic of Serbia.

#### **Article 64b [2]**

The contribution for mandatory health insurance for persons for whom funds for payment of contributions are provided in the budget of the Republic shall be calculated, determined and paid in accordance with the law governing the mandatory health insurance and regulations for its implementation.

#### **Article 65**

Regarding assessment, collection and refund of contributions, remedies, interest, penalty clauses and other issues not determined by this law, except provisions relating to tax exemptions, deductions and write-off, shall apply the relevant provisions of the law governing personal income tax, or laws governing the tax procedure and tax administration, if certain issues are not regulated differently by this law.

#### **Article 65a**

(1) Dinars amount is specified in the Article 13 paragraphs 3 and 4 of this law shall be annual adjusted with rate of retail price growth in the calendar year which preceding the year in which the adjustment is performing, according to data of the republic authorities responsible for the statistics.

(2) Adjusted dinars amount specified in paragraph 1 of this article shall be published by the Government.

3) Adjusted dinar amount specified in paragraph 1 of this Article shall be applied from the first day of the month after the publication of these amounts.

### **IX. Refund of overpaid contributions and termination of contribution payment during the current year**

#### **Article 66**

(1) The contributions payer who paid contributions by himself, or in his behalf and benefit contributions from the base that exceeds the highest annual basis for the calendar year are paid, shall be entitled to a refund of such overpaid amount of contributions.

(2) The right to refund the amount of paid contributions under paragraph 1 of this Article shall be determined by the decision of the Tax Administration, at the request of contribution payer that shall be submitted on the prescribed form.

#### **Article 67**

(1) The contribution payer on the basis of the contracted fee, for whom the contribution is calculated, withheld and paid by the payer of income in accordance with Article 57 Paragraph 1 of this Law shall to apply on the prescribed form, during the current year, for termination of the obligation to pay contributions on the basis of contracted fee in that year, when the base of contributions that are paid on the basis of the contracted fee along with the bases of contributions paid on other accounts reach the estimated maximum annual contribution base.

(2) Estimated annual maximum contribution base under paragraph 1 of this article shall be five times the annual revenue generated per employee, paid in the previous year plus estimated earnings growth in the current year.

(3) The nominal amount of the estimated annual maximum contribution base shall be determined and announced by the Minister responsible for Finance.

(4) The decision on termination of the obligation to pay contributions on the basis of future contracted fee during the current year shall be determined by the Organization for mandatory Social Security Insurance, within 15 days from the date of submission of documented request of the contribution payer.

#### **Article 68**

Minister responsible for Finance, Minister responsible for Labour, Employment and Social Affairs and the Minister responsible for Health agreeably determine in more details the conditions, procedure and method for refund of overpaid contributions and termination of the obligation to pay contributions on the basis of the contracted agreed fee during the current year.

### **X. CONTROL OF CALCULATION AND PAYMENT OF CONTRIBUTIONS**

#### **Article 69**

Control of the calculation and payment of contributions shall be performed by the tax administration, in accordance with the regulations governing the tax procedure and tax administration.

#### **Article 70**

Contribution payer shall be obliged to notify the Tax Administration on payment of contributions in accordance with the law governing the tax procedure and tax administration, and the relevant mandatory social security insurance, in accordance with the regulations governing mandatory social insurance.

#### **Article 71**

(1) The Tax Administration and mandatory social security insurance organizations shall be obliged to mutually exchange information about the contribution payer, payer who calculate and pay contributions, contribution base, the amounts of charged and collected contributions, and other official records related to contributions.

(2) The Tax Administration shall be obliged submit to relevant organizations for Social Security Insurance the data or processed data on determined and collected contributions for the insured persons, for entrepreneurs and farmers, quarterly, and no later than 30 days from the closing of quarter.

### **XI. PENALTIES**

#### **Article 72**

(1) The legal entity as well as employer or other payer of income shall be punished if not simultaneously with the payment of salary or other income in prescribed term, fails to calculate and pay or miscalculate and pay contributions (Article the 51st para 1 to 4, articles

52, 53, 54, 55, 56, Article 57, paragraph 1 and Article 60, paragraph 3) with fine of 100.000 to 1.000.000 dinars.

(2) For the acts referred to in paragraph 1 of this Article the responsible person in legal entity, shall be punished with fine of 5,000 to 50,000 dinars.

(3) For the acts referred to in paragraph of 1 this Article an entrepreneur shall be punished with fine of 50,000 to 500,000 dinars.

(4) For the acts referred to in paragraph 1 of this Article the responsible person in a government agency or unit shall be punished with fine of 5,000 to 50,000.

#### **Article 72a**

(1) The legal person - the artist association shall be punished if fails to submit the notice to the competent organizational unit of the Tax Administration within the prescribed period with data on independent artists who are registered at the art association, which are not otherwise insured (Article 58b) with fine of 100,000 to 600,000 dinars.

(2) For the action referred to in paragraph 1 this Article the responsible person in legal entity - an artist association, shall be punished with a fine of 5,000 to 30,000 dinars.

#### **Article 72b**

(1) The legal entity - the employer shall be punished if fails to pay contributions that otherwise would be paid if exemption is not exercised, valorised by applying the rate of growth of retail prices according to the republic authorities responsible for the statistics within 30 days from the date of termination of employment of the employee or reducing the number of employees (Article 45 paragraph 4 and Article 45a paragraph 7) with fine from 100.000 to 600.000 dinars.

(2) For the acts referred to in paragraph 1 of this Article the responsible person in legal entity shall be punished with fine of 5,000 to 50,000 dinars.

(3) For the acts referred to in paragraph 1 of this Article an entrepreneur shall be punished with a fine of 50,000 to 300,000 dinars.

#### **Article 73**

The entrepreneur shall be punished if fails to pay the contributions or the payment of contributions is not performed within the prescribed period (Article 60, paragraph 1) with fine of 5,000 to 250,000 dinars.

#### **Article 74**

A natural person shall be punished if fails to pay the contributions or if payment of contributions is not performed the within the prescribed period (Article 51 paragraph 5, Article 57 paragraph 2, Article 58a, paragraph 3, Article 59a, Article 60 paragraph 1 and 2 and Article 62, paragraph 1) with fine of 2,500 to 50,000 dinars.

#### **Article 74a**

A natural person shall be punished if fails to submit or fails to submit within the prescribed period the application for determining the contributions liability to the competent organizational unit of the Tax Administration (Article 58a paragraph 4 to 6) with fine of 5,000 to 50,000 dinars.

## **XII. TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 75**

Contributions for which the payment obligation arose, or due to the effective date of this Law, contributions payers shall be liable to pay in accordance with the regulations applicable to the day of implementation of this law.

#### **Article 76**

Employers who to the effective date of this law performed the payment of salaries for the

previous month and after the effective date of this law perform payments of other part or the final payment of salary for the month shall be obliged to calculate and pay contributions for those payments in accordance with this law.

#### **Article 77**

On the day this law comes into effect:

1) Article 8 Paragraph 1, Article 151 item 2), Article 160 Paragraph 1 item 4), Article 170, and Article 174 paragraph 1, 4 and 5, Article 175 to 182, Article 184 to 190, Article 192 to 194, Article 196 to 200, Article 201 paragraph 1, 3, 4 and 6, Article 202 and 203, Article 205 and Article 216 and 217 of the Law on Pension and Disability Insurance (the Official Gazette the RS, No. 34/03);

2) Article 94 items 9) and 10), Article 100 Paragraph 1 items 5) and 6), Article 108 to 108nj, a Article 108p paragraph 2 and 3 and Article 108r, 108t, 125a and 125b of the Health Insurance Law (the Official Gazette of the RS, no. 18/92, 26/93, 53/93, 67/93, 48/94, 25/96, 46/98, 54 / 99, 29/01, 18/02 and 80/02);

3) Article 65 Paragraph 1 item 4) and Article 127 to 143 of the Law on Employment and Unemployment Insurance (the Official Gazette of the RS No. 71/03).

#### **Article 78**

This Law shall come into force eight days after publication in the "the Official Gazette of the Republic of Serbia "and shall apply from 1st September year 2004.

### **Provisions that were not included in the Revised Text Law Amending the Law on mandatory Social Security Insurance ("the Official Gazette of the RS" No. 61/05)**

#### **Article 21**

In order to determine the monthly advanced contributions payment for the period of the implementation of this law until the end of the year 2005, independent artists shall submit an application to the Tax Administration specified in Article 13 of this Law (Article 58a paragraph 4 and 5), within one month from the date of enactment of this Law.

The final contribution obligations for payers under paragraph 1 of this article for year 2005 shall be determined in accordance with this law.

For the insured persons specified in Article 5 of this law who acquired the capacity of insured person before the entry into force of this Law, contributions basis shall be determined within the terms of that article and data shall be submitted to the competent organizational unit of the Tax Administration, not later than one month from the date of enactment of this Law.

#### **Article 22**

This law shall apply from the first day of the month from the date of enactment of this Law, except articles 2, 3, 6, 7, 9, 16, 18 and 21 which shall apply from the date of enactment of this Law.

### **Law Amending the Law on Mandatory Social Security Insurance ("the Official Gazette of the RS" No. 62/06)**

#### **Article 15**

The provision of the Article 5 of this Law shall apply from 1st February of year 2007.

#### **Article 16**

The provision of the Article 6 of this Law shall apply to the calculation and payment of contributions preliminary with year 2007.

#### **Article 17**

The exemption from the Article 8 of this Law shall exercise the employer who at 1st

September of year 2006 has at least the same number of employees as on the date of enactment of this Law.

**Article 18**

First adjustment of local currency amounts, according to article 13 of this Article, shall be completed in January of year 2008.

**Article 19**

Regulations for implementation of this law shall be enacted within three months from the date of enactment of this Law.

**Article 20**

This law shall apply from 1st January of year 2007, except for Article 1 Paragraph 2, which shall apply from the date of enactment of this Law and the provisions of Article 4, 7 and 8, which shall apply from 1 September of year 2006.

**Law Amending the Law on Mandatory Social Security Insurance  
("the Official Gazette of the RS" No. 5 / 09)**

**Article 9**

The base for the mandatory health insurance for persons for whom the funds for payment of contributions are provided in the budget of the Republic, in year 2009 shall be the amount of