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The cover features several large, dark green leaf-like shapes scattered across the background, creating a natural, organic feel. The leaves vary in size and orientation, with some pointing upwards and others downwards.

GLOBAL PRACTICE GUIDE

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Employment

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Slovenia

Rojs, Peljhan, Prelesnik & partnerji, o.p., d.o.o.

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Rojs, Peljhan, Prelesnik & partnerji, o.p., d.o.o. is a full service firm with a diverse and extensive practice. The firm provides the full range of legal services to a wide spectrum of clients – from start-up businesses to multinational corporates and governments. The firm provides its services in co-operation with international partnership/relationship

firms based mainly in the UK and the Adriatic region with whom the firm shares its culture of excellence. Since 2017, it has been, as the only Slovenian law firm, a member of a prestigious global alliance of independent law firms MERITAS.

Authors



Saša Oražem joined the law firm in 2001 after passing the Bar exam. As head of the employment department, Saša specialises in employment law, beside practising other areas such as litigation and commercial law. With her vast experience,

knowledge and excellent business sense she provides prompt, high-quality and pragmatic advice to the clients. Saša provides the full range of assistance from day-to-day employment-related advisory work, to managing the employment aspects of mergers & acquisitions. Her specialisation lies in counselling clients regarding reorganisations, termination procedures, drafting of internal policies, cross-border postings, as well as representing clients when solving employment relations under dispute, either in the litigation procedures or in out-of-court negotiation procedures with workers representative bodies. Saša's sound knowledge of the legislation is upgraded with her experiences from business practice and court case law, which are essential to deter legal risks when helping clients to find the best solutions. Saša also provides lectures to our clients on a variety of different topics, recently on resolving of conflicts and negotiations with trade unions.



Polona Fink Ružič joined Rojs, Peljhan, Prelesnik & Partners in 2017. Previously she led the employment law department at the Chamber of Commerce and Industry of Slovenia. As such she was also a president or member of several

negotiations for sectoral collective agreements of employers' representatives (including president of employers' negotiation board for the Collective agreement for the Slovenian metal sector). She focuses on labour law, data privacy and litigation. She has extensive experience on giving various advice regarding all labour law matters, including most complex procedures such as transfers of employees, collective agreements, negotiation processes with workers representatives (trade unions, works councils), complex litigation procedures in labour disputes, etc. Since joining Rojs, Peljhan, Prelesnik & Partners she has also been a member of several due diligence teams, covering employment matters, data privacy and litigation. Polona has also been a member of the Expert Group Reviewing the Execution of the Employment Relationships Act at the Slovenian Ministry of Labour, Family, Social Affairs and Equal Opportunities and a member of several other expert groups preparing the Slovenian labour law legislation. She is the author of several publications related to employment law issues and a certified labour law mediator.

1. Terms of Employment

1.1 Status of Employee

The Slovenian Employment Relationship Act (ERA) differentiates between “three types” of workers.

- Management employees are employees who manage or represent the company (members of the management board, managing director, procurator) and are registered as such in the Court Register. Management employment agreements may define certain rights and obligations differently to those provided by law (eg, remuneration, termination of the agreement).
- Executive employees are second level managers or employees who lead organisational units or hold key executive positions (key personnel), with the authority to take independent decisions within their unit or field of work. However, they are not legal representatives of the company and are not entered into the Court Register. Their rights and obligations relating to working time and salary may be agreed differently to the regulations provided by law or a collective agreement. They can also be hired without prior publication of a public notice and the ERA provides that executive employees may be employed for a definite period of time.
- Other employees are fully protected by the ERA and by provisions on collective and employment agreements.

1.2 Contractual Relationship

The ERA provides for employment contracts for definite and indefinite periods of time. If the employment contract duration is not specified or if a written employment contract for a definite period is not concluded in writing at the commencement of work, it is assumed that the contract has been concluded for an indefinite period. With regard to the rights and obligations and participation in social insurance, both contracts have exactly the same rights.

The system differentiates between ordinary employment contracts and employment contracts with managers or holders of procuration. With regard to the former, the parties to an employment contract may lay down provisions regarding the rights, obligations and responsibilities arising from the employment relationship, relating to the conditions and limitations of fixed-term employment, working time, provision of breaks and rest periods, the remuneration for work, disciplinary responsibility and, most importantly, the termination of the employment contract. The employment contract must be concluded in writing. However, the existence and validity of an employment contract is not affected by the fact that the contracting parties did not conclude the employment contract in written form or that not all components of the employment contract were laid down in writing. The employment contract must contain:

- data on the contracting parties, including their residence or registered office;
- the date of commencement of work;
- the title of the position or type of work, including a brief description of the work he or she must perform pursuant to the employment contract;
- the place where the work is to be carried out. If the exact place is not stated, it is presumed that the worker is to carry out the work at the employer’s registered office;
- the duration of the employment contract and the manner of taking annual leave (if a fixed-term employment contract has been agreed);
- a stipulation stating whether the employment contract is for part- or full-time work;
- a stipulation on the normal daily or weekly working time and the organisation of working time;
- a stipulation on the amount of the basic wage and other remunerations and a stipulation on other components of the worker’s wage, payment period, payment day and manner of payment;
- a stipulation on the annual leave and/or the manner of determining the annual leave;
- the length of notice periods;
- any collective agreements which bind the employer and/or the employer’s general acts which stipulate the worker’s conditions of work; and
- other rights and obligations.

1.3 Working Hours

Generally, full-time work amounts to 40 hours per week, evenly distributed throughout the week. During the working day, a worker working full-time is entitled to a break of 30 minutes, which is included in the work time.

Working hours may be unevenly distributed due to the nature or organisation of the work. In the case of an uneven distribution of work time and temporary redeployment of working hours, the working time may not exceed 56 hours per week. In the case of unequal distribution and temporary redeployment of working time, full-time work is taken into account as an average work obligation over a period not exceeding six months.

A worker and an employer may arrange the working time, breaks and daily and weekly rest periods in the employment contract in a different manner irrespective of the ERA provisions provided that the employment contract has been signed by an executive employee. The fixed monthly salary of an executive employee may include overtime work.

Workers may undertake overtime work, but this may not exceed 8 hours per week, 20 hours per month and 170 hours per annum. As a rule, the employee’s agreement in writing is required before the employee can carry out overtime work prior. A worker-parent caring for a child under the age of 3

must give his or her prior written consent before working overtime.

1.4 Compensation

The minimum wage in Slovenia is EUR886.63 gross per month (last updated in January 2019).

Basic salaries are determined by way of collective agreements (branch collective agreements or company collective agreements) and/or employment agreements, taking into consideration the degree of difficulty of the work. The worker's job performance is determined taking into consideration the quality and scope of the performed work for which the worker has concluded the employment contract.

Additional payments are laid down by collective agreements and/or employment agreements for special working arrangements, ie, night work, overtime, Sunday work, work on public holidays and work-free days under the Act. Additional payments for special working conditions, eg unfavourable environmental impacts and danger at work, may be determined by a collective agreement.

The payments referred to are normally defined in the collective agreement as a percentage of the basic salary or an appropriate hourly rate.

Employers may make payments in addition to the regular salary (ie, a Christmas bonus, thirteenth salary, yearly bonus) in accordance with Article 126 of the ERA. The ERA provides for the payment of a bonus in respect of business performance. The prerequisite is that the option has been agreed in a collective agreement, a company-level collective agreement, a general act of the employer or in an employment contract. Such bonuses are treated as normal salary (in regard to taxes and social security) and all workers are entitled to them (the conditions must be unified for all workers).

Pursuant to the ERA, each worker is entitled to a seniority bonus. The amount of the seniority bonus is laid down in a branch collective agreement.

1.5 Other Terms of Employment

A worker is entitled to at least four weeks annual leave in any individual calendar year (20 working days), regardless of whether he or she works full- or part-time. A longer period of annual leave may be determined in a collective agreement or in an employment contract. Annual leave applies to working days only.

A statement by a worker who waives his or her right to annual leave is invalid.

The employer is obliged to pay a holiday allowance for annual leave, which should be, as a minimum, equal to the minimum wage. The allowance must be paid to the worker

by July 1st of the current calendar year at the latest. If the worker is only entitled to a proportion of annual leave, he or she is only entitled to a proportion of the holiday allowance.

Other leave includes maternity and parental leave and leave due to illness or injury. Payment for such leave is paid by the employer and the state (but mostly the state).

As regards anti-competition measures, workers are prohibited from performing work or engaging in activities that fall within the ambit of work carried out by the employer unless he or she acquires the written consent of the employer.

A worker may not disclose any of his or her employer's business secrets to a third person. Also, workers are obliged to refrain from all actions which he or she carries out for the employer which may cause material or moral damage or might harm the business interests of the employer.

With regard to worker's liability, a worker who causes damage to the employer by gross negligence is obliged to provide compensation for the damage caused. This compensation may be reduced or exempted if such reduction or exemption from payment is appropriate, taking into account his or her efforts to rectify the damage, his or her attitude to work and his or her financial situation.

2. Restrictive Covenants

2.1 Non-competition Clauses

A non-compete clause may be agreed in cases where a worker acquires technical, production, business knowledge and business connections in his or her work or in connection with his or her work for a period after the termination of employment. The following requirements apply:

- the maximum period of a non-competition is fixed at two years following the termination of the employment contract;
- it may be enforced by the employer in specific cases of employment termination (for example, in cases of termination not based on business reasons); and
- the employment agreement must specify the remuneration paid to the employee for his or her agreement to comply with the competition clause.

The employer and the worker may agree by mutual agreement to terminate the competition clause.

If the worker terminates the employment contract by way of extraordinary termination, eg because the employer has seriously violated the terms of the employment contract, the competition clause is terminated if the worker declares in writing within one month from the date of termination that he or she will not be bound by the non-competition clause.

2.2 Non-solicitation Clauses - Enforceability/ Standards

Non-solicitation clauses are not regulated by employment legislation. However, there is no prohibition from including such clauses in an employment contract. As a general rule, such clauses should be made in writing in order to be valid.

3. Data Privacy Law

3.1 General Overview

Relevant legislation in this regard includes: EU Regulation 2016/679 (General Data Protection Regulation); the Personal Data Protection Act; ERA; the Labour and Social Security Registers Act (ZEPDSV); the Health and Safety at Work Act; and the Public Employees Act.

The general rule is that the processing of personal data is permissible only if the employer has:

- an appropriate legal basis for it;
- the processing is in compliance with the employers' legal obligations;
- it is done within the performance of an employment contract;
- the worker has given his or her consent;
- it is in the legitimate interests of the employer; and
- it protects the vital interests of the worker or another natural person.

Typically, the legal basis will be (i) compliance with a legal obligation of the employer or (ii) the performance of an employment contract. Due to the actual power disparity in employment relationship, the validity of the worker's consent is limited.

That said, the employer may process workers' personal data specified by the ZEPDSV and personal data that is necessary to exercise the rights and obligations of both the worker and the employer in relation to their employment relationship.

The consent of the worker (preferably written) is only required in exceptional cases, provided that the refusal of consent will have no effect on the employment relationship or the worker's legal position.

If legitimate interest is used as a legal basis for processing personal data it is advised that a balancing test be made, documenting the fact that the legitimate interests of the employer override the interests of the fundamental rights and freedoms of the data subject.

The processing of personal data of workers for the collection of which a legal basis no longer exists must cease immediately.

4. Foreign Workers

4.1 Limitations on the Use of Foreign Workers

Foreign workers can be divided in two categories: nationals from other EU countries and workers from third countries (outside the EU).

For citizens of the EU, the principle of free movement applies; EU citizens have free access to the labour market in Slovenia. No work or residency permit is required. They have the same rights and obligations as Slovenian nationals.

For non-EU nationals, a unified permit combining both a residence and a work permit may be issued. Such permits allow a citizen of a third country to work and temporarily reside in the Republic of Slovenia. A worker from the third country can obtain a unified permit only in circumstances where there are no other unemployed persons registered at the Employment Service of Slovenia for this work.

4.2 Registration Requirements

Workers from the EU need only register their address if their stay exceeds three months.

As regards the transnational provision of services, the only requirement is the completion of an A1 form in accordance with Regulation (EU) No 883/2004 on the coordination of social security systems and the Slovenian Transnational Provision of Services Act. The A1 form is obtained by the employer from the State Employment Office.

An application for a unified permit is more complex. The foreign worker must have a valid passport, adequate health insurance for the duration of his or her stay and sufficient funds for their stay in Slovenia (in an amount equal to, at least, the minimum salary). The first unified permit will be issued for the duration of the work or the employment agreement but in any event will be for no longer than one year. Upon expiry, the permit may be extended (upon a timely request of the foreigner or the employer, which must be made before the permit expires) if all the conditions for its re-issue are met, but only for a maximum period of two years.

5. Collective Relations

5.1 Status/Role of Unions

Anyone can form a trade union, be a member of a union or be elected as a union representative. As a result of this trade union pluralism, Slovenia has many powerful trade unions who compete against each other for membership. This is balanced by the representativeness of trade unions. Representative trade unions are established at various levels, eg, at a company level, at professional or industry level and on a national level.

The trade unions' most important leverage is the power to strike. However, they generally exercise their powers through collective negotiations with employers.

An employer must provide the conditions to allow a trade union to quickly and efficiently perform their activities. The employer is obliged to allow the trade union access to such information as may be necessary for carrying out trade union activities and representing/exercising the collective rights of the employees.

Pursuant to the ERA, the tasks of a trade union established at a company level include the following:

- general acts – the employer must submit the proposals of a general act to the trade unions to obtain their opinion. The unions must deliver their opinion within eight days. If a trade union delivers its opinion within the given period, the employer must examine it and present its position prior to adopting the general act;
- transfer of workers – during transfer of workers, the transferor employer and the transferee employer must, at least 30 days prior to the transfer, provide the trade unions with information about the transfer. Employers must, with the intention of securing an agreement, consult the trade unions about the legal, economic and social implications of the transfer and about the envisaged measures for workers;
- termination of employment contracts – a trade union delegate may represent a worker prior to the ordinary cancellation of his or her employment contract for misconduct. If so requested by the worker, the employer must inform the trade union who represents the employee in writing at the time of the institution of the proceedings. The trade union may give its opinion within six days but, irrespective of objections received from the trade union, works council or worker representative, the employer may, nevertheless, terminate the employment contract;
- termination of a large number of workers for business reasons – the employer must inform the trade unions in writing of the reasons for the redundancies, the number and the categories of all employed workers, the foreseeable categories of redundant workers, the foreseeable term in which the workers will no longer be required and the proposed criteria for the determination of redundancies. There must be a mandatory consultation with the trade unions with a view to reaching an agreement on the proposed criteria for the determination of redundant workers, an elaboration of the dismissal programme, possible ways of avoiding or limiting the number of dismissals and measures to prevent and mitigate the adverse consequences;
- special protection of trade unions representatives; and
- night work – prior to the introduction of night work or if night work is carried out regularly by night workers

at least once a year, the employer must consult the trade unions to agree the working hours that shall be considered as night work, the organisation of the night work, health and safety at work and social measures.

5.2 Employee Representative Bodies

This topic is regulated by the Workers' Participation in Management Act.

Workers' participation rights in the management of the company are exercised by the workers as individuals or collectively through:

- the workers' council or the worker's confidant representative; and
- the assembly of workers and/or representatives of workers in the company bodies.

Workers have the right to participate individually and collectively in the management of the company, especially when it comes to co-decisions that influence the content and organisation of work and in order to determine and implement activities aimed at improving working conditions or humanising the working environment to improve the business operation of the company.

Workers have the right to elect a workers' council, which may be formed if there are more than 20 workers in the company with the right to vote. All workers (except management employees) who have worked in the company for at least six months have the right to vote for representatives to the workers' council. A worker may be elected to the workers' council after he or she has worked for the company for 12 months.

In smaller companies (where there are fewer than 20 workers allowed to vote), the workers may participate with management through the workers' confidant.

A worker's council can have between 3 and 13 or more members, depending on the size of the company. The term of office for each member is four years, though members may be re-elected. Their tasks include:

- giving an opinion on an employer's general act before the adoption thereof. The opinion must be given within eight days and the employer is obligated to consider the opinion and give an opinion on it;
- if the trade union or workers' council or worker confidant so requires, the employer must inform them once a year about the reasons for using posted workers and the number of such workers;
- in the event that a worker so requests, the employer must notify the workers' council in writing of the intended termination or termination of the employment contract. The workers' council must give its opinion within six days. It may give a negative opinion if it considers that

there are no valid reasons for dismissal or that the procedure was not carried out in accordance with the above Act. The opinion must be in writing; and

- if so requested by the workers council, the employer must inform them once a year about the use of working time, taking into account the annual working time schedule, overtime work or the temporary redeployment of working time.

Workers' participation in management may also be realised through worker representatives in company management and supervisory boards, namely:

- in a two-tier management system, through representatives on the company's supervisory board or through the workers' representative on the company's board of directors; and
- in a one-tier management system, through worker representatives on the board of directors and in its committees and also through the worker representation with the executive directors of the company.

5.3 Collective Bargaining Agreements

A collective agreement may be concluded at a national level, industry/branch level or company level.

Collective agreements regulate the rights and obligations of workers and employers arising from the employment relationship but only extend to employee rights. A collective agreement is a contract concluded by trade unions/groups of trade unions and employers/employers' associations. A collective agreement should not be contrary to the law – it may only grant workers more rights than provided by law. The collective agreement must be made in writing and must be published.

Collective agreement is a free expression of will (as with any other agreement), since the principle of voluntary collective bargaining applies. The collective agreement contains obligations and normative parts. The obligative part regulates the rights and obligations of the parties that have concluded it as well as the possible ways to amicably settle collective disputes; the normative part may contain provisions regulating the rights and obligations of workers and employers, remuneration (salary, extra payments, etc) and reimbursements in connection with work and other rights and obligations arising from the relationship between the workers and employers and conditions for the work of trade unions.

The provisions of collective agreements are mandatory – the rights set out in the employment contract cannot be determined contrary to a collective agreement. Where a contract of employment is in conflict with a collective agreement, the provisions which are more beneficial for the employee apply.

A collective agreement ceases to have effect upon the expiration of time, with the agreement of both parties or with notice of termination (upon expiration of the notice period). The cases and conditions for termination as well as the notice period are specified by the parties in the agreement.

6. Termination of Employment

6.1 Grounds for Termination

Modes of termination of a contract include the following:

- upon the expiry of the period for which it was concluded;
- upon the death of the worker or the employer – ie, a natural person;
- by agreement;
- by an ordinary (with notice period) or extraordinary (without notice period) cancellation;
- by a court judgment;
- under the law itself in cases stipulated by the ERA; and
- in other cases stipulated by the ERA.

There are different procedures depending on the reason of termination (ordinary, extraordinary, by agreement).

While the worker may ordinarily terminate his or her employment contract without stating the grounds, the employer may only terminate an employee's contract if a justified reason exists for ordinary termination.

The worker and the employer may extraordinarily cancel the employment contract for reasons stipulated in the ERA.

Reasons for the ordinary cancellation of a contract of employment by the employer include:

- cessation of the need for the performance of certain work, according to the conditions stipulated under the employment contract for economic, organisational, technological, structural or similar reasons on the employer's side (hereinafter: business reasons);
- failure to attain the expected performance results because the worker failed to carry out work in due time, professionally or with due quality, or failure to fulfil the job requirements stipulated by the contractual and other obligations arising from the employment relationship (hereinafter: incompetence and/or underperformance);
- violation of a contractual obligation or other obligation arising from the employment relationship (hereinafter: reason of misconduct);
- incapacity to carry out the work under the conditions set out in the employment contract owing to a disability, in accordance with the regulations governing pension and disability insurance or with the regulations governing vocational rehabilitation and the employment of disabled persons; and

- unsuccessful completion of a probationary period.

Mass Redundancy

An employer who establishes that due to business reasons a certain number of workers will be made redundant within a period of 30 days is obligated to draw up a dismissal programme for the workers concerned.

The employer must, as soon as is possible, inform the trade unions in writing of the reasons for the redundancies, the number and categories of all employed workers, the foreseeable categories of redundant workers, the foreseeable term in which the work of workers will no longer be needed and the proposed criteria for the determination of redundant workers. The employer must also notify the employment service.

The employer must seek to limit the number of dismissals and look for possible measures to prevent and mitigate harmful consequences.

The dismissal programme for redundant workers must contain the reasons for the redundancies and measures to prevent or limit to the greatest possible extent the termination of the workers' employment. The employer must check: (i) whether there are possibilities to continue employment under modified conditions; (ii) the list of redundant workers; (iii) the criteria for the selection of measures to mitigate the harmful consequences of termination, such as an offer for employment with another employer, financial assistance, assistance for starting an independent activity or the purchase of a pension after a qualifying period.

The employer is obligated to draw up a proposal for the redundancy selection criteria. Temporary absence from work of a worker due to illness or injury, due to caring for a family member or for a severely disabled person or due to parental leave or pregnancy may not be used as criteria for the selection of redundant workers.

When defining the redundancy selection criteria, the following shall be taken into account: the worker's professional education and/or qualifications and his or her additional knowledge and skills, work experience, job performance, years of service, health condition, social status and whether the worker is a parent of three or more minor children or the sole breadwinner in a family with minor children.

When determining those workers who will become redundant, workers with a lower social status shall be given priority in preserving their employment.

6.2 Notice Periods/Severance

Both the employee and the employer may terminate an employment contract within a statutory or contractual notice period, taking into account the minimum duration of the period of notice. The period of notice commences on the

day following the service of the notice of termination or later if determined by the employer in the notice of termination. Instead of enforcing a part or the entire notice period, the worker and employer may agree on adequate compensation. Such an agreement must be made in writing.

In the event of an ordinary cancellation of the employment contract by the employee, the notice period must be:

- 15 days for up to one year's service with the employer; or
- 30 days for a period exceeding one year of service.

A longer period of notice may be agreed in the employment contract or collective agreement but it may not exceed 60 days.

In the event of ordinary cancellation of an employment contract by the employer for a business reason or for reasons of incompetence, the notice period must be:

- 15 days for up to one year's service with the employer; or
- 30 days for a period exceeding one year of service.

After a two-year period of employment with the employer, the 30-day notice period increases for each year of employment with the employer by two days but cannot exceed 60 days. After a period of 25 years of service with the employer, the period of notice is 80 days unless a different notice period is specified by a branch collective agreement and in no circumstances will it be less than 60 days.

In the event of termination of an employment contract by the employer for reasons of misconduct, the notice period shall be 15 days.

In addition to the notice period, the worker has the right to severance pay in cases where his or her employment contract has been cancelled:

- for a business reason; or
- for reasons of incompetence.

The basis for the calculation of severance pay is the average monthly salary which the worker received or which the worker would have received if he or she worked during the previous three months prior to cancellation:

- one-fifth of the wage basis referred to in the preceding paragraph for each year of employment if the worker has been employed for more than one and up to ten years with the same employer;
- one-quarter of the wage basis for each year of employment if the worker has been employed with the same employer for a period of ten to twenty years; and

- one-third of the basis for each year of employment if the worker has been employed with the same employer for a period exceeding twenty years.

The amount of severance pay may not exceed the basis referred to above by tenfold, unless otherwise stipulated by a branch collective agreement.

The employer must pay severance pay to the worker upon the termination of the employment contract unless otherwise provided by a branch collective agreement.

6.3 Dismissal for (Serious) Cause (Summary Dismissal)

Such a dismissal is called an extraordinary cancellation of an employment contract. The worker and the employer may extraordinarily cancel an employment contract for only those reasons stipulated by the ERA. In the event of an extraordinary cancellation, the burden of proof rests with the party that has extraordinarily cancelled the contract.

Prior to the extraordinary cancellation of an employment contract, the employer must notify the worker in writing about the alleged violation and give him or her the opportunity to defend himself or herself within a reasonable time period (at least three days). The worker may also be notified via email to the email address provided by and whose use is required by the employer.

A worker and an employer may extraordinarily cancel an employment contract if the reasons stipulated in the ERA exist and if, in taking into account all the circumstances and interests of both contracting parties, it is not possible to continue the employment relationship until the expiry of the period of notice or until the expiry of the period for which the employment contract was concluded.

An extraordinary termination of an employment contract must be given in writing, in which the employer must give the reason for termination; the notice must be served personally (upon signature) on the contracting party whose employment contract is being cancelled; the employer must inform the worker in writing of his or her legal protections and rights deriving from insurance against unemployment and his or her obligation to register as an unemployed person at the State Employment Office.

The notice of extraordinary termination must be delivered by the contracting party within 30 days of the date of identifying the reasons for the termination and no later than six months from the occurrence of that reason.

The employer may extraordinarily terminate an employment contract if the worker:

- violates a contractual or other obligation arising from the employment relationship and the violation has all the characteristics of a criminal offence;
- intentionally or by gross negligence violates the contractual or any other obligations arising from the employment relationship;
- has submitted false information or proofs as a candidate in a selection procedure;
- has failed to turn up for work for at least five days in succession and failed to inform the employer of the reasons for his absence, though he should have and could have done so;
- is prohibited by a final judgment from carrying out certain works within the employment relationship or has been imposed an educational, safety or protection measure or a sanction for a minor offence on the basis of which he cannot carry out his or her work for a period of more than six months or if due to serving a prison sentence he or she must be absent from work for a period of more than six months;
- refuses a transfer and the actual performance of work with a transferee employer;
- unjustifiably fails to return to work within five working days after the cessation of the reasons for the suspension of the employment contract; and
- fails to respect the instructions of a competent doctor and/or competent medical commission during a period of absence from work because of illness or injury, or in this period he or she pursues a gainful activity or leaves his or her place of residence without the approval of a competent doctor and/or medical commission.

The employee may extraordinarily terminate the employment contract if:

- the employer has failed to provide him or her with work for more than two months and has also failed to pay him or her the wage compensation stipulated by the Act;
- he or she has not been able to perform his or her work due to a decision by a competent inspection service on the prohibition of performing the working process or on the prohibition of using the means of work for more than 30 days and the employer has failed to pay him or her wages in compensation;
- the employer has failed to pay his or her salary or has paid him or her a substantially lower salary for more than two months;
- the employer has failed to pay his or her salary twice in succession or within a period of six months, taking into consideration the legally and/or contractually stipulated period;
- the employer has failed to pay in full social security contributions three times in succession or within a period of six months;
- the employer has failed to ensure the worker's health and safety at work and the worker has previously requested

the employer to eliminate immediate and avoidable dangers to life and health;

- the employer has failed to ensure the equal treatment of workers; and
- the employer has failed to ensure protection against sexual or other harassment or mobbing in the workplace.

Prior to extraordinary termination, the employee must remind the employer in writing of its obligation to comply with its obligations and inform the Labour Inspectorate in writing thereof. If within a period of three working days following receipt of the written reminder the employer fails to fulfil its obligations or fails to rectify the violation, the worker may extraordinarily terminate the employment contract within a 30-day period.

6.4 Termination Agreements

Termination agreements are permissible but must be concluded in writing in order to be valid. Upon the termination of the employment relationship, the employer must notify the worker in writing of his rights arising from insurance against unemployment.

The parties can agree on the compensation for unused annual leave in a termination agreement.

6.5 Protected Employees

Employees Before Retirement

An employer may not terminate an employment contract for business reasons if the worker has reached the age of 58 or if the worker has up to 5 years to fulfil the pension qualifying period without the worker's written consent or until the worker fulfils the conditions for acquiring the right to old-age retirement.

The protection referred to above shall not apply:

- if the worker is guaranteed the right to compensation covered by insurance against unemployment until he fulfils the conditions for old-age retirement;
- if the worker is offered new appropriate employment with the employer in accordance with the law;
- in the event that the worker, upon the conclusion of the employment contract, has already fulfilled the conditions for protection against termination as set out above, unless an employment contract has been concluded in accordance with the above indent; and
- in the event of the commencement of a winding-up procedure by the employer.

Parents

The employer may not cancel the employment contract of a female worker during the period of her pregnancy or with a female worker who is breastfeeding a child up to one year old, nor may the employer cancel the employment contract

of parents in the period when they are on uninterrupted parental leave and for one month after the end of such leave.

Disabled Persons and Persons Absent from Work due to Illness

The employer may terminate an employment contract with a disabled person if he or she is unable to carry out work under the conditions set out in the employment contract, either owing to disability or in the event of a business reason (ie, under the conditions laid down in the regulations governing pension and disability insurance or in the regulations governing employment rehabilitation and the employment of disabled persons).

Workers' Delegates

The employer may not cancel the employment contract of:

- a member of a works council, a worker representative, a member of a supervisory board representing workers or a workers'; or
- with an appointed or elected trade union representative without the consent of the works council or the workers who elected him or her without the consent of the trade union.

If such a person acts in accordance with the collective agreement and the employment contract, except if for a business reason he or she rejects alternative employment with the employer or in the event of cancellation of the employment contract due to a procedure of winding-up an employer, protection against cancellation applies during the entire period of his or her term of office and a further year after the expiry thereof.

Protection of Other Employees

Other categories of workers are protected in some ways, but not from dismissal:

- women may not carry out underground work in mines;
- workers during pregnancy, breastfeeding and parenthood;
- workers under the age of 18;
- disabled persons; and
- older workers (55 years or more).

Whereas female workers may not carry out underground work in mines, this does not apply to female workers who:

- are executives who manage working units and are authorised to make their own decisions;
- must spend a certain period of their work experience doing underground work in mines as part of their professional education; and
- are employed in healthcare and social services or in other cases where they must go underground to perform non-manual work.

Workers have the right to special protection in cases of pregnancy and parenthood. In the event of a dispute concerning the enforcement of special protection due to pregnancy or parenthood, the burden of proof rests with the employer. The employer must enable workers to reconcile their family and employment responsibilities more easily. During the employment relationship, the employer may neither request nor seek any information on the worker's pregnancy unless the worker concerned consents to it in order to exercise her rights during pregnancy. During pregnancy and throughout the time she is breastfeeding, a female worker may not carry out work which might present a risk to her or her child's health due to exposure to risk factors or other working conditions defined in an implementing regulation.

A worker who is caring for a child under the age of three may be ordered to work overtime or at night, but only with his or her prior written consent. A female worker may not carry out overtime work or night work during pregnancy or for another year after she has given birth or throughout the time she is breastfeeding if the risk assessment of such work indicates a risk to her or her child's health.

A worker under the age of 18 may not be ordered to carry out:

- underground or underwater work;
- work which is objectively beyond his or her physical or psychological capacity;
- work involving harmful exposure to agents which are toxic or carcinogenic or can cause heritable genetic damage or harm to an unborn child or which in any other way chronically affect human health;
- work involving harmful exposure to radiation;
- work involving a risk of accidents which a young person may not be able to recognise or avoid owing to his or her insufficient attention to safety or lack of experience or training; or
- work that involves a risk to health due to extreme cold, heat, noise or vibrations, which shall be specified in more detail in an implementing regulation.

A worker under the age of 18 may not be forced to undertake work involving exposure to risk factors and procedures or work where the risk assessment shows that such work involves risk to the worker's safety, health or development.

The working time of a worker under the age of 18 must not exceed 8 hours a day or 40 hours a week. A worker under the age of 18 must not work at night between 10pm. and 6am. Where the worker performs work in the fields of culture, art, sports or advertising, he or she shall not be allowed to work from midnight to 4am. A worker under the age of 18 shall have the right to an annual leave extension of 7 working days.

An employer shall provide protection to workers with disabilities and disabled persons who do not have the status of a disabled worker in employment, training or retraining in accordance with the regulations on training and employment of disabled persons and the regulations on pension and disability insurance.

Workers aged 55 or more enjoy special protection. They have the right to conclude an employment contract and the right to work part-time at the same workplace or another appropriate workplace if they have partially retired. An employer may not order an older worker to work overtime or at night without the worker's prior written consent.

7. Employment Disputes

7.1 Wrongful Dismissal Claim

If a worker is of the opinion that the employer has failed to fulfil his obligations arising from the employment relationship or that the employer has violated any of his or her rights arising from the employment relationship, the worker has the right to request in writing that the employer rectifies the violation and fulfils its obligations.

A worker may request the establishment of the illegality of the alleged acts and seek termination of the employment contract before a competent labour court within 30 days from the day of service or the day when he or she learned of the said violations.

If the worker considers that his or her contract has been wrongfully terminated by the employer, he or she may file suit in order to determine the illegality of his or her dismissal. The lawsuit must be filed within the statutory deadline of 30 days from the serving of the notice, otherwise the worker will lose the right to file suit and the rights related thereto.

Grounds for cancellation must always be given but the existence of such grounds is not in itself a guarantor of the lawfulness of the termination. In addition to the legitimate grounds, the employer must prove that the termination reasons were of such a nature that continuation of the employment relationship was impossible. In addition, the rules of procedure laid down by the law must be strictly observed when terminating an employment contract. These rules vary, depending on the type of termination.

In filing a lawsuit to establish wrongful dismissal, the employee can seek the following reparations from the employer:

- reinstatement or additional damages instead of reinstatement where the relationship between the employee and the employer is too damaged;

- payment of outstanding salaries for the period from the dismissal up to the judgment of the court (together with all bonuses and holiday allowances); and
- payment of court and attorney's fees.

The filing of such a lawsuit will not delay the enforcement of the dismissal, meaning that the worker shall be dismissed prior to the court proceedings.

7.2 Anti-discrimination Issues

Direct or indirect discrimination based on any personal circumstance referred to below is prohibited. The employer must ensure the equal treatment of job seekers and workers for the entire duration of the employment relationship and during termination proceedings.

There must be equal treatment in matters relating to nationality, race or ethnic origin, national and social origin, gender, skin colour, health status, disability, religion or belief, age, sexual orientation, family status, trade union membership, property status or other personal circumstances for both candidates and workers, especially regarding access to employment, promotion, training, education, re-qualification, salaries and other benefits from the employment relationship, including absence from work, working conditions, working hours and the termination of employment contracts.

Less favourable treatment of workers in matters concerning pregnancy or parental leave shall be deemed to be discriminatory.

In the event a candidate or employee cites facts that suggest discriminatory behaviour, the employer must demonstrate that the principles of equal treatment and the prohibition of discrimination have not been violated.

Rojs, Peljhan, Prelesnik & partners, o.p., d.o.o.

Tivolska 48
1000 Ljubljana
Slovenia

Tel: +386 1 23 06 750
Fax: +386 1 43 25 123
Email: office@rppp.si
Web: www.rppp.si

ROJS PELJHAN PRELESNIK
& PARTNERS

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8. Dispute Resolution

8.1 Judicial Procedures

The Slovenian judicial system has specialised employment and social courts; employment courts have jurisdiction over individual and collective employment disputes and social courts have jurisdiction over disputes concerning social security. Pursuant to the Collective Actions Act, collective actions are allowed for all individual employment disputes.

In employment and social disputes, the court of first instance shall decide by way of a panel, unless the law provides that a single judge shall decide. An individual judge shall decide in individual employment and social disputes on property claims provided that the value of the claim does not exceed EUR40,000.

A panel of first instance shall consist of a judge as president and two jury members.

8.2 Alternative Dispute Resolution

If the worker and the employer decide to settle a dispute by means of arbitration they must conclude an arbitration agreement. Such an agreement cannot be concluded within the scope of an employment contract (an arbitration clause in an employment contract is null and void). In order to be valid and enforceable, an arbitration agreement must be concluded in a document which is not part of the employment contract.

8.3 Awarding Attorney's Fees

In general, the prevailing (winning) party is awarded attorney fees. However, in disputes relating to the existence or termination of an employment relationship, the employer must bear its own costs regardless of the outcome, unless the worker has abused his or her procedural rights.