

## A NEW COLLECTIVE AGREEMENT FOR SLOVENIA'S TRADE SECTOR: DOES IT APPLY TO YOU (YET)?

On 15 August 2018, the new Collective agreement for Slovenia's trade sector ("new CA") has entered into force. Currently it is only binding upon employers that are members of the Chamber of Commerce and Industry of Slovenia, the Slovenian Chamber of Commerce, the Slovenian Employers' Association, but may become binding for all employers from the trade sector if the Ministry of Labour, Family, Social Affairs and Equal Opportunities issues a decision on extended general validity.

For the previous CA, such a decision was issued. With the cessation of the previous CA, however, the extended validity has also ceased.

The CA for the trade sector indirectly regulates business times for employers, bound by the CA, insofar that it limits scheduling of work on Sundays and prohibits the scheduling of work on public holidays and bank holidays. There has been a significant legislative push at the end of 2017 to regulate this issue through an amendment of the Trade Act, which was unsuccessful in large part due to the fact that employers and employees have reached an agreement and amended the previous CA to restrict off-day scheduling. Following the adoption of the new CA, these restrictions affect only members of the signatories of the new CA who could be put at a significant disadvantage in comparison to non-members. It would therefore seem reasonable to assume a decision of the Ministry on extended general validity of the new CA will be forthcoming. Once issued, the new CA will (unless decided otherwise by the Ministry) become effective for all employers of the trade sector in 15 days after publication of the decision, giving employers a relatively short amount of time to adjust their general acts.

### WHAT DOES IT ENTAIL?

The rights and obligations under the new CA were mostly carried over from the previous CA, with certain amendments. Some of the most notable novelties include:

- **Restrictions to working time:** The maximum weekly working time has been reduced to 48 hours (including overtime) in case of even distribution, and to 56 hours (including overtime) in case of uneven distribution of working time. Since September 2018, employees shall work no more than 2 Sundays per month and no more than 20 Sundays per year. Additional holidays are now off-limits for employers, with exceptions. In case the employer breaches the restrictions on Sunday and holiday work, it shall pay the employee 500 % on top of the additional pay applicable for Sunday/holiday work in the month following the breach.
- **Restrictions on break time and weekly rest:** Break time should correspond to the length of work time, and an employee shall be entitled to a daily rest period of 12

uninterrupted hours (only exceptionally may it be 11 hours) between shifts. The weekly rest period is set at 24 uninterrupted hours per 7 days, or 48 hours in a 14 days' reference period in exceptional cases.

- **Members-only benefits:** One extra day of holiday leave to be used at their own discretion, and 1 extra day of leave for training and education – but, for union members only.
- Since September 2018, the **minimum additional pay for Sunday work** shall be EUR 6,05 per hour.
- **Seniority and loyalty bonus:** employees employed after 1 May 2014 are entitled to additional pay for length of service corresponding to years of employment, achieved up to that date, plus years of employment with the current employer (whereas employees employed with the same employer throughout are entitled to an additional pay corresponding to their length of service).
- The employees absent from work due to health reasons shall remain entitled to **reimbursement of public transport travel costs for the entire month**, unless the financial authority decides that such reimbursement would be taxable.
- **Increase of minimum basic salaries:** The minimum basic salaries of tariff classes I.-V. will be raised by 5 % from 1 January 2019, and another 2 % from 1 July 2019 onwards. The minimum basic salaries of tariff classes VI.-VII. are set to rise for 10 % from 1 January 2019. The minimum basic salaries will be adjusted for inflation every 1 July.
- The **minimum amounts of food and business travel costs reimbursements** have been raised slightly - though still not exceeding the limits under which the reimbursements are tax-exempt.

## OUTLOOK AND RECOMMENDATION

We expect that the Ministry will issue its decision on extended validity of the new CA shortly. The employers, even if they are not (already) bound by the new CA, are thus advised to analyze whether their internal documents and processes need to be updated, in order to comply with the forthcoming changes.

Should you require any further details regarding the new CA and its applicability to your company, please do not hesitate to reach out to us.

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