

Employment of persons with disabilities

The Law on Professional Rehabilitation and Employment of Persons with Disabilities ("Official Gazette of the Republic of Serbia," No. 36/2009, 32/2013, and 14/2022 - consolidated law, "the Law") prescribes the obligation for every employer with **at least 20 employees** to have a specific number of persons with disabilities in their workforce.

An individual with a disability, as defined by this Law, is a person with permanent consequences of physical, sensory, mental, or psychological impairment or illness that cannot be eliminated through treatment or medical rehabilitation. They face social and other limitations that affect their work capacity and employment prospects, and they do not have the ability or have reduced capabilities to, under equal conditions, enter the labour market and compete for employment with other individuals.

Who has the obligation to employ persons with disabilities?

The law stipulates that an employer with **20 to 49 employees** is obliged to employ one person with a disability.

An employer with **50 or more employees** is obliged to employ at least two disabled persons, and one disabled person for **each subsequent 50 employees**.

The newly founded employer does not have the aforementioned obligation for a period of 24 months from the day of establishment.

The obligation to employ persons with disabilities is set on a monthly basis and is monitored in such way.

How can the prescribed obligation be fulfilled?

In addition to direct employment, employers can fulfil their obligations by paying certain funds into the budget or by cooperating with companies for professional rehabilitation and employment of persons with disabilities.

In accordance with the provisions of the Rulebook on the method of monitoring the fulfilment of the obligation to employ persons with disabilities and the method of proving the fulfilment of that obligation ("Official Gazette of RS", No. 101/2016, "Rulebook"), the employer fulfils the obligation to employ persons with disabilities also:

1) by paying funds, in the amount of 50% of the average salary per employee in the Republic of Serbia according to the last published data of the Republic body responsible for statistics, **for each person with a disability who has not been employed**, to the account of the budget of the Republic of Serbia number 840-745126843-22, which funds belong to the Budget Fund for Professional Rehabilitation and Encouraging the Employment of Persons with Disabilities, on a monthly basis (**the deadline is the 5th of the month for the previous month**). By paying the funds, the employer fulfils the employment obligation;

2) by concluding a contract/fulfilling a financial obligation from a contract on business-technical cooperation, purchase of products or provision of services **with a company for professional rehabilitation and employment of persons with disabilities** - in the value of 20 average wages per employee in the Republic of Serbia according to the latest published data of the Republic body responsible for statistics at the moment of concluding the contract. By fulfilling this financial obligation, the employer fulfils the obligation of employment for one disabled person for the next 12 months from the date of fulfilment of the obligation.

Submitting evidence to the Tax Administration

The Rulebook stipulates that the Tax Administration shall control the implementation of the obligation to employ persons with disabilities in accordance with the regulations governing the tax procedure and tax administration.

The employer submits to the Tax Administration a report on the fulfilment of the obligation to employ persons with disabilities on the **Form IOSI** - Report on the fulfilment of the obligation to employ persons with disabilities.

The report on Form IOSI is submitted electronically through the portal of the Tax Administration no later than the 5th of the month for the previous month.

To prove the fulfilment of the obligation to employ persons with disabilities, in addition to the employment contract and application for mandatory social insurance, the employer provides and keeps evidence of:

- 1) the status of employed persons with disabilities;
- 2) submitted request for assessment of working ability and possibility of employment or maintaining employment;
- 3) the payment of funds to the Budget Fund for Professional Rehabilitation and Encouraging the Employment of Persons with Disabilities, i.e. a copy of the bill on the payment of public revenues to the budget of the Republic of Serbia;
- 4) performance of financial obligations from the contract on business-technical cooperation, purchase of products or provision of services with the company for professional rehabilitation and employment of persons with disabilities;
- 5) other documentation proving the fulfilment of the obligation to employ persons with disabilities.

Incentives

An employer who employs people with disabilities can obtain the right to a refund of the appropriate costs of adjusting the workplace for the employment of those persons, the right to a wage subsidy for a period of 12 months, as well as to be exempt from paying taxes on wages and contributions to mandatory social security at the expense of the employer, in accordance with the relevant laws.

Penal provisions

If the employer does not fulfil the obligation to employ persons with disabilities in accordance with the Law, the Tax Administration calculates and orders payment to the prescribed account of the budget fund, for each month and for each person with disabilities that the employer was obliged to employ in the amount of 50% of the average earnings in the Republic of Serbia according to the last published data of the Republic body responsible for statistics.

A legal entity will be fined from 200,000 to 1,000,000 dinars for a misdemeanour if it fails to fulfil the obligation to employ a person with a disability or reports that a person who is not considered a disabled person is employed, in accordance with the provisions of the Law, while responsible person in the legal entity will be fined from 10,000 to 50,000 dinars.

The entrepreneur will also be fined from 5,000 up to 400,000 dinars for the said offense.

For any additional consultation or legal assistance, you can contact the Tasić & Partners team by email at office@tasiclaw.com or by phone at +381116302233.