



FIXED-TERM EMPLOYMENT

Opportunities, Challenges, and Practical Solutions

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In today's business environment, flexibility in employment has become increasingly important. Although open-ended employment remains the standard, employers often choose to establish fixed-term employment relationships to accommodate specific operational needs and changing business conditions.

This article explores the legal grounds for entering into a fixed-term employment agreement, the conditions that must be met, as well as the consequences of non-compliance.

Possibilities for Concluding a Fixed-Term Employment Agreement

General Cases. A fixed-term employment relationship may be established in the following situations:

- When a specific job needs to be completed within a defined timeframe;
- For work that is, by its nature, time-limited;
- When a job must be completed before a particular event occurs.

In these cases, the employment may last as long as the reasons for which it is concluded exist, but no **longer than 24 months**.

In practice, a **common misconception** is that the 24-month limit stops running if the employment relationship is interrupted for more than 30 days, and that such an interruption allows a "new" 24-month fixed-term employment period. Regardless of interruptions, fixed-term employment under these general grounds cannot exceed 24 months in total.

An interruption of less than 30 days counts toward the 24-month period, while an interruption longer than 30 days does not.

Special Cases. In certain situations, a fixed-term employment relationship may be established for a duration dependent solely on the reason for its conclusion, and is not limited to 24 months, such as:

- replacement of a temporarily absent employee;
- work on a project with a predefined duration;
- employment of a foreign national who has been issued a work permit;
- employment with a newly established employer registered less than one year ago;
- employment of a person who is fewer than five years away from meeting the retirement eligibility criteria.

Concluding Multiple Fixed-Term Agreements. There is no legal obstacle to concluding a fixed-term employment agreement even when the employee has previously been employed under a fixed-term arrangement, provided that a valid ground exists for each subsequent agreement.

For example, if an employee worked under a fixed-term agreement as a replacement for a temporarily absent employee or under one of the general grounds (up to 24 months), upon termination of that employment, the employer may conclude a new fixed-term agreement with the same employee, for e.g., to replace a different temporarily absent employee (or another legally permissible ground).

The only restriction is that general grounds for fixed-term employment, i.e. those subject to the 24-month limit, cannot be extended beyond 24 months.

Termination of a Fixed-Term Employment Relationship and Exceptions

A fixed-term employment relationship ends upon the expiry of the period for which it was established, or upon cessation of the reason for which it was concluded.

However, the employer may not terminate an employment agreement, nor may a fixed-term agreement expire, for an employee during pregnancy, maternity leave, childcare leave, or leave for special childcare needs.

In these cases, the employment relationship ends upon the expiry of the leave to which the employee is entitled under any of the above grounds.

If an employer terminates an employment agreement during pregnancy, maternity leave, childcare leave, or leave for special childcare needs, such a decision shall be null and void if the employer knew of these circumstances on the day the decision was issued, or if the employee informs the employer about them within 30 days from the day the employment relationship ceased.

Transformation of a Fixed-Term Employment Relationship into an Open-Ended One

Since fixed-term employment is an exception, any unlawfulness may result in its transformation into an open-ended employment relationship.

For example, if an employment contract is concluded for a fixed term without meeting the statutory conditions, or if an employee continues working for at least five working days after the expiry of the term for which the agreement was concluded, the employment relationship is deemed to have been established for an indefinite period.

Conclusion

Fixed-term employment is a valuable mechanism that provides employers with the flexibility they need; however, strict compliance with the Labor Law, both at the moment of conclusion and throughout its duration, is essential in order to avoid potentially adverse legal consequences.

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