



STANKOVIĆ & MIJATOVIĆ
LAW OFFICE

TERMINATION of EMPLOYMENT IN SERBIA

HR Guide for Employers

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Although employers and employees generally strive to maintain a productive working relationship, there are moments when ending that relationship becomes the most appropriate path forward which offers both sides a chance for a fresh start. Yet, after years of collaboration, parting ways is rarely simple. Reaching closure can be emotionally difficult, procedurally complex, and legally demanding.

To support HR teams and managers in navigating this process, we have prepared this document as a practical, user-friendly guide to lawful termination of employment in Serbia. It outlines:

- a) The main legal grounds on which employment may end;
- b) The key rules and procedural requirements;
- c) Practical steps HR should follow to minimize legal and operational risks.


Its core purpose is to help HR professionals confidently manage most day-to-day termination scenarios in a structured and compliant way.

Please note that this guide is informational in nature. It does not constitute legal advice and should not be relied upon as a substitute for tailored legal counsel in individual cases.



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- Employee [RESIGNATION](#)
- Failure to pass [PROBATION](#)
- [POOR PERFORMANCE](#)
- [MISCONDUCT](#)
- [REDUNDANCY](#)
- Why is [CONSENSUAL TERMINATION](#) often the preferable scenario
- [DISCIPLINARY MEASURES](#) instead of termination



Also, take a look at:

- [CONSEQUENCES](#) of wrongful termination
- practical [GUIDELINES](#)
- [SPECIAL PROTECTION](#) from termination
- [COMPARATIVE \(table\) OVERVIEW](#) of termination scenarios

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1.1. Three main reasons for termination of employment in Serbia

Under Serbian Labor Law, an employment relationship can end in three main ways:

1. Resignation by the employee (voluntary termination by the employee);
2. Termination by the employer (dismissal, based on a legally recognized ground and under prescribed procedure);
3. Termination by mutual agreement (consensual termination, signed by both parties).

In addition, employment ends (automatically) in several situations prescribed by Law, such as expiry of a fixed-term contract, retirement, or death of the employee.

1.2. Automatic cessation of employment

Aside from resignation, dismissal and mutual agreement, employment may end (automatically) in the following situations:

- Expiry of a fixed-term contract. However, if the employee continues to work for at least 5 working days without a new written agreement, the relationship can be considered as an indefinite-term employment.
- Reaching retirement criteria, when the employee turns 65 and has at least 15 years of pension insurance, unless the parties agree otherwise.
- At the request of a parent or guardian, if the employee is younger than 18.
- Death of the employee.
- Loss of working ability, based on the decision of the relevant authority.
- Prohibition to perform the job, for example by a court order, where the Employee cannot be reassigned to other appropriate tasks.
- Imprisonment, detention or similar measures for longer than 6 months.
- In case the employer ceases to exist (or bankruptcy is initiated). Entering into liquidation does not automatically terminate employment; separate steps are required.

In these cases, HR must still complete all required [administrative steps](#) (e.g., deregistration, final payments), but there is no “dismissal procedure” in the usual sense.

Key Rules

An employee may resign at any time.

For the resignation to be legally valid, it must be:

- a) Submitted in writing (on paper) and
- b) Signed by the employee (written signature).

In Serbia, resignation by email is not considered legally valid. The employee may later claim that they did not actually resign.

Notice period

The statutory notice period for resignation is 15 to 30 days, depending on what is agreed in the employment agreement or set in the employer's Labor Rule book or other general act.

Any notice period longer than 30 days is unenforceable, even if agreed in the employment agreement.

If the notice period is not clearly defined in the employment agreement or internal acts of the employer, the minimum legal notice of 15 days will apply.

If the employee does not respect the notice period, the employer may seek damages, but only if actual damage can be proven.

Employer's Obligations After Resignation

Once a valid resignation is received, the Employer (HR) should:

- a) Issue a formal Decision on termination acknowledging the resignation.
- b) Follow other post-termination steps (see separate [Section](#)).

HR tips:

This part of the HR Guide is reserved for our Clients and available upon request.

Key rules

Termination by mutual agreement is a written agreement between the employer and the employee to end the employment on agreed terms and on a specific date. It is one of the most used and least contentious ways to end employment.

Before the employee signs a mutual termination agreement, the employer must inform the employee in writing about the consequences of such termination, especially that the employee will not be entitled to unemployment benefits from the National Employment Service (NES) after termination by mutual agreement.

This information is usually provided in a separate **"Notice on rights after termination"**, which the employee signs before or together with the agreement. Its existence is precondition for the agreement on termination to be valid.

Content of the Agreement

A typical mutual termination agreement should include at least:

- a) The date on which employment ends;
- b) Confirmation that the relationship ends by mutual consent;
- c) Confirmation that the employee received the Notice on rights after termination before signing the agreement;
- d) Details of any financial settlement, for example:
 - Additional severance (if agreed);
 - Compensation for unused vacation;
 - Any other agreed payments;
- e) It is advisable that the agreement also defines, if needed:
 - Employee's obligation to return the work equipment and any other pending obligations of the employee towards the employer;
 - Confidentiality obligations that should survive termination of employment;
 - Confirmation that there are no pending claims from the employee, save for those specifically stated in the agreement.

Please also note that:

- There is no statutory severance (pay-out) obligation in case of consensual termination. However, if the severance is introduced, it will have the same tax treatment as salary.
- The notice period can be freely agreed between the employer and the employee, even months in advance. It can also be waived if both parties agree to an immediate end date.

Employer's Obligations After Termination – [see separate Section](#).

HR tips:

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4.1. General Overview

The employer may terminate employment only on legally recognized grounds and by following the prescribed procedure.

Please note that Serbia represents jurisdiction with **strong protection of employment** and that each termination procedure must be conducted with due care, since **consequences** of wrongful termination can be quite severe.

The main grounds for termination of Employment in Serbia include:

1. Failure to pass probation;
2. Poor performance – insufficient work results or lack of required skills;
3. Misconduct – willful breach of work obligations or disrespect of working discipline;
4. Redundancy – termination due to technological, economic, or organizational changes.

In addition, the employer may terminate employment if, for example:

- The employee is convicted of a criminal offense committed at work or in connection with work;
- The employee does not return to work within 15 days after the end of unpaid leave or other leave during which their employment rights are suspended (e.g., secondment, public office). Note, this does not refer to returning from annual leave, paid leave, sick leave and similar leaves when employee's rights and obligations are not under standstill.
- The employee **refuses to sign an annex** to the employment agreement offered through a proper procedure, in cases of:
 - a) Transfer to another appropriate job, due to the needs of work;
 - b) Transfer to another place of work under appropriate conditions;
 - c) Transfer to another employer under appropriate conditions;
 - d) Redundancy where other rights are offered instead of termination;
 - e) Changes in salary or compensation policy, introduced in an appropriate manner.

4.2. Special Protection From Termination

Key Rules

In accordance with Serbian Labor Law, the employer is prohibited from terminating employment of:

1. A pregnant employee,
2. An employee on maternity leave,
3. An employee on childcare leave (post maternity leave);
4. An employee on special childcare leave.

Also, if a **fixed-term employment** expires during such protected period, by law it is extended until the end of the protection period.

However, even in this case:

- Consensual termination is possible, as well as termination of employment via employee's resignation.
- Disciplinary measures on the employee can potentially be also imposed ([See separate section on Disciplinary Measures](#)).

HR tips:

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4.3. Termination During Probationary Period

Reasons for termination

Employment may be terminated if the employee does not demonstrate the required abilities, or knowledge during the agreed probationary period.

Termination can occur either during probation or at its end.

Procedure

The employer issues a **Decision on termination**, which must state the reasons for termination, i.e., the precise way in which the employee failed to demonstrate appropriate working abilities and knowledge.

Notice period:

- If termination is made during the probationary period, the Decision must respect a notice period of at least 5 working days (or longer if stipulated by the employment agreement or Employer's general act, e.g. Labor Rule book).
- If termination is made effective at the end of the probationary period, no additional notice is required.

Please note that the Decision on termination must be delivered to the employee by the end of probationary period, since after its expiration it shall be considered as that the employee passed probationary period.

Consequences of Termination

- No statutory severance is due.
- The employee may be eligible for unemployment benefits from NES, depending on previous length of service.

Employer's Obligations After Termination – [see separate Section.](#)

HR tips:

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4.4. Termination due to poor performance

Reasons for termination

The employer may terminate employment if the employee:

- a) Does not achieve required work results; and/or
- b) Does not possess the necessary knowledge and skills to perform the job.

This ground is not about misconduct or bad faith, it is about an employee who is trying, but not reaching the needed and expected results.

Procedure

In this case, before termination, the employer must give the employee a real opportunity to improve.

This means that the employer must issue to the employee a written **Notice on deficiencies**, detailing:

1. Deficiencies in employee's work.
 - Description of deficiencies must be precise and include examples. Wague description of deficiencies is not considered appropriate.
2. Detailed instructions on how the employee can and needs to improve.
 - Instructions on how the employee is expected to perform his work should be included in the Notice. Alternatively, the Notice can contain precise references where they can be found.
 - If needed and possible, the employee can be given additional mentorship, training & support.
 - Instructions should contain definition of the expected level of improvement.
3. Reasonable period, depending on deficiencies, to improve.
 - The deadline is to be set for each case, depending on the circumstances. In practice, Courts tend to interpret that any deadline shorter than one month is not sufficient;
4. Warning that if the employee does not improve, his employment may be terminated.

During the period for improvement, the employer should **monitor and document** the employee's performance, to be able to:

1. Reach and execute a final Decision upon the expiry of improvement period, and more importantly, to be able to
2. Defend the legality of its potential Decision on termination, in case of a potential dispute.

Possible outcomes:

1. If the employee improves his work during the period that was given to him, he will remain employed;
2. If the employee does not improve sufficiently, the employer may issue a Decision on termination on the ground of poor performance.

Employee's rights. In case of termination due to poor performance, the employee is entitled to:

1. Notice period of 8-30 days, following delivery of Decision on termination. Exact duration of such period depends on what is agreed by the employment agreement or defined within the Labor Rule book or other internal act of the employer. The parties can agree that this notice period is substituted by payment of salary compensation for the notice period.
2. Compensation for unemployment, paid by the NES (not by the employer).

Employer's Obligations After Termination – [see separate Section.](#)

HR tips:

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4.5. Termination for Misconduct

(Breach of Work Obligations or Working Discipline)

Reasons for termination

This ground applies when the employee willfully or knowingly violates work duties or workplace rules, unlike poor performance, where the employee is trying but fails to meet expectations.

Examples of breach of work obligations:

- Negligent or careless performance of duties;
- Abuse of position or exceeding authority;
- Misuse of work equipment or resources, causing damage to the employer or third parties;
- Failure to use prescribed health and safety equipment;
- Any other breach of work obligations defined by Law, the Labor Rulebook, or the employment agreement.

Examples of breach of working discipline:

- Unjustified refusal to follow legitimate instructions;
- Abuse of the right to sick leave (e.g., working elsewhere during sick leave);
- Coming to work under the influence of alcohol or drugs, or using such substances at work, where this has or could have impacted work;
- Providing false information that led the employer to conclude the employment;
- Other disciplinary breaches defined by Law, the Labor Rulebook, or the employment agreement.

Procedure

The employer must conduct a formal disciplinary procedure before terminating for misconduct, where it is equally important not only to establish and prove grounds for termination, but also to strictly follow the procedure prescribed by the Law.

The steps in the procedure include:

- 1) **Written Warning** (Notice on grounds for termination), which must:
 - a. Be delivered to the employee in writing (paper form), signed by the employer;
 - b. Describe in detail the facts, evidence, and legal grounds for dismissal;
 - c. Inform the employee that termination is being considered (not decided upon yet);
 - d. Give the employee at least 8 days from the date of delivery to submit a written response.
- 2) **Employee's Response (optional)**. The employee may, but is not obliged to, submit a written response within the 8-day deadline. If the employee submits its response, the employer must take it into consideration when making final decision.
- 3) **Final Decision**. After the response deadline (and reviewing any response received), the employer decides whether to:
 - a. Terminate employment via a written Decision on termination;
 - b. Apply lesser disciplinary measure instead of dismissal (e.g., suspension without pay for a short period, monetary fine, or final written warning);
 - c. Terminate the procedure if there is insufficient evidence of wrongdoing.

Suspension from Work During the Termination Procedure

If a termination procedure is initiated due to employee misconduct, the employer may temporarily remove the employee from the workplace when:

- the employee's conduct is such that they cannot continue working until the expiry of the deadline for submitting their written Response; or

- the employee's behavior poses a risk of causing significant damage to the Employer's property of higher value (as defined by the Labor Rule book or employment agreement).

In such cases, the employee may be suspended from work pending the completion of the procedure.

During the suspension period, the employee is entitled to **salary compensation** amounting to one-quarter ($\frac{1}{4}$) of their salary, or one-third ($\frac{1}{3}$) if the employee is the primary family provider.

The suspension may last for **up to three months**, except where criminal proceedings have been initiated against the employee for a criminal offense committed at or in connection with work. In that case, the suspension may continue until the criminal proceedings are finally concluded.

If the employee is ultimately found **not responsible**, they are entitled to payment of the difference between their full agreed salary and the compensation received during suspension.

Consequences of termination

If the Employer decides to dismiss the employee:

- Termination is effective immediately upon delivery of the Decision;
- The Employer does not owe severance;
- The Employee will not be entitled to unemployment benefits from NES.

Employer's Obligations After Termination – [see separate Section](#).

HR tips:

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4.6. Redundancy

Reasons for termination

Employment may be terminated due to technological, economic, or organizational changes which reduce or eliminate the need for certain work tasks or diminish the volume of work.

Typical situations include:

- Automation of tasks or introduction of new technology;
- Reorganization of departments or consolidation of roles;
- Outsourcing of activities;
- Reduction in business volume requiring fewer employees in a specific position.

In these cases, termination is not based on personal fault or performance, but on objectively determined business needs.

Procedure

To lawfully terminate employment on redundancy grounds, the Employer must complete the following steps:

- 1) **Decision on Redundancy.** The Employer must adopt a written decision explaining:
 - a. The business reasons leading to redundancy;
 - b. Which work activities or positions are affected;
 - c. The number (not names) of employees impacted.
 - d. Manner for resolving the issue of redundancy.

- 2) Preparation of a Redundancy Resolution Plan (if required).** If the number of employees affected meets statutory thresholds, the Employer must prepare a formal Plan for Resolution of Redundant Employees and coordinate with the National Employment Service (NES).
- 3) Amendments to Rulebook on Organization and Systematization (if required),** to reflect abolished or changed positions.
- 4) Individual Decisions on termination** - each affected employee must receive a written Decision on Termination due to Redundancy, delivered in accordance with legal requirements.
- 5) Mandatory Severance Payment.** The Employer must pay statutory severance no later than the employee's last working day. Payment is a precondition for a valid termination.

Consequences of termination

- 1) Mandatory Severance.** Timely payment of appropriate severance amount to employees with at least one full year of employment with the employer (connected entity) is a precondition for valid termination.
 - **Amount.** Employees are entitled to severance, at least in a minimal amount prescribed by the Law. Minimal amount is currently 1/3 of employee's average monthly salary during the last three months, multiplied by the number of full years of employment the employee has with the employer (or employer related entities). This minimal amount is non-taxable. If the employer pays higher severance, excess amount is taxable.
 - **Payment deadline.** Severance must be paid to employees not later than on their last working day with the Employer and its payment is precondition for termination to be valid.
- 2) Unemployment Benefits.** Employees terminated due to redundancy remain eligible for unemployment benefits from NES.
- 3) Advantage for reemployment.** If there is a need for the performance of the same job with the employer within 3 months period following termination, employees declared redundant will have the advantage for reemployment.

Employer's Obligations After Termination – [see separate Section](#).

HR tips:

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4.7. Disciplinary Measures Instead of Termination

Key Rules

After initiating procedure for termination, and instead of terminating employment, the employer may impose disciplinary measures when a **violation of work obligations** or working **discipline** has occurred, but the breach is not serious enough to justify dismissal or that there are some special mitigating circumstances.

By Law, this is also an option in case of **poor performance**.

Those measures include **one** of the following:

- 1) Temporary removal from work, without pay,** from 1 to 15 working days;
- 2) Monetary fine,** up to 20% of the employee's basic salary for the month when the fine is imposed, and with the duration of up to three months, deducted from salary;
- 3) Final Warning (Conditional Termination)** that the employment relationship will be terminated, without prior Warning, if the employee repeats the same breach within the next six months.

These measures cannot be imposed on employees in redundancy procedures, since redundancy is unrelated to conduct or performance.

HR tips:

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Regardless of the manner in which the employment ended, the employer has some universal obligations it needs to fulfill in each case, as described below.

Deregistration from Social Insurance.

The employer needs to deregister the employee from CROSO (Central Register of Mandatory Insurance) in accordance with applicable regulations.

Please note that this change needs to be done promptly, and that it can be done electronically only within 3 days following the change.

Final Payments to Employee.

Within 30 days from the termination date, the employer needs to settle all outstanding amounts owed to the employee, including:

- Earned salary;
- Salary compensation (where applicable);
- Compensation for unused annual leave (where applicable);
- Any other contractual or statutory entitlements.

Issuance of Employment Confirmation.

Upon the employee's request, the employer shall issue a written Confirmation containing:

- The start and end dates of employment;
- The employee's job title and a description of duties.

If the employee expressly requests it, the employer may also include a concise assessment of the employee's conduct and work performance, either within the same Confirmation or in a separate document.

An employee may challenge a Decision on termination by filing a lawsuit in front of the competent court within 60 days from the date of delivery of the Decision.

In case the employee challenges the legality of termination, the court will determine whether the Decision on termination was lawful or not.

If the court determines that the Employer's decision was unlawful, the court may order:

- 1) **Reinstatement or Compensation Instead of Reinstatement.** At the employee's choice, the court can order either:
 - a. Return to work, or
 - b. Compensation ranging from 1 to 18 monthly salaries, depending on total length of employment, employee's age and number of employees dependents.
- 2) **Compensation of Lost Salary.**
 - a. The Employer may be ordered to pay all salaries the employee would have earned during the period of unlawful termination, with accumulated interest rate, reduced only by any income the employee earned elsewhere in the meantime.
 - b. On this amount, taxes and contributions would also need to be paid.
- 3) **Reimbursement of Legal Costs.** This includes employee's court fees, possible expert and attorney fees.

Finally, depending on the case, the court's decision can include other awards, in substitute of one of those listed above.

HR tips:

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Conducting the termination procedure legally, transparently and in good faith not only protects the employer from the consequences of an unlawful dismissal, but also safeguards the company's culture. A fair and well-managed process helps ensure that both the departing employee and the remaining employees maintain trust in the employer and do not develop a negative perception of the organization.

To ensure legal compliance and reduce the risk of disputes, the employers should adhere to the following principles in every termination case.

Proper and Complete Documentation.

All documents must be precise, detailed, and compliant with the Labor Law and internal acts.

This includes:

- Written warnings, notices, reports;
- Decisions on termination;
- Records of delivery;
- Evidence supporting the grounds for termination.

Legally Valid Delivery.

Documents must be delivered in accordance with statutory rules:

- In person, at the employer's premises (preferably), or at the employer's address;
- In paper form;
- With wet signatures;
- With proof of delivery and date of delivery.

If the employee obstructs delivery, procedure for delivery via Notice board must be respected.

This is particularly important when it comes to Warning before termination, since failure to deliver this warning to employee can lead to jeopardizing employee's right to defense, and thus wrongful termination.

Thus it is always advisable that the delivery is made by at least two persons, one acting as a witness to the (proper) delivery.

Lawful Negotiations.

Negotiations about consensual termination are allowed even after a termination procedure has begun.

However, during those negotiations, the employer cannot make statements that are not legally acceptable.

For example, the employer must refrain from informing the employee that his employment would in any case be terminated, if the employee is still under period when he can submit a Response to the issued Warning (at that time, informing the Employee that the decision on termination is already made would basically mean that it was reached before the employee had the chance to defend himself from accusations).

Reason for Termination	Time for Completion (estimated)	Procedure & Documentation	Severance	Notice period post termination	Right to Unemployment Benefits
Resignation by Employee	N/A	Written resignation; Employer's Decision on Termination	No	15-30 days (as contracted)	No
Mutual (Consensual) Termination	N/A	Notice on rights after termination; Mutual Termination Agreement.	No, unless agreed. If agreed, then taxable.	As agreed	No
Failure to pass probation	N/A	Decision on termination.	No	None at end of probation; ≥5 working days if during probation	Yes
Poor performance	1 – 3 months	Notice of Deficiencies; Improvement Period; Decision on Termination	No	Yes, from 8 to 30 days, depending on what is contracted	Yes
Misconduct / Disciplinary Grounds	8 – 15 days	Written Warning; 8-day period for response; (Possible suspension); Decision on Termination.	No	No	No
Redundancy	1 – 30 days, depending on the complexity (number of affected employees)	Decision on Redundancy; Amendments to internal acts; Evaluation (if needed); Termination Decision	Yes (statutory formula)	No	Yes

We hope you'll find this Guide useful, and we welcome any impressions you'd like to share with us via email to info@stankoviclaw.rs.

If you're looking for legal advice related to employment regulations valid in Serbia, feel free to contact our Employment Team.

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For more useful information regarding employment law in Serbia, please visit
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