Amendments to the Montenegrin Labor Law and Law on Mandatory Social Security Contributions

Tax Alert

October 2024

The Montenegrin Parliament enacted amendments to the Labor Law and the Law on Mandatory Social Security Contributions on 6 September 2024 and 26 September 2024, respectively. Amendments were published in the Official Gazette of Montenegro no. 86/2024 dated 6 September 2024 and no. 94/2024 dated 30 September 2024, and will apply from 1 October 2024.

An overview of the most significant amendments is provided below.

Labor Law

The minimum net salary has been increased from EUR 450 to EUR 600 / EUR 800, depending on the education level. Increase will apply as follows:

— EUR 600 for employees in positions requiring up to Level V qualifications,
— EUR 800 for employees in positions requiring Level VI and higher qualifications.

Amendments apply as of 1 October 2024.

Law on Mandatory Social Security Contributions

The rate of pension and disability insurance contribution borne by insured is decreased from 15% to 10%, while the rate of pension and disability contribution payable by the employer is reduced from 5.5% to 0%.

The reduction in overall mandatory social security contribution rates is expected to result in increase in employees' net salaries, as well as a decrease in the total salary costs for employers.

Ammendments apply as of 1 October 2024.

If you have any questions or you need assistance of our professionals, please contact us at tax@kpmg.rs.

For previous editions of KPMG Tax Alerts please visit the following web page:

KPMG Tax Alerts

KPMG Tax & Legal Department

KPMG d.o.o. Beograd
Milutina Milankovića 1J
11070 Belgrade, Serbia
T: +381 11 20 50 500
F: +381 11 20 50 550

tax@kpmg.rs

KPMG d.o.o. Podgorica
Svetlane Kane Radević 3
81000 Podgorica, Montenegro
T: +382 20 20 1480

kpmg.com/me