

## EMPLOYMENT NEWLETTER

### A RECENT SUCCESS

KALO & ASSOCIATES has advised and advises on employment matters many major investors and service providers in Albania involved in industries like banking, automotive, gas infrastructure, construction, transport, etc

### IBA Annual Conference 2019

*Përparim KALO, Managing Partner*

Our Managing Partner., Përparim Kalo attended the IBA Annual Conference held on 22-27 September 2019 in Seoul, where thousands international lawyers from 5 continents were present.

Modern populism; human rights; bullying and sexual harassment in the legal profession; technological advancements and their impact on the legal profession and the importance of protecting and promoting the rule of law were some of key areas discussed broadly during the conference. Rule of Law and improvement of the legal system and legal professions are important for Albania especially now that it is in the process of EU accession and integration.

KALO & ASSOCIATES as a leading law firm in Albania and Kosovo is fully committed to contribute to the improvement of the legal and institutional framework and bring them up to the standards prevailing in modern societies and economies

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*“Care for detail, Dedication, Responsiveness”*

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### Employment Quota on Persons with Disabilities

*Shirli GORENCA, Partner*

Employment diversity and inclusion have received a lot of attention over the last few years. The new law no. 15/2019 on the promotion of employment aiming inter alia the promotion of diversity of employees has entered into force as of April 18, 2019.

Under the new law, a company is required to hire one person with disabilities for the first 25 (twenty-five) employees hired and another additional person with disabilities for every other 50 (fifty) employees. The company can meet this obligation in two ways, either (i) directly, employing persons with disability or (ii) indirectly, by paying to the National Employment Fund an amount equal to the monthly minimum salary (i.e. currently 26 000 ALL/month) for each obligation the company has not met.

To date, the employment quota of persons with disabilities is merely a moral obligation imposed on employers and its mandatory effect has not been proven as the National Employment Fund is yet to be set up.

For this reason, according to the explanatory report of the new law on employment promotion, all funds paid to the state budget from employers who elect to pay in lieu of employment, will be allocated to a special account of the National Employment Agency and Skills (a new agency that has recently replaced the National Employment Service) for implementation of the employment promotion programs in support of people with disabilities, in cooperation with employers.

Still, we believe that this approach of imposing requirement of employment of persons with disabilities by employers cannot substitute the government responsibility to create a sustainable system that ensures the creation of an appropriately skilled workforce with disabilities. This workforce should be educated, trained and made capable of performing the specific tasks that are appropriate for that category. It is also the government responsibility to create accessible working environments in order to guarantee to everyone the right to inclusion, i.e. equal treatment and offering of opportunities.

In order to facilitate the employment of persons with disabilities, the Albanian Government must ensure that the Social Employment Fund is properly managed and controlled, and that transparency and accountability in the collection and disbursement of funds is guaranteed.



*By Aleksandër Filipi*



*Adejava M. Sedaj*

## **LAW NO. 06/L –111 ON SALARIES IN PUBLIC SECTOR**

*K&A Kosovo*

Newly enacted law on the salaries in public sector, promulgated in February and applicable as nine months after the date of its promulgation, notes the main development of the recent months regarding the employment matters. This law defines the system of salaries and remunerations for Public Officials and Functionaries who are paid from the state budget, excluding KIA (Kosovo Intelligence Agency) and KSF (Kosovo Security Force). It also defines rules for determining salaries for employees of publicly owned enterprises in Kosovo and criteria for transitional salary and other benefits after the end of the function of public functionary and public functionary with special status, as well as for former high official that is realizing the rights according to the relevant Law.

Predominantly the Law on Salaries in Public Sector, regulates the basic salary, salary allowances, regular allowance, non-regular allowance, reward, compensation and salary class. Accordingly, as a result of the newly promulgated law, the general increase in salaries on the public sector is calculated to be 70% (seventy percent).

Furthermore, the enacted law has exceeded the anticipations and according to the report of the World Bank Group on the development of the Western Balkan states, it is expected that the cost of implementation is one of high value. The implementation of this law according to the aforementioned report may cause a pressure toward the private sector regarding the salaries. On the other hand, it may also affect the economic growth and the execution of public investment projects.

With that being said, we shall bear in mind that the law at hand is construed and was promulgated by the Parliament as an attempt to address and give answer to certain issues on the public sector. However, there is a lack of legal initiative on the recent month, this also taking in regard the early elections of this month, on addressing the issues of the private sector and concretize them with a new law on Labor. To the best of our knowledge, by the end of the year there are expectations that a new framework on regards of labor matters will be adopted by the parliament.

Otherwise, the Law on Salaries in Public Sector, it is to be considered as the main change on this field so far, which it is expected to also affect the private sector by enforcing competition between these two sectors.

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