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Official Gazette of the Republic of Srpska 114/17

LAW ON CONTRIBUTIONS

I - GENERAL PROVISIONS

Article 1

This Law shall regulate the system of compulsory contributions (hereinafter: contributions) for financing pension and disability insurance, health insurance, unemployment insurance and child protection in the Republic of Srpska.

Article 2

(1) Funds to finance the needs referred to in Article 1 of this Law shall be provided through the following contributions:

- 1) contribution for pension and disability insurance,
- 2) contribution for health insurance,
- 3) contribution for unemployment insurance,
- 4) contribution for child protection.

(2) Classification of certain contribution referred to in paragraph 1 of this Article is determined in accordance with regulations governing budget system of the Republic of Srpska.

II – CONTRIBUTION DEBTOR

Article 3

(1) Contribution debtor of pension and disability insurance, health insurance, unemployment insurance and child protection is a natural person – resident of the Republic of Srpska (hereinafter: the Republic):

1) who is employed with a legal or natural person – resident of the Republic or a legal or natural person seated in other entity, district, or country, body of the Republic, body of a local self-government unit, public institution, or another organisation in the Republic, an individual employed with joint institutions of Bosnia and Herzegovina and Brčko District of Bosnia and Herzegovina (hereinafter: Brčko District), with place of residence in the Republic, as well as an individual employed in Brčko District with place of residence in Brčko District if he/she is registered with the Unified System for Registration, Control and Collection of Contributions,

2) who is elected or appointed for public or another duty and who for performing that duty is paid a salary or other compensation treated as income in terms of the law regulating personal income tax,

3) who is elected or appointed for public or another duty, without employing him, and who for performing that duty is paid compensation treated as personal income in terms of the law regulating personal income tax,

4) who is, in territory of the Republic, employed with a legal or natural person – non-resident of the Republic, international organisation and institution, or foreign diplomatic or consular mission unless stipulated otherwise by an international contract,

5) who is sent to work or attend expert training abroad by a legal or natural person – the Republic resident if he/she is not compulsory insured in line with the state regulations where he/she is sent or unless stipulated otherwise by an international contract,

6) who independently performs entrepreneurial or professional activity,

7) who is a member of a company or other organisation, responsible person in a company or other company without contract on employment, a procurator who based on that is receiving compensation,

8) who is a member of management or supervisory body of a company or other form of organisation receiving compensation for such engagement,

9) professional athlete,

10) beneficiary of the right to monetary compensation in relation to professional retraining and supplementary training and employment, who has realised this right in accordance with regulations on pension and disability insurance,

11) priest,

12) person employed in the field of manufacturing of textile, clothes, leather and leather products in accordance with activity classification of the Republic which has the salary lesser than average gross salary in the Republic for previous year according to data from Republic of Srpska Institute of Statistics (hereinafter: Republic Institute for Statistics) published in the Official Gazette of the Republic of Srpska.

(2) Persons independently performing entrepreneurial activities in terms of this Law are considered persons which for performing of this activity are registered with competent body i.e. recorded in the register with competent organisation under condition that they have not been contribution debtors based on employment or beneficiaries of right to pension.

(3) Persons independently performing professional activity in terms of this Law are considered persons which independently in form of occupation and based on special licence of competent body or organisation perform activity exclusively based on acquired vocation (profession), such as: attorneys, notaries, engineers, architects, tax advisers, interpreters, accountants, translators and other similar occupations under the condition that:

1) they do not perform that activity on temporarily basis and

2) they are not contribution debtors based on employment or beneficiaries of right to pension.

Article 4

Contribution debtor for pension and disability insurance and health insurance is a natural person – resident of the Republic:

- 1) who in accordance with the regulations governing the domain of employment is performing temporarily or part-time activities,
- 2) unemployed person entitled to monetary fee compensation in accordance with regulations governing the domain of employment and rights during unemployment,
- 3) who is performing agricultural activities, registered in the Register of agricultural holdings as responsible party with commercial family farm and which is insured agriculturist in accordance with the law governing the domain of pension and disability insurance.

Article 5

Contribution debtor for health insurance is a natural person – resident of the Republic:

- 1) which is performing agricultural activities, registered in the Register of agricultural holdings as responsible party with commercial family farm and which is not insured agriculturist in accordance with the law governing the domain of pension and disability insurance,
- 2) which is performing agricultural activities and is registered in the Register of agricultural holdings as responsible party with commercial family farm,
- 3) an alien attending school in the territory of the Republic, unless otherwise stipulated under an international agreement,
- 4) citizen of the Republic who is in full or in part entitled to pension or disability allowance from a foreign payer, for as long as he/she is resident at the territory of the Republic, unless otherwise stipulated under an international agreement,
- 5) which independently performs catering activity of providing services of accommodation, food and beverages in apartment, holiday home and room for renting which are registered in the register for performing that activity with competent organisation under condition that he/she is not a contribution debtor based on employment or beneficiary of right to pension,
- 6) person registering himself/herself for compulsory health insurance,
- 7) beneficiary of right to pension.

Article 6

Contribution debtor for pension and disability insurance is a natural person – resident of the Republic:

- 1) person under the age of 26 who is working through youth work arrangements i.e. regardless of age if not attending regular school,
- 2) person who is insured on voluntary basis in accordance with regulations governing the domain of pension and disability insurance,
- 3) person who realises income from copyright,

4) person who based on contract on particular work i.e. some other similar contract has the right to fee,

5) person that has the right to fee based on contract on supplementary work in accordance with the law regulating the domain of work and employment,

6) person who is unemployed, but has the right to pension and disability insurance in accordance with the regulations governing the domain of employment and unemployment insurance.

Article 7

(1) Contribution debtor for pension and disability insurance and health insurance during certain conditions is a natural person:

1) person engaged in public works organised by the Republic or local self-government unit,

2) unemployed person engaged in retraining or supplementary training instructed to do so by the employment organisation,

3) person engaged in professional training and improvement with employers, without employment in accordance with regulations governing the domain of employment.

(2) Contribution debtor for pension and disability insurance during certain conditions is a natural person:

1) person taking part in a rescue mission or an action of defence against natural disaster at the territory of the Republic (fire, flood, earthquake, and other disasters caused by an Act of God), or an action undertook in order to save lives of citizens or eliminate material damage to property,

2) person who, at the request of a body of the Republic provides assistance to the respective body, as well as person performing public functions or civic duties upon request of the bodies of the Republic and bodies within local self-government units,

3) person performing compulsory work during imprisonment, stay at the juvenile correction facility, and during execution of pedagogical measure in disciplinary juvenile centre, pedagogical institution, pedagogical-correction facility or another capacitating institution,

4) person engaged as part-time and temporary worker through youth work arrangement, up to 26 years of age if attending regular school,

5) pupil and student during practical education i.e. during professional practical training with an employer,

6) person with disabilities, during professional training, after completion of elementary school.

Article 8

(1) Person to whom the Republic i.e. local self-government unit secures compulsory health insurance through paying contributions in accordance with this Law is:

1) unemployed person regularly reporting in the Republic of Srpska Employment Bureau,

2) refugee, displaced person and returnee,

3) person entitled to the right to health insurance in accordance with the law regulating the right of veterans, protection of army invalids and members of the families of the fallen soldiers of the defensive-patriotic war of the Republic of Srpska and civilian war victims,

4) person who is a beneficiary of the right in accordance with the law governing rights from the domain of social protection.

(2) Persons referred to in paragraph 1 of this Article the Republic i.e. local self-government unit shall secure compulsory health insurance only in cases if they do not have compulsory health insurance on some other basis.

Article 9

(1) Resident of the Republic in terms of this Law is considered natural person which in terms of regulations governing the domain of pension and disability, health insurance or unemployment insurance is compulsory insured, compulsory insured under certain conditions or voluntary insured.

(2) Status of the resident in terms of paragraph 1 of this Article has a natural person which is employed as head of diplomatic or consular mission or as a diplomatic or consular official in domestic diplomatic or consular mission abroad only if he does not pay contributions on those incomes in the country where he is employed.

(3) Status of the resident in terms of paragraph 1 of this Article has a natural person sent abroad to perform activities for the Republic, for natural or legal person – resident of the Republic or for the international organisation.

III – CONTRIBUTION BASIS

Article 10

(1) Contribution basis is a total amount of contribution debtor's revenue to which income tax is paid which involves contributions that are paid in accordance with this Law.

(2) Notwithstanding paragraph 1 of this Article, specifically determined basis for individual categories of contribution debtors regulated by this Law are also considered contribution basis.

Article 11

Contribution basis:

1) for persons who independently pursue an economic activity is at least 60% of average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the "Official Gazette of the Republic of Srpska",

2) for persons who independently pursue a professional activity, the contribution basis is at least equal to the average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the "Official Gazette of the Republic of Srpska",

3) for persons who are contribution debtor from Article 5, point 5) of this Law, the contribution basis is 30% of the average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the "Official Gazette of the Republic of Srpska".

Article 12

(1) Contribution basis for persons performing an agricultural activity and who are registered as family agricultural holdings is:

1) for a holder of a commercial family agricultural holding, 30% of average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska,

2) for a holder of a non-commercial familial agricultural holding, 20% of average gross wage in the Republic of Srpska for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

(2) Contribution basis for a holder of a family agricultural holding who is simultaneously receiving personal income or pension paid off from the Fund for Pension and Disability Insurance of the Republic of Srpska is equal to that from the Article 10, paragraph (1) of this Law.

Article 13

(1) Contribution basis for contribution debtor referred to in Article 5, points 3) and 6), Article 6, point 6), and Article 7 of this Law is 50% of the average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

(2) Contribution basis for contribution debtor referred to in Article 3, paragraph 1, point 5) of this Law is at least equal to the average gross wage in the Republic for the previous year, according to the last data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

Article 14

For persons referred to in Article 8, points 1), 2), and 3) of this Law, the contribution basis is 20% of the average gross wage in the Republic for the previous year, according to data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska, and for the persons referred to in Article 8, point 4) of this Law, the contribution basis is 40% of the average gross wage in the Republic for the previous year, according to data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

Article 15

For contribution debtors referred to in Article 6, point 2) of this Law, the contribution basis is at least 60% of the average gross wage in the Republic for the previous year, according to the data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

Article 16

(1) Contribution basis for contribution debtors referred to in Article 3, paragraph 1, point 12) of this Law is 25% of the average gross wage in the Republic for the previous year, according to data provided by the Republic Institute of Statistics, published in the Official Gazette of the Republic of Srpska.

(2) Contribution basis for contribution debtors referred to in Article 5, point 7) of this Law is their pension.

(3) Contribution basis for persons who receive wage compensation during the period of maternity leave for 2018 is 80% of the basis they had before they started using the maternity leave.

CHAPTER IV – CONTRIBUTION PAYER

Article 17

The contribution payer is in terms of this Law a payer of income, which represents a basis for contribution paying in accordance with this Law.

Article 18

Notwithstanding Article 17 of this Law, contribution payment is personally carried out by:

(1) contribution debtor referred to in Article 3, paragraph 1, point 6), Article 4, point 3), Article 5, points 1), 2), 3), 4), 5) and 6) and Article 6, point 2) of this Law,

(2) contribution debtor employed or hired by a non-resident of the Republic i.e. by an employer with the head office on the territory of another entity, district or country, in case that the payer of revenue (income), which represents a basis for contribution paying, did not carry out the payment within the prescribed deadline.

Article 19

Contribution payer in special cases is:

1) an organisation which organises rescue operations or actions of defence against natural disasters, for contribution debtor referred to in Article 7, paragraph 2, point 1) of this Law,

2) the Republic, i.e. a local self-government unit, for contribution debtor referred to in Article 7, paragraph 1, point 1) and paragraph 2, point 2) of this Law,

3) educational institution for contribution debtor referred to in Article 7, paragraph 2, point 5) of this Law,

4) a correctional facility, i.e. a pedagogic institution, for contribution debtor referred to in Article 7, paragraph 2, point 3) of this Law,

5) employment bureau, for contribution debtor referred to in Article 7, paragraph 1, point 2) of this Law,

6) employer, for contribution debtor referred to in Article 7, paragraph 1, point 3) of this Law,

7) youth cooperative, for contribution debtor referred to in Article 6, paragraph 1, and Article 7, paragraph 2, point 4) of this Law,

8) organisation, i.e. employer, for contribution referred to in Article 7, paragraph 2, point 6) of this Law,

9) Bureau of Employment of the Republic of Srpska, for contribution debtor referred to in Article 4, point 2) and Article 6, point 6) of this Law.

Article 20

(1) For persons referred to in Article 8, paragraph 1, points 1), 2) and 3) of this Law, contribution payment is conducted by the means of transferring the Republic of Srpska budget funds, in accordance with the line jurisdiction.

(2) For persons referred to in Article 8, paragraph 1, point 4) of this Law, contribution payment is conducted by the means of transferring the funds from the budget of a local self-government unit through the competent authorities, i.e. social work services.

CHAPTER V – EXEMPTION FROM PAYMENTS, RATES, CALCULATION AND PAYMENT OF CONTRIBUTIONS

Article 21

(1) Contributions are not paid on revenues, which do not represent income or which are exempt from income tax in terms of the Law regulating income tax.

(1) Contributions are not paid on revenues from pension contributions up to BAM 1 200 per year, paid to the contribution debtor by the contribution payer, in accordance with the Law regulating voluntary pension funds in the Republic of Srpska.

Article 22

(1) Contribution rates amount to:

- 1) for pension and disability insurance, 18.5%,
- 2) for health insurance, 12%,
- 3) for unemployment insurance, 0.8%,
- 4) for child support, 1.7%.

(2) Notwithstanding paragraph 1, points 1) and 2) of this Article:

- 1) contribution rate for pension and disability insurance for contribution debtors referred to in Article 7 of this Law amounts to 4.5%,
- 2) contribution rate for health insurance on pensions paid from the Fund for pension and disability insurance of the Republic of Srpska, amounts to 1%,
- 3) contribution rate for health insurance amounts to 2% of personal income, i.e. of pension, for contribution debtors from Article 4, point 3), and Article 5, point 1) of this Law,
- 4) contribution rate for health insurance amounts to 1% of personal income or of pension, for contribution debtors referred to in Article 5, point 2) of this Law,
- 5) contribution rate for pension and disability insurance amounts to 2% of personal income or of pension, for contribution debtors referred to in Article 4, point 3) of this Law.

Article 23

(1) Contribution payer referred to in Articles 17, 18 and 19 of this Law shall report the contribution obligation to the Republic of Srpska Tax Administration (hereinafter: the Tax Administration) no later than the end of the month for the previous month for each contribution debtor using a template of monthly report of withholding tax, determined by the regulations on income tax.

(2) Notwithstanding paragraph 1 of this Law, the contribution payer for contribution debtors referred to in Article 4, point 3) and Article 5, points 1) and 2) of this Law shall no later than 31 March of the current year, for the previous year, deliver to the Tax Administration an annual calculation of contributions, representing a report of a contribution obligation.

Article 24

(1) The obligation of contribution payment on the basis referred to in Article 10, paragraph 1 and Article 16, paragraph 1 of this Law, arises during each income payment, which represents a basis for contribution payment.

(2) In the event that the income payment, representing a basis for contribution payment, has not been conducted the obligation of contribution payment to the basis from Article 10, paragraph (1) and Article 16, paragraph (1) of this Law, arises two months after the end of the month for which the contributions are declared.

(3) In terms of paragraph 1 of this Article contributions are paid after base deduction.

(4) The obligation of contribution payment on the base referred to in Articles 11, 12, 13, 14 and 15, and Article 16, paragraph 2 of this Law, arises on the 20th day of the month for the previous month.

Article 25

Contribution payment on the basis of Article 20 of this Law shall be carried out by no later than the 20th day of the month for the previous month.

Article 26

(1) Contributions shall be paid according to the headquarters of the contribution payer, residing in the Republic, and for the contribution payer residing in the Federation of Bosnia and Herzegovina, i.e. Brčko District; contributions shall be paid to the headquarters of the business unit in the Republic.

(2) Contribution payer with the headquarters outside of the Republic, who does not have a registered business unit in the Republic, shall pay the contributions to the place where the contribution debtor is registered in the Unified System for registration, control and collection of contributions.

(3) For the contribution payer who conducts contribution payment for contribution debtors for pension and disability insurance from Brčko District, the place of contribution payment is Brčko District.

(4) Natural persons who are in terms of this Law, contribution payers, shall pay the contributions according to the place of residence.

(5) Notwithstanding paragraphs 1, 2 and 3 of this Article, contribution payers which are the institutions of Bosnia and Herzegovina and public enterprises of Bosnia and Herzegovina, pay the contributions to the place of residence of the contribution debtor in the Republic.

Article 27

The Minister for Finance shall issue a Rulebook regulating conditions, methods of calculation, reporting and payment of contributions.

CHAPTER VI – SUPERVISION AND PENAL PROVISIONS

Article 28

(1) Supervision of application of this Law shall be conducted by the Ministry of Finance.

(2) Supervision of calculation and payment of contributions shall be conducted by the Tax Administration of the Republic of Srpska, in accordance with the provisions of this Law and regulations that regulate the tax procedure.

Article 29

Regulations governing the tax procedure shall be applied for the infringement of provisions of this Law which have characteristics of violation, as well as responsibilities and sanctions for violations.

CHAPTER VII – TRANSITIONAL AND FINAL PROVISIONS

Article 30

The Minister shall within 90 days after this Law comes into force adopt a Rulebook on calculation, reporting and payment of contributions (Article 27).

Article 31

Until the regulation referred to in Article 27 of this Law is adopted, by-laws valid up to the day of coming into force of this Law shall be applied if they are not contrary to this Law.

Article 32

By coming into effect of this Law, the Law on Contributions (Official Gazette of the Republic of Srpska, 116/12 and 103/15) ceases to be valid.

Article 33

This Law shall be published in the Official Gazette of the Republic of Srpska, and shall enter into force on the 1 January 2018.

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13 December 2017
Banja Luka

PRESIDENT OF THE
NATIONAL ASSEMBLY

Nedeljko Čubrilović