



## European network of legal experts in gender equality and non-discrimination

### NEWS REPORT

<b>Country:</b>	Former Yugoslav Republic of Macedonia
<b>Title:</b>	Obligatory social insurances for freelance contract workers
<b>Date:</b>	23 February 2015
<b>Expert:</b>	Mirjana Najchevska
<b><u>Context</u></b>	
<b>Issue at stake:</b>	Pregnancy and maternity discrimination
<b>Ground of discrimination:</b>	Sex
<b>Source:</b>	Legislation
<b>Field:</b>	Employment; equal pay; pregnancy and maternity
<b>Applicable law:</b>	Recast Directive 2006/54, Directive 92/85, Directive 2010/18

### Content

**Law development:** With the entry into force of the amendments to the Law on Obligatory Social Insurance, from 1 January 2015 every freelancer contract in which the fees are over the national minimum wage (currently approximately EUR 150 per month) will incur the liability of the freelance contract worker to pay all the obligatory social insurances. These include retirement, invalidity, and health insurance, excluding insurance in case of unemployment. These freelance contracts are regulated by the Contract Law (Law on obligations; 'Закон за облигации') and include paying tax on personal income.

This new requirement to pay all of the obligatory social insurances on freelance work contracts applies to all social areas (any kind of services, arts, culture, journalism, translations, small crafts, minor repairing, cleaning services etc.) and all working people, excluding only retired people. In addition, the obligation does not include any temporal clause; the duration of the working contract can be one hour, one month, or one year – the Law does not distinguish between durations of contracts. The only exception are payments that amount to more than six times the average national monthly wages (approximately EUR 2 500), which are free of any taxation or duties.

The Law provoked severe reactions from almost all groups in the civil sector. In reaction, the Government further amended the legislation with the Law on Amendments of 10 February 2015; effectively 40 days after the amendments to the Law on Obligatory Social Insurance entered into force. This Law is already in force. However, the changes made by the Law of 10 February 2015 did not result in radical or more substantial compromises. It introduced a differentiation between unemployed employees who are also engaged as freelance contract workers, for whom the starting level of paying the social taxes is the minimum salary (approx. EUR 150); and the employed employees who are also engaged as freelance contract workers, for whom the starting level is the

average salary (approx. EUR 400). Also, those who were exempt from paying the additional taxation (retired persons and those with wages that amount to more than six average monthly wages) are no longer exempt with the amendments of 10 February 2015 – the exceptions were erased.

According to the new legislation, freelance contract workers have the same obligations, but not the same rights, as employees (as their contract is set under the Contract Law). Female freelance contract workers are now obligated to make all payments as employees; however they will not be covered by the Law on Labour Relations, which addresses discrimination, pregnancy, maternity leave, working conditions related to motherhood, and trade union protection.

**Key points of analysis:** According to the new legislation, freelancer contractors have the same obligations, but not the same rights as employees. Female freelance contract workers are obligated to make all payments as employees; however they will not be covered by the Law on Labour Relations, which addresses discrimination, pregnancy, maternity leave, working conditions related to motherhood, and trade union protection.

**Internet link source:** Proposed and adopted amendments to the Law on Obligatory Social Insurance <http://www.sobranie.mk/materialdetails.nspx?materialId=5475f8ed-1f57-43a9-b57f-ee76a31a1db5> (access 23.02.2015).

Protests against the legislation changes <http://www.time.mk/c/686742d9c3/protest-protiv-predlog-zakonot-za-honorarci.html> (access 23.02.2015).