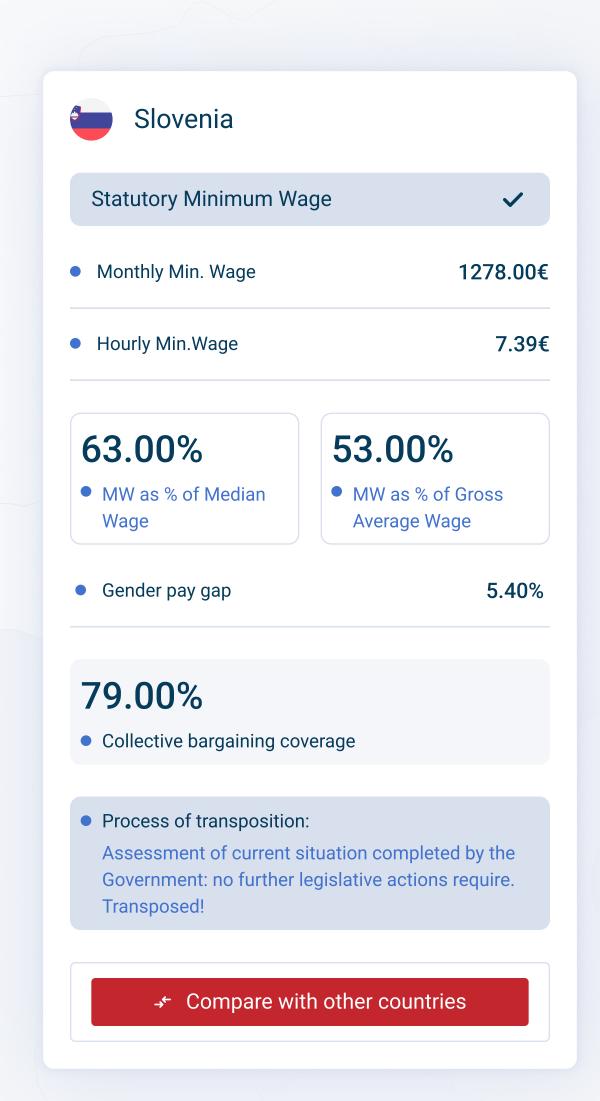


Minimum Wage & Collective Bargaining in Slovenia 2025



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WAGE-UP | Minimum Wage & Collective Bargaining



## Minimum wage system in Slovenia

Slovenia has a nearly 90-year tradition of regulating wages for the most vulnerable groups of workers. The minimum wage (minimalna mezda) was first introduced in 1937. After the Second World War, this was replaced by the guaranteed personal income. Following Slovenia's independence, the minimum wage was reintroduced in 1995 based on an agreement within the framework of the tripartite social dialogue. The purpose of the minimum wage has evolved over time, adapting to changing social and economic conditions. Today, the minimum wage ensures basic social and economic security for all employees, regardless of sector and occupation, with no exceptions or reductions, eliminating potential discrimination and preventing social exclusion. It remains one of the key tools for reducing in-work poverty among employees.

The minimum wage in Slovenia is regulated by the Minimum Wage Act (ZMinP - Zakon o minimalni plači, 2010), which defines the right to a minimum wage and the method of its determination, publication, adjustment and enforcement. Slovenia has a universal minimum wage system, so the minimum wage applies to all employees in full-time work with a formal employment contract. Part-time employees are entitled to a proportional share. This means that no workers are exempted, and there are also no sub-minimum rates.

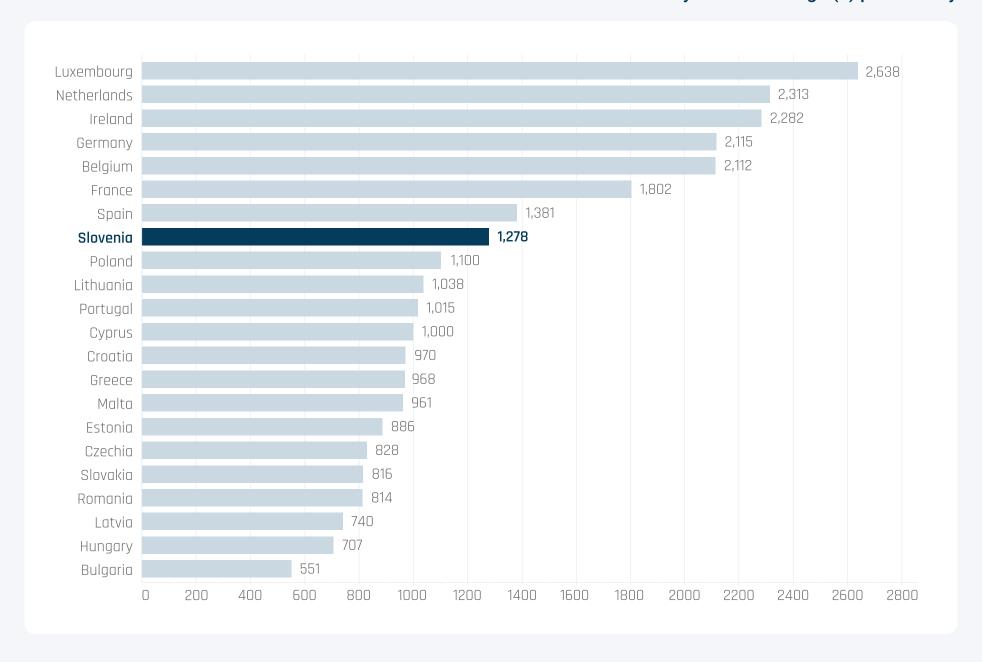
The minimum wage is typically adjusted annually and is determined by the minister responsible for labour after consulting with social partners in the Economic and Social Council (ESS). The minister is not legally bound by the proposals of trade unions and employers' associations, however, and may choose not to heed them. The new minimum wage is published in the Official Gazette no later than 31 January of the current year and applies retroactively to work performed from 1 January onwards.

The minimum wage legislation has undergone numerous changes since its introduction in 1995, with significant amendments occurring in 2010, 2015 and 2018. The main changes included a 23 per cent increase in the minimum wage in 2010, excluding extra payments for night work, work on Sundays and holidays from the minimum wage in 2016, and removing all extra payments, performance pay and business performance payments in 2020. All these payments are now made on top of the minimum wage. Another important change made in 2021 was the introduction of a new formula for calculating the minimum wage.

This new formula takes into account the minimum living costs, which are currently calculated every six years in line with the Social Assistance Payments Act (ZSVarPre - Zakon o socialno varstvenih prejemkih, 2010). The Minimum Wage Act defines the net minimum wage as between 120 and 140 per cent of minimum living costs.

#### Monthly Minimum Wage (€) per Country

2/6



Statutory Minimum Wage

Yes

Wage inequality (inter-decile Ratio P90/P10)

3.00

Gender Pay Gap

5.40%

**Hourly Minimum Wage** 

7.39€/hour

Nominal Growth rate of Wages

1.90%

In-work poverty rate

5.40%

Monthly Minimum Wage

1278.00€/ month

Real Growth rate of wages

-0.10%

% of workers covered by minimum wage

15.20%



## Minimum wage system in Slovenia

The minimum wage should also be adjusted yearly, at least for the previous year's inflation. Therefore, in addition to the annual adjustment in relation to consumer prices, the minimum wage is increased every six years to adhere to the minimum living costs criterion. This is done concurrently with the adjustment to consumer prices. In line with the Minimum Wage Act, besides the growth of consumer prices, factors such as wage trends, economic conditions, economic growth and employment trends may be considered when determining the minimum wage (Article 3(2)).

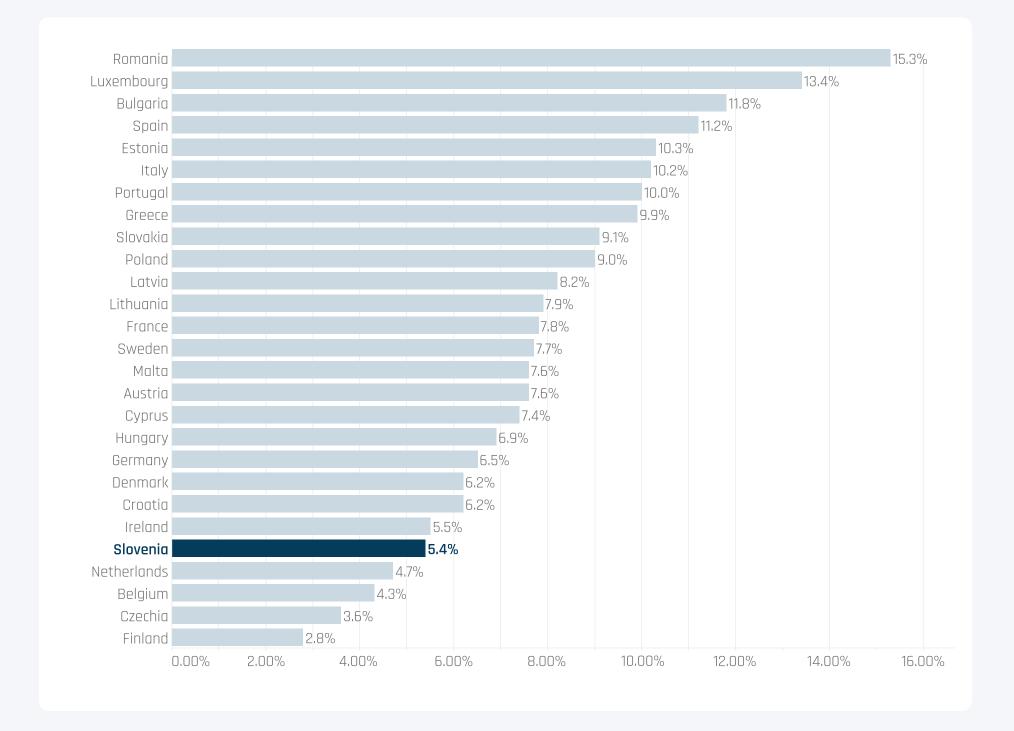
However, these are not mandatory, and the law provides no details on their application.

In January 2025, following deliberations with social partners, the Minister for Labour adhered to the recommendations of employers' organisations and considered only inflation when adjusting the minimum wage, increasing it by 1.9 per cent to 1,277.72 euros (€).

According to OECD data (OECD Data Explorer, 2025), since the substantial 23 per cent increase in the minimum wage in 2010, the ratio of the minimum wage to the average wage has remained at around 50 per cent, while the ratio to the median wage has been approximately 60 per cent.

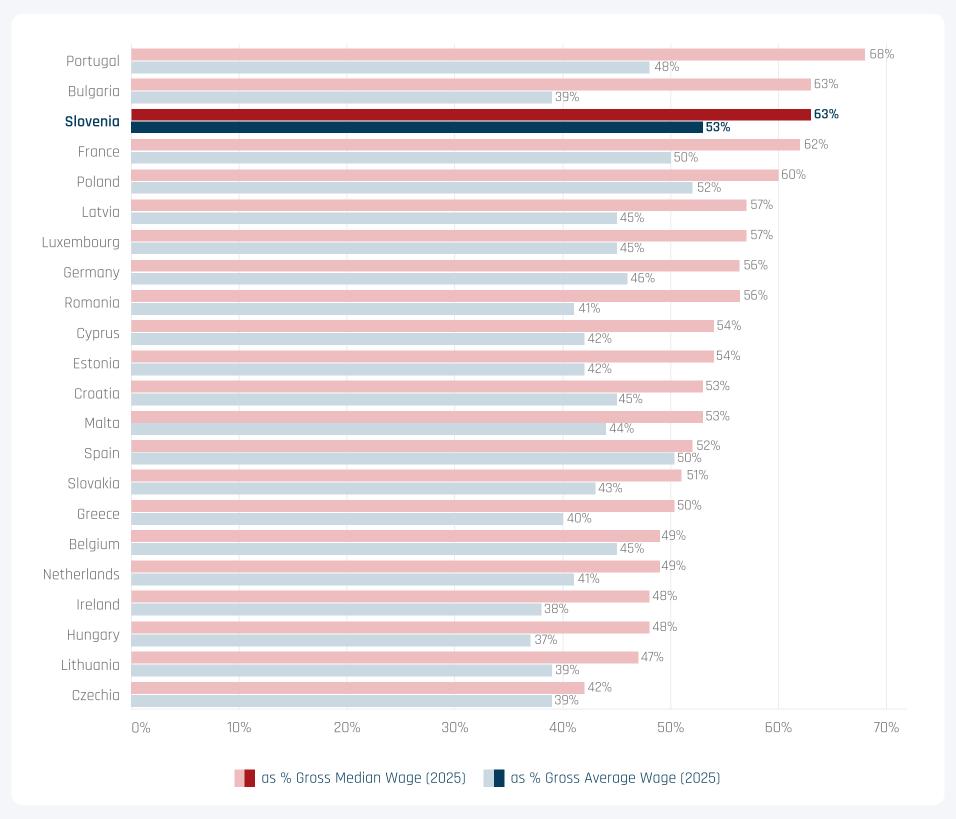
In 2020, the minimum-to-average wage ratio stood at 49.17 per cent and increased slightly to 52.64 per cent by 2023. Similarly, the minimum-to-median wage ratio was 58.81 per cent in 2020 and rose to 62.95 per cent in 2023. Slovenia is, therefore, the only country that has consistently met the reference values of 60 per cent of the gross median wage and 50 per cent of the average wage set out in the European Minimum Wage Directive.

#### In-work poverty rate (%) per Country



#### Minimum Wage as % of Gross Median and Gross Average Wage per Country

3/6



Slovenia | 2025 4/6



## Collective Bargaining system in Slovenia

The legal framework for collective bargaining in Slovenia is based primarily on the

Employment Relationships Act (ZDR-1 - Zakon o delovnih razmerjih, 2013) and the Collective Agreements Act (ZKolP - Zakon o kolektivnih pogodbah, 2006). The Employment Relationships Act (ZDR-1, 2013) is the central labour law regulating individual employment relationships and setting the minimum level of rights guaranteed to workers. The Collective Agreements Act (ZKolP, 2006) defines the parties to a collective agreement, the process of its conclusion, and the rights, obligations and duties of workers and employers. It regulates collective agreements' content, form, duration, termination and extension. Additionally, it distinguishes between interest and legal disputes, providing options for mediation and arbitration in cases of interest disputes.

Based on this legal framework, additional legislation applicable to public sector employees was adopted alongside the Employment Relationship Act (ZDR-1, 2013), including the Public Employees Act (ZJU - Zakon o javnih uslužbencih, 2007) and the Public Sector Salary System Act (ZSPJS - Zakon o sistemu plač v javnem sektorju, 2009). The Collective Agreement for the Public Sector (KPJS - Kolektivna pogodba za javni sektor, 2008) remained in effect until its revision in 2024, applicable from 2025 (Kolektivna pogodba za javni sektor, 2024). This collective agreement, applicable to all public employees and negotiated by all occupational groups in the public sector, establishes fundamental rights uniformly.

In addition, specific occupations and sectors negotiate collective agreements at lower levels, allowing for adaptations based on particular work requirements.

Collective bargaining has remained deeply embedded in Slovenia's employment relations system, mainly because of the legacy of socialism. After independence in 1991, the bargaining system remained characterised by a high degree of centralisation, with the national and industry levels being the two most important levels of negotiation. National general collective agreements were applied to the private and public sectors (the General Collective Agreement for the Economy, 1990, and the General Collective Agreement for Non-Economic Activities, 1991). These agreements ensured that bargaining coverage was almost 100 per cent.

This system existed until EU accession in 2004 but began changing afterwards. After 2006, key developments in collective bargaining were marked by diverging trends in the private and public sectors, leading to increasing divergence. While collective bargaining in the public sector remained centralised with a unified wage system, in the private sector, following the expiration of the last general collective agreement (Splošna kolektivna pogodba za gospodarske dejavnosti, 1997) at the end of June 2006, collective bargaining and wage-setting become increasingly decentralised and shifted to the sectoral level.

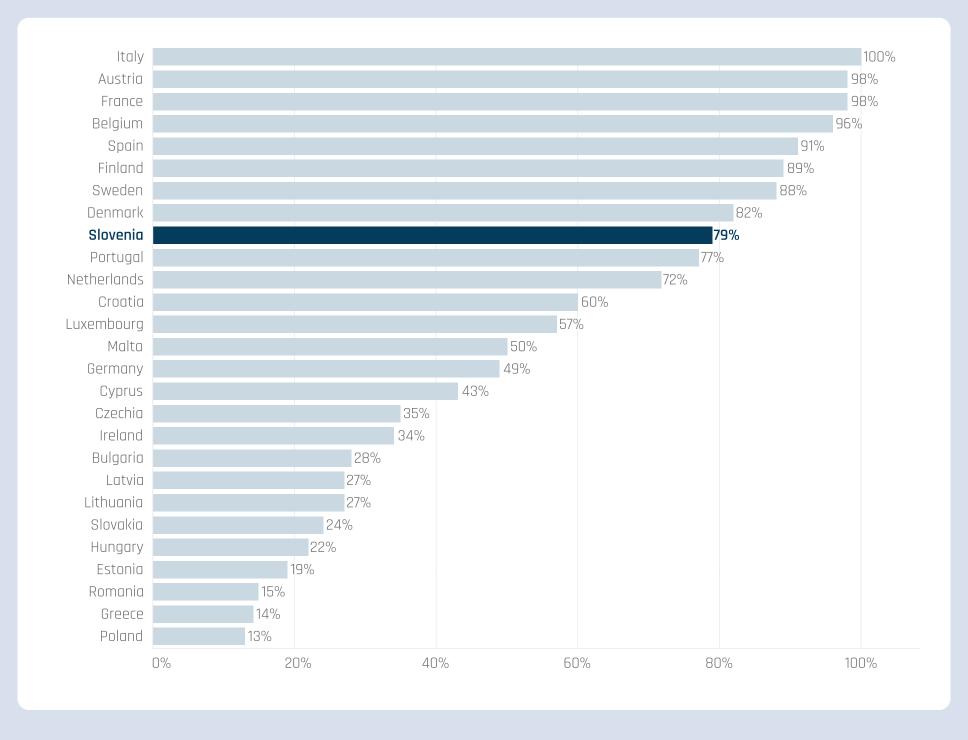
Thus, Slovenia is characterised by a strong duality, with a centralised bargaining system and nearly 100 per cent collective agreement coverage in the public sector, while the private sector operates under a decentralised system based on the sectoral level, with steadily declining coverage.

Currently, there are no reliable estimates for the overall coverage of employees by collective agreements. The most recent available data are from 2019, when Stanojević and Poje estimated coverage at 79 per cent, a finding also cited by the OECD. Since 2019, no further assessments have been conducted. However, preparations are underway to assess compliance with the European Minimum Wage Directive's requirement of 80 per cent coverage through regular monitoring of collective bargaining coverage by the tax administration, the statistical office and the Ministry of Labour.

The decline in collective bargaining coverage is driven primarily by decreasing coverage in the private sector. One of the factors contributing to this decline after 2006 was the restructuring of the Chamber of Commerce and Industry (GZS) and the introduction of voluntary membership, leading to a fall in its membership. Its bargaining position, furthermore, was radicalised to retain and attract members, focusing primarily on costcutting that affected the quality and content of collective agreements. This sometimes resulted in the signing of 'extra lean collective agreements' or terminating collective agreements.

Collective Bargaining Coverage **Trade Union Density** 23.80% 79.00% Valididy of Collective Agreeements **Extension Mechanism** after expirations? Frequent extension Yes

#### **Collective Bargaining Coverage per Country (%)**





## Collective Bargaining system in Slovenia

As a result, collective agreements in the private sector are gradually losing their purpose, despite attempts to sustain positive practices in new negotiations. Trade unions also face challenges, including difficulties recruiting young and precarious workers and criticism from members that hard-won rights also apply to non-union members, reducing union participation and funding incentives. Trade unions are experiencing a decline in membership, and union density <u>has</u> fallen from 40 per cent in the 1990s to 21 per cent in 2019. However, the extension of collective agreements has softened the impact of falling union density on bargaining coverage. Nonetheless, the interplay of high coverage and declining union density has gradually altered the dynamics and quality of collective bargaining.

#### Validity of collective agreement after expiry

In line with the Collective Agreements Act (ZkolP, 2006), a collective agreement may be concluded for a fixed or undefined period and ceases to be valid upon expiry of the agreed period, by mutual agreement of both parties on termination, or by termination notice. The parties determine the conditions and notice period for termination of a collective agreement. If the collective agreement does not specify a notice period, it may be terminated with notice of six months. However, a fixed-term collective agreement cannot be terminated prematurely. After expiry of a collective agreement, the provisions of its normative part, which regulate the rights and obligations of employees and employers concerning employment contracts,

the duration of employment and termination of employment contracts, as well as remuneration for work, other payments and reimbursements related to work, not to mention occupational safety and health, continue to apply until a new collective agreement is concluded, but for no longer than one year unless otherwise agreed by the bargaining parties. If a collective agreement at the industry level is terminated, the agreements at the company level remain valid.

## Exclusion from bargaining of certain groups of employees

In Slovenia, the Employment Relationships Act (ZDR-1, 2013) does not explicitly exclude any specific groups of employees from collective bargaining. In practice, however, it is common for the rights of managerial and executive employees to be regulated outside collective agreements through individual employment contracts, while still adhering to the minimum standards set by law. Similarly, self-employed individuals and other atypical forms of employment are often excluded from collective bargaining as they are not formally considered employees, which means they do not have the same protection afforded by collective agreements.

## Collective bargaining clauses in public procurement

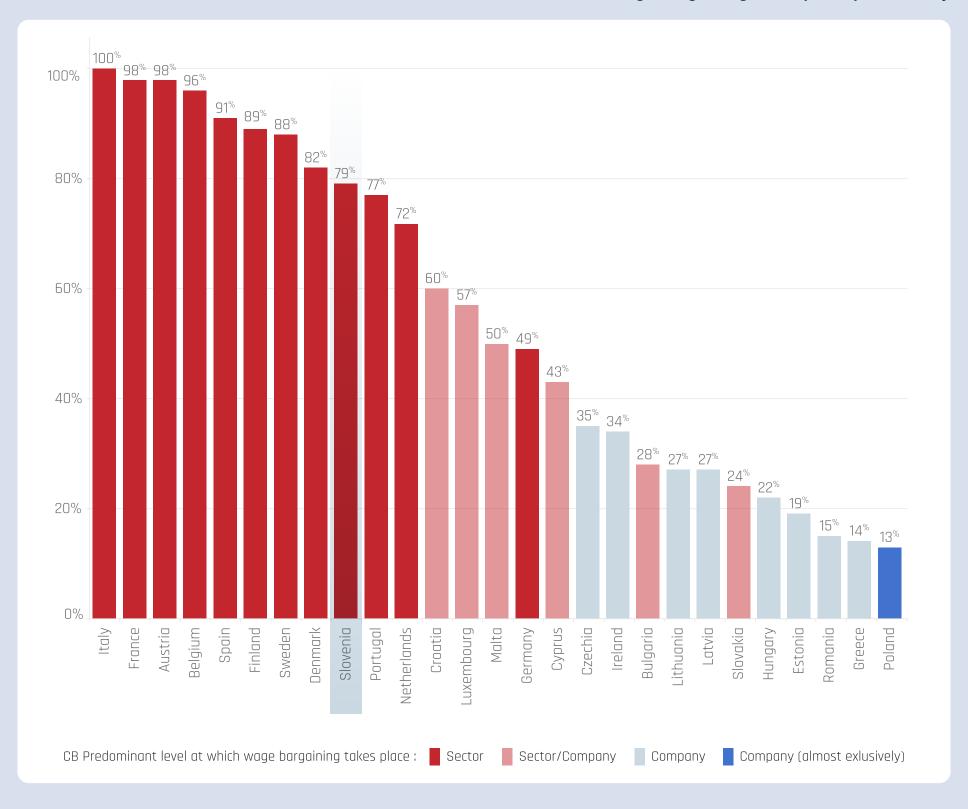
Provisions promoting social responsibility in public procurement are regulated by the Public Procurement Act (ZJN-3 - Zakon o javnem naročanju, 2015). The Act stipulates that economic entities must comply with applicable obligations in environmental, social and labour law, as defined by EU law, national law, collective agreements or international regulations (article 3(2)). Compliance with environmental, social and labour law is particularly emphasised, as ZJN-3 sets out specific sanctions for violations of these obligations and establishes mandatory exclusion in case of non-compliance with regulations, which may prevent participation in public procurement processes (Article 75(6)).

### Right of access to workplaces for trade unions

The right of trade unions to access workplaces is regulated primarily through collective agreements. Sectoral collective agreements set out the general framework, while more detailed rules are often defined at the company level. There are generally no significant issues in exercising this right in companies where a well-organised trade union engages proactively through reasoned communication. Access-related difficulties are more common in companies where only individual workers are unionised, and the union lacks strong influence.

In such cases, unions often face restrictions in carrying out their activities and accessing the information they need for effective worker representation.

#### CB Predominant level at which wage bargaining takes place per Country





## Collective Bargaining system in Slovenia

# Protection of workers and trade union representatives from dismissal and discrimination

Since 2002, the Employment Relationships Act (ZDR - Zakon o delovnih razmerjih, 2002) has prohibited discrimination, ensuring that employers cannot discriminate against workers or trade union representatives based on their union membership, participation or activities.

The Amendment to the Employment
Relationships Act adopted in 2023 and in effect
since the end of 2024 (ZDR-1D) introduced
additional protections against the dismissal of
trade union representatives. The amendment
extends the suspension of the effects of
employment termination if a worker
representative challenges its legality in court,
ensuring that dismissal does not take effect until
a first-instance court ruling or for a maximum of
six months.

During this period, if the employer prohibits the worker representatives from performing their duties, they are entitled to 80 per cent of their average monthly wage for full-time work over the past three months (an increase from the previous 50 per cent). Additionally, the amendment reinforces legal protection against written warnings that precede dismissal.

It also allows for the establishment of a special fund aimed at reimbursing wage compensation paid to employees during the period in which they were prohibited from working while the effects of their employment termination were suspended, provided that the first-instance court determines that the termination was lawful.

## Obligation for employers to engage in collective bargaining with trade unions

In Slovenia, collective bargaining is voluntary, which means there is no legal obligation for employers to negotiate with trade unions. The Collective Agreements Act (ZKolP, 2006) and the Employment Relationships Act (ZDR-1, 2013) provide the legal framework for collective bargaining. In practice, however, its success depends largely on a trade union's persistence, strength and ability to mobilise and present its arguments effectively. Where employers lack interest or unions lack sufficient strength, collective bargaining may be limited or fail to occur. Therefore, trade union power and organisation are crucial to the effectiveness of collective bargaining.

# Transposition of the European Directive on Adequate Minimum Wages in the EU

The Ministry of Labour took the view that Slovenia's minimum wage system, as defined by the Minimum Wage Act (ZMinP, 2010), the Employment Relationships Act (ZDR-1, 2013) and the Collective Agreements Act (ZKolP, 2006), meets the Directive's minimum requirements and that therefore there is no need for legal amendments. Accordingly, no changes have been made to existing laws.

The Ministry identified the need for a consultative body to advise on statutory minimum wage issues and collective agreement coverage.

The Economic and Social Council (ESS) was designated as an advisory body at its session in September 2024. However, no document was adopted to define its role, competencies, duties or obligations in connection with this designation, nor was such a document presented for discussion. The decision made in the ESS was in accordance with the Rules on the Functioning of the Economic and Social Council (2017).

The Ministry is preparing an action plan to promote collective bargaining. In early spring, it will be shared with ESS members for discussion and amendments, after which the final measures will be developed collaboratively. Again, no legislative changes are required for adoption, as the plan is strategic and aligns with the Directive and the Economic and Social Council rules.

The Ministry has decided on a methodology for measuring collective agreement coverage in collaboration with the Statistical Office and the Tax Office. However, accurate reporting, proper controls and thorough data processing are required, and the Statistical Office estimates that this data will be available by autumn 2025.



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#### WAGE-UP is the ETUC Monitoring Tool

presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

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