

Albania Knowledgebase

Hiring blueprint

Core employment practices

The employment legal framework in Albania is primarily governed by the Albanian Labour Code, which establishes the rights and obligations of both employers and employees. The Code covers key aspects such as employment contracts, working hours, wages, public holidays, termination procedures, and protections against discrimination. In addition, it includes specific provisions for work-from-home arrangements, health and safety standards, and non-compete agreements. Amendments to the Code have been introduced to address evolving workplace dynamics, ensuring that labour rights align with European standards.

Freedom of contracting

In Albania, freedom of contracting is upheld, allowing parties to establish terms in contracts based on mutual agreement, as long as they do not violate mandatory provisions of the law, public order, or good morals. While this principle promotes autonomy in business and employment relationships, contracts must still comply with the Albanian Civil Code and Labour Code, ensuring that all agreements respect statutory rights and protections. This balance supports fair and legally binding agreements across sectors.

Priority of employment rights

In Albania, employment rights are prioritised under the Albanian Labour Code, which mandates protections for fair wages, non-discrimination, safe working conditions, and regulated working hours. The Labour Code emphasises the right to fair treatment, and any employment agreements must comply with statutory protections. Additionally, employee rights take precedence over contractual terms when conflicts arise, ensuring minimum standards cannot be waived or undermined by private agreements.

Employment contracts

Employment contracts in Albania are governed by the Albanian Labour Code, which outlines essential terms and conditions of employment under Articles 12 to 14. These contracts can be either for a fixed or indefinite period and must include clear provisions regarding job duties, compensation, working hours, and termination clauses. Articles 21 and 22 mandate written agreements for clarity and enforceability, while also providing that all contract terms comply with minimum standards set by labour legislation, ensuring protections for both employer and employee. Any amendments to an employment contract require mutual consent in writing, as per Article 23.

Working hours

Under the Albanian Labour Code, specifically Articles 83-89, standard working hours are set at 40 hours per week, with a typical daily limit of eight hours. Any extension beyond these hours is considered overtime, which requires either employee consent or collective agreement and must be compensated at a higher rate. Additionally, the Code mandates a minimum rest period of 11

consecutive hours between shifts and one full day off per week, generally on Sunday. Night work and shift work are regulated, with specific protections in place to ensure worker health and safety.

Leave entitlements

In Albania, leave entitlements are governed by Articles 92-101 of the Labour Code, which ensures employees receive a minimum of four weeks of paid annual leave per year, exclusive of public holidays. Paid leave is calculated based on the employee's seniority and work schedule, with adjustments for certain sectors or roles requiring irregular hours. The Code also provides for additional leave types, including maternity leave (365 days, with at least 35 days pre-birth) and paid sick leave, which is calculated per illness and governed by relevant social security regulations. Further, employees may request unpaid leave for specific personal or family matters.

Termination of employment

Termination of employment in Albania is regulated under Articles 141-148 of the Labour Code, outlining both employer and employee obligations. Employers may terminate contracts with just cause or due to economic or operational needs, but must follow specific notice requirements and provide valid reasons to avoid wrongful dismissal claims. Employees also have rights to challenge unjust dismissals through labour courts, with protections against termination based on discrimination or retaliation. Additionally, the Code requires severance pay in cases of redundancy, calculated based on the employee's years of service.

Health and safety

Health and safety in the workplace in Albania are governed primarily by the Labour Code and Law No. 10237, dated 18.02.2010. Employers must secure a permit from the Labour Inspectorate prior to beginning operations, establishing new workplaces, or implementing substantial changes in the work environment. Under this framework, employers are responsible for training employees on safety protocols, hiring qualified personnel for machinery-intensive roles, and monitoring workplace hygiene to prevent accidents and occupational illnesses. Additionally, Decision No. 207 emphasises heightened safety standards in high-risk fields such as construction and electricity, while Decision No. 461 mandates a workplace register for accidents and occupational illnesses.

Discrimination and equal treatment

Albanian legislation explicitly protects against employment discrimination, ensuring equal treatment irrespective of race, color, sex, age, religion, political beliefs, nationality, or social origin. Article 9 of the Labour Code strictly prohibits any form of professional discrimination, while Article 32(3) bans sexual harassment in the workplace, further supported by Law No. 9970 on Gender Equality. Employers are also mandated under Article 32 to safeguard the dignity of employees, preventing any relationships that could compromise personal respect and integrity within the employment setting.

Collective bargaining

In Albania, collective bargaining agreements are legally recognised under the Labour Code as a mechanism to regulate terms and conditions of employment through negotiation between employers and employee representatives. Article 162 of the Labour Code emphasises that such agreements can cover aspects like working hours, wages, and conditions of work, providing a framework for employment rights and duties. These agreements are binding, enforceable, and serve to foster cooperative relations, ensuring that employee rights are upheld in alignment with national labour standards. Notice period

Native Teams

Under Article 143 of the Albanian Labour Code, employees are entitled to specific notice periods upon termination, which vary according to length of service. These include a two-week notice for employment up to six months, one month for six months to two years, two months for two to five years, and three months for service beyond five years. These statutory notice periods are mandatory and cannot be shortened through written agreements, ensuring employees have fair transition time upon contract termination.

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Severance pay

In Albania, severance pay is regulated under the Labour Code for cases of unjustified termination. Employees dismissed without cause may be entitled to severance compensation, determined by the court based on the employment duration and circumstances of termination. Additionally, severance pay provisions may apply where an employer terminates employment during economic restructuring or workforce reduction. This ensures financial assistance to affected employees, offering transitional support in line with Albania's commitment to fair employment practices.

Employment of foreigners

The hiring of foreign nationals in Albania is governed by specific provisions under the Labour Code and immigration laws. Work permits are typically issued for the duration of an employment contract, up to 12 months, and are renewable. Foreign nationals from select countries, including the EEA, US, and several Balkan states, may qualify for a Certificate of Exemption, allowing them to work without a permit indefinitely. Residence permits for foreign workers range from short-term permits of three to six months, to longer-term permits of up to five years, with eligibility for a permanent residence permit after five years of continuous residence.

Native Teams monthly payroll and invoicing cycle

Salary payment date: The exact pay day is usually stipulated in the employment contract or enterprise agreement. It is common for salaries to be paid at the end of the pay period, such as the last working day of the week or fortnight.

Salary input: According to Native Teams company policy, monthly inputs must be submitted to Native Teams by the __th of each month. This deadline may vary slightly based on business days and public holidays.

Invoicing deadlines: According to our company policy, invoices are sent on the ___th of each month. This deadline may vary slightly based on business days and public holidays.

Payslips: Payslips are shared on an employee's account on Native Teams platform on or after the salary payment.

Total employment cost

Native Teams

The user pays the total cost of the salary, including Native Teams fee and any differences that may arise due to exchange rates or late inputs between the invoice date and the final calculation date.

The total cost consists of:

Gross salary: Includes net salary + employee's contributions.

Net salary: The amount paid to the employee's bank account.

Employee's contributions: Taxes and social security contributions deducted from the employee's salary and paid by the employer to the Government and Tax Authorities.

Employer's contributions: Taxes and social security contributions paid by the employer to the Government and Tax Authorities, in addition to the gross salary.

In summary, the total cost paid by the user includes the net salary, employee's contributions, and employer's contributions.

Minimum wage

As per the Albanian Labour Code, the minimum wage is determined by the Council of Ministers and serves as a baseline standard for all employment agreements in the country. In 2024, the minimum wage in Albania is set at ALL 40,000 per month, ensuring a minimum compensation for regular working hours across all sectors. Employers are required to comply with this minimum rate, and any contracts stipulating lower wages are deemed non-compliant under Albanian law. Adjustments to the minimum wage are periodically reviewed to reflect economic conditions, providing essential income protection for workers.

Pay increases

Pay increases in Albania are generally not mandated by the Labour Code but can be regulated through collective agreements or employment contracts. Employers and employees may negotiate pay adjustments based on performance, inflation, or tenure, though these terms should be explicitly stated in employment agreements. For public sector employees, pay adjustments are often guided by government decisions to align salaries with economic shifts. Regular wage reviews, while not obligatory under the Labour Code, are commonly incorporated within larger companies or through collective bargaining agreements to ensure fair remuneration practices.

Reduction of wages

According to the Albanian Labour Code (Law No. 7961, as amended), any reduction in an employee's pay must be conducted within strict legal parameters. Article 21 specifically mandates that salary reductions are only permissible with written agreement from both parties, except in cases explicitly provided by law or collective bargaining agreements. The reduction cannot bring the wage below the national minimum wage threshold set by the Council of Ministers. If the reduction is due to financial difficulties, employers must provide documented evidence and follow a transparent consultation process. Moreover, Article 137 requires employers to give advance notice of any wage modification, with the notice period varying based on the employee's length of service, ranging from two weeks to one month.

Social security and benefits

Social security in Albania is governed primarily by Law No. 7703 "On Social Insurance" and Article 138 of the Labour Code. The comprehensive system mandates compulsory participation by all economically active individuals, with contributions shared between employers (15%) and employees (9.5%). The scheme provides coverage for old age, disability, survivor's benefits, maternity, temporary incapacity, employment injuries, and occupational diseases. Specifically, Law No. 7703

Article 27 establishes that maternity benefits extend to 365 calendar days, including a minimum of 35 days before and 42 days after childbirth, with benefits calculated at 80% of the average daily wage. For employment injuries, the law guarantees compensation of up to 80% of the average wage for the first three months and medical treatment coverage, as stipulated in Article 42 of the social insurance law.

Remote work

Remote work in Argentina is gaining traction, driven by a growing tech sector and flexible Labour laws. While the government supports remote work through regulations like the Teleworking Law 27.555, employers must comply with specific requirements such as providing work equipment and ensuring employees' right to disconnect. Despite a relatively strong internet infrastructure in urban areas, employers may face connectivity challenges in rural regions. Emphasizing clear contracts and communication can ensure smooth remote operations in the country.

Harassment and bullying

Harassment and bullying in the workplace are prohibited in Argentina under its Labour Contract Law and Anti-Discrimination Law, which mandate a safe work environment free from any form of abuse or intimidation. Employers are required to implement policies that prevent workplace harassment, provide training, and address grievances promptly. Failure to address such issues can result in legal liability, including compensation claims or penalties. Ensuring a clear anti-harassment policy and providing channels for reporting misconduct are crucial for compliance and maintaining a respectful workplace.

Labour Laws

Legal Framework

The Albanian legal framework for employment is rooted in national labour codes and various supplementary regulations, designed to protect worker rights while ensuring that businesses can operate efficiently. The Albanian Constitution, through Article 49(1), establishes employment as a fundamental right, guaranteeing citizens the freedom to choose their profession and means of earning a livelihood through lawful work. This constitutional protection extends to professional development and vocational training opportunities.

The Labour Code of 1995, amended by Law No. 8085 (March 13, 1996) and Law No. 9125 (July 29, 2003), serves as the cornerstone of employment regulation in Albania. This code establishes the fundamental principles governing employment relationships and provides the regulatory framework for both individual and collective labour agreements.

The Albanian employment law system follows a clear hierarchical structure:

- Constitutional provisions
- Ratified international conventions
- Labour Code and associated regulations
- Collective employment agreements
- Individual employment contracts

- Employer internal regulations
- Local and occupational customs

Employment relationships in Albania are primarily governed through contractual mechanisms. The Labour Code recognises two main types of employment agreements:

- Individual labour agreements between employer and employee.
- Collective labour agreements covering broader employment conditions.

Key areas of regulation include:

- Employment contracts: Employment relationships in Albania are generally formalized through written contracts, detailing the terms and conditions of work. The law mandates that contracts specify working hours, wages, duties, and leave entitlements, ensuring transparency for both parties.
- Working hours: The standard working week in Albania is 40 hours, and the law regulates overtime, requiring employers to compensate employees for additional hours worked. There are provisions for rest periods, night work, and specific protections for vulnerable categories, such as minors and pregnant women.
- Minimum wage: Wages in Albania are regulated by the government through minimum wage laws, which guarantee a baseline of earnings for all employees. This ensures that workers receive fair compensation for their labour, with adjustments made periodically to reflect economic conditions.
- Leave entitlements: Employees are entitled to annual leave, sick leave, maternity leave, and public holidays as per the legal framework. Public holidays are governed by specific regulations, ensuring employees' rights to rest and compensation during these days.

Key acts and regulations that form the employment law framework

- Labour Code of the Republic of Albania: This is the central legal framework governing employment relationships in Albania. It sets forth provisions regarding employment contracts, wages, working hours, termination, and employee rights. Significant amendments have been made to align the Code with European Union directives.
- Law on Safety and Health at Work (No. 10237/2010): This law sets out the obligations of employers to ensure safe working conditions and regulate workplace health and safety standards. It applies specifically to industries like construction and mining, where risk levels are high.
- Law on Social Insurance (No. 7703/1993): This law governs Albania's social security system, requiring employers to contribute to pension funds, health insurance, and unemployment benefits. Employers who fail to comply with these contribution requirements face penalties.
- Law on Employment Promotion (No. 7995/1995): This statute focuses on active Labour market policies, including job placement, vocational training, and promotion of employment for vulnerable groups. It works alongside the Labour Code to encourage employment opportunities and regulate unemployment benefits.
- Law on Gender Equality in Society (No. 9970/2008): This law strengthens the protections against gender discrimination in the workplace. Together with the Labour Code, it ensures equal pay for equal work and addresses discriminatory hiring practices.
- Law on Trade Unions (No. 7516/1991): This legislation grants employees the right to form and join trade unions, promoting collective bargaining for better working conditions and wages.

The more intricate aspects of Albania's employment law framework involve advanced procedural requirements, specific statutes, and case law that interpret these regulations.

- Termination procedures and severance pay: The Labour Code establishes procedural safeguards for employees facing termination. For economic layoffs, severance pay is mandatory for employees with at least five years of service, in accordance with Article 143 of the Labour Code. Failure to adhere to these procedures can result in penalties or employer liability. Courts in Albania have enforced these rules strictly, often ruling in favor of employees in cases of wrongful dismissal.
- Collective bargaining and trade unions: Albania's Law on Trade Unions guarantees workers' rights to form unions and engage in collective bargaining. Article 174 of the Labour Code ensures that collective bargaining agreements (CBAs) prevail over individual contracts when they provide better terms for employees. The law protects workers from employer retaliation for participating in trade union activities.
- Labour inspection and enforcement: The State Labour Inspectorate is tasked with overseeing compliance with employment laws. The Labour Inspectorate, governed by the Labour Code and the Law on Safety and Health at Work, has the authority to conduct workplace inspections, impose penalties, and provide recommendations. Their oversight ensures that employers maintain safe working environments and comply with wage regulations.
- Social security contributions and pension schemes: Employers are required by law to contribute to the Social Insurance Institute, which manages pension funds, health insurance, and unemployment benefits. Under the Law on Social Insurance, the contribution rate is established by the government, and penalties apply for late payments. Employees who fail to receive these benefits due to employer non-compliance can take legal action.
- Judicial recourse and mediation: Employment disputes in Albania can be resolved through judicial recourse in civil courts. Under the Labour Code, employees have the right to challenge unlawful dismissal, wage discrimination, and other violations of employment law. Courts have consistently ruled in favor of employees in cases where employers failed to provide written notice or did not justify termination. Mediation is also available as an alternative dispute resolution mechanism, helping parties reach settlements before court proceedings.

Employment Contract

Types of employment contract

Employment contracts in Albania are a critical component of the legal framework governing Labour relations. These are designed to provide flexibility in the employment relationship while protecting employees' rights and ensuring compliance with legal standards. Employment contracts in Albania are categorized into two main groups: individual employment contracts and collective employment contracts. Each serves a distinct function within the employment relationship and provides for different rights and obligations.

1. Collective employment contracts: Collective contracts are agreements between one or more employers and employee unions. These contracts govern the employment terms for a large group of

employees, often focusing on industry-wide issues such as wages, working hours, benefits, and dispute resolution. Collective contracts, regulated under the Albanian Labour Code, are usually the result of negotiations between trade unions and employer associations.

2. Individual employment contracts: Individual employment contracts are the most common type of employment contract in Albania and are signed directly between the employer and employee. These contracts outline specific terms such as the type of work, duration, and remuneration. The Labour Code allows for various forms of individual contracts to cater to the different needs of the workforce. The primary types of individual employment contracts include:

Part-time employment contracts: These contracts apply when the employee agrees to work fewer hours than the standard full-time arrangement. Employees under part-time contracts retain the same rights as full-time employees, including leave entitlements and access to social benefits, with pro-rata adjustments for working hours.

Work-from-home employment contracts: Employees under these contracts work from home or other remote locations as agreed upon with the employer. The contract must outline specific working conditions and expectations, particularly regarding the use of equipment and communication channels.

Teleworking employment contracts: These are similar to work-from-home agreements but involve a more formalized arrangement where employees work remotely, utilizing information and communication technology. Teleworking contracts specify the technological tools required and often include provisions for data security and confidentiality.

Indefinite-term employment contracts: These contracts do not have a predetermined end date. Indefinite-term contracts are terminated only when specific legal conditions are met, and strict procedural requirements, such as notice periods and justifications, must be observed.

Fixed-term employment contracts: These contracts are set for a specific period, which must be clearly stated in the agreement. According to the Labour Code, if a fixed-term contract is renewed more than three times consecutively, it automatically converts into an indefinite-term contract.

Commercial agent agreements: These are specialized contracts used for employees who act as commercial agents, facilitating business on behalf of their employer.

Apprenticeship agreements: These agreements are concluded between a teaching master and an apprentice who is learning a trade or profession. The contract focuses on skill acquisition and training.

Voluntary work agreements: These contracts apply to volunteers working within non-profit organisations. Although volunteers are not entitled to a salary, they may receive other benefits as specified in the agreement.

Internship agreements for students: These are temporary contracts designed for students who wish to gain work experience in their chosen field. Internship agreements must detail the terms of training and duration.

Temporary employment through agencies: Temporary employment contracts are facilitated by employment agencies that place workers in short-term roles. The Labour Code regulates these contracts to ensure that temporary workers receive the same protections as permanent employees.

The most common types of individual employment contracts include indefinite-term contracts, fixed-term contracts, part-time employment contracts, and various forms of remote working arrangements. Each type serves specific employment needs while maintaining worker protections under Albanian law. The various types of contracts are as follows:

1. Standard employment arrangements

- Indefinite-term employment contracts: Indefinite-term contracts represent the most stable form of employment under Albanian law. These contracts continue indefinitely until terminated through specific legal procedures. Termination requires strict adherence to established criteria and procedures, providing significant job security for employees. Employers must demonstrate valid grounds for termination and follow proper notice periods as prescribed by law.
- Fixed-term employment contracts: Fixed-term contracts specify a predetermined duration of employment. A crucial legal provision stipulates that if a yearly fixed-term contract is renewed more than three consecutive times, the final contract automatically converts to an indefinite-term agreement. This provision prevents the misuse of fixed-term contracts to avoid permanent employment obligations.

2. Flexible working arrangements

- Part-time employment contracts: Part-time employment contracts accommodate reduced working hours while maintaining proportional rights and benefits. These contracts must explicitly state the agreed working hours, which may be structured as hourly or half-workday arrangements. Albanian law mandates that part-time employees receive equal treatment in terms of rights and benefits, proportional to their working hours.

3. Remote working arrangements

- Work-from-home employment contracts: These contracts specifically address employment relationships where work is conducted from the employee's residence or other agreed-upon remote locations. The contract must clearly define workplace conditions, equipment provisions, and communication protocols.
- Teleworking employment contracts: Teleworking agreements incorporate specific provisions regarding technology use and technical requirements. These contracts must detail:
 - Technology specifications and requirements
 - Working hours and availability expectations
 - Data security protocols
 - Equipment maintenance responsibilities

4. Specialized employment agreements

- Commercial agent agreements: These specialized contracts govern relationships where individuals represent businesses in commercial transactions. They include specific provisions regarding:
 - Commission structures
 - Territory assignments
 - Performance metrics
 - Client relationship management

5. Professional Development Contracts

- Agreements for acquiring specific professions: These contracts formalize apprenticeship-style relationships between teaching masters and individuals pursuing professional qualifications. They must specify:

- Training objectives
- Duration of instruction
- Practical experience requirements
- Assessment criteria

- Internship agreements: Student internship contracts focus on educational development while providing practical work experience. These agreements must balance educational objectives with Labour law requirements.

- Voluntary work agreements: Applicable exclusively to non-profit activities, these contracts must clearly distinguish between voluntary service and employment relationships, ensuring compliance with relevant regulations while maintaining the voluntary nature of the work.

- Temporary employment agency contracts: These tripartite arrangements involve the temporary employment agency, the worker and the client company.

The contracts must specify:

- Duration of placement
- Role responsibilities
- Payment terms
- Agency obligations

6. Collective contracts

Collective contracts represent agreements between:

- Single or multiple employers
- Employee unions or representative bodies

These agreements typically address the industry-wide working conditions, minimum wage standards, benefits packages, dispute resolution procedures, workplace safety standards, etc.

Content of an employment contract

Article 21 of the Albanian Labour Code specifically outlines the mandatory elements and formalities that must be included in an employment contract, ensuring that all essential employment terms are documented. Employment contracts in Albania are required to be in writing to ensure that the obligations and rights of both parties are transparent and legally enforceable. Article 21 of the Labour Code specifies that written contracts must include essential information about the employment relationship, from job description to remuneration and working conditions.

Written form and agreement: Employment contracts must be entered into in writing and may be modified in writing if both parties mutually agree. The written requirement ensures that all terms are explicitly stated and protects the rights of both the employer and employee. A contract is deemed concluded once the employee agrees to perform services or work under the direction of the employer and in exchange for payment.

Mandatory contractual elements: Article 21 mandates that certain elements must be included in every employment contract.

These elements ensure the contract's legality and enforceability and include:

- Identification of the parties: Details of both the employer and employee.
- Workplace: The designated location where the employee is required to work.
- Job description: A general outline of the employee's duties and responsibilities.
- Start date: The agreed date when the employee will commence work.
- Contract duration: The contract must specify whether it is for a definite or indefinite period. Fixed-term contracts must clearly state the agreed term.
- Paid leave: Information on the duration and entitlements to paid vacations.
- Termination notice period: The required notice period for contract termination, as per statutory or agreed terms.
- Salary details: Information on the salary components and payment schedule.
- Working hours: Normal weekly working hours, generally set to a standard limit.
- Collective agreement reference: Where applicable, a reference to the collective agreement in force.
- Probationary period: Terms of any probation period, including duration and evaluation criteria.
- Disciplinary measures: Types and procedures for disciplinary actions, if not covered under a collective agreement.

The Albanian Labour Code establishes detailed requirements and conditions that employment contracts must meet to ensure enforceability and protect both parties' rights. These advanced elements are intended to address more specific employment scenarios and provide additional protection in special circumstances.

- Mutual agreement on contract changes: Article 21(1) requires that any modifications to an employment contract be made in writing and agreed upon by both parties. This provision protects employees from unilateral changes imposed by employers and ensures that significant changes, such as alterations to job roles or working conditions, require employee consent. Employers must document all contract modifications to avoid future disputes, as courts require written evidence of any agreed-upon changes.
- Justification for verbal contracts in special cases: While employment contracts must typically be in writing, Article 21(4) allows for exceptions in special and justifiable cases. If the employment begins without a formal written contract, the employer is required to formalize the contract within seven days from the start of employment. This provision ensures that employees are not left without a written agreement for extended periods, even in unforeseen circumstances. It emphasises the obligation of employers to complete the contractual documentation promptly.
- Requirements for overseas employment: Article 21(5) outlines additional contractual requirements for employees required to work abroad. Before the assignment, employers must obtain the employee's consent and provide a written document detailing specific terms related to the international employment arrangement. This document must cover the expected duration of the assignment, currency of payment, cash or in-kind benefits, and conditions for repatriation. By mandating these provisions, Albanian law ensures that employees working abroad are fully informed of their terms of employment and protected under applicable laws. The law protects employees' rights in international assignments by providing transparent terms for such agreements.
- Cross-referencing with legal provisions: To ensure compliance with national labour laws, contracts may refer to the Labour Code or Council of Ministers' decisions for specific terms. As per Article 21(6), certain terms like paid vacation duration, notice periods, and salary elements may be referenced through these legal provisions or a collective contract, where applicable. This provision

offers flexibility and allows employers to align contract terms with evolving legal standards without needing frequent updates to the employment contract. This is particularly useful for long-term contracts, where laws or collective agreements may be updated over time.

- Legal precedents and compliance: The Albanian legal system supports the enforcement of employment contracts by referencing case law that underscores compliance with the Labour Code's provisions. Courts in Albania have ruled on various cases involving contract disputes, particularly those related to termination procedures and unpaid benefits. These rulings highlight the importance of adhering to Article 21 requirements, as non-compliance can result in legal consequences for employers, such as mandatory compensation or reinstatement of employees. By following the Labour Code's stipulations, employers and employees can reduce the risk of disputes and legal challenges.
- Probationary periods and disciplinary measures: Under Article 21, employment contracts may include provisions for probationary periods and disciplinary measures. Probationary terms must be explicitly stated, including duration and criteria for assessment. Disciplinary measures, which are often addressed in collective agreements, must be detailed in the contract if no such agreement is in place. This ensures that employees are aware of the standards of conduct and potential consequences for violations, and it gives employers a clear framework for enforcing discipline.
- Contract termination and severance obligations: Albanian law requires specific procedures for terminating employment contracts, whether they are fixed-term or indefinite-term. Termination procedures must comply with statutory notice periods, which vary depending on the employee's length of service. Employers are obligated to provide a reason for termination, particularly for indefinite-term contracts, and failure to observe these procedures may result in penalties or legal recourse for the employee. Severance pay, where applicable, must be calculated according to the Labour Code, collective agreements, or individual contract terms.

Oral, written, or electronic employment contracts

The Albanian legal framework governing employment contracts is primarily regulated by the Labour Code of the Republic of Albania (Law No. 7961, dated 12.07.1995, as amended) and associated legislation. The Albanian Labour Code recognises the validity of employment contracts in three distinct forms. Article 21 of the Labour Code establishes that employment contracts may be concluded orally, in writing, or through electronic means. While all three forms are legally recognised, the Code imposes specific requirements and limitations on each type to ensure legal compliance and protect parties' rights.

Written contracts

Written contracts represent the most common and recommended form of employment agreement in Albania. The Labour Code mandates that certain essential elements must be included in written employment contracts, including:

- Identity of the parties
- Workplace location
- Job position and description
- Starting date of employment
- Duration of the contract (for fixed-term contracts)
- Basic salary and payment schedule

- Weekly working hours
- Annual paid leave entitlement.

Oral contracts

While oral contracts are legally recognised, their scope is significantly restricted. An oral contract is deemed valid only for periodic work not exceeding one week's duration. After seven days, employers must formalize the relationship through a written contract, as stipulated by Article 21(4) of the Labour Code.

Electronic contracts

Electronic employment contracts have gained legal recognition through amendments to the Labour Code, reflecting technological advancements in business practices. These contracts must comply with Law No. 10273 "On Electronic Document" and maintain all essential elements required for written contracts. Electronic contracts are considered valid if they meet the standard contractual requirements and bear an electronic signature.

These contracts provide convenience and flexibility, especially for remote work arrangements, and are governed under the same statutory protections as written contracts. However, electronic contracts must meet specific criteria for authenticity and security, as set forth in the Law on Electronic Signatures, ensuring the identity and intent of the signing parties.

Legal recognition and requirements for oral contracts

Although legally valid, oral contracts are limited to short-term employment situations due to the difficulty in documenting and proving their terms. According to the Labour Code, if an employment relationship based on an oral agreement extends beyond a brief period, the employer is obligated to formalize it in writing.

The absence of a written document in extended oral agreements can lead to ambiguities, particularly in disputes over payment, termination, and work conditions. In such cases, courts may rely on witness testimonies and other forms of evidence to establish the contract's terms, placing an additional burden on the employee and employer to demonstrate the contract's existence and conditions.

Written contract elements and amendments

The formation of written employment contracts in Albania is governed by specific procedural requirements under Article 21 of the Labour Code. Written contracts are comprehensive agreements that outline the rights, duties, and expectations of both parties. Article 21 of the Labour Code mandates specific elements to be included, such as the employment duration, workplace, job description, and salary details. For indefinite-term employment, written contracts ensure that both parties are protected under the Labour Code's extensive provisions for notice periods, severance pay, and termination procedures.

The contract must be signed by both parties, with each retaining an original copy. Notable considerations include:

- Language requirements: Contracts must be drafted in Albanian. For international employment relationships, a bilingual version is permitted, with the Albanian version prevailing in case of disputes.
- Modification procedures: Any subsequent modifications to employment terms must be documented through written amendments, signed by both parties. Unilateral modifications are generally prohibited unless specifically permitted by law.
- Registration requirements: Employers must register employment contracts with the Regional Labour Office within 24 hours of contract execution.

Electronic contract specifications

Electronic contracts have gained prominence with the increase in remote and digital work arrangements. The Law on Electronic Signatures validates electronic contracts if they include an authenticated electronic signature, which serves as proof of identity and intent, ensuring enforceability. According to the Labour Code, electronic contracts must still include all mandatory elements outlined in Article 21, similar to written contracts. In case of a dispute, an electronic contract's authenticity is determined by the validity of the electronic signature and compliance with data protection laws. Additionally, the Law on Electronic Documents and Trusted Services outlines the technical requirements for secure digital transactions, including data encryption and protection standards. Employers opting for electronic contracts are advised to use secure platforms and trusted third-party verification services to ensure compliance with these legal standards.

Electronic employment contracts must satisfy additional technical and legal requirements:

- Electronic contracts must incorporate qualified electronic signatures that comply with Law No. 9880 "On Electronic Signature."
- Employers must implement appropriate technical measures to ensure: document integrity, authentication of parties, time stamping, and secure storage and accessibility.
- Electronic contracts must include mechanisms for verifying: the identity of signing parties, the time and date of execution, and the completeness of contract terms.

For employment contracts involving international assignments, Albanian law mandates that the employment agreement be formalized in writing or electronic form, detailing the duration, remuneration, and additional benefits related to overseas employment. If the assignment exceeds one month, the employer is required to obtain the employee's consent and provide a comprehensive written document specifying the conditions of employment abroad, including the type of currency for remuneration, in-kind benefits, and repatriation conditions.

Dispute resolution framework

Employment contract disputes in Albania follow a structured resolution process:

- Primary jurisdiction: Labour disputes fall under the jurisdiction of the Court of First Instance, Civil Division.

- Mediation requirement: Prior to court proceedings, parties must attempt resolution through the State Labour Mediation Office.
- Statute of limitations: Claims relating to employment contracts must be filed within three years of the alleged breach, as per Article 203 of the Labour Code.

Key Requirements

Working Hours

The Albanian Labour Code and relevant amendments outline maximum limits on daily and weekly work hours, as well as specific rules for overtime, particularly for vulnerable workers. The Labour Code of Albania sets forth foundational rules on daily and weekly work durations, permissible overtime, and mandatory rest periods, all crafted to protect employee welfare while meeting industry requirements.

Standard daily and weekly working hours

- Daily hours: According to Article 78 of the Labour Code, the standard daily work duration is limited to eight hours. Employers and employees can establish precise schedules within this framework through individual or collective agreements, but eight hours per day remains the legally recognised norm.
- Weekly hours: Article 83 defines the maximum standard workweek as 40 hours, typically divided across five days. Public sector employees commonly work from 8 a.m. to 4:30 p.m. Monday to Thursday and 8 a.m. to 2 p.m. on Friday. Private sector employers enjoy greater flexibility in scheduling, though they must operate within the established forty-hour weekly framework. Employers may implement various scheduling arrangements through collective or individual agreements, provided they maintain compliance with the basic working hour limitations.

Breaks and rest periods

The law mandates specific breaks based on the number of hours worked in a single shift, underscoring the importance of rest during the workday. Employees working more than six hours continuously are entitled to an unpaid break of at least 20 minutes, which must be granted after the third hour but before the end of the sixth hour.

For longer shifts lasting nine hours or more, employees receive an additional 20-minute break, highlighting Albania's emphasis on preventing worker fatigue. Pregnant employees receive enhanced protections, including a 30-minute rest every three hours, acknowledging their unique health needs and ensuring a safe work environment.

Overtime definition and compensation

Overtime is defined in Article 88 as any hours worked beyond the standard daily (eight hours) or weekly (40 hours) limits. For part-time employees, "additional hours" refers to any work beyond their standard part-time schedule. Overtime in Albanian Labour law is precisely defined as work performed beyond the standard eight daily hours or forty weekly hours. The system implements a sophisticated set of limitations and controls, including an annual cap of 200 overtime hours. This cap serves as a primary safeguard against excessive work demands while providing businesses with sufficient flexibility to address operational needs.

The law establishes a maximum weekly limit of forty-eight hours, including overtime, when averaged over a four-month period. However, recognising business realities, provisions exist for exceptional circumstances where additional hours may be necessary. Such situations require specific authorization from the Labour Inspectorate and must be justified by extraordinary conditions such as natural disasters, emergencies, or essential public interest work.

Article 91 mandates that overtime compensation includes regular wages plus an additional 25% for hours worked beyond the standard work schedule unless otherwise stipulated in a collective contract. Overtime on official holidays and weekends requires a premium rate of at least 50% above regular wages, either through added pay or equivalent leave.

Albanian law on working hours and overtime is designed to strike a balance between industry needs and worker rights, with comprehensive rules addressing maximum allowable overtime, special protections for vulnerable employees, and conditions for exceeding standard work hours in exceptional circumstances.

Maximum weekly hours and permissible overtime

Article 83 of the Labour Code strictly limits standard weekly working hours to 40, ensuring employees' right to adequate rest and personal time. Employers may negotiate alternative arrangements within collective agreements or individual contracts, but total weekly hours must not surpass the statutory limit of 40 hours.

Article 90 establishes a strict weekly overtime limitation. Employers cannot require additional hours once an employee has completed a 48-hour workweek. However, there is a notable exception: in rare, special circumstances, employers may extend work hours beyond 48 hours per week for a maximum of four months. During this period, the average weekly hours over the four-month duration must not exceed 48, ensuring that extended hours remain temporary and controlled.

Special regulations for additional hours

Article 89 emphasises that overtime requests must consider the personal and family circumstances of employees. This requirement ensures that employees' work-life balance is respected and that additional hours do not unduly impact their well-being.

In addition to the 200-hour annual cap on overtime, Article 90 restricts employers from exceeding this limit unless they receive special authorization from the Labour Inspectorate. This provision enforces compliance with the Labour Code's overtime policies, permitting additional hours only

under legitimate and exceptional conditions such as urgent work for the public good or force majeure.

The Council of Ministers retains the right to impose specific regulations on overtime for high-risk or health-hazardous jobs, reflecting a tailored approach to protect workers exposed to challenging work environments.

Enhanced protections for vulnerable workers

Albania's Labour Code provides distinct protections for groups particularly vulnerable to extended work hours. Article 90, paragraph 3/1, explicitly prohibits pregnant employees and new mothers (until the child reaches the age of one) from being required to work overtime, prioritizing their health and well-being. Pregnant employees and mothers with children under one year of age are entirely exempt from overtime, recognising the need for maternal health and child-rearing support. This provision enables a safer work environment that accommodates family responsibilities and health considerations.

Employees with disabilities are also protected from mandatory overtime if it could impact their health or well-being. Restrictions on overtime are imposed when justified by the individual's degree of disability and the nature of the work, acknowledging that physically demanding work may not be suitable for extended hours. This legal safeguard upholds the principle of reasonable accommodation and the right to work in a supportive, inclusive environment.

Youth workers under eighteen years of age receive special consideration under the law, with stricter limitations on working hours and absolute prohibitions on overtime and night work. These protections reflect Albania's commitment to safeguarding young workers while facilitating their integration into the workforce through educational accommodation and extended rest periods.

Procedures for authorization of extended overtime

Under exceptional circumstances, such as emergencies affecting public welfare or instances of force majeure, the Labour Inspectorate may authorize additional overtime hours beyond the statutory cap. This regulatory oversight ensures that any deviation from the standard limit is justified by critical needs rather than routine business operations. Employers seeking authorization must provide evidence of necessity, and the Labour Inspectorate assesses the situation to determine if extended hours are warranted.

Overtime compensation and wage calculations

Although Albania's Labour Code mandates that overtime work be compensated, specific wage calculations vary based on collective agreements and individual employment contracts. Employers are obligated to offer a higher pay rate for overtime hours, though specific percentages are often stipulated within the employment agreement or collective contracts.

For hours worked on weekends or official holidays, employees are entitled to either leave or additional pay that is at least 50% higher than their normal wages (Article 91, paragraph 3). This premium rate reflects the higher value placed on these non-standard working hours, aligning with practices that prioritise employee rest and observance of statutory holidays. Instead of overtime

pay, employers and employees may agree on compensatory leave, which must be 25% greater than the duration of the overtime hours worked. This leave is to be granted within two months of the additional work, except where otherwise stated in a collective agreement.

The Labour Code does not expressly permit working time banking, a system where employees accumulate overtime hours for later use as leave. Consequently, employers must pay employees for overtime rather than offer compensatory time, ensuring immediate compensation for additional work.

Labour inspectorate's role in oversight and compliance

The Labour Inspectorate is vested with authority under Law No. 9634 to oversee compliance with labour regulations, including the enforcement of working hour limits and overtime provisions. Inspectorate officials may conduct inspections to verify that employers are adhering to the Labour Code's requirements, including ensuring that vulnerable employees are not working beyond their capacity or statutory allowances.

In cases where an employer fails to comply, the Inspectorate is empowered to impose sanctions, mandating corrective actions and promoting fair labour practices. This oversight function plays a crucial role in maintaining adherence to labour laws and upholding workers' rights in Albania's employment sector.

Night Work

Albanian legislation has placed restrictions and provided guidance on work performed at night, recognising the potential health, safety, and social implications of night shifts. In Albania, night work is clearly defined and regulated by the Labour Code, which ensures that employees engaging in night work are provided specific protections and rights. This section will address the core aspects of the law regarding the definition of night work, work shifts, and duration limitations.

Definition of night work and work shifts

- Work shifts: Article 79/1, introduced through Law No.136/2015, identifies work at night within the context of shift work. This is when employees occupy the same roles consecutively in a predetermined order, either over several days or weeks. This structure allows for round-the-clock operation while distributing workloads and non-standard hours among a group of workers.
- Night work: Article 80 of the Labour Code (amended by Law No.136/2015) defines night work as tasks performed between 10:00 PM and 6:00 AM. This distinction establishes a legally recognised period during which different rules and protections apply to employees working during these hours.

Duration of night work

- Daily limits: Under Article 80(2), employees assigned to night work may not exceed an eight-hour work period during the night shift. This rule includes work performed immediately before or after night hours, reinforcing that the workday for night workers is limited to protect their health and

well-being. Moreover, this limit mandates uninterrupted rest either directly before or after the night shift.

- Inclusion in collective agreements: While the Labour Code provides the baseline regulations, the specific details of night work hours and compensation may be further defined in individual or collective employment contracts, granting flexibility for adjustments that meet industry-specific needs.

Categories of night workers

The Labour Code identifies an employee as a night worker if they perform at least three hours of their work within the designated night period (Article 80(3)). Alternatively, if an employee works a significant part of their annual working hours at night, they are likewise considered a night worker. This classification is critical, as it aligns the employees' work schedule with the benefits and protections reserved for night workers.

The Albanian Labour Code contains comprehensive regulations for managing night work, addressing the physical, psychological, and social challenges associated with working during night hours. These advanced provisions emphasise Albania's focus on worker health and safety while accommodating necessary workforce flexibility.

Health and safety considerations for night workers

Night work carries inherent risks due to disruptions to the circadian rhythm, sleep disturbances, and potential health concerns. Albanian law mitigates these risks by imposing an eight-hour cap on the duration of night work without interruption, ensuring employees receive adequate rest. Additionally, employers are required to provide night workers with access to health and wellness services as part of the occupational health standards mandated by the Labour Code.

Night work must be paired with daily rest, either immediately preceding or following the night shift. This requirement aligns with European best practices, which emphasise mandatory rest periods to prevent fatigue and reduce accident risks associated with continuous night work.

Exemptions and special protections for specific groups

Article 80(4) of the Labour Code allows for specific exemptions from night work for particular groups of employees. These exclusions aim to protect employees who may be particularly vulnerable to the adverse effects of night work, such as those with health conditions or those with specific family obligations.

Regulations for Vulnerable Employees: While not detailed within the code, special laws may specify further categories of employees who are exempt from night work requirements. This flexibility allows legislators to respond to emerging health studies or demographic changes and update exclusions for at-risk groups as necessary.

Compensation and benefits for night workers

To account for the challenges associated with working night hours, the Labour Code and collective agreements often provide for enhanced compensation for night workers. This may include higher pay rates for night shifts compared to standard daytime work, though these rates are generally defined in collective or individual agreements. Such provisions ensure that night workers receive fair compensation for the additional strains and health risks associated with their schedules.

Employer obligations in monitoring night work conditions

Employers have an obligation to ensure that working conditions for night workers comply with health and safety standards. This involves evaluating the health impacts of night shifts, implementing measures to address employee fatigue, and scheduling night shifts to minimize disruptions to employee well-being. Employers may be held accountable for any violations of these standards, reinforcing the necessity of compliance with labour regulations.

Regulation Enforcement by Labour Inspectorate: The Labour Inspectorate is tasked with enforcing compliance with night work standards, conducting inspections to verify adherence to health and safety requirements. This oversight authority also ensures that exemptions for specific categories of employees are properly respected and that night workers receive adequate compensation and benefits.

Legal recourse and remedies for non-compliance

Employees who experience non-compliance with the Labour Code's night work provisions may seek remedies through the Labour Inspectorate or the courts.

Potential claims include failure to provide required rest periods, excessive night hours, or inadequate compensation for night work. In such cases, judicial precedent in Albania has upheld workers' rights where employers failed to comply with statutory provisions on night work, reflecting Albania's dedication to fair and safe labour practices.

Breaks and types of leaves

In Albania, employment law outlines a series of regulations to ensure that workers receive adequate breaks, rest periods, and leave entitlements. In the Albanian employment landscape, breaks and leave entitlements are clearly defined within the Labour Code. This section covers essential aspects of the daily and weekly rest periods, as well as a basic outline of various leave entitlements mandated by law.

- **Daily rest periods:** Article 78 of the Labour Code mandates a minimum daily rest period of at least 11 hours without interruption. This ensures that employees are given an extended period to recover from their daily duties, especially in cases requiring flexibility where the work might extend over two consecutive days.
- **Weekly rest periods:** According to Article 85, employees are entitled to a minimum weekly break of 36 consecutive hours, which must include at least 24 hours of uninterrupted rest, typically on Sunday. This provision aligns with the traditional structure of a five-day workweek, ensuring employees receive adequate recovery time at the end of each working week. While the weekly break

is not remunerated, exceptions and alterations to this entitlement may be outlined in the Decision of the Council of Ministers (DCM) or in collective agreements.

- Breaks during work hours: The starting and ending times of work hours, as well as daily break durations, are usually stipulated in the collective labour contract or individual employment agreement. This allows for flexibility while ensuring compliance with the guidelines established by the DCM. These breaks serve as a short period of respite within the workday to help employees recharge.

The Albanian leave system operates through multiple categories of entitlements, each serving distinct purposes and subject to specific regulatory requirements. The Labour Code provides the foundational framework for these entitlements, with additional regulations and administrative decisions providing detailed implementation guidance.

Annual leave forms the cornerstone of the Albanian leave system. Every employee is entitled to a minimum of four weeks (28 calendar days) of paid annual leave within each year of employment. This entitlement begins to accrue after six months of continuous employment with the same employer. The timing of annual leave must be coordinated between employer and employee, taking into account both workplace requirements and employee preferences.

Sick leave provisions ensure protection during periods of illness or injury. Employees are entitled to paid sick leave for up to 14 days per year when supported by appropriate medical documentation. Beyond this period, social security benefits may apply. The first 14 days are compensated by the employer at a rate of 80% of the average daily wage for the preceding three months.

Maternity leave represents a significant component of the Albanian leave system. Female employees are entitled to 365 calendar days of maternity leave, including a minimum of 35 days before birth and 63 days after birth. During this period, employees receive benefits through the social insurance system, with compensation levels varying based on employment history and contribution records.

Daily rest period implementation

The implementation of daily rest periods under Article 78(4) requires careful consideration of several factors. The provision's allowance for distribution across two consecutive days becomes particularly relevant in industries with irregular working patterns or shift work. When implementing such arrangements, employers must ensure that the total rest period maintains the minimum 11-hour requirement, even when split across days.

The Labour Code's provisions regarding daily rest must be interpreted in conjunction with regulations governing maximum working hours and overtime limitations. The interaction between these provisions creates a comprehensive framework that prevents excessive work periods while maintaining operational flexibility. Employers must maintain detailed records demonstrating compliance with these rest requirements, particularly in cases where rest periods are distributed across multiple days.

Break period regulations

Native Teams

The framework for break periods established under Article 79 operates through a hierarchical system of regulation. While the basic parameters are set by DCM decisions, the specific implementation occurs through contractual arrangements. This system allows for tailored solutions while maintaining minimum standards. The provision requires explicit documentation of both the timing and duration of breaks in either collective or individual agreements, ensuring clarity and enforceability.

Break periods must be structured to serve their intended purpose of providing genuine rest opportunities. The Labour Inspectorate has authority to examine break arrangements to ensure they meet both the letter and spirit of the law. Factors considered include the timing of breaks relative to work periods, accessibility of rest facilities, and whether employees can genuinely disconnect from work duties during designated break periods.

Weekly rest framework

The weekly rest provisions under Article 85 establish a sophisticated system of employee protection. The requirement for 36 total hours of rest, including 24 uninterrupted hours, creates a two-tier structure of protection. This framework ensures both sustained rest through the 24-hour uninterrupted period and additional flexibility in the distribution of the remaining 12 hours.

The designation of Sunday as the standard rest day reflects traditional practice but is subject to modification through proper regulatory channels. The DCM and collective agreements may establish alternative arrangements, particularly for industries requiring continuous operation. Such exceptions must maintain equivalent rest protections while accommodating necessary operational flexibility.

Enforcement and compliance

The Labour Inspectorate plays a crucial role in enforcing rest period requirements. Inspectors are empowered to examine work schedules, rest period arrangements, and relevant documentation to ensure compliance. Violations of rest period requirements may result in administrative penalties, with repeated or severe violations potentially leading to more significant sanctions.

Employers must maintain comprehensive records demonstrating compliance with rest period requirements. This includes documentation of daily rest periods, break schedules, and weekly rest arrangements. The records must be sufficient to demonstrate both the scheduling of required rest periods and their actual implementation.

The regulatory framework demonstrates particular attention to annual leave, sick leave, maternity leave, paternity leave, and special circumstance leave, ensuring that employees receive adequate time off while maintaining stable employment relationships.

Annual leave implementation

The implementation of annual leave under Albanian labour law requires careful consideration of several key factors. The basic entitlement of four weeks represents a minimum standard, with collective agreements or individual contracts potentially providing for additional leave days. Annual leave must be taken within the calendar year, though exceptions exist for operational reasons or employee illness during scheduled leave periods.

The calculation of annual leave entitlements follows specific rules for partial years of service and irregular working patterns. Leave accrual begins after six months of employment, but the full annual entitlement becomes available once this threshold is reached. Employers must maintain detailed records of leave requests, approvals, and actual usage to ensure compliance with legal requirements.

Special provisions apply to the scheduling of annual leave. While employee preferences should be considered, employers retain the right to coordinate leave periods to maintain operational efficiency. Notice periods for leave requests must be reasonable, typically requiring at least two weeks' advance notice for substantial leave periods.

Sick leave framework

The sick leave system operates through a dual structure of employer-paid leave and social security benefits. The initial 14-day period of employer-funded sick leave requires proper medical certification from authorized healthcare providers. The calculation of sick leave compensation must include regular salary components but may exclude certain variable payments or bonuses.

Extended illness periods transition to social security benefits after the initial employer-paid period. The social security system provides continuing support based on contribution history and medical documentation. Employers must maintain appropriate records and coordinate with social security authorities to ensure proper benefit administration.

Maternity and paternity leave

Maternity protection under Albanian labour law extends beyond basic leave entitlements. The 365-day leave period includes mandatory periods before and after birth, with flexible allocation of the remaining days. Employment protection during pregnancy and maternity leave prohibits dismissal and guarantees the right to return to the same or an equivalent position.

Paternity leave provisions have been enhanced in recent years, reflecting evolving social norms and family responsibilities. Fathers are entitled to three days of paid leave immediately following childbirth, with additional leave possible through collective agreements or individual contracts.

Special leave categories

Albanian labour law recognises various forms of special leave for specific circumstances. These include:

- Marriage leave: Employees are entitled to five days of paid leave upon marriage.
- Bereavement leave: Three days of paid leave are provided upon the death of an immediate family member.
- Care leave: Employees may take up to 12 days per year of unpaid leave to care for sick family members.
- Educational leave: Provisions exist for leave related to educational pursuits, particularly for professional development directly related to employment.

Implementation and administration

Employers must establish clear procedures for leave requests, documentation requirements, and approval processes. These procedures should be documented in employment contracts or workplace policies and consistently applied across the organisation.

Record-keeping requirements are substantial, including:

- Documentation of leave requests and approvals
- Medical certificates for sick leave
- Return-to-work certifications where required
- Calculations of leave entitlements and compensation
- Records of social security benefit applications and payments.

Annual Leave

Annual leave is a fundamental right for employees in Albania, providing them with paid time off to rest, rejuvenate, and manage personal matters without compromising their income. The Albanian Labour Code establishes a set of basic entitlements related to annual leave to standardize and protect workers' rights across all sectors.

Minimum leave duration

Article 92 of the Labour Code, as amended, mandates that annual leave for employees must not be less than four calendar weeks per year. This leave does not include official holidays, ensuring that employees receive their full entitlement of rest days. If an official holiday falls during an employee's scheduled annual leave, the leave is extended by the number of official holiday days to allow uninterrupted vacation time.

Leave entitlement based on employment period

Employees who have not completed a full working year are granted leave on a pro-rata basis, determined by the duration of their employment. Temporary disability periods are also treated as working time, ensuring employees with short-term health issues are not penalized in their leave entitlements.

Scheduling and notification of annual leave

The employer, considering the employee's preferences, determines the start date for annual leave. However, the employer must notify the employee of the scheduled date at least 30 days in advance. This ensures that employees can adequately plan for and fully utilize their entitled leave.

Postponement of annual leave

If the employee falls ill or is injured while on annual leave, they can postpone the remainder of their leave upon presentation of a valid medical report. The Labour Code guarantees that annual leave

may be deferred to a later date under such circumstances, providing flexibility for employees to fully benefit from their entitled rest period.

Albanian labour law meticulously governs annual leave entitlements, ensuring that employees can rest and recharge, contributing to a sustainable work-life balance. The provisions for annual leave, enshrined primarily in Articles 92, 93, and 94 of the Albanian Labour Code, are designed to guarantee that workers receive a protected and financially compensated period of rest. This section delves into the complexities of annual leave entitlements, including accrual principles, scheduling rights, postponement conditions, and compensation mechanisms. These insights provide a deeper understanding of the legal framework surrounding annual leave, especially for employers seeking compliance and employees ensuring their rights are upheld.

1. Detailed provisions on annual leave entitlement and accrual

- Statutory minimum leave: Article 92(2) stipulates a minimum annual leave entitlement of four weeks per year, which employers cannot reduce. This entitlement forms a non-negotiable baseline, often enhanced through collective agreements, depending on the industry and employment terms.
- Leave entitlement for partial employment: Employees who have not completed a full working year are entitled to annual leave proportional to their months of service. This prorated leave calculation ensures fair distribution, allowing all employees to benefit from leave in line with their actual time spent with the employer.
- Recognition of temporary disability periods: Article 92(3) treats periods of temporary disability as effective working time in the calculation of annual leave entitlement. This provision ensures that employees facing temporary health issues are not unfairly disadvantaged in their leave accrual, underscoring Albania's commitment to protecting workers facing short-term illness or injury.

2. Legal framework for scheduling and notification of annual leave

- Employer's role and notification requirement: Article 93(1) allows employers to determine the annual leave schedule while considering the employee's preference. However, employers are legally obligated to notify employees of their leave schedule at least 30 days in advance. This notification requirement is crucial for operational planning, ensuring transparency and allowing employees to arrange personal plans without uncertainty regarding their entitlement.
- Right to postpone due to illness or accident: Under Article 93(2), employees have the right to postpone their scheduled leave in cases of illness or accidents substantiated by a medical report. This protects employees' rights to uninterrupted rest, acknowledging that a leave period taken while ill does not fulfill its intended purpose of recuperation.
- Restriction on leave accrual: The Labour Code imposes a three-year limitation period on unused leave, mandating that leave entitlements not claimed within three years from their accrual date are forfeited. This limitation helps employers manage leave liabilities effectively while preventing employees from accumulating excessive leave balances that may disrupt workforce planning.

3. Compensation and salary provisions for annual leave

- Salary entitlement during leave: Article 94 emphasises that employees on annual leave must receive the same salary they would earn if actively working. This includes both cash and in-kind benefits, ensuring employees' living standards are maintained while they are on leave.

- Determination of leave salary for variable wage employees: For employees with fluctuating wages, annual leave salary is calculated based on the average monthly salary of the preceding year. This approach stabilizes compensation, offering employees a fair estimate of their typical earnings regardless of recent changes in their remuneration.
- Timeliness and method of leave compensation payment: Article 94(4) mandates that salary payments for annual leave must be provided at the start of the leave period. This provision is designed to ensure employees have sufficient funds to support their rest period, rather than facing financial hardship during their time off.
- Indexable salary in the case of inflation: For leave compensation based on variable earnings, the average monthly wage from the prior year is subject to indexing, reflecting inflation or any other adjustments. This ensures that the purchasing power of employees' leave salary remains consistent, a measure which is particularly beneficial during periods of economic fluctuation.

4. Legal restrictions and conditions on annual leave compensation

- Prohibition of leave substitution by financial compensation: Article 94(5) establishes a strict prohibition against replacing annual leave with monetary compensation, except upon termination of employment. This clause ensures employees are genuinely afforded the opportunity to rest, rather than being incentivized to forego their leave in exchange for pay.
- Entitlement to leave compensation on termination: When employment ends before an employee has utilized their full leave entitlement, they are entitled to compensation equal to the unused leave days. This protection guarantees that employees do not lose earned leave benefits solely due to the timing of their termination.
- Safeguard against conflicts of interest during leave: Article 94(6) permits employers to withhold or reclaim the paid leave salary if employees engage in conflicting employment activities during their annual leave. This restriction applies if an employee's side job adversely affects the legitimate interests of their primary employer. Such a clause serves as a deterrent against potential conflicts of interest while protecting the employer's business integrity.

5. Enforcement and legal recourse

- Labour inspectorate oversight and compliance checks: The Albanian Labour Inspectorate plays a pivotal role in enforcing compliance with annual leave provisions. Employers are subject to regular inspections, during which the Inspectorate verifies adherence to leave entitlements, accrual, scheduling, and compensation requirements. Non-compliant employers may face penalties, ensuring the legal protections for annual leave are upheld in practice.
- Dispute resolution for leave denial: Employees whose annual leave rights are infringed may file complaints with labour courts or seek mediation through designated labour dispute resolution channels. Albanian courts have historically supported employee rights in annual leave cases, reinforcing the fundamental right to rest and recuperation within the employment relationship. Employers failing to comply with annual leave regulations may be ordered to compensate employees and may incur additional penalties.
- Precedent-setting case laws on annual leave: While specific case law details on annual leave disputes in Albania may vary, there are precedents wherein courts have upheld employees' rights to paid leave, supported claims for deferred leave due to illness, and reinforced compensation requirements in cases of termination without leave usage.

Public holidays

The Albanian Labour Code and related regulations govern the observance of these holidays, ensuring compliance by employers and protecting employees' rights. Public holidays in Albania are governed by the Albanian Labour Code, which ensures employees receive designated days of rest. These holidays fall into three categories:

- National holidays: Days like Independence Day (November 28) and Liberation Day (November 29) mark significant historical events.
- Religious holidays: Major Christian and Islamic holidays such as Christmas, Easter, and Eid al-Fitr reflect Albania's cultural and religious diversity.
- Secular holidays: These include widely celebrated days like New Year's Day.

The holiday schedule is largely fixed, though occasional additions may occur. Public holidays are recognised as paid leave to safeguard employee rights.

Employee entitlements on public holidays

Under Albanian labour law, public holidays are non-working days with full pay, unless an employee's role requires otherwise. Key points include:

- Paid leave: Employees are entitled to their full wages during public holidays.
- Work on holidays: If required to work, employees must receive additional compensation or time off.
- Extended leave: Religious holidays may allow extended leave for employees observing those faiths.

Employer responsibilities

Employers must ensure compliance with holiday provisions, including:

- Providing paid leave for all public holidays.
- Compensating employees working on holidays with overtime pay or time off.
- Adhering to the official holiday schedule to avoid conflicts with employee entitlements.

The Albanian Labour Code outlines rules for public holidays, ensuring employee rights and employer obligations regarding paid leave, compensation, and exceptions.

Public holidays and employee rights

The Labour Code defines a national list of statutory holidays that employers must observe by granting paid leave. Employees are entitled to full wages on these non-working days, safeguarding their income and aligning with fair labour practices. Adjustments to the holiday schedule require government approval.

Exceptions and compensation for holiday work

Native Teams

Employees in essential sectors may work on public holidays under strict conditions. Employers must provide overtime pay at higher rates or compensatory rest days, balancing operational needs with employee rights. Workers must consent to holiday work, and employers are legally obligated to offer fair alternatives.

Religious holidays and accommodations

Employees practicing specific faiths can request additional leave for religious observance, which may be unpaid or deducted from annual leave. Employers are encouraged to accommodate such requests to honor cultural and religious diversity while complying with anti-discrimination laws.

Judicial support for employee protections

Albanian courts uphold employee rights related to public holidays, mandating paid leave or compensation for holiday work. Employers failing to comply face legal consequences, reinforcing the importance of adherence to labour standards.

Employer guidelines for compliance

Employers should establish clear policies on holiday observance, pay, and alternatives for essential work. Transparent communication, consent for holiday work, and accurate payroll documentation are crucial to prevent disputes and ensure compliance.

Integration in employment contracts

Public holiday entitlements should be explicitly stated in employment contracts. Adjustments for part-time or temporary workers must align with the proportional application of holiday pay, ensuring fair treatment across all employment types.

Salary

The Albanian Labour Code defines salary as the basic compensation an employee earns, along with any permanent increments. Article 109 establishes that compensations received to cover professional expenses are excluded from the salary structure. Here are the core elements shaping salary regulation in Albania:

Setting and calculation of salary: As per Article 110, employers are obligated to pay salaries as outlined in collective or individual contracts. In the absence of such agreements, the basic salary for the specified job must be paid. Salaries can be time-based or linked to the nature and quantity of work

performed, with provisions allowing payment based on enterprise accomplishments.

- Minimum salary requirements: Article 111 mandates that salaries cannot be less than the minimum wage set by the Council of Ministers. The minimum wage takes into account economic factors and living standards, ensuring basic financial security for employees. The current minimum wage in Albania is ALL40,000 per month in 2025.

Commission-based earnings: Article 112 regulates commissions, which are incentives tied to activities completed with clients for the employer's benefit. This type of compensation becomes due once the client fulfills their obligations.

Reward systems and bonuses: Article 114 allows employers to offer year-end bonuses based on an employee's performance and the company's financial success. Repeated bonuses over three consecutive years without reservation imply a binding obligation on the employer to continue providing such rewards.

Equal pay provisions: Amended by Law no.136/2015, Article 115 enforces equal pay for equal work regardless of gender or other discrimination grounds. The article ensures that remuneration is based purely on the work's nature, quality, and employee qualifications, thereby promoting fairness.

Payment and deduction regulations: Articles 116 and 117 outline payment timelines and permissible deductions from salary, including taxes and union dues. Salaries must generally be paid monthly unless otherwise agreed upon, and any deductions must be explicitly authorized by the employee or legally mandated.

Thus the foundation of salary law in Albania rests on several key principles established by the Labour Code. At its core, salary encompasses the basic pay along with any permanent increases, explicitly excluding expense reimbursements related to professional activities.

The law mandates that employers must compensate employees in accordance with either collective or individual employment contracts.

Albanian labour law ensures fair and timely employee compensation through detailed regulations on salary structure, calculation, and payment.

Salary composition and calculation

Salaries include a basic wage and permanent increases, excluding expense reimbursements. Employers must align wages with employment agreements or pay a basic wage for the role. Salaries can be time-, task-, or performance-based, ensuring fair compensation regardless of payment method.

Native Teams

Minimum wage standards

The Council of Ministers sets and periodically revises the minimum wage based on economic factors, ensuring stability for low-income workers. Trainees may receive a reduced minimum wage under approved programmes.

Commission-based payments

Employees earn commissions only after clients fulfill obligations. Employers cannot hold employees liable for client defaults, protecting worker earnings.

Reward systems

Consistent rewards provided over three years become legally obligatory, including proportional payments for mid-year departures, ensuring employee reliability in annual benefits.

Equal pay and anti-discrimination

The law mandates equal pay for equal work, prohibiting discrimination based on personal characteristics. Employers must base wages on objective criteria, and wage discrepancies must be corrected retroactively.

Salary payment and timing

Salaries are paid bi-weekly or monthly, with advance payments available. Profit-sharing payments must be issued within three months of the fiscal year's end.

Deductions and payment methods

Permissible deductions include taxes, social contributions, and union dues. Salaries are typically paid via bank transfer for transparency.

Legal remedies for delays

Employers must provide detailed salary breakdowns. Delayed payments incur annual interest penalties of at least 10%, adjusted for inflation, to reinforce timely payment obligations.

Sick Leave

Employee absences due to sickness are protected under Albanian labour law, ensuring that employees are entitled to compensation and job security when health issues arise. The Albanian Labour Code outlines the fundamental rights and requirements related to sick leave. Article 130 of the Code provides a clear framework for both employees and employers to follow when an employee is absent due to illness.

Compensation during sick leave

An employee unable to work due to illness is entitled to 80% of their regular salary for a period of 14 days, a period that is not covered by social insurance benefits. This right ensures that employees

facing health issues are financially supported during initial absences without undue burden on their personal finances.

Medical certification and employer requests

For an employee to secure this sick leave benefit, they must present a medical certificate issued by a licensed doctor, verifying their inability to work. If the employer doubts the validity of this certificate, they may request an additional examination by a doctor of their choosing. This second doctor is tasked solely with determining the employee's work disability while maintaining the confidentiality of medical information.

Resolution of medical discrepancies

In cases where the findings of the employee's doctor and the employer's doctor do not align, a third opinion may be obtained from a medical expert appointed by the Labour Inspectorate. This provision upholds fairness in assessing the employee's condition, ensuring that medical evaluations are objective.

Employee obligations and rights waiver

Employees who refuse to undergo additional verification of their work disability forfeit their right to compensation from the employer. This provision ensures cooperation in cases where the employer has a legitimate reason to confirm an employee's health status.

Effect of employee negligence on sick leave rights

If the employee's illness results from gross negligence on their part, the law allows for reduction or elimination of their sick leave entitlements, provided this is agreed upon in advance by the parties or determined by a court. This ensures a balance between protecting employee rights and preventing misuse of benefits.

The Albanian legal framework provides a detailed approach to sick leave, addressing various contingencies and procedural nuances to ensure the fair administration of sick leave benefits. The advanced analysis explores the deeper implications of sick leave rights, obligations, employer responsibilities, and procedural safeguards designed to balance support for employees with employers' needs for verification and compliance.

Right to compensation and the role of social insurance

Albanian law mandates that employees who fall ill and cannot work receive 80% of their regular salary for the initial 14 days, covering a critical period before social insurance benefits apply. Social insurance benefits in Albania, governed by Law No. 7703 "On Social Insurance in the Republic of Albania," support workers during extended sick leave but exclude the first 14 days. This legal design

ensures that employees receive uninterrupted support while balancing employer and social insurance responsibilities.

Validation of sick leave

The legal requirement for medical certification serves as the primary method of validating sick leave, ensuring transparency and reliability in the process. According to Article 130(2), an employee's doctor issues a certificate to confirm the employee's work incapacity, protecting the employee's rights to privacy and health benefits. However, employers may exercise the right to request a second opinion to verify the validity of the certification.

Employers who suspect inaccuracies in the employee's medical certificate can designate a physician to conduct an additional examination. This doctor's role is strictly limited to determining work capability, preserving the confidentiality of other medical details. The structure of this examination limits potential overreach by employers while providing a means of verifying genuine health concerns.

Conflict resolution and the role of the Labour inspectorate

The Labour Inspectorate's involvement serves as a neutral party to resolve conflicting medical opinions, preserving both employee rights and employer interests. In cases where the employer's doctor and the employee's doctor disagree, the law provides that a doctor appointed by the Labour Inspectorate will perform an independent evaluation. This third-party intervention ensures an impartial decision that adheres to professional medical standards, minimizing the risk of bias.

The Labour Inspectorate's appointed doctor evaluates only the employee's ability to work, adhering to confidentiality and focusing on essential work capacity aspects. This process aims to resolve disputes fairly and efficiently, respecting both the employee's health needs and the employer's need for assurance of legitimate sick leave.

Employee's duty of cooperation and consequences of non-compliance

Employees are required to comply with verification processes for sick leave to maintain their compensation entitlements. Should an employee unjustifiably refuse additional medical evaluation, the law permits the employer to discontinue their sick leave benefits. This provision acts as a safeguard against potential misuse of sick leave and aligns with the principle of cooperative verification in employer-employee relations.

Non-compliance on the employee's part results in the forfeiture of sick leave benefits, underscoring the importance of cooperative engagement during verification procedures. This measure ensures that sick leave is reserved for genuine cases while offering employers legal recourse in cases of unjustified refusals.

Impact of employee negligence on sick leave entitlements

In cases where illness arises from the employee's serious negligence, the law allows for modifications to sick leave entitlements, subject to agreement or judicial review. If agreed upon by

both parties, or, in the absence of agreement, by court decision, an employee may see a reduction or elimination of their right to sick leave compensation in instances of gross negligence.

Courts assess cases individually to determine the applicability of reduced sick leave entitlements, evaluating the degree of negligence and its impact on the employee's health status. This provision acts as a deterrent against reckless behavior by employees that could result in preventable illness, balancing the employer's right to fair treatment and the employee's right to health security.

Parental Leave

In Albania, the Labour Code provides detailed regulations on parental leave, specifying eligibility, leave duration, and employer obligations. In Albania, parental leave is governed by specific provisions within the Labour Code, introduced to support employees in balancing work with family responsibilities. Article 132/1, added through Law no.136/2015, grants eligible employees the right to unpaid leave to care for children, setting out clear conditions for its application. This right recognises the essential role of family care in child development, allowing for parental support without compromising long-term employment.

Article 132/1 of the Labour Code sets out the core rights and responsibilities associated with parental leave:

- Eligibility requirements: To qualify for parental leave, the employee must have completed one consecutive year of employment with the same employer. This period of continuous service ensures that leave is granted to employees with established work commitments, while supporting employers in managing workforce stability.
- Duration of leave: The law provides for a minimum of four months of unpaid parental leave, available until the child turns six years old. This entitlement is per parent, and leave rights are non-transferable, meaning that each parent may independently exercise their right to parental leave. Transferability is only permitted in cases where one parent passes away, thus preserving the child's right to parental care.
- Conditions for leave distribution: Parental leave can be taken in separate blocks, with a minimum duration of one week per year. This flexibility allows employees to structure leave periods based on personal and family needs. However, the total duration and timing must be formalized through a written agreement between the employee and the employer, ensuring mutual understanding and operational planning.
- Special provisions for adoption: In cases of adoption, the entitlement to parental leave applies from the date of adoption, extending up to six years but not beyond the child's twelfth birthday. This adjustment accommodates the specific needs of adoptive families, aligning the leave period with the development stages of an adopted child.
- Notification requirements: The employee must notify the employer in writing at least two weeks before the intended start date of the parental leave. This advance notice allows the employer to make necessary operational adjustments, particularly in roles that require continuous staffing.

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- Employer's right to postpone leave: Employers have limited rights to delay the commencement of parental leave for up to six months, based on operational needs. Such circumstances include instances when the employee's role is critical to operations, simultaneous leave requests from multiple employees, or when the employee's duties cannot be temporarily covered. The employer is required to provide written notification detailing the reasons for the postponement within two weeks of the employee's leave request.

Albania's parental leave framework, as stipulated in Article 132/1, is designed to balance the needs of employees for family time with employers' operational requirements. A deeper examination of these provisions reveals nuanced considerations in terms of employee rights, employer obligations, and procedural safeguards.

Non-transferability and individual entitlement

One of the distinct aspects of Albanian parental leave law is the non-transferable nature of the entitlement. The law grants each parent an individual right to take parental leave, thereby encouraging active participation from both parents in child-rearing. This design reflects progressive legal principles that aim to promote gender equality in caregiving responsibilities, discouraging traditional roles by ensuring each parent has independent access to leave.

Non-transferability prevents one parent from transferring unused leave to the other, ensuring that the entitlement remains an individualized right. This approach recognises the child's need for care from both parents, providing equal opportunity for parental involvement while maintaining legal symmetry.

Procedural flexibility and written agreements

Albanian law allows for flexibility in parental leave distribution, enabling parents to structure leave into segments that suit their specific needs, as long as each segment is at least one week per year. This segmentation offers practical benefits for employees managing work and family responsibilities. However, the law requires that all arrangements concerning the duration and scheduling of parental leave be documented through a written agreement.

The requirement for a written agreement serves to protect both parties, establishing a clear, binding record of terms that minimizes future disputes. This agreement supports legal compliance and ensures clarity, particularly in cases where parents opt for non-consecutive leave periods.

Parental leave in adoption cases

The Albanian Labour Code's consideration of adoption cases in Article 132/1(2) addresses the unique nature of adoptive family structures. Parents who adopt are granted a parental leave entitlement that begins from the date of adoption, applicable until six years post-adoption, but not beyond the child's twelfth birthday. This provision aligns with the legal principles governing adoption, supporting adoptive families in the transition and bonding process, which is often distinct from biological parental bonding.

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By setting the upper age limit for adoption-based parental leave at twelve years, the law acknowledges that older adopted children may require significant parental involvement to adjust to their new family environment. This support aligns with broader legal principles aimed at protecting child welfare and ensuring successful integration into family life.

Employer's right to postpone leave for operational reasons

While parental leave is a right for employees, the law also provides employers with a conditional right to defer the leave commencement by up to six months due to operational requirements. Employers may invoke this right when immediate absence would adversely affect business operations, particularly if multiple employees request leave simultaneously, or if the role is integral and difficult to fill temporarily. Employers must notify the employee of the postponement and the rationale behind it within two weeks of receiving the leave request.

This requirement protects the employee's rights by ensuring that any postponement is justified and transparently communicated. The two-week notification period provides a reasonable timeframe within which employees can expect a response, promoting transparency and trust within the employment relationship.

Employees have the option to seek judicial review if they believe a postponement lacks merit or violates their rights. Courts can assess the validity of the employer's reasoning and determine whether the deferral aligns with operational needs, adding a layer of oversight that ensures fairness.

Advance notice and operational planning

The two-week advance notice requirement allows employers to prepare for the employee's temporary absence, reflecting a balance between operational needs and parental leave rights. For employees, this notice period offers certainty regarding the timing of their leave, enabling them to plan family care with minimal disruption.

The advance notice is a mutual benefit, as it enables employers to arrange temporary replacements or delegate duties to avoid workflow disruptions. For employees, adherence to this requirement reinforces the legitimacy of their leave request and facilitates smoother workforce planning.

Maternity Leave

Maternity leave in Albania is a legally protected right, designed to support employed women through the significant life event of childbirth and to promote early maternal care for newborns. The provisions regarding maternity leave are found primarily in Articles 105 to 108 of the Labour Code, detailing the rights of women before, during, and after maternity leave.

Income benefits during maternity leave

The income benefits for maternity leave are governed by the social insurance legislation. According to Article 105(1), a mother is entitled to income benefits provided by social insurance during the childbirth period. These benefits ensure income continuity during maternity leave, with the specific amounts and eligibility requirements defined by the Law on Social Insurance.

Right to extended leave after childbirth

Under Article 105(2), beyond the compulsory period of absence (defined in Article 104), the woman has the discretion to decide whether to continue her leave or to resume work, depending on her health and family circumstances. The compulsory leave period following childbirth is 63 days, after which the mother can choose to either stay on leave and receive social insurance benefits or return to work.

Breastfeeding provisions and flexible work arrangements

Women who return to work after the initial 63-day period are entitled to flexibility in working hours to accommodate breastfeeding needs, as outlined in Article 105(3). A woman may either take a two-hour paid break within her working hours or work two fewer hours per day while receiving full pay until her child reaches the age of one. These provisions recognise the importance of breastfeeding and facilitate maternal bonding.

Return to position post-maternity leave

Article 105(4) guarantees that upon returning from maternity leave, the employee has the right to resume her previous position or a similar role under no less favorable conditions. This provision safeguards her job security and ensures that any employment benefits or advancements occurring during her leave period will also apply to her.

Prohibition of pregnancy testing and protection against discrimination

Article 105/a(1) prohibits employers from requiring pregnancy tests as a precondition to employment, except in specific cases where the work could pose a risk to pregnancy. Additionally, an employer must provide proof that a dismissal is unrelated to pregnancy or childbirth to prevent discriminatory practices against pregnant employees, as per Article 105/a(2).

Adoption leave entitlement

Adoption leave, as defined in Article 106, is granted to adoptive parents, allowing either the mother or father to take leave in the case of adopting a newborn. During this period, the adoptive parent is entitled to protection against work obligations, and upon return, they are guaranteed a similar or equivalent position with no detriment to employment benefits or conditions.

The maternity leave framework in Albania provides an extensive set of rights for employees, focusing on health protections, income continuity, and post-leave job security. These provisions reflect Albania's commitment to fostering an inclusive workplace, where women's health and maternal responsibilities are prioritised.

Income support and social insurance benefits during maternity leave

The primary income support for maternity leave comes from social insurance, as noted in Article 105(1). This provision ensures that financial responsibilities do not discourage employees from taking necessary maternity leave. Under the social insurance legislation, the amount and duration of benefits align with statutory requirements, providing substantial support for new mothers.

By securing income from social insurance, maternity leave coverage reduces the financial burden on employers while supporting mothers. The social insurance law further protects employees, offering detailed guidelines on the exact benefit amounts and conditions under which these can be claimed.

Non-mandatory return to work and extended leave option

Following the mandatory 63-day period after childbirth, Article 105(2) empowers women with the choice to either extend their maternity leave or return to work. This choice respects a woman's autonomy, allowing her to make decisions based on her health and the newborn's needs.

The flexibility for women to choose an extended leave duration is pivotal for maternal health, especially for high-risk pregnancies or cases requiring extended recovery time. This option also reflects Albania's adherence to international labour standards, which emphasise employee choice in postnatal care.

Flexibility in working hours for breastfeeding mothers

Article 105(3) recognises the importance of breastfeeding by allowing working mothers to either reduce their work hours or take a paid break within normal hours until the child turns one year old. This provision respects both the mother's professional and parental responsibilities, supporting health and well-being for both mother and child.

This arrangement not only encourages the return of mothers to the workforce but also facilitates breastfeeding, which is medically recommended during the first year of a child's life. Such flexibility has positive implications for child health and promotes family welfare without sacrificing employment benefits.

Protection of position and employment conditions

Upon the completion of maternity leave, Article 105(4) ensures that women have the right to return to their previous role or an equivalent position with no reduction in pay, benefits, or seniority. This legal safeguard protects women from any adverse effects on their career due to maternity leave.

The guarantee of equivalent position reassures employees of job stability, which is critical for workplace equality. It also ensures that women receive all accrued benefits, promoting a fair employment environment.

Discrimination prevention: prohibition of pre-employment pregnancy testing

Article 105/a strictly prohibits employers from conducting pregnancy tests before hiring, barring situations where work conditions may pose health risks to a pregnant employee or her child. The

article also imposes an obligation on the employer to substantiate that any dismissal of a pregnant woman or new mother is unrelated to her condition.

This provision reinforces anti-discrimination measures, reflecting Albania's commitment to protecting pregnant employees from workplace bias. By imposing this burden of proof on employers, the law aims to prevent arbitrary terminations that could otherwise impact women's rights in the workforce.

Adoption leave provisions and employment reinstatement rights

The adoption leave provision in Article 106 extends similar rights to adoptive parents, with either the mother or father eligible to take time off following the adoption of a newborn. This measure offers equal support for adoptive families, reinforcing the inclusive nature of Albania's maternity leave framework.

Adoption leave highlights Albania's acknowledgment of diverse family structures and the bonding needs of adoptive parents. This provision also ensures that adoptive parents have equivalent reinstatement rights upon completion of their leave.

Termination of contract and night work restrictions

Article 107 protects employees on maternity leave from contract termination, deeming dismissals during the maternity leave period invalid if issued solely based on child delivery or adoption. Additionally, Article 108 restricts night work for pregnant and breastfeeding women, requiring medical verification of potential harm to the mother or child.

Termination

Methods of employment termination

The Labour Code outlines different methods by which an employer or employee can end an employment relationship, each with specific legal requirements, notice periods, and financial compensations. In Albania, employment termination is governed by the Labour Code, which outlines procedures and protections for both fixed-term and indefinite-term contracts. Termination can occur through normal processes, immediate dismissal for cause, or mutual agreement, with distinct rules for each scenario.

Normal termination of indefinite-term contracts

Employers may terminate indefinite-term contracts for valid reasons related to job performance, behavior, or business needs. This requires following statutory procedures, including a formal notice period and a consultation process to address the reasons for dismissal and record employee objections.

Immediate termination for cause

Employers can terminate employment without notice for "good cause," such as:

- Serious breaches of contract,
- Persistent minor violations despite warnings, or
- Circumstances that make continued employment untenable.

This safeguard protects businesses from employee actions that fundamentally damage the working relationship.

Termination of fixed-term contracts

Fixed-term contracts end through one of three methods:

- Expiry of term: Contracts naturally conclude at the specified end date, though written notification is advisable to avoid automatic renewal.
- Immediate termination for cause: Similar to indefinite-term contracts, immediate termination is allowed for legal reasons without notice.
- Early termination: Employers may end fixed-term contracts early by observing notice periods and providing valid grounds, following rules similar to those for indefinite-term contracts.

In Albania, employment termination is governed by the Labour Code, which provides specific rules for different types of terminations while ensuring employee rights are protected. These include normal terminations, immediate dismissals for cause, the conclusion of fixed-term contracts, collective dismissals, mutual terminations, and post-termination non-competition clauses.

Normal termination of indefinite-term contracts

Indefinite-term contracts can be terminated for:

- Performance issues: Inability to fulfill job duties, supported by evidence.
- Behavioral issues: Workplace misconduct or policy breaches.
- Operational needs: Redundancies due to restructuring or business changes, justified as non-discriminatory.

Employers must follow procedures, including providing written notice, adhering to notice periods (two weeks to three months depending on tenure), and conducting a consultation to address objections before finalizing dismissal.

Immediate termination for cause

Employers can terminate employment without notice for:

- Severe misconduct: Criminal acts, gross negligence, or safety threats.
- Major contractual breaches: Violating confidentiality or critical obligations.
- Repeated minor breaches: Persistent infractions despite warnings.

This requires thorough documentation to justify "good cause," as courts rigorously assess such cases for fairness.

Termination of fixed-term contracts

Fixed-term contracts typically end automatically at their specified term. Scenarios include:

- Expiry of term: Ends upon reaching the contract's duration, with written notice recommended to avoid automatic renewal.
- Immediate termination for cause: Permitted under the same criteria as indefinite-term contracts.
- Early termination: Allowed with adherence to procedures and valid reasons similar to normal termination of indefinite contracts.

Collective dismissal

Collective dismissal occurs when multiple employees are terminated within 90 days due to non-performance-related reasons:

- 10+ employees: In workplaces with under 100 employees.
- 15+ employees: In workplaces with 100–200 employees.
- 20+ employees: In workplaces with over 200 employees.

Employers must notify trade unions or employees, explain reasons, and consult with the Ministry of Labour to explore alternatives within 20 days. Courts ensure procedural compliance, with violations potentially resulting in compensation up to six months' salary.

Mutual termination

Mutual termination involves a negotiated agreement between employer and employee. While not statutorily defined, it is formalized in writing, often including additional compensation or severance to waive future claims. Transparency in the process, such as holding meetings and providing clear terms, helps avoid disputes.

Non-competition clauses after termination

Non-compete clauses restrict employees from working with competitors if:

- They were agreed upon in the initial contract.
- The employee had access to sensitive information.
- The restriction is limited to one year and reasonable in scope, time, and geography.

Employers must pay 75% of the employee's previous salary during the restriction period. These clauses are invalid if termination was unjustified or initiated by the employee for reasonable cause linked to employer misconduct.

Ordinary dismissal by the employer

When an employer seeks to dismiss an employee under ordinary conditions, certain procedural steps must be followed to protect the rights of both the employer and the employee. Ordinary dismissal refers to the process by which an employer ends an employment contract based on non-immediate grounds, which might include an employee's conduct, capability, or the company's operational requirements. The Albanian Labour Code has been amended multiple times, most notably by laws passed in 1996, 2003, and 2015, to ensure a balanced and regulated approach to employment termination. By detailing specific steps that must be followed, these amendments prioritise transparency and fairness, ensuring that dismissals are both justified and procedurally sound.

In Albania, indefinite-term employment contracts lack a predefined end date, necessitating legitimate grounds and procedures for an employer's decision to terminate such contracts. Albanian law permits two primary methods of contract termination by an employer: (i) termination by honoring the notice period and (ii) termination with immediate effect. This section provides a preliminary understanding of these two methods, focusing on the notice-based termination of contracts.

Termination by notice

Under the Albanian Labour Code, specifically Articles 141 to 148, the termination of an employment contract by notice requires employers to provide advance notification, allowing employees to continue working and receive remuneration for the stipulated notice period. The duration of this notice period depends on the employee's tenure: two weeks for employment under six months, one month for employment lasting six months to two years, two months for employment of two to five years, and three months for employment exceeding five years. This notice requirement serves as a safeguard, granting employees an opportunity to seek new employment while still earning a salary.

Justifiable grounds for termination

The grounds for ordinary dismissal are exhaustively listed under Articles 144/3 and 146 of the Labour Code, including (i) the employee's professional capability, (ii) their conduct, and (iii) operational requirements within the enterprise. The 2015 legislative amendments emphasised these grounds to prevent misuse of dismissal powers, requiring employers to clearly outline these justifications to maintain the legality of the termination. Unsubstantiated terminations lacking these specific grounds risk classification as arbitrary, enabling employees to pursue legal action for compensation.

Termination with immediate effect

Immediate termination, governed by Articles 153-156, is reserved for instances of serious breaches or repeated non-compliance by the employee despite prior warnings. The Labour Code waives the notice period in such cases, recognising that severe infractions warrant immediate cessation of employment. However, unjustified or procedurally flawed immediate dismissals allow employees to claim damages equivalent to 12 months' salary in addition to other entitlements.

The dismissal procedure outlined in Article 144 of the Labour Code applies to indefinite-term contracts following the probation period. The dismissal must be fair and justified, with the reasons provided in writing. Here is an overview of the basic requirements:

- Notification of meeting: When considering termination, the employer must notify the employee in writing at least 72 hours before a meeting, ensuring the employee has adequate notice to prepare for a discussion on the potential dismissal.
- Discussion and opportunity to respond: During the meeting, the employer is obligated to explain the grounds for the anticipated dismissal. The employee is provided an opportunity to respond and share any perspectives, offering a chance for constructive dialogue.
- Issuing the dismissal notice: After the meeting, if the employer decides to proceed with the termination, the written dismissal notice must be issued within 48 hours to one week. This notice includes the rationale for termination, clearly stating whether it is based on capability, conduct, or operational requirements.
- Immediate dismissal grounds: In cases where immediate dismissal for serious reasons is deemed necessary, the employer may suspend the employee during the dismissal process. Suspension allows the employer to maintain workplace order while following due process.
- Obligation to compensate for procedural failures: If the employer does not adhere to the required procedural steps, they are obligated to provide the employee with two months' salary as compensation, in addition to any other damages owed. The employer also bears the burden of proof to demonstrate compliance with these procedures.
- Exclusion of collective dismissals: The procedure outlined in Article 144 applies only to individual dismissals and excludes collective dismissals, which are governed by Article 148. In collective dismissals, additional procedural and notification requirements apply.

In Albania, the Labour Code provides a comprehensive framework for ordinary dismissals, ensuring that employment terminations are conducted fairly and transparently. It outlines specific requirements for notice periods, procedural steps, and legal remedies to protect employee rights and establish employer obligations.

Notice requirements and employee rights

The Labour Code mandates that employees receive adequate notice before dismissal, with the duration determined by their length of service. During the notice period, employees are entitled to continue working and receive their regular pay. Additionally, Article 143 grants employees the right to take up to 20 hours of leave per week during the notice period to search for new employment. This leave must be scheduled in agreement with the employer to avoid disruptions to workplace operations. The law strictly prohibits discrimination in dismissal decisions, including those based on gender, ethnicity, or political affiliation. Employers must ensure that dismissals are based solely on legitimate reasons, such as performance issues or organisational restructuring. Discriminatory terminations can be overturned by courts, with employers potentially liable for compensation.

Legally justified grounds for termination

Albanian labour law specifies three categories of legitimate reasons for dismissal:

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- Capability: This includes cases where the employee lacks the professional skills or ability to perform their duties effectively.
- Conduct: Behavioral issues, such as violations of workplace policies or breaches of contractual obligations, fall under this category.
- Operational needs: Employers may terminate employment due to business restructuring, economic challenges, or technological changes that render a position redundant.

Dismissals not grounded in these areas may be deemed arbitrary, allowing employees to claim compensation of up to 12 months' salary. Employers are required to document and justify the grounds for dismissal to prevent arbitrary decisions.

Procedural obligations

The dismissal process includes several mandatory steps designed to ensure fairness and transparency:

- Probationary period: During the probation period, both parties may terminate the employment contract with fewer formalities. After this period, employers must follow detailed statutory procedures to terminate the contract.
- Pre-dismissal meeting: Employers must provide the employee with a chance to respond to the reasons for dismissal during a formal meeting. The employee must receive at least 72 hours' notice to prepare for this meeting, ensuring they have time to gather evidence or seek representation if needed. This meeting is a critical step in the dismissal process, as it allows the employee to challenge the grounds for termination or propose alternative solutions.
- Written notice: After the meeting, the employer must issue a written notice within a specified timeframe, typically between 48 hours and one week. This notice must clearly state the reasons for dismissal, as its legitimacy may later be scrutinized by a court.
- Immediate dismissals: In cases of gross misconduct, immediate dismissal is allowed without a notice period. However, the employer must document and demonstrate that the dismissal was necessary and justified. Courts rigorously examine such dismissals to ensure they are not arbitrary or excessive.
- Penalties for non-compliance: Employers who fail to follow procedural requirements are required to pay two months' salary as compensation to the affected employee. This financial penalty underscores the importance of adhering to legal obligations.

Restrictions on timing

The Labour Code prohibits dismissals during certain periods, such as military service, temporary disability (up to one year), or authorized leave. These restrictions aim to protect employees during vulnerable times. However, justified dismissals under Article 153 may still proceed if the grounds are valid and documented.

Legal recourse and deadlines

Employees have specific timeframes to challenge their dismissal. They must file a complaint within 180 days of the notice period's expiration or within 30 days of discovering abusive dismissal.

grounds. Courts may extend the 180-day limit if new evidence of abuse emerges after the initial period.

Compensation and remedies

In cases of improper dismissal, employees may be entitled to several forms of compensation. These include full pay for the notice period, up to 12 months' salary for unjustified termination, and an additional two months' salary for procedural violations. Employees with over three years of service may also receive seniority compensation, calculated as fifteen days' salary for each year worked. Courts may order reinstatement or financial compensation, depending on the circumstances of the dismissal.

Collective dismissals

Collective dismissals, which involve terminating multiple employees within a specific timeframe, require additional procedures. Employers must notify affected employees, unions, and the Labour inspectorate. Notifications must include reasons for the dismissals, the number of employees affected, and measures taken to mitigate the impact. Employers must also engage in consultations within a set timeframe to explore alternatives to layoffs. Failure to comply with these procedures can invalidate the dismissals and result in penalties.

Notice period and challenging the dismissal

Notice periods are regulated by Article 143 of the Labour Code, which sets specific deadlines based on the duration of employment. Following the probation period, the law requires that specific notice deadlines be adhered to before terminating an employment contract of indefinite duration. This structure helps protect employees from abrupt contract termination, providing them adequate time to secure alternative employment or plan for the transition.

Notice deadlines based on employment duration

- For employment lasting up to six months, a notice period of two weeks is required.
- For employment spanning over six months up to two years, a one-month notice is mandated.
- For employment extending beyond five years, the notice period increases to two months.

These timelines ensure a balance between the stability of long-term employees and the employer's right to end the contract within a reasonable timeframe.

Extended notice deadlines and exceptional conditions

If the notice period extends beyond a calendar month or falls during an "inappropriate moment" (e.g., during pregnancy or a period of disability), the notice period can be prolonged until the end of the month. This extension helps maintain fair conditions for employees experiencing temporary work disruptions.

Immediate Termination Consequences: When either party fails to respect the required notice deadline, the termination is deemed as an immediate termination, triggering compensation and other legal implications.

Entitlement to job search leave

During the notice period following an employer-initiated termination, the employee is entitled to at least 20 hours of paid leave per week to seek new employment. This right underscores Albania's commitment to supporting employees during transitional periods and can be further detailed in individual or collective work contracts.

In Albania, the process of challenging dismissal involves several key aspects of the Labour Code, each addressing different facets of the employment relationship and ensuring a balanced approach to employee rights and employer obligations.

Grounds for termination

Under Albanian law, employment contracts can be terminated based on the employee's capability, conduct, or operational needs of the company. However, each ground requires a substantiated basis to be considered lawful. The employer must clearly document and justify the grounds for dismissal to ensure compliance.

Notice requirements

Following the probation period, employers are mandated to observe notice periods according to the employee's tenure. These deadlines ensure a transition period for the employee and are an integral component of a fair termination. Failing to observe these notice requirements, as stated in Article 143, can form grounds for a challenge, as abrupt terminations without notice are considered immediate and potentially unlawful.

Employee's right to fair procedure

Employers are obligated to conduct a pre-dismissal meeting, during which the employee is informed in writing of the reason for termination and given an opportunity to respond. This procedure allows employees to present their side, serving as a fundamental part of fair termination practices.

Immediate dismissal conditions

Employers may enact an immediate dismissal in cases of severe misconduct. However, these dismissals are subject to strict scrutiny, as they bypass standard notice requirements. If deemed procedurally or substantively unjustified, employees have a strong basis for challenging such immediate terminations.

Albanian Labour law provides clear guidelines for employment terminations, ensuring fair notice periods, procedural safeguards, and avenues for employees to challenge dismissals. These measures balance employer needs with employee rights.

Notice periods and employee rights

The Labour Code requires employers to provide notice before dismissal, with longer periods for employees with greater tenure. During the notice period, employees must receive regular pay and are entitled to 20 hours of paid weekly leave to search for new employment. This leave must be arranged with the employer to avoid workplace disruptions.

Special protections apply during vulnerable periods, such as pregnancy or disability, extending notice deadlines to ensure fairness. Courts rigorously enforce these rules to prevent abrupt and discriminatory dismissals.

Grounds for Termination

Dismissals must be based on:

- Capability: Persistent underperformance or inability to meet job requirements.
- Conduct: Serious or repeated behavioral breaches.
- Operational Needs: Business restructuring, financial challenges, or redundancy.

Employers must document and justify dismissals to avoid claims of arbitrary termination. Courts require employers to prove valid grounds and compliance with procedures.

Procedural safeguards

Employers must follow strict procedural steps:

- Pre-dismissal meeting: Employees must be notified at least 72 hours in advance of a meeting to discuss dismissal reasons. This ensures the employee has an opportunity to respond.
- Written notification: Employers must provide a formal written notice specifying dismissal reasons. This enhances transparency and provides documentation for potential legal disputes.
- Burden of proof: Employers are responsible for proving the legitimacy of the dismissal and adherence to legal procedures.

Consequences of non-compliance

Failure to follow proper procedures can result in financial penalties. Employers must compensate employees with two months' salary for procedural violations, in addition to any damages awarded by the court. Immediate terminations without sufficient grounds or adherence to notice requirements are considered legally risky and may lead to claims of wrongful dismissal.

Paid leave for job search

Employees terminated by the employer are entitled to 20 hours of paid leave per week during the notice period to find new employment. This provision ensures financial stability and time to transition. Courts enforce this right strictly, and non-compliance may lead to legal challenges.

Challenging unjust dismissals

Employees can challenge dismissals that lack legitimate grounds or procedural fairness. Courts assess whether the employer adhered to legal requirements, and if violations are found, employees may be awarded compensation or reinstatement. Additional protections may be available under individual or collective agreements.

These regulations ensure that terminations in Albania are conducted with fairness, transparency, and respect for employee rights, holding employers accountable for compliance.

Rights and obligations of unemployed persons

Unemployment in Albania is addressed primarily through the Labour Code, with additional support systems under social protection laws that ensure unemployed individuals have access to financial assistance, healthcare, and other necessary services. In Albania, the primary rights for unemployed individuals include access to unemployment benefits, healthcare provisions, and participation in employment promotion programmes. These rights are accompanied by responsibilities aimed at encouraging proactive job-seeking and compliance with established processes.

Unemployment benefits

The unemployment benefits framework in Albania is structured to provide temporary financial support, encouraging individuals to re-enter the workforce through job-seeking or retraining activities. The system operates within the parameters set by the Law on Social Insurance of 1993, which defines the eligibility requirements and benefits structure for unemployed individuals.

Healthcare access

Unemployed individuals retain their right to healthcare services, as stipulated by Albanian law. This right ensures continued access to essential healthcare services without disruption during periods of unemployment. The government's social insurance programme generally funds these healthcare benefits, allowing unemployed individuals to receive necessary medical care and preventive services.

Participation in employment programmes

The Albanian government promotes several employment programmes designed to reintegrate unemployed individuals into the workforce. These programmes provide training, skill development, and job placement services, all of which enhance employability. Unemployed individuals are often required to participate in these programmes as a condition of receiving unemployment benefits.

Job-seeking obligations

Albanian law places specific requirements on unemployed individuals to actively search for employment. Regular updates on job-seeking efforts and engagement with state employment agencies are part of this obligation, encouraging individuals to take consistent steps toward securing new employment.

Albania's unemployment benefits system provides temporary financial and healthcare support to eligible individuals while encouraging active re-employment efforts. The system enforces specific criteria and obligations to ensure effective support.

Unemployment benefits

Unemployment benefits are available to individuals who meet the following eligibility requirements:

- Eligibility: Applicants must have contributed to social security for at least 12 months, be certified as unemployed by a Labour office, and agree to participate in re-employment programmes.
- Duration and amount: Benefits are provided for up to 12 months, extendable to 18 months for participants in training programmes. Payments are calculated based on prior contributions and earnings but are relatively modest.
- Application process: Applicants must register with local labour offices and provide proof of eligibility, including documentation of contributions and readiness to engage in training or job search activities.
- Temporary support: Benefits offer a basic income, but due to low benefit levels, recipients often seek supplementary income.

Healthcare for unemployed individuals

Unemployment does not affect access to healthcare. The state social insurance scheme covers unemployed individuals, ensuring access to essential medical services like emergency care, preventive treatments, and some medications. Registration with local healthcare agencies is necessary to maintain uninterrupted coverage.

Obligations to participate in employment programmes

Recipients of unemployment benefits must participate in state-run programmes such as vocational training, skill development, and job-matching services. These programmes aim to improve employability by aligning skills with market demands. Participation is mandatory to maintain benefits.

Active job-seeking and reporting

Unemployed individuals are required to:

- Register with state employment agencies promptly after job loss.
- Regularly report job-seeking activities, including applications and interviews.
- Accept suitable job offers aligned with their qualifications and experience. Refusal without valid justification may result in benefit suspension.

Legal consequences of non-compliance

Failure to comply with benefit conditions, such as neglecting reporting obligations or refusing suitable jobs, can lead to penalties, including reduction or termination of benefits. Individuals can appeal decisions through labour courts if benefits are unjustly denied or terminated.

This system ensures unemployed individuals receive temporary support while actively working toward re-employment, maintaining a balance between assistance and accountability.

Severance pay

In Albania, the Labour Code outlines severance pay entitlements, procedures, and specific conditions that govern these payments. Severance pay is a statutory right in Albania for certain categories of employees whose contracts are terminated under specific circumstances. The Labour Code of Albania establishes a framework to ensure fair compensation for eligible employees, particularly those whose terminations are unrelated to any misconduct on their part.

Severance pay serves as a financial safeguard for employees while also promoting fair employment practices. Severance pay in Albania is a mandated benefit for qualifying employees, intended to offer financial stability upon termination.

Eligibility for severance pay

Under Albanian law, severance pay is typically available to employees who are terminated due to reasons unrelated to their conduct, such as redundancy or company restructuring. The benefit aims to provide security for employees who lose their jobs due to reasons beyond their control, distinguishing these cases from those of immediate dismissals due to misconduct, where severance may not apply.

Calculation of severance pay

The amount of severance pay an employee is entitled to receive often depends on the duration of their employment with the employer. While the Labour Code provides baseline calculations, specific collective agreements or individual employment contracts may set higher entitlements.

Employer obligations

Employers are required to provide severance pay to eligible employees promptly following termination. Failure to comply with these obligations can result in legal penalties, as Albanian labour laws impose strict guidelines on severance entitlements and aim to prevent unfair practices in employment termination.

Exclusions from severance pay

Severance pay is not generally owed to employees terminated for misconduct, as the law considers these dismissals justifiable and exempts employers from additional financial obligations in such cases. Employees on fixed-term contracts that conclude at their natural end date may also be excluded from severance pay unless otherwise specified by contract terms.

Severance pay in Albania is governed by the Labour Code, collective agreements, and individual contracts. It provides financial support for employees upon termination, with specific rules and procedures to ensure fairness and compliance.

Legal provisions for severance pay

Severance pay is required for terminations unrelated to employee fault. Eligibility depends on factors like tenure, contract type, and termination grounds:

- Duration of employment: Longer tenure results in higher severance pay, calculated incrementally to support long-term employees during their transition.
- Termination classification: Employees dismissed without justification may receive additional compensation, including damages for wrongful termination.

Calculation and payment procedure

Employers must follow clear guidelines to calculate and disburse severance:

- Calculation: Severance is based on a formula linked to the employee's salary and tenure. Deviations can lead to legal disputes.
- Timely payment: Payments must be made promptly. Delays can result in penalties or legal action, emphasizing the importance of compliance.

Collective agreements and enhanced benefits

In some industries, collective agreements set higher severance standards than the Labour Code. Employers must adhere to these agreements, which often include additional protections. Courts enforce these provisions, ensuring employees benefit from negotiated terms.

Exemptions and special conditions

Certain terminations are exempt from severance pay:

- Misconduct: Employees dismissed for gross negligence or policy violations are not eligible.
- Fixed-term contracts: Severance is generally not owed at the end of a fixed-term contract unless terminated prematurely without cause.

Consequences of non-compliance

Non-compliance with severance pay rules can lead to:

- Legal action: Courts often mandate overdue severance payments and may award additional damages.
- Employer liability: Failure to pay severance exposes employers to financial penalties and reputational harm.

Contractual severance benefits

In addition to statutory severance, some employers offer enhanced benefits in individual contracts. These contractual terms are enforceable and must be honored, with failure constituting a breach of contract.

Albanian Labour law ensures severance pay is a critical safeguard for employees, holding employers accountable to legal and contractual obligations.

Additional Items

Probationary period

Governed by the Albanian Labour Code, the probationary period allows either party to terminate the employment contract with minimal notice and without the requirement to state reasons. The Albanian Labour Code sets forth guidelines for the probationary period, detailing its duration, conditions for termination, and the flexibility permitted within the contractual relationship. Below are the foundational aspects of the probationary period under Albanian law.

Duration of the probationary period

The probationary period is limited to three months, as prescribed in Article 142 of the Albanian Labour Code. This timeframe is mandatory and cannot be extended beyond three months. This trial phase ensures that employers have adequate time to evaluate an employee's performance while preventing any prolonged uncertainty in the employment relationship.

Conditions for modifying the probationary period

While three months is the standard duration, employers and employees have the right to negotiate a shorter probationary period. Through a written agreement or collective contract, parties may choose to reduce or entirely waive the probation period if deemed appropriate. This flexibility allows both parties to customize the terms based on individual or organisational needs, making the probationary period adaptable within the legal framework.

Termination during probation

During the probationary period, either party has the right to terminate the contract with a five-day notice. This provision allows employees and employers to end the employment relationship without a stated reason, which encourages an honest assessment of compatibility without obligation to continue the relationship. Both parties, however, must adhere to the five-day advance notice requirement to ensure compliance with procedural fairness.

Absence of justification requirement

Native Teams

An important aspect of termination during the probationary period is that neither party is required to provide a reason. This provision is designed to allow greater flexibility in hiring and early termination decisions, reflecting the exploratory nature of the probationary period.

In Albania, the probationary period serves as a trial phase allowing employers to evaluate an employee's suitability and employees to assess the role and workplace. Governed by specific provisions in the Labour Code, this period is designed to balance flexibility with clear legal safeguards.

Legal framework for the probationary period

The Albanian Labour Code, specifically Article 142, sets strict rules for probationary employment:

- The probation period cannot exceed three months unless agreed upon as shorter in a written or collective contract.
- An individual employed under similar terms with the same employer cannot undergo another probationary period, ensuring it remains a one-time assessment.

Adjustments to the probationary period

Employers and employees may agree to reduce or waive the probationary period:

- Such agreements must be formalized in writing for transparency.
- Collective agreements may also define industry-specific probation terms, reflecting operational needs and sector conditions.

Termination during probation

Termination during probation is simplified to reflect the temporary nature of this phase:

- Either party may terminate the contract with a five-day notice, without requiring a justification.
- Employers must comply with the notice period, as failure to do so could lead to claims of procedural unfairness.

Courts have upheld this flexibility but emphasise that terminations cannot be discriminatory or violate procedural rules.

Limitations on probationary employment

The probationary period is strictly regulated to prevent misuse:

- Employers cannot extend the probationary period beyond three months or repeat it for the same role.
- Re-employing an individual for the same duties without a new probationary phase reinforces fair practices and job security.

Protections during probation

While the probationary period allows for flexibility, employees retain key legal protections:

- Employers must adhere to non-discrimination, health, and safety standards.
- Employees terminated on discriminatory grounds can file claims under anti-discrimination laws, which courts rigorously enforce.

Employment benefits during probation

During the probationary period, employees are entitled to statutory benefits such as social security and health insurance. However:

- Some contractual benefits may not apply until the probation period ends.
- Employees can seek legal recourse if employers fail to meet obligations, such as providing benefits or observing notice requirements.

Albanian labour law ensures that the probationary period is a fair and transparent arrangement, balancing the needs of both employers and employees while preventing exploitation or discrimination.

Intellectual property rights

In Albania, the ownership and rights to intellectual property (IP) generated by employees during the course of employment are governed by specific provisions in the Labour Code and the Law on Authors' Rights. Intellectual property created by employees typically falls into categories such as inventions, industrial designs, models, and literary or artistic works. The Albanian Labour Code sets clear parameters around the ownership, use, and reward rights associated with these creations when developed as part of an employee's contractual role.

Inventions

According to Article 135 of the Labour Code, inventions made by an employee during employment or inventions where the employee has played a significant role belong to the employer. This applies only when the invention is created within the scope of the employee's contractual duties and in a manner that benefits the employer's business. This includes both patented and unpatented inventions, effectively granting employers automatic ownership over these creations unless otherwise agreed.

Employer's right to exercise copyright

Employers may extend their IP rights through written agreements. Specifically, if an invention created by an employee falls outside of their defined contractual obligations, the employer may still exercise copyright by entering into a written agreement with the employee. This provides employers with flexibility to claim copyright on work-related inventions that are not strictly within the scope of the job description.

Compensation for employee inventions

When an employer retains ownership of an invention created by an employee, the employee is entitled to fair compensation. The amount should consider the invention's economic value, the extent of employer support (such as equipment and resources provided), and any additional costs borne by the employee. This compensation structure ensures that employees are adequately rewarded for their contributions, while also allowing employers to secure IP rights crucial to their operations.

Notification and copyright claim period

The employee is required to inform the employer in writing upon creating an invention. The employer must then decide within six months whether they wish to claim the invention's copyright or leave it with the employee. This notification process is fundamental in establishing clear IP ownership and preserving both parties' rights.

Industrial drawings, models, and creative works

Article 136 of the Labour Code addresses the ownership of industrial drawings, models, and computer programmes created by employees during their employment. When such works are produced in compliance with contractual obligations, the employer is entitled to use them to the extent necessary to fulfill the objectives of the employment contract. This provision ensures employers' access to industrial IP while respecting the contractual scope.

The Albanian Labour Code governs intellectual property (IP) created during employment, balancing the rights of employers and employees while fostering innovation. Articles 135 and 136 establish ownership rules, compensation obligations, and procedural safeguards.

Ownership of work-related IP

IP created as part of an employee's duties belongs to the employer, as outlined in Article 135. Employers benefit from inventions developed using their resources, while employees may be entitled to fair compensation for contributions beyond standard duties. Compensation is based on the invention's economic value and the employee's efforts.

Copyright through written agreements

For creations outside job duties, employers can claim rights via written agreements. This allows flexibility for businesses to secure IP relevant to their interests while preserving employee autonomy over work unrelated to their role. Written agreements help prevent disputes and ensure transparency.

Notification and ownership claims

Native Teams

Employees must notify employers of inventions that may qualify as employer-owned IP. Employers have six months to claim ownership or relinquish rights. Failure to respond within this timeframe results in forfeiture of ownership claims, ensuring timely decisions and protecting employee rights.

Industrial designs and creative works

Article 136 extends employer rights to industrial designs, models, and software created during employment. However, usage is limited to the purposes of the employment contract, preventing overreach. Courts in Albania uphold this principle to protect employees from excessive claims on their creations.

Law on authors' rights

Under Law No. 9380, employers retain rights to individually created works for up to three years unless otherwise agreed. After this period, ownership reverts to the employee, ensuring long-term control of their creations. Courts enforce this rule to prevent indefinite employer retention of IP rights.

Judicial support for employee rights

Albanian courts consistently uphold procedural fairness and the need for clear agreements. Employees are protected from employer overreach, with precedents emphasizing fair compensation and adherence to statutory and contractual obligations.

Employee data privacy

In Albania, employee data protection is governed by specific regulations within the Albanian Labour Code and Law No. 9887, dated 10.3.2008, "On Personal Data Protection," which is harmonized with the EU Directive 95/46. In Albania, data protection for employees falls under Article 33 of the Labour Code, which, in line with Law No. 9887 on Personal Data Protection, outlines an employer's responsibility to handle employee information securely. Employers may only collect data relevant to the professional abilities of employees or necessary for fulfilling employment contracts. The law mandates that the collected information be safeguarded to prevent unauthorized access, misuse, or disclosure.

The Albanian Data Protection Commissioner plays a key role, requiring employers, as data controllers, to notify the Commissioner about their processing activities unless an exemption applies.

The primary purpose of this notification is to promote transparency in how personal data is handled within employment relationships. Employers are additionally bound by law to maintain the confidentiality of any employee data obtained, both during and after the employment period. This obligation remains unlimited in time, underlining the importance of trust and privacy in employer-employee relationships.

Data maintained within employee files after the employment contract ends is to be retained for six months, after which it must be deleted unless the employee provides written consent for further retention.

The employer's duty to ensure data security extends particularly to sensitive data, such as health conditions or union memberships, where specific precautions must be taken. Furthermore, the law provides employees with certain rights over their data. These include the right to information on data use, access to personal information, and the ability to request corrections or deletions if inaccuracies arise. Albania's data protection laws, as outlined in Law No. 9887 on Personal Data Protection, establish stringent guidelines for managing employee information. These laws balance the employer's operational needs with the employee's right to privacy, aligning with EU standards to ensure transparency, security, and accountability.

Confidentiality and data retention

Employers are legally required to maintain the confidentiality of employee data during and after employment. This duty persists indefinitely, prohibiting disclosure unless explicitly allowed by law. After employment termination, data can only be retained for six months unless the employee provides explicit consent for extended storage. Even with consent, retention must comply with principles of necessity, proportionality, and transparency, ensuring employees' rights are respected.

Handling sensitive data

Sensitive data, such as information about an employee's health, ethnicity, or union membership, receives additional legal protections. Employers must obtain written consent to process such data unless it is required to fulfill legal obligations, ensure workplace safety, or support legal claims.

Employee rights and transparency

Employees in Albania have the right to access their personal data, verify how it is being used, and request corrections if necessary. They may also object to data processing that is unnecessary or misaligned with their interests. Employers must provide clear information about the type of data collected, the purposes for processing, who will access the data, and how long it will be stored.

Data security obligations

Employers are required to implement comprehensive security measures to protect employee data. These include both technical safeguards, such as encryption and secure storage, and organisational protocols, such as regular audits and employee training on data security. Sensitive data demands even stricter protections, such as restricted access and anonymization where feasible. In the event of a data breach, while public notification is not mandatory, employers must document the incident and report it to the Data Protection Commissioner (DPC) if necessary.

Cross-border data transfers

The transfer of employee data to foreign countries is strictly regulated. Employers must notify the DPC and, in some cases, seek prior authorization, particularly if the destination country lacks

equivalent data protection standards. To comply, employers must implement additional safeguards, such as binding corporate rules or contractual clauses, ensuring that the data remains secure and private, even abroad.

Enforcement and accountability

The Albanian Data Protection Commissioner (DPC) is responsible for enforcing compliance with data protection laws. The DPC has the authority to investigate complaints, audit employer practices, and impose fines for breaches. Employers who fail to comply with data protection regulations may face penalties and corrective measures, including orders to halt improper data processing activities. Employees can file complaints with the DPC if they believe their data rights have been violated, ensuring accountability and transparency in the system.

Restrictive covenants

Prohibition of competition

In Albania, employment relationships often include non-compete clauses that restrict former employees from engaging in competing activities after their employment ends. Under the Albanian Labour Code, non-compete clauses that extend beyond the employment period must meet specific conditions to be enforceable. Here is a summary of the foundational requirements for such agreements:

Age requirement: Non-compete agreements are enforceable only for employees over the age of 18. This ensures that legal restrictions are imposed only on those legally capable of making binding employment-related commitments.

Written agreement: For a post-termination non-compete clause to be valid, it must be in written form and typically should be included as part of the initial employment agreement. This establishes a formal record of the terms agreed upon by both the employer and the employee.

Access to confidential information: A crucial criterion for enforceability is that the employee must have had access to confidential business information or professional secrets during their employment. The logic here is that such knowledge could potentially harm the employer if used in a competing enterprise.

Potential for significant damage: The agreement is enforceable only if the misuse of the employer's business secrets could cause significant financial or operational damage to the employer.

Remuneration requirement: To ensure fairness, the employer is obligated to compensate the former employee during the non-compete period with at least 75% of the salary the employee would have earned had they remained employed. If the employee's compensation was variable, the remuneration is calculated based on the average salary from the previous year, indexed to account for inflation or economic changes.

Defined duration and scope: Non-compete agreements must explicitly define the scope of prohibited activities, geographical area, and duration. The maximum permissible duration is one year from the employment termination date. Defining these restrictions with precision helps ensure the clause does not excessively restrict the employee's future employment opportunities.

Non-compete clauses in Albania are contractual agreements that prevent former employees from engaging in competitive activities within a defined scope, duration, and geographic area after their employment ends. Governed by Articles 28–31 of the Labour Code, these clauses aim to protect employer interests while safeguarding employee rights.

Enforceability requirements

For a non-compete clause to be valid, it must:

- Be in writing.
- Apply only to employees with access to sensitive business information.
- Clearly specify the restricted activities, geographical scope, and duration (maximum of one year).

This ensures that non-compete clauses are applied fairly and not unnecessarily imposed on employees without access to confidential information.

Compensation during restriction

Employers must compensate employees during the non-compete period at 75% of their previous salary. If the salary was variable, the amount is based on the average earnings from the preceding year. This ensures employees are fairly compensated for the restrictions placed on their ability to work.

Scope and duration

The restricted activity, location, and timeframe must be reasonable. If the terms are excessive, courts may modify or invalidate the clause. For instance, a non-compete exceeding one year or overly broad geographical restrictions would likely be reduced to comply with legal limits.

Termination of non-compete obligations

Non-compete clauses end in the following situations:

- At the end of the agreed restriction period.
- If the employer no longer has a legitimate interest in enforcing the clause.
- If the employer unjustly terminates the employee or if the employee resigns for justifiable reasons related to employer misconduct.

These provisions protect employees from unfair restrictions when the employer's actions invalidate the agreement's purpose.

Breach of non-compete agreements

If an employee breaches a non-compete clause, they may:

- Be required to compensate the employer for damages caused.
- Face penalties outlined in the agreement, though courts may reduce excessive fines. Courts focus on ensuring that penalties are proportionate to the harm caused and that enforcement balances the rights of both parties.

Judicial approach

Albanian courts uphold non-compete agreements that meet legal standards, emphasizing fair remuneration, clear terms, and reasonable restrictions. They frequently assess whether the employer's interests justify the restrictions and ensure that fines or damages are not punitive or excessive. This balanced approach protects both business interests and employee freedoms.

Remote working

Remote working Policy

In Albania, work-from-home and teleworking arrangements allow employees to carry out their duties from locations agreed upon with the employer. Remote work and teleworking are recognised employment models in Albania, especially with advancements in technology and the global trend toward flexible work arrangements. Article 15 of the Albanian Labour Code, as amended by Law No. 136/2015, outlines the legal framework for these arrangements, specifying conditions and protections for employees working outside the employer's premises.

Types of remote work arrangements

Albanian law distinguishes between two forms of remote work:

- Work-from-home contracts: Employees perform their duties from home or another agreed-upon location. The terms, including the work location and conditions, are detailed in the employment contract and mutually agreed upon.

Native Teams

- Teleworking contracts: Similar to work-from-home arrangements, teleworking involves using information technology. Employees have greater control over their working hours, provided the terms align with agreements made with their employer.

Application of General Employment Provisions

Remote workers are entitled to the same legal protections as in-office employees. However, some provisions of the Labour Code do not apply, including:

- Working hours: Rules on weekly hours, rest periods, overtime, holiday work, and night shifts do not extend to remote workers, giving them more flexibility in their schedules.
- Compensation for difficult working conditions: Remote work is excluded from additional compensation for challenging work environments, as such conditions typically do not apply to these roles.

Parity in working conditions

A key principle of Article 15 ensures that remote workers are not disadvantaged compared to in-office employees. Employers must take specific measures to maintain equal opportunities and working conditions, including:

- Provision of equipment: Employers are responsible for providing, installing, and maintaining necessary technological tools for teleworking unless employees choose to use their own equipment. This ensures productivity and access to essential resources.
- Social integration: To combat isolation, employers are encouraged to foster connections between remote and in-office workers through team meetings, social events, or virtual interactions. These efforts support employee morale and teamwork.

Albanian Labour law emphasises fairness and inclusivity in remote work arrangements, balancing employee flexibility with employer responsibilities. This approach ensures that remote workers have access to necessary tools, opportunities for engagement, and equal treatment under the law.

Remote work and teleworking in Albania allow employees to perform their duties from agreed-upon locations outside the employer's premises. Article 15 of the Albanian Labour Code establishes the legal framework for these arrangements, ensuring employees enjoy flexibility without compromising their rights or protections.

Legal requirements for remote work

Remote work agreements must meet specific criteria to be valid:

- Written agreement: The employment contract must clearly outline the place of work, working hours, and the responsibilities of both parties.
- Specified location: The work location must be explicitly defined and agreed upon, with changes requiring employer approval.

- Technology provisions: Teleworking contracts must address the use, maintenance, and cost-sharing of necessary technology.

Exemptions for remote work

Certain Labour code provisions are adapted for remote work:

- Flexible hours: Regulations on overtime and holiday work do not apply, allowing employees to manage their schedules.
- No compensation for difficult work conditions: Since remote work lacks typical workplace challenges, employers are exempt from providing additional compensation.

Employer obligations

Employers must ensure remote workers are treated equally to their in-office counterparts:

- Employers are responsible for providing, maintaining, and supporting the necessary tools for remote work unless employees opt to use their own devices.
- Employers should take steps to prevent isolation, such as organising team meetings or virtual gatherings, to maintain morale and connectivity.

Location and oversight

Remote work locations and job roles must align with the employment contract:

- Location restrictions: Employees cannot change their work location without employer consent.
- Judicial oversight: Courts uphold written agreements and resolve disputes, ensuring contracts reflect mutual consent and fair terms. Albanian courts consistently emphasise the importance of written agreements and balanced obligations in remote work contracts. They protect employee rights while respecting employers' operational needs, reinforcing a fair and structured approach to remote work.

Responsibilities within a remote work arrangement

Remote work has increasingly become a fixture in the Albanian labour market, with the Labour Code adapting to ensure that both employers and employees understand their rights and responsibilities within this context. Albania's Labour Code, under Article 15, establishes a legal framework for remote work, recognising two primary arrangements: work-from-home and teleworking contracts. These agreements support flexibility while protecting employee rights and defining employer obligations.

Types of remote work

- Work-from-home contracts: Employees perform duties from home or another agreed-upon location, with terms such as location and conditions specified in the employment contract.

Native Teams

- Teleworking contracts: These arrangements also allow remote work but specifically involve the use of information technology. Employees have greater control over their schedules, within the boundaries of the agreed terms.

Both contract types must be documented in writing and outline clear expectations for duties, performance, and location.

Application of general employment regulations

Remote workers have the same protections as in-office employees, with some exceptions due to the nature of remote work:

- Exemptions: Regulations on weekly hours, rest periods, overtime, holiday work, and night shifts do not apply, offering flexibility in scheduling.
- Difficult work conditions: Remote workers are not entitled to extra compensation for challenging conditions, as they avoid typical workplace hazards.

Employer and employee responsibilities

- Employer obligations: Employers must provide, install, and maintain the necessary tools for remote work unless employees choose to use their own equipment. They are also required to foster social interaction to prevent isolation through team meetings or other engagement opportunities.
- Employee obligations: Employees must adhere to the location and duties specified in the contract. Any changes, such as working from a different location or performing additional tasks, require employer consent.

This framework ensures remote work arrangements are fair, transparent, and balanced, promoting flexibility while maintaining accountability for both parties.

The Albanian Labour Code, particularly Article 15, establishes clear rules for remote work contracts, balancing employer and employee responsibilities to ensure fair and effective arrangements.

Written agreement requirements

Remote work contracts must be formalized in writing, clearly specifying the employee's work location, duties, and necessary resources. Employees must adhere to the agreed location, and any changes require prior employer consent. This ensures clarity and prevents disputes over work conditions.

Employer responsibilities

Employers must:

- Provide and maintain equipment: Employers are required to supply and maintain the tools needed for remote work unless employees opt to use personal devices.
- Prevent employee isolation: Employers must create opportunities for social interaction, such as virtual meetings or team-building activities, to support employee morale and engagement.

These obligations ensure remote employees have the necessary resources and maintain parity with in-office counterparts.

Employee responsibilities

Employees must:

- Adhere to the specified location: Employees are required to work from the agreed location unless prior approval is obtained for changes.
- Use approved equipment: Employees must use the agreed tools to ensure consistency and security.
- Seek consent for changes: Any alterations to work location or tasks require employer approval, maintaining the integrity of the agreement.

Judicial enforcement

Albanian courts emphasise adherence to written agreements. In disputes, courts have upheld terms related to work location and employer obligations, such as providing equipment and preventing isolation. This reinforces the importance of clarity and compliance in remote work contracts.

Compliance and oversight

Employers are advised to:

- Regularly review remote work arrangements to ensure compliance with Article 15.
- Implement clear policies on equipment provision, location changes, and social integration.
- Conduct performance reviews and ensure adherence to agreed conditions, including information security protocols.

This structured approach ensures remote work arrangements are transparent, legally compliant, and supportive of both parties' needs.