

Montenegro

Payroll & Employment Law Guide

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A source-backed operational reference for Montenegro payroll, employment

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For general information purposes only

Overview

A reference for employing in Montenegro

A local limited liability company is the usual employing vehicle. Registration is handled through the Central Registry of Business Entities, followed by tax access, banking and employee registrations. A branch may conduct business but remains linked to its foreign founder.

€600 / €800	40h	10.5%	0.5%
NET MINIMUM WAGE BY QUALIFICATION	STANDARD WORKING WEEK	GENERAL EMPLOYEE SOCIAL CONTRIBUTIONS	GENERAL EMPLOYER SOCIAL CONTRIBUTION

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	A local limited liability company is the usual employing vehicle.
II	**Working Conditions and Leave Entitlements**	The standard working week is 40 hours.
III	**Tax and Social Security**	Employment income uses progressive monthly bands.
IV	**Payroll Operations**	The employer calculates withholding and submits the monthly IOPPD return.
V	**Hiring and Termination**	Employment contracts must be written and must identify the role, workplace, pay and working time.
VI	**Compensation and Benefits**	The net monthly minimum wage is EUR 600 for roles up to qualification level V and EUR 800 for qualification level VI or higher.
VII	**Visas and Work Permits**	A third-country national generally needs temporary residence and a work permit tied to the employer and role.
VIII	**Practical Notes and Compliance Risks**	Key risks are the wrong municipal tax profile, missing qualification evidence and late IOPPD filing.
IX	**Incentives and Employer Support Schemes**	The Employment Agency operates active labour-market measures, including subsidised employment, training and entrepreneurship support.

I

Setting Up and Doing Business

A local limited liability company is the usual employing vehicle. Registration is handled through the Central Registry of Business Entities, followed by tax access, banking and employee registrations. A branch may conduct business but remains linked to its foreign founder.

STEP	GENERAL RULE	PAYROLL CONTROL
Entity	LLC or registered branch	Confirm legal employer
Registry	CRPS registration	Match legal name and number
Tax	Revenue Administration access	Activate employer account
Employee	Register before payroll	Retain confirmation

> Verify before payroll
> Operational note: Keep the source document and the payroll evidence under the same employee and period key.

II · WORKING CONDITIONS AND LEAVE ENTITLEMENTS

The standard working week is 40 hours. Employees receive at least 20 working days of annual leave. Probation may last up to 6 months. Maternity leave totals 98 days, while parental leave and protected absences require a separate eligibility review.

TOPIC	2026 BASELINE	PAYROLL EVIDENCE
Working week	40 hours	Approved time record
Annual leave	At least 20 working days	Leave ledger
Probation	Up to 6 months	Written clause
Maternity	98 days	Medical and leave record

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III

Tax and Social Security

Employment income uses progressive monthly bands. Gross salary up to EUR 700 is taxed at 0%, the portion from EUR 700.01 to EUR 1,000 at 9%, and the portion above EUR 1,000 at 15%. Municipal surtax is generally 13%, rising to 15% in Podgorica and Cetinje. The general employee contribution is 10% pension plus 0.5% unemployment, while the general employer contribution is 0.5% unemployment.

ITEM	EMPLOYEE	EMPLOYER
Income tax	0% / 9% / 15%	Withholding agent
Municipal surtax	13% or 15% of PIT	Withholding agent
Pension	10%	0% general rate
Unemployment	0.5%	0.5%

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IV · PAYROLL OPERATIONS

The employer calculates withholding and submits the monthly IOPPD return. The operational deadline is the 15th day of the following month. Salary, tax, surtax and contributions should reconcile to the same employee and period key before payment evidence is archived.

PROCESS	TIMING	CONTROL
Gross-to-net	Each pay cycle	Current bands and municipality
IOPPD	By day 15 of next month	Accepted filing receipt
Payment	With filing calendar	Bank reference
Payslip	Each pay period	Gross, deductions and net

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V

Hiring and Termination

Employment contracts must be written and must identify the role, workplace, pay and working time. Employer termination needs a lawful ground and documented procedure. The general statutory notice period is at least 30 days, while unused leave and all earned pay must be included in the exit calculation.

CONTROL	GENERAL RULE	EXIT FILE
Contract	Written	Signed copy
Notice	At least 30 days	Service evidence
Unused leave	Paid at exit	Leave balance
Final pay	All earned amounts	Reconciliation

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VI · COMPENSATION AND BENEFITS

The net monthly minimum wage is EUR 600 for roles up to qualification level V and EUR 800 for qualification level VI or higher. Payroll should retain evidence of the role's qualification classification. There is no general statutory 13th salary obligation, but a collective agreement, contract or policy may create one.

ELEMENT	GENERAL APPROACH	CONTROL
Minimum wage	EUR 600 or EUR 800 net	Qualification level
Bonus	Contract or policy	Vesting rule
13th salary	No general statutory duty	Collective agreement check
Benefits	Cash or in kind	Taxable-benefit review

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> Operational note: Confirm the live programme, contract or worker-specific condition before payroll recognition.

VII

Visas and Work Permits

A third-country national generally needs temporary residence and a work permit tied to the employer and role. The permit is normally issued for up to 1 year and may be extended within the statutory limits. Employers should not treat residence status alone as permission to work.

STEP	GENERAL RULE	EMPLOYER CONTROL
Quota	Annual quota may apply	Check before offer
Application	Residence and work permit	Role and employer match
Decision	Official process target 20 days	Track receipt
Start	Contract and registration after approval	No premature work

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VIII · PRACTICAL NOTES AND COMPLIANCE RISKS

Key risks are the wrong municipal tax profile, missing qualification evidence and late IOPPD filing. Reconcile registration, time, leave, payroll and bank evidence monthly.

RISK	WHY IT MATTERS	EVIDENCE
Municipality	Surtax can differ	Residence record
Qualification	EUR 600 / EUR 800 floor	Role classification
IOPPD	Monthly deadline	Filing receipt
Permit	Employer and role specific	Valid approval

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IX

Incentives and Employer Support Schemes

The Employment Agency operates active labour-market measures, including subsidised employment, training and entrepreneurship support. These programmes are call-based and are not an automatic payroll credit. Confirm the live call, eligible worker, approved cost, retention period and de minimis treatment before recognition.

PROGRAMME TYPE	POSSIBLE SUPPORT	GATE
Subsidised employment	Call-specific	Approval before hire
Training	Eligible participant and plan	Attendance evidence
Entrepreneurship	Programme-based	Approved spending
Payroll treatment	Not automatic	Agreement and payment evidence

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> Operational note: Confirm the live programme, contract or worker-specific condition before payroll recognition.



EOR & PAYROLL, HANDLED

Manage Montenegro payroll & employment from one center with Datassist.

Tax, contribution, employment and mobility controls must operate on one calendar. Datassist helps international employers coordinate Montenegro payroll and employment operations from one center.

Schedule a Meeting →

€600 / €800	40h	2026
NET MINIMUM WAGE BY QUALIFICATION	STANDARD WORKING WEEK	CURRENT LEGISLATION BASE

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