

## Financing adult learning database

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| <b>Name of the instrument - Local language</b>      | Klauzula o povratu                                                                        |
| <b>Name of the instrument - English translation</b> | Payback Clause                                                                            |
| <b>Scheme ID</b>                                    | 264                                                                                       |
| <b>Country</b>                                      |  Croatia |
| <b>Reporting year</b>                               | 2020                                                                                      |
| <b>Type of instrument</b>                           | Payback clause                                                                            |
| <b>Sub-type of instrument</b>                       | Payback clauses are possible with no explicit limitations                                 |
| <b>Type of entry</b>                                | Single instrument                                                                         |

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| <b>Short description</b> | In compensation for employer-provided/financed training, employees commit themselves to stay in the company for an agreed period or (partially) pay back the costs of training. In the case of premature departure from the company, the employee obliges to compensate for training-related costs occurred by the employer. The parties are free to regulate their obligations, and these must be in compliance with the Constitution of the Republic of Croatia, mandatory laws, and the morals of the society. The payback clause is not directly regulated by national law and governmental bodies are not involved in the management. The County Courts and Constitutional Court hear the case in the event of a dispute between an employer and employees and make a decision. |
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| <b>Level of operation</b>                            | National                                           |
| <b>Name of a part of the country</b>                 | Not applicable                                     |
| <b>Name of the region (for regional instruments)</b> | Not applicable                                     |
| <b>Name of the sector (for sectoral instruments)</b> | Not applicable                                     |
| <b>Relevance</b>                                     | Further instrument                                 |
| <b>Legal basis</b>                                   | Civil obligations Act (Zakon o obveznim odnosima), |

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|                                                           | Official Gazette 35/05, 41/08, 125/11, 78/15, 29/18;<br><a href="https://narodne-novine.nn.hr/clanci/sluzbeni/2018_03_29_586.html">https://narodne-novine.nn.hr/clanci/sluzbeni/2018_03_29_586.html</a>                                                                                                                                                                                                                                                                                                                       |
| <b>Objective(s) and target(s)</b>                         | Official objectives of the instrument are not stated in the legal acts.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Year of implementation</b>                             | 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Operation/management</b>                               | The employee directly manages the payback clause. The government bodies are not directly involved. The County Courts and Constitutional Court hear the case in the event of a dispute between an employer and employees and make a decision. Social partner bodies (trade unions, employer associations/federations) are not involved.                                                                                                                                                                                        |
| <b>Eligible group(s)</b>                                  | All employers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Group(s) with preferential treatment</b>               | No preferential treatment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Education and training eligible</b>                    | All types of education can be eligible depending on the agreement between the employer and employee. The Law does not regulate the type of education and training eligible. The Law regulates the principles of obligations (general part) and contractual and non-contractual obligations (special part). The parties are free to regulate their obligations, and these must be in compliance with the Constitution of the Republic of Croatia, mandatory laws and the morals of the society (Article 2 of the Law).         |
| <b>Source of financing and collection mechanism</b>       | Employer funds training, the employee provides (partial) repayment eligible training costs in case of premature departure from the company.                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Financing formula and allocation mechanisms</b>        | Employer funds training, the employee provides (partial) repayment eligible training costs in case of premature departure of the company. The Law regulates the principles of obligations (general part) and contractual and non-contractual obligations (special part). The parties are free to regulate their obligations (e.g.. regarding the repayment mechanism), and these must be in compliance with the Constitution of the Republic of Croatia, mandatory laws and the morals of the society (Article 2 of the Law). |
| <b>Eligible costs</b>                                     | The eligibility of costs is agreed between the employer and employee and these are defined as the mutual agreement (e.g. tuition fees, costs for internal training personnel, costs for training materials, travel costs, accommodation costs).                                                                                                                                                                                                                                                                               |
| <b>Volumes of funding</b>                                 | Not available. Data on the frequency of use of payback clauses is not collected and it is not clear which institution would collect such data.                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Beneficiaries/take up</b>                              | Not available                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Organisation responsible for monitoring/evaluation</b> | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <b>Monitoring/evaluation reports available</b> | Not available                                                                                                                                     |
| <b>Most relevant webpage - in English</b>      | <a href="http://pak.hr/cke/propisi,%20zakoni/en/CivilObligationsAct/EN.pdf">http://pak.hr/cke/propisi,%20zakoni/en/CivilObligationsAct/EN.pdf</a> |
| <b>Most relevant webpage - local language</b>  | Not available                                                                                                                                     |
| <b>Recent changes</b>                          | <p>No recent amendment</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>                                                        |
| <b>Sources</b>                                 | Civil obligations Act (Zakon o obveznim odnosima), Official Gazette 35/05, 41/08, 125/11, 78/15, 29/18                                            |