

Financing adult learning database

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

Short description	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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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Civil obligations Act (Zakon o obveznim odnosima),

	Official Gazette 35/05, 41/08, 125/11, 78/15, 29/18; https://narodne-novine.nn.hr/clanci/sluzbeni/2018_03_29_586.html
Objective(s) and target(s)	Official objectives of the instrument are not stated in the legal acts.
Year of implementation	2005
Operation/management	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.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	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).
Source of financing and collection mechanism	Employer funds training, the employee provides (partial) repayment eligible training costs in case of premature departure from the company.
Financing formula and allocation mechanisms	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).
Eligible costs	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).
Volumes of funding	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.
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	Not applicable

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