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Practical Guides Series

Labour Law

Practical Guide for Employers & Employees

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Introduction

This practical guide is intended for employers and employees, as well as multinationals that employ or plan to employ personnel in Greece.

It presents the main practical and legal issues encountered by companies with respect to personnel sourcing and management in Greece, but also by employees in their relations with Greek and foreign employers.

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1. Personnel sourcing

1.1. Sourcing methods

The most usual way to find personnel in Greece is by posting an advertisement on specialized websites, such as www.xe.gr, www.kariera.gr, www.skywalker.gr. Social networking platforms (e.g. LinkedIn or Xing) are also playing an increasingly important role, not only as a mean of sourcing personnel but also as a way to obtain information about the qualifications and previous experiences of job seekers.

1.2. Manpower recruitment companies

In recent years, there has been a significant growth of manpower recruitment companies in Greece. These companies (such as Manpower, Adecco, etc.) keep records of jobseekers and can also offer advice to employers in order to help them find suitable employees. Most offer further services, such as Human Resource Management for companies and staff training.

1.3. Advertisement content

The content of an advertisement placed by a company looking for personnel in Greece is usually quite brief. It is advisable for the ad to contain a short description of the company, information about the job being offered, the qualifications required for the position (in terms of formal qualifications and individual skills) and lastly, clear details concerning the address to which resumes or CVs should be sent and the deadline for applications.

1.4. Handling of CVs by the employer

The employer is entitled to inform job candidates that their application has been received and that their CV has been stored for future reference in the event of a new vacancy at the company. Alternatively, the employer may send a letter to candidates who were not selected for the position, inviting them to retrieve the documents sent with the application (e.g. diplomas, references, etc.), since these will most likely be needed in their job search.

2. Personnel hiring and secondment

2.1. Hiring procedure

Once the employer has selected a suitable candidate, there is a specific procedure (apart from signing the employment contract, to which we shall refer at below) which must be followed in order to complete the hiring.

More specifically:

- The employee must provide the hiring company's accounts department with a copy of his/her police identity card and proof of his/her home address (public utility bill, tax assessment notice, etc.).
- The employer's accounts department must announce the hiring to the Ministry of Labour's electronic information system "ERGANI" before the employee begins work, by submitting forms E3 and E4.
- The employer and employee sign an employment contract (see below), which contains a detailed job description as well as the terms and conditions of employment.
- A payroll account is opened by the employer in the employee's name at the employer's bank (if the salary is paid into a bank other than that of the employer, commission is charged for the remittances).

2.2. Procedure for hiring personnel from a foreign country

In this case, there are two different categories:

2.2.1. Candidate from a non-EU country

When the candidate is a non-EU citizen, irrespective of whether he/she has worked in the EU or holds a work permit in an EU country, the procedure entails the following:

- A valid employment contract, setting out the terms of employment, the employee's salary and working time, as well as the duration of the contract.
- A residence permit (visa) for Greece (a residence permit for another EU country is NOT ACCEPTED)
- Insurance with a Greek social security fund.
- A certificate evidencing permanent residence in Greece.
- A work permit for Greece, the issuance of which requires:
    - Residence permit
    - Confirmation from the employer
    - Employment contract
    - Social security coverage in Greece
    - Medical certificate from a public hospital

Upon fulfilment of the above requirements, the employer can legally hire the employee.

2.2.2. Candidate from an EU country

If the candidate is the citizen of an EU country, the requirements for working in Greece are the following:

- A valid employment contract, setting out the terms of employment, the employee's salary and working time, as well as the duration of the contract.
- A certificate evidencing residence in Greece.
- Social security coverage in Greece

2.3. Procedure for the secondment of personnel from EU countries; A1 form

In the framework of the EU and pursuant to Regulations 883/2004, 987/2009, a company established in Greece is entitled to hire an employee from a company established in

another EU member state, subject to the following conditions:

A (tripartite) secondment agreement must first be concluded between the company sending the employee on secondment, the company receiving the employee and the secondee him/herself. This agreement must describe the terms of the secondment, its duration and the work to be performed by the secondee (company's needs) which is the reason for the secondment.

An employment contract between the receiving company and the secondee, setting out in detail: The secondee's job, his/her remuneration and working time.

Confirmation (A1 form) from the country of origin certifying that the secondee is insured in that country and should therefore be exempted from social security obligations in the receiving country (Greece's Social Insurance Institute [IKA] recognizes and accepts the A1).

2.4. Tax treatment of secondees

In effect, the secondee continues to be an employee of the company sending him/her on secondment to Greece. However, the company in Greece must pay him/her the agreed salary, as stipulated in their employment contract. Consequently, the employee must file a tax return both in his/her country of origin and in Greece, where he/she receives a salary.

3. Employment contract

3.1. Written format

It is common for many companies in Greece to hire personnel solely on the basis of the (mandatory) notification of the Ministry of Labour. Despite the fact that there is no provision in Greek labour law for a specific format of the employment contract, this practice is considered inadequate. The absence of a detailed employment contract may lead to serious problems in the employer-employee relationship, such as uncertainty regarding the job, working time, overtime issues, place of work, whether the employee performs salaried work or has entered into a works contract, etc. There are certain exceptions where the law requires that the employment contract is drawn up in writing, such as:

- Employment contracts with the Greek state
- Employment contracts concluded with hotel enterprises

3.2. Content of the employment contract

In addition to the points made above, the employer should draw up the terms and conditions of the employment contract in writing and communicate them to the employee. More specifically, according to the **Presidential Decree 156/1994** (**EU Directive 91/553/EEC**), every employer who employs a person for more than one month is obliged to notify the latter in writing, not later than two months after the

commencement of employment, about the essential aspects thereof.

3.2.1. Minimum required content of the employment contract

Further to the information set out above, the minimum required content of an employment contract includes by law the following:

- Complete details relating to the identities of the employer and employee,
- The place of work,
- The duration of the employment contract,
- The type of work to be provided by the employee,
- The salary to be paid for services rendered,
- Any terms relating to the amendment of the employment contract.

3.2.2. Recommended content of the employment contract

In order to be more complete and prevent problems concerning interpretation, it is recommended that in addition to the minimum required content, the employment contract should stipulate the following:

- Complete details relating to the identities of the employer and employee,
- The place of work,
- The employee's position and a full job description,
- The date of commencement of the employment contract,
- The salary to be paid for services rendered,
- The date of payment of the salary,
- The exact timeframe of work (on a weekly basis)
- Any agreements applicable to the employee (e.g. Company car, bonus, Laptop, mobile telephone).
- In the event of bonus payments, the explicit clarification that the bonus is a gratuity, not part of the regular salary, and is performance related.
- A GDPR clause
- A non-compete clause
- A confidentiality agreement
- Any Annexes following the above agreements

3.2.3 Management executives

Management executives of companies have a special status in the framework of labour law. On the one hand, they are treated as salaried employees and fall within the protective provisions of labour law. On the other hand, they function as employers and for this reason are excluded from provisions of labour legislation. For a person to be considered a management executive in a company, he/she must be responsible for the general management and supervision of the company in the sense that he/she decides on key issues relating to the financial, technological, organizational and commercial course of the company. The employment status of a management executive has the following special features:

- A different legislative regime with respect to working time. In particular, the common basis of the 8-hour working day and 5-day working week does not apply to management executives.
- A different legislative regime with respect to remuneration for working beyond normal working hours, since management executives are not subject to an overtime policy.

3.2.4 Recommended content of a management executive's employment contract

In order to safeguard the employment rights of management executives and prevent problems of interpretation in the course of the contract, the latter should include:

- Complete details relating to the identities of the employer and employee,
- The place of work,
- The management executive's position and a job description, with specific reference to those elements that invest the position with "managerial authority",
- His or her explicit designation as a management executive,
- The date of commencement of the employment contract,
- The salary to be paid for services rendered,
- The date of payment of the salary,
- The exact timeframe of work (on a weekly basis)
- Any agreements applicable to the employee (e.g. Company car, bonus, Laptop, mobile telephone).
- In the event of bonus payments, the explicit clarification that the bonus is a gratuity, not part of the regular salary, and is performance related.
- A GDPR clause
- A non-compete clause
- A confidentiality agreement
- Any Annexes following the above agreements

3.3. Duration of the employment contract

Depending on their duration, employment contracts are classified as either fixed-term or open-ended.

3.3.1 Fixed-term (or definite duration) contracts

A fixed-term contract is one in which a definite period of employment has been expressly or tacitly agreed, usually expressed in terms of a specific expiry date. Such contracts end when the agreed (fixed) term has expired. If the employer continues to work for the employer for a sufficient period of time after the contract has expired, the contract may be converted to an open-ended one, subject to the employer's consent.

3.3.2. Open-ended (or indefinite duration) contracts

An open-ended contract is one in which the employment relationship is not subject to a definite period and when no fixed term of employment can be deduced from the nature or purpose of the relationship. Such contracts are ended only if they are terminated by the employer or by the employee and always with the severance pay prescribed by law.

3.3.3. Successive fixed-term contracts

Successive fixed-term contracts are those concluded between the same employer and the same employee, with the same terms of employment. Fixed-term employment contracts may be renewed up to 3 times on a row, provided there are certain special reasons that are set out in a written agreement between the parties and justify the extension of the contract. By way of indication, such reasons may include:

- The performance of work of a temporary nature,
- The temporary replacement of another employee,
- When a company has specific needs.

When there are no special reasons, but successive fixed-term employment contracts are nevertheless concluded, then:

- If the duration of the successive employment contracts exceeds three years, it is presumed that the contracts are aimed at meeting the company's permanent needs. Consequently, the fixed-term contracts are converted into open-ended contracts.
- If, within a period of three years, successive employment contracts are renewed more than three times, it is presumed in this case too that the contracts are aimed at meeting the company's permanent and constant needs. Again, such contracts are converted into open-ended contracts.

3.3.4. Contract for the provision of independent services to the same employer

The concept of providing independent services applies to the category of self-employed workers. The provider of the services is a self-employed professional who renders his/her services to the employer without any relationship of dependence and without the latter controlling his/her working time.

In such cases, the self-employed person cannot benefit from the protective provisions of labour law.

While the employer is not obliged to pay insurance contributions, a monthly salary (since the employer engages such persons on a piecework basis and the latter are remunerated on the basis of the amount of work done) is not paid either.

The self-employed professional issues an invoice for the provision of independent services to the employer for every work done.

3.3.5. Special clauses in contracts for the provision of independent services

In this particular instance for the provision of services, where the worker issues invoices, the employer should take care to ensure that:

- A contract for the provision of independent services is drawn up, precisely specifying the nature of the services and the needs of the employer;
- The aforesaid contract expressly states that the person providing the services is self-employed and not a salaried employee;

- The contract expressly states that the registered place of business of the person providing the services is different from that of the employer;
- In the event that 70% of the service provider's annual income is earned from the same employer, the contract is submitted to the local tax department so that the provider of services can be treated (for tax purposes) as a salaried person rather than a self-employed professional.

3.3.6. Works contract

In a works contract, emphasis is placed on some project that is to be performed and delivered within an agreed timeframe, on the basis of a previously agreed fee for its completion. Such contracts do not create a relationship of dependence on the employer and are not governed by the provisions of labour law.

4. Employer's obligations

4.1. Obligation to declare employees to the Ministry of Labour (formerly, to keep a register of employees)

The procedure for hiring personnel and the obligation to keep a handwritten register changed in 2013, when it was adapted to the Ministry of Labour's ERGANI database that links the Hellenic Labour Inspectorate, Manpower Employment Organization and Social Insurance Institute, with the result that everything is now carried out online. This means:

- The employer must submit electronically the E3 form prior to the commencement of work by the newly hired employee.
- The employer must submit electronically the E4 supplementary table of personnel (annual list) prior to the commencement of work by the newly hired employee.
- Companies operating with a system of alternating shifts are obliged to submit a supplementary table of working hours together with the work schedule.
- If there is a change in the organization of working time, the employer is obliged to electronically submit amended tables for the work schedule.
- If there is any change with respect to remuneration, an amended table must be submitted within 15 calendar days of the entry into force of the new remuneration.
- In addition, the handwritten record of leave is to be abolished in 2015 and this too will be kept electronically.

4.2. Salary payment obligation

In Greece, the annual salary is paid in 14 instalments (12 monthly payments along with a full month's salary at Christmas and two half payments at Easter and in summer).

4.2.1. Delayed payment of salary

In the event that the employer fails to pay or delays payment of an employee's salary, the former is committing an offence, one which entitles the employee – without any other preliminary formality – to demand immediate payment and report the employer to the Labour Inspectorate, which in turn will impose a fine and refer the employer to the public

prosecutor.

4.2.2. Benefits in kind

Benefits in kind have nowadays become common practice, usually taking the form of providing a laptop, a paid mobile phone, means of transport, etc. They do, however, entail certain risks. The law makes a distinction between two types of such benefits: those that meet direct expenses for the needs of the company and those provided in order to facilitate the implementation of the employment contract. In each case, the question as to whether they constitute part of the salary or not is decided on the basis of the following criteria:

- If they result in a gain for the salaried employee which is excessive in relation to the satisfaction of the company's needs.
- If the benefit directly contributes to the realization or facilitation of the performance of the work or covers expenses, since it constitutes a deviation from the essentially salaried nature of the benefit.

The status and treatment of benefits in kind are matters that are often interpreted by the courts or the legislator, depending on the taxation policy being implemented from time to time, and are difficult to precisely determine in advance.

4.3. Other obligations of the employer

4.3.1. Worker safety (Law 1568/85, Directive 89/391/EEC).

The employer has a primary obligation to observe safety rules in the workplace, as these are stipulated in relevant legislation. In particular, employers must:

- Take all necessary steps to ensure the physical welfare of workers as well as of visitors who may enter working spaces;
- Take into consideration the advice and suggestions of occupational health technicians and inspectors and in general facilitate their task within the company;
- Supervise the proper implementation of health and safety measures at work;
- Ensure the specialized, preventive and periodic health surveillance of workers, in accordance with the occupational hazards to which workers are exposed;
- Take collective protective measures for the prevention of occupational risks;
- Inform workers about occupational hazards relating to their work as well as about the legislation in force concerning health and safety at work and the manner in which it is implemented in the company;
- Develop a policy for preventive action and the improvement of working conditions;
- Provide the necessary means for achieving the above objectives;
- Keep a record of occupational accidents, including a description of each one and the causes thereof;
- Irrespective of the number of employees, the employer is obliged to use the services of an occupational safety technician.

4.3.2. Employer's obligations connected to the nature and the size of the company

Depending on the size of the company, an employer may have certain additional

obligations, such as:

- In the case of companies that employ 50 or more workers, the employer is obliged to use the services of an occupational physician.
- In the case of companies that employ 70 or more workers, the employer is obliged to issue a work regulation.
- In the case of companies that use lead, asbestos, carcinogens or biological agents, when the risk assessment suggests a risk for the health and safety of workers, irrespective of the number of workers employed by the company, the employer is obliged to use the services of an occupational physician.

4.4. Employee's obligations

The employment contract in turn entails obligations on the part of the employee towards the employer, which are considered to be substantial.

More specifically, employees must:

- Comply with the terms of their employment contract,
- Adhere to their work schedule,
- Work conscientiously,
- Make correct use of the personal protective equipment supplied to them,
- Refrain from disconnecting, changing or arbitrarily removing safety devices fitted to machinery, apparatus, tools and installations,
- Immediately inform the employer of any situation that represents an immediate and serious danger to their health and safety,
- Cooperate with the employer to enable fulfilment of any tasks or requirements imposed on the employer by the competent labour inspectorate to protect the health and safety of workers,
- Cooperate with the employer to enable the latter to ensure that the working environment and working conditions are safe and pose no risk to safety and health within their field of activity.

5. The employment relationship

5.1. Working time

Working time is the period that an individual spends for paid occupational labour. The law provides for a protective maximum limit up to which an employee is permitted to work.

The maximum limit prescribed by law is 8 hours per working day. The corresponding weekly limit is 40 hours. However, the employer and employee are entitled to freely determine working time on the basis of a contract (contractual working hours), provided that the maximum limit set by law is not exceeded. Thus, in the case of private sector employment, the maximum number of working hours is 40 per week. According to **Law 3863/2010**, the employer is entitled to employ a worker for more than 40 hours per week, as set out in the following tables:

Calculation of extra working hours in the case of a five-day working week	
Extra working hours per week	From 40-45 hours = Normal hourly wage increased by 20%

Calculation of extra working hours in the case of a six-day working week	
Extra working hours per week	From 40-48 hours = Normal hourly wage increased by 20%

5.1.1. Overtime

Overtime is calculated only when the time limits of extra working hours are exceeded. If the limits of extra working hours are exceeded, with the result that the employee is working overtime, the employer is obliged to observe a specific procedure to ensure that the employee is not considered to be working overtime illegally. More specifically:

- The employer must report the overtime to the Ministry of Labour via the electronic system,
- The company must have extraordinary or urgent needs,
- The employer must pay the increased hourly wage rate,
- For each hour of legal overtime and up to 120 hours annually, the regular hourly wage is **increased by 40%**,
- For each hour of legal overtime exceeding 120 hours annually, the regular hourly wage is **increased by 60%**.

5.2 The salary **(*based on the 2019 national collective labour agreement)**

The statutory minimum wage has been formed as follows, on the basis of the age criterion:

5.2.1. Office Clerks

Years of service	Basic Salary	Working Experience raise	Total
0-3	650,00	-	650,00
3-6	650,00	65,00	715,00
6-9	650,00	130,00	780,00
9-more	650,00	195,00	845,00

5.2.2. Manual-workers

Years of service	Basic daily payment	Working Experience raise	Total
0-3	29,04	-	29,04

3-6	29,04	1,45	30,49
6-9	29,04	2,90	31,94
9-12	29,04	4,36	33,40
12-15	29,04	5,81	34,85
15-18	29,04	7,26	36,30
18-more	29,04	8,71	37,75

5.3. Leave

Salaried employees are entitled to a specific number of days' leave during each year, depending on the length of their employment. This leave consists of Summer leave, Christmas leave, Easter leave (regular leave) as well as sick leave and a special leave for voting.

	For a five-day working week	**For a six-day working week**
For the 1st year of employment	20 days	24 days
For the 2nd year of employment	21 days	25 days
For the 3rd year of employment	22 days	26 days

- Employees who have worked for the same employer for 10 years or for a different employer for 12 years are entitled to the following days of leave:

For a five-day working week	**For a six-day working week**
25 days	30 days

- Employees who have worked for 25 years are entitled to the following days of leave:

For a five-day working week	**For a six-day working week**
26 days	30 days

The employer is responsible to grant the employee his legally guaranteed leave every year. Failure to comply with this requirement entails the obligation to pay the

remuneration corresponding to the leave, increased by 100%.

- Splitting annual leave

The legislative change introduced by **Law 4093/2012** entitles the employer to split the employee's annual leave if the company's need require so.

5.3.1. Sick leave

Greek law defines sick leave as a short period during which an employee is absent from work due to illness without fault of their own. Absence from work on account of illness must be substantiated by a medical certificate. The employer pays the employee one half of the latter's salary for each day of absence for an absence due to illness up to three days. If the employee is absent from work for longer than three days, the Social Insurance Institute (IKA) pays the employee sickness benefit equal to one half of the employee's salary for each day of absence, while the other half is paid by the employer.

5.3.2. Voting leave

Details regarding voting leave are usually announced prior to every electoral term. Generally speaking, the following applies:

- Employees with a five-day working week are given a one day leave if their electoral district is situated 200-400 km from their workplace and two days if the distance is greater than 400 km. With regard to voters who must travel to an island to vote, leave is decided on a case-by-case basis, though the employer is under no obligation to give more than three days.
- Employees with a six-day working week are given a one day leave if their electoral district is situated 100-200 km from their workplace and two days if the distance is greater than 200 km. With regard to voters who must travel to an island to vote, leave is decided on a case-by-case basis, though the employer is under no obligation to give more than three days.

5.4. Maternity leave

Protection of maternity has always been enshrined in Greek labour law. The benefits of the pregnant worker are summarized in the birth leave, which is given 56 days before the scheduled date of birth and in the maternity leave for 63 days after delivery (lactation period). The maximum total days of payment of the allowance are 119 days (56 + 63) and include any bank holidays.

Subsequently, in the case that the mother nurses, she is entitled to work one hour later and leave an hour earlier (part-time) for a period of 30 months after giving birth. However, the mother may choose not to use part time but take a 9-months full-time leave.

After the termination of the lactation period (63 days after delivery), the mother is also entitled to the special maternity leave for 6 months after the birth. In this case, the employee's salary is paid by OAED and not by the employer.

5.5. Changing the employment contract from full-time to part-time

This issue is affecting more and more businesses in our country due to the turnover decrease arising out of the ongoing economic crisis.

The spirit of the law on the protection of workers, the deterioration of their position and their working conditions raises concerns about the possibility of transforming a full-time employment relationship into a part-time one. In practice, once an employer-employee agreement has taken place, the conversion is completely legal and valid without further formalities. However, if the conversion is done unilaterally and essentially is not the employee's wish, a dialogue with the employees is required and the objective problem faced by the company should be presented with financial data. If the employee does not agree with the conversion of the employment relationship into part-time, he has the right to appeal to the competent court on the basis of deterioration of his position.

Respectively, this is true and applies to rotational work as well, which is often the result of the conversion of contracts from full-time to part-time, which leads to the recruitment of more workers at a reduced wage.

5.6. Working Regulation

The existence of a working order in the business is mandatory for a business employing more than 70 employees. If more than 50 employees are employed, its existence is optional. In any case, it is possible to request the labour inspection at its discretion. The content of the working regulation regulates the relationship between employer and employee and daily routine of employees. It imposes specific behaviours on the basis of the Code of Conduct in relation to the handling of machines, the computer, the cleanliness of the premises and sets out the disciplinary law applicable to the business. In practice, the working regulation is drafted and submitted for approval to the relevant labour inspection.

5.7. Code of Conduct

A company's Code of Conduct sets out the rules of conduct which all employees are expected to observe strictly. It constitutes a clear framework within which employees are required to behave themselves and lays down a minimum set of rules governing the operation of both the company and its employees.

In particular, a Code of Conduct requires employees to comply with all applicable regulations and provisions of national law. This means effectively that they also "enter" into the justice system of each country, and therefore of Greece too.

In this sense, the Code of Conduct correctly refers to compliance with the law in general, but not to the specific manner of compliance, nor to their precise content per se.

5.8. Disciplinary penalties

In the private sector, the introduction of disciplinary law and the possibility of disciplinary punishment are created by the ratification of the working regulation (see 5.6).

Only if the statutory labour law provides for disciplinary sanctions for workers, they can be applied. Otherwise they are void and may create claims of the employee at the expense of the employer. The penalties that are laid down in the Labour Code (as provided by Law 3789/1957) are:

- Oral or written comment
- Reprehension
- A fine of up to 25% on the wage or 1/25 of the employee's salary
- Up to 10 days obligatory leave for every calendar year

Additional conditions for the application of the penalties provided in the Working Regulation are:

- Provision in the working regulation for the employee to apologize
- Provide a reasonable amount of time to prepare his apology
- Enforcing a disciplinary penalty proportionate to the gravity of the offense
- The employee should have knowledge of the evidence on which the charge is based
- Proportion of the penalty imposed for the purpose of the regulation, which is the employee's compliance and not revenge, expulsion or resignation.

6. Cessation of employment

6.1. Resignation

In practice, the employee terminates the employment contract. This means that the employee has decided to stop working for a particular employer. The employee is obliged to observe a certain notice period and provide the employer with timely notification of his/her intention to resign, otherwise he/she may be liable for compensation.

6.2 Dismissal

Dismissal refers to the unilateral termination of an open-ended employment contract by the employer.

If certain requirements specifically prescribed by law are not observed, the dismissal may be deemed invalid. For this reason, employees should be aware of their rights and the employer should complete the dismissal process in accordance with the procedure laid down by law in order to avoid possibly severe sanctions.

6.2.1. Dismissal with ordinary termination of contract (1st dismissal method)

As a rule, employers dismiss employees by giving them a notice of termination of an open-ended employment contract. In such cases, the employer must fulfil certain requirements:

- Written format

In order to be valid, the employer’s notice of termination must be made in writing and

submitted to the employee. It is very important to observe this formality, since it prevents any vagueness or uncertainty regarding the time at which the notice of termination has been issued. Failure to adhere to the written format will result in various problems for the employer, even when the severance pay prescribed by law is paid, since the dismissal may even be deemed invalid.

Particularly in special cases where termination of employment is permitted on specific grounds, the employer must state the reasons for dismissal in the written notice of termination:

- The employee must be warned that his/her employment contract is to be terminated with prior notification.
- In the event that the employee is not warned within the aforementioned timeframe, the employer must pay him/her compensation equal to the salaries corresponding to the warning period. It should be noted that the warning or the payment of an increased amount of compensation is at the discretion of the employer. In effect, this arrangement establishes a dual system for dismissals.
- Payment of a fixed amount of compensation
- The amount of compensation is calculated on the basis of the time that an employee has worked for a certain employer. According to the legislative framework in force, the compensation to be paid in the event of dismissal is as follows:

Table of compensation to employees in the event of dismissal
Law 3863/2010, article 74 & Law 3899/2010, article 17, par. 5

PERIOD OF EMPLOYMENT	COMPENSATION	TERMINATION AFTER PRIOR NOTICE/ Notice period
Up to 12 months	0	0
1 full year	2 months	1 month
2 full years	2 months	2 months
3 full years	2 months	2 months
4 full years	3 months	2 months
5 full years	3 months	3 months
6 full years	4 months	3 months
7 full years	4 months	3 months
8 full years	5 months	3 months
9 full years	5 months	3 months
10 full years	6 months	4 months

11 full years	7 months	4 months
12 full years	8 months	4 months
13 full years	9 months	4 months
14 full years	10 months	4 months
15 full years	11 months	4 months
16 full years	12 months	5 months
17 full years	13 months	5 months
18 full years	14 months	5 months
19 full years	15 months	5 months
20 full years	16 months	5 months
21 full years	17 months	6 months
22 full years	18 months	6 months
23 full years	19 months	6 months
24 full years	20 months	6 months
25 full years	21 months	6 months
26 full years	22 months	6 months
27 full years	23 months	6 months
28 full years	24 months	6 months

- In the case of manual-workers:

The employer is not obliged to observe the notice of termination period and can immediately dismiss the worker, paying of course the compensation to which he/she is entitled. In practice, this means that in the case of manual workers, full compensation is payable, irrespective of whether the worker is dismissed by means of ordinary or extraordinary termination of contract.

Table of compensation to manual workers in the event of dismissal
(Pursuant to the National General Collective Labour Agreement 2004-2005, article 4)

Period of employment	Amount of compensation
2 months to 1 year	2 days' wages

1 year to 2 years	7 days' wages
2 years to 5 years	15 days' wages
5 years to 10 years	30 days' wages
10 years to 15 years	60 days' wages
15 years to 20 years	100 days' wages
20 years to 25 years	120 days' wages
25 years to 30 years	145 days' wages
Over 30 years	165 days' wages

- The recording of the position of employment in the payroll register kept for the Social Insurance Institute or the insurance of the employee (this has been replaced by the electronic updating of the Ministry of Labour's information system)
- The announcement of the dismissal to the Manpower Employment Organization (this has been replaced by the electronic updating of the Ministry of Labour's information system)

The employer is obliged to announce the termination of the worker's employment contract to the Manpower Employment Organization within four (4) days after the receipt of the written notice by the employee. In practice, this has now been replaced by the Ministry of Labour's information system.

If the employer fails to fulfil the requirements relating to the formalities prescribed for the termination of an employment contract, such termination will be deemed invalid and the employee will continue to be entitled to his/her salary as normal. The invalidity of contract termination is connected solely to the existence of an employment relationship and is not affected by the conclusion of an invalid employment contract or even the absence of an employment contract. In any case, the employer must pay the compensation prescribed for by law.

6.2.2. Dismissal with extraordinary termination of contract (2nd dismissal method)

If there are serious grounds, the employer is entitled to disregard the above formalities and terminate the employment relationship with the employee without observing any notice period and without paying any compensation.

By way of indication:

- The commission of a criminal offence by an employee during the performance of his/her duties and the filing of a lawsuit against the employee by the employer entitles the latter to dismiss the employee through extraordinary termination of the employment contract. In the event that the employee is subsequently found innocent of the charges against him, this does not mean that his/her dismissal is invalid, nor that the employer is obliged to rehire the employee, but that the employer will have to provide severance pay. This is

because the employee's acquittal on the charge automatically converts the extraordinary termination of contract to an ordinary termination.

If the severance pay is not provided to the employee within a reasonable period of time from the employer's notification of the acquittal decision or is not paid at all, then the termination of the employment contract is deemed to be invalid and the employment relationship is reinstated.

In this special case of extraordinary termination of contract, the only formality that the employer is obliged to observe is the written format of the notice of termination of the employment contract which is given to the employee.

- In the event that the employee's conduct forces the employer to terminate the employment relationship because the employee wishes and seeks his/her dismissal in order to receive severance pay, then the employer may proceed with extraordinary termination of the contract. On the basis of Greek court judgements, inappropriate conduct on the part of the employee, his/her refusal to work, etc. are considered to be instances of improper conduct, which entitles the employer to proceed with extraordinary termination of the employment contract without paying any compensation. An important element in such cases is the ability to prove in court the employee's intent to force the employer to dismiss him/her.

6.2.3. Severance pay withholdings

The compensation paid to an employee whose employment contract has been terminated, or on account of leave not taken, is not subject to any kind of social security withholding.

Although severance pay is not subject to deductions, it is taxed in accordance with the following table:

Amount of severance pay	Tax rate
Up to 60,000 euros	0%
From 60,001 to 100,000	10%
From 100,001 to 150,000	20%
150,001 and over	30%

This tax is withheld upon payment of the compensation to the employee.

6.3. Expiry of fixed-term employment contracts

The following is applicable in cases where a fixed-term employment contract has been concluded.

In a fixed-term employment contract, the precise duration of the contract has been agreed beforehand. It is important for both the employer and the employee to be aware that if the latter continues to work for the former after a fixed-term contract has expired, without the conclusion of a new one, the employment contract is deemed to have been renewed for an indefinite period. This arrangement is aimed at protecting the employee

in the event that the employer wishes to exploit the lack of a written agreement. For precisely this reason, both parties are advised to ensure that any modification of the employment relationship is drawn up in writing, since this not only protects employers, who are thus able to evidence their obligations towards employees, but also employees, who know that they are able to demand what they are entitled to. An employment relationship based on a fixed-term contract ends in either of two ways:

- Upon expiry of the employment period that has been agreed
- Termination of the contract when there is an important reason

7. Business transfers & employment relationships

If a business is to be transferred and its employees are to carry on working for the firm, it is important to ensure the continuity of the undertaking and provide adequate guarantees to employees in order to safeguard their employment relationship. As a consequence, business transfers follow a certain procedure.

7.1. Main aspects of the procedure

- The transfer of a business entails the universal transfer of its employment relationships.
- All rights and obligations are transferred, as these stand at the time of transfer.
- The time of transfer is considered to be the time at which the new employer is in a position to exercise its managerial prerogatives.
- The previous employer and the new employer are jointly and severally liable in respect of the obligations towards employees which had arisen before the date of transfer and continue to exist.
- Employees do not have the right to oppose to the business transfer procedure. However, if the employees consider that the transfer has resulted in changes to their detriment, they may exercise their rights under labour law against the new employer, after the transfer.

7.2. Procedure

The procedure to be followed in cases of business transfers is as follows:

7.2.1. Before the transfer

Checking of the legal status of employees with the business prior to the transfer. In this phase, among other things we check the following:

- Every employment contract individually;
- Any business-to-business agreement;
- Whether any employee has been dismissed during the last three months and the last year prior to the transfer;
- Whether any employee has resigned during the last three months prior to the transfer;
- Whether employees have received the remuneration guaranteed by law during the last year (gratuities, allowances, overtime, etc.);

- Whether any employees have a special status (e.g. pregnant women, nursing mothers, etc.);
- Whether any employees are engaged under a flexible work arrangement;
- The contracts of the business' management executives;
- Whether there are any contracts with employee outsourcing firms;
- Whether the business engages any self-employed persons;
- Whether there are any employees seconded from/to EU countries with foreign social security rights;
- Whether any employees are insured privately with a private company or in a company account (pension plan);
- Whether all social security dues owed by the previous employer have been paid.

7.2.2. Information & Consultation

In this phase, the transferor is required to inform the transferee about the rights of the employees, after which both must inform employees with respect to the following:

- The date or proposed date of the transfer,
- The reasons for the transfer,
- The legal and economic implications of the transfer,
- Any measures to be taken which may affect the employment relationship.

The employees have the right to express their views and enter into consultations with both the transferor and the transferee. These views are duly recorded.

7.2.3. Transfer of the business

This phase involves the following:

- Transfer of employment relationships to the new employer,
- Conclusion of new employment contracts where necessary,
- Application of the provisions of the relevant directive/presidential decree,
- Notification/announcement to the competent local agencies (Manpower Employment Organization, Social Insurance Institute, etc.),
- Obtaining the necessary certifying documents.

7.2.4. After the business transfer / Compliance

An employer who manages a business - whether large or small - must be prepared to respond to situations imposed on him by law, such as changes and adaptations that are common in Greece. Over the last 7 years, due to the referendums and as a result of the reforms that have taken place, legislative production is extremely large and amendments to laws are multiple and long-lasting. Continuous monitoring of changes and adapting business operations to those is a must. The way of thinking of the modern legislator in Greece leads with mathematical precision to high fines for companies that do not comply with these permanent amendments. The concept of corporate compliance has become part of the legal landscape of the business.

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