

EMPLOYMENT BRIEFING: Special Edition - Vol.2

Latest Developments in Employment Legislation: Third Cluster of Urgent Measures in View of Covid-19 (Coronavirus)

The Greek Legislative Act of 20 March 2020 (Official Government Gazette A/68) has introduced new urgent and obligatory measures.

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A. Transfer (Secondment) of Personnel Between Group Companies

1. A company whose business operation has been seriously affected or prohibited altogether by a legislative act relating to Covid-19 may transfer its employees to another company within the same group of companies, upon agreement between the companies.
2. The companies must retain the same total number of employees employed prior to the transfer.

3. All details relating to the implementation of this measure, including the notifications to be made to the ERGANI electronic system, will be clarified by a ministerial decision.

B. Prohibition of Dismissals for Businesses under Obligatory Suspension of Operation (Article 11, par. 1)

1. Any dismissals effected by employers whose business operation has been suspended as a result of a public authority order as of 18 March 2020 and for the period the measures relating to Covid-19 are in force, are prohibited and considered null and void.

C. Suspension of Employment Contracts by Employers (Article 11, par. 2A)

1. Employers and businesses in the private sector which are seriously affected by the negative consequences of the Covid-19 virus spread, may suspend the employment contracts of some or all of their employees in order to adjust their operational needs to the adverse environment.
2. Any dismissals effected by employers and businesses are strictly prohibited and, if effected, will be considered null and void.
3. After the lapse of the suspension of the employment contracts period, employers and businesses implementing these measures are obliged to retain the same number of employment positions for a time period equal to the suspension period. The suspension of employment contracts may last up to one month starting from 20 March 2020 and this measure may be extended by means of a ministerial decision.

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4. The provisions above apply only to employees and businesses that are designated by the Ministry of Finance as sectors affected by the spread of the COVID-19 coronavirus on the basis of their registered main business activity.

D. Business Operation with Security Personnel (Rotation Work, Article 9)

1. Within the framework of the urgent and temporary measures for the labour market resulting from the spread of Covid-19, starting from 20 March 2020 employers may assign personnel for the secure operation of their business for a period of up to 6 months, as follows:
 - a. each employee may be employed for at least two weeks per month, either continuously or intermittently;
 - b. this rotation system is to be deployed on a weekly basis and at least 50% of personnel must be included.
2. The employers implementing rotation work are obliged to retain the same number of employees that were employed at the time of the implementation of the measure.

E. Special Purpose Compensation (Article 11, par. 2B)

1. By way of the Greek Legislative Act of 14 March 2020 (Official Government Gazette A/64, Article 13), a financial assistance mechanism for affected employees has been introduced.
2. Special purpose compensation amounting to €800 for the period from 15 March 2020 until 30 April 2020 will be paid within the first ten days of April.
3. Employees entitled to the Special Purpose Compensation are:
 - a. employees whose employment contract has been suspended due to the prohibition of business operation by a public authority order, or due to the implementation of the relevant suspension measure of the employment contract by the employer (see above under D);
 - b. former employees whose employment contract was terminated either by their employer (dismissal) or by themselves (resignation), within the period from 1 March 2020 to 20 March 2020.
4. Employees exempt from the measures above are employees:
 - a. working remotely;
 - b. on leave permitted by legislation;
 - c. employed as security personnel; and
 - d. whose employment contract has not been suspended due to the prohibition of their employer's business operation under Article 13 of the Greek Legislative Act of 14 March 2020.
5. Employers must submit a declaration to the ERGANI electronic system listing:

- a. the employees whose employment contract is suspended, either by a public authority order or upon implementation of the suspension measure by the employer;
 - b. the employees whose employment contract was terminated between 1 March 2020 and 20 March 2020 (i.e. dismissals and resignations/voluntary exits).
6. The declaration shall be notified to the employees concerned on the same day in writing or by electronic means, together with the declaration's ERGANI protocol number.
 7. Upon notification, the entitled employees should submit their own declaration to the electronic platform of the Ministry of Labour and Social Affairs, including their personal details, IBAN and the employer's declaration's ERGANI protocol number.
 8. Any employers and businesses that do not submit the above declarations will not be able to benefit from the measures aimed at providing assistance (suspension of payments, arrangement installments, partial payments of verified public debts/liabilities of any kind).
 9. Employers shall ensure that all necessary technical and organizational measures for the protection of employees' personal data are being taken.
 10. The special purpose compensation:
 - a. is not subject to tax;
 - b. cannot be offset against any debts; and
 - c. cannot be seized or garnished.
 11. The social contributions will be calculated on the full salary (nominal salary) and shall be covered by the national budget.

F. Business Leases, Main Residential Leases and Car Leases for Affected Businesses and their Employees (Article 2)

1. Employers and businesses under prohibition or suspension of operation due to the spread of Covid-19, are exempt from the payment of 40% of the total rent of their business lease or car lease during March and April 2020.
2. Stamp duty and VAT is calculated on the basis of the reduced rent. The partial rent payment does not provide a right for termination of the lease agreement or car leasing agreement to either the tenant or leaseholder, or other civil law claims.
3. Employees whose employment contract has been suspended shall benefit from the provisions described above in relation to their main residence lease and business car lease, on the condition that they were employed at the time of implementation of the urgent measures for suspension of employment contracts or prohibition of operation for the prevention and suppression of Covid-19.

G. Deadline Extension for Payments and Suspension of Debt Collection for Affected Businesses and their Employees (Article 5)

1. Article 2 of the Greek Legislative Act dated 11 March 2020 (Official Government Gazette A/55) has been amended, to include employees of affected businesses.
2. For businesses that have been affected financially due to the spread of Covid-19, as well as for the employees of such businesses, the deadline for payments may be extended. This includes:
 - a. the deadline for the collection of any verified debts to Tax Offices (DOY) or Control Centers; and
 - b. payment deadlines of any arrangement installments or facilities for partial payment of verified debts.
3. For the period of the deadline extension and suspension of collection of debts, the amounts due are not subject to any interest or increase.
4. A ministerial decision will be issued by the Minister for Finance to clarify:
 - a. the affected businesses per sector and area;
 - b. the affected businesses' employees; and
 - c. the time period for the deadline extension and suspension of debts collection.

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