

# Greece

*Katia Papantonopoulou and Tania Patsalia*  
*Bernitsas Law Firm*  
*Athens, Greece*

## **Introduction**

### **Contract of Employment**

#### *In General*

A contract of employment is a written or verbal agreement under which a person (employee or worker) undertakes to provide services for a fixed or indefinite period to an individual or legal entity for a monthly or daily wage.<sup>1</sup>

The salaried person is subordinate or personally dependent on a particular employer. Such dependence is determined by the employer's right to direct and control the manner, place, and time of work performance, without necessarily involving economic dependence.

The characterization of dependence is not negated when the employee, using his own initiative, performs work outside the employer's immediate control (*i.e.*, at other premises) but for which the employee remains accountable to the employer.

A contract of employment is distinguished from a contract for the execution of a particular project, which relates to the supply of an end product or service and not to the work itself, and which may be performed by any person or means at the contractor's discretion.

A contract of employment also is distinguished from a contract for the provision of independent services, where a self-employed professional provides work for remuneration to a client without being under the client's control and supervision regarding the manner, time, and place of work performance.

These distinctions are important as the provisions of employment law only apply to persons employed under a contract of employment. Therefore, labor law does not apply to partnership agreements, where the partners are remunerated by participating in the profits; nor to mandate agreements, where work performed is usually not remunerated; nor to agency agreements, where the agent acts independently on behalf of various principals.

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<sup>1</sup> The authors thank Vasileios Karkantzios for his valuable contribution to this chapter.

**Fixed-Term and Indefinite-Term Contracts**

A contract of employment may be concluded for a fixed or indefinite term. A fixed-term contract is one agreed for a specified period of time or which terminates upon the occurrence of a certain event or as can be inferred from the nature of employment (*e.g.*, employment for a particular task or seasonal work).

An indefinite-term contract is one agreed for an indefinite period of time or whose duration is not specified and cannot be inferred from the nature and purpose of employment.

Fixed-term contracts may not be terminated prior to their expiration date, other than for a serious reason, but they automatically terminate upon their expiration without being subject to notice of termination and severance pay requirements. Fixed-term contracts may include a clause stating that early termination is possible, as long as existing legislation concerning severance pay for indefinite-term employment contracts is complied with. In such cases, the contract is converted *ipso facto* upon early termination into an indefinite-term employment contract.<sup>2</sup> The termination of indefinite-term contracts is subject to the formalities required by law, namely, written notice of termination and payment of termination compensation.

If a fixed-term employee continues to work under the same terms and conditions without the employer's objection for a reasonable period after the expiration of the contract and not merely for completing certain tasks, then the employee is regarded as being employed under an indefinite-term contract.

The renewal of a fixed-term contract may be justified for the temporary replacement of an employee, work of an occasional nature, temporary work peaks, facilitating transfer to similar work or for performing a specific project or program, or work connected to a specific event or relating to the air transport business.<sup>3</sup> Such reasons for renewal should be referred to in or be capable of being implied from the relevant written contract.

The employee is presumed to cover the permanent needs of the undertaking where the duration of successive renewals<sup>4</sup> exceeds a three-year period, or where there are more than three renewals over a three-year term. In both cases, the successive contracts are converted into indefinite-term contracts, and the employer has the burden of proving otherwise.

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<sup>2</sup> Law Number 3986/2011, art 40.

<sup>3</sup> Presidential Decree Number 81/2003, as amended by Presidential Decree Number 180/2004 and Law Number 3986/2011.

<sup>4</sup> These pertain to fixed-term agreements or employment relationships between the same parties under the same or similar terms of employment with a period not exceeding 45 calendar days between the two contracts.

## Parties to Contract of Employment

### Employer

An employer is an individual or legal entity who employs one or more employees for remuneration under a contract of employment. The employer has a duty to ensure the health and safety of employees in the workplace.<sup>5</sup> This includes determining the nature of work and manner of its performance, complying with workplace requirements, and ensuring the safety of equipment and machinery, which involves a duty to provide employees with appropriate instructions to avert any danger.

There is further an employer's obligation to accept the employee's services and to engage the employee in suitable work, to pay the agreed remuneration or wage provided for in the applicable collective agreement, to treat employees equally<sup>6</sup> and without discrimination (except where objectively justified by the nature of the work), and to treat employees with dignity. An employer should notify the employee of the terms regulating the employment contract or relationship,<sup>7</sup> which include the following:

- Identity of the parties;
- Place of work, registered place of business, or domicile of the employer;
- Title, grade, category, and object of work;
- Commencement date of the contract or employment relationship and, in the case of a fixed-term contract, its duration;
- Duration of paid leave;
- Amount of severance pay and length of prior notice of termination to be given by employer and employee;
- Employee's remuneration and frequency of payment;
- Length of the employee's normal working day or week; and
- Provisions of collective agreements which apply and determine minimum payment requirements and terms of employment.

The information required under the last five bullet points, above, may be provided by reference to applicable provisions of labor law. The information should be provided to the employee not later than two months from commencement of employment in the form of either a written contract of employment or another document.

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<sup>5</sup> Civil Code, art 662.

<sup>6</sup> Law Number 3896/2010 transposed Directive 2006/54/EC, on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation.

<sup>7</sup> Pursuant to Presidential Decree Number 156/1994 and the Ministry of Labor's interpretative circular.

Employees working abroad under an employment contract or relationship concluded in Greece should be provided with a written contract of employment or other document prior to their departure. This should contain additional information such as the duration of work abroad, currency of payment, benefits in cash or in-kind during expatriation, and any terms of repatriation.

The employee should be notified of any change in the information provided not later than one month from the change, except where the amendment of terms results from a change in applicable labor law provisions.

Employers with employees insured with EFKA (the mandatory Social Security Fund) are required to register with the Registry of Employers and to obtain a registration number for the purposes of paying employer and employee social security contributions. The employer also is required to notify the competent EFKA branch of its new employees and procure that they are registered in the Registry of Insured.

The employer should submit an updated Analytical Periodical Declaration to the competent EFKA branch which includes information concerning the employees that are insured by the employer. Employers that do not promptly and lawfully insure their employees are liable to severe criminal sanctions and fines.

Employers are also required to notify OAED (the Manpower Organization) of the conclusion of an employment contract on the same day and in any event before duties are performed by way of online submission. Moreover, there is an obligation to notify OAED when the employment relationship is terminated.

Companies should have available for inspection individual employment contracts, a book on holiday leave, and a special book on overtime work, in addition to evidence of payment of remuneration for at least the last three months.

## **Employees**

### *In General*

Employees are persons who are mainly occupied in a shop, office, or business and principally or exclusively provide work that is not physical in nature. On the other hand, workers include persons employed as servants or in the industrial, mining, and agricultural sectors, as well as their assistants and apprentices, whose work is physical in nature.

Persons in a position of management, trust, and supervision also are considered employees, although mandatory provisions on work hours, work on Sundays and other holidays,<sup>8</sup> night work, weekly rest, and paid annual leave do not apply to them. They are also not entitled to holiday allowances, unless otherwise agreed.

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<sup>8</sup> There are four mandatory national holidays (25 March, Easter Monday, 15 August, and Christmas Day) and two national holidays, which are optional for the employer (1 May and 28 October). Employees are also not allowed to work before one o'clock in the

Managing directors, members of the board of directors, and general managers of *societies anonyms* are not generally considered as employees, although they are capable of being employees where they follow the management's instructions.

**Seconded Employees.** An employer may second an employee on a temporary basis, with the employee's consent, to another employer. The seconded employee remains an employee of the seconding employer throughout the secondment, and the period of secondment is included in the period of prior service with the seconding employer.

As a general rule, the seconding employer continues to be responsible for paying the employee's salary and other benefits, while the host employer is responsible for additional payment obligations arising from overtime work, work on Sundays, and night work. An agreement to the contrary may be reached between the seconding and host employers under which the host employer pays all or part of the employee's remuneration.

**Part-Time Employees.** An employer and employee may enter into or, during the term of employment, may agree in writing to a fixed-term or indefinite-term part-time contract.<sup>9</sup> A part-time employee works on a daily basis but for fewer hours than a full-time employee and is paid by reference to time worked. The Labor Inspectorate should be notified of the part-time contract within eight days from its conclusion.

Work rotation, which is regarded as a more particular form of part-time employment, also is allowed. Work rotation is different from part-time work in that the employee is employed full-time but for fewer days than normal.

Part-time employment cannot be imposed unilaterally by the employer, while work rotation may be unilaterally imposed by the employer for not more than nine months in a calendar year where there has been a decline in activity and after informing and consulting the employees' legal representatives. The Labor Inspectorate also should be notified of the agreement or decision to implement work rotation. A part-time employment contract should include the following:

- Identity of the contracting parties;
- Location of work;
- Company's seat or employer's address;
- Duration and period of work and division of labor;
- Remuneration; and
- Conditions for contract modification.

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afternoon on Good Friday. Employees working on national holidays are paid at the normal hourly rate increased by 75 per cent.

<sup>9</sup> Law Number 3846/2010, art 2.

Part-time employees may not be treated less favorably than full-time employees regarding wages and may not be remunerated at an hourly rate that is less than that paid to full-time employees for work of equal value.

Besides the ordinary wage, the law does not provide for equal treatment in relation to other benefits, although it does provide for equal treatment on a *pro rata* basis regarding paid annual leave and access to vocational training and social services.

Part-time employees are required to work hours in excess of those agreed where possible and where refusal would be contrary to acting in good faith, except if requested to work additional hours on a regular basis. In this situation, they are remunerated at the normal hourly rate.

The termination of a part-time employment contract is regulated by the general provisions on termination of employment contracts. Compensation awarded as a result of termination is calculated on the basis of the duration of employment, the number of monthly or daily wages received or that would have been received for the duration of the contract, and other benefits received or that would have been received during the month prior to dismissal.

Part-time employees providing work on equal terms as other employees are given priority for full-time employment. Where several part-time employees are candidates for a position in full-time employment, priority is determined on the basis of previous service.

**Temporary Employees.** Articles 113 et seq. of Law 4052/2012 regulate temporary employment. A prior written agreement of a fixed or indefinite term is required for the provision of work on a temporary basis that is concluded between a Temporary Employment Agency (the direct employer) and the employee.

The agreement should include the terms of employment, contract duration, conditions for providing services to the user undertaking, remuneration and insurance, reason for the employee's assignment (which may only be for urgent, temporary, or seasonal needs), and any other aspect related to the provision of work. Temporary employees may not receive remuneration which is less than that payable under the National General Collective Employment Agreement.

Temporary employees may not be employed for more than three years by a user undertaking, including any renewals. If employment by the user undertaking continues after expiry of a three-year period further to a new placement without a 23-day interval, it is considered as employment of an indefinite term between employee and user undertaking.

It should be noted, however, that temporary employment is prohibited by user undertakings that, during the preceding three months, have dismissed employees in the same position for economic or technical reasons or, during the preceding six months, have implemented collective dismissals impacting employees in the same position.

**Foreign Employees.** In order to employ a foreign non-EU employee in Greece, the employee must first be granted a residence permit for work. This permit is regarded as a uniform permit enabling the individual concerned to lawfully reside in Greece for employment purposes.

Eligibility for a residence permit for work is subject to the foreign individual being invited by the employer while the relevant position should be officially included in a joint ministerial decision.

Moreover, the employer is required to submit an application for the employee to be employed in a particular position and an employment contract should be signed with the employee whose employment has been approved. The employer should further be able to evidence capacity to remunerate the employee. The renewal of the residence permit for work requires an application, accompanied by supporting documents that evidence:

- The fulfilment of tax obligations;
- The social security registration; and
- The completion of a minimum number of days of paid work registered with the competent social security fund.

There is a separate procedure for the granting of a residence permit to members of a board of directors, shareholders, administrators, legal representatives, and key personnel as well as individuals that are to be assigned to work in local companies or local subsidiaries or branches of foreign companies. Their appointment to work in such positions should be evidenced by a board resolution which may also be published in the *Government Gazette*, and the company should employ at least 25 employees in order to be able to benefit from this more favorable procedure.

There also is another application procedure for hiring foreign individuals with a view to their being occupied in highly specialized work. Such employees may be granted an EU Blue Card where they fulfil applicable requirements.

#### **Notification Requirements on Employment**

Employers should electronically submit to the competent Labor Inspectorate and the Manpower Organization (OAED) notification of employment as well as the revised table of employees on the same day of employment and in any event before commencement of work by the employee.<sup>10</sup>

Failure to do so results in the imposition of a fine corresponding to 10 times the wage of an unqualified worker for each employee whose employment has not been promptly notified to the OAED.

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<sup>10</sup> Decision Number 32143/Δ1.11288/11-6-2018 of the Minister of Labor re-defining the terms and conditions of electronic submission of documents within the competence of the Labor Inspectorate and Manpower Organization.

## **Terms and Conditions of Employment**

### **In General**

The employment relationship is regulated not only by the employment contract, but also by mandatory provisions of law, employment regulations, and collective agreements which, although not negotiated at an individual level, override less favorable provisions in individual employment contracts.

#### *Mandatory Provisions of Law*

There is considerable mandatory legislation which is binding on the employer, including legislation on weekly working time, overtime, rest periods, night work, work on national holidays, sick leave, paid annual leave, holiday allowance, and minimum termination compensation and notice periods in relation to dismissal. An agreement to derogate from minimum legal requirements is not valid, but improvement on minimum provisions is permissible and encouraged.

#### *Employment Regulations*

Employment regulations govern various aspects of the employment relationship, including the hiring process, termination, conditions of work, remuneration and allowances, leave entitlement, disciplinary sanctions, and procedure in addition to provisions on illness, accidents, and maternity.

Employers are required to adopt employment regulations where they have more than 70 employees.<sup>11</sup> Enterprises with 40 to 70 employees also may have an employment regulation which is approved by the competent local Labor Inspectorate.<sup>12</sup>

An employment regulation is contractual in nature and governs the performance of the employment contract provided that it does not override mandatory minimum provisions of law and, in the case of private businesses, is approved by the Labor Inspectorate. It also should be visibly displayed in a place accessible to employees in order to be valid.

Where a company has a works council, the employer and works council may negotiate the terms of an employment regulation pursuant to Law Number 1767/1988. The subsequent written agreement is submitted to the Ministry of Labor and displayed on the works council's announcement board.<sup>13</sup> Where neither party wishes to enter into negotiations or where the parties are unable to reach an agreement, the dispute is settled by a mediator or referred to arbitration.<sup>14</sup>

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11 Legislative Decree Number 3789/1957.

12 Law Number 2874/2000, art 15.

13 Law Number 2224/1994, art 8(3).

14 Law Number 1876/1990, arts 15 and 16.



Disciplinary sanctions consist of a verbal or written warning, reprimand, fine of up to 25 per cent of the daily wage, or 1/25th of the monthly wage or suspension without pay for a maximum of 10 days within a calendar month where the employee commits a serious disciplinary offense on a second occasion.<sup>15</sup>

However, the employee may not be dismissed for committing a disciplinary offense, while a term in an employment regulation providing otherwise would be invalid, given that the disciplinary procedure focuses on maintaining the employment and not on terminating it.

#### *Collective Agreements*

**In General.** Law Number 1876/1990 (as amended by Law Number 4024/2011 and Act Number 6/2012 of the Ministerial Council) determines the content and categories of collective agreements as well as the procedure for their negotiation and adoption. It also contains provisions for their validity, duration, and termination.<sup>16</sup>

Collective disputes are resolved pursuant to Articles 14–17 of Law Number 3899/2010 and Article 3(1) of Act Number 6/2012 of the Ministerial Council. The legislation provides for mediation and arbitration where the parties are unable to reach an agreement. Arbitration is only possible where both parties consent to the procedure. The arbitrator's award has the same effect as collective agreements and enters into force as of the date following submission of the request for arbitration. There are various types of collective agreements, namely:

- National general collective agreements, which regulate the terms of employment for employees working throughout the country;
- Branch collective agreements, which apply to employees of several similar businesses in a particular city or region or throughout the country;
- Company-level collective agreements, which include terms of employment for employees working in a particular business or enterprise;
- Sector-level national collective agreements, which regulate the terms of employment applicable to employees working in a specific occupation and related occupations throughout the country; and
- Sector-level regional collective agreements (national or regional), which regulate the terms of employment applicable to a specific occupation in a particular city or region.

Other than the National General Collective Agreement, which applies throughout the country and provides for minimum terms, in particular the minimum wage, the other categories of collective agreement are optional and only binding on employers that are members of the contracting organizations.

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<sup>15</sup> Legislative Decree Number 3789/1957.

<sup>16</sup> It also provides for the establishment of an Organization for Mediation and Arbitration (OMED), a private entity seated in Athens. The OMED's board of directors appoints independent mediators and conciliators for a three-year renewable term.

The Eurozone crisis has seriously impacted the bargaining of collective agreements and significantly undermined their importance. For instance, company-level agreements may provide for inferior terms as compared to those included in sectoral agreements, whilst associations comprising of individuals may negotiate in the place of trade unions. These developments, amongst others, have resulted in the decline of sectoral and occupational collective agreements and downward adjustment of employee remuneration.

### **Remuneration**

Wages are paid to employees in consideration of work performed and consist in any reward in money or in kind paid on a regular basis pursuant to the terms of employment or as agreed in collective agreements. According to Law 4387/2016, the employer is under an obligation to deposit remuneration in employees' bank accounts.

Discretionary benefits also may be considered as wages when an employee is accustomed to receiving these payments, unless the employer has explicitly reserved the right to withdraw these benefits at any future time.

The basic salary is paid at the end of each month. An additional monthly salary is paid as a Christmas allowance, half a month's salary is paid as an Easter allowance, and another half is paid as a holiday allowance. The salary is thus payable in 14 installments.

### **Working Time**

Presidential Decree Number 88/1999, as amended, adopts minimum requirements for the organization of working time. "Working time" refers to any period during which the employee is working at the employer's disposal carrying out activities and duties in accordance with applicable provisions for each category of employees, while "rest period" is any period which is not working time.

"Shift work" is any method of organizing work where employees succeed each other in the same position according to a certain pattern (continuous or discontinuous), entailing the need for employees to work at different times over a given period of days or weeks.

The normal weekly working time is 40 hours and with eight normal working hours each weekday where employees work five days per week, and six hours and 40 minutes where employees work six days per week.

### **Rest Periods**

For each 24-hour period, the rest period may not be less than 11 consecutive hours. When the working day is longer than six hours, employees are entitled to a 15-minute break that should not be granted at the end or start of the working

day. Employees are also entitled to at least 24 hours of rest per week that, in principle, includes Sunday, to which the additional 11 hours should be added.<sup>17</sup>

### **Night Work**

A “night worker” is any employee who, during nighttime,<sup>18</sup> may work at least 726 hours of his annual working time when fewer hours have not been set by collective agreements.<sup>19</sup>

Normal hours of work for night workers should not usually exceed an average of eight hours in any 24-hour period, but night workers whose work involves special hazards or heavy physical or mental strain should not work more than eight hours in any 24-hour period.

Night workers should have a medical examination before their assignment to night work and at regular intervals during their assignment. Night workers suffering from health problems connected to night work they have performed are transferred to suitable day work. Employers that have night workers are required to inform the relevant Labor Inspectorate.

### **Overwork and Overtime**

Work exceeding 40 hours per week and up to nine hours per day for employees working a five-day workweek or eight hours per day for employees working a six-day workweek is regarded as overwork being remunerated at the normal hourly rate increased by 20 per cent.

Any overwork and overtime work must be registered by the employer with “ERGANI”, the IT System of the Ministry of Labor, Social Security and Social Solidarity, before it takes place (Law Number 4488/2017).

Where an employee works for more than nine (five-day workweek) or eight (six-day workweek) hours per day, this is regarded as overtime and is remunerated at the normal rate increased by 40 per cent for up to 120 hours per year, and at the normal rate increased by 60 per cent where the 120-hour legal limit for overtime work is exceeded.

If the lawful procedure for approving overtime is not complied with, then overtime work is considered to be unlawful and is remunerated at the normal rate increased by 80 per cent. If the employee has a weekly working time of less than 40 hours, employment of up to 40 hours per week is regarded as additional work and is remunerated at the normal rate.

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17 Sunday commences at noon and ends at midnight. For activities entailing work for 24 consecutive hours, Sunday may commence at six o'clock or seven o'clock in the morning and end at the same time on Monday.

18 This pertains to the eight hours between midnight and six o'clock in the morning.

19 For purposes of calculating this time, the employee's daily working time is taken into consideration provided that, during this time, at least three hours are performed between midnight and five o'clock in the morning irrespective of the time of commencement or completion of work and for at least seven consecutive hours.

**Working Time Arrangements**

Enterprises with a weekly working time of up to 40 hours are allowed, during periods of increased work, to request employees to work an extra two hours per day in addition to the normal eight hours without additional pay, so long as the extra hours are deducted from hours worked at another time.

In general, any modification of an employee's working hours must be registered by the employer with the ERGANI System, at the latest on the day of the modification and in any case before the employee commences complying with the new arrangement (Law Number 4488/2017).

Alternatively, the employee may be granted a day of rest or increase in paid annual leave or a combination of reduced daily hours of work and additional days of rest. The period of increased and decreased hours of work may not exceed six months in a calendar year.

In addition, enterprises with a 40-hour workweek may, in the event of work accumulation, agree that 256 hours of work are attributed to other periods that may not exceed 32 weeks in a year with a corresponding reduced number of hours during the remaining calendar year. During the period of the working time arrangement, an employee may not work more than 10 hours per day.

Both cases presuppose an agreement between the business and trade union, works council, or employee representative committee that should be submitted to the competent Labor Inspectorate. Employees are not required to perform additional work when they are not in a position to do so, provided that any denial on their part is in good faith.

**Paid Annual Leave**

Every employee who has completed 12 months of continued employment is entitled to paid annual leave on a *pro rata* basis. This is calculated on the basis of 20 days' paid leave for employees with a five-day workweek and 24 days' paid leave for employees with a six-day workweek.

Paid annual leave for the first calendar year of employment should be granted by 31 December. Paid annual leave is increased by one day for each year of employment after the first, and up to 22 or 26 working days for employees working a five-day or six-day workweek, respectively. Employees with more than 12 years' employment with any employer are entitled to 25 (five-day week) or 30 (six-day week) days' paid leave.

Annual leave may be granted over more than one period during the first and second year of employment while, during the third year, it should normally be granted in a single period, except where the employee requests in writing to take annual leave in more than two separate periods provided that at least 10 (five-day week) or 12 (six-day week) days' leave are granted on one occasion. Annual leave entitlement must be exhausted by 31 December of each calendar year and may not be carried forward into the following calendar year.

Holidays should be recorded in a specific book evidencing that they have been taken, while records should be retained for a five-year period. According to Law Number 4611/2019, the employer is obliged to notify employee paid annual leave at the latest one hour after the commencement of the leave, electronically to the IT system ERGANI.

### **Other Special Leaves and Sick Leave**

In addition to annual leave, employees are entitled to other special leaves such as marriage, maternity, bereavement, and parental leaves as well as leave for illness of family members and educational leave. The absence of an employee from work for long-term illness<sup>20</sup> is not regarded as terminating the employment relationship, although the employer may terminate the employment subject to compliance with the requirements for a valid termination.<sup>21</sup>

The employee is required to notify the employer of illness and provide relevant supporting documentation. An employee who is ill is entitled to one month's paid leave if employed for at least one year and half a month's paid leave if employed for 10 days to one year.

### **Health and Safety in the Workplace**

Employers should ensure the health and safety of employees in every aspect related to their work. The general obligations imposed on employers are wide and include prevention of occupational risk, information and consultation of employees, adequate health and safety training, and having the necessary organization and means.

The laws and regulations relating to the health and safety of workers were codified by Law Number 3850/2010. The law contains general building and workplace requirements, protective measures for the prevention of dangers from machinery and from exposure to natural, chemical, and biological agents, as well as certain obligations on manufacturers, importers, and suppliers in relation to the security of machinery.

An employer with more than 50 employees should establish health and safety committees which consult with the employer on a quarterly basis. The members are appointed by the works council (or assembly of employees) and their number depends on the company's size.

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20 This refers to illness that lasts for one month for employees with up to four years of employment, three months for those with up to 10 years of employment, four months for those with up to 15 years of service, and six months for those with more than 15 years of service.

21 Law Number 2112/1920, art 5.

Companies with more than 50 employees also should engage a safety officer and a company doctor. The duration for which their services are necessary depends on the nature of the business and the number of employees.

According to article 56 of Law Number 4611/2019, if the employees in the course of their employment make use of a motorcycle or motorbike that belongs to the employer in order to transfer or distribute products or other objects, the employer is obliged to take all the necessary measures in order for the vehicles to be in good condition so as to safeguard the health and safety of the employees.

Employers must provide appropriate protective clothing and equipment, as well as any instructions relating to their use, at their own cost. Finally, if the motorcycle or motorbike used is owned, possessed, or held by the employee, then the employer is obliged to pay the employee additional monthly compensation for the use and maintenance of the vehicle, equal to at least 15 per cent of the lowest legal monthly remuneration or the respective proportional amount in case of part-time employment.

Employers that violate health and safety provisions are subject to criminal and administrative sanctions. Administrative sanctions may be in the form of fines or temporary or permanent closure of enterprises or branches of activity.

## **Termination of Employment**

### **Individual Dismissals**

#### *In General*

Law Number 3198/1955, Law Number 2112/1920, and Royal Decree Number 16 of 18 July 1920 regulate the termination of indefinite-term employment contracts.

There are three requirements for a valid termination, namely, written notice of termination with or without a minimum period of notice, payment of termination compensation, and non-abusive nature of the termination. The employer is not required to justify the dismissal at the time of dismissal although, in the event of litigation initiated by the employee, should be able to demonstrate in court, in order to rebut the employee's allegations, that the dismissal did not take place on abusive grounds.

After each termination of employment and following payment of the termination compensation (if required by law), the employer is obliged to register the termination with the OAED within four days of the service of the termination notice to the employee. According to Law Number 4488/2017 (article 38, paragraph 1), the employer also is required to notify termination of indefinite-term employment contracts or expiration of fixed-term employment contracts, within four days from the date of the termination or expiration to ERGANI, by way of electronic submission of the documents required by the Minister of Labor, Social Security, and Social Solidarity.

*Dismissal with Notice*

Dismissal with notice only applies to employees and not to workers. The minimum notice period is linked to the duration of continued employment with the same employer and is one month for employees with 12 months to two years continued service, two months for those with two to five years of continued service, three months for those with five to 10 years of service, and four months for employees with more than 10 years' service. Employees that are dismissed with notice of dismissal receive half the compensation they would have received had they been dismissed without prior notice.

*Dismissal without Notice*

An employer also may dismiss an employee without a prior period of notice by paying the full amount of compensation. Such employee is eligible for compensation where employed for more than 12 months on the date of termination.

As a general rule, employees who have been continuously employed for one to four full years are entitled to two months' termination compensation, while those employed for four to six years are entitled to three months' compensation. The maximum compensation generally payable is 12 months for employees who have been continuously employed for more than 16 years and who are dismissed without prior notice.

It is notable that there is an exception to the above general rule that applies to employees that, on 12 November 2012, had more than 17 years in employment with the same employer. These employees are entitled to additional compensation which is calculated on a different basis compared to the general rule.

Compensation for workers also is calculated with reference to the duration of their continued employment with the same employer. For instance, workers are entitled to five days' compensation when they have been employed for more than two months to a year and 160 days' pay for continued employment of more than 30 years.

*Basis for Compensation and Restrictions on Amounts*

Compensation is based on the period of continued employment with the employer and the remuneration received the month prior to dismissal, which is increased by one-sixth to account for corresponding Christmas, Easter, and holiday allowances. The employee is entitled to his holiday allowance when paid annual leave has not been taken in the year of dismissal.

There are also two separate caps on compensation which apply except where there is an agreement to the contrary. In particular, the monthly remuneration exceeding eight times the daily wage of an unqualified worker multiplied by 30 is not

considered in calculating compensation.<sup>22</sup> The maximum ceiling on monthly compensation is currently €6,970 (29.04 x 8 x 30). Additionally, for employment of more than 17 years, as at 12 November 2012, regular compensation is taken into consideration for the additional full years worked, provided that it does not exceed €2,000.

#### *Compensation on Retirement*

Compensation may be reduced where an employee qualifies for a full pension under a relevant insurance fund. The compensation is 40 per cent of the statutory minimum for employees insured with an auxiliary fund and 50 per cent for employees that are not so insured.

In the event that employees refuse to accept their compensation, such should be deposited by the employer in the Deposits and Loans Fund. There is a six-month limitation period for bringing a legal action in relation to the amount of severance compensation commencing from the date of termination.

#### *Non-Abusive Dismissal*

Case law has placed certain restraints on the employer when selecting which employees to dismiss. Employers should take into account various factors, including performance, prior service, financial and family situation, age, and the possibility of the employee(s) securing alternative employment.

When a dismissal is not motivated by a serious reason, it may be declared invalid by a court such that the dismissed employee would be entitled to receive wages in arrears and be reinstated in his previous position.

An employee may succeed in claiming to have been abusively dismissed where the court finds that the dismissal was contrary to good faith and *bonos mores* or contrary to the social or economic reason for the employer's right to terminate the employment contract. Courts have considered dismissals as abusive when the employee:

- Has claimed wages or other rights in court;
- Claims enforcement of the employment contract by the employer;
- Has referred a matter to the labor inspector;
- Participates in trade union activities;
- Is dismissed due to pregnancy; and
- Does not accept a unilateral harmful modification of employment terms by the employer.

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<sup>22</sup> There is an exception to this general rule for founding members of *société anonyme* companies that are entitled to full compensation.



Courts have held that dismissals are not abusive when related to the employee's misconduct, such as unjustified absence from work, delays in arrival, or participation in unlawful strikes. Dismissals necessary for economic or technical reasons also are not regarded as abusive. Legal actions relating to the abusive nature of a dismissal and requests for the court to render a dismissal invalid are subject to a three-month limitation period.

### **Collective Dismissals**

#### *In General*

Law Number 1387/1983, as amended by Law Number 2874/2000, Law Number 3863/2010, and Law 4472/2017, ensures that major redundancies are subjected to proper consultation with trade unions and that the competent public authority is notified prior to dismissals.

In collective dismissals, employees are dismissed for reasons not related to the individual employees, and are effected by a company employing more than 20 employees within a period exceeding one month with the following limits:

- Six employees in undertakings or establishments employing 20 to 150 persons; and
- Five per cent and up to 30 employees in undertakings or establishments employing more than 150 employees.

#### *Information*

The employer is required to disclose in writing to employee representatives the reasons for the contemplated collective dismissals, the number and description of employees normally employed and to be dismissed, the period over which the dismissals are to be effected, and the criteria for the selection of employees. Copies of all written communications are submitted by the employer to the Supreme Labor Council.

If the relevant undertaking has branches in more than one Greek region, then all documentation also must be submitted to the Minister of Labor and to the Labor Inspectorate of the area where the undertaking or branch where all or most of the dismissals are about to occur is located.

The restrictions concerning collective dismissals do not apply where the collective dismissals have occurred due to an interruption of the undertaking's activities, provided that this interruption has been proclaimed by a court judgment (Law Number 4472/2017, article 17 paragraph 4).

*Consultation with Employee Representatives*

The employer should consult with employee representatives<sup>23</sup> to examine the possibility of avoiding or reducing dismissals and mitigating their consequences. The duration of consultation is 30 days and commences from the employer's invitation for consultation.

The results of the consultation are recorded in minutes, which are signed by both parties. The minutes are then submitted by the employer to the Supreme Labor Council. When an agreement is reached, collective dismissals are carried out pursuant to the terms of the agreement and take effect 10 days after the date of submission of the minutes to the Supreme Labor Council.

When an agreement is not reached, the Supreme Labor Council will verify, within 10 days from the date of submission of the consultation minutes, whether the employer has abided by their obligations concerning consulting with and providing information to the employees' representatives, and disclosing the documents required.

If the Council decides that these obligations have been fulfilled, the dismissals will come into effect twenty days after the issuance of the decision. If this is not the case, the Supreme Labor Council extends the consultation of the parties or sets a deadline within which the employer must take appropriate action to ensure their obligations are fulfilled. If, by way of a new decision, the Council decides that the employer has abided by their obligations, the dismissals will come into effect twenty days after the issuance of the decision and in any case 60 days after the submission of the consultation minutes.

During consultations with the employees' representatives, the employer may provide the employees to be dismissed with a social plan, including measures which mitigate the consequences of the dismissal, such as payments of amounts within the framework of the company's corporate social responsibility program, including sufficient amounts for self-insurance and training and consulting necessary for their re-integration to the labor market, actions for the utilization of special programs offered by OAED for tackling the risk of unemployment of the employees to be dismissed, as well as opportunities, approaches, and criteria for their re-employment on a priority basis.

The social partners can freely determine the practical details of information to and consultation with the employees (Law 4488/2017, article 43) by way of a written agreement.

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23 These are the legal representatives of the trade union(s), or a committee consisting of three or five members (for companies employing 20 to 50 or more than 50 employees, respectively) appointed by secret ballot by the assembly of employees where there is no trade union. The assembly should convene within seven days from the employer's invitation. When employee representatives are not appointed pursuant to this procedure, employees are represented by a committee of three or five members, consisting of employees with the longest prior service with the company.

### **Voluntary Resignation**

Employees who voluntarily resign are not entitled to compensation, although they are entitled to paid annual leave and holiday allowance for the year of their departure. However, if the employee has completed at least 15 years of service and leaves their position with the employer's consent, they are entitled to half of the legal compensation. Within four days from the resignation, the employer also is obliged to notify the IT system ERGANI.

Employees retiring, who have reached the retirement age, are entitled to 40 per cent compensation where they are insured with an auxiliary fund and 50 per cent if they only have main insurance.

### **Transfers of Undertakings**

#### **In General**

Presidential Decree Number 178/2002 safeguards employees' rights in the event of transfers of undertakings, businesses, or parts of businesses. It provides for the automatic transfer of the employment relationship, with all its rights and obligations, in the event of a transfer of an undertaking. The transferor and the transferee are required to inform and consult the representatives of the employees affected by the transfer.

#### **Rights Arising from Contract of Employment**

The transferor's rights and obligations arising from a contract of employment or employment relationship existing on the date of the transfer should, by reason of the transfer, be transferred to the transferee. However, the transferor continues to be liable in respect of obligations arising from the employment relationship up to the transfer.

Under this co-liability rule, no time limit is fixed for the period during which the transferor remains liable. The transferor and transferee may have a contrary agreement on their respective liabilities, but this is not binding on third parties or employees. The transferee is required to observe the terms and conditions of any collective agreement, arbitral award, regulation, or individual employment contract.

The rule that the transfer of an entity does not affect employees' rights does not apply to rights under supplementary company and inter-company pension schemes. The continuation of these pension schemes is at the discretion of the transferee, who may continue the insurance agreement under the same terms and conditions, amend it subject to compliance with a given procedure, or discontinue the agreement prior to the transfer.

The consent of employees is not required in a transfer, unless they decide not to transfer. In such a case, they may be considered as having resigned without being entitled to compensation. When the change of employer involves a harmful modification of the terms and conditions of employment, the initial employer is

required to obtain the employees' consent prior to the transfer or to otherwise terminate the agreement and pay compensation.

If the employer refuses to terminate the agreement, employees with a contract for an indefinite term may terminate the agreement on the ground of unilateral harmful modification of contract terms by the employer and claim compensation.

However, the employees' rights mentioned above do not come into effect in cases of transfers of undertaking, establishment, or branches, if the transferor is subject to bankruptcy or any other insolvency procedure that has been initiated, under the supervision of the competent authority, with the aim of liquidating the transferor's assets.<sup>24</sup> The application of this provision commences from the date of issuance of the Court Judgment ordering the insolvency procedure.

### **Rights Relating to Dismissal**

Although the transfer of an undertaking will not in itself constitute grounds for dismissal, this does not impede dismissals that take place for economic, technical, or organizational reasons entailing changes in the workforce. In this case, the employer should observe the legal requirements for individual and collective dismissals.

### **Obligation to Inform and Consult**

The transferor and transferee should inform the representatives of their respective employees affected by the transfer of the date or proposed date of the transfer, the reasons for the transfer, the legal, economic, and social implications of the transfer for employees, as well as measures envisaged in relation to the employees.

This information should be timely given before the transfer is carried out. If the transferor, or transferee, envisages employment-related changes, they should timely consult the employee representatives with a view to reaching an agreement.

Where a company does not have employee representatives, the employees themselves should likewise be timely provided with the relevant information in writing. The transferor, transferee, or their representatives that fail to comply with information and consultation requirements are liable to pay a fine ranging between €147 and €8,804 for each infringement.

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<sup>24</sup> Presidential Decree Number 178/2002, art 6.

## Privacy Laws in Workplace

### In General

The General Data Protection Regulation,<sup>25</sup> as amended and in force (“GDPR”), is the main legislation applicable to the protection of personal data in Greece. The GDPR is automatically applicable in Greece.

In addition, recently the Greek Parliament passed a new data privacy bill (*see* Law 4624/2019)<sup>26</sup> implementing certain provisions of the GDPR, including with regard to the processing of employees’ data in the employment context (“Greek Bill”). The Greek Bill constitutes today the basic national legal framework on personal data protection in Greece along with the GDPR.

The above are reinforced by decisions of the Hellenic Data Protection Authority (the “Authority”), some of which regulate the processing of employees’ personal data. In this respect, the Authority has adopted and applies to date (to the extent not in contradiction with the GDPR and the Greek Bill) Directive Number 115/2001, which governs the processing of personal data in the employment context.

### Processing of Employees’ Personal Data under the Greek Bill

Article 27 of the Greek Bill contains specific provisions on the processing of employees’ personal data by employers. These apply to all employees, regardless of the specific type of the employment relationship, of the validity of the contract and irrespective of whether processing involves applicants’ or former employees’ personal data.

In particular, the Greek Bill provides that employees’ personal data may be subject to processing for the purposes of the employment contract, so long as this is strictly necessary for the decision of conclusion of the employment contract or following the employment contract’s conclusion for its performance.

By way of exception, the Greek Bill provides that the processing of employees’ personal data may be based on consent, so long as such consent has been the result of free choice, taking in particular into account (a) the existing dependence under the employment contract and (b) the circumstances under which consent was given. Consent is provided either in a written form or electronically and

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25 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

26 The long-awaited Greek law 4624/2019 “*Data Protection Authority, implementation measures of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and transposition into national law of Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 and other provisions*” (Government Gazette A’ 137/29.08.2019) has *inter alia* introduced provisions for the implementation of the GDPR and has repealed previous Greek Data Privacy Act (Law 2472/1997 “*on the Protection of Individuals with regard to the Processing of Personal Data*”).

must be clearly distinguished from the employment contract. The employer should inform the employee either in a written form or electronically of the processing purpose and of employee's right to withdraw his/her consent in accordance with Article 7(3) of the GDPR.

Notwithstanding Article 9(1) of the GDPR, processing of special categories of personal data for the purposes of the employment contract is permitted provided it being necessary for the exercise of the rights or the carrying out of the lawful obligations arising from employment law and social security and social protection law and there is no reason to consider that data subject's legitimate interest prevails.

The employer takes appropriate measures to ensure that principles for the processing of personal data under Article 5 of the GDPR are complied with. Special rules are provided for with regard to the processing of employees' personal data through a CCTV system in the workplace (*see below*), including the requirement to inform employees in a written form respectively.

#### **Decisions of Data Protection Authority**

Under the Authority's Directive Number 115/2001, the collection of personal data should protect employee privacy in the workplace.

Collection and processing of employees' personal data is allowed only for purposes directly related to the employment relationship and should be necessary for complying with obligations arising from such relationship. The information should be collected in a lawful manner and for specific and explicit purposes, which should be made known to the employees.

The personal data should be adequate, relevant, and not excessive regarding the purposes for which they are processed. The information should be accurate and kept up-to-date and should not be kept for longer than is necessary.

Thus, if an employment relationship is terminated or the employee has not been recruited, the information should be kept in a form which permits identification of data subjects only for the period necessary for defending a claim in court subject also to the relevant restrictions on retention periods under the GDPR.

Keeping information on a candidate whose application has been rejected should be at the candidate's request and for the purposes of the company considering the employee for a position at a later stage and subject to the relevant restrictions on retention periods under the GDPR.

A background investigation on an employee is lawful, provided that the employee or candidate has been notified adequately and properly as per the relevant GDPR requirements and proper legal basis for processing under the GDPR exists.

In this respect, data collected in the course of the recruitment process should be limited to that necessary to evaluate the suitability and capabilities of candidates. Certain employment positions by their nature require the collection and processing

of data relating to criminal prosecution and convictions. This is lawful provided that this information is provided directly by the candidate.

Health data may not be collected from sources other than the employee or candidate concerned and should be collected only when necessary to determine the suitability of an employee or a job applicant for current or future employment, for compliance with health and hygiene regulations, or for granting social benefits.

Health data and sensitive personal data (*e.g.*, data related to the criminal prosecution of employees) should be stored separately from other categories of data. Only employees, the controller, and persons specifically authorized by the controller may have access to the personal data.

### **Employee E-Mail Communications**

The collection and processing of data in relation to communications in the workplace, which includes e-mail, is permitted only when absolutely necessary for organizing and monitoring the completion of a particular task or cycle of work and for controlling cost.<sup>27</sup>

Recording and processing of all data related to the communication is prohibited also in the employment context, unless the exception under the e-Privacy rules<sup>28</sup> applies, namely, if recording is carried out in the course of lawful business practices for the purpose of providing evidence of a commercial transaction or of any other business communication, under the condition that both communicating parties have provided their consent in writing, and have been notified of the purpose of the recording.

It should also be ensured that recorded communications are not used for the purpose of employee evaluation. Monitoring the content of e-mails is prohibited except when justified by specific requirements for security and safety in the workplace and when there is no other means for achieving this purpose. Employers should not rely on employee consent to legitimize processing, as any consent obtained from employees may be undermined by the relationship of dependency.<sup>29</sup>

### **Employee Telephone Records**

Employees should be informed that the subscriber receives itemized bills for telecommunication services used in the workplace. The collection and processing of data related to incoming and outgoing calls in the workplace is permitted when absolutely necessary for organizing and monitoring the completion of a particular task or cycle of work and for cost control purposes.

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<sup>27</sup> Directive Number 115/2001. In addition, Authority's Decision 34/2018 provides guidance on permissibility of monitoring over employee's personal computer by the employer.

<sup>28</sup> Law Number 3471/2006 on the protection of personal data and privacy in the electronic communications sector.

<sup>29</sup> See Authority's Decision 26/2019 regarding the use of consent as legal basis in the context of an employment relationship.

**Employee Internet Use**

Processing of data in relation to employee website access is permissible only in individual cases when the controller has an overriding legitimate interest. Such a legitimate interest may exist when it is necessary to monitor conduct prohibited under the employment relationship or regulation (such as accessing unlawful websites). A routine and precautionary collection of data related to employee website access is prohibited under the proportionality principle.

**Closed Circuit Television**

The use of sound and video recording and other similar systems is permitted when necessary to ensure security in the workplace and for protecting individuals and property. Data collected for these purposes may not be used to evaluate employee performance.

The recording of images and sound in the workplace is prohibited, except where justified on exceptional grounds at the discretion of the Authority.<sup>30</sup> Under the Greek Bill, the collection and processing of personal data in the workplace through a CCTV system is permitted only if necessary for the protection of health and security. Data collected through a CCTV system should not be used for the purposes of assessing employee's efficiency, whereas employees should be informed in writing about the installation and operation of the CCTV in the workplace.

**Other Requirements**

In addition to the general notice requirements under the GDPR and notice requirements under the Greek Bill (*see above*), employees should be notified of the introduction and use of methods of control and monitoring. They also should be informed of the persons to whom data are transferred or may be transferred and their rights regarding access or objection. In any event, permissibility of such type of processing will be checked against the provisions of the GDPR and of the Greek Bill (*i.e.*, whether it may be justified under one of the legal bases contained therein).

Personal data may not be used against the employee if the employer fails to provide the employee with information regarding the methods of control and monitoring adopted.

**Transfer of Employee Data Outside European Union**

The transfer of data outside the EU is subject to the requirements of the GDPR (articles 44–50). The same rules and regulations apply to personal employee data transferred to parent, subsidiary, and associated companies seated in third countries.

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30 Directive 1/2011 of the Authority on CCTV.



**Conclusion**

The protection of employees in Greece has been achieved by the adoption of significant collective and individual measures. Constitutional provisions, legislation implementing international labor conventions and European Directives, national legislative and codified provisions, as well as dispute settlement procedures protect employees' rights at the individual and collective levels.

Many of the protective provisions are mandatory and employees cannot waive their right to their application. While intended to ensure protection of employees, there also is a degree of flexibility in the law to facilitate the restructuring of enterprises and enable the introduction of alternative working arrangements. Relevant provisions are amended on an ongoing basis often in favor of the employer to render Greece more attractive to investment in response to the country's difficult economic situation.

