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Employment

Greece
Ioanna Kyriazi and Ioanna Chanoumi
Kyriakides Georgopoulos Law Firm

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Law and Practice

Contributed by:
Ioanna Kyriazi and Ioanna Chanoumi
Kyriakides Georgopoulos Law Firm see p.15

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1. Introduction

1.1 Main Changes in the Past Year

As of 9 August 2019, a Greek employer may terminate the employment agreement of a permanent employee without cause. More specifically, the requirement for the existence of a valid cause for the termination of an indefinite-duration employment agreement has been abolished by Article 117 of Law 4623/2019. The same article also abolished the joint liability of a company and its independent contractors with regard to the payment of the salaries, severance payments and social security contributions of the contractor's employees.

Furthermore, Law 4635/2019, which was passed on 25 October 2019 by the Greek Parliament, initiated major changes across the whole spectrum of employment relationships, which affect both individual and collective labour relations.

Collective Labour Relations

Employees of (i) companies belonging to a special category, such as social economy companies; (ii) non-profit legal entities; or (iii) companies facing significant financial difficulties (eg, those under insolvency, pre-insolvency or para-insolvency proceedings or under extra judicial settlement or rehabilitation procedures), may be exempted from specific provisions stipulated by collective labour agreements (CLAs). The issuance of a Ministerial Decision is anticipated, which will specify the implementation terms of this exemption.

A specific exemption is initiated for companies facing significant financial difficulties, according to which a company-level CLA shall prevail over a sectoral CLA if that sectoral CLA does not include any derogation terms. Furthermore, a national sectoral or professional CLA does not prevail over a local sectoral or occupational CLA.

In order for a CLA to be declared as generally mandatory by the Ministry of Labour, an application should be filed to the Ministry of Labour by any party that is bound by the respective CLA, along with supporting documentation evidencing the consequences of that extension to competitiveness and the employment.

All employees' trade unions and employers' organisations should be registered to a new electronic registry in the ERGANI platform. The implementation of this provision and the technicalities of same is subject to the issuance of a Ministerial Decision by the Ministry of Labour.

Electronic voting for social partners is to be implemented, even for matters related to the initiation of a strike, provided that the principles of transparency and privacy are respected. A ministerial decision is anticipated to be issued by the Ministry of Labour, which will include further details regarding the implementation of the above provision.

The unilateral recourse to arbitration is allowed only as the ultimate supplementary resolution measure of collective labour disputes and exclusively in limited circumstances.

Individual Employment Relations

An employer's delay in paying the accrued salaries of its employees for a period exceeding two months constitutes a unilateral detrimental change of the employees' employment terms and conditions, regardless of the reason of such delay.

Any additional working hours of a part-time employee, up to the completion of the eighth hour, shall be compensated with an increase of 12% on the hourly wage.

Services agreements with freelancers who provide their services to up to two employers, as well as persons paid with a "labour voucher", should be mandatorily registered to the ERGANI platform. Details regarding the implementation of such provisions, as well as the related sanctions in case of violation of the same, are subject to the issuance of a Ministerial Decision by the Ministry of Labour.

New Social Security Regime

A new social security legal framework was introduced through Law 4670/2020, which initiated changes in the social security contributions for employees, as well as board of directors members and freelancers, and digitalised the Greek Social Security Fund's operations.

1.2 COVID-19 Crisis

Urgent support measures for employers have been introduced by the Greek government during the past few months, in order to respond to the negative consequences of the COVID-19 crisis. The main governmental initiatives were the following:

- Unilateral implementation of home working arrangements by the employer.
- Suspension of registration of working hours changes, overwork and overtime to the ERGANI Platform.
- Initiation of a special purpose eave to working parents due to school closure and special leave for employees belonging to "at-risk groups".
- Extension of deadline for payment of social security contributions and social security debts.
- Suspension of payment of VAT and certified debts to tax offices and extension of instalment payments of certified debts for companies that have been affected financially by the spread of COVID-19.

- Suspension of employment agreements for companies which were significantly affected by the COVID-19 crisis or which suspended their operations following a State Order, implementation of safe operation personnel and intragroup transfers of employees; employee termination restrictions were initiated for companies that made use of these state aid measures.
- From 15 June until 15 October 2020, companies which suffer at least 20% losses in their turnover (as this is determined by the respective legal provisions) are entitled to participate in a newly created support mechanism called "collaboration", these companies are entitled to proceed with working time reductions of up to 50% per week for their full time personnel; during the implementation of this working time reduction, terminations of the affected employees are prohibited and there is an obligation to maintain the same contractual salaries.

Further to the aforementioned temporary measures, a new legal framework for teleworking is anticipated to be introduced by the Greek government in the coming months, given that many companies welcomed, and have benefited from, the remote working arrangements put in place during the COVID-19 crisis.

2. Terms of Employment

2.1 Status of Employee

White-Collar vs Blue-Collar Employees

The main employee classification in Greece is related to the nature of employees' duties. White-collar employees are considered to be those who provide mainly mental work, who are eligible to take initiatives in their work and whose duties require specific skills and qualifications (eg, office employees); whereas, blue-collar employees are mostly manual workers, whose duties do not require any special educational qualifications and their being managed by a supervisor.

In principle, a white-collar employee is paid with a monthly salary, whereas a blue-collar worker is paid with a daily/hourly wage. Furthermore, there are different prior notice and severance requirements for white-collar employees, in case of termination of the employment relationship, than are applicable to blue-collar ones. A misclassification of an employee might entail legal risks for the employer, mostly related to the incorrect payment of the statutory severance amount, which might render the employee termination null and void.

Executive Employees

Another employee distinction relates to the managerial duties of an employee. In principle, executive employees are exempted from the working hours' legal provisions, due to the fact that they do not have fixed working hours and they are not subject to the company's control (due to their executive status). In order for an employee to be considered as an executive, he or she must possess certain powers and authorisations and overall meet specific requirements (eg, have specific representation powers and authorisation to make significant corporate decisions and hire and fire employees, as well as receive a considerably higher remuneration package than the rest of the employees). In that context, middle-management positions are not considered as executive roles for the aforementioned purposes.

2.2 Contractual Relationship

Fixed-Term/Indefinite-Term Contracts

Employment contracts in Greece may either be concluded for a fixed or an indefinite term. The distinction between the two refers to the termination requirements.

A fixed-term contract automatically expires upon the lapse of its contractual term or when the contractual work agreed upon is completed. Exceptionally, it may be terminated prior its contractually agreed expiration date for a "serious cause", without any prior notice or severance payment. In the absence of such serious cause, the employer is obliged to pay all the salaries due to the employee until the initially agreed expiration date.

Specific requirements also exist for the renewals of fixed-term contracts. More specifically, the renewal needs to be in writing, otherwise it is deemed to be a permanent one. Furthermore, Greek law impedes employers from entering into successive fixed-term contracts with employees when no justified reason exists. A fixed-term contract can be renewed no more than three consecutive times during a total period of three years and cannot exceed a maximum duration of three years. A break of more than 45 calendar days is required in order to avoid the characterisation of consecutive fixed-term contracts as contracts of indefinite duration.

Notification of Employment Terms

In general, the employer is obliged to notify the employee in writing within two months, as of the commencement of the employment relationship, about the main employment terms and conditions. These include:

- the full particulars of the contracting parties;
- the agreed place of work;
- the position of the employee;
- the commencement date of the contract and its duration;
- the annual leave entitlement;
- the termination provisions;
- the employee's remuneration;
- the employee's working hours; and

- reference to the applicable collective labour agreement (if any).

Fixed-term as well as part-time employment contracts should always be concluded in writing and be dully notified to the labour authorities.

Any change in the employment terms should also be notified to the employee in writing within one month as of the implementation of same.

Contract Language Requirements
There is no legal requirement for the conclusion of the employment contract to be in the Greek language. If the employee has fluent knowledge of a foreign language and is therefore able to fully understand the content of the employment contract, then it may be concluded in that foreign language.

Probationary Periods
Under Greek law, the first 12 months of employment are considered as a probationary period for employees with indefinite-duration contracts, during which the employer may terminate them without any prior notice and without any severance payment, unless otherwise agreed by the parties.

2.3 Working Hours

Statutory Working Hours
The statutory working time of a full time employee is eight hours per day and 40 hours per week (for employees working on a five-day weekly working schedule) and six hours and 40 minutes per day (for employees working on a six-day working schedule). All employees who work in excess of the statutory working hours are entitled to receive compensation for their additional work.

Overwork and Overtime
Up to one additional hour of work each day (nine hours per day in case of five working days or eight hours per day in case of six working days per week), requires:

- the prior notification of any overwork to the Ministry of Labour through the ERGANI platform before its realisation through the submission of the new E8 form; and
- the payment of the respective compensation – the hourly wage plus a 20% increase.

Overwork is calculated on a weekly basis, whereas overtime is calculated on a daily basis.

More than one hour of additional work each day is considered overtime. An excess, of up to two hours per day and up to 120 hours per year, of the legal daily working time is permitted, which may be exceptionally extended following special approval by the Ministry of Labour.

Legal overtime should be notified to the labour authorities through the ERGANI platform before its realisation, just like overwork. The statutory compensation for legal overtime work is equal to the employee's hourly wage increased by 40%. In the case of urgent work, the execution of which is considered absolutely necessary and cannot be postponed, the Ministry of Labour may grant a special approval for the realisation of overtime above the 120-hour annual limit. In the case of approved overtime, the employee should be compensated with their hourly wage plus a 60% increase.

Every hour of overtime which does not comply with the aforementioned reporting procedure is called "exceptional overtime". For every hour of exceptional overtime worked, employees are entitled to compensation equal to their current hourly wage increased by 80%. Exceptional overtime is illegal.

The provision of paid time off, instead of paying the statutory overwork or overtime compensation, is not allowed.

The parties may agree in the employment contract that the part of the employee's salary exceeding the statutory minimum can be offset with the overwork compensation. However, this contractually agreed offsetting is not allowed for overtimes compensation.

Work during Sundays and Public Holidays
Employees are not allowed to work on Sundays or public holidays, unless they are employed by an employer who is exempt by law from such restrictions (ie, hotels, restaurants, etc). The employee's compensation amounts to a 75% increase on the legal hourly wage.

Furthermore, in case of urgent work, the execution of which is necessary for the prevention of potential unexpected damages, employees may work on Sundays or on public holidays with the permission of the competent labour authorities. If this procedure is not followed, Sunday work is considered to be illegal.

If the employee works for more than five hours on a Sunday, he or she is entitled to receive a day off, which the company cannot refuse to grant.

Work during Saturdays
For employees working on a five-day basis, the execution of work on a Saturday is considered illegal and the employees are entitled to receive an increase of 30% on their normal hourly wage.

In order for Saturday work to be considered as legal, the employee should receive another day off during the same week and this change should be notified to the labour authorities.

Night Work
Any work provided from 10pm until 6am is considered as night work and is compensated with a 25% increase on the hourly wage of the employee.

Part-Time Contracts
A part-time employment contract should be concluded in writing and notified to the labour authorities through the ERGANI platform.

Part-time employees enjoy the same employment rights as full-time employees.

If additional work, beyond the agreed working hours, is required, the part-time employee is obliged to provide this if he or she is in a position to do so and the employee should be compensated with a 12% increase in his or her hourly wage up to the completion of eight hours of daily work in total. However, an employee may refuse to provide such additional work when being asked to do so has come to constitute "usual practice".

Work on a Rotation Basis
Another form of part-time employment is work on a rotation basis. Under this arrangement, the daily working hours remain full, but the employee works on only certain days of the week. Such flexible working arrangements require a written agreement by the parties and a notification to the labour authorities.

An employer, who is confronted with limited turnover, may unilaterally impose employment on a rotating basis for a time period not exceeding nine months annually, provided that it has previously informed and consulted with the legal representatives of the employees (eg, union/works council). The employer's decision should be notified to the labour authorities.

2.4 Compensation

Statutory Minimum Salary
The statutory minimum monthly salary for white-collar employees, without prior working experience currently amounts to EUE650, whereas for blue-collar employees the statutory minimum daily wages amounts to EUR29.03.

The employees' salaries may also be determined by collective labour agreements, on either a sectoral, a professional or a company level.

Christmas/Easter Bonuses
The employees are entitled to receive twelve monthly salaries per year, plus:

- one monthly salary as a Christmas bonus plus;
- a monthly salary as an Easter bonus; and
- half a monthly salary as a vacation bonus.

This amounts, in total, to fourteen monthly salaries per year.

An employee is entitled to receive 100% of the Christmas bonus if he or she has worked continuously from May 1st to December 31st, and 100% of the Easter bonus if he or she has worked continuously from January 1st to April 30th. If the employee has worked fewer days within the above reference periods, then he or she is entitled to receive the respective proportion of same.

Voluntary Benefits
Voluntary benefits paid by the employer are not part of the salary when a future commitment for their payment is explicitly excluded. As it has been accepted by case law, if the employer has not reserved the right to discontinue the benefit in the future, then this benefit is considered as an acquired right.

2.5 Other Terms of Employment

Vacation Entitlements
All employees are entitled to a fixed number of annual vacation days with pay, depending on their years of service with the company and/or other employer.

- First calendar year – upon joining the company, and for the remaining months until the end of that calendar year, the employee is entitled to two days of vacation per month, up to the maximum amount of days they would be entitled to should they have worked with the company for one whole year (ie, up to 20 days for employees working on a five-day working basis and 24 days for employees working on a six-day working basis).
- Second calendar year – in the second calendar year, the employee is entitled to 20 vacation days on a five-day working basis; additionally, and on the anniversary of completion of one full year of service, the employee is entitled to one more day, making total vacation days' entitlement for the second year, 21 days.
- Third calendar year – from the third calendar year onwards, the employee is entitled to 22 vacation days, which may be taken all at once.

Employees having a minimum of 12 years of working experience, or who have been working for at least ten years with the same employer, are entitled to 25 vacation days if they have a

5-day working week and 30 days if they have a 6-day working week.

The employer is not entitled to transfer ungranted vacation days of its employees from one calendar year to the next. In cases where, at the end of the year, there are ungranted days of annual leave, the employee shall be compensated accordingly.

If the employer refuses to grant the employee his or her annual days of leave until the end of the respective calendar year, then the latter may claim to be compensated for such ungranted days of annual leave with a 100% increase.

The scheduling of annual vacation is to be settled between the employer and the employee. However, at least one-half of the employees in a company must take their vacation between May 1st and September 30th.

Sick Leave

If the employee has been employed by the company for at least one year, and under the condition that he or she has already worked for ten days for the employer, he or she is entitled to be remunerated for a maximum of one month of absence due to sickness. After the lapse of this period, the employer has no obligation to pay the employee any salary for the rest of his or her absence due to his or her sickness.

If the employee has been employed by the company for less than a year, he or she is entitled to be remunerated for maximum of half a month of his or her absence.

The total amount payable by the employer is reduced by the relevant amount paid by the Social Security Fund.

Childcare Leave (Reduced Working Hours)

Maternity leave

Female employees are entitled to 17 weeks' maternity leave. Maternity leave starts eight weeks before the expected date of confinement and ends nine weeks after delivery.

Furthermore, a new mother is entitled to reduced working hours or to convert these hours to continuous paid leave, subject to the employer's approval. More specifically, the employee may request one hour of work less per day for 30 months. Alternatively, and following an agreement with the employer, two hours of work less per day for the first 12 months and then one hour per day for the next six months (total duration 18 months), or, again following an agreement with the employer, the employee may receive this entitlement as continuous paid leave in lieu of the reduced working hours.

Special maternity protection leave

The new mother is entitled to special maternity protection leave after the expiration of the standard maternity leave, of a total duration of six months. This entitlement is not obligatory for the employee; the employee decides whether she wishes to use it or not. The employer is not obliged to pay any salary to the employee during such leave, since it is a benefit provided by the Greek Employment Organisation (the OAED, as per its Greek initials). During this period, the OAED pays an allowance to the employee (and not the employer), based on the statutory minimum salary (and not the contractual salary). If the employee does not wish to use the entirety of this leave, the rest of the days or months cannot be transferred to another time period.

Paternity leave

The father of a new-born is entitled to special paid leave of two days due to the birth of his child.

New fathers are also entitled to reduced working hours or paid leave, as mentioned above, in case the mother does not use this benefit or in case the mother is an independent contractor or is unemployed.

Other parental leave

Working parents are entitled to receive parental leave of at least four months, which is available until the completion of the sixth year of the child's life. Parental leave is unpaid and is considered as a non-transferable individual right.

In addition, full-time employees with children up to 16 years of age are entitled to receive additional unpaid leave of six working days per calendar year in the event of their child's illness. This leave is increased to 8 days in the case of an employee who has two children, and to 14 days in the case of an employee who has more than two children.

Working parents with children under 18 years of age who suffer from a disease that requires blood transfusion or dialysis, a neoplastic disease, or a disease that requires a transplant are entitled to receive special parental paid leave of ten working days per year. Employees who have children with disabilities and who work in enterprises employing at least 50 employees are also entitled to reduced hours of one less hour per day and to receive a proportionally decreased salary.

Employees with children up to 16 years of age who are students are entitled to be absent from their work for either a few hours or the whole working day, provided that the employer agrees, in order to visit their children's school and talk to their children's teachers. This leave entitlement amounts to a maximum of four working days per calendar year and is paid by the employer.

Marriage Leave
Employees are entitled to paid marriage leave of six working days for employees who work six days per week and five days for employees who work five days per week.

Trade Union Officials' Leave
Trade union officials are entitled to specific leave, depending on their capacity in the trade union and the number of the union's members.

Death of Close Relative Leave
In case of the death of a close relative (ie, husband or wife, child, parents or siblings), the employee is entitled to a special paid leave of two days.

Study Leave
Employees who study at a public school or university are entitled to a special leave of up to 30 days per year in order to study for their exams. The employee is paid by the OAED during his or her study leave.

For postgraduate students, the study leave amounts to ten days per year and is considered as unpaid leave.

Under-aged students (those who have not yet turned 18) attending school, college, or university who are also working are entitled to at least 14 days' leave (taken in one continuous block or separately) in order to sit for examinations. Responsibility for payment is not borne by the employer but is covered by the OAED.

Election Leave
Employees who need to travel in order to exercise their electoral rights are entitled to leave days with pay, depending on the distance travelled. The exact number of leave days is determined by a Ministerial Decree.

Confidentiality – Non-disparagement Obligations
The employee has a direct legal obligation to treat with confidentiality any information he or she received during his or her employment that may adversely affect the company if it becomes public. The employee is further obliged to abstain from any disparaging declarations or statements against his or her employer. It is common practice to include similar clauses in the employment contract, determining such obligations in a specific manner.

Employee's Liability
The employee is liable only for damages which have been intentionally caused to the employer. In cases of negligence, the employee may be acquitted by the court or the court may allocate the damages between the parties.

3. Restrictive Covenants

3.1 Non-competition Clauses

No specific legal framework exists for non-compete or non-solicitation restrictions. Greek courts have ruled that in order for the employer to enforce a non-compete/non- solicitation clause, the following requirements must be met:

- The employer should be able to prove that it has a legitimate business interest to protect through the non-compete clause.
- The scope of the non-compete restrictions must be reasonable; this requirement applies to the job position, the needs of the company to provide for the covenant, its term, its geographical limit, the business activity, etc. (For example, a clause according to which the employee agrees not to work for another employer in any capacity worldwide would be deemed unreasonable and therefore unenforceable.)
- The employee must receive consideration for his or her loss caused by agreeing to the non-compete clause; Greek case law provides that, in order for a non-compete clause to be valid, the employer must offer "reasonable" compensation to the employee, which must be in relation to the restriction imposed (duration, geographic area, activity/business sector, etc).

In practice, this compensation varies between 50% and 100% of the monthly salary of the employee, multiplied by the number of months the restriction clause lasts.

Usually, such clauses are included in the employment agreements of employees in managerial positions, as well as employees who have access to confidential information of the company or deal with important clients or work in a very sensitive area of the company.

3.2 Non-solicitation Clauses – Enforceability/ Standards

Non-solicitation clauses are treated in the same way as non-compete covenants (as discussed in **3.1 Non-competition Clauses**).

4. Data Privacy Law

4.1 General Overview

Greek privacy and data protection legislation consists notably of the General Data Protection Regulation (EU) 2016/679 (the GDPR), which applies directly in all European Union member states, Greek Law 4624/2019 implementing certain options and discretionary provisions of the GDPR in Greece and transposing (EU) Directive 2016/680 into Greek legislation, as well as Greek Law 3471/2006 on "Protection of personal data and pri-

vacy in the electronic communications' sector", which transposed (EU) Directive 2002/58/EC into Greek legislation.

Apart from the provisions of Article 27 of Greek Law 4624/2019 encompassing special provisions on processing of personal data in the workplace (ie, validity of consent provided by the employee, processing of special categories of personal data and lawful data processing through CCTV systems in the workplace, amongst others) there is no other data privacy legal provision that applies especially to the employment sphere.

5. Foreign Workers

5.1 Limitations on the Use of Foreign Workers

Under Greek law there are different provisions applicable depending on whether a foreign national qualifies as an EU or European Economic Area (EEA) citizen or a non-EU/EEA citizen. In particular, EU and EEA citizens may freely reside and work in Greece. The only requirement for their lawful residence is the possession of a valid EU citizen passport. EU/EEA nationals, who wish to stay and work in Greece for more than three months, are provided with an EU national registration certificate, of indefinite period of time from the police department of their residence.

While for an EU/EEA citizen the prior issuance of a visa is not required to enter Greece, a non-EU/EEA citizen who wishes to work in Greece must be provided with a visa before travelling to Greece by the Greek Embassy or Greek Consulate of the country of his or her residence. The duration of a visa is three months. Within that period, the non-EU/EEA citizen must submit, to the competent authority, all required documentation for the issuance of the relevant residence permit with employment rights (if this is necessary, which will depend on the type of visa in question). Given that the employment of non-EU nationals in Greece is heavily regulated, only certain types of visa and/or residence permit provide employment rights. Please refer to **5.2 Registration Requirements** for further discussion.

5.2 Registration Requirements

Type D Visa

The main type of residential work permit for non-EU/EEA citizens is the one for dependent employment. A joint ministerial decision, which is issued within the last quarter of every other year, determines the maximum number of salaried-employment positions offered to third-country nationals per region and specialty.

An employer who wishes to hire personnel for purposes of salaried employment, based on the job positions included in the aforementioned joint ministerial decision, should file an application before the competent immigration authority of its registered seat or office, stating the number of the job positions, the details and nationality of the third-country national to be employed, the specialty involved and the duration of the employment.

The competent immigration authority shall then issue a decision authorising the salaried employment of the third-country national by the interested employer, subject to the relevant specialty and the number of the job positions provided for in the joint ministerial decision not yet filled.

The relevant authorisation shall be forwarded to the competent Greek Consulate, together with the employment agreement, signed by the employer.

Subsequently, the third-country national is notified by the Greek consulate that he or she has been granted an authorisation for entry to Greece for the purposes of salaried employment and he or she is invited to complete the issuance procedure of his or her visa (ie, arrange an in-person interview, file the required documentation and pay the required fee).

After the receipt of his or her Visa (Type D), the third-country national should travel to Greece and file his or her application for a residence permit, within the terms of the visa. For its issuance, a period of up to four months as of the due submission of all the aforementioned necessary documentation is required. Yet, upon due submission, the applicant receives a certificate confirming submission of the application form for the issuance of a residency permit which is valid for one year, which serves as a residence permit until the issuance of the official one.

Blue Card

The above-mentioned ministerial decision also provides for a specific number of employees per region who are entitled to receive a residence permit for the purposes of highly qualified employment: the Blue Card.

Special Purpose Residence Permit

Other than the above-mentioned types of residential work permit, the law also provides for the special purpose residence permit, the issuance of which depends on specific laws; interstate agreements; or purposes of public interest, culture, sports and national economy. The above category includes third country nationals who are board of directors members, directors, technical executives, legal representatives, etc.

Intracompany Transfer Permit

Finally, following a recent amendment of immigration legislation, as of May 2018, the intracompany transfer permit is provided for Greece.

A third-country national may receive a visa for an intracompany transfer in order to be transferred from his or her employing entity, located in a non–EU country, to another entity located in the EU, provided that both entities belong to the same group of companies and the employee provides his or her services either as an executive, as a qualified employee or as a trainee.

6. Collective Relations

6.1 Status/Role of Unions

Union activity is protected by Article 12 of the Greek Constitution, which specifies that employees have the right to organise to protect their collective interests, without being impeded by anyone. The employer must respect its employees' right to participate in a union; therefore, an employee cannot be dismissed due to his or her capacity as union member.

In Greece there are three levels of unions. First-level unions are established by employees of a business sector, a profession or a company. First-level unions may participate in second-level unions, such as federations or labour centre or, in some cases, with both. The federations and labour centres, in turn, may participate in third-level unions, such as confederations. There are currently two main confederations in Greece:

- the General Confederation of Greek Employees (GSEE) for private sector employees; and
- the Civil Servants' Confederation (ADEDY), representing public sector employees.

The main rights of unions are their right to collective bargaining and their right to strike. They have statutory information and consultation rights with regard to, for example:

- collective dismissals;
- transfers of undertakings;
- employee restructuring projects;
- corporate changes, which might affect employment within the company;
- changes in the organisation of work; and
- the introduction of new technologies.

6.2 Employee Representative Bodies

The role of trade unions is to preserve and promote the labour, financial, insurance, social and trade union interests of employees. The establishment of a union requires at least 20 employees to express their will to do so. The founding members must file a request for recognition with the relevant court. If the court approves the request for recognition, the union obtains and records the enrolment of members in the union book.

In addition to trade unions, Greek law provides other employee representative bodies, such as works councils. Works councils may be formed in every company which employs at least 50 employees. The only exceptions to this are maritime enterprises.

Works councils are elected from the employees and consist of three to five members, depending on the company's headcount.

Works councils have a largely advisory role within the company, but they also have information, consultation and co-determination rights in specific cases, including:

- the drafting of the internal working regulations;
- the execution of health and safety regulation;
- the preparation of informational programmes regarding new development methods and new technologies;
- the organisation of educational and training programmes for the employees;
- the scheduling of annual leave;
- the planning of social and cultural events;
- collective dismissals (in the absence of a union);
- transfers of businesses; and
- employee redundancies.

Works council officials enjoy the same protection provided to trade unions and employers are not allowed to commit acts or omissions aimed at obstructing the exercise of their rights or interfering in any way with their activities.

European Works Councils (EWCs) are established for the protection of employees' rights at a broader, multinational level.

6.3 Collective Bargaining Agreements

Collective labour agreements in Greece are distinguished as follows:

- The national general collective labour agreement (NGCLA), which is applicable to all employees in Greece and currently includes only non-monetary terms; the NGCLA includes the minimum employment terms for all employees.
- Sectoral collective labour agreements, which are applicable to employees of the same business sector.
- Occupational collective labour agreements, which apply to employees of the same occupation.
- Company-level collective labour agreements, which are applicable to the employees of the same company.

A collective labour agreement may include various provisions regarding minimum salaries and benefits, as well as provisions governing the entire spectrum of the employment relationship (eg, employee leaves or working hours).

The binding force of a CLA is extended by law for three months after its expiration date. Under the current legal framework, upon the lapse of this three-month period, and provided no new CLA has been executed in the meantime, the terms which refer exclusively to (i) the basic salary or the basic daily wages; and (ii) the allowances related to seniority, children, studies and dangerous occupation, continue to be effective, whereas the rest of the terms of the CLA shall no longer be binding.

7. Termination of Employment

7.1 Grounds for Termination

Termination Procedure

An employee termination is valid only if made in writing and upon simultaneous payment of the exact amount of the statutory severance due.

Exceptionally, if the employee has committed a criminal offence and the company has filled a criminal complaint against him or her beforehand, he or she may be terminated without the payment of any severance amount. However, if the employee is ultimately acquitted by a criminal court for that criminal offence, the company will be obliged to pay his or her statutory severance amount upon the issuance of the court's decision.

The statutory termination document should be signed by the person who is legally authorised by the company to sign employee terminations. In practice, the payroll provider extracts the statutory form (ie, the E6 form) from the ERGANI platform and prints it in two originals, in order to be signed by both parties. If the employee refuses to sign the termination document, the employer should serve it at his or her residence through a court bailiff.

The termination document should be notified electronically to the labour authorities (through the electronic platform of the Ministry of Labour, called ERGANI) by the payroll provider of the Company within four working days as of the termination date.

The first 12 months of employment are considered as a probationary period by law, during which the employer is not obliged to provide notice or to pay any severance.

Calculation of Severance Payment

The statutory severance entitlement in Greece consists of two elements:

- the basic severance (which is applicable to all employees with indefinite-duration contracts); and
- the additional severance which is applicable for employees who had completed 17 years of service with the relevant company by 12 November 2012.

Basic severance

The actual amount of the statutory severance amount (as well as the respective notice periods) depends on the completed years of service of the employee with the company. The basic severance amount is capped to 12 monthly salaries.

The calculation of the aforementioned basic severance amount is based on the employee's total regular monthly remuneration of the last month prior to the termination. This monthly remuneration is multiplied by 14 (so as to take into account the Christmas and Easter allowances and the annual leave allowance, as per the Greek legislation), and then divided by 12, in order to produce a monthly average. If the employee receives voluntary benefits (such as a medical plan, pension plan or a company car etc) on a regular basis and without a reservation on behalf of the employer with respect to their discretionary amendment and/or revocation, the respective monthly amounts should also be taken into consideration for the severance calculation.

Additional severance

Employees who had completed more than 17 years of service with the same employer on 12 November 2012 are entitled to an additional severance of one monthly salary per year of service (over the 17 years) and up to 12 monthly salaries. For this additional severance the following factors shall be taken into account:

- The years of service completed by the employee until 12 November 2012, irrespective of the actual termination date (the years of service to be taken into consideration are capped at November 12th, regardless of the actual termination date).
- The employee's regular earnings of the last month under full employment up to EUR2,000; this cap is not applicable only if the employee fulfils the legal requirements for a full pension.

Redundancies

The elimination of job positions in the context of a restructuring and, in general, any type of redundancy is considered as a justified reason for dismissal. However, the employer should be able to prove in any potential litigation that the employee's position was actually made redundant and that the employee was legally selected for redundancy, in accordance with the selection criteria stipulated by the law. The employer should also consider whether there are any other alternatives available before pro-

ceeding with the redundancy (eg, to offer another vacant role to the affected employee).

The selection criteria should be implemented to comparable employees (ie, employees who are in the same department, level, job position, etc) and relate to the performance of the employee, seniority, age, family burdens, the employee's financial status and the possibility of finding a new job. Performance is the prevailing criterion, provided that it is properly documented.

Collective Dismissals
Specific provisions exist for collective dismissals. If an employer employs between 20 and 150 employees in any calendar month, the collective dismissals procedure will apply in case it dismisses more than six employees per calendar month and for companies with over 150 employees, more than 5% of the total workforce and in total more than 30 employees per calendar month.

Specific information and consultation requirements exist for collective dismissals and notifications to the Ministry of Labour. In general, the procedure is bureaucratic and very strict. If the employer fails to fully comply with its statutory obligations, the terminations are considered null and void.

7.2 Notice Periods/Severance

The employer's notice period in the case of an employee's termination is specifically provided by the law and depends on the employee's completed years of service with the company, as follows:

- from one completed year of employment and up to two years the notice period is one month;
- from two to five years the notice period is two months;
- from five to ten years the notice period is three months; and
- for more than ten years of service the notice period is four months.

The employer may opt to terminate the employee either with or without prior notice. In the case of a termination with the statutory notice, the statutory severance requirement is reduced to 50%.

The date of termination is considered the date of granting of the notice and the payment of the statutory severance should take place upon the expiration of the notice. In practice, this option is not commonly used by employers in Greece, since the company would still have to pay the employee's salaries and benefits during the notice period and would still have on board, for months, a fully disengaged employee.

7.3 Dismissal for (Serious) Cause (Summary Dismissal)

Under the current legal framework, there is no requirement to have a serious cause before terminating an indefinite-term employee.

However, given that the employee is entitled to challenge the validity of the termination in court within three months, the employer should be able to rebut the employee's allegations in the case of any potential litigation.

In the case of dismissal for performance or behaviour reasons (misconduct), the granting of a previous warning (or warnings) to the employee is advisable. The lack of suitable alternatives must be demonstrated in all cases, in order to prove that the dismissal is the ultimate solution.

In cases of redundancy, the employer should follow the selection criteria provided by the law, as described in **7.1 Grounds for Termination**, and be able to prove that there were no redeployment possibilities.

7.4 Termination Agreements

In order for a company to avoid litigation risks, it may conclude with its employee a separation agreement, which will include specific waivers/releases regarding the validity of the termination, as well as the non-existence of any claim against the company. It is common, in practice, in order to induce an employee to accept such an agreement, for the company to offer, as motivation, an amount which is higher than the statutory severance. This option is mostly used in cases of redundancies, as well as in terminations of senior executive employees.

Further to the separation agreement, the standard termination form should also be signed by both parties and should be dully notified to the labour authorities electronically in the ERGANI platform within four working days.

7.5 Protected Employees

The following categories of employees enjoy special protection against dismissal:

- war veterans and disabled employees with a mandatory employment relationship;
- members of the board of directors of a union/works council (for the period during their office and one year after);
- the founding members of a union (for one year after the incorporation of the union);
- employees in military service; and
- pregnant employees and new mothers (during the pregnancy and for a period of 18 months as of the birth date).

Employee representatives (ie, trade union/works councils officials) may only be terminated for the following reasons and upon the approval of a special committee:

- if the employee misled or lied to the employer at the time of hiring;
- if the employee disclosed trade secrets of the enterprise;
- if the employee has harmed, defamed, or physically injured the employer, a supervisor, or another employee;
- if the employee intentionally refuses to perform his or her work;
- if the employee has committed theft or embezzlement to the detriment of the employer or his or her representative; or
- if the employee fails to show up for work, without excuse (such as illness), for a period longer than three days.

8. Employment Disputes

8.1 Wrongful Dismissal Claims

An employee termination can be challenged by the employee within three months as of the termination date, claiming that it was illegal and/or abusive; alternatively, the employee is entitled to claim an additional severance amount within six months as of the termination date, if he or she was not paid the correct severance amount. In order to have such claims rejected, it is vital for the employer to ensure that the reason for termination is solid and can be proved if challenged.

If the court verdict is in favour of the employee, then the termination will be judged as null and void ex tunc and the employee should be reinstated in his or her previous position in the company and shall continue to receive all his or her salary due as of the termination date and until a new valid termination takes place; in addition, the employee may also be awarded with moral damages.

8.2 Anti-discrimination Issues

Any kind of direct or indirect discrimination on the grounds of racial or ethnic origin, religion, disability, age or sexual orientation as regards employment and occupation is prohibited. This prohibition is applicable to all employees, including job candidates, both private and public sector, in relation to the conditions for access to employment (including selection criteria and recruitment conditions), employment terms and conditions (including dismissals and payment), as well as to participation in collective bodies.

Furthermore, "harassment" is considered as a discriminatory behaviour, including behaviours that violate the dignity of another person and create an intimidating, hostile, degrading, humiliating or offensive environment.

Any person who has suffered from discriminatory behaviour, in violation of the principle of equal treatment, is entitled to seek legal protection even after the termination of the respective employment relationship.

The burden of proof in the case of a discrimination claim lies with the respondent and not the claimant. More specifically, the respondent is obliged to prove the non-existence of any discriminatory behaviour, provided that the claimant has presented valid evidence that leads to the presumption that discriminatory behaviour has taken place. This obligation does not apply in criminal cases.

Any employer, who violates the legal provisions regarding the principle of equal treatment, shall be also held liable towards the Labour Inspection Authority and shall face the administrative sanctions.

9. Dispute Resolution

9.1 Judicial Procedures

Class actions for employment issues are not a common practice in Greece generally. However, there are cases where a business decision may affect a large number of employees who, for that reason, file a class action (eg, if a company is restructuring or undertaking a transfer of business). By filing a class action, the employees anticipate achieving better representation, a reduction in court fees and putting greater pressure on the court.

9.2 Alternative Dispute Resolution

Individual labour law disputes cannot be subject to arbitration.

Arbitration is an alternative dispute resolution option applicable mostly in cases of collective labour agreements.

Moreover, under a recent amendment to the law, unilateral recourse to arbitration is allowed as the ultimate supplementary resolution measure for collective labour disputes, exclusively in the following cases:

- if the collective dispute refers to companies whose function is vital for the provision of basic public needs (eg, state companies or utility services companies); or
- in case of collective disputes arising from the failure of the negotiations of the parties to conclude a CLA, the resolution of which is required by an actual cause of general social or public interest related to the function of the Greek economy.

The recent legal provisions also determine that the negotiations are considered as finally failed when the regulatory effect of the existing CLA has expired and all alternative measures of under-

standing and union activities have been exhausted, whereas the party requesting the arbitration procedure had duly participated in the mediation procedure.

Finally, the application for unilateral recourse to arbitration should include full justifications on the fulfilment of the above conditions. Similarly, the respective arbitration decision should be fully justified as well; otherwise it will be considered as null and void.

9.3 Awarding Attorney's Fees

The awarding of attorneys' fees to the employee is subject to the relevant request made by the latter in case of litigation. However, the competent judge is free to determine the allocation of the attorneys' fees between the litigant parties or even not to award any amount to them due to the complexion of the legal issues brought before the court.

Kyriakides Georgopoulos Law Firm is a leading Greek multi-tier business law firm and the largest in Greece. KG has been the preferred choice for US and European international law firms, capable of delivering legal services at the most demanding international standards of professional quality and client service. The firm's partners and lawyers are prominent participants in international practice law institutions and networks, such as the International Bar Association, the American Bar Association, the Employment Law Alliance and the European Employment Lawyers Association. KG is a founding member of South East Europe Legal Group (SEE Legal), a regional alliance of major law firms from 12 countries in South East Europe, established in 2003. Working together on cross-border transactions, SEE Legal is the largest local legal team in SE Europe, with more than 450 lawyers organised in cross-jurisdictional practice groups.

Authors

Ioanna Kyriazi is a partner and leads the firm's employment team. With 20 years of experience, she represents and guides leading foreign and Greek companies operating in various industries through the implementation of their HR strategies, advising on all employment-related issues from recruitment to termination. Ioanna has expertise in complex restructuring projects, individual and collective redundancies, collective bargaining at all levels, industrial relations with unions and works councils, and mediation and arbitration. She was one of the first employment lawyers in Greece to successfully implement the new collective dismissals procedure. Ioanna is also an active litigator, representing companies in their employment and social security disputes, both individual and collective.

Ioanna Chanoumi focuses on employment and social security law issues. She advises both domestic and international clients with regard to employment contracts, services and outsourcing agreements, flexible forms of employment, employee terminations, transfers of undertakings, companies' policies and regulations, and remuneration schemes.

Kyriakides Georgopoulos Law Firm

28, Dimitriou Soutsou St
GR 115 21
Athens
Greece

Tel: +30 210 817 1574
Fax: +30 210 685 6658
Email: i.kyriazi@kglawfirm.gr
Web: www.kglawfirm.gr

KYRIAKIDES GEORGOPOULOS
Law Firm