



The Legal 500 Country Comparative Guides

Greece

EMPLOYMENT AND LABOUR LAW

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This country-specific Q&A provides an overview of employment and labour laws and regulations applicable in Greece.

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GREECE

EMPLOYMENT AND LABOUR LAW



1. Does an employer need a reason to lawfully terminate an employment relationship? If so, state what reasons are lawful in your jurisdiction?

According to the Greek employment legislation (laws 2112/1920 and 3198/1955), an employment contract can be lawfully and validly terminated at any time without any cause. Therefore, the dismissal constitutes a “causal transaction,” meaning that the employer is not obliged to justify it, nor the existence of a particular cause defines its validity.

Upon the employer’s decision, the dismissal may take place either with or without notice, while any such dismissal should be in writing with the employer making the proper severance pay provided. For this reason, the law also provides for the payment of severance pay in favour of the employee.

The employee has the right to challenge the reasons for his/her dismissal before the competent Court. If proven to be true, reasons for dismissal, such as retaliation against the employee for exercising their legal rights, hostility etc. can overturn the dismissal.

Moreover, the Law 4808/2021 has introduced major reforms in employment legislation, including provisions in respect of the termination of the employment relationship. To that effect, the above-mentioned legislation (article 66) stipulates provisions including specific reasons for which any termination is prohibited and shall be considered invalid, such as on the grounds of discrimination, employees exercising their legal rights, retaliation against an employee who has been harassed etc. Should the employee challenge the validity of their dismissal claiming that it was prohibited by law and provide evidence to the extent stipulated by the respective legislative framework, it is up to the employer to refute the employee’s claims and prove the grounds for the dismissal, other than the ones stated by the employee which may render the dismissal invalid.

2. What, if any, additional considerations apply if large numbers of dismissals (redundancies) are planned? How many employees need to be affected for the additional considerations to apply?

According to the legislative framework in Greece (Law 1387/1983 as amended and currently enforced), dismissals may occur following specific limitations which are determined by the number of employees who are employed by the entity which shall proceed with the dismissals. Regarding an establishment employing from 20 to 150 employees, up to 6 employees per month may be dismissed, while businesses whose staff exceeds 150 individuals, can dismiss 5% of their workforce and in any event no more than 30 employees per month. In case of exceeding the abovementioned limitations, all dismissals shall be perceived classified as “collective dismissals”, thus they are prohibited.

Apart from the general provisions regulating the termination of any open-ended employment contract such as written notice and severance payment, additionally there is a specific procedure to be followed by the employer in order to carry out properly the “collective dismissals”.

The employer must inform the workers’ representatives of the proposed dismissals, indicate the reasons, and provide other information as required by the law (i.e., the number and categories of employees concerned, the criteria used to select the employees, the period over which the collective dismissals will be carried out). Such documents must also be submitted to the competent authorities, i.e., the Supreme Labour Council, which is a special committee within the Ministry of Labour and Social Affairs, consisting of representatives of the State, employees’ associations, and employers’ associations, all the above equally represented.

Consultation with the trade unions (workers’ representatives) and the employer should also take place, prior to the implementation of any of the

proposed dismissals. The consultation period shall last 30 days from the date of the notification to the workers' representatives. Following consultation, the employer must notify the Supreme Labour Council of their outcome.

If the parties reach an agreement, the employer may proceed with the dismissals, according to the terms of the agreement, after a 10-day period past the notification to the Supreme Labour Council.

If the parties fail to reach an agreement, the Supreme Labour Council must determine whether the employer has fulfilled their respective obligations regarding the consultation with the workers' representatives and notifying the authorities. If the obligations have been fulfilled, the employer may proceed with the dismissals after a 20-day period. On the other hand, if the respective obligations have not been fulfilled by the employer, the Supreme Labour Council can extend the consultation period or set a deadline for the employer to fulfil their obligations. Nevertheless, in any case, the dismissals will be considered valid (even if no agreement is reached) within 60 days after the Supreme Labour Council had been initially notified by the employer.

3. What, if any, additional considerations apply if a worker's employment is terminated in the context of a business sale?

There are no additional considerations if a worker's employment is terminated in the context of a business sale provided that prior consultation/deliberation has taken place following the provisions of the Presidential Decree 240/2006 establishing a general framework for informing and consulting employees.

4. What, if any, is the minimum notice period to terminate employment? Are there any categories of employee who typically have a contractual notice entitlement in excess of the minimum period?

The employer is granted with the additional option - not obligation - to notify the employee in writing of the imminent termination of the indefinite term employment contract.

In such case the employer is obliged to pay half (1/2) of the severance pay stipulated by law for terminating the employment agreement without notice.

The notice period is determined by law upon

consideration of the years of continuous employment with the same employer:

Length of service	Notice period
12 months to 2 years	1 month
2 years - 4 years	2 months
4 years - 5 years	2 months
5 years - 6 years	3 months
6 years - 8 years	3 months
8 years - 10 years	3 months
beyond 10 years	4 months

The employer is entitled to decide whether the employee shall be dismissed with notice or not.

There are no specific categories of employees who typically have a contractual notice entitlement. The parties may freely negotiate contractual terms to the extent that minimum by law requirements are met.

5. Is it possible to pay monies out to a worker to end the employment relationship instead of giving notice?

Following the provisions of the applicable legislation in Greece, employers have the option to proceed with the termination of the employment contract with notice. Therefore, terminating the employment contract with notice is not an obligation on behalf of the employer. However, if any employer decides to proceed with the termination of the employment agreement with notice, they are required to observe the notice period stipulated by law and make the respective severance payment which amounts to half of the payment provided for terminating the employment agreement without notice. So, making severance payment is mandatory in every case.

Exceptionally, the employer has no obligation to pay any severance payment to the employee, only in the following cases:

- Pursuant to the Labour legislation currently in force, the employer has no obligation to pay any severance payment to the employee if the latter has been convicted of committing a crime, which directly affects the employment relationship, i.e., partner abuse, theft, fraud etc.
- Moreover, according to case law, it has been decided that the employer may eventually terminate the employment relationship without granting the employee severance payment when the employee is seeking dismissal to receive severance pay. To be

specific, in such cases the employee must intentionally behave inappropriately or breach his/her contractual obligations or even perform his/her duties poorly, for the sole purpose of forcing the employer to dismiss him/her and consequently claim the respective severance payment.

and taking into consideration whether the employee to be laid off will be given prior written notice or not, as the employer has the option - not obligation - to proceed with the termination of the employment contract with notice.

6. Can an employer require a worker to be on garden leave, that is, continue to employ and pay a worker during his notice period but require him to stay at home and not participate in any work?

Until recently the Greek Labour Legislation did not include any provisions in respect of garden leave. However, the Law 4808/2021 (article 65) has introduced the practice of garden leave. To be specific, as per the provisions of the above-mentioned legislation, in the event of terminating the employment agreement with notice, the employer may in fact require the employee to stay at home and not participate in any work (fully or partially), while at the same time paying the employee his/her wages for the notice period.

7. Does an employer have to follow a prescribed procedure to achieve an effective termination of the employment relationship? If yes, describe the requirements of that procedure or procedures.

i. Indefinite Term Employment Contract

Pursuant to the Greek Labour Legislation (Law 3198/1955, Law 2112/1920, as amended and enforced, and Royal Decree 16/18.7.1920), any indefinite term employment contract shall be terminated lawfully and validly at any time without warning, provided that the following conditions are observed:

- a. Written notice for the termination of the employment contract, which has been signed by the company's legal representative or any other person who has been properly authorized to do so, is furnished directly to the employee at the day the dismissal occurs and
- b. Severance payment is made. In reference to the severance payment, it should be clarified that this kind of compensation is calculated based on the gross regular salary granted to the employee during the last month of the employment contract before his/her dismissal

However, the employee, even though he/she has been thoroughly informed of the decision of the employer to terminate his/her employment contract, may in fact refuse to sign the document regarding the termination of the employment contract, thus rendering impossible for the formalities, stipulated by the law in reference to the termination of an employment contract, to be finalized. If that is the case, for the termination of the employment contract to be finalized, a respective extrajudicial statement should be served by bailiff to the employee, along with the termination form (Form E6. Termination of employment contracts) attached to said document. Both documents must be signed by the company's legal representative or any other authorized person who has been appointed to do so.

Moreover, at the same time, the employer is required to transfer to the employee's bank account his/her proper severance payment.

ii. Fixed - Term Employment Contract

Any fixed-term employment contract is terminated after its term expires without having to observe any conditions such as giving notice or granting severance payment. Moreover, pursuant to the provisions of the Greek Civil Code (article 672), a fixed-term contract may be terminated, prior to the agreed termination date, by either of the parties. However, any fixed-term contract of employment cannot be prematurely terminated unless there is cause for the termination.

In respect of termination for cause of a fixed-term employment agreement, the applicable legislative framework does not provide per se for the reasons for said termination. However, according to case law it has been decided that the following may constitute serious grounds for premature termination: material breach of contract by either of the parties, continued absenteeism by the employee, improper execution of the employee's duties, being convicted of a crime etc.

8. If the employer does not follow any prescribed procedure as described in response to question 7, what are the consequences for the employer?

Until recently as per the provisions of the applicable

legislation, any termination of the employment contract made without paying simultaneously the proper severance payment or issuing a written notification properly signed by the legal representative of the employer or any other authorized person, was considered null and void.

As mentioned above, the Law 4808/2021 introduced major reforms in employment legislation, including reforms in respect of the termination of the employment relationship. So, according to the provisions of the above-mentioned legislative framework (article 66), any failure on behalf of the employer to provide the employee with the written notification mentioned above, does not render the termination null and void, if the employer eventually issues the written notification within the deadline stipulated by law.

Furthermore, failure to make the proper severance pay, may not render the termination null and void, provided that the employer had miscalculated the amount to be paid (obvious error) or there is reasonable doubt regarding said amount. If no severance pay is made at all, the termination of the employment agreement is indeed perceived as null and void.

In the event of the employment agreement being perceived as null and void, the employer bears liability for salary payment to the employee, taking into consideration that the employment agreement is still considered to be in effect.

The statutory period of limitation for employees to raise their respective claims in case they consider the dismissal unfair or invalid is three months; otherwise, their right is considered lapsed.

9. How, if at all, are collective agreements relevant to the termination of employment?

Collective agreements may include terms in respect of the conclusion or the termination of the employment contract. By virtue of collective agreements restrictions may be imposed regarding the exercise of the right of termination, besides what is already required by the law, such as the provision of additional remuneration above and beyond the statutory (minimum) severance pay or determining the validity of the dismissal upon specific reasons. Collective agreements may also provide for an age limit upon the reaching of which the employment contract shall be automatically terminated. The terms of the collective agreements should not reduce the protection provided for by labour laws for the termination of employment contracts which set

minimum requirements in reference to the protection for employees.

10. Does the employer have to obtain the permission of or inform a third party (e.g. local labour authorities or court) before being able to validly terminate the employment relationship? If yes, what are the sanctions for breach of this requirement?

The employer does not have to obtain the permission of a third party before being able to validly terminate the employment relationship.

Notwithstanding the above, in respect of collective dismissals, there is indeed a specific procedure to be followed by the employer, including the employer being obligated to consult with the workers' representatives prior to the implementation of any of the proposed dismissals. The employer is also required to notify the Labour Authorities (Supreme Labour Council) of the commencement and the outcome of the consultation with the workers' representatives.

11. What protection from discrimination or harassment are workers entitled to in respect of the termination of employment?

The principle of equal treatment is important when the employer terminates the employment contract and especially in the event of dismissals for restructuring purposes. In such cases the employer may apply social and economic criteria to choose which individual should be dismissed due to the restructuring plan. Under the Greek Labour legislation, when a restructuring program takes place and an employment contract must be terminated, the employer (when some of his employees have the same professional skills, efficiency, and evaluation) is obliged to take also into consideration the employee's social and family obligations, age, and seniority. Therefore, among employees that are equally skilled and efficient, the employer is obliged to dismiss the one who has less family liabilities (i.e., wife, children etc).

Moreover, as per the provisions of the Law 4443/2016, discriminatory treatment is prohibited on the basis of race, colour, nationality or ethnic origin, genealogical descent, religious or other convictions, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender, by a person acting as an employer at any stage of access to work and employment, while concluding or refusing an

employment relationship or during its duration, development or its termination. The employee who has suffered discrimination may bring action against the employer claiming that the principle of equal treatment has been breached and also claiming compensation for property damage and non-material damage.

Furthermore, according to the provisions of the Law 4808/2021 which sets out the framework for eliminating harassment and violence in the workplace, individuals who have been harassed are protected against any form of retaliation, including the termination of the employment relationship.

12. What are the possible consequences for the employer if a worker has suffered discrimination or harassment in the context of termination of employment?

The termination of the employment contract in breach of the principle of equal treatment or the non-retaliation prohibition in respect of non-harassment in the workplace or non-discriminatory treatment in the context provided by Law 4443/2016 is invalid. The employer who violated the respective prohibitions is subject to criminal and administrative sanctions. Furthermore, should the employee challenge the validity of their dismissal claiming that it was prohibited by law in the context of violating the non-retaliation prohibition in respect of non-harassment in the workplace or the non-discriminatory treatment as provided by law 4443/2016, and provide evidence to the extent stipulated by the respective legislative framework, it is up to the employer to refute the employee's claims and prove the grounds for the dismissal, other than the ones stated by the employee which may render the dismissal invalid.

13. Are any categories of worker (for example, fixed-term workers or workers on family leave) entitled to specific protection, other than protection from discrimination or harassment, on the termination of employment?

i. Dismissal during the annual leave period

The termination of the employment contract is forbidden during the period of the annual leave of the employee.

ii. Termination of the employment contract of board members of trade unions

As per the provisions of the Law 4808/2021 which was

recently introduced, the employment agreement of board members of trade unions may only be terminated for cause and following the procedure stipulated by law.

It should be clearly stated that any other employee who is a union member, besides the ones expressly protected by the law, is by no means protected against dismissal and the relevant legislation regarding the termination of employment applies accordingly. The protection from dismissal described above remains in effect during their term and for one (1) year after the duty of a member in the BoD of the Union has expired.

iii. Termination of the employment contract of parents

Moreover, according to the provisions of the article 15 of Law 1483/1984, as amended and currently enforced, pregnant employees may not be dismissed throughout the period of the pregnancy and for a period of 18 months following delivery of their child. The same protection is afforded to fathers for a 6-month period after the birth of the child.

Any such dismissal is permitted only as termination for cause. In fact, the above-mentioned protected employees may be dismissed only if there is a specific reason justifying the dismissal, i.e., a reason that may be perceived so important, that it requires employment termination. According to case law, the employer shutting down their business, can be perceived as a reason of high importance, thus justifying the termination for cause.

Notwithstanding the above, it should be stated that for the proper termination of the employment contract of the above-mentioned employees, even if there are grounds for termination for cause, the employer is additionally required (article 10 of the presidential decree 176/1997) to justify in writing the termination including mentioning the cause, and then notifying accordingly not only the employee to be laid off, but also the proper authorities.

The above notification may be completed by handing to the employee a written statement, including the reason for the termination, along with the termination form (Form E6. Termination of employment contracts). Both documents to be handed to the employee must be signed by the company's legal representative or any other authorized person who has been appointed to do so. Then, the competent authorities, i.e., the Hellenic Labour Inspectorate, must be properly notified as well of the termination of the employment contract.

Lastly, as per the provisions of the Law 4808/2021 which introduced several leaves and flexible working

arrangements for parents and caretakers, the dismissal of employees on the grounds that they have applied for or have taken leave provided for by the law or have exercised the right to request flexible working arrangements referred to in the law, is prohibited.

14. Are workers who have made disclosures in the public interest (whistleblowers) entitled to any special protection from termination of employment?

According to Article 19 of the Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (Whistleblowing Directive), reporting persons working in the private or public sector who acquired information on breaches in a work-related context (whistleblowers) should be protected against retaliation of any form, whether directly or indirectly, by their employer and by persons working for or acting on behalf of the employer. Forms of such retaliation may include failure to renew, or early termination of, a temporary employment contract, harassment or other punitive or discriminatory treatment.

This Directive was recently incorporated into the Greek legal system by Law 4990/2022 (Government Gazette Vol. A', 210). According to Article 17 of Law 4990/2022 regarding especially the termination of the employment contract, any form of retaliation against persons (including workers) who have obtained information about violations and in particular the suspension or the dismissal of the worker or any other equivalent measure is strictly prohibited.

At the same time, Article 20 par. 3 of Law 4990/2022 expressly provides that the termination of an employment contract that takes the form of retaliation is - in any case - null and void.

Notwithstanding the above, the dismissal of an employee pursuing the right of his/her opinion to disclose the employer's wrongdoing could be perceived as constituting unfair dismissal (retaliation against the employee for exercising his/her right).

15. In the event of financial difficulties, can an employer lawfully terminate an employee's contract of employment and offer re-engagement on new less favourable terms?

Indeed, in Greek labour law there is the possibility for the employer to terminate the employment contract with

the simultaneous proposal of new, less favourable terms of employment.

This possibility is not provided for by a specific legal provision. On the contrary, this practice has been shaped by the case law of the Greek Courts. However, the legality of this practice is not disputed.

This practice, which is called "modifying termination" is in fact used as an alternative measure to the termination of the employment contract and the reduction of labour costs. According to it, the employer may terminate the employment contract and at the same time propose to the employee new labour conditions, which are less favourable than the conditions he/she had been working under until that moment (e.g., reduced salary or part-time work instead of full-time work etc.).

The employee is asked to choose whether to accept the proposed working conditions or not. If the employee chooses to accept them, a new employment contract is concluded. If, on the contrary, the employee does not accept the new terms of employment, the employment contract is terminated definitively.

In any case, it goes without saying that for the "modifying termination" to be deemed as valid and legitimate, the employer will have to comply with all the legal requirements, as in the case of a common termination of the employment contract (e.g., compliance with a written form, payment of severance pay, etc.).

16. What, if any, risks are associated with the use of artificial intelligence in an employer's recruitment or termination decisions?

Firstly, it should be clarified that there is no specific legal framework in the Greek legal system regulating the use of artificial intelligence (AI) applications in the workplace, during the recruitment process or the termination of the employment contract.

Therefore, any legal implications and consequences of using an AI application when hiring a job applicant or terminating an employment contract should be sought in the context of other legal frameworks, such as in the law on the protection of personal data or the anti-discrimination legislation.

In any case, the use of AI applications in the recruitment and dismissal of a worker raises important issues such as ethical considerations, respect for the worker's personality, non-discrimination and respect for equality, diversity, social justice and human rights as well as

transparency and explainability issues.

17. What financial compensation is required under law or custom to terminate the employment relationship? How is such compensation calculated?

As far as severance pay is concerned, it should be clarified that it is calculated based on the regular salary granted to the employee during the last month of the employment contract before their dismissal. The amount of the severance pay to be granted to the employee is calculated on the length of service.

Length of service	Amount of severance payment
Up to 12 months to 2 years	2 months wages
2 years - 4 years	2 months wages
4 years - 5 years	3 months wages
5 years - 6 years	3 months wages
6 years - 8 years	4 months wages
8 years - 10 years	5 months wages
Up to 10 years	6 months wages
Up to 11 years	7 months wages
Up to 12 years	8 months wages
Up to 13 years	9 months wages
Up to 14 years	10 months wages
Up to 15 years	11 months wages
Up to 16 years	12 months wages

Employees who had been working for the same employer for over 16 years by the 12th of November 2012 are entitled to additional payment as follows:

Length of service by 12.11.2012	Amount of severance payment	Additional amount
Up to 17 years	12 months wages	+ 1 month
Up to 18 years	12 months wages	+ 2 months
Up to 19 years	12 months wages	+ 3 months
Up to 20 years	12 months wages	+ 4 months
Up to 21 years	12 months wages	+ 5 months
Up to 22 years	12 months wages	+ 6 months
Up to 23 years	12 months wages	+ 7 months
Up to 24 years	12 months wages	+ 8 months
Up to 25 years	12 months wages	+ 9 months
Up to 26 years	12 months wages	+ 10 months
Up to 27 years	12 months wages	+ 11 months
Up to 28 years and beyond	12 months wages	+ 12 months

In case of termination of the employment contract with notice the employer is obliged to pay half (1/2) of the afore-mentioned severance pay to the employee, while the notice period to be observed is also stipulated by law and determined by taking into consideration the employee's length of service.

Additionally, by virtue of the provisions of the latest legislation (article 66 – Law 4808/2021), an additional severance pay may be adjudicated to the employee, of the sum of the employee's regular remuneration of three months and up to double the amount of the statutory severance pay. Said additional severance pay may be adjudicated by the Court instead of deeming that the

dismissal was invalid, provided that a respective request will properly be made either by the employer or the employee and that the reason for the dismissal is not one expressly prohibited by law. On the other hand, if the validity of the dismissal is challenged on the grounds that the reason for it is indeed a reason prohibited by law, only the employee has the option to claim the additional severance pay instead of the payment of back salaries.

18. Can an employer reach agreement with a worker on the termination of employment in which the employee validly waives his rights in return for a payment? If yes, describe any limitations that apply, including in respect of non-disclosure or confidentiality clauses.

Any agreement to be reached that may be perceived as restricting the rights of the employee provided for by public order rules shall be deemed to be void. For example, any agreement including that the employee will be dismissed without notice or without severance pay or with reduced severance pay than the one stipulated by law is void.

However, employees' decision to accept the validity of their dismissal by signing an agreement and waiving their right to challenge the validity of it, is valid according to caselaw. This practice may be quite useful as it will most likely prevent the employee from raising any claims regarding the termination of the employment relationship.

19. Is it possible to restrict a worker from working for competitors after the termination of employment? If yes, describe any relevant requirements or limitations.

The employee has the obligation to refrain from competing practices during the employment relationship and after the termination of employment if there is a specific provision in the employment contract. According to caselaw in Greece, for any such provision to be deemed to be valid after the termination of the employment contract there are specific requirements taken into consideration, such as the duration of the respective obligation, the qualifications and the previous work experience of the employee, the employee's position within the company, whether said employee has been received any kind of compensation for undertaking said obligation etc.

20. Can an employer require a worker to keep information relating to the employer confidential after the termination of employment?

The employee has the obligation of confidentiality during the employment relationship and after the termination of employment. Moreover, the parties may also conclude a respective agreement on the specifics of the confidentiality obligation after the termination of the employment relationship.

21. Are employers obliged to provide references to new employers if these are requested? If so, what information must the reference include?

Employers are not obliged to provide references to new employers upon request, but they are indeed required to provide service certificate.

22. What, in your opinion, are the most common difficulties faced by employers in your jurisdiction when terminating employment and how do you consider employers can mitigate these?

In our jurisdiction there is a heavily regulated and costly procedure concerning the termination of employment (written notice at the day of the dismissal and severance payment). In the event of illegal dismissal, there is a high finance burden (the employer should pay unpaid salaries from the day of the illegal dismissal until its remedy). The employers can mitigate these difficulties with proactive planning of any such termination, including observing the formalities stipulated by law and possibly concluding a private agreement with the employee for the purpose of the latter acknowledging the validity of his/her dismissal and waiving his/her right to challenge it etc.

23. Are any legal changes planned that are likely to impact the way employers in your jurisdiction approach termination of employment? If so, please describe what impact you foresee from such changes and how employers can prepare for them?

Following the publication of Law 4808/2021, which introduced important regulations regarding the termination of the employment contract, no other major legal changes are planned so far that are likely to impact on the way employers in our jurisdiction approach termination of employment.

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