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# **The Legal 500 Country Comparative Guides**

## **Greece**

# **EMPLOYMENT & LABOUR LAW**

### **Contributing Firm**

Andersen Legal in Greece

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The logo for Andersen Legal, featuring a red swoosh above the text "ANDERSEN LEGAL" in a serif font.

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# GREECE EMPLOYMENT AND LABOUR LAW



## In association with Nicola Rabson of Linklaters

### 1. What measures have been put in place to protect employees or avoid redundancies during the coronavirus pandemic?

In view of the increase regarding the reported cases of the coronavirus disease in Greece, the Greek government has announced measures in order to support and protect employers in dealing with issues that may arise during this crucial period.

Some of the most important support measures that have been introduced to protect employers during the Covid-19 period are mentioned briefly below:

- Employees whose employment contracts have been suspended by employers whose activity is on lockdown by order of the authorities or are designated as severely impacted under the applicable list of Activity Codes (KAD), are entitled to a special state benefit on a prorated basis and full social security coverage borne by the State.
- Employers may unilaterally place their employees on remote work as a measure specifically provided during the coronavirus crisis, while they are obliged to place on such system at least 50% of their personnel that can provide their services remotely.
- Employers are required to adapt the working hours of their personnel to provide for gradual, within two hours, arrival and departure of their employees at the workplace in order to reduce crowding.
- Given the suspension of operation of educational institutions, a special purpose paid leave for parents has been established (1/3 of special leave subsidized by State), while a special leave has been introduced for parents of children that have contracted Covid-19. Furthermore, a paid 3-hour leave has been introduced so that employees can be tested for Covid-19.
- Employees belonging to vulnerable groups are entitled, upon their request, to provide remote work. The employer is obliged to accept such request on condition that work can be provided remotely. If work cannot be provided remotely, the employer is required to take all measures necessary to ensure that employees belonging to vulnerable groups do not provide work that requires -them to meet the public, or - as a means of last resort for the protection of said employees - to suspend their employment contracts.
- A variety of additional support measures have been introduced for the unemployed and special categories of employees and employers in the sectors of tourism, culture etc.
- Prevention and protection measures for the protection of the health and safety of employees which are implemented at the workplace (i.e. keeping distances, personal hygiene measures, monitoring employee's health).

The most important measures that have been put in place during the COVID-19 pandemic are those which restrict the employer's right to terminate the employment contracts and more specifically the following :

- Prohibition of dismissals for seriously affected businesses: The employers that are perceived as seriously affected and decide to proceed or extend with the suspension of any employment contract are prohibited from dismissing any employee during the use the measure of suspension. Moreover, employers who proceed with the suspension of any employment contract are required to maintain the same number of employees and under the same terms of employment for a period equal to the suspension period after the expiration of the suspension implemented. Such prohibition does not include employees who resign, retire or whose fixed-term contracts expire during the above-mentioned period.
- Prohibition of dismissals for businesses under lockdown following a decision by the authorities: The employment contracts for employers that are in lockdown by State order are suspended by law during the above-mentioned. Employers whose activity has been suspended by virtue of a decision by the authorities, are required, during the suspension period and until the suspension period is over, not to proceed with any dismissals.
- Employers can include in the "SYNERGASIA" (a measure for the support of employment in businesses that have suffered a turnover) employees whose contracts have not been suspended and may reduce for one or more months the weekly working time by up to 50% for part or all of their full-time employees. Under this measure, the State offers employees whose working time has been reduced a financial short-term work support corresponding to the time during which they did not work. Employers are not permitted to dismiss employees who are included in the SYNERGASIA" and any such dismissal shall be considered as invalid.
- The employers who receive the aid called "no interest loan", which is

There are also restrictions on employers' right to dismiss employees in light of other government subsidies/supports provided to overcome the COVID-19 pandemic, which are following:

granted to companies and is repayable, in whole or in part, under specific terms and conditions, are obliged to maintain the same number of employees.

- For affected companies that make use of the measure of suspension of debts, installments, arrangements or facilities for partial payments and certified debts to the State/extension of the deadline for payment of social insurance contributions, there is a staff retention clause if they use the measure of suspension of employment contracts.

As far as the consequences if the employer violates the restrictions on the right to terminate the employment contract and prohibition regarding dismissals is concerned, for the lockdown period or suspension period and until this period is over, there is a prohibition with respect to any kind of dismissals for the entire staff of the company and any such dismissal shall be considered as invalid.

### Reasons for the termination of employment

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

- According to the Greek employment law (ACT No 2112/1920 and 3198/55), 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 might take place either with prior notice or not. In any case though the dismissal must take place in written and the employer must pay the severance payment to the employee according to the law.
- The motives of the employer can be challenged before the competent Court and motives of dismissal, such as hatred or reasons of revenge as a result of a previous lawful but disliked by the employer behaviour of the employee, can overturn the dismissal.

#### 3. 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 (ACT No 1387/1983 as currently enforced), dismissals may occur following specific limitations which depend on the company size which is going to proceed with the dismissals. Regarding an establishment with 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 those limitations, all dismissals are 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 dismissal will be carried out). Such documents must also be sent to the relevant authorities, i.e. the Supreme Labor Council, which is a special committee within the Ministry of Labor, consisting of an equal number of representatives from the State, the employees' associations, and the employers' associations.

Consultations with the trade unions (workers' representatives) and the employer should also occur, 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 their outcome to the Supreme Labor Council.

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

If the parties fail to reach an agreement, the Supreme Labor Council must determine whether the employer has fulfilled all his/her obligations to consult with the workers' representatives and to notify 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 Labor Council can extend the consultation period or set the employer a deadline 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 Labor Council was initially notified by the employer.

**3.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?**

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 according to Presidential Decree 240/2006.

**Employment law procedures applying on the termination of employment.**

**5.What, if any, is the minimum notice period to terminate employment? Are there any categories of employee who typically have a contractual notice entitlement more than the minimum period?**

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 according to Presidential Decree 240/2006.

In such case the employer is obliged to pay half (1/2) of the compensation to the employee whose employment contract is terminated without prior notice.

The notice period depends on the years of continuous employment with the same employer:

Occupation time	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 he will dismiss the employee with or without notice.

There are no specific categories of employees who typically have a contractual notice entitlement.

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

Severance payment is mandatory in every case. Pursuant to the Greek Labor Legislation (ACT No 3198/1955, 2112/1920, as amended and enforced, and Royal decree 16/18.7.1920), an indefinite term employment contract shall be terminated lawfully and validly at any time without warning. The total amount of

the dismissal compensation depends on the preoccupation time of the employee. In case of redundancy with prior notification the employer is obliged to pay half (1/2) of the compensation to the employee.

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

- Pursuant to the Labor 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 compensation. 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.

**7. 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?**

In Greek Labor Legislation there is no provision of garden leave. An employer cannot require a worker to be on a garden leave unless the employee agree to the said leave.

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In Greek Labor Legislation there is no provision of garden leave. An employer cannot require a worker to be on a garden leave unless the employee agree to the said leave.

**8. 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.**

- Indefinite Term Employment Contract: Pursuant to the Greek Labor Legislation (Act No 3198/1955, 2112/1920, as amended and enforced, and Royal decree 16/18.7.1920), an 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 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 pre-notify the employee in written about the imminent dismissal.

Should the employee, even though he/she has been thoroughly informed of the decision of the employer, to terminate his/her employment contract, he/she may 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 the 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.

- 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 contracts of employment cannot be prematurely terminated unless there is a serious ground for their termination.

Although the law does not stipulate any reasons, 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 conceited of a crime etc.

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

Any dismissal that occurs without the simultaneous proper severance payment made or the issuing of a written notification properly signed by the legal representative of the employer or any other authorized person, is considered null and void.

In such case 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 the employees to sue their employer in case they consider the dismissal unfair or invalid is three months; otherwise, his/her right is considered lapsed.

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

Collective agreements may contain terms relating to the conclusion or termination of the employment contract. With collective agreements, may be imposed restrictions on the exercise of the right of termination beyond what is required by the law, such as the provision of additional remuneration besides the legal (minimum) compensations, stipulated by law, or making the validity of the dismissal dependent on specific reasons. Collective agreements may provide for an age limit upon completion of which the employment contract shall be automatically terminated.

The terms of the collective agreements should not reduce the protection afforded by labor laws for the termination of employment contracts which set minimum protection limits for employees.

**11.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.

In collective dismissals only there is a specific procedure to be followed by the employer, which is the obligation of consultation with the workers' representatives prior to the implementation of any of the proposed dismissals. The employer only must notify the Labour Authority (Supreme Labor Council) the commencement and the outcome of the consultation period with the workers' legal representatives.

**Protection for workers from termination of employment**

**12.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 terminate the employment contract and especially in dismissals for restructuring purposes. In this case the employer may apply social

and economic criteria to choose the right persons for dismissal due to the restructuring plan. Under the Greek Labor law, 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 under 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).

According to law 4443/2016 discriminatory treatment is prohibited on the basis of race, color, 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, operation, development or its termination.

The employee who has suffered discrimination can file a lawsuit for breach of the principle of equal treatment and also can claim compensation for property damage and non-material damage.

**13.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 employment contract in breach of the principle of equal treatment is

invalid. The employer who violated the prohibition of discrimination at the termination of the employment contract is subject to criminal and administration sanctions.

**14.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?**

- The dismissal of the employment contract is forbidden during the period of annual leave.
- The dismissal of Labor Unions' Board members is prohibited by law and only for specific reasons stipulated (Act No 1264/1982 – Article 14 par.10) the employer may terminate their employment relationship. In case of serious breach of the employment terms and conditions on behalf of a protected employee, the employer has the right to submit an application for dismissal to a relative committee, consisting of one judge, one representative of employees' unions and one representative of employers' unions, which shall finally decide about the dismissal.

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.

- As per the provisions of the article 15 of the Act No 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.

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 his/her 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 notify 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.

Consequently, the competent authorities, i.e. the Hellenic Labor Inspectorate, must be properly notified as well of the termination of the employment contract.

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

In Greek Labor Legislation there is no provision of protection of whistleblowers. The dismissal of an employee pursuing the right of his opinion to disclose his employer's wrongdoing could be considered to constitute unfair dismissal (unfair dismissal for revenge against the employee for exercising his right).

### **Compensation**

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

As far as the dismissal compensation is concerned, it should be clarified that this kind of compensation should be calculated based on the regular salary granted to the employee during the last month of the employment contract, before their dismissal.

The total amount of the dismissal compensation depends on the preoccupation time of the employee.

Occupation time	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 be working for the same employer for over 16 years by the 12th of November 2012 are entitled to additional compensation as follows:

Occupation time 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

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

In case of redundancy with prior notification the employer is obliged to pay half (1/2) of the afore-mentioned compensation to the employee.

**16.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 that results in a restriction of the rights of the employee provided for by public order rules is void. For example, the agreement that the employee will be dismissed without notice or without compensation or with reduced compensation is void.

However, employee’s decision to accept the validity of their dismissal by signing an agreement and waive the right to contest the validity of it, is valid according to Greek law. This practice serves any legal requirements and it also prevents the employee to raise any future claims in respect to the termination of his employment relationship.

**Miscellaneous**

**18.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 omit competing practices during the employment relationship and after the termination of employment if there is a

specific provision in the employment contract.

**18.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.

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

The employer is not obliged to provide references to new employers if these are requested but he is obliged to provide service certificate.

**20.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 heavy regulated and costly procedure concerning the termination of employment (written notice at the day 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 illegal dismissal until its remedy). The employers can mitigate these difficulties with proactive planning of such termination.

**22.Are any legal changes planned that are likely to impact on 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?**

There are not planned so far any legal changes that are likely to impact on the way employers in our jurisdiction approach termination of employment.

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