LABOUR LAW

The employment contract

As a general rule the employment contracts are either **fixed-term** or **open-ended**. A fixed-term contract may be entered into for a reason and may be renewed as many times as needed, if such reason continues to exist. Otherwise, if there is no reason justifying the renewals of a fixed-term contract, it might be deemed as open-ended. Contracts of **part-time** employment or by **rotation** are also allowed by the law provided that the Labour Inspectorate is timely notified.

In principle, employment contracts are not required to be in writing except for part-time contracts and for the renewals of fixed-term contracts. However, the employer is obliged to deliver to the employee within two months as of the start of the employment a notice in which the main terms of the employment are laid down.

Recruitment formalities

The employer should notify the Manpower Agency of Greece (OAED) of the new recruitment within 8 days, the Labour Inspectorate within 15 days and register the employee immediately in the books of the Social Security Fund (usually IKA). Both, the employer and employee should have been fully registered in the records of Social Security Fund. The employer should keep submitting periodically information about the staff he employs by electronic means to the competent authorities (Social Security Funds etc.)

Under-age employees

With some limited exceptions, the rule is that **an employee cannot be less than 15 years' old**, considering that adulthood is set at 18 years. For the employment of a young worker (over 15 years' old) there are special formalities as it is the issue of special book, the notification of the Labour Inspectorate about the nature of the work that will be assigned to the under-age employee, the carrying out of medical examinations etc.

Working time

As a rule, the law provides for maximum time work, **8 hours per day**. However, by virtue of a National Collective Employment Agreement, the total weekly hours have been reduced to 40 and the **working days to 5 per week**.

Exceptions:

a) a 9 hour working day is permitted, where the total working time for the week does not exceed 40 hours.

b) over the course of a 6-month period, work can be increased by 2 hours a day (i.e. up to 10 hours) with a corresponding reduction in the working time each day by 2 hours during the next 6-month period (i.e. up to 6 hours). Instead of reduced employment, it is possible for rest days to be offered.

c) It is also possible to increase the work by up to 256 hours within a period of 8 calendar months, with a corresponding period of an accordingly reduced employment during the remaining months of the same calendar year.

Daily, Weekly and Yearly rest

As a general rule, the law provides that for work exceeding 6 hours per day, the employee is entitled to a break of 15 minutes which is not included in the working time and is not compensated. However, there are Collective Labour Agreements which provide otherwise for specific sectors.

Every week the employee should take a rest of at least 24 hours, which in principle should include Sunday.

The employee that has completed 12 months at work, is entitled to 20 working days of holidays per year, that may increase to 25 days, depending on the total years of work under the same employer.

The following days are national holidays: 25 March, 28 October, Easter Monday, 15 August, 25 & 26 December, 1 May, 6 January, Pure Monday, Monday Celebrating the Holy Spirit (the last two are not fixed on the same date of each year) and for retail outlets, Holy Friday up to 13:00 hours.

Other financial obligations

The employer is burdened with a financial participation in the Social Security Fund for each employee which is calculated on the basis of the salary paid.

In addition to the payment of the salary, the employer should pay allowances for summer holidays, Christmas and Easter that roughly may amount to the total of 2 monthly salaries.

Travelling allowances are equal to 1/25 of the monthly salary for each day, plus of course the out of pocket expenses of the employee.

Sickness

Sickness should be evidenced by a certificate from a doctor.

If the employee has been at the work for up to 4 years, he can be absent due to sickness for up to 1 month, for a working time of up to 10 years, the absence can last up to 3 months, for working time of up to 15 years, the absence can last up to 4 months and for a working time over 15 years, the absence can last up to 6 months. Violation of the said time limits may be considered as a tacit rescission of the contract. The employee can claim half of his pay for the first three days and full pay for 15 days for the first year in employment or 30 days for any year thereafter, less the amount which the employee received from his social security provider.

Maternity leave

Female employees are entitled to 17 weeks of maternity leave which is broken down to 8 weeks before the expected date of childbirth and 9 weeks thereafter.

A working mother is entitled for a period of 30 months as of the end of maternity leave, either to come to work 1 hour later or depart 1 hour earlier each day. Alternatively, she can agree with the employer to work for 2 hours less per day for the first 12 months and 1 hour less for the next 6 months. Alternatively, and subject to the consent of the employer, she can receive an approximately 3 months' continuous paid leave. New mothers that are insured with the

Social Security Fund may also obtain a special leave for the protection of the child which is paid by the said Fund.

New fathers are entitled to 2 days' special paid leave for each child. They can also make use of the reduced working schedule of the mothers if the latter do not make use of it.

Termination of employment contract

The parties are free to terminate their contract without or under any terms and conditions they wish.

In a fixed term contract, either party can terminate prematurely the contract for a serious cause by giving a relevant written notice to the other party. The cause may be a serious misconduct or breach of a material obligation by the other party or even other objective reason for which no party is liable. Whether the cause justifies the termination is subject to the judgement of the Court and a compensation may be awarded to the innocent party for damages or losses depending on the cause.

In an open-ended contract, the first 12 months can be considered as a probation period in the sense that the employee can be dismissed freely without the need of previous notice or compensation from the employer. If the employment has lasted over 1 year, the employer can terminate it unconditionally only if has already pressed charges against the employee for a criminal offence which may be also a minor one if committed by the latter in the framework of the work.

Otherwise, the employer should offer a compensation that is calculated on the basis of the time that the employment has lasted and which may be reduced, if a prior notice is given to the employee. Indicatively for white-collar employees:

(a) In case of an employee that has worked for 1-4 years, the compensation without warning period is equal to 2 monthly earnings, for a working time period of 4-6 years the compensation is equal to 3 monthly earnings, for a working time period of 6-8 years, the compensation is equal to 4 monthly earnings and so on.

(b) In case of an employee that has worked for 1-2 years, the compensation amounts to 1 monthly earnings, if a notice has been given before 1 month, in case of an employee that has worked for 2-4 years, the compensation amounts to 1 monthly earnings, if a notice has been given before 2 months, in case of an employee that has worked for 4-5 years, the compensation amounts to 1 and ½ monthly earnings, if a notice has been given before 2 months and so on.

What rules apply to working exceeding 8 hours a day and 40 hours a week?

Work between 41 and 45 hours a week is called "extra work" and is not taken into account in the limits specified for permissible overtime. Work exceeding 9 hours a day and/or 45 hours a week is called overtime.

Overtime within the limits specified by law is "lawful overtime", but the limit depends on the sector of employment (industry, retail outlets, offices, etc.). Overtime must be entered in an overtime register before its starts. Overtime exceeding the lawful limit or for which the

aforementioned procedures are not complied with is “unlawful overtime”. Once a month the total overtime worked during the previous month must be notified to the authority.

How is extra work and overtime paid on the basis of a 5-day working week?

“Extra work” is paid at a rate of 20% on top of the hourly wage paid.

“Lawful overtime” is paid as follows: up to 120 hours a year by augmenting the hourly wage paid by 40%, while for overtime above the 120-hour limit, the augment is 60%. “Unlawful overtime” is paid with an 80% augment. Contrary to the situation with “extra work”, the agreement that the salary paid will also cover an undefined number of overtime hours, is invalid.