Greece

1. Introduction

The standards which apply to employment relationships and the terms and conditions under which an employee works are laid down within a framework of rules created by the Constitution, laws, collective agreements, internal regulations and custom.

In board terms, labour law regulates such as pay, benefits, allowances and other working conditions. Collective agreements and other internal regulations, on the other hand, provide regulation on other issues such as annual wage increases, cost of living adjustments, allowances and benefits increases, equal access to promotion opportunities and promotion at work etc.

There is a hierarchy of legal sources of law so that, in general, provisions from a lower source, (e.g. a contract), should not conflict with those from a higher source, (e.g. a legislative rule), except where the provisions of the lower source are more favourable to the employee. Legislation is a higher source of law than collective agreements, but the provisions of an employment contract cannot contravene an applicable collective agreement, unless that contract is more favourable to the employee.

The Greek Code of Civil Procedure provides a special procedure in relation to employment disputes, whereby the Courts are obliged to attempt to reconcile both parties during the first hearing. Furthermore, the same Code provides trade unions and professional organizations the right to participate in pending litigation involving one of their members and the right to be party to litigation which concerns the interpretation and application of a collective agreement, with the aim of protecting the common interests of those whom they represent.

2. Categories of Employee

There used to be a distinction drawn between blue collar employees (carrying out manual work) and white collar employees (carrying out office work) in relation to notice periods, redundancy pay, annual holidays, payment of salary etc. This distinction has now been eliminated with regard to most labour issues, except in relation to termination of employment (see below). Generally, legal provisions protecting employees are equally applicable to the employment of senior executives and directors. However, certain provisions such as those relating to overtime, night work and holiday bonuses are not applicable to senior executives.

Employees may be engaged on a part-time basis. Full-time vacancies must first be offered to part-time employees. Salary and benefits are calculated pro rata to those for full-time employees, and a specific social security regime is applicable to part-time employees.

3. Hiring

3.1 Recruitment

All recruitment by private sector employers must be done through the State

Employment Agency (OAED), except if they announce the relevant employment to OAED.

There are quotas for the employment of special categories of protected individuals (e.g. veterans of the Greek Resistance). Greek or foreign undertakings which operate in Greece with more than 50 employees must employ at least eight per cent of protected personnel, whether or not there is a vacancy.

3.2 Work Permits

A work permit issued by the local Prefecture (of the place of the employer's place of business) is required for the employment of non-EEA nationals. Application for a permit must be accompanied by certain documents and certificates. If the Prefecture grants a work permit, it is then forwarded to the Consulate of the foreign national's place of residence which then issues the visa for entry into Greece. A residence permit must also be obtained from the local Municipality.

Less stringent provisions apply in relation to certain categories of senior employee, including management level employees, Board Members of multinationals, high-ranking executives of subsidiary companies and branch offices of foreign companies. Such employees are permitted to enter Greece after obtaining a special entry permit from the Greek Consulate in the country of the residence of the applicant. The application for such an entry permit must be accompanied by a number of specified documents. Upon arrival in Greece, the Prefecture will issue a work permit upon production of the entry visa and the employment contract. A residence permit will also have to be obtained from the local Municipality.

4. Discrimination

The Greek Constitution, EU legislation, ratified international agreements and various other laws and decrees prohibit discrimination on grounds of sex, nationality, union membership, family status, political belief, disability etc and provide for equal treatment of men and women.

5. Contracts of Employment

5.1 Freedom of Contract

Contracts of employment may neither derogate from the rules of public policy nor from the provisions of any relevant collective agreement, labour regulation or arbitration decision, except if the provisions of the contract are more favourable to the employee. In practice, the contract of employment creates a framework for the employment relationship, while its content is determined by overriding legislation and collective agreements.

5.2 Form

There are no particular legal requirements in relation to the form and the content of an employment contract. Contracts may be oral or written, except in respect of part-time employment where the contract must be evidenced in writing. Recently introduced legislation imposes new restrictions on the successive use of fixed term contracts.

By virtue of Presidential Decree 156/1994, which has implemented EU Directive

91/533/EEC, the employer is obliged to inform the employee of the substantial terms of the employment contract. The information in question includes at least the following:

- the identities of the contracting parties;
- the place of performance of work and the residence address of the employer;
- the post or specialisation of the employee, his rank, the category of his employment and the object of his work;
- the date of commencement of the employment contract or the work relationship and its duration, if concluded for a fixed-term;
- the duration of paid leave to which the employee is entitled, as well as the manner and time of its payment;
- the amount of compensation due and the time limits the employer and employee must comply with in case of termination of the contract or of the work relationship with notice;
- the wages of any kind to which the employee is entitled and the frequency of payment thereof;
- the duration of the normal daily and weekly employment of the employee; and
- reference to any applicable collective agreement which defines the minimum terms of remuneration and work of the employee.

An employer will satisfy his obligations if the written employment contract includes the information outlined above.

5.3 Trial Periods

Trial periods must not exceed the time needed by the employer to assess the capabilities of the employee concerned. Such trial periods are taken into account for the calculation of severance payments, retirement indemnities, holiday entitlement etc.

5.4 Confidentiality and Non-Competition

There is a general duty on employees to keep the employer's secrets confidential. Provisions that prevent employees from working for a competitor for a period after termination may be included in contracts of employment, so long as they are reasonable and do not harm the employment prospects of the individual concerned.

5.5 Intellectual Property

If an employee creates intellectual property in the course of his employment, the % creator remains the initial beneficiary of the real and moral rights to such property. In the absence of an

agreement to the contrary, those rights, deriving from the real rights, which are necessary for the fulfilment of the purpose of the contract are automatically transferred to the employer.

3 Inventions made by an employee belong to that employee except in two circumstances. Firstly, when an invention is the result of an employment contract, the object of which is research and development, it will belong exclusively to the employer. Secondly, when the invention is made during the term of a contract using equipment and information which belong to the employer, 40 per cent of the invention will belong to the employer and 60 per cent to the employee. The employer has priority in the use and exploitation of the invention, but is obliged to compensate the employee according to the value of the invention and the benefits accrued from its exploitation.

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6. Pay and Benefits

6.1 Basic Pay

4 Minimum pay levels are set for most employees by collective agreements negotiated annually by the Federation of Greek Industries (SEB) and the General Confederation of Greek Labour (GSEE). With effect from 1 January 2005, unskilled and unmarried adult employees with less than three years' service are entitled to a minimum monthly salary of €572,30 or a minimum daily wage of €25,56.

Employees are entitled to the following bonuses:

- Christmas bonus - one month's salary or 25 days' wages for employees paid on a daily basis;
- Easter bonus - half of a month's salary or 15 days' wages for employees paid on a daily basis; and
- holiday bonus - half of a month's salary or 13 days' wages for employees -paid on a daily basis.

6.2 Index-Linking

The automatic salary increase system is no longer applicable. Basic pay increases are regulated by collective agreements and are generally granted twice a year.

6.3 Private Pensions

Private pension schemes are uncommon, and those that do exist are provided by subsidiaries of multinational companies or by large employers such as banks. The basic rules governing private pension schemes have not yet been systematically dealt with and there is currently no specific legislative provision.

6.4 Incentive Schemes

Share participation schemes were introduced by law in 1987. Under these schemes, undertakings can distribute profits to their employees each year in the

form of shares.

6.5 Fringe Benefits

Cars, enhanced health coverage and housing facilities are benefits most commonly provided to senior executives.

6.6 Deductions

Employers are obliged to deduct income tax at source according to a scale provided by the tax authorities.

7. Social Security

7.1 Coverage

The majority of Greek employees are covered for basic social security benefits by the Social Insurance Institute (IKA), which covers industrial and commercial workers, and OGA, which covers agricultural workers. Fairly generous cover is given in respect of retirement, survivors and disability benefits as well as health care and sickness benefits. The Manpower Employment Organisation (OAED) provides family allowances and unemployment benefits. In addition, there are a large number of compulsory schemes which provide additional benefits, normally for particular categories of employees within certain industries.

7.2 Contributions

Social security contributions are compulsory and payments are collected by IKA from both employers and employees. Contributions are calculated by reference to actual earnings.

Benefits	Employers' contributions %	Employees' contributions %	Total
IK A benefits			
(a) Pension	13.33	6.67	
(b) Health Benefits	5.10	2.55	
IKA Team	3.00	3.00	
OAED benefits	5.53	2.43	
Other benefits	1.10	1.35	
Total	28.06	16.00	44.06

8. Hours of Work

The law lays down the maximum number of hours that may be worked: eight hours per day and 40 hours per week (although there are further limits on the

working hours of employees who have recently given birth etc). These limits may be varied in certain industries by collective agreement.

Recent legislation provides for special authorised overtime work of up to three hours a week, paid at a premium of 50 per cent (over the hourly rate).

Authorised overtime is paid at a premium (over the hourly rate) of 50 per cent for overtime worked up to 120 hours annually, and 75 per cent for the hours of overtime worked above 120 hours annually. Employees who work on a Sunday or a public holiday are entitled to an additional premium of 75 per cent of their daily wage.

Despite the fact that unauthorised overtime is subject to severe penalties (a premium of 250 per cent of the hourly rate), non observance of the law is widespread.

Depending on their age and the nature of employment, young people are not allowed to work at night.

9. Holidays and Time Off

9.1 Holidays

Each employee from the commencement of his employment until the completion of 12 months service, is entitled to pro-rated annual paid holiday on the basis of 24 working days (in the case of a six day working week) or 20 working days (in the case of a five day working week). During the first calendar year the employee is entitled to a pro-rated holiday entitlement.

During the second calendar year the employee is entitled to annual paid holiday proportionate to the duration of his employment. For each subsequent calendar year, as from the 1st of January, the employee is entitled to annual paid holiday which is calculated as set out above.

Annual holiday is increased by one working day for each year of service after the first year (up to 26 working days for a six day working week or 22 working days for a five day working week).

After 10 years' service with the same employer or 12 years' service with various employers, there is an entitlement to 25 days' paid holiday (in the case of a five day working week) and 30 days' paid holiday (in the case of a six day working week).

Some collective agreements give paid holiday entitlement above the statutory minimum.

There are also five public holidays recognised each year (25 March, Easter Monday, 1 May, 15 August and Christmas). An optional public holiday for the private sector is 28 October while it is a compulsory one for the public sector. Many collective agreements increase the number of public holidays.

9.2 Family Leave

The 2000-2001 National Collective Labour Law Agreement provides that female employees are entitled to 17 weeks' maternity leave, eight of which must be taken before the birth. The maternity allowance paid by IKA during the leave is 50 per cent of a notional salary (which depends on the classification of the employee and is increased by the number of dependants, however it cannot be lower than two thirds of the actual net wages of the employee). The employer is obliged to pay the difference between social security benefits and the employee's normal salary for half of one month or the whole of one month depending on the seniority of the employee, and for the remaining period the employee is paid the difference by OAED.

Fathers are entitled to two days' paid family leave upon the birth of a child.

Parents are entitled for thirty (30) months after the end of maternity leave, either to commence daily work or to leave earlier, one hour daily. In agreement with the employer, the parent is entitled to take paid leave equal to the pre mentioned reduced daily working hours.

Unpaid parental leave of up to three and a half months may be claimed in certain circumstances by both parents after the end of the mother's maternity leave until the child becomes three and a half years old. Up to four days each year may also be taken on a day by day basis as paid parental leave to enable either parent to make arrangements for the child's education. The parents of disabled children are entitled to extra days special leave each year.

9.3 Illness

In case of illness, the employee is covered by both the employer and IKA. Depending on the length of service of the employee, the employer is liable in cases of sickness to pay on an annual basis up to half a month's salary (13 days' wages) or one month's salary (26 days' wages) from which IKA allowances are deducted. IKA provides sickness allowances from the fourth day of absence.

10. Health and Safety

10.1 Accidents

In most cases employees are covered by IKA in case of accidents at work. Employers are personally liable with regard to employees who are not covered by IKA insurance or for compensation for moral harm. Whether the employee is covered by IKA or not, the employer is nevertheless liable to compensate the aggrieved employee in case of accident at work due to the employer's fraud.

10.2 Health and Safety Consultation

In undertakings with 50 or more employees, there is a right for employees to elect safety committees and/or representatives who are entitled to receive certain information and to be consulted. In extreme cases of danger, safety committee members and representatives have the right to suspend production.

11. Industrial Relations

11.1 Trade Unions

The 1975 Constitution guarantees trade union freedom. Trade unions are private legal associations granted (if legal by a Court); the constituent documents of a trade union must be signed by at least 20 people.

Labour Centres, which group together labour unions of a particular local district, supervise the enforcement of labour laws in that district and solve organisational problems encountered by local unions. Federations represent industry on a sector by sector basis and sign collective agreements. Labour Centres and Federations are organised into national confederations. The most important confederation is the General Confederation of Greek Labour (GSEE). The GSEE negotiates the annual national collective wage agreement with the Federation of Greek Industries (SEB) which is the main employers' association.

11.2 Collective Agreements

Only organisations which are representative have the right to conclude valid collective agreements. The law defines five categories of collective agreements: national collective agreements, sectorial agreements, national and local vocational agreements and special agreements. The first four are concluded by the appropriate trade unions and employers associations and are applicable at different levels, while the latter is concluded by the employer representing a

workforce of at least 50 employees and the trade unions representing the employees in the undertaking.

Collective agreements are binding on the parties which have concluded them. The Ministry of Labour can also decide to extend their application to all employees or employers in an industry sector or a particular trade. Collective agreements have precedence over private contracts, but may not contain provisions less favourable than those provided by law.

11.3 Trade Disputes

There is a right to strike under the Greek Constitution. In order to be lawful, industrial action must only be used as a means of protecting the interests of workers in relation to pay, insurance, union rights and working conditions. A decision to strike must be notified to the employer at least 24 hours before the strike by a recognised trade union, and an authorisation to strike must be provided by the relevant body within the union. If these rules are not observed, the strike is illegal and the employment contracts of the striking employees can be terminated.

In case of dispute with regard to employment matters, including those relating to collective agreements, employers and trade unions can request the intervention of a "conciliator" from the Ministry of Labour or the Labour Office of the Prefecture. In the case of a collective dispute not resolved through this Ministry official, parties can use the service of an official mediator who will hear the case and make the necessary inquiries. At any stage of the negotiations, the parties can by agreement or unilaterally in specific circumstances submit the dispute to arbitration. Both mediators and arbitrators must be independent in the exercise of their duty; some of them are appointed by the "Organisation of Mediation and Arbitration" for a period of three years.

11.4 Information, Consultation and Participation

Undertakings with 20 or more employees are entitled to set up a works council in cases where there is no trade union represented in the undertaking. Undertakings with 50 or more staff are entitled by law to set up a works council made up of employees only.

The law stipulates that a works council represent all the employees in an undertaking whether or not they are trade union members. However, the existence of a works council does not prejudice the role of trade unions, which have the right to press for better conditions than those agreed between the works council and the employer.

Works council members are elected for two-year terms and their number varies according to the size of the undertaking. The employer and the works council must meet in the first ten days of every second month, or whenever one of the parties so requests. The works council is entitled to take decisions together with the employer on such matters as health and safety, annual leave, training,

disciplinary procedures, and cultural and social activities at the work place. The employer is obliged to provide the works council with information on a wide range of issues.

Employee participation in the managerial decision-making process is currently being pioneered in both the private and public sectors.

12. Acquisitions and Mergers

12.1 General

A 1988 Presidential Decree implemented the EU Acquired Rights Directive. It more or less follows the wording of the Directive which gives protection to employees in the event of a business transfer and which gives employees' representatives information and, sometimes, consultation rights.

12.2 Information and Consultation Requirements

In the event of a transfer of an undertaking the transferor and transferee must inform representatives of employees who will be affected by the transfer of: (i) date of the transfer; (ii) the reasons for the transfer; (iii) the legal, financial and social consequences for the employees and (iv) the measures that will be taken in relation to the employees. This information must be provided in good time prior to the transfer. If measures are envisaged by transferor or transferee that will affect the Status of the employees they must consult with the representatives in sufficient time to allow an agreement to be reached. The result of the consultation are embodied in minutes.

The employee representatives will be the works council, or in the case of a workforce of less than 50, the tripartite committee provided for by the relevant regulations. In the absence of either of these the individual employees must be provided with the information outlined above.

12.3 Notification of Authorities

There is no specific obligation on either transferee or transferor to notify the authorities of any business transfer.

12.4 Liabilities

Failure to comply with the information and consultation obligation in respect of employee representatives or employees can give rise to a fine ranging from €147 to €8,804. This can be imposed on both transferor and transferee.

In addition the Court can grant an injunction until the information/consultation obligations are complied suspending the transaction provisionally.

There are no criminal sanctions for failing to comply with the information and consultation obligations.

13. Termination

13.1 Individual Termination

that limits that right is narrowly interpreted by the Courts. This is relevant, for instance, to fixed-term contracts which are less protective than contracts for an indefinite term. If an employer ends a fixed-term contract prematurely, except for serious cause, he or she is obliged to pay the employee's full salary until the agreed term of the contract has elapsed.

13.2 Notice

The law provides different rules for terminating the contracts of blue collar and white collar employees. Dismissals of both types of employees with contracts for an indefinite term must be notified in writing and handed to the employee in person, whether the contract is terminated with or without notice.

For white collar workers, the basic notice period depends on the employee's length of service. The basic notice periods are:

Length	Notice
Two months to one year	One month
One to four years	Two months
Four to six years	Three months
Six to eight years	Four months
Eight to 10 years	Five months
Over 10 years	Six months plus one month for each additional year of employment up to a maximum of 24 months (for 28 years of employment and above).

If a white collar employee is dismissed without notice, he or she is entitled to a payment in lieu according to the above table. If, on the other hand, adequate notice is given to a white collar employee, severance pay equal to 50 per cent of the salary during the period, referred to in the above table, will also be due.

For blue collar workers, the situation is more straightforward. Whether adequate written notice is given or not, the blue collar worker is always entitled to a severance payment as set out in the table below:

Length of service	Severance pay
Two months to one year	Five days' wages

Length of service	Severance pay
One to two years	Seven days' wages
Two to five years	15 days' wages
Five to 10 years	30 days' wages
10 to 15 years	60 days' wages

15 to 20 years	100 days' wages
20 to 25 years	120 days' wages
25 to 30 years	140days' wages
30 years and above	160 days' wages

In theory, an employee is obliged to give advance notice to the employer in the case of resignation. The notice period or payment in lieu to be given by white collar employees is equal to one half of that imposed on employers in cases of dismissal with a maximum of three months. The notice period to be served by blue collar workers is equal to the number of days for which they would have been compensated for had the employer terminated the contract. Payment in lieu of notice on the part of the employee amounts to half the wage that would have been paid during the notice period. In practice, this law is not usually enforced and the employee is allowed to leave freely without giving notice or paying in lieu.

13.3 Reasons for Dismissals

A dismissal may be challenged in Court because of a lack of legal grounds, discrimination or failure to observe the proper procedures (for example the non-payment of severance pay). If the dismissal is declared void, the Court may also order the employer to compensate the employee for the whole period since the dismissal.

Provided the termination is notified in writing and subject to the principle of good faith, employers are, in general, not obliged to give the reasons for dismissal. The dismissal will be considered as "abusive" and, consequently, void if the employer has acted in bad faith or with malicious intent. Case law has regarded as lawful reasons related to the employee himself (inability, inefficiency, breach of contract, lack of trust etc) or reasons related to the interests of the company (economic, financial or technical). In cases of dismissals on financial or technical grounds, Courts may examine whether the changes are needed in the real interests of the company or whether the employee could be kept on part-time or given alternative employment with the company.

Employers are also required to pay an indemnity:

- to those employees who voluntarily with the consent of the employer terminate their contracts after at least 15 years' service; or if they have reached the retirement age set by the relevant insurance fund or if no retirement age is set, the age of 65;
- to those white collar employees who end employment having satisfied the pre-requisitesfor receiving a complete pension;
- to those blue collar employees who voluntarily terminate their contracts, having met the prerequisites for receiving a complete pension.

The amount of compensation is equivalent to 50 per cent of severance pay or 40 per cent of severance for employees who are insured by an auxiliary pension

scheme.

13.4 Special Protection

Several categories of employees are specially protected against dismissal. Trade union representatives, for instance, cannot be dismissed during their time in office and for a year afterwards, unless there are specific reasons which are not linked with their union duties. Employees on military service or those who have distinguished themselves in time of war as well as female employees during pregnancy and for a period afterwards enjoy similar protection.

13.5 Closures and Collective Dismissals

In case of closure of a workplace, the employer must terminate the contracts lawfully and comply with the rules regarding the termination of employment.

Collective dismissals are defined by law as dismissals which affect more than a certain percentage of employees in any undertaking with more than 20 employees. Before proceeding to dismissals, employers must inform employee representatives in writing of the intention to dismiss part of the workforce and consult with these representatives. Relevant information must be sent to various authorities, such as the Head of the Employment Office and the Head of the Prefecture or Minster of Labour and the Employment Office depending on the case. If no agreement is reached between the parties, the Head of the Prefecture or the Minister of Labour can extend the consultation period for another 20 days or even refuse to approve the application to allow the proposed dismissals.

14. Data Protection

14.1 Employment Records

The collection, storage and use of information held by employers about their employees and workers (prospective, current and past) are regulated by the Data Protection Act 1997 (DPA), which implements the EU Data Protection

Directive. Infringement of data protection law can lead to fines, administrative and penal, compensation claims from affected employees or regulatory action.

Essentially employers, as data controllers, are under an obligation to ensure that they process personal data about their employees (whether held on manual files or on computer) in accordance with specified principals including the following: a requirement to ensure that data is accurate, up to date, and is not kept longer than is necessary and a requirement that it is stored securely to avoid unlawful access or accidental destruction or damage to it.

Employers are generally advised to ensure they have some sort of document retention policy in place and to ensure that staff are aware of their data protection obligations.

14.2 Employee Access to data

Employees, as data subjects, have the right to make a subject access request. This entitles them, subject to certain limited exceptions, to be told what data is held about them, who it is disclosed to and to be provided with a copy of their

personal data. There is a 15-day time limit for responding to such a request. Subject access requests cover personal data held in manual and electronic records such as e-mail.

14.3 Monitoring

The monitoring of employee e-mail, Internet and telephone usage and Closed Circuit TV monitoring is regulated by the DPA amongst other pieces of legislation. Monitoring is permissible provided that it is carried out in accordance with the DPA principles and processing conditions (and where appropriate in accordance with any other applicable legislation). Any adverse impact of monitoring on employees must be justified by its benefit to the employer and/or others. Express employee consent to monitoring is not usually required, however, employees should be made aware that monitoring is being carried out, the purpose for which it is being conducted and who the data will be supplied to, unless covert monitoring is justified. Where disciplinary action is a possible consequence of anything discovered this too should be made clear to employees.

14.4 Transmission of data to third parties

An employer who wishes to provide employee data to third parties must do so in accordance with the DPA principles and processing conditions. Where the third party is based outside the EEA it should be noted that the DPA prohibits the transfer of data to a country outside the EEA unless that country ensures an adequate level of protection for personal data or one of a series of limited exceptions apply.