

BAHAS, GRAMATIDIS & PARTNERS

The Merged Firms of:
Bahas, Gramatidis & Associates
Law Office Athanasios Felonis & Associates
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Law: Commercial, Banking, Corporate (including Mergers and Acquisitions and Joint Ventures), Stock Exchange and Capital Markets, Arbitration, Mediation, Taxation, Foreign Investments in Greece, Air Law, Aircraft Finance (leasing and securitization), Intellectual Property, EC Law and Competition, Real Estate, Law of Succession, Family Law, Debt Collection, Labour Law, Social Security Law, Insurance Law, Franchising, Leasing, Travel and Tourism, Telecommunications, Media, Privatisation and Concessions, Private Finance Initiatives, Project Finance, Environmental and Energy Law, Mining, Commercial and Private Litigation, Public Procurement and Contracts, Economic criminal Law.

Firm Profile: Bahas, Gramatidis & Partners is the result of merger, in 2002, of the law firms Bahas, Gramatidis & Associates (in practice since 1968), Law Office Athanasios Felonis & Associates (in practice since 1984) and Law office Spyros G. Alexandris & Associates (in practice since 1985). The merged firm provides fully comprehensive legal services to Greek and foreign clients operating in all above areas. To achieve this objective, the firm relies on qualified professionals, most of them holding postgraduate degrees, with a long experience in complex business transactions.

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1. To what extent do employees receive statutory employment protection in your jurisdiction? Are there provisions of mandatory law that apply to all employees, regardless of the choice of law in the employment contract and the identity, place of incorporation or location of the employing entity? If so, please give details.

Statutory protection

Greek labour law is among the most protective of employees in Europe, if not internationally. The Greek Constitution (1976, as amended) protects the right of Greek citizens to work (Article 22] as well as a number of other fundamental work-related rights, such as:

- The freedom to:
 - Q bargain collectively and conclude collective agreements;
 - o strike; and
 - a form, and participate in, trade unions.
- The principle of equal pay for equal work.

Principles of public order also apply to employment relationships, as does Article 281 of the Civil Code (1940, as amended], which states that "the exercise of a right shall be prohibited if such exercise obviously exceeds the limits imposed by good faith or morality or by the social or economic purpose of the right".

Mandatory law

Within this protective framework, many statutory legal provisions exist that apply to all employees, regardless of the terms of the employment contract or other elements, such as the employer's place of incorporation. This creates a uniform employment system for all employees working in Greece.

The most important provisions of mandatory law regulate, among other things:

- Dismissals (including special protection from dismissal for certain categories of employees) and severance pay (see Question 16).
- m Minimum wages (see Question 6).
- Protection of wages (see Question 6).
- m Equal treatment of employees (see Question 14),
- Working hours (see Question 7).
- m Holiday entitlements and pay (see Question 8).

Employees cannot waive any of these mandatory rights, even if their employer fully compensates them. However, employers and employees can deviate from mandatory law (and also collective agreements and so on) in the employment contract or by explicit agreement between them, provided that the new terms are more favourable for the employee.

This principle, which is fundamental to Greek labour law, applies to the whole system of hierarchy of legislation. Therefore, if the provisions of a collective agreement are more favourable to the employee, they will prevail over those of a law or presidential decree.

2. Are there any age or nationality restrictions on managers or company directors? If so, please give details.

There are no nationality restrictions on managers or company directors. However, a manager or company director must be legally capable of performing his duties (namely, he must be at least 18 years old).

3. Are any grants or incentives available for employing people? If so, please give details.

Various grants and incentives are available from time to time for employing categories of individuals that suffer from high levels of unemployment, such as:-

- Young persons.
- Women.
- Persons over a certain age.
- Disabled persons.

The Greek Manpower Employment Organisation (OAED) has issued a relevant programme of grants for 2005 in relation to 10,000 unemployed persons, aged between 18 and 64, who are registered on the OAED's unemployment records. An employer can hire up to 100 of these registered persons. If various terms and requirements are met, employers receive the following for each day of full employment:

- EUR18 (about US\$23) for:
 - l persons under 25 years of age who were unemployed for at least two years after completing their education;
 - a unemployed mothers of young children; a persons over 50 years old; or a persons who have been unemployed for a long time.
 - i EUR14 (about US\$18) for every other category of employee.

4. Do foreign nationals require work permits? If so, how are they obtained and how long does the process take?

EU nationals can work in Greece under the same conditions as Greek citizens and no work permit is required. However, a residence permit must be obtained. They are valid for five years, starting from the date following the filing of the application. Usually, residence permits are issued on the day that the application is filed.

Non-EU nationals must obtain both a work permit and a residence permit. Applications for a work permit (including a list of supporting documents, such as a certified copy of the employee's passport and the employment contract) are submitted to the prefecture (district) where the employer has its seat or address, together with the appropriate fees.

The work permit takes about three months to process and its duration varies, depending on how many years the employee has been a Greek resident. An employee must obtain a work permit before he can obtain a residence permit.

For residence permits, the employee must submit the application and documentation to the municipality where the employer has its seat or address. The permit is usually issued within six months, and is attached to the employee's passport.

The relevant fees are about EUR200 (about US\$258). However, this is anticipated to change under new legislation.

5. What terms will govern the employment relationship? In particular:

- Is a written employment contract or statement of employment terms required?
- * Are any terms implied by law into the employment contract (in addition to the mandatory terms referred to in Question

Are collective agreements with unions common (generally or in specific industries)?

Written employment contract. In general, an employment contract does not have to be in writing, and can be oral or tacit (Article 158, Civil Code). However, there are a number of exceptions where a written contract is required, such as part-time employment and employment by rotation (where employees receive an entitlement to study or parental leave and their temporary vacancies are filled by unemployed people who receive training to cover the jobs). In this case, if the employment contract is not in writing, it is considered void (which gives rise to certain legal consequences).

In all cases, employers that employ persons under an employment contract must inform their employees, in writing, of the terms of their employment within two months from the date the employment commences (Presidential Decree Number 156/1994). This information can be included in the employment contract or in a document given to the employee. Employers that breach this obligation can be fined (although the contract remains valid).

The information must include, at a minimum, the:

- a identity of the contracting parties;
- i place of work and the employer's registered offices or residence;
- 3 employee's position or speciality, grade, category of occupation and job description;
- j commencing date of the employment contract (and, in the case of a fixed-term contract, its duration);
- j duration of the employee's entitlement to paid leave of absence, as well as the time and manner in which the leave will be granted;
- j employee's entitlement to severance pay in the case of termination of the employment contract and the relevant notice period that the contracting parties must observe;
- j employee's wages of any nature and the time that they will be paid;

employee's working hours on a daily and weekly basis:
and

_j applicable collective agreement that governs the employment contract and sets the minimum wages and terms of employment of the employee.

Implied terms. The relevant provisions of collective agreements of any level (see below) are implied into the employment contract. A duty of mutual trust and confidence, as well as an obligation to provide services in a diligent way, are also implied into the employment contract.

Collective agreements. Collective agreements are an integral part of Greek labour law. They cover all levels of employer-employee relationships and fall into the following categories:

_i The National General Collective Agreement. This is concluded between the General Confederation of Greek Labour (GSEE) and the Federation of Greek Industries (SEV), and sets the minimum wages and minimum terms of employment;

u Industry collective agreements, These cover employees of a specific enterprise, industry or undertaking;

L. Sectorial collective agreements. These cover employees working in similar or coherent industries, enterprises or undertakings across the whole country or a particular region;

u Professional (vocational) collective agreements. These cover employees of a specific profession or of professions that are of a coherent or similar nature.

6. Is there a minimum wage or any other protection of wages (for example, a restriction on unauthorised deductions from wages)? If so, please give details.

The provision of a minimum wage is one of the general principles of Greek labour law and the amount is determined by the National General Collective Agreement applicable at the time. It consists of a fixed amount set out in the agreement, to which is added a number of legal bonuses relating to, for example, the employee's length of service and marital status.

For example, in the National General Collective Agreement dated 24 May 2004, the minimum wages from 1 January 2005 are:

* Blue-collar employees. As an indication, the daily wage is as follows if the employee is:

o single, with up to three years' prior service: EUR25.56 (about US\$33);

j single, with three to six years' prior service: EUR26.51 (about US\$34);

j married, with up to three years' prior service: EUR28.12 (about US\$36);

j married, with three to six years prior service: EUR29.06 (about US\$37).

• White-collar employees. As an indication, the monthly wage is as follows if the employee is:

j single, with up to three years' prior service: EUR572.3 (about US\$737);

-i single, with three to six years' prior service: EUR619.97 (about US\$798);

-j married, with up to three years' prior service: EUR629.53 (about US\$811);

u married, with three to six years' prior service: EUR677.2 (about US\$872).

The minimum wages from 1 September 2005 will be:

• Blue-collar employees. As an indication, the daily wage will be as follows if the employee is:

u single, with up to three years' prior service: EUR26.41 (about US\$34);

a single, with three to six years' prior service: EUR27.38 (about US\$35);

a married, with up to three years' prior service: EUR29.05 (about US\$37);

a married, with three to six years' prior service: EUR30.02 (about US\$39).

« White-collar employees. As an indication, the monthly wage will be as follows if the employee is:

u single, with up to three years' prior service; EUR591.18 (about US\$761);

a single, with three to six years' prior service: EUR640.43 (about US\$825);

**j* married, with up to three years' prior service: EUR650.3 (about US\$837);

j married, with three to six years' prior service: EUR699.55 (about US\$901).

In principle, the employer must not set off or confiscate, against any claims it has against the employee, the part of the employee's salary that is absolutely necessary for the maintenance of the employee and his family.

Minimum wages are mandatory law and can only be deviated from in favour of the employee. They apply to all employees working in Greek territory.

7. Are there restrictions on working hours? If so, please give details.

Restrictions on working hours apply to all categories of employees working under a contract of dependent work, with the exception of managerial employees.

In general, employees must not work more than 40 hours per week and eight hours per day (National General Collective Agreement and Law No. 2874/2000), and certain categories of employees are restricted to even fewer hours (for example, bank employees).

Working between 40 and 43 hours per week is considered special overtime; work exceeding 43 hours per week is considered regular overtime.

Also, ministerial decisions and other legal texts restrict the amount of overtime employees can work.

A distinction is made between:

- *Authorised overtime, for which the employer must obtain prior authorisation from the competent authority and, in general, observe specific legal requirements.*
- *Unauthorised overtime (where the employer has failed to abide by any of the relevant legal provisions).*

The employer must pay an increase of 50% on the employee's hourly wage for every hour of special or regular overtime that the employee works, up to a maximum of 120 hours per year. For overtime exceeding 120 hours per year, the employer must pay an increase of 75% on the employee's hourly wage. For unauthorised overtime, employers must pay an increase of 150% on the employee's hourly wage.

In addition, employers must pay an increase of 25% on the employee's hourly wage for any hour of work between 10.00 pm and 6.00 am. However, pregnant women and young people (in certain circumstances) must not work during these times.

Finally, employers must pay an increase of 75% on the employee's hourly wage for any work done on a Sunday or public holiday (see Question 8).

8. Is there a minimum holiday entitlement? If so, please give details (together with the number of public holidays).

The number of days of annual leave an employee can take is calculated according to various criteria, as follows (Law No. 3302/2004):

- *Fewer than 12 months' continuous service with the same employer. Annual leave is calculated on a pro rata basis based on a total of 24 days per year (six-day week) or 20 days per year (five-day week).*

- *12 months' continuous service or more with the same employer. Employees are entitled to the same annual leave as above but it is increased by one day for every year of continuous service after the first year. This is capped at 26 days (six-day week) and 22 days (five-day week).*

- *Ten years' continuous service with the same employer. Employees are entitled to 30 days' annual leave (six-day week) or 25 days (five-day week). This is also the case for employees who have completed one year's continuous service with the same employer and 12 years' continuous service with any other employer.*

The employer must make an advance down-payment of leave wages (the wages the employee would ordinarily be paid during his period of leave if he was working) and leave benefit. The amount paid as leave benefit varies, depending on the number of annual leave days the employee is entitled to, but must not exceed half the employee's monthly salary or 13 days' wages.

The public holidays which are common for all employees are:

- Christmas day (25 December).
- Easter Monday.
- 25 March.
- 15 August.
- 1 May.

28 October is a public holiday for the public sector and an optional holiday for the private sector. More public holidays are also provided for by collective agreements.

9. What rights do employees have to time off in the case of illness? Is that time paid?

Employees can be justifiably absent from work for a short-term illness. An illness is short-term if it lasts for no more than:

- *One month, for employees who have up to four years' continuous service.*
- *Three months, for employees who have more than four years' and less than ten years' continuous service.*
- *Four months, for employees who have more than ten years' continuous service.*
- *Six months, for employees who have more than 15 years' continuous service.*

In certain circumstances, if the above absence exceeds the stated time limits, the employee may be considered to have resigned.

Any period of justifiable absence due to short-term illness >s included when calculating an employee's period of co service.

Employers must continue to pay employees their wages when they are justifiably absent from work. In addition, the employee can receive sickness benefit from the Social Insurance Institute for any period of illness that exceeds three days. The employer can deduct the amount that the employees receive in sickness benefits from their wages.

10. What statutory rights do employees who are parents have?

Maternity leave

Female employees are entitled to 119 days¹ maternity leave (in which the day of birth is not included). This consists of eight weeks' paid leave before the date of birth and nine weeks' paid leave after giving birth.

In addition, for 30 months after the end of the maternity leave, mothers can start work an hour later or leave work an hour earlier (care leave), with no impact on the amount of wages.

Paternity leave

Fathers are entitled to take two days' paid leave on the birth of each child.

Parental leave

On agreement by the employer, either the mother or the father (but not both at the same time) can work for two hours less per day for the first 12 months after the child is born and one hour less per day for the next six months. Wages are not decreased proportionately.

In addition to the above leaves, employees with children under the age of 3.5 years can take unpaid parental leave, provided that they have completed one year of work for the employer in question. The leave must not exceed 3.5 months in total for each child, and can be taken partially or as a whole.

Also, employees with children under the age of 16 years can take paid parental leave of four days in total for each child per calendar year (which can be taken partially or as a whole).

On agreement by the employer, employees with handicapped children, who work for entities with more than 50 employees, can work for one hour less per day (however, wages are decreased proportionately).

Single parents are also entitled to the above rights, while similar rights are provided for parents who adopt children.

11. Are employees entitled to management representation or to be consulted on issues that affect them? If so, please give details.

Management representation

Employees are not entitled to management representation, unless this is provided for under a relevant sectorial, vocational

or industry collective agreement. However, it has become more popular during the past decade in private undertakings and partially in the public sector.

Consultation

Together with trade unions, Law No. 1767/1988 (which ratified International Labour Convention No. 135) and Law No. 1876/1990 provide detailed regulation of employee participation and consultation.

Law No. 1767/1988 introduced a participation system for employees through works councils and the employees' general assembly, as follows:

- Works councils. Employees can form works councils at entities with a minimum of 50 employees, except where there is no trade union to represent the employees, in which case the minimum is 20 employees.

The works council has the right to:

- o information;
- c. be consulted and express an opinion on many issues;
- a meet regularly with the employer; and
- a compile agreements.

These rights mainly apply in relation to:

- Q annual leave;
- Q training;
- Q health and safety;
- D disciplinary measures and procedures; and
- Q cultural and social activities at the enterprise.
- Employee's general assembly. This body consists of all employees who have completed two months' service with the employing entity. The general assembly elects and revokes the members of the works council.

In addition, the employer must consult periodically with the employees' trade union representatives. In certain additional situations (such as where collective dismissals or a transfer of the business are proposed), consultation is also mandatory.

In all the above cases, the employer must give the employees' representatives all necessary information to enable them to achieve their objectives.

Council Directive 1994/45/EC on the establishment of a European works council has been implemented by Presidential Decree No. 40/1997.

12. What benefits (if any) does a period of continuous employment bring for an employee? If an individual employee is transferred to a new entity, in what circumstances (if any) will the employee be deemed to retain his continuous period of employment?

- Political beliefs.
- Participation in trade unions.
- Syndicate activity.
- Racial origin.

A period of continuous employment is taken into account when calculating an employee's:

- Annual paid leave (see Question 8).
- Severance pay (see Question 16).
- Minimum wages (see Question 6).

If an employee is transferred to a new entity, the new employer can choose whether or not to allow the employee to retain his period of continuous employment. In practice, the employer does not generally allow it.

However, the employee's period of continuous employment is retained in the case of a transfer of the undertaking (see Question 17).

Employees are entitled to:

- u- Access any data and information collected and/or processed about them.
- Know for how long such data will be stored and/or processed by the employer or third parties.
- Know to whom such data will be disclosed.
- Oppose the collection and/or processing of data which may injure their dignity and privacy.

Article 8 of Law No. 3144/2003 regulates the collection and processing of employees' data associated with their health. It provides, among other things, that medical data can only be collected with the employee's consent and only if it is absolutely necessary for:

- Evaluating the employee's aptitude for a job.
- Establishing the employee's rights in relation to social security benefits.

13. What statutory data protection rights do employees have?

Personal data receives general protection under constitutional principles, such as the right to the free development of personality, correspondence and private life.

More specifically, Law No. 2472/1997 (which implemented Parliament and Council Directive 1995/46/EC on data protection) protects individuals from the processing of sensitive personal data. Under this law, employers must take all necessary measures and precautions to ensure that the collection, storage and processing of their employee's personal data observes all the relevant legal requirements.

In particular, employers must:

- Ensure the accuracy of the data kept and constantly update it.
- Keep such data only for as long as strictly necessary and in a manner which ensures that no illegitimate access or accidental damage or destruction occurs to it.
- Inform employees of any monitoring of telephone and internet use, and also where a closed circuit television system exists. These activities must be carried out according to the current legislation and, in all cases, be reasonably and adequately justified.

In addition, employers are prohibited from collecting and processing sensitive personal data, including information relating to:

14. What protection do employees have against discrimination and harassment, and on what grounds?

Employees have the right to fair and equal treatment in relation to all aspects of their employment (including salary, promotion, bonuses and so on).

Employees are protected from discrimination and harassment (Articles 57, 200, 281 and 288, Greek Civil Code). Harassment is mainly defined as any action that offends the dignity of a person or creates a hostile, intimidating, degrading, humiliating or aggressive environment.

In addition, Law No. 3304/2005 (which implements Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin) protects employees against discrimination and harassment by special administrative and penal procedures, and the imposition of fines and imprisonment. The forms of discrimination and harassment are set out in detail, and include indirect actions and omissions.

In particular, employers are prohibited from discriminating on the grounds of:

- Racial or national origin.
- Religious or other beliefs.

c Disability,

* Age.

i Sexual orientation.

Discrimination on the grounds of sex is directly forbidden under the Greek Constitution. Paragraph 1 of Article 22 specifically provides that employees must receive equal pay for equal work, regardless of sex. Legal theory and case law has expanded this principle to cover all other aspects of employment (such as bonuses and promotions).

15. Do whistleblowers have any protection? If so, please give details.

There is no statutory definition of whistleblowing. However, all citizens (not just employees) have a legal duty to:

- Report any violations of criminal and/or civil law that they witness.
- Reveal information of importance for the public interest.

Civil servants and public officers must report fraud and other offences. In addition, in certain cases, persons offering the police information relating to crimes are entitled to payment.

However, in practice, either the fear of losing their job or the obligations of secrecy and confidentiality prevent employees from whistleblowing if they are subordinate to their employer. Therefore, the need for a detailed system for the protection of whistleblowers (while ensuring, at the same time, that this right is not exercised abusively or irrationally) has been identified.

Until this has been implemented, a claim can be made under Article 11 of Presidential Decree No. 87/2002, which states that the dismissal of an employee is void if it is due to an employee's appeal before any authority or court or accusation that the employer has violated the principle of equal treatment.

16. What statutory rights do employees have against dismissal?

Fixed-term employment contracts can only be terminated for "serious cause. If not, the dismissal is void and the employer must pay the employee all of his normal wages until the date when the contract would usually be terminated.

For indefinite-term employment contracts, serious cause is not required to dismiss an employee. However, the reason for the dismissal must not exceed "the limits imposed by good faith or morality or by the social or economic purpose of the right" (Article 281, Greek Civil Code). Grounds for dismissal can be based on elements that are either:

c Associated with the employee (for example, inefficiency).

- Related to the employing entity (for example, economical reasons).

The legitimacy of dismissals is subject to control by the courts. Dismissals must be in writing.

Certain categories of employees have increased protection against dismissal, including employees who are:

- On military service.
- On annual paid leave.
- Pregnant, and for one year after giving birth.
- Trade union representatives, during their term of duties and for one year afterwards.

In these cases, dismissal is only possible for specific reasons, which must not be linked with the employee's situation.

The rules relating to notice periods and severance pay vary, depending on whether the employee is white-collar or blue-collar (see below). However, in all cases, unless severance pay is paid, the dismissal is void and the employee can require the employer to re-employ him and claim payment of his due wages from the date of the void dismissal until the date of re-employment (plus interest). He may also be entitled to an additional indemnity for moral prejudice.

White-collar employees

Notice periods for white-collar employees vary, depending on the employee's length of continuous service, from between one month (for employees who have been continuously employed for between two months and one year) and 24 months (for employees who have been continuously employed for over 28 years).

If the employer does not observe the above notice periods (which is common in practice), it must pay severance pay. The amount varies, depending on the employee's length of continuous service, from between one salary (for employees who have been continuously employed for between two months and one year) and 24 salaries (for employees who have been continuously employed for over 28 years).

A salary is calculated as the amount the employee received as salary in the last month before the dismissal, multiplied by 14 and divided by 12.

If the employer gives the required prior notice, it only has to pay 50% of the above amounts.

Blue-collar employees

Blue-collar employees can be dismissed without notice and are entitled to severance pay. The amount varies, depending on the employee's length of continuous service, from five days' wages (for employees who have been continuously employed for

between two months and one year) and 160 days' wages (for employees who have been continuously employed for over 30 years). These amounts are then increased by one-sixth to give the total amount of severance pay.

17. Please give details of any rules that apply on business reorganisations and redundancies.

Rules apply to collective dismissals (redundancies earned out for reorganisation purposes or for financial reasons), if the employer intends to dismiss:

- More than four employees per month, for employers with between 20 and 200 employees.
- More than 2% or 3% of the workforce, for employers with more than 200 employees (the percentage is explicitly determined every six months by ministerial decision; for the first six months of 2005 the relevant percentage is 2%).
- Up to 30 employees, for larger employers,

Social and financial criteria are used to choose which employees will be dismissed (for example, single employees will be preferred to married employees).

Before the collective dismissals are carried out, the employer must inform the employees' representatives of the reasons for the collective dismissals and consult them for a period of 20 days. Also, the employer must submit all relevant documentation to the competent authorities, such as the Ministry of Employment, the Employment Office and the prefecture, for approval. If the employer and the representatives fail to reach an agreement after 20 days, minutes of the discussions must be submitted to the same authorities. The Ministry of Employment can either extend the consultation for 20 more days or reject the application for approval of collective dismissals (or partially reject it).

Also, in the case of collective dismissals, employers must comply with other legal requirements, such as:

- Notification of the dismissal in writing.
- Making redundancy payments.
- Registering the dismissal at the competent branch of the OAED.

18. What is the basis of taxation of employment income? Please distinguish between the following situations:

- Foreign nationals working in your jurisdiction.
- Nationals of your jurisdiction working abroad.

Foreign nationals. Foreign nationals working in Greece are subject to taxation in Greece on their Greek-sourced income,

unless they declare that they consider Greece to be their tax residence (in which case, they are taxed on the whole of their income).

Nationals working abroad. Greek nationals working abroad are subject to taxation in Greece on the whole of their income.

19.-What is the rate of taxation on employment income? Are any other taxes (such as social security contributions) levied on employers and employees?

Income tax is progressive, depending on the amount the employee earns.

In 2005, each employee has a tax-free allowance of EUR11.000 (about US\$14,165). This is further increased by:

- EUR1.000 (about US\$1,288) for employees with one child,
- i EUR2.000 (about US\$2,575) for employees with two children.
- EUR10.000 (about US\$12,877) for employees with three children.
- EUR1.000 (about US\$1,288) for every additional child above three children.

Tax is deducted at source by the employer. The following rates are payable, where the employee's income is:

- More than EUR11.000 (about US\$14,165) but less than or equal to EUR13,000 (about US\$16,740): 15%.
- More than EUR13.000 (about US\$16,740) but less than or equal to EUR23.000 (about US\$29,617): 30%.
- More than EUR23,000 (about US\$29,617): 40%.

Social security contributions are levied on employers at a rate of 28.06% and on employees at a rate of 16%.

20. Are there any circumstances in which an employer (or a parent company) can be liable for the acts of its employees? If so, please give details.

Employers are liable for actions or omissions of their employees during the performance of their job duties (Article 334, Civil Code).

21. Are there any circumstances in which managers or directors of a company can be personally liable in respect of the liabilities or actions of an employer? If so, please give details.

Managers or directors of employing entities can be held personally liable in relation to the company and/or third parties,

depending on the circumstances, provided that they participated in the illegal action or omission.

22. Is employee consultation or consent required for major transactions (such as acquisitions, disposals or joint ventures)? (Please distinguish, if necessary, between share sales and asset sales.)

Employee consultation is required before major transactions are carried out. The employer must disclose to the employees' representatives, in due time, all necessary information, such as:

- The reasons for the transaction.
- The financial, social and legal consequences that will follow the transaction.
- The measures to be taken in relation to the employees.

If the employer does not consult its employees, both it and/or the other contracting party can be fined up to EUR8,800 (about US\$11,332).

23. Is there any statutory protection of employees on the disposal of a business (shares or assets)? In particular:

- Are they automatically transferred with the business?
- Are they protected against dismissal (before or after the disposal)?
- Is it possible to harmonise their terms of employment with other (existing) employees of the buyer?

Automatic transfer. If the business is transferred, the employment contracts are automatically transferred to the new owner, without the employees' consent. No new employment contracts need to be concluded, because the existing ones remain valid and effective.

Protection against dismissal. The transfer of a business, or part of a business, does not constitute a cause for dismissal per se [Article 5, Presidential Decree 178/2002]. However, dismissals for technical, financial or reorganisational reasons may be permitted.

Harmonisation. Harmonisation is advisable to comply with the principle of fair and equal treatment of employees. In practice, harmonisation is hard to achieve, because often a transfer is controlled by strict measures and any harmonisation must be agreed with the employees. The changes must be favourable to the employee, otherwise they can be challenged as a unilateral injurious modification of the employee's employment terms and conditions, which is generally prohibited and can lead to severe legal consequences.

24. Is it common to reward employees in your jurisdiction through employee stock plans (a stock option or other stock acquisition plan that allows employees to acquire shares or other forms of equity interest or securities)?

There has been a growth in employee stock plans over the last few years, with many companies (the vast majority of which are Greek subsidiaries, or branch offices of foreign companies and multinational companies) offering their employees shares under favourable terms.

25. Where an employee resident in your jurisdiction participates in a stock plan using the shares or other securities of a foreign parent company:

- Is it lawful to offer participation to employees who are resident in your jurisdiction?
- Is it lawful for residents to purchase and/or hold shares in the foreign parent company? If so, does it make a difference if those shares are listed on a recognised stock or investment exchange?
- What (if any) regulatory consents or filings need to be completed and by when? In particular, is a prospectus required or is an exemption available?
- Is it permissible under local exchange control regulations for employees to send money from your jurisdiction to another to purchase stock under a plan? Are any consents necessary?
- Broadly, how are local employees taxed on the grant and exercise of options and on the ultimate sale of stock awarded under the plan? Are there any withholding or social security implications for a local employing entity?

Offer participation. In principle, it is lawful to offer participation to employees residing in Greece.

Purchase/hold shares. It is lawful to purchase and/or hold shares in the foreign parent company, regardless of whether the shares are listed on a recognised stock or investment exchange.

Regulatory consents/filings. The employee must give his consent before participating in the plan, following detailed and adequate information of all aspects of the stock option plan, including his rights and obligations under it. No regulatory consents or filings are required.

Exchange control. No exchange controls apply and there are no relevant restrictions.

Tax. The spread (that is, the difference between the stock exchange price of the share at the time of exercise and the

pre-determined price paid by the employee) is considered taxable income, but is not subject to social security contributions.

26. *Is it common (or compulsory) for employees to participate in private pension schemes established by their employer? Are any tax reliefs available on contributions to such schemes (by the employer and employees)? If so, please give details.*

Employer-established private pension schemes are common among large companies and, despite the fact that they are only voluntary, they attract a significant number of employees. Both parties receive tax benefits: the employer's relevant expenses are tax-deductible, while employees also receive tax relief (which depends on their tax scale and can amount to about EUR1.000 (about US\$1,288)).

27. *Can employees who are working abroad and employees of a subsidiary company in a different jurisdiction participate in a pension scheme established by a parent company in your jurisdiction? Are the same tax reliefs referred to in Question 26 still available in these circumstances?*

It is possible for employees working abroad and employees working for a subsidiary company in a different jurisdiction to participate in a pension scheme established by a parent company in Greece. The same tax reliefs referred to above in Question 26 apply. In addition, the employer may also benefit from international double taxation treaties.

28. *Is it common to reward employees through contractual or discretionary bonuses? Are employers subject to specific guidelines or standards of reasonableness when exercising bonuses? If so, please give details.*

Bonuses of various forms are widespread. Bonuses may either be:

- Provided for in the employment contract (and defined in time, extent and content).*
- Granted at the employer's discretion, in certain cases (their offer, form and other elements are also at the employer's discretion).*

Two elements are of practical importance:

- a *When the employer grants a bonus (either in money or in kind) to its employees regularly, uniformly and over a long period, then this is considered to be the employer's common practice. If so, any modification or cessation of this bonus by the employer is considered to be a unilateral injurious alteration of the employment terms. Therefore, employers*

should reserve, in writing, the right to change, alter or stop the bonus at any time unilaterally and at their absolute discretion.

All contractual or discretionary bonuses must be granted with respect to the principle of non-discrimination, equality and fair treatment.

29. *If an employee creates intellectual property rights in the course of his employment, who owns the rights?*

In relation to industrial property rights, the law distinguishes among three types of inventions:

- Free invention. This is any invention created by the employee, without any input on the part of the employer. The relevant patent is granted to the employee. Any agreement between the employer and the employee that states that the employer will receive the benefit from free inventions is void.*
- Service invention. This is where a contract is agreed between two parties, under which the employer contracts for the employee to develop inventive activity. The patent belongs to the employer.*
- m Dependent invention. This is where an employee uses means and materials provided by the employer to create an invention. The relevant patent belongs indivisibly to both the employer and the employee.*

The above provisions also apply, by analogy, to designs and models.

In addition, in relation to intellectual property rights, when an employee creates a work in the performance of an employment contract, the employee remains the beneficiary of the property right (the right to exploit the work) and the moral right (protecting the creator's personal connection with the work, except for those elements of the work which form the object of, and are directly connected with, the employment contract (Law No, 2121/1993). Those elements belong to the employer, unless otherwise stated in the employment contract.

In a similar way, when an employee creates a computer program in the performance of an employment contract, the rights in the program are transferred to the employer, unless otherwise provided in the employment contract.

30. *Is it possible to restrict an employee's activities during employment and after termination? If so, in what circumstances can this be done?*

Non-compete clauses in the employment contract, which restrict an employee's activities for any reason, both during employment

and after it has terminated, are common.

Non-compete clauses must comply with Article 281 of the Greek Civil Code (see Question 1) and, therefore, employers can only restrain their employees' activities for the purpose of protecting their lawful interests, and only for a reasonable:

- Time period.
- Territory.
- Type of work.

However, in all cases this restraint must not make it impossible for the employee either to find a decent new job following

termination of the employment contract or deny him an income.

Non-compete clauses are often challenged before the courts and there is wide case law providing examples of both lawful and abusive non-compete clauses.

31. Briefly summarise any proposals for reform.

There is a recent proposal to introduce, among other things, changes to the law on working hours (in relation to, for example, overtime, overwork and maximum working hours).



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