Labour and Employee Benefits Handbook 2005/06

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General

1.

To what extent do employees receive statutory employment protection in your jurisdiction? Are there provisions of mandatory law that apply to all workers, 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.

Greek Labour Law is among the most workforce-protective ones in Europe, if not internationally. The Greek Constitution already proclaims panegyrically that "labour is a right", thus giving the general guidelines for the State's action and position. A number of fundamental rights are protected, such as the freedom of collective bargaining and conclusion of collective agreements, strike, formation of and participation to trade unions, and the principle "equal pay for equal work". Also, all principles of public order apply, as well as Article 281 of the Civil Code which prohibits the abusive

exercise of rights, pursuant to which "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".

In that protective framework many statutory legal provisions exist and are applicable to all employees regardless of their particular terms of employment contract or other elements (i.e. their identity, the employer's incorporation etc.), creating a uniform employment system for all employees working in the Greek territory. The most important mandatory provisions from which employers and employees may not deviate are:

- **Dismissal of an employee may take place for serious cause, whilst severance pay has to be paid, the dismissal being void when such payment does not occur as law provides.**
- **Employers may not pay employees wages smaller than the minimum ones provided for in the National General Collective Agreement for all employees.**
- **In principle, wages may not be set off by the employer with claims he may have against the employee, to the extent the salary is absolutely necessary for the maintenance of the employee and his family. To the extent that wages may not be set off, same may not be confiscated, either.**
- **All employees are subject to the principles of fair and equal treatment on all aspects of their employment (salary, promotion, bonuses etc.), and any form of discrimination of employees of the same category is banned.**
- **Employers must fully respect dispositions on working hours, work on Saturdays, Sundays, work at nights, annual leave, Christmas and Easter bonuses, etc.**
- **Employees are entitled to Christmas bonus, Easter bonus and holiday bonus**
- **Employees may not waive any of their rights (such as leave, payment of wages etc.), even if their employer fully compensates them.**
- **Special protection exists for pregnant women, parents, trade union members and in general employees' representatives.**

Apart from the above, special reference should be made to the fundamental principle of favour for the employees, with which Greek Labour Law is imbued. Pursuant to this principle, employer and employee may deviate from the provisions of laws, collective agreements etc. via the employment contract or explicit agreement passed between them, provided the new terms are favourable for the employee and ameliorate his/her position.

Employing people

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. A manager or company director must be legally capable of performing his duties, concluding transactions etc.

3.

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

Various grants and incentives are available to employers from time to time for employing categories of individuals mainly afflicted with unemployment, such as young people, women, elder persons, handicapped persons etc.
Greek Manpower Employment Organisation (OAED) has recently issued a relevant invitation for the year 2005 associated to the employment of 10.000 unemployed persons, aged from 18 to 64 years old, who are registered with the OAED's unemployment records. Each employing entity may hire up to 100 employees. The grant for each day of full employment is:

- **18** € for persons under 25 years of age who were unemployed **for at least 2 years following the completion of their education, unemployed mothers of underage children, persons over 50 years old and persons who have been without work for a long time;**
- **14** € per **day for every other category of employees.**

Further terms and requirements are provided for in the above invitation.

4.

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

Nationals of the European Union may work in Greece under the same conditions Greek citizens do. No work permit is required. However, a residence permit must be issued and is valid for a period of five years, starting from the date following the individual's filing of the relevant application. Normally residence permits are issued without the same day.
On the other hand, individuals coming from third countries have to follow a specific procedure, involving the application for obtaining a work permit, followed by a list of supporting documents (i.e. certified copy of the employee's passport, an employment contract etc.) which are submitted before the Prefecture of the employer's seat or address, as well as the payment of relevant fees. The duration of the work permit, which needs approximately three months to be issued, varies, depending on how many years the

employee has been a Greece resident. The issuance of a work permit is a precondition for granting a residence permit, for the issuance of which the employee has to submit a relevant application and documentation before the municipality of the employer's seat or address. The permit is normally issued within six months, and is attached on the employee's passport.

Terms of employment

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 1)?**
- **Are collective agreements with unions common (generally or in specific industries)?**

- **Written employment contract. In the frame of Article 158 of the Greek Civil Code, pursuant to which "compliance with form for the conclusion of a transaction shall only be required where the law so provides", an employment contract does not necessarily have to be concluded in written., but also orally or tacitly (namely by the employee's offer of work and the employer's acceptance of same). The written form is of probative character.**
  However, there are a number of exceptions, to which a written contract is required by law, such as part-time employment, employment by rotation etc. It should be mentioned that in all cases where the contract must be in written and is not, the labor contract is considered void, which entails several legal consequences.
  However, in all cases, Presidential Decree Number 156/1994 provides that employers occupying employees under a contract of dependent work are obliged to inform the latter of their employment terms within a period of 2 months from the hiring date. This information may be either concluded in the labor contract or in a document stating those terms, which will be handed over to the employee. Employers who fail to observe this obligation and inform their personnel of the employment terms are subject to fines (however the contract remains valid).

Pursuant to the above legislative text, the following is the minimum information the employer should include in the contract or the document, as stated above:

- **the identity of the contracting parties**
- **the place of work and the employer's registered offices or residence**
- **the employee's position or specialty, grade, category of occupation and his/her job description**
- **the commencing date of the labor contract (and in case of a fixed-term contract its duration)**
- **the employee's duration of paid leave of absence to which he/she is entitled, as well as the time and manner related to the leave's grant**
- **the severance pay to which the employee shall be entitled to in case of termination of the labor contract and the relevant notice period that the contracting parties should observe**
- **the employee's wages of any nature and the time those will be paid**
- **the employee's working hours on a daily and weekly basis, and**
- **the collective agreement which governs the labor contract and sets the minimum wages and terms of employment of the employee.**

- **Implied terms. All the mandatory provisions referred to in Question 1 apply to all contracts. Also, the relevant dispositions of collective agreements of any level are implied terms to the respective contracts.**
- **Collective agreements. Collective agreements are a sine-qua-non part of Greek Labour Law. With the trade union freedom being protected by the Greek Constitution, agreements passed between employers and employees cover all levels. More particularly, General National Collective Agreements which set the minimum wages and minimum terms of employment are passed between GSEE (General Confederation of Greek Labour) and SEV (Federation of Greek Industries). Industry collective agreements contain employment terms for employees of a specific enterprise, industry or undertaking. Sectorial collective agreements handle employment terms of employees working to kindred or coherent industries, enterprises or undertakings of the whole country or of a region. Professional (vocational) collective agreements include terms for employees of a specific profession or of professions which are coherent or kindred to the above.**

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 existence of minimum wages is one of the general principles of Greek Labour Law, aiming not only at securing a decent minimum of living, but also a minimum of social security. The actual amount of minimum wages is determined by the National General Collective Agreement applicable each time. Minimum wages consist of the amount defined by the Agreement, to which a number of legal bonuses associated to the employee's years of service, marital status etc. is added. A list of indicative cases of minimum wages follows, as provided for by the National General Collective Agreement dated 24.5.2004:

Blue-collar employees (daily wages)	**1.1.2005**	**1.9.2005**
Single with no prior service	**25,56** €	**26,41** €
Single with three years of prior service	**26,51** €	**27,38** €
Married with no prior service	**28,12** €	**29,05** €
Married with three years of prior service	**29,06** €	**30,02** €
White-collar employees (monthly wages)	**1.1.2005**	**1.9.2005**
Single with no prior service	**572,30** €	**591,18** €
Single with three years of prior service	**619,97** €	**640,43** €
Married with no prior service	**629,53** €	**650,30** €
Married with three years of prior service	**677,20** €	**699,55** €

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, who are exempted by law.
Since 1984 the National General Collective Agreement set working hours to 40 per week. Law Number 2874/2000 also replaced the 48-hour week with the 40-hour one. The daily legal working hours are 8, although certain categories of employees have less working hours (i.e. bank employees).
It should be noticed that working hours from 40 to 43 per week are considered as special overtime work. Work exceeding 43 hours is considered regular overtime. Law makes a distinction between legal overtime, which has to meet specific legal criteria (i.e. the employer's prior authorization by the competent Authority) and illegal overtime. Also, specific legal dispositions provide for the maximum overtime employees may work.

For every hour of special and regular legal overtime the employer has to pay the employee an increase of 50% on his/her hourly wages, provided the employee has not completed 120 hours of overtime within the year. For more than 120 hours the relevant increase is set to 75%. Finally, in case of illegal overtime, employees are entitled to their hourly wages increased by 150%.
Furthermore, it should be mentioned that any hour of work provided by an employee between 22:00 and 06:00 is paid with an extra 25% on the hourly wage. However, pregnant women as well as young people (under specific circumstances) are nt allowed to work at night. Finally, working during Sunday or public holiday entails the increase of the hourly wage by 75%.

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 (holiday) an employee is entitled to is calculated on the basis of many criteria, among which the time of service he/she has completed, whether he/she works on a 6-day or 5-day working week etc.
A rather complicated system was introduced by Law Number 3302/2004 for the said calculation. In that connection, until an employee completes twelve months of service under the employer who has to grant the leave, he/she is entitled to pro-rated annual leave, calculated either on the basis of 24 days (for employing entities following the 6- working day system) or 20 days (for employing entities following the 5- working day system). For the second calendar year, the employee is entitled to annual leave which is proportionate to the time he/she has worked for the same as above employer, whilst for each following calendar year the employee is entitled to annual paid leave calculated as above, having as starting point January 1st. The annual leave is increased by one day for every year of employment after the first year until it reaches 26 days (in the case of 6- working day system) or 22 days (in the case of 5-working day system). Employees who have completed 10 years of employment with the same employer or 12 months with the same employer and 12 years with any employer are entitled to 30 days (in the case of 6- working day system) or 25 days (in the case of 5- working day system). Finally, in all cases employees are entitled to payment of leave benefit and leave wages, the actual amount of which depends on the holiday to which each employee is entitled to.
Finally, public holidays which are common for all employees are Christmas, Easter Monday, March 25th, August 15th, and May 1st, while October 28th is holiday for the public sector and optional

holiday for the private sector. In other cases, more holidays are provided for by collective agreements.

9.

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

Employees may be absent from their work due to a brief illness, without this absence being considered as a resignation from their part. An absence for illness is considered brief in the following cases:

- **one month for employees who have been working for four years**
- **three months for employees who have been working for more than four years and less than ten years**
- **four months for employees who have been working for more than ten years, and**
- **six months for employees who have been working for more than fifteen years.**

The law provides that employees are entitled to payment of their wages when they are justifiable absence (absence without leave). Furthermore, the employee is entitled to a sickness benefit by IKA (Social Insurance Institute) for the period of illness that exceeds three days, but he/she is also covered by the employer. The latter may deduct any sickness benefits to which the employee is entitled to by his/her Insurance Fund from his/her wages. Finally, the periods defined as above as brief absences are counted in as employee's working time.

10.

What statutory rights do employees who are parents have?

Mothers employees are entitled to 119 days of leave (in which the day of labour is not included), namely 8 weeks of paid leave before the labour and 9 weeks following giving birth to the child (motherhood leave). For 30 months after the end of the above paid leave, mothers may come to work an hour later or leave work an hour earlier (care leave).
Following agreement with the employer mothers employees may work for 2 hours less for the first 12 months and one hour less for the next 6 months. Fathers may also use this special agreed leave, provided the mother does not utilize same.
Employees with handicapped children working in employing entities of more than 50 employees may ask the employer to work for one hour less per day (however wages are decreased analogically).
An unpaid leave is given to employees, parents of children until the age of 3½, provided they have completed one year of work under

the employer in question. The leave may not exceed 3½ months (the leave may be taken partially or as a whole).
Employees who have children up to the age of 16 years old a paid leave may be granted, pursuant to which they may be absent from work for days or hours that may not exceed a total of four days per calendar year.
Fathers are entitled to a paid leave of two days for every birth of a child.
Single parents are also entitled to the above rights, whilst similar rights are provided for in various dispositions for parents that 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

Unlike consultation of employees, which is both regulated and widespread, management representation is not institutionalised, unless sectorial, vocational or industry collective agreements provide so. However, it has gained ground during the past decade in undertakings and partially to the public sector. Self-management does not apply to Greece, with the exception of an extremely limited number of cases. Also, occasions enterprises co-managed by employer and employees are also exceptional.

Consultation

Together with trade unions, Law Number 1767/1988, which ratified the International Labour Convention No 135, and Law Number 1876/1990 came to offer a wider and more detailed regulation of employees participation and consultation.
Law Number 1767/1988, a legislative text rather progressive for its time, introduced a participation system, expressed though Works Councils and the employees' general assembly. Works councils may be formed at enterprises with more than 20 employees, when there is no trade union to represent the enterprise, as well as in enterprises with more than 50 employees.
The participation rights introduced are information, expression of consulting opinion, common meetings with the employer, consultations and compilation of agreements. The sphere of the works council authority covers annual leave, training, health and safety, disciplinary measures and procedures, as well as cultural and social activities at the enterprise.

Furthermore, the employer has to consult periodically the enterprise's trade union representatives, and in certain cases (such as in collective dismissals, or transfer of business etc.) their consultation is imperative and mandatory.
In all the above cases, the employer has the respective obligation of giving the employees' representatives all necessary information for carrying out their mission.

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?

It is to the new employer's discretion to acknowledge the employee's prior years of service, which is however not very common in practice. However, the law procures for the protection of employees and their continuous employment in the case of transfer of undertakings (see Question16). Prior employment is admeasured for the calculation of the annual paid leave, of the severance pay and of wages increase.

Employee protection

13.

What statutory data protection rights do employees have?

Data protection rights are mainly protected pursuant to Law Number 2472/1997 on the protection of the individual from the process of sensitive personal data, which implemented Directive 95/46/EC. Within the framework of the above law, employers must take all necessary measures and precautions and ensure that the collection, storage and process of their personnel's personal data observe all the relevant legal requirements, including the accuracy of the data kept and their constant updating. Also, such data have to be kept only for as long as really necessary, and in all cases in a manner ensuring that no illegitimate access or accidental damage or destruction will occur. The general lines of the said law include the prohibition of collecting and processing sensitive personal data (such as political beliefs, participation in trade unions, syndicate activity, racial origin etc.), the employees' right to have access to any data and information collected and/or processed on them, to know for how long such data will remain stored and/or processed by the employer or third parties and to whom same may be disclosed, as well as to oppose to the collection and/or process injuring their dignity and privacy etc.

The most important aspect of employees' data protection is when the employer monitors telephone and internet, as well as when a closed television circuit system exists. In general, employers must inform the personnel of the monitoring, which has to be carried out according to the current legislation, and in all cases such monitoring has to be reasonably and adequately justified.
Furthermore, article 8 of Law Number 3144/2003 treats especially the issue of collecting and processing employees' data associated with their health, and inter alia provides that medical data may be collected with the employee's care only if this is absolutely necessary for the evaluation of the employee's aptitude for a job, or for the foundation of his/her rights associated with social security benefits etc. In connection to the above, it should be noticed that the Greek Data Protection Authority has been already called to pronounce on a number of cases strictly associated with employees' data protection, including health records, e-mail monitoring etc.
Finally, protection of personal data is also based on the constitutional principles, such as the right to the free development of personality, correspondence and private life.

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

Articles 281 of the Greek Civil Code prohibiting the abusive exercise of a right, article 288 and 200 of the Greek Civil Code on the performance of undertakings and the interpretation of contracts in accordance with the requirements of good faith taking into consideration business usages in combination with the constitutional dictates for equal treatment and respect of human dignity and personality protect adequately and completely employees from discrimination and harassment. Also, article 57 of the Greek Civil Code states that "a person who has suffered an unlawful offence on his personality has the right to claim the cessation of such offence and also the non-recurrence thereof in the future. (…) Shall not be excluded a further claim for damages based on the provisions governing unlawful acts."
With the implementation of EU Directive 2000/43 by Law Number 3304/2005 the protection against discrimination for reasons of racial or national origin, religious or other persuasions, handicap, age or sexual orientation, as well as for harassment (the notion of which is mainly defined as any action relating to offend the dignity of a person and the creation of a hostile, intimidating, degrading, humiliating or aggressive environment) has empowered the employees' protection by special administrative and penal procedures and imposition of fines and imprisonment. The forms of discrimination and harassment are specified in detail, covering also indirect offensive actions and omissions.

14.

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

There is no statutory definition of "whistle blowing", which is conceived and understood from a penal-criminal point of view: all citizens (not just employees) have the legal duty to report any violations they witness, reveal information of importance for the public interest; civil servants and public officers are obliged to report fraud and other offences; also, in certain cases persons offering the police information on crimes are entitled to payment etc. However, when it comes to employees who are subordinate to their employer either the fear of loosing their job or the obligations of secrecy and confidentiality prevent them from reporting such events. The need for the creation of a detailed system for the protection of whistleblowers by ensuring at the same time that this right will be not exercised abusively or irrationally has been already pinpointed.
Until then, an "authentic" case of protection of whistleblowers is found in article 11 of presidential decree 87/2002, pursuant to which the dismissal of an employee is void when the employer proceeds to same as a reaction for the employee's appeal or accusation for violation of the principle of equal treatment.

Dismissals and redundancies

15.

What statutory rights do workers have against dismissal?

Fixed-term employment contracts must only be denounced for serious cause. If not, the denunciation is void, the contract remains valid, and as a result of this the employer has to pay the employee all his/her normal wages until the date when the contract would normally be terminated. In the case of termination of indefinite-term employment contracts, although no "serious cause" in the above sense is required, the reason for the dismissal may not be abusive, since it may not exceed "the limits imposed by good faith or morality or by the social or economic purpose of the right" (art. 281 of the Greek Civil Code). Reasons for dismissal may be grounded either on elements associated to the employee (i.e. inefficiency etc.) or on elements related to the employing entity (i.e. economical reasons etc.), and their legitimacy is subject to control by courts. Dismissals have to be in writing.
The employer has to dismiss white-collar employees following notice, which depends on the employee's years of service:

Employee's service	Notice period
2 months to 1 year	1 month
1 year to 4 years	2 months
4 years to 6 years	3 months
6 years to 8 years	4 months
8 years to 10 years	5 months
Over 10 years	6 months plus 1 month for each additional year of employment up to a maximum of 24 months

If the employer does not observe the above notice periods (which is common practice) he/she has to pay severance pay calculated again on the basis of the dismissed employee's years of service (in case of prior notice the severance pay due is reduced to 50% of the respective amounts):

Employee's service	Severance Pay
2 months to 1 year	1 salary
1 year to 4 years	2 salaries
4 years to 6 years	3 salaries
6 years to 8 years	4 salaries
8 years to 10 years	5 salaries
Over 10 years	6 salaries plus 1 salary for each additional year of employment up to a maximum of 24 salaries

The basis of the severance pay is the salary the employee collected the last month before the dismissal multiplied by 14 and divided by 12.

Blue-collar employees are dismissed without notice and are entitled to severance pay as below:

Employee's service	Severance Pay
2 months to 1 year	5 day wages
1 year to 2 years	7 day wages
2 years to 5 years	15 day wages
5 years to 10 years	30 day wages
10 years to 15 years	60 day wages
15 years to 20 years	100 day wages
20 years to 25 years	120 day wages
25 years to 30 years	140 day wages
30 years and more	160 day wages

The above amounts are increased by 1/6.
Finally, certain categories of employees enjoy reinforced protection against dismissal. In principle, employees on military service or during their annual paid leave may not be dismissed. Also, female

employees may not be dismissed during pregnancy nor for a year following birth. Finally, trade union representatives cannot be dismissed during their term of duties, nor for a year later. In all the above cases, dismissal is possible for a number of specific reasons, not linked with the above employees' situation.
Unless due severance pay is paid to the employee, the dismissal is void, and the employee may either require the employer to re-employ him/her and claim payment of his/her due wages from the date of the void dismissal until the date of re-employment increased by delinquency interests. He/she also may be entitled to indemnity for moral prejudice.

16.

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

Redundancies carried out for reorganisation purposes or for financial reasons are known in Greece as collective dismissals. Those concern employing entities with more than 20 employees and cover a specific percentage of the workforce.
The number of employees to be dismissed must not exceed four employees for employing entities with 20 to 200 employees per month. For employing entities of more than 200 employees the percentage is 2% or 3% of the workforce (the actual percentage is explicitly determined for every semester by ministerial decision) and up to 30 employees for larger employing entities. For the first semester of 2005 the relevant percentage is 2%. Social and financial criteria are used to choose which employees will be dismissed and which not (i.e. single employees will be preferred to married employees etc.).
Prior to collective dismissals the employer is obliged to inform the employees' representatives of the reasons for the collective dismissals and consult them for a period of 20 days. Also, the employer has to submit all relevant documentation before the competent authorities, such as the Ministry of Employment, the Employment Office, the Prefecture. If the employer and the representatives fail to reach an agreement after the above period, relevant minutes have to be submitted before the authorities, and the Ministry of Employment may either prolong the consultation for 20 more days or reject the application for approval of collective dismissals or part of them.

Taxation of employment

17.

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 the Greek tax legislation.**
- **Nationals working abroad. Nationals who work abroad are subject to the taxation legislation of the respective country.**

18.

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

Tax on employment income is calculated on the basis of the wage scale.
For the year 2005 the tax-free income is 11.000 Euros and is further increased by 1.000 Euros for employees with one child, 2.000 Euros for employees with two children and 10.000 Euros for employees with three children. Moreover, 1.000 Euros are added for every additional child, namely employees with four children are entitled to a tax-free amount of 22.000 Euros etc.
Rates of tax are as follows:

- **for an income of more than 11.000 Euros but less than 13.000 Euros, the tax rate is 15%**
- **for an income of more than 13.000 Euros but less than 23.000 Euros, the tax rate increases to 30%, and**
- **for an income exceeding 23.000 Euros, the tax rate is 40%.**

Social security contributions are levied on employers and employees (16% paid by the employee and 28,06% paid by the employer).

Liability

19.

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. In that connection, article 334 of the Greek Civil Code, pursuant to which "a debtor shall be responsible as for his own fault in respect of the fault of persons whom he employees in order to furnish a performance (…)"equally applies.

20.

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 may be personally liable provided they have participated in the action or omission which is against the law.

Major transactions

21.

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

Worker consultation is required prior to major transactions. The employer must disclose to employees' representatives in due time all necessary information, such as the reasons of the transaction, the reasons for doing so, the consequences of financial, social and legal nature that will follow the transaction, as well as the measures to be taken with regard to the employing entity's employees. It has to be noted that if the employer does not observe the obligation for consultation, both him/her and/or the other contracting party face the payment of fine which may even amount to the region of 8.800 Euros.

22.

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. In case of transfer, labour contracts are automatically transferred to the new owner, without the employees consent, because the change in the employer's person is ex lege. No new labour contracts have to be concluded, because the existing ones remain valid and effective.**
- **Protection against dismissal. Pursuant to article 5 of Presidential Decree 178/2002 the transfer of a business, of a part of a business etc. does not constitute per se a cause for**

dismissal. However, dismissals on technical, financial or re-organisation grounds may not be excluded.

- Harmonisation. Harmonisation is advisable within the framework of the principle of fair and equal treatment to which all employees are entitled, provided the changes made to the personnel's employment term and conditions are favourable. However, such harmonisation is hard to be achieved, because many times a transfer is followed by strict measures. At that stage employees' representatives play a significant part to that procedure. Attention should be drawn to the fact that such changes carried out in the frame of the harmonisation may also be considered by the employees as a unilateral injurious modification of their labour terms and conditions, thus leading to severe legal consequences.

Employee stock plans

23.

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)?

Employees stock plans' growth presents an increasing rhythm in the last few years, with many companies (the vast majority of which are Greek subsidiaries or branch offices of foreign companies and multinational corporations) offering their employees shares under favourable and enticing terms.

24.

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 that 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, Greek law does not restrict participation to employees residing in Greece.**
- **Purchase/hold shares. It is lawful to purchase and/or hold shares. Actually, this is the current practice in Greece, in the sense that foreign or multinational companies with shares listed abroad organize a stock option plan, the specific terms of which are identical and uniform for all employees, regardless of the seat of the subsidiary company.**
- **Regulatory consents/filings. The employee must give his/her consent prior to his/her participation to the plan, following detailed and adequate information of all aspects of the stock option plan, namely both his/her rights and obligations. No filing is necessary by law.**
- **Exchange control. No exchange controls apply and there are no relevant restrictions, either.**
- **Tax. The "spread", namely the difference between the stock exchange price of the share at the time of the exercise of the stock option and the pre-determined price paid by the Greek employee is considered taxable income, but not subject to social security contributions.**

Pensions

24.

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. From a taxation point of view, such schemes offer both parties tax benefits, since the employer's relevant expenses are tax-deductible, whilst employees also have tax relief, which depends on their tax scale and may amount to the region of 1.000 Euros.

25.

Can employees that 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 24 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, in which case the same tax reliefs referred to above in Question 24 apply. Furthermore, the employer may also fall under international treaties on the avoidance of double taxation, provided of course their actual terms are fulfilled.

Bonuses

26.

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 by which the employer rewards his/her employees are very widespread in Greece. Such bonuses may other be provided for by the labour contract, and be defined in time, extent and content, or be granted to the employer's discretion at certain cases, while their offer, form and other elements are shaped in the frame of the employer's executory right. Two elements are of practical importance: when the employer grants a bonus (either in money or in kind) to his/her staff constantly, uniformly and for a long period then this provision is considered to be the entity's common practice and any modification or stoppage of this bonus by the employer alone is unilateral injurious alteration of the employment terms. That is why the employer has to reserve in written the right to change, alter or stop the bonus at any time unilaterally and to his/her absolute discretion. An other very important factor is that all contractual or discretionary bonuses must be granted with respect to the principle of non discrimination, equality and fair treatment.

Intellectual property

27.

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

The law distinguishes among three types of inventions. The term "free invention" refers to any invention accomplished by the employee without any implication on the part of the employer and relevant patent is only granted to the employee. Any agreement between the employer and the employee having as content the latter's obligation to present the employer as applicant (and therefore beneficiary) is not possible. In case a contract is passed between two parties, by virtue of which the first party assigns the second one to develop inventive activity, then the patent on this so-called "service invention" belongs to the employer. Finally, should an employee use means and materials furnished by the employer and achieve an invention, which is called "dependent invention", the relevant patent belongs indivisibly to both individuals.

Restraint of trade

28.

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

Clauses in the labour contract by which the employer restricts an employee's activities during employment and after the termination of the contract due to any reason are very common, and have the form of non-competition. These clauses have to be within the limits set by article 281 of the Greek Civil Code, by virtue of which "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". In that connection, the employer may restrain the employee's activity up to a certain reasonable time period, territory and object of work for serving the employing entity's lawful interests, but in all cases this restraint should not make it impossible for the employee either to find a decent new job following termination of the labour contract nor deny him/her an extra income.

Clauses of non-competition are often challenged before the Courts, and there is a rich jurisprudence offering many examples of both abusive and perfectly lawful clauses to be avoided or embraced, respectively.

Proposals for reform

28.

Briefly summarise any proposals for reform.

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