

Labour & Employment

Contributing editors

Matthew Howse, Sabine Smith-Vidal, Walter Ahrens and Mark Zelek



2017

GETTING THE
DEAL THROUGH

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Matthew Howse, Sabine Smith-Vidal, Walter Ahrens and Mark Zelek
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Greece

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Legislation and agencies

1 What are the main statutes and regulations relating to employment?

Articles 648 to 680 of the Greek Civil Code on 'contract of employment' are the basic provisions that govern the employment relationship between employers and employees.

These articles define:

- the nature of an employment contract;
- the employer's and employee's main obligations;
- the time of payment of salary and the consequences of delay;
- the consequences of an employee's sickness;
- health and safety at work;
- collective employment agreements;
- the deemed renewal of an employment term;
- annual leave; and
- termination for a serious reason.

2 Is there any law prohibiting discrimination or harassment in employment? If so, what categories are regulated under the law?

Greece has adopted Directives 43/2000/EC, 78/2000/EC, 54/2006/EC and 54/2014/EC, which govern the general framework of equal treatment in employment. The relevant national laws are:

- Law No. 4443/2016 for the application of the principle of equal treatment regardless of national, racial, religious or other orientation or beliefs, invalidity, age or sexual orientation; and
- Law Nos. 3769/2009 and 3896/2010 for the equal treatment between men and women in employment.

According to the above legislation, all direct or indirect discrimination or harassment that leads to the abuse of a person is illegal.

3 What are the primary government agencies or other entities responsible for the enforcement of employment statutes and regulations?

The Ministry of Labour and Social Security and Solidarity is authorised to control the enforcement of employment statutes and regulations as well as to provide necessary information to employees. This objective is realised through the creation of special authorities responsible for specific issues. The General Directorate of Conditions and Hygiene at Work, the Department of Labour Conditions, the Department of Management Information, Training and Monitoring Policy Working for Safety and Health, the Centre of Hygiene and Security at Work, the Labour Inspection Authority (LIA) and the police are authorised to control the enforcement of the whole legislative framework concerning employment. The role of the Single Body of Social Security is also very important in relation to the social security and insurance obligations of employers.

Worker representation

4 Is there any legislation mandating or allowing the establishment of employees' representatives in the workplace?

According to Law No. 1767/1988, the employees of any business that employs more than 50 people have the right to be elected and establish works councils for their representation in the enterprise. If there is no trade union organisation within the business, the relevant threshold is 20 instead of 50 employees. The members of works councils enjoy the same protection as the administrators of trade union organisations.

5 What are their powers?

The members of works councils enjoy protection. Employers, persons acting on their behalf and any third parties are prohibited from proceeding to actions or omissions with a view to impede the exercise of the employees' rights described above and, more specifically:

- from influencing the employees by using threats of dismissal or other means to obstruct the exercise of rights provided by this Law;
- from supporting the candidature of employees with financial or other means; and
- from intervening by any means in the exercise of the employees' general assemblies.

Background information on applicants

6 Are there any restrictions or prohibitions against background checks on applicants? Does it make a difference if an employer conducts its own checks or hires a third party?

According to the Data Protection Law and the explanatory Directive No. 115/2001 of the Data Protection Agency (DPA), collecting and processing personal data of candidates in order to hire them is only allowed for purposes directly connected to the employment, and the employer may only refer to data that is absolutely necessary to assess whether a candidate is suitable and skilled for the position. The employer must address the candidates themselves to collect their personal data. Collecting candidates' personal data from third parties is not prohibited, as long as it is necessary for the achievement of the goal. A vital prerequisite is for the candidates to be informed in advance that information from third parties will be sought, and their explicit consent must have been given. An employer that intends to seek information from third parties has a duty to inform the candidate of the purposes of the collection and processing of the data, the sources from which information will be sought, the type of information and the consequences of a possible refusal of consent. For some posts in particular (eg, for employees managing monetary issues, teachers), the collection and processing of data regarding a person's prosecutions and convictions is compulsory.

7 Are there any restrictions or prohibitions against requiring a medical examination as a condition of employment?

Personal data regarding the candidate's health must be collected directly and only if it is absolutely necessary for evaluating whether the candidate is suitable and skilled for a specific post or occupation, present or potential (eg, physicals for individuals employed in nurseries, restaurants or hotels, drivers, pilots, etc); in order for the employer to perform his or her duty regarding the hygiene and safety of the workplace; or for the foundation of the employees' rights and the attribution of the relative social benefits. So, if the examination is absolutely necessary due to the nature of the post or occupation, an employer can refuse to hire an applicant who does not want to be examined.

8 Are there any restrictions or prohibitions against drug and alcohol testing of applicants?

There is no specific directive or regulation regarding drug or alcohol testing. As a general rule, tests, analyses and relevant procedures that are related to past convictions, habits or even the mental health status of the individual may be included in a recruitment process. Because such tests constitute a deep invasion of the candidate's personality and personal life, the general principle of proportionality dictates that they may only be conducted in exceptional cases, only if it is absolutely necessary for the achievement of a special cause directly connected to that particular post and only with the candidate's written consent.

Hiring of employees

9 Are there any legal requirements to give preference in hiring to, or not to discriminate against, particular people or groups of people?

By virtue of Law No. 2643/1998 on care for the employment of persons of special categories and other provisions:

- Greek or foreign companies or businesses that operate in Greece and their affiliates, if they employ 50 or more persons, are obliged to hire persons of 'protected categories', as defined in the above Law, up to 8 per cent of their total workforce; and
- certain public institutions are obliged to employ persons of the same categories up to 10 per cent.

Enterprises and institutions that have had losses in the last two fiscal years are exempted from the above obligation. The above percentages are split among the following categories of protected persons, subject to the proportions provided in article 2 of the same Law:

- parents that have more than three children;
- persons with an invalidity status of over 50 per cent and persons with limited professional capacity due to any chronic bodily, mental or psychiatric illness (persons with special needs), provided they are registered in the Labour Force Employment Organisation registers of disabled unemployed;
- persons with children, siblings or spouses with a disability percentage of over 67 per cent due to severe mental and bodily illness, or with at least a 50 per cent invalidity percentage due to intellectual disability or autism;
- persons who participated in the National Resistance and their children;
- members of rebel groups that participated in the National Resistance and their children;
- surviving spouses or parents of persons that died in the dictatorship resistance against the colonel's junta;
- war victims with disabilities;
- persons incapacitated by the hardships of military service if they served, in any capacity, in the Joined Armed Forces or Security Forces, and their children;
- civilian war victims, war-disabled persons and their children;
- victims of the peace period and their children; and
- spouses of persons that have died or have been missing since the military coup and the military events in Cyprus in 1964, 1967 and 1974.

10 Must there be a written employment contract? If yes, what essential terms are required to be evidenced in writing?

No. As a rule, the agreement does not have to be in writing. Therefore, it is possible to be made explicitly or tacitly, orally or in writing. There

are cases where the law provides for an employment contract in writing, such as an employment contract with the state or a public corporation, a part-time employment contract or an employment contract by rotation (in turn). However, according to Presidential Decree No. 156/1994, the employer is obliged to notify the employee in writing, within two months of the commencement of the working relationship, of the essential terms of the employment contract, which are the following:

- the ID data of the contracting parties;
- the place of work;
- the position of the employee, as well as the object of his or her work;
- the date from which the contract is in force and its duration;
- the duration of the leave of absence with benefits the employee is entitled to, as well as the manner and time of its issuance;
- all the kinds of remuneration the employee is entitled to, and their frequency;
- the duration of the regular daily and weekly employment of the employee;
- reference to the collective regulation that applies and defines the minimum terms of wage and employment of the employee; and
- the compensation that may be owed if the contract is terminated, as well as the deadlines to be kept by both the employer and the employee, pursuant to the legislation in force in the event the employment contract is terminated.

11 To what extent are fixed-term employment contracts permissible?

They are allowed. The courts and subsequently the statutes protect the employee from the abuse by the employer of the meaning of 'fixed-term', that is, naming a contract as fixed-term when it is really an indefinite-term employment contract. Specifically, according to Presidential Decree 81/2003, article 5 (as replaced by article 41 of Law 3986/2011), if the duration of successive employment contracts exceeds three years in total, without being justified by specific reasons or needs provided by law, it is deemed that those contracts cover constant and permanent needs of the enterprise and consequently are converted into employment contracts or relations of indefinite term. If, in the duration of those three years, the number of renewals of the successive contracts or labour relations is more than three, without any legal justification, it is deemed that those contracts cover constant and permanent needs of the employer and consequently are deemed by law to be employment contracts or relations of indefinite term. The onus of proving the opposite lies with the employer. 'Successive' contracts or labour relations are the fixed-term contracts or labour relations between the same employer and the same employee, with the same or resembling terms of employment and an interval of no more than 45 calendar days.

12 What is the maximum probationary period permitted by law?

In the event of a probationary employment (ie, when the employer wishes to test the employee's capacities before definitely hiring the employee), there is a contract of employment as of the date the employee undertook employment. This probationary employment may either be a definite-term employment contract, when it is agreed that it shall be de jure terminated after the probationary period, or an indefinite-term employment contract, which therefore during the probationary period is subject to the termination clause. Article 74 of Law No. 3863/2010 defines that, in the event of an indefinite-term employment contract, the probationary period may not exceed 12 months, during which time the contract may be terminated without due notice and without any compensation for dismissal, except if otherwise agreed between the parties. The employee shall receive wages during the probationary period as well.

13 What are the primary factors that distinguish an independent contractor from an employee?

An employee is subject to a 'contract of dependent services', by which the contracting parties agree to the provision of services in advance and a salary, regardless of the way it is paid, and the employee is subject to legal and personal dependence on the employer. This dependence is expressed by the latter's right to give the employee binding commands and directions regarding the manner, place and time of the execution of services, and to monitor and control the employee to ascertain whether he or she complies with them. An independent contractor is

under a 'contract for the provision of liberal services', that is, he or she provides his or her services without being subject to anyone's control and monitoring, and without being obliged to comply with commands and directions, especially regarding the manner and time of the provision of his or her services. These are the factual circumstances that a court will look at should a dispute arise regarding the classification of a contract. Employment contracts are often hidden under 'liberal provision of services' agreements. Employers are very keen to stretch this definition in order to employ a workforce without being subject to social security contributions and without having to respect the regulations relating to overtime, annual leave, termination notice, compensation, etc. An independent contractor has different tax obligations, keeps accounting books and is liable for his or her own social security contributions without the involvement or burden of an employer.

14 Is there any legislation governing temporary staffing through recruitment agencies?

Article 98 of Law 4052/2012 provides that there can be private employment agencies, which can mediate between employers and jobseekers, who are either Greek nationals or citizens of the EU or third-country nationals who legally reside in Greece with access to employment. They are also authorised to give advice and career guidance. The legislation does not specify the kind of employment, so they can mediate even for temporary staffing.

Foreign workers

15 Are there any numerical limitations on short-term visas? Are visas available for employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction?

Yes, according to article 14(4) of Law No. 4251/2014 on the entry, residence and social integration of third-country nationals in the territory of Greece (the Third-country Nationals Law), numerical limitations apply according to relevant ministerial decisions that are taken every year and that prescribe the number of third-country nationals per region and per specialisation.

According to article 17 of the above-mentioned law, residence permits are granted to higher managerial employees and executive employees of foreign business entities that operate in Greece through a subsidiary or a branch.

According to the same article 17 of the same law, residence permits are also granted to third-country nationals – employees who are employed by foreign business entities (industrial, maritime, commercial) that legally conduct operations in Greece and foreign specialised scientific personnel may also be granted residence permits with certain limitations.

16 Are spouses of authorised workers entitled to work?

Citizens of third countries that reside legally in Greece for more than two years (in this case called 'sponsors') may request that their spouse and their underage children are given leave to enter and reside in the country for reasons of family reunification. When the 'sponsor' holds a residence permit for dependent employment or independent economic activity, the family members have, respectively, the right to dependent employment or to independent financial activity (article 70 of Law No. 4251/2014).

17 What are the rules for employing foreign workers and what are the sanctions for employing a foreign worker that does not have a right to work in the jurisdiction?

Subject to the special provisions applicable to third-country nationals who are already legally residents in Greece (executive employees, family members, etc), as a general rule, in order to employ a third-country national an employer must officially 'invite' him or her, file an application to the local authority and guarantee the payment of a sum equal to the basic statutory remuneration of unskilled workers. If, after the application is approved for the employment of the third-country national by the applicant-employer, the third-country national is granted a permission of entry for the provision of dependent employment; this is usually granted for one year, and always for a definite term. The applicant must show a contract of employment that proves that he or she shall receive remuneration equal to the above-mentioned

statutory minimum. The residence permit is renewable. The sanctions for employers who employ a third-country national who is not equipped with the necessary residence permit, or at least proof that all relevant documentation has been deposited with an application at the relevant authority, are administrative fines of up to €1,500 for each illegally employed third-country national, (article 28 of Law 4251/2014).

18 Is a labour market test required as a precursor to a short or long-term visa?

The number of residence permits for dependent employment issued every year is determined according to state reports that indicate the existing needs in the workforce and the job vacancies per region.

Terms of employment

19 Are there any restrictions or limitations on working hours and may an employee opt out of such restrictions or limitations?

The legal daily working hours for employees, that is, the time-work plan as imposed by the law is eight hours for enterprises employing their personnel five days per week, and six hours and 40 minutes for businesses employing their personnel six days per week. In general, an agreement between the employer and the employee is possible regarding a working schedule with fewer hours than the limit imposed by the law, but without prejudice to the entitlement of the employee for full remuneration.

Law No. 3385/2005 (article 2) provides that the employer and the employee may arrange the working hours in a different manner if this is dictated by the employer's increased needs for a specific period, which may not exceed four months per calendar year in total. Under that latter arrangement, two extra hours may be agreed per day, which are 'credited' to the employee, so that they are deducted from his or her working hours at a later stage. Alternatively, instead of less hours per day during another period, the employee may take days off. There are many other provisions regarding payment for nightshift and Sunday work, as well as public holidays, which are, as a rule, of public order, and therefore any waiver on behalf of employees from their relevant rights would be held invalid.

Law 3846/2010 (article 2) provides that during an existing employment contract or when drawing up a new contract, the employer and the employee may agree by a written individual agreement either daily, weekly, fortnightly or monthly employment, for a definite or indefinite period, which will be shorter than the full-time employment (part-time employment). If this agreement is not disclosed to the competent Labour Inspectorate within eight days of its signature, it is presumed that the employment agreement is of a full-time nature.

20 What categories of workers are entitled to overtime pay and how is it calculated?

In Greek law, two types of overtime work are recognised: overwork and overtime.

Law No. 3385/2005 (article 1) introduced the new notion of 'overwork'. This term was designed to loosen the traditionally strict statutory approach that every hour above the eighth is overtime. Therefore, 'small' excesses of the eight-hour limit are now called 'overwork'. With regard to work hours, overwork and overtime hours in general, the relative provisions apply to all salaried persons, regardless of whether they are employees or workers, except managers or directors (that is, senior employees of the enterprise – these are the persons who have administrative tasks and managerial responsibilities, and at the same time their remuneration is much higher than their colleagues).

By virtue of Law No. 3385/2005 as completed by Law No. 3863/2010, an employee may be occupied for a further five hours per week at the employer's discretion (overwork). Those overwork hours (from the 41st to the 45th hour) are remunerated with the regular wage per hour increased by 20 per cent. Employees for whom the six-working-day system applies may be occupied for eight more hours per week at the employer's discretion (overwork from the 41st to the 48th hour). The employees in this case are also remunerated with the regular wage per hour increased by 20 per cent.

Overtime work, that is, work exceeding the maximum limit of legal work of employees and providing services to employers beyond 45 or 48 hours per week – in other words, exceeding the overwork hours as well – is allowed only for specific activities that are considered to be

urgent and exceptional or extraordinary. The employment of more than 45 or 48 hours per week respectively is considered overtime and the employee is paid for these hours as follows: from one to 120 hours per year the wage is increased by 40 per cent; for more than 120 hours per year the wage is increased by 60 per cent.

For the realisation of overtime the following are required: a record of a written announcement by the employer to the LIA responsible for the region and the keeping by the employer of a special overtime book.

Managers are exempted from the application of several provisions of labour law and are not protected by the restrictions of the legal working hours (Law No. 2269/20); they may work overtime or on Sundays and during the night without compensation (Presidential Decree No. 8 of 13 April 1932). There is no concrete formula that defines a manager or director and, in cases of dispute, the courts will look into the specific facts of the particular case. A high salary will not per se guarantee that a worker shall be considered a manager, because it may well be that high remuneration is justified by the special skills that a worker has. For all other workers, the conventional work schedule of up to 40 hours per week is applied.

Specifically in relation to public servants, overtime work is not compensated unless it is necessary to cover seasonal, extraordinary or urgent public needs. According to upcoming changes that are being introduced as emergency measures in response to the Greek public debt crisis of 2010, the total payable monthly hours of overtime work per employee was diminished from 60 to 40 hours (article 6 of Law No. 3833/2010).

21 Can employees contractually waive the right to overtime pay?
No.

22 Is there any legislation establishing the right to annual vacation and holidays?

The right to annual vacation and holidays is governed by Law No. 539/1945 and articles 666 and 667 of the Greek Civil Code. Before the introduction of Law No. 3144/2003, an employee was entitled to holiday leave after being continuously employed for 10 months. Since this Law came into force on 8 May 2003, the employee is entitled to vacation leave without the 10-month requirement. The days of leave to which he or she will be entitled still depend on the months he or she has worked at the same employer; the table below applies. Vacation is paid with the normal agreed salary. Sundays, public holidays and sick leave are not included in vacation leave. If, for example, an employee takes vacation leave of 10 days and the fifth day is a public holiday, he or she will come back to work on the 11th day.

If the employer is a business that runs five days per week, the following applies:

Length of employment	Days of vacation leave	Vacation pay (salary-based)	Days of paid vacation
12 months	20	96% of salary	24
Second year	21	full salary	25
Third year or more	22	full salary	26

Employees that have been working for a period of 10 years for the same employer or for a period of 12 years for any employer under any employment relationship are entitled to 25 days of holiday leave.

If the employer is a business that runs six days per week, the following applies:

Length of employment	Days of vacation leave	Vacation pay (salary-based)	Days of paid vacation
12 months	24	96% of salary	24
Second year	25	full salary	25
Third year or more	26	full salary	26

Employees that have been working for a period of 10 years for the same employer or have been working for a period of 12 years for any

employer under any employment relationship are entitled to 30 days of holiday leave.

If an employee has worked for less than a year, he or she will be entitled to two days of leave for every working month. Vacation leave without pay may also be agreed between the parties; it is not a right or an obligation of either party. It may be agreed that leave without pay is on top of the statutory holiday, etc, depending on the individual circumstances. A vacation bonus is also obligatory by statute. This equals 50 per cent of the monthly salary or (if the employee is paid per diem) 13 days' pay.

Under the current legislation, the employee does not have to submit an application (written or oral) in order to get his or her legal annual vacation. The employer is obliged to grant the legal annual vacation to the employee before the termination of the year, even if the employee did not ask for it, otherwise the employer is subject to penal sanctions.

23 Is there any legislation establishing the right to sick leave or sick pay?

According to article 5(3) of Law No. 2112/1920 and article 8 of Royal Decree No. 16 of 18 July 1920, salaried employees may be absent from their work for temporary periods due to sickness without their absence being considered as a ground for unilateral termination of their employment relationship. The employer is obliged to accept them back at work.

By virtue of article 3 of Law No. 4558/1930, a temporary sickness period is considered a period between one, three, four and six months depending on the length of the employment accrued, which would accordingly be four, four to 10, 10 to 15 and over 15 years.

In the event of sickness of salaried personnel, employees will not be paid during the whole period of their absence but as follows:

- if the salaried employee has completed a period of service exceeding 10 days but less than a year, he or she has the right to remuneration of a 15-day period (provided the sickness has a duration of 15 days or more); and
- if the salaried employee has completed a year's service, he or she has the right to a month's remuneration (provided the illness has a duration of one month or more).

If the absence is less than 15 days or a month respectively, the salaried employee shall be remunerated for the period of time of his or her absence.

In any event, the employer has a right to deduct from the above-mentioned remuneration owed to the employee, due to sickness, the amount of money the latter may have received from the Social Security Fund by virtue of the law regarding obligatory insurance. In order for the employee to have the right to a sickness benefit from the Social Insurance Institute, they must have completed at least 120 days of work under the fund's insurance during the calendar year preceding the notice of sickness, or 15 months prior to the notice of sickness without calculating in the second case the days of work realised during the last calendar trimester of the 15-month period. The amount of the daily sickness benefit comes up to 50 per cent of the deemed minimum of the daily salary applicable – on the basis of the respective insurance class remuneration – during the last 30 days of work realised during the calendar year preceding the sickness. This amount constitutes the basic sickness benefit that may be increased according to the family status of the sick employee. Of course, the employer has the right to ask the salaried employee to produce supporting documents proving his or her sickness.

24 In what circumstances may an employee take a leave of absence? What is the maximum duration of such leave and does an employee receive pay during the leave?

There are many situations where an employee would be entitled to take a leave of absence under certain conditions.

The most significant examples, together with the corresponding maximum durations of each, are listed here below:

- leave for the education of trade unionists – up to 14 days of paid leave within the same calendar year;
- school and undergraduate university students up to 28 years of age – up to 30 days per year; remuneration under conditions is given by the Organisation for the Employment of Workforce;

- school and undergraduate university students over 28 years of age have the right to an additional 30 days' leave per year at a maximum, but only for the ordinary length of studies increased by two years, irrespectively of whether the study programme has been attended continuously or intermittently;
- postgraduate students – up to 10 days per calendar year for up to two years without remuneration;
- for voting at national elections – the number of days depends on the distance to cover to reach the town where the voter is registered; leave is paid;
- leave due to sickness of family members – the ordinary period is six days whether continuous or spread within a calendar year. The period is extended to eight days if the beneficiary has two children and to 14 days if the beneficiary has three or more children. If the beneficiaries are spouses, each one is entitled to the leave; leave is unpaid;
- special leave is provided for employees who are minors and are pupils or students at the same time. They have the right to two days' leave for each exam day they participate in. This is unpaid leave and may not be less than 14 days (even if the exams taken are less than seven);
- leave for bringing up children – following the maternity leave and until the child reaches three-and-a-half years of age, each working parent may take an unpaid leave of up to three-and-a-half months;
- leave for visiting a child's school – up to four days per calendar year; leave is paid;
- marriage and childbirth leave – five or six (depending on whether they work five or six days per week) working days for each spouse with remuneration. Upon the birth of a child, the father is entitled to two days of leave with pay;
- maternity leave – 17 weeks or 119 calendar days in total. Eight of those weeks must be allocated before the scheduled or anticipated date of birth. Leave is paid for 15 days if the young mother has not completed one year with the employer, and for one month if she has;
- leave for taking care of a newborn child – for a period of 30 months after the end of the maternity leave, working mothers may start their working day one hour later or finish it one hour earlier. Alternatively, it may be agreed with their employer that during the first 12 months they shall take two hours off accordingly; in that case they shall have one hour off for the following six months. A father would be entitled to the same time off if the right is not exercised by the mother; leave is paid;
- special provision for the protection of motherhood. This benefit is established by Law No. 3655/2008 and provides for a six-month leave for mothers insured by the Social Insurance Institute. This leave is taken after the end of the maternity leave and the leave for bringing up children mentioned above; in the event of protection of motherhood maternity leave, the Greek Manpower Employment Organisation shall pay to the employed mother monthly an amount equal to the minimum salary as each time specified in the collective employment agreement, as well as proportional holiday leave on the basis of the above-mentioned amount; and
- leave without remuneration – this is subject to agreement between the employer and the employee.

25 What employee benefits are prescribed by law?

The most important employee benefits prescribed by law are holiday bonus, unemployment benefit, child benefit, military service benefit, family benefits, sickness benefit, marriage benefit, maternity benefit, special provision for the protection of motherhood, service benefit (for employees having completed many years of service) and Christmas and Easter benefit.

In view of the recent developments in the Greek economy, many benefits applicable to public servants and employees working under labour contracts of either public or private law have been significantly cut, according to Law Nos. 3833/2010 and 3845/2010. Remuneration benefits of every kind have been decreased by 20 per cent for employees working in the core public sector (public law corporate sector, municipalities, army, police, etc) and by 10 per cent for employees working at private law corporate bodies regularly sponsored by the public sector or in which the public sector has ownership rights.

Furthermore, Easter and Christmas welfare benefits and the annual benefit of paid leave have been set at €250 to €500 each, subject to the public employee receiving a gross total pay lower than €300 per month, according to article 3 of Law No. 3845/2010. New decreases in wages and benefits took place under the recently voted Law No. 3899/2010.

By virtue of the very recent No. 6 Act of Ministerial Council, for the implementation of paragraph 6 of article 1 of Law 4046/2012, the regulatory conditions of collective labour agreements that have already expired or that have been terminated are valid only for a period of three months from the time that Law 4046/2012 has been in force. After that period and if in the meantime no new collective labour agreement is signed, then the only regulatory conditions that remain in force are those that are related to the benefits of maturation, children, education and dangerous work, under the condition that those benefits were actually provided for in the collective labour agreements that have expired or been terminated. Any other prescribed benefit shall be immediately terminated.

26 Are there any special rules relating to part-time or fixed-term employees?

Employment under rotation (or underemployment)

This is full-time work, but only for certain days of the week, certain weeks of the month or certain months of the year, or a combination of these alternatives. The daily working hours remain full. This is freely agreed between an employer and an employee, subject to the applicable statutory minimum salaries, applied accordingly to the lesser hours of work agreed. According to Law No. 3846/2010 (article 2, paragraph 3), as amended by article 17, paragraph 1 of Law 3899/2010, an agreement for underemployment must be in writing and must be submitted to the local LIA. Underemployment may also subsequently occur following a significant decrease in the employer's business activities and subject to an agreement with the competent labour union. In this case, the duration of the underemployment must not exceed nine months of the same year.

Temporary employment (part-time employment)

This is employment for all days but for fewer hours than the ordinary statutory prescribed working schedule. It is subject to the same procedural formalities as the employment under rotation (article 38 of Law 1892/1990, as amended by article 2 of Law 3846/2010). The disclosure of the part-time contract to the LIA must be made within eight days from the day on which it was signed; otherwise it is presumed to conceal a full-time employment contract. The part-time employee, provided that he or she performs work on the same terms as employees of the same class, has a right of priority to be recruited to a full-time job in the same company. Termination of the employment contract due to the non-acceptance of the employer's proposal for a part-time employment by the employee is invalid. It is noted that the earnings of employees with a part-time employment contract are calculated on the basis of the earnings of a comparable employee and correspond to the hours of the part-time employment. If the part-time employment is less than four hours per day, the remuneration of the part-time employees is increased by 7.5 per cent. By virtue of law 3899/2010 it is possible under certain conditions for the employer, in order that he or she avoids dismissal of employees, to unilaterally impose a system of part-time employment for a maximum period of nine months within the same calendar year. Among the conditions that have to be fulfilled is a mandatory consultation with the work reps of the employees.

Fixed-term employment contracts

These are freely agreed upon, subject to the condition that the meaning of 'fixed term' must not be abusively adopted by an employer who in reality intends to cover his or her permanent needs (see question 11).

Post-employment restrictive covenants

27 To what extent are post-termination covenants not to compete, solicit or deal valid and enforceable?

Although not explicitly prohibited, the validity of contractual clauses not to compete must not be taken for granted; these clauses are controlled according to articles 178 (contractual term contrary to moral

standards) and 179 (contractual term limiting to a great extent the freedom of the weak contractual party) of the Civil Code, following an evaluation of all the special conditions of each specific case. One basic element, which supports the validity of such a clause, is the provision of consideration to the employee for the undertaking of the obligation of non-competition that, as a rule, will be constituted by the payment of a reasonable restitution to cover the financial damage that the co-contracting party will endure during the committing period. In practice, a very high salary may justify a post-termination covenant not to compete. Conversely, the lack of provision of consideration is a very important element that would assist the weaker party to challenge the validity of a non-competition clause. There is no statutory maximum period for non-competition covenants, but a court will assess the reasonableness of the period agreed.

28 Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

No, there is no such rule. However, in order for post-employment restrictive covenants to survive the anti-abuse test that will be applied by the courts, any consideration (payment, etc) given to the employee will count in the employer’s favour. In Greece, in practice, such consideration would be a higher salary (during employment) and not a payment after the employment is terminated.

Liability for acts of employees

29 In which circumstances may an employer be held liable for the acts or conduct of its employees?

According to the general provision of article 914 of the Civil Code, anyone who unlawfully damages another person is obliged to compensate him or her. According to article 922 of the Civil Code, a master or mistress would be liable for any damages that his or her servant caused to a third party by his or her acts or omissions during service. By the combination of the above-mentioned provisions, it arises that under the same circumstances, an employer is liable for compensation to a damaged party because of its own actions or omissions, it will also be liable for the actions or omissions of its employees.

Taxation of employees

30 What employment-related taxes are prescribed by law?

Payment of income tax burdens employees, but employers are obliged by law to deduct the tax from the employees’ wages and to disburse it respectively to the competent tax office. The withholding tax on income from wages – pensions is calculated according to the following scale (article 15 of Law No. 4172/2013):

Income (€)	Tax rate (%)
Under 20,000	22
20,001-30,000	29
30,001-40,000	37
Over 40,001	45

Regarding employees that are paid per month, as well as those paid each day who provide their services under an employment contract for more than a year to the same employer or under an open-ended contract of employment, the monthly net income is defined by deducting from the gross wage only the amounts of the lawful deductions for obligatory insurance contributions for which the employee is burdened. The definition of ‘monthly net income’ includes both salary and any other pay packets of the same period (overtime, working on a bank holiday or a Sunday, etc), which are all set in one payroll. Afterwards, every month the monthly net income is readjusted to define the overall annual net income of every employee. To calculate the overall annual net income, the net salary amount is multiplied by 12, to which is added a Christmas bonus, Easter bonus and holiday benefits. Any other additional pay packages are also added to the calculation. Afterwards, the amount of tax that has to be deducted is calculated according to the applicable tax scales. In practice, if the employee has no other sources

of income, following the submission of his or her annual tax return, there will no be further tax to be paid.

Moreover, independent taxation is imposed on compensation paid to employees when they are dismissed and on vacation allowance.

Employee-created IP

31 Is there any legislation addressing the parties’ rights with respect to employee inventions?

This used to be governed by article 668 of the Civil Code, which has now been abolished.

The applicable rule is now provided in article 6 of Law No. 1733/1987, according to which all rights related to an invention of an employee belong to the employee, except where the invention may be classified as:

- an ‘invention of service’, in which case the rights belong exclusively to the employer; or
- a ‘depended invention’, in which case the rights are split, with 40 per cent going to the employer and 60 per cent to the employee.

‘Invention of service’ is the product of the contractual relationship between an employer and an employee that is expressly aimed at the development of inventions. In cases of ‘invention of service’, an employee may be entitled to additional remuneration if the invention is significantly profitable for the employer.

A ‘depended invention’ is an invention realised by an employee with the use of the means, information and materials of the employer. In this situation, the employer has priority over the exploitation of the invention in exchange for compensation given to the employee relative to the economic value of the invention. After completing his or her invention, the employee must notify his or her employer accordingly and the employer has a time limit of four months after the notification to declare its intention to submit a common application together with the employee for the registration of the invention. Failure of the employer to declare its intention within the above-mentioned period gives a right to the employee to submit an application by him or herself and register and exploit the invention in his or her own name and account. An employee may not contractually waive any of his or her rights mentioned above.

32 Is there any legislation protecting trade secrets and other confidential business information?

There is no direct reference to the concept of trade secrets and other confidential business information in Greek law. However, the trade secrets, as an independently protected legal right, are protected by articles 16 to 18 of Law 146/1914 (‘Unfair Competition’) and article 45, section 1 of Law 2121/1993.

Data protection

33 Is there any legislation protecting employee privacy or personnel data? If so, what are an employer’s obligations under the legislation?

Yes, Law No. 2472/1997 (the Data Protection Law), as amended by Law No. 3471/2006, protects employee personal data. An employer is obliged to announce to the DPA the possession of a database, the transfer of a third party’s database, the interconnection of databases and the existence of a closed-circuit TV system. When data is related to sensitive information (information that refers to the religious, philosophical, national, political background or beliefs, sexual life, previous criminal convictions, health, social welfare, etc, of an employee), the law requires prior approval by the DPA. For practical reasons, the law also provides for exceptions from these obligations – for example, where the processing is realised for the purposes of an employment relationship or where this process is necessary for the mutual fulfilment of contractual or legal obligations and the employee has been informed in advance. The employer, at the stage of the collection of personal data, is obliged to inform the employee of the exact identification details of the employer or his or her representative, the purpose of processing personal data and the recipients of such data. The employee must also be informed that he or she has a right of access to his or her personal data file and a right to deny the processing of his or her personal data

Business transfers**34 Is there any legislation to protect employees in the event of a business transfer?**

In the event of a corporation being transferred, the relevant impact on labour relations is regulated by article 4(1) of Presidential Decree No. 178/2002, through which Greece has adopted Directive 98/50/EC. In parallel, article 6(1) of Law No. 2112/1920, article 9(1) of Royal Decree No. 16 of 18 July 1920 and article 8 of the Presidential Decree of 8 December 1928 (regarding the protection of the rights of employees of public order, where no waiver of relevant rights is excused) are also in force. By the combination of the above-mentioned provisions, it is provided that:

- the protection of the employee is not limited to the protection of the right of compensation according to Law No. 2112/1920;
- the new employer assumes all the pre-existing employer's obligations;
- the labour relationship is preserved in its entirety; and
- the employment position is secured and the employee's demotion is forbidden.

Termination of employment**35 May an employer dismiss an employee for any reason or must there be 'cause'? How is cause defined under the applicable statute or regulation?**

Employment contracts of an indefinite time can be terminated without restraints and at any time by the employer, provided that he or she abides by the legal formalities, that is, notification to the employee of the written termination of the employment contract and payment of the lawful compensation. In the event of the duration of the employment contract being less than 12 months ('trial period', according to article 17, paragraph 5 of Law 3899/2010), the employer may terminate the contract without any formalities, having no obligation to give compensation to the employee.

Fixed-term employment contracts terminate ipso jure, without the obligation of compensation or of any other action, when their fixed duration expires. Nevertheless, in the event of a serious reason that could justify the termination of the employment contract before its expiry date, the employer (and the employee) may terminate the employment contract before that date, without recovery. The law does not specify which reasons may be considered as serious; therefore this is left to the judgement of the court. Any event that objectively, according to good faith and moral conventions, constitutes a breach of the essential terms of the employment contract, and because of which the employment relationship may not reasonably continue up to its expiry date, may be considered as a serious reason. Indicatively, case law has in the past considered as serious reasons the following:

- breach by the employee of essential terms of the contract;
- continuous and unjustifiable absence of the employee;
- improper and abusive behaviour of the employee towards his or her employer;
- non-fulfilment of his or her work with assiduity; and
- demonstration of professional insufficiency.

The invocation on the part of the employer of a serious reason is controlled under Greek law (article 281 of the Civil Code). According to this article, exercising a right is prohibited if it manifestly exceeds the limits imposed by good faith or morality or the social and economic purpose of the right.

Indicatively, case law has in the past considered as serious reasons the following:

- the employee was dismissed because he or she refused to give up his or her legal rights;
- the employee developed his or her trade union action and took part in a lawful strike;
- the employee submitted for a period off work according to the law; or
- the employee protested to the competent government authorities for violations of the law by the employer.

In the case of such an abusive and unfair cause, the employment contract is considered as not terminated and the employee still has right to the salary as provided by the law.

36 Must notice of termination be given prior to dismissal? May an employer provide pay in lieu of notice?

This is only applicable to employment contracts of indefinite term. Compensation is calculated according to the years of service at the same employer and if the appropriate notice is given, it may be half of what would be if no notice is given. According to the new law (4093/2012), subjects relating to the notice of termination, as well as of the compensation, are regulated as follows:

Length of employment with same employer	Without advance notice	With advance notice	
	Compensation (times nominal salary)	Advance notice	Compensation (times nominal salary)
1 year completed to 2 years	2 months	1 month	1 month
2 years completed to 4 years	2 months	2 months	1 month
4 years completed to 5 years	3 months	2 months	1,5 months
5 years completed to 6 years	3 months	3 months	1,5 months
6 years completed to 8 years	4 months	3 months	2 months
8 years completed to 10 years	5 months	3 months	2,5 months
10 years completed	6 months	4 months	3 months
11 years completed	7 months	4 months	3,5 months
12 years completed	8 months	4 months	4 months
13 years completed	9 months	4 months	4,5 months
14 years completed	10 months	4 months	5 months
15 years completed	11 months	4 months	5,5 months
16 years completed	12 months	4 months	6 months
17 years completed	12 months + 1 month	4 months	6 months + 0,5 month
18 years completed	12 months + 2 months	4 months	6 months + 1 month
19 years completed	12 months + 3 months	4 months	6 months + 1,5 months
20 years completed	12 months + 4 months	4 months	6 months + 2 months
21 years completed	12 months + 5 months	4 months	6 months + 2,5 months
22 years completed	12 months + 6 months	4 months	6 months + 3 months
23 years completed	12 months + 7 months	4 months	6 months + 3,5 months
24 years completed	12 months + 8 months	4 months	6 months + 4 months
25 years completed	12 months + 9 months	4 months	6 months + 4,5 months
26 years completed	12 months + 10 months	4 months	6 months + 5 months
27 years completed	12 months + 11 months	4 months	6 months + 5,5 months
28 years completed and further	12 months + 12 months	4 months	6 months + 6 months

Note:

- Employment contracts of indefinite duration will be deemed probationary for the first 12 months from the date of effect and may be terminated without prior notice and without dismissal compensation, unless otherwise agreed by the contracting parties.
- For the calculation of extra compensation provided for the employers of 17 completed years of experience, a regular salary over €2000 is not taken into account.

Update and trends

Employment issues are pending in the agenda of the negotiations of Greece with representatives of its creditors (IMF/EU) for the completion of the current review of the austerity programme.

There are four major issues which were reintroduced in the latest meeting between the representatives of the Institutions and Labour Minister:

- Collective redundancies. The IMF is calling for the abolishment of the current role of the Ministry of Labour in preauthorising collective redundancies. It is recalled that in December 2016, the European Court of Justice held that the rule currently in force in Greece enabling the central government to preauthorise collective redundancies is not contrary to EU law.
- Collective agreements. The reintroduction of the institutional role of sectoral collective agreements is one of the main priorities of the Ministry of Labour. The 'thorny issue' in this case is the extendibility of sectoral collective agreements which the IMF firmly rejects. It should be noted that, according to a 2011 law, company-level agreements take precedence over sectoral

collective agreements. Therefore, the IMF does not intend to withdraw with respect to a rule that it considers crucial for the labour market. There are different approaches on the matter from employers' organisations, as they express the view that the horizontal application of the extendibility of sectoral labour agreements to all enterprises in a sector may further exacerbate the already existing problems faced by many businesses.

- Trade union law. In this case, the IMF is calling, in addition to a change in the decision-making process with regard to strikes, for the drastic reduction of trade union 'privileges' that were established by Law 1264/82.
- Lock-out. Greece is among the countries that explicitly prohibit lock-outs. The IMF is calling for the establishment of lock-outs in Greece in spite of the fact that offensive lock-outs do not exist in any country. Conversely, defensive lock-outs exist, but under strict conditions, in several countries, such as Germany, Belgium, England and Spain.

37 In which circumstances may an employer dismiss an employee without notice or payment in lieu of notice?

Employment contracts of fixed term are terminated upon their expiration date, without any formalities needed and of course without any compensation paid to the employee.

Furthermore, in the event of the indefinite-term employment contract being less than 12 months ('trial period', according to article 17, paragraph 5 of Law 3899/2010), the employer may terminate the contract without any formalities, having no obligation to give compensation to the employee.

Finally, the employer may terminate an employment contract of indefinite term without prior notice and without any compensation, in the case of a submission of a criminal lawsuit against the employee for an offence committed in the course of his or her service (article 5, paragraph 1 of Law 2112/1920).

38 Is there any legislation establishing the right to severance pay upon termination of employment? How is severance pay calculated?

See question 36. Upon termination without dismissal, for example, upon the expiry of a fixed-term employment relationship, there is no right to severance pay.

39 Are there any procedural requirements for dismissing an employee?

A dismissal must be made in writing and any compensation owed to the employee must be paid upon dismissal, otherwise the termination of the employment contract is not valid. According to Law No. 3863/2010 article 74, paragraph 3, when the compensation for termination of the contract exceeds the salary of two months, the employer must pay to the dismissed employee, at the time of dismissal, part of the compensation, corresponding to salaries of two months. The remaining amount is paid in bimonthly instalments, each of which cannot be lower than earnings of two months, except the last instalment, which can be smaller. The first instalment must be paid the day after completing two months of the dismissal. A notification of the dismissal must be filed with the competent organisation for the employment of workforce or, if there is no competent office in the vicinity, at the local police station. No prior approval by any authority is required for the dismissal.

40 In what circumstances are employees protected from dismissal?

In principle, an employer is entitled to dismiss employees freely.

The following categories are generally protected:

- employees who are on leave;
- employees who are serving their military service;
- pregnant women, during their pregnancy and for one year after the birth;
- drug addicts, provided that they participate in a programme for their cure; and

- trade unionists without following a special procedure prescribed by law.

All employees are protected against unfair dismissal, inter alia, in the following circumstances:

- when dismissal is attributed to their sex or family status;
- when dismissal is attributed to the hostile or vengeful behaviour of the employer following any form of harassment to which the employee did not consent; and
- when dismissal is attributed to the fact that the employee has confessed lawfully in a court of law or other authority.

41 Are there special rules for mass terminations or collective dismissals?

Yes. Mass terminations or collective dismissals are defined as dismissals realised by companies that employ at least 20 employees, the reasons for which are not attributable to the employees and that exceed certain numerical limits. The protective provisions in relation to collective dismissals only apply to employment contracts of an indefinite term.

Mass terminations or collective dismissals must take place within the limits set by the law. Thus, the limits beyond which the dismissals are considered abusive are (according to article 74, paragraph 1 of Law No. 3863/2010) up to six employees for companies with 20 up to 150 employees; and up to 5 per cent of the personnel and up to 30 employees for companies with more than 150 employees.

An employer who wishes to proceed to collective dismissals must comply with the following procedural steps:

- inform the representatives of the employees about its intention and discuss them in order to investigate possible alternative solutions;
- notify in writing the employee's representatives of the reasons for which the collective dismissals are planned, the number of people employed in total, the number of employees that are to be dismissed classified by sex, age and specialisation and any useful information that may help the proposition of alternative solutions; and
- submit the above-mentioned documents to the prefect and LIA official.

The above procedures are followed within time limits prescribed in statute. If there is no agreement between the employer and the employees, the prefect or the Minister of Labour may not consent to the collective dismissals; in the latter case, the employer shall limit the dismissals to the number of employees limited by the prefect's or Minister's decision. If the relevant prefect's or Minister's decision is not issued within the prescribed time limits, the employer may freely dismiss the number of employees that it itself agreed to during the negotiations with the employees.

In all other respects, the provisions regarding dismissal of employees employed under a contract of indefinite term apply (written notice, compensation, etc).

42 Are class or collective actions allowed or may employees only assert labour and employment claims on an individual basis?

According to article 668 of Code of Civil Procedure (CCP), during the procedure under articles 664 to 676 (labour disputes) more than one employee may sue or be sued when the rights or obligations derive only by the same legal cause.

Furthermore, article 669 of the CCP provides that recognised professional trade unions of employees or employers, recognised associations of them or chambers have the right to exercise in favour of their members the rights that derive from a collective agreement or other provisions in lieu of the collective agreement, unless the members have explicitly expressed their opposition. However, they maintain the right to intervene in favour of a party if this party is a member of them or member of any of the organisations belonging to the association; or in any proceedings relating to the interpretation or application of a collective employment contract in which they participate, or of a provision in lieu of the provisions of such a collective agreement, in order to protect the collective interest that is connected to the outcome of the trial.

43 Does the law in your jurisdiction allow employers to impose a mandatory retirement age? If so, at what age and under what limitations?

Under Greek legislation, there is no provision requiring employees to cease work when they have completed the requirements necessary to reach retirement age; an employee's reaching retirement age shall not result in the automatic termination of the employment relationship between the employee and his or her employer. Provision is made within the law for a separation from employment or dismissal in return for reduced compensation under certain conditions.

Dispute resolution**44 May the parties agree to private arbitration of employment disputes?**

No. According to article 867 of the CCP, private law disputes may be subject to arbitration if the parties who agree to arbitration have the power to freely dispose of the subject matter of the dispute, but the article expressly excludes all disputes governed by article 663 of the CCP, that is, employment law disputes. These latter are subject to special litigation procedures that are provided in articles 664 to 676 of the CCP.

For issues concerning the procedure of resolving collective disputes, if the negotiations fail, the parties have the right to request mediation services or to resort to arbitration, according to the procedure described in Law No. 3899/2010 (articles 14 to 17).

45 May an employee agree to waive statutory and contractual rights to potential employment claims?

According to article 679 of the Greek Civil Code, an employee may not agree to waive the specific statutory rights that are provided in articles 656 to 658, 659(2), 667, 668(2), 670, 674, 677 and 678. The most important of these rights are:

- the right to receive a salary where the employer is in delay of payment;
- the right to receive a salary when the employee is prevented from offering his or her services for serious reasons;
- rights to additional payment for additional work;
- the right to annual leave; and
- the right to terminate the contract of employment.

Also, it may not be agreed that an employer can offset an employee's salary against debts of the employee and that an employer has no responsibility for the implementation of health and safety at work regulations.

46 What are the limitation periods for bringing employment claims?

The general statute of limitations is five years, by virtue of article 250(17) of the Civil Code.

However, other provisions of special laws provide for specific limitation periods, concerning several employment claims, such as:

- any employee claim arising from invalidity of the agreed dismissal must be served by lawsuit to the relevant employer within the mandatory three-month period following termination of the employment relationship, otherwise it is inadmissible (article 6, paragraph 1 of Law 3198/1955); and
- any employee claim for payment or completion of the compensation due to dismissal, according to Law No. 2112/1920 or Royal Decree 16/18.07.1920, is unacceptable if that treatment was not disclosed to the employer within six months after it became due (article 6, paragraph 2 of Law 3198/1955).

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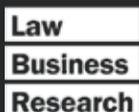
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