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Greece

Employment and Labour Law

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Greece: Employment and Labour Law

1. Does an employer need a reason to lawfully terminate an employment relationship? If so, state what reasons are lawful in your jurisdiction?

In principle, under Greek Labour Law (hereinafter "GLL"), mainly Law 2112/1920, Law 3198/1955 and Law 4808/2021 (as all of them codified under Presidential Decree 80/2022), an employment agreement may lawfully be terminated at any time without any cause. Therefore, the termination of an employment agreement is considered as a "causal transaction", insofar its validity does not depend on the existence of a particular cause.

However, in certain cases, GLL requires that the condition of a "serious cause" is met, to lawfully proceed with the termination of an employment agreement. These cases concern mainly special categories of employees such as pregnant or breastfeeding employees, employees who recently became fathers, or trade union representatives, who are protected against dismissal for a certain period.

Moreover, article 66 of Law 4808/2021 provides for specific reasons due to which any termination may be considered as invalid (e.g., *discrimination against employees, exercise of legal or contractual rights on behalf of the employee, retaliation against an employee, etc.*).

Kindly note that, should the employee challenge the validity of their dismissal claiming that it was prohibited by law and provide evidence to the extent stipulated by the respective framework, it is up to the employer to refute such claims and prove that the grounds for the dismissal differ from the grounds stated by the employee and were indeed lawful.

2. What, if any, additional considerations apply if large numbers of dismissals (redundancies) are planned? How many employees need to be affected for the additional considerations to apply?

"Collective dismissals" (or "collective redundancies" or "massive layoffs") are regulated by virtue of Law 1387/1983, as amended and currently in force. According to the Law, companies or establishments employing at

least 20 and up to 150 employees may dismiss up to 6 employees on a monthly basis; furthermore, businesses employing more than 150 individuals, may dismiss up to 5% of their personnel but no more than 30 employees on a monthly basis.

If according to the business plan, these limits are going to be exceeded, dismissals are classified as "collective". In such an event, the employer is required to follow certain procedural steps of information and consultation with the worker's representatives.

In a nutshell, the main steps of this procedure ("*information & consultation*"), which must be kept prior to the implementation of the collective dismissals, are the following:

a) the employer consults with the workers' representatives ("*consultation*") with a view to reducing the number of the dismissed or to mitigating the negative effects of the dismissals,

b) at the same time, the employer informs the workers' representatives by

1. providing any information necessary, and
2. informing in writing about key items, such as the grounds leading to the collective dismissals project, the number, and the categories of the employees under dismissal, the number and the categories of the employees usually employed within the business or the establishment, the time where the dismissal are to be effective, as well as the criteria on the selection of the employees to be dismissed.

The duration of the "*consultation & information*" procedure is thirty (30) days, starting off from the respective employer's invitation to the workers representatives. The participating parties should keep record of their opinions on the collective dismissals project. At the end of this procedure, the employer submits this record as well as any other document used during consultations to the Supreme Labour Council, a public body competent to supervise collective dismissals (hereinafter "*the Council*").

If the procedure is "*successful*", i.e., the parties reach an agreement on the execution of the dismissals plan, the

dismissals may take place according to the terms and conditions agreed, ten (10) days after the submission of the records to the Council.

On the contrary, i.e., whether the parties fail to reach such agreement, the Council determines whether the employer has fulfilled their respective obligations.

In this case, the Council will:

- either rule that the employer's obligations were fulfilled the employer could proceed with the dismissals twenty (20) days after the Council's respective decision;
- either rule that the employer's obligations were not fulfilled in such an event, the Council may extend the consultation period or set a deadline to the employer in order to fulfil their obligations.

Regardless of the aforementioned, the collective dismissals plan is considered valid (even if no agreement is reached) given that sixty (60) days have passed after the submission of the consultation records to the Council on behalf of the employer.

3. What, if any, additional considerations apply if a worker's employment is terminated in the context of a business sale?

A business sale may be considered as a transfer of undertaking. Thus, the terms and conditions of the "transfer of undertakings" framework (Presidential Decree 178/2002, as codified with articles 347 to 356 of Presidential Decree 80/2022) may apply. According to this framework, the transfer of an undertaking does not constitute grounds justifying an employee's dismissal, either this dismissal is conducted by the transferor or the transferee. Furthermore, if, according to business sales plan, the transfer of an undertaking will change the status of employment within the transferor or the transferee, both of the employers should inform and consult with the representatives of the workers on the imminent changes. However, after the transfer of an undertaking, the transferee may proceed with such dismissals, only given technical or organizational reasons impose such necessity to reduce the personnel within the Company.

4. What, if any, is the minimum notice period to terminate employment? Are there any categories of employee who typically have a contractual notice entitlement in excess of the minimum

period?

The duration of the minimum notice periods in GLL closely relates to the tenure an employee has completed with the same employer.

Length of service	Notice period
1 day to 12 months	no notice period obligation
12 months (completed) to 2 years	1 month
2 years to 5 years	2 months
5 years to 10 years	3 months
more than 10 years	4 months

Table A' : Employer's minimum notice periods (according to tenure completed)

If notice is given, the employer shall pay half (50%) of the statutory severance payment. On the other hand, if the employer decides to terminate an employment agreement immediately, i.e., without granting any notice period, is obliged to pay the entire (100%) statutory severance payment.

Employees should also notify their employer in case they wish to terminate their employment. According to the law, the notice period that an employee must keep up to is half of the notice period provided by the employer and up to three months. More specifically:

Length of service	Notice period
1 day to 12 months	no notice period obligation
12 months (completed) to 2 years	15 days
2 years to 5 years	1 month
5 years to 10 years	1 month & 15 days
more than 10 years	2 months

Table B' : Employee's minimum notice periods (according to tenure completed)

In principal, the parties are free to negotiate and agree on notice periods, longer than those provided by law, in the case a notice is given by the employer. On the other side, if a notice is given on behalf of the employee, the Law sets a three (3) month-period as a maximum limit hence, in such a case, no further notice-period may be agreed.

5. Is it possible to pay monies out to a worker to end the employment relationship instead of

giving notice?

With some exemptions provided by law or the caselaw of the Greek Courts, an open-ended employment agreement may only be terminated lawfully when the employer pays the statutory severance payment, given of course that the employee has completed a twelve (12) months tenure.

As mentioned in item (4), employers who decide to immediately terminate an employment agreement, i.e., without providing the employee with a notice period, are required by law to pay the full statutory severance payment, not half of it as in the case where a notice period is actually granted.

6. Can an employer require a worker to be on garden leave, that is, continue to employ and pay a worker during his notice period but require him to stay at home and not participate in any work?

“Garden leave” was only recently introduced in GLL by virtue of article 65 of Law 4808/2021. According to this provision, when terminating an employment agreement with notice, employers may require that the employee stays at home and not participate in any work (fully or partially), while at the same time paying the employee their wages for the notice period. However, during the “garden leave period” employees are free to provide their work elsewhere.

7. Does an employer have to follow a prescribed procedure to achieve an effective termination of the employment relationship? If yes, describe the requirements of that procedure or procedures.

Complying with the provisions of the law and following several – yet simple – procedural steps when terminating an employment agreement is key for employers who wish to mitigate any adverse consequences that may arise at each and any case. These steps differ essentially in the cases of open-ended and fixed-term employment agreements. More specifically:

a. Open-ended employment agreement

When terminating an open-ended employment agreement, employers shouldn't forget to:

- **terminate the employment agreement “in writing”**: Verbal dismissals are prohibited under Greek Law. Employers must provide employees with a document informing them on the termination of their employment

agreement. However, there is no need to state a certain reason justifying the dismissal itself (see item [1]) This document (usually, Document E6) must be sealed and signed by the company's legal representative or any other person who has been properly authorized respectively. However, what happens in case the employee concerned refuses to sign or to receive the termination document? According to the prevalent practice, in the case the employer will just have to send this document to the employee by means of an extrajudicial statement directed to them and duly delivered by bailiff.

- **properly calculate the statutory severance payment**: Employers must be very careful when calculating an employee's severance payment, regardless of whether a written notice is given or not and given of course that the employee is eligible to receive such payment. Please note that the basis for calculating this payment is gross regular salary of the employee during the last month of full employment prior to their dismissal. Furthermore, the statutory severance payment is paid to the employee's bank account. After proceeding with such payment, employers should provide their employees with a separate payslip and a bank transfer receipt proving the amount paid as well as the date of transfer.
- **inform the competent authorities**: Employers proceeding with terminating open-ended employment agreements are required to notify each dismissal to the “ERGANI” Informational System, managed by the Public Employment System, managed by the Public Employment Authority (DYPA) and the Labor Inspectorate within four (4) working days after the dismissal.

b. fixed – term employment agreements

When terminating a fixed-term employment agreement, employers shouldn't forget to:

- **provide a “serious ground”** justifying the termination: In principle, a fixed-term employment agreement is terminated after its term expires. In this case, employers, apart from the obligation to inform the competent authorities, as mentioned below, usually hold no other specific obligation. In other words, employers are not required to provide any document to the employee regarding the

expiry of the term agreed, not to pay them the statutory severance payment. However, when employers decide to terminate a fixed-term agreement prior to the expiry of the term agreed, they should provide a "serious ground" (e.g., serious breach of contractual obligations, unjustified absenteeism, improper execution of duties, criminal convictions, etc) justifying such premature termination of the employment. Otherwise, the employer may be enforced to pay the employee all the remuneration that the latter would have received in case the agreement was not prematurely interrupted. Please note that according to Greek law and the relevant practice a fixed-term employment agreement may include a "premature termination" clause: in this case, the fixed-term employment converts into an indefinite period employment agreement and the respective framework (see item [7], point [i]) applies.

- **inform the competent authorities:** Employers proceeding with terminating open-ended employment agreements are required to notify each dismissal to the "ERGANI" Informational System, managed by the Public Employment Authority (DYPA) and the Labor Inspectorate within four (4) working days after the dismissal.

8. If the employer does not follow any prescribed procedure as described in response to question 7, what are the consequences for the employer?

There is not one answer to this question. In fact, consequences may differ essentially in accordance with the violation occurred on the employer's behalf. Hence, estimating such consequences requires answering several relevant "what if's":

a. What if an employer doesn't terminate the employment agreement in writing?

According to article 66 of Law 4808/2021 employer have a second chance in case they have not terminated an employment agreement in writing, since law allows them to cover such omission within one (1) month starting either from the service of a relevant legal action or the submission of a complaint before the Labor Inspectorate on behalf of the employee concerned.

b. What if a document is indeed provided yet it is not sealed and signed by the legal representative or a duly authorized person?

In this case, the termination is considered inexistent and the employment agreement valid and in force.

c. What if an employer doesn't pay the statutory severance payment or pays just part of it?

If no severance pay is made at all, the termination of the employment agreement is indeed perceived as null and void. However, if the employer pays only part of the severance payment (e.g., due to a miscalculation) the competent Court will enforce the employer to pay the difference to the employee concerned.

d. What if an employer doesn't notify the competent authorities about the termination of an employment agreement?

In such an event, the validity of the employment's termination is not affected. However, the employer may be fined with an administrative penalty.

9. How, if at all, are collective agreements relevant to the termination of employment?

Collective agreements may include terms regarding the termination of employment agreement, usually within the same company. Such terms may include among others the provision for additional (to the statutory) severance payments, or an age limit where an employment agreement may be terminated automatically. In any case, collective agreements may only provide higher level of protection in favor of the employees concerned.

10. Does the employer have to obtain the permission of or inform a third party (e.g local labour authorities or court) before being able to validly terminate the employment relationship? If yes, what are the sanctions for breach of this requirement?

There is no such general prerequisite under GLL, except for the implementation of a collective dismissals plan, where the employer has to consult/inform worker's representatives before proceeding with the dismissals (see item 2 hereinabove) and to inform the Supreme Labour Council on the procedure and its results. In the latter case, an employer breaching this obligation will most likely face administrative fines. Additional, in case of a business sale and where the legal framework on the transfer of undertakings apply, both the transferor and the transferee should consult with the representative of their respective employees, given that this business decision will affect the status of employment, including

future dismissals or equivalent measures.

11. What protection from discrimination or harassment are workers entitled to in respect of the termination of employment?

Law 4443/2016 prohibits any discriminatory treatment on the basis of race, colour, nationality or ethnic origin, descent, religious or other convictions and beliefs, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender, in all aspects of work, including of course the termination of employment. Employees facing discriminatory practices may bring actions against their employer, claiming reimbursement for monetary or non-monetary damages, restoration of the employer, etc. Furthermore, employees are protected against dismissal or retaliation. In addition, in discrimination and harassment cases employees may benefit from the shift of the burden of proof, as stipulated by law.

12. What are the possible consequences for the employer if a worker has suffered discrimination or harassment in the context of termination of employment?

The termination of an employment agreement in violation of the non-discrimination or the non – harassment principle may be ruled invalid by virtue of a competent Court's decision. Furthermore, employers who breach these prohibitions may be subject to criminal and administrative sanctions. Lastly, employees who question the validity of their dismissal and provide evidence enough to create the belief that there has been a breach of the non-discrimination principle, the employer bears the burden to prove a lawful ground justifying the dismissal.

13. Are any categories of worker (for example, fixed-term workers or workers on family leave) entitled to specific protection, other than protection from discrimination or harassment, on the termination of employment?

Indeed, GLL provides for certain protected categories of employees or circumstances during which the termination of an employment agreement is either prohibited or allowed under specific terms and conditions.

a. Prohibition of termination during annual leave.

The termination of the employment agreement is strictly prohibited during annual leave.

b. Members of trade unions Boards of Directors (BoD).

Law 4808/2021 states that the termination of an employment agreement of employees who serve as members of trade unions BoDs may occur only if based on serious grounds. This kind of protection is in force throughout the employees' tenure as a BoD member and up to one (1) year after the expiry of their tenure.

c. Protection of employees with parental responsibilities.

Pregnant/breastfeeding employees cannot be dismissed throughout the period of their pregnancy and up to eighteen (18) months following the delivery of the child. On the other hand, father employees are protected against dismissals for a period of six (6) months following childbirth. Any dismissal within the periods mentioned hereinabove is permitted only if based on "serious grounds".

Furthermore, in these cases, the employer is required to justify in writing the grounds substantiating the termination of employment, and to notify accordingly both the employee concerned and the competent Labour Inspectorate.

Lastly, Law 4808/2021 explicitly prohibits the dismissal of an employee on the grounds that they applied for or have taken parents leaves or have exercised the right to request flexible working arrangements as stipulated by law.

14. Are workers who have made disclosures in the public interest (whistleblowers) entitled to any special protection from termination of employment?

According to Article 19 of the Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (Whistleblowing Directive), reporting persons working in the private or public sector who acquired information on breaches in a work-related context (whistleblowers) should be protected against retaliation of any form, whether directly or indirectly, either by their employer and by persons working for or acting on behalf of the employer. Forms of such retaliation may include failure to renew, or early terminate a temporary employment agreement, harassment or other punitive or discriminatory treatment.

This Directive was incorporated into the Greek legal

system with Law 4990/2022 (Government Gazette Vol. A', 210). According to Article 17 of Law 4990/2022 on the termination of the employment agreement, any form of retaliation against persons (including workers) who have obtained information about violations and in particular the suspension or the dismissal of an employee or any other equivalent measure against them is strictly prohibited.

At the same time, Article 20 par. 3 of Law 4990/2022 expressly provides that the termination of an employment agreement that takes the form of retaliation is – in any case – null and void.

Notwithstanding the above, the dismissal of an employee pursuing the right of their opinion to disclose the employer's wrongdoings could be perceived as constituting an unfair dismissal.

15. In the event of financial difficulties, can an employer lawfully terminate an employee's contract of employment and offer re-engagement on new less favourable terms?

Indeed, according to the caselaw of the Greek Courts (and not a certain legal provision) provides that an employer may terminate an employment agreement, proposal -at the same time- new, less favourable terms of employment (e.g., reduced salary, part-time work instead of full-time work, etc.) to the employee concerned. Please note that the lawfulness of this practice is not disputed.

The employee concerned has two (2) options: (a) they will accept them the new terms, concluding a new employment agreement, or (b) they will deny them in which case, the employment agreement permanently.

Kindly note that all legal requirements for the termination of an employment agreement (e.g., written form, severance pay, etc.), apply in this case as well.

16. What, if any, risks are associated with the use of artificial intelligence in an employer's recruitment or termination decisions? Have any court or tribunal claims been brought regarding an employer's use of AI or automated decision-making in the termination process?

Firstly, it should be clarified that there is no specific legal framework in the Greek legal system regulating the use of artificial intelligence (AI) applications in the workplace, during the recruitment process or the termination of the

employment contract. Therefore, any legal implications and consequences of using an AI application when hiring a job applicant or terminating an employment agreement should be sought in the context of other legal frameworks, such as in the law on the protection of personal data or the anti-discrimination legislation. In any case, using AI applications and technology during recruiting or dismissing an employee raises serious issues, such as ethical considerations, respect for the employee's personality, non-discrimination and equality, diversity, social justice and human rights as well as transparency issues. To our knowledge, the competent courts have yet to rule on AI related cases.

17. What financial compensation is required under law or custom to terminate the employment relationship? How is such compensation calculated?

In GLL, two (2) are the critical factor in calculating the severance payment of an employee to be dismissed: (a) length of tenure with the same employer and (b) the amount of gross remuneration received during the last month of full employment (prior to the termination of the employment agreement). Kindly be reminded that an employee is entitled to a severance payment only given that they have completed twelve (12) months of service with the same employer. In view of the above, according to the law, severance payments are calculated as follows:

Length of service	Severance payment
12 months (completed) - 2 years	2 monthly wages
2 years - 4 years	2 monthly wages
4 years - 5 years	3 monthly wages
5 years - 6 years	3 monthly wages
6 years - 8 years	4 monthly wages
8 years - 10 years	5 monthly wages
over 10 years	6 monthly wages
over 11 years	7 monthly wages
over 12 years	8 monthly wages
over 13 years	9 monthly wages
over 14 years	10 monthly wages
over 15 years	11 monthly wages
over 16 years	12 monthly wages

Table A': Calculation of the statutory severance payment

Length of service by 12/11/2012	Severance payment	Additional amount
over 17 years	12 monthly wages	+ 1 monthly wage
over 18 years	12 monthly wages	+ 2 monthly wages
over 19 years	12 monthly wages	+ 3 monthly wages
over 20 years	12 monthly wages	+ 4 monthly wages
over 21 years	12 monthly wages	+ 5 monthly wages
over 22 years	12 monthly wages	+ 6 monthly wages
over 23 years	12 monthly wages	+ 7 monthly wages
over 24 years	12 monthly wages	+ 8 monthly wages
over 25 years	12 monthly wages	+ 9 monthly wages
over 26 years	12 monthly wages	+ 10 monthly wages
over 27 years	12 monthly wages	+ 11 monthly wages
over 28 years	12 monthly wages	+ 12 monthly wages

Table B': Additional severance payments

(17 or more years of service completed by Nov 20120)

As already mentioned in case the employer chooses to give notice to an employee to be dismissed, then the employer is obligated to pay only half (50%) of the amounts referred to in **Tables A' and B'**; otherwise, the employer must pay the severance payment in full (100%).

In addition, article 66 Law 4808/2021, states that an additional compensation may be adjudicated to the employee, in case the termination of the employment agreement is ruled as defective by the competent Court and upon request of either the employee or the employer, under certain conditions. This additional compensation cannot be less than three (3) monthly wages; however, the sum of this compensation may not exceed the double of the statutory severance payment of the employee.

18. Can an employer reach agreement with a worker on the termination of employment in which the employee validly waives his rights in return for a payment? If yes, in what form, should the agreement be documented? Describe any limitations that apply, including in respect of non-disclosure or confidentiality clauses.

Any agreement that may be perceived as restricting the rights of the employee regarding the termination of their employment is deemed as void and null. However, there is a common practice according to which employees' contractually accept the validity of their dismissal and waive their rights to challenge it, a practice lawful according to the respective caselaw ("agreed dismissal").

This rather useful practice, which should take the form of a written agreement, prevents employees from raising any claims regarding the termination of the employment relationship.

19. Is it possible to restrict a worker from working for competitors after the termination of employment? If yes, describe any relevant requirements or limitations.

All employees hold the obligation and responsibility to refrain from competing practices against their employer throughout their employment. After the termination of the employment agreement, such obligations may arise following the conclusion of a non-compete clause, either as part of the initial employment agreement or as a separate (post-termination) agreement. However, this possibility is not unconditional. According to Greek caselaw, such provisions may be deemed as valid if specific requirements are taken into consideration. Among other, the duration of the "non-compete" obligation, the qualifications and the previous work experience of the employee, the employee's position within the company, the reimbursement of the employee concerned, stand as the most important criteria.

20. Can an employer require a worker to keep information relating to the employer confidential after the termination of employment?

Indeed, this is a very common post-termination practice. Usually, according to the contractual terms agreed between employers and employees (either with the initial employment agreement or with a separate post-termination agreement) employees are obligated to safeguard their former employers trade secrets and information related to their business, at least for a certain period after the termination of employment.

21. Are employers obliged to provide references to new employers if these are requested? If so, what information must the reference include?

Employers are not obliged to provide references to new employers upon request. However, employers are required to provide service certificates to their former employees. Such a certificate usually refers to the duties performed by the employee, the length of service and the employee's performance and/or general behaviour.

22. What, in your opinion, are the most common difficulties faced by employers in your jurisdiction when terminating employment and how do you consider employers can mitigate these?

The termination of an employment agreement is oftentimes considered as a heavily regulated and costly procedure (written termination, severance payment, administrative notifications). Furthermore, if a dismissal is deemed as null and void the consequences, although mitigated in comparison to the past, are still adverse for the employee, and the respective additional cost may be high. Thus, in our opinion, an employer may can mitigate such consequences by proactively planning a termination, observing the formalities stipulated by law as well as by concluding a private agreement with the employee, under which the latter will be acknowledging the validity of their dismissal and waiving their right to challenge it.

23. Are any legal changes planned that are likely to impact the way employers in your jurisdiction approach termination of employment? If so, please describe what impact you foresee from such changes and how employers can prepare for them?

GLL was recently updated according to Law 5053/2023. Among other provisions, related to issues such as working time limits, vocational training, employees' information on working terms and conditions, Law 5053/2023 reduces probation time of an employee from twelve (12) months to six (6) months. More specifically, according to article 4 of Law 5053/2023, any employer may conclude for a probation period up to six (6) months. After this period, the employer decides whether the probation period was successful or not. In the latter case, the probation agreement is automatically resolved. Notwithstanding the above, the limit of twelve (12) months of service in order to receive a severance payment, remains in force.

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