



KARATZAS
& PARTNERS

Newsletter

A Comprehensive Review of the Provisions in Employment Law 5053/2023

Law 5053/2023, which entered into force on 26.09.2023 (the “**Law**”), introduces important reforms in relation to employment relationships under Greek law and certain relevant administrative procedures.

Apart from the transposition of Directive (EU) 2019/1152 on transparent and predictable working conditions (the “**Directive**”), the Law regulates among others for the first time the on-demand employment, as a special type of employment relationship, modifies key provisions for the probation period, enables parallel employment and work on Saturdays under certain conditions, and simplifies certain declaration obligations related to Information System ERGANI II.

➤ **Probation period**

As far as employment agreements of indefinite term are concerned, employers and employees may conclude **a probation period that will not exceed 6 months**, whereas in fixed-term employment agreement, any probation period may not be longer than a quarter of the total duration of the contract and in any case may not exceed 6 months.

In case the employer assesses that the probation period is not successful, the employment agreement is automatically terminated, meaning that in principle, the dismissal provisions will not apply.

After the completion of at least 6 months’ service with the same employer, the employee may request to be employed with more predictable and secure working conditions, if such employment is possible.

Despite restricting the probation period to 6-months maximum, the Law provides, in line with the previous regime, that an employment agreement of indefinite term may be terminated by the employer **within the first 12 months without notice and without compensation**, without prejudice to any different contractual provisions.

➤ **Obligation to provide information**

In compliance with the Directive, the employer must inform the employee about the essential terms of the employment relationship through a *hard-copy form* or - provided that the information is accessible to the worker, may be stored and printed, and that the employer retains proof of transmission or receipt, - *in electronic form*.

Although Greek law already provided for the obligation of the employer to inform the employee in writing of the main employment terms, the new Law:

- shortens the relevant deadlines and the period and
- introduces the employer's obligation to provide information on additional matters, including the obligation to clarify in writing whether the work program is predictable or unpredictable.

More specifically, information regarding certain terms such as the *location* of services provision, the position, the start date (and the date of *termination*, if applicable), the duration of *probation period*, if any, the *remuneration* and the organization of *working program* details must be provided to the employee within a **week** from the start date.

Within a **month** from the start date, the employer must inform the employee with respect to the *duration of paid leave*, any *training* provided by the employer, *the indirect employer's details* (in case of employment through a temporary work agency), the *termination procedure* to be followed by the employer and the employee in accordance with law provisions, any *collective agreement* providing for the minimum remuneration and work conditions, and *social security* related information.

Any change to this information for workers sent abroad should be provided in the form of a document by the employer to the worker **at the latest on the day on which it takes effect**.

➤ **Unpredictable work pattern – On-demand work**

In the context of unpredictable work pattern, which is established and permitted for the first time by the new Law, the employer must inform the employee regarding the **predetermined reference days and hours**, the **minimum notice period prior to a work assignment**, which may not be shorter than 24 hours, the deadline after which the employer may not cancel the work assignment without compensating the employee.

The parties must agree on the minimum **number of guaranteed compensated hours** (which may not be less than $\frac{1}{4}$ of the total agreed number of hours) and the remuneration for working hours beyond the guaranteed hours.

➤ **Working abroad**

Transposing Article 7 of the Directive, the new Law provides for additional information and obligations that the employers must comply with in case their employees who usually provide their services in Greece *are going to work abroad* and in case of *employee posting to another member state*. Specifically, when an employee is required to work abroad, there is now an employer's obligation to inform the employee about any benefits in cash or kind relating to the work assignments. Also, employees posted in member states should be *inter alia* notified of the remuneration to which the worker is entitled in accordance with the applicable law of the host member state, and where applicable, any allowances specific to posting and any arrangements for reimbursing expenditure on travel, board, and lodging.

➤ **Parallel employment**

According to the new Law, employees working full-time for an employer are from now on allowed to take up employment with a **second employer**, without prejudice to the employees' daily rest hours.

Any agreement that prohibits the employee from being employed by other employers, if not justified by objective reasons, or any adverse treatment of the employee for doing so is prohibited.

➤ **In-house training**

The new Law provides for free of cost training for the employees, when the training is mandatory by law for the employer. Such training also counts as working time and, where possible, must take place during working hours.

➤ **Protection from dismissal**

Any dismissal or equivalent measure on the grounds that the employee has exercised the rights provided for probation period, transparent and predictable working conditions, on-demand work, and parallel employment is invalid.

Employees who consider that they were dismissed because of exercising one of the abovementioned rights may request from the employer to disclose the ground(s) for the dismissal, and hence the employer must **provide the dismissal grounds in writing and duly substantiated.**

➤ **Simplification of administrative procedures for employers using the digital work card**

Businesses and undertakings that have implemented the digital work card system may **not register in advance with the electronic information system ERGANI II the changes of the work schedule and overtime work of employees**, a change that releases employers from strict bureaucratic procedures. However, any such change or overtime work which is found not to be depicted in the digital work card of the relevant employee, leads to a fine of €10,500.

➤ **Unjustified absence of employee**

In case of employee's unjustified absence for 5 or more consecutive business days, the employer may, following a notice which is registered to ERGANI II and must be proven in writing, interpret the employee's absence as resignation and proceed to the announcement of resignation to ERGANI II.

➤ **Work on the sixth day: New exceptions to the prohibition of work on Sundays and public holidays. Working time arrangements which deviate from the standard one.**

In the context of businesses and undertakings that apply a five-day work regime, the new Law introduces the option of legal occupation on the sixth day for up to 8 hours compensated by regular hourly wage increased by 40%. A prior submission to EGRANI II is required in case of work on the sixth day. Businesses and undertakings that are not considered naturally of continuing operation may take advantage of the respective provisions only under extraordinary circumstances and unpredictably increased workload.

Moreover, the Law introduces additional exceptions to the prohibition of work on Sundays and public holidays, with regards among other the food industry, the soda and water bottling businesses and the organization of conferences.

Finally, the work time arrangement options already provided under Greek labor law no longer require a request by the employee and can be initiated by the employer, with the consent of the employee.

➤ **Seniority allowances**

Seniority allowances, such as the three-year experience allowance, that were granted to employees before 2012, and have been suspended due to the measures introduced with the second Economic Adjustment Program, are going **to start being granted again from 01.01.2024**.

For the purposes of calculation of the years of experience, only the working experience before 14.02.2012 and the experience after 01.01.2024 are being taken into account. The time period in between does not affect the calculation.

The three-year experience allowance varies according to the years of seniority of an employee. More specifically, an employee paid the legal minimum wage will be entitled to an allowance equal to 10% of the minimum wage for 3-6 years of work experience, 20% of the minimum wage for 6-9 years of work experience and 30% of the minimum wage for more than 9 years of work experience. For blue collar workers the allowance will be equal to 5% for a three-year completed period and up to 6 three-year period, meaning that the legal increase of the minimum wage could be up to 30%.

In case an employee's regular remuneration is above the legal minimum, any increase or allowance based on seniority will be set off against the excessive amount.

After 01.01.2027, if and for as long as the unemployment rate is over 10%, any provisions regarding seniority allowances will be frozen.



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