

“Syn-Ergasia” mechanism and other measures

Law 4690/2020 and Ministerial Decision 20788/610, published on 30 May 2020, introduced further measures to support employment, including the much-awaited “Syn-Ergasia” mechanism for the subsidised reduction of working time and special measures for seasonal employees of the tourism sector. More specifically:

A. “Syn-Ergasia” mechanism

Law 4690/2020 introduced a new mechanism to support employment, referred to as “Syn-Ergasia”, which will remain in force for the period from 15 June to 15 October 2020. Employers are eligible to participate in the measure if they have suffered a reduction of at least 20% in their turnover over a specific reference period set out in the law.

Under the “Syn-Ergasia” mechanism, employers may reduce the weekly working hours of all or part of their employees by up to 50%, with the Greek State covering 60% of salary losses. If the monthly net pay due is below the minimum statutory wage, the Greek State will also cover the difference. However, the social security contributions over the respective period will be covered by the employers and calculated on the employees’ regular salaries. The mechanism only applies to employees who on 30 May 2020 had a full-time contract.

Employers that enter the mechanism are prohibited from dismissing any of the employees covered by it and must maintain their nominal salaries during the application of said measure.

Further details on the implementation of the measure will be provided by ministerial decision.

B. Abolishment of “safe operation staff” system

As of 15 June 2020, the “safe operation staff” system, introduced by previous legislation, is abolished, as that would serve as a counterincentive for the application of the new mechanism.

C. Seasonal employees in the tourism sector

i. Suspension of rehired seasonal employees

Employers who have rehired for the 2020 summer season hotel employees and tourist bus drivers, having a right to be re-hired under applicable legislation, may suspend all or part of said employees

for the period from 1 June to 30 September 2020. During the suspension period employees are entitled to a monthly state benefit of Euro 534.

Above employers, who have suspended the employment contracts of all or part of their employees, are obliged to gradually revoke such suspension, based on their occupancy rate, as follows: i) upon reaching 20% occupancy, the suspension of at least 1/3 of employment contracts must be revoked; ii) upon reaching 50% occupancy, the suspension of at least 2/3 of employment contracts must be revoked and iii) upon reaching 80% occupancy, the suspension of all employment contracts must be revoked.

Following the revocation of their suspension, employees may be included in the “Syn-Ergasia” mechanism.

Employers who exercise the above suspension right are prohibited from making any dismissals.

ii. Suspension of seasonal employees of businesses that will not reopen

The employment contracts of employees of seasonal hotel and tourist bus businesses that will not reopen are suspended and said employees will be entitled to a monthly state benefit of Euro 534.

Further details for the implementation of the above measures will be provided by ministerial decision.

D. Suspension of employment contracts

i. By employers in the tourism, transport, culture and sport sectors

Employers in the sectors of tourism, transport, culture and sport that belong to the specific impacted categories to be announced by the Ministry of Finance may either suspend for the first time or extend the suspension of all or part of their employees for a maximum of 30 days per month and in any event not beyond 31 July 2020.

ii. By employers in the food sector

Employers in the food sector that belong to the specific impacted categories to be announced by the Ministry of Finance may either suspend for the first time or extend the suspension of the employment contracts of all or part of their employees for a maximum of 30 days and in any event not beyond 30 June 2020.

During the suspension employees will be entitled to a state benefit of Euro 534, pro rated to the days of the suspension.

Employers who make use of the above suspension right are prohibited from making any dismissals until 31 July or 30 June 2020 respectively and must maintain the same number of employees under the same type of employment contract for a period of 30 days following the expiry of the suspension.

Further details on the implementation of the above will be provided by ministerial decision.

E. Special state benefit for employees on leave

Employees of businesses on lockdown by order of the authorities, who were excluded from the special support mechanism due to being on statutory leave, such as sickness leave, pregnancy leave or the six-month leave for the protection of maternity, will be entitled to the special state benefit, on condition that their leave ended during the lockdown period. The above employees will receive the state benefit of Euro 534 per month, pro rated to the days of suspension of their employment contracts, for the period from 1 May 2020 until the lifting of the lockdown.

F. Flexible working hours for parents

By way of exception to the general legal framework on working time, employees with children, who have been eligible for the special parental leave, may, at their request and in agreement with their employer, have their daily working hours reduced up to 25% without a corresponding reduction in salary until the end of the school year 2019-2020. In that case, employees will replace the reduced working hours at a time to be agreed with their employer, without being entitled to any compensation for overwork or overtime.

The above option is granted irrespective of the special parental leave or in addition thereto.

Further details on the implementation of the above may be provided by ministerial decision.

G. Suspension of obligation to notify changes in working hours

The suspension of employers' obligation to notify changes in working hours, including overwork and overtime, to ERGANI prior to their implementation, which had been introduced by previous legislation, is now further extended **until 15 June 2020**.

H. Extension of telework

The employers' right to unilaterally impose a system of remote working, which had been introduced by previous legislation, is now further extended **until 30 June 2020**.

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