

Changes introduced by recent Law 4611/2019

Greek Law 4611/2019, published in the Government Gazette on 17 May 2019, introduced various measures enhancing the protection of employees, including a significant change in the legal framework on termination of employment contracts.

Key changes introduced by the new Law:

- New requirement for the termination of employment contracts
- Limitation of employees' liability in the conduct of their work
- Payment of severance indemnity and other amounts *via* wire transfer
- Notification of annual leave within 1 hour from its commencement
- Written form required for part-time contracts
- Suspension of prescription periods for dismissal-related claims

New requirement for the termination of employment contracts

In alignment with Article 24 of the Revised European Social Charter, Law 4611/2019 adds the existence of a valid reason for termination to the statutory requirements for the termination of indefinite-term employment contracts.

Under the previous legal framework, an employee who considered that his employment had been terminated abusively had the right to challenge it; however, the burden of proof lied with the employee. The new Law shifts the burden of proof to the employer, who is now obliged to prove, in case of dispute, the existence of a valid reason for termination within the meaning of Article 24 of the Revised European Social Charter. Termination without valid reason will result in the reinstatement of the employee and payment of back salaries from the (invalid) termination date until the reinstatement, which could take years.

Limitation of employees' liability in the conduct of their work

The new Law modifies Article 652 of the Greek Civil Code on employees' liability for damage caused to the employer in the conduct of their work. Employees' liability is limited to the damage caused deliberately by the employee, while in case of damage due to employee's negligence, the Court may release the employee or allocate to the employer the cost which corresponds to the business risk or which is deemed excessive for the employee.

Any agreement which increases the above liability of the employees is invalid.

Payment of severance indemnity and other amounts *via* wire transfer

As of 01.07.2019, severance indemnities and corresponding taxes must be paid by employers *via* wire transfer and remitted to the employees' bank accounts and the State by the bank.

The same applies to the payment of remuneration and corresponding social security contributions for interns, while non-compliance with the relevant obligation will result in the termination of the internship agreement and exclusion of the employer from internship programs for 2 years.

Obligation to notify annual leave within 1 hour from its commencement

Under the previous legal framework, employers were obliged to maintain a Book of Annual Leave and submit information on annual leave to the authorities once a year, through the submission of the E11 form. Law 4611/2019 abolishes the above requirements and replaces them with the obligation of employers to notify the use of annual leave by their employees through the ERGANI platform within 1 hour from its commencement.

The above obligation will enter into force upon issuance of a Ministerial Decision setting out the details of the new system.

Written form required for part-time contracts

Law 4611/2019 introduces an express obligation for part-time contracts to be concluded in writing and notified to the labour authorities within 8 days from their conclusion. In case of non-compliance with the above requirements, the employment contract is presumed as full-time contract.

The notification requirement was already in place under the previous legal framework, while the written form requirement was also implied. Law 4611/2019 has now explicitly regulated both matters.

Suspension of prescription periods for dismissal-related claims

Under the current legal framework, employee claims relating to the invalidation of the dismissal and the payment of severance indemnity must be filed within 3 and 6 months, respectively, from the dismissal date.

At the same time, the employee may file a request to the Labour Inspectorate or the Ministry of Labour for the conduct of a reconciliation procedure.

In an attempt to enhance the reconciliation role of the labour authorities, Law 4611/2019 provides for the suspension of the above prescription periods for bringing dismissal-related claims until the conclusion of the reconciliation procedure and the issuance of an opinion by the labour authorities.

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