

New Law 4093/2012 enacted in Greece in November 2012 introduces several significant amendments to the national minimum salary and the conditions for termination of employment contracts

Law 4093/2012 which was enacted on November 12, 2012 (Government Gazette 222, issue A, 12.11.2012) introduced several amendments to Greek Employment Law. The most significant ones concern the national minimum salary and the termination of employment contracts.

- **Introduction of a new system for the determination of the minimum salary**
 - Under the previous legal framework, the minimum salary for all employees and workers in the country was provided by the National General Collective Labour Agreement (NGCLA). The terms of NGCLA applied to all people working in Greece, regardless of whether they or their employers were members of any trade union or employers' union respectively.
 - From November 12, 2012 NGCLA applies to everybody working in the country to the extent that it does not regulate their salary. NGCLA terms that refer to salary issues apply only to employees/workers that are employed by employers-members of the contracting employers' unions.
 - From April 1st, 2013 the statutory minimum salary will be determined by law.
 - The minimum salary currently in force is:
 - (a) 586,08 euro/month for employees over 25 years of age
26,18 euro/day for workers over 25 years of age
 - (b) 510,95 euro/month for employees under 25 years of age
22,83 euro/day for workers under 25 years of age
 - The above minimum salary is increased with seniority allowance. Such allowance concerns only service provided until February 14, 2012 and varies according to the specialty of the person (i.e. employee or worker) and his/her age (i.e. over or under 25).
For example, seniority allowance for an employee who is 30 years old and had completed six years of service by 14.2.2012 amounts to 20% of his minimum salary.
Any service provided after February 14, 2012 will not be taken into consideration for the calculation of seniority allowance. This specific provision shall be in force until the unemployment rate in Greece falls below 10%.
- **Changes in the procedure for terminating employment contracts of indefinite term:**
 - Under the previous legal framework, termination could be either prenoticed or summary. In a prenoticed dismissal the amount of severance is half the amount of severance in a summary dismissal.
The period of prenotice and the amount of severance are in direct relation to the length of the employment. More specifically, the period of prenotice varies between 1 and 6 months and the amount of severance varies between 1 and 24 wages.
 - By virtue of the new Law, the written prenotice is obligatory for the termination of employment contracts of indefinite term of employees who have completed 12 months of service with the specific employer. The period of prenotice may be 1-4

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months prior to the dismissal, depending on the length of employment. In this case, the dismissed employee is paid half the termination severance.

- In case the employer does not observe the obligation of prenotice, he will have to pay full dismissal severance. The maximum amount of severance is 12 months' salaries with regard to employees that have completed 16 years of service at the specific employer.
- Employees that have completed 17 years of service at the specific employer by November 12, 2012 will be entitled to extra severance, regardless of the time of their dismissal. Such extra severance shall amount to a maximum of 12 months' salaries for employees that have completed 28 years of service by November 12, 2012.
- The salary used as basis for the calculation of severance is the regular remuneration of employees for the last month prior to the dismissal that does not exceed the amount of two thousand euro (2.000,00 €).

- **Other amendments:**

- Simplification of notification procedures before the Labour Inspection with regard to hirings, overtime, changes in working hours/legal representation/employees' remuneration.
- New threshold for employees' rest: For every period of 24 hours, the minimum rest is 11 consecutive hours (instead of 12 under PD 88/1990).
- New possibility for granting annual leave in parts: employers that employ both regular and seasonal personnel may decide to grant part of annual leave (10 days) to their regular personnel at any point within the year.
- Changes in the status of Employment Agencies: development of activities, establishment by persons and legal entities etc.