



## Labour - Social Security News Changes made to Labour and Social Security Law

Law 4488/2017, passed on 7 September 2017, introduces significant changes to the Greek Labour and Social Security Law.

The most important features of the new law are as follows:

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## Labour Law

- All individuals who are present at the workplace during an on-the-spot audit conducted by the Labour Inspection Corps (SEPE) must show their identity cards to the Labour Inspectors, if so requested. Penalties will be imposed on any third party (as well as the employer) who obstructs entry to the workplace, refuses to provide information or provides inaccurate information during the audit.
- The SEPE can order the closure of a company, as follows:
  1. Up to three days if three penalties have been imposed for "high" or "very high" level infractions over the course of three audits, and where the infractions occurred over a period of two years.
  2. Four to five days if four or more penalties have been imposed for "high" or "very high" level infractions over the course of four audits, and where the infractions occurred over a period of two years.
  3. A closure of up to three days also is possible where two or more penalties have been imposed for "undeclared work" over the course of two audits, and where the infractions occurred over a period of two years.
- If the Financial Police discover that an employee has not been included in the Labour Inspection Corps Table, the SEPE can automatically impose a penalty of EUR 10,500 without taking any further action.
- The employer is required to report electronically through the "ERGANI" database System any change in the work hours / working arrangement (including legal overtime) of its employees. The notification must be made before the change take effect (and before any overtime commences).
- A new electronic notification (in the OPS-SEPE database) of personnel employed in the construction and technical industries is introduced. The construction contractor or subcontractor will be considered the employer responsible for submitting the notification.
- The employer is required to report the following terminations to the ERGANI database: voluntary termination of employment; termination of an employment contract of an indefinite period; and termination of a fixed-term employment contract. The notification must be made within four business days from the final day of employment, and must be accompanied by a scanned document signed by both the employer and the employee, or an extrajudicial declaration of the employer indicating that the employee is leaving the employment on a voluntary basis and that the departure will be reported via the ERGANI system.

In the latter case, the extrajudicial declaration must be delivered to the employee within four business days after he/she leaves the employment and the ERGANI notification must take place on the day after the extrajudicial declaration is delivered. Failure to comply with these requirements will result in the employment contract being deemed to be terminated by the employer (meaning that the employer will be liable for severance payments).

- The employer must provide its employees with a copy of the Labour Inspection Table if they are employed at a work site in a town other than where the employer is located.
- Information relating to security technicians and occupational doctors is recorded in the OPS-SEPE database. An employer will be able to assign tasks only to persons registered in the database.

### Social Security Law

- Unduly paid social security contributions will be offset against any debts owed to the unified social security fund (EFKA) or third parties for which EFKA collects contributions. The remaining amount will be refunded without interest to the beneficiaries, as follows:
  1. To the salaried employees following the submission of an application and
  2. To freelancers/ self-employed persons after the annual assessment of their social security contributions. The refundable amount may be credited against future social security contributions.
- As from January 1<sup>st</sup> 2017, self-employed lawyers and engineers that close their business are no longer required to make social security contributions as self-employed persons as from the date the business is closed.



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