Global Tax Alert

Greece amends certain employment law provisions

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Through Law 4623/2019, Greece has introduced three significant amendments to the Greek employment law. Specifically, the amendments are:

Abolishment of the requirement to establish a valid reason as a prerequisite for the termination of employment

Article 117 par. 2 (a) abolishes retrospectively (as of 17 May 2019 when article 48 of Law 4611/2019 came into effect) the requirement of establishing a valid reason as a precondition of the termination of the indefinite term employment agreement, as well as the provision that in the event the termination is challenged before courts, the employer bears a reverse burden of proof that the termination was conducted lawfully. Therefore, as of 17 May 2019, the termination of the employment agreement of indefinite duration is valid on the condition it is conducted in writing, the legal termination indemnity is paid, and the employment of the employee has been registered by National Social Security Fund (EFKA).



Abolishment of the suspension of the lapse periods during which the employee may submit claims related to the termination of the employment

Article 117 par. 2 (a) also abolishes retrospectively (as of 17 May 2019 when article 58 of Law 4611/2019 came into effect) the suspension, during the entire procedure of mediation before the Labor Office and the Labor Inspector, of the lapse period during which the employee may submit claims related to the termination of his employment. Accordingly, there is a lapse period of three months during which the employee may submit a lawsuit alleging null and void termination of employment and a six-month lapse period during which the employee may claim the payment of termination indemnity (or any pending difference).

Abolishment of the joint liability of the owner of a project with its contractors and subcontractors in relation to employees' claims

Article 117 par.1 abolishes as of 19 July 2018 article 9 of Law 4554/2018 that provided for the joint liability of the owner of a project with its contractors and subcontractors in relation to employees' claims. As background, the repealed provision provided that any natural or legal person who, in the course of his business, assigns the execution of a project or part of a project to a contractor, shall be jointly and severally liable with the contractor in respect of the latter's debts related to remuneration, social security contributions and termination indemnities due.

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