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Newsflash

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Law 4690/2020 Employment Measures (Official Government Gazette A' 104/30.5.2020) ratifying Legislative Acts dated 13.4.2020 and 1.5.2020 – Other employment provisions

We summarize below the most important employment measures introduced by Law 4690/2020 ratifying Legislative Acts dated 13.4.2020 and 1.5.2020 as well as other recent important employment provisions. In detail:

Law 4690/2020

Employment Support Mechanism “SYN-ERGASIA” – Abolition of safe operation personnel

Aiming at the safeguarding of private sector full time employment positions, the Employment Support Mechanism SYN-ERGASIA is introduced. Its main features are summarized as follows:

- The mechanism will be in force from 15.6.2020 to 15.10.2020, whereas the safe operation personnel of article 9 of the Legislative Act dated 20.3.2020 is abolished as of 15.6.2020.
- All businesses, irrespective of their Activity Code Number, can participate in the mechanism, exclusively for their full time (as of the date of the law's publication) employees and under the conditions determined in the law. Specifically,
 - A The VAT turnover of businesses obliged to file a periodic VAT return (code 312 of the periodic VAT return) must show an at least 12% reduction in turnover in comparison to the reference turnover depending on the month the business will be included in the mechanism. The turnover serving as basis of calculation of the reduction of at least 20% depends on the month of inclusion in the mechanism, whereas the reference turnover varies depending on the accounting books the business maintains.

Indicatively, for businesses of this category to be included in the mechanism in July 2020 and maintaining double-entry accounting books:

 - (i) the turnover serving as basis of the calculation for the reduction of at least 20% is the total turnover of March-April-May 2020, whereas
 - (ii) the reference turnover is the total turnover of

March-April-May 2019 or the total turnover of 2019 divided by 4 (in case the turnover of one month out of the three is negative) or the turnover of February 2020 multiplied by 3 (in case the 2019 turnover is negative).

Businesses maintaining double-entry accounting books with zero turnover in 2019 and February 2020 as well as businesses maintaining single entry accounting books with zero turnover in 2019 and the first quarter of 2020 can participate in the mechanism, irrespective of the month of inclusion.

- B. Gross revenues of businesses which are not obliged to file a VAT return or are VAT exempted, must be reduced by at least 20% (code 047 of E3 return) compared to the reference gross revenues depending on the month the business will be included in the mechanism. Both the gross revenues serving as basis of calculation of the above reduction of at least 20% and the reference gross revenues depend on the month of inclusion of the business in the mechanism.

Indicatively, for businesses of this category to be included in the mechanism in June 2020, the gross revenue serving as basis of calculation of the above reduction is the total gross revenue of March-April 2020, whereas the reference gross revenue is the total 2019 gross revenue divided by 6.

Businesses with negative gross revenue during 2019 can also participate.

- Businesses taking advantage of the mechanism can reduce the weekly working hours of either all their full time employees or part thereof up to 50%, for one or more months during the period of validity of the mechanism.

The reduction of the working hours does not entail the conversion of the employment agreement during the period of validity of the measure.

- The termination by the employer of the employment

agreements of employees subject to the mechanism is prohibited and in case the employer proceeds with dismissals, they would be legally invalid. The employer is obliged to maintain the contractual salaries of the employees during the period each one of them is subject to the mechanism.

- Businesses to be included in the mechanism are burdened with the total social security contributions of the employees whose weekly working hours are unilaterally reduced. The same obligation applies for the vacation allowance and the 2020 Christmas allowance. Social security contributions are calculated on the basis of the employees' contractual salary.
- Employees of the businesses included in the mechanism collect a short term employment financial support equal to 60% of the net remuneration of the employees corresponding to the period they do not work as well as a portion of the vacation allowance and the 2020 Christmas allowance, calculated on the basis of the short term financial support. In case, following the above adjustment, the employees' net salary is less than the net minimum salary or daily wages provided for by law, the balance is paid through the State Budget.
- Different regulations as far as the basis of calculation of the social security contributions payable by the business and the period of validity of the mechanism are provided for businesses engaged in the air transportation sector.
- Any details required for the implementation of the mechanism will be determined by virtue of ministerial decisions.

Seasonal employees' financial support measures

- Businesses having obligatorily rehired during summer tourist period 2020 employees employed during 2019 in hotels and other tourist accommodation of seasonal operation or tourist buses' drivers can suspend the employment agreements of all their employees or part thereof during the period from 1.6.2020 until 30.9.2020. Employees falling in this category are eligible to collect special purpose indemnity in accordance with the provisions of the Legislative Act dated 14.3.2020 (EUR 534 for each month of suspension, on which the corresponding social security contributions are calculated).

Employment agreements of employees of the above businesses which will not open are suspended and the employees in question are beneficiaries of the special purpose indemnity.

Termination of employment agreements during the period of suspension is prohibited.

Hotel and tourist buses businesses must permanently revoke the suspension of the employment agreements of all employees or part thereof depending on their occupancy rate (indicatively, when occupancy reaches 50%, at least 2/3 of the suspended employment agreements must be revoked etc.). In case the suspension is permanently revoked, businesses of this category can be included in the SYN-ERGASIA mechanism, whereas permanent revocation of suspension can be combined with the SYN-ERGASIA mechanism until 30.9.2020.

- Seasonal employees of the tourist and food sectors employed during 2019 either by full or part time employment agreements, who are not required by law to be rehired and have collected regular unemployment benefits for 3 months and 5 days during the period from September 2019 up to (and including) February 2020 are eligible to collect a monthly extraordinary compensation equal to the last monthly unemployment benefit they collected. The compensation is due for June, July and August 2020 provided that the beneficiaries remain registered with the unemployed persons' registries during the above time period.

Right of employees on leave to benefit from the employees' support mechanism

Employees of businesses whose operation has been suspended by virtue of a state order who were exempted from special purpose indemnity introduced by the Legislative Act dated 14.3.2020 because they were on leave (sickness leave, maternity leave or six month special maternity protection benefit) are eligible to collect special purpose indemnity as of 1.5.2020 until the date of termination of the suspension of the business' operation, provided that their leave expired during the period of suspension of the business' operation by virtue of a state order. The indemnity is calculated by reference to the days of suspension of the employment agreement of the above employees (EUR 534 for 30 calendar days).

Parents' reduced working hours

Employee parents – beneficiaries of the special purpose leave introduced by the Legislative Act dated 11.3.2020, are entitled to reduce their working hours up to 25% without reduction of their remuneration until the end of the school year, following their application and agreement with the employer. In this case, the employees will substitute the above working hours in other working days to be agreed between the parties without overwork or overtime compensation.

The facilitation in question is provided independently or supplementally to the above special purpose leave. Any details required for the implementation of the reduced working hours will be determined by a Ministerial Decision.

Extension of suspension of employment agreements during June and July 2020

- Significantly affected businesses on the basis of the Code Activity Number engaged in the restaurant sector can extend the suspension of the employment agreements of their employees already suspended or suspend the employment agreements of all their employees or part thereof for a period of up to 30 days and until 30.6.2020.
- Significantly affected businesses on the basis of the Code Activity Number engaged in the tourist, transportation, civilization and sports sectors can extend the suspension of the employment agreements of their employees already suspended or suspend the employment agreements of all their employees or part thereof for a period of up to 30 days and until 31.7.2020.
- Suspended employees of the above businesses are beneficiaries of the special purpose indemnity on the

basis of the days their employment agreements were suspended (EUR 534 for 30 days), whereas they are fully covered for social security purposes on the basis of their contractual salary.

- Businesses making use of the above right cannot reduce their personnel by dismissals during the period of implementation of the measures in question and in any case until 30.6.2020 and 31.7.2020 respectively, whereas they must also maintain the same number of employment positions and the same type of employment agreement for a period of 30 days after the expiry of the suspension period.
- Any details required for the implementation of the measure in question will be determined by a Ministerial Decision.

Other regulations

Joint Ministerial Decision 20788/610/29.5.2020 (Official Government Gazette B' 2083/30.5.2020) Extension of extraordinary measures introduced by article 4 of the Legislative Act dated 11.3.2020

By virtue of the above decision:

- The suspension of the employer's obligation to register with the ERGANI platform any change or amendment of the employees' working hours or organization of working time as well as overwork and legal overtime before they are effected introduced by the Legislative Act dated 11.3.2020, is extended up to (and including) 15 June 2020. The obligation to have the above changes or amendments registered before they are effected comes into force again as of 16 June 2020.
- The right of the employer to impose remote working introduced by the Legislative Act dated 11.3.2020 is extended up to (and including) 30 June 2020.

Ministry of Employment Circular 19221/379/19.5.2020 "Clarifications of the joint ministerial decision number 17788/346/8.5.2020 (Official Government Gazette B' 1779) and other support measures to combat covid-19 for the gradual reopening of the employment market"

The Circular in question provides, inter alia, clarifications on the extension of the suspension of employment agreements. In fact:

- The employment agreements of employees of businesses which remained closed by virtue of a state order during May 2020 were suspended during the period of suspension of the businesses' operation and during the period of suspension, the businesses in question cannot reduce their personnel by dismissals.
- For businesses which operate again following the waiver of the suspension of their operation by virtue of a state order and affected businesses, the following distinction is made:
 - A. If the businesses in question extend the suspension of up to 60% of the employees already suspended for a period of up to 30 days and until 31.5.2020, they cannot proceed with dismissals of employees during the period of extension of the suspension (and until 31.5.2020), whereas following the expiry of the suspension extension

they must maintain the same number of employment positions and the same type of employment agreements for a period of 45 days.

- B. Businesses operating again following the waiver of the suspension of their operation by virtue of a state order which do not extend the suspension of the employment agreements, are not subject to any special dismissal restrictions but can proceed with dismissals in accordance with the general applicable employment law provisions. Further, significantly affected businesses which do not extend the suspension are subject to the restrictions of the joint ministerial decision number 12998/232/2020 (Official Government Gazette B' 1078); that is they must maintain the same employees and the same employment terms as in force on 21 March 2020 for a period of 45 days following the expiry of the suspension of their employees' employment agreements.
- Finally, the Circular provides for cases where the employer is released from the obligation to continue a fixed term employment agreement for the remaining time (i.e. the occupation of the employee is not possible because the fixed term employment agreement had been concluded for the fulfilment of needs that have ceased to exist following the employer's re-operation or the expiry of the suspension or of the extension of suspension of the employee's agreement).

Ministry of Employment Circular number 20477/604/2020 Facilitations to parents in the context of reoperation of schools and nursery schools

In accordance with the above Circular:

- As of the reopening of nursery schools and schools and the creation of smaller groups/classes of students operating on a rotating basis only for certain days of the week, special purpose leave can be granted to parents employees only for the days their kids do not attend lessons.
- The special purpose leave can continue to be granted to beneficiaries-parents of children not attending school lessons because they fall in vulnerable groups or are ill or come to close contact with family members whose health is vulnerable.

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