

NAVIGATING GREECE'S LABOR LAWS - A COMPREHENSIVE GUIDE FOR EMPLOYERS



**Your Essential Handbook for
Compliance & Best Practices**

Provided by

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INTRODUCTION: WHY UNDERSTANDING GREEK LABOR LAWS MATTERS



Greece is a strategic business destination due to its EU membership, access to Southeastern Europe, and a skilled workforce. With a strong presence in shipping, tourism, IT, and financial services, Greece offers opportunities for international businesses looking to establish or expand operations.

However, navigating Greece's labor laws, payroll regulations, and employment compliance can be complex. Employers must comply with the Greek Labour Code (Νόμος περί Εργασίας), which governs employment contracts, benefits, tax obligations, and termination procedures.

This white paper provides a comprehensive guide for businesses seeking to establish and manage a workforce in Greece, covering employment regulations, payroll requirements, and HR best practices.

OVERVIEW OF GREECE'S EMPLOYMENT REGULATIONS

📌 Key Legal Framework

Employment relationships in Greece are governed by:

- **The Greek Labour Code (Law 2112/1920 & Law 3198/1955)** – Governs employment contracts, working hours, and terminations.
- **The Social Security Law** – Regulates pension contributions, healthcare, and unemployment benefits.
- **The Income Tax Code** – Defines employer and employee tax obligations.
- **The GDPR Law (EU Regulation 2016/679)** – Governs employee data protection and payroll confidentiality.

Greek labor laws are aligned with **EU employment standards**, ensuring **employee protections and compliance with European directives**.

📌 Types of Employment Contracts in Greece

- ✓ **Permanent (Indefinite-term) Contracts** – The most common contract type, offering full employment rights and job security
- ✓ **Fixed-term Contracts** – Maximum 3 years, renewable under specific conditions
- ✓ **Part-time Contracts** – Must specify working hours, with proportional benefits
- ✓ **Temporary Work Contracts** – Used for seasonal or project-based employment
- ✓ **Probation Periods:**
 - Maximum 12 months
 - Can be terminated without severance pay during probation

All **employment contracts must be in writing** and signed **before the employee starts working**.

MANDATORY EMPLOYEE BENEFITS & ENTITLEMENTS

Employers in Greece must provide **statutory benefits** to employees, ensuring compliance with labor laws.

✦ Paid Leave and Public Holidays

- **Annual Leave** – Minimum 20 working days, increasing with tenure
- **Public Holidays** – **12 national holidays**, including Independence Day and Orthodox Easter.
- **Sick Leave**
 - First 3 days paid at 50% by the employer
 - From day 4 onwards, covered by social security at 50–60% of salary

✦ Maternity, Paternity, and Parental Leave

- **Maternity Leave** – 17 weeks fully paid, covered by social security
- **Paternity Leave** – 14 days fully paid, covered by social security
- **Parental Leave** – Up to 4 months unpaid leave, with job security

✦ Other Employee Benefits

- **Social Security Contributions** – Covers medical care, pensions, and unemployment benefits.
- **Christmas, Easter & Vacation Bonuses** – Employees receive three extra half-month salaries per year
- **Workplace Accident Insurance** – Required for all employers

Providing additional benefits such as private health insurance, meal vouchers, and performance bonuses helps companies attract and retain talent.

PAYROLL AND TAXATION IN GREECE



✦ Payroll Contributions (2024)

Employers in Greece must **withhold and pay taxes** for employees

● Employee Contributions

- Personal Income Tax (PIT): 9%–44% progressive tax rate
- Social Security Contributions: 16% of gross salary

● Employer Contributions

- Social Security Contributions: 22.54% of gross salary
- Total Employer Cost: Gross salary + 22.54% social security

Employers must submit payroll reports monthly to the **Hellenic Revenue Authority (AADE)** and the **Social Insurance Institute (EFKA)**.

BEST PRACTICES FOR COMPLIANCE WITH LOCAL LABOR LAWS



To ensure compliance with **Greek labor laws**, businesses should adopt these best practices:

- ✓ **Ensure Legally Compliant Employment Contracts** – Contracts must be in writing and filed with local authorities
- ✓ **Monitor Working Hours & Overtime** – The standard workweek is 40 hours, and overtime must be paid at 125%-150% of the regular wage
- ✓ **Automate Payroll Processing** – To ensure accurate tax deductions and social security contributions
- ✓ **Follow Proper Termination Procedures** – Employees must receive notice periods based on tenure (1 to 4 months).
- ✓ **Stay Updated on Employment Laws** – Greek labor laws change frequently, requiring HR teams to stay informed.
- ✓ **Engage a Local HR Partner** – Outsourcing payroll and HR administration ensures compliance with **Greek employment regulations**.

CHALLENGES OF EXPANDING INTO GREECE



- **Frequent Legislative Updates** – Tax and labor laws change regularly.
- **Payroll & Tax Complexity** – Employers must manage PIT, social security, and health insurance
- **High Employer Contributions** – 22.54% of gross salary, increasing labor costs.
- **Strict Termination Laws** – Employees have strong protections against unfair dismissal.
- **Remote Work Compliance** – Employers must ensure homeworking policies comply with tax and labor laws.

Partnering with an **HR outsourcing provider** can help businesses **overcome these challenges** efficiently.

CASE STUDIES: SUCCESSFUL HR STRATEGIES IN GREECE



📌 Case Study 1: A Tech Startup Expanding to Athens

Challenge: Managing payroll and labor law compliance.

Solution: Partnered with an Employer of Record (EOR) to handle payroll, benefits, and tax compliance.

Result: Successfully expanded operations while ensuring full labor law compliance

📌 Case Study 2: A Hospitality Firm Facing Complex Workforce Regulations

Challenge: Understanding termination rules and severance obligations.

Solution: Consulted an HR advisory firm to ensure legally compliant dismissals and HR policies.

Result: Avoided legal disputes and ensured compliance with Greek labor laws

*These case studies highlight how **expert HR support** can **streamline business operations in Greece.***

CONCLUSION & NEXT STEPS

Navigating **Greek labor laws** requires a deep understanding of **employment regulations, payroll obligations, and HR best practices**. Employers must prioritize compliance, adopt efficient HR systems, and consider outsourcing HR functions for smoother business operations.

 **Looking for expert HR support in Greece?**
Europe HR Solutions (EHRS) specializes in payroll, compliance, recruitment, and HR outsourcing, helping businesses stay compliant while streamlining operations.

 **Contact us today** to discuss how we can simplify HR for your business in Greece!

Need HR support in Greece?

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