

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



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

Provided by



Updated for 2025

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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)**.

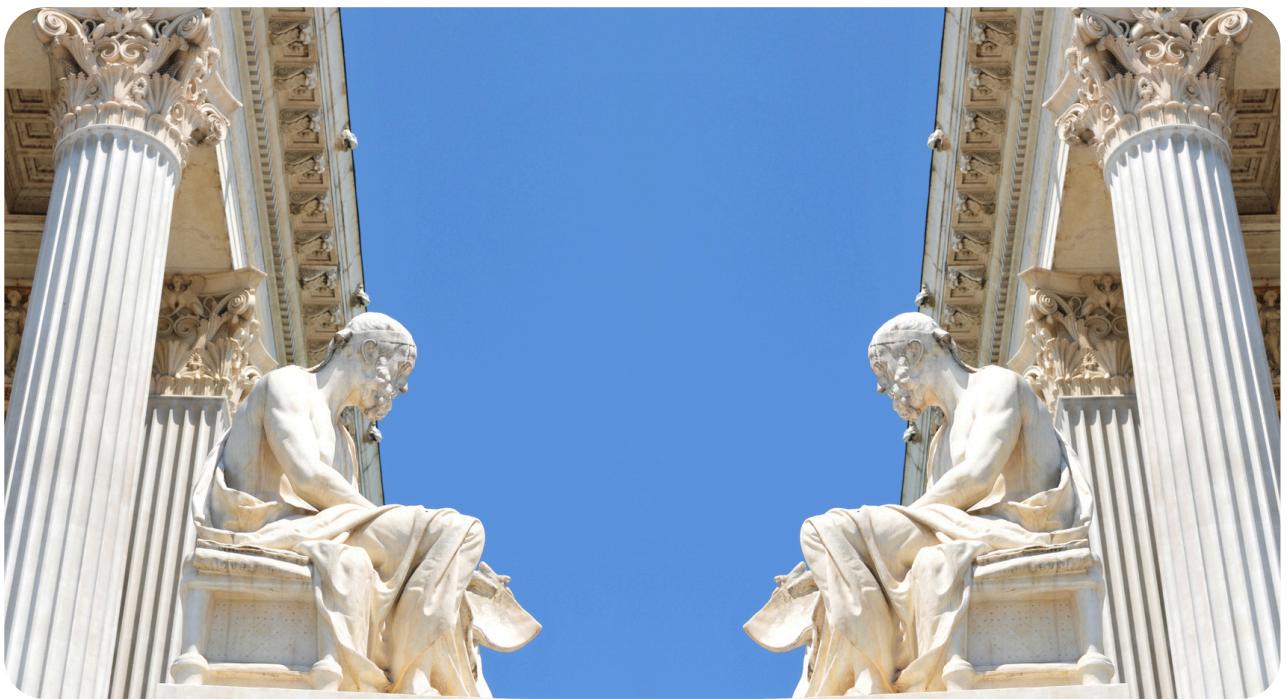
BEST PRACTICES FOR COMPLIANCE WITH LOCAL LABOR LAWS



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!

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