

## EMPLOYMENT BRIEFING: Special Edition

# Recent Developments in Employment Legislation

Law 4635/2019, published in the Government's Gazette on 30 October 2019 introduces significant changes to several issues affecting individual employment relationships.

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#### A. Delay in Payment of Accrued Salaries

1. Pursuant to Article 58 of Law 4635/2019 (the New Law), Article 7 of Law 2112/1920 as in force is amended so that any unilateral modification of the terms of an employment contract to the detriment of an employee is considered a termination of the employment contract and therefore the provisions of Law 2112/1920 shall apply.
2. The transfer of an employee to an office operating abroad shall be considered as a unilateral detrimental modification in the event that the employee to be transferred does not agree with their transfer.
3. Any delay on the part of the employer in paying accrued employee salaries for a period exceeding two months shall also be considered a unilateral detrimental modification of the employment contract, irrespective of the reason for delay.

#### B. Legal Measures for the Protection of Part-Time Employment

1. Pursuant to Article 38 par. 11 of Law 1892/1990, as applicable after the entry into force of Article 59 of the New Law, a part-time employee is under an obligation to work

additional time where required to do so. However, this obligation is imposed only in the event that the employee is capable of providing the work and a refusal to do so would be in bad faith. If such additional work is required by the employer repeatedly, the part-time employee is entitled to refuse to perform the work on this basis.

2. If a part-time employee works additional time, they are entitled to be compensated at the agreed hourly rate, increased by 12% for each additional hour of work. Any additional work may only be performed within the limits of the full-time daily working hours of an employee with similar duties.

#### C. Administrative Penalties for Non-Registered Employment - Requirements for Discount

1. As part of the effort to deal with unregistered employment, and over and above the monetary penalties which apply, Article 65 of the New Law regulates audits by providing for obligatory reinvestigations of companies found to be in breach of the obligation to register employees, within a 12 month period from the date a breach was first identified.
2. Article 66 of the New Law provides for a discount to the penalty payable by employers who hire any unregistered employees within 10 days of the date the audit took place, by way of a full-time employment contract of at least 12 months' duration. Penalties are reduced from €10,500 to €2,000.
3. Penalties are reduced from €10,500 to €5,000 for seasonal enterprises, in the event that they hire unregistered employees by way of a full-time employment contract of at least three months' duration.
4. If employers hire another unregistered employee within a period of three years of the first audit, the penalty is increased by:
  - a. 100% for the first violation; and

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- b. 200% for each subsequent violation.
5. If employers take advantage of the above discounted penalties, they may not conduct any reductions in personnel for the 10 days following the date of the audit. Personnel reductions include the following:
  - a. reduction of the number of employees from the number existing on the date and time of the audit;
  - b. changes to the working status of employees from full-time employment to part-time or flexible employment;
  - c. employer led voluntary exits, by means of voluntary exit incentive schemes; and
  - d. voluntary resignations of employees.
6. If the number of employees is reduced as a result of any of the above, employers are obliged to hire new employees

under the same employment terms within 15 days as of the date the reduction took place, so that the number of company employees remains unchanged.

## D. Payment of Penalties and Registry for Offenders

1. Article 67 of the New Law establishes a registry for companies found to be employing unregistered employees in Ergani, the electronic information system of the Ministry of Labor and Social Affairs.
2. This registry shall be comprised of employers who have been charged with penalties for unregistered employment and such employers shall be excluded from taking advantage of any beneficial provisions afforded by social security legislation.

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