



Recent changes in Greek labor law: flexibility & boosting employment

Law 5053/2023 (published in the Government Gazette on 26.09.2023) incorporates EU Directive 2019/1152, concerning transparent and predictable working conditions in the EU. New regulations were introduced in fixed-term employment contracts, amending provisions of the Individual Labor Law Code (Presidential Decree 80/2022).

The key points are as follows:

- **Probationary period:** it is now reduced from 12 to 6 months and requires an agreement between employer – employee, when entering into an indefinite-term employment contract. In the case of a fixed-term employment contract, the agreed probationary period should be proportionate to the total duration specified in the contract and, in any case, should not exceed one-quarter (1/4) of the employment period agreed in total, with a maximum limit of six (6) months. This probationary period is considered part of the employment period and, in the

event of dismissal, it is factored into the determination of compensation rights, without altering the current legislation in force to date.

- **Parallel employment:** article 9 of the above-mentioned law regulates the possibility for an employee to enter into concurrent employment agreements with two (2) employers. Specifically, it is stipulated that agreements or clauses that prohibit the employee from providing work to other employers outside of the agreed-upon working hours with a specific employer are not allowed, unless justified by objective reasons. Given that, as per Presidential Decree 80/2022, the minimum rest period should not be less than 11 hours per day, this provision, in fact, allows for part-time employment of up to five (5) hours per day in addition to full-time employment.
- **On demand contracts:** article 10 of the aforementioned law regulates the performance of employment agreements for which the work schedule is entirely or mostly unpredictable (“agreements of minimum work schedule predictability”), by



providing the conditions, under which the employee is obliged to perform a work assignment. These conditions are as follows:

- a) Work is provided within predetermined hours and on specified days, which the employer must communicate to the employee.
- b) The employee has been pre-notified in writing by the employer about the assignment of work within a reasonable time, which cannot be less than twenty-four (24) hours before commencing the work, except in cases that objectively justify a shorter notice period, which the employer communicates to the employee, according to the specific provisions as set by the law.

In the above cases, the parties are required to agree on a minimum number of paid working hours, which cannot be less than one-quarter ($\frac{1}{4}$) of the agreed-upon total number of hours; otherwise, the contract is void. If at any time after the notification but before commencing the work, the employer cancels the assignment, the employee is entitled to compensation equivalent to the

hourly wages for the hours of work not assigned to them.

- **Work on the 6th day of the week:** according to Articles 25 and 26 of the aforementioned law, the possibility of agreeing to work on the 6th day is provided for employees who work a five-day workweek, subject to certain conditions specified by law. This applies to both cases of businesses or operations with continuous operation using a rotating shift system and cases of businesses or operations that are not inherently continuous but may operate on Mondays through Saturdays for twenty-four (24) hours, using a rotating shift system (except for businesses in the hotel and food service sector). The employment of employees on the additional day cannot exceed eight (8) hours, and the employee is entitled to the daily wage of the 6th day, increased by forty percent (40%).
- **Reinstatement of seniority allowances:** according to Article 33 of the aforementioned law, as of January 1, 2024, the suspension of the provisions of laws that provide for wage or daily wage increases, including those related to seniority allowances, which was imposed



by Article 4 of Ministerial Act No. 6/28.2.2012, is lifted. The period of suspension does not count as seniority time. It is also stipulated that if the salary payable to an employee is higher than the legal minimum salary, any additional amounts increasing the latter due to the implementation of the aforementioned provision, are offset by law against the difference between the payable salary and the legal minimum.

- **Notification of essential employment terms:** detailed provisions are introduced in Articles 5 to 8 regarding employers' compliance with the obligation to inform employees about the terms of their employment contracts, particularly concerning the timing and method of informing about each essential point of the employment contract.
- Additionally, provisions for **protection against adverse treatment and protection against unlawful dismissals** are introduced (Articles 16 & 17 of the law). Furthermore, article 12 of the new law **establishes intra-company training as part of the working time**, when training is mandatory by law. It is also provided that the employer is obliged to upload

the individual employment contract in the "ERGANI II" Information System, when it exists, as well as the existence of a template individual employment contract and basic terms of employment in the "ERGANI II" Information System.

Overall, the new law, aims to promote transparency and predictable working conditions, adopting also measures for the simplification of administrative procedures within the ERGANI II platform.

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