

## **SUSPENSION OF EMPLOYMENT CONTRACTS AND SPECIAL PURPOSE COMPENSATION**

The suspension of employment contracts was one of the two measures in the labour market considered to be the most effective in reducing the pandemic (the other measure was distance working as well as more measures entered into force). During the suspension of the employment contract, the employees do not provide their work, while the employer is not obliged to pay the salary. Suspension applies to two categories of companies:

- In those that their operation is suspended, following an order from a public authority and for as long as the measures last. In this case, the suspension of employment is compulsorily suspended by law.
- In those that are significantly affected due to the consequences of the coronavirus and their Code of Activity Number (greek abbreviation: KAD) is included in the current ministerial decision. In this case, the suspension of employment is decided unilaterally by the employer.

Employees whose contracts are suspended receive a special purpose subsidy from the state. Its amount was set at the amount of 533.33 euros per month, while especially for 11/2020 at the amount of 800.00 euros. During the suspension, employees' social insurance contributions are covered by the state budget. The special purpose compensation is unseizable in the hands of third parties and the State, is untaxed and is not offset against any debt.

Restrictions of the employer in both cases during the suspension of the employment relationship:

1. If the employer of an affected company makes use of the possibility of suspension of employment, for part or all of the staff, it is prohibited to dismiss staff (even those who have not been suspended) during the suspension and for an equal period after its end.

The employer of a company that has been compulsorily suspended is prohibited from making redundancies during the suspension of the employment relationship.

2. If the measure of suspension is used, the employer of the affected company is obliged to maintain the same working conditions of the employees. Specifically, during the suspension and for an equal period of time, neither conventional nor unilateral modification of the working conditions is allowed.

Special cases:

- Employees with a fixed-term employment contract may normally be placed on suspension of employment. After the end of the suspension period, the employment contract continues for the agreed time remaining after the end of the suspension period.
- Employees who are on leave of any kind at the time of suspension are not entitled to a subsidy. In companies where the suspension has been imposed by order of a public authority, unpaid leaves are automatically revoked.
- Employees who are employed by more than one employer and one of them (or more) have not suspended their employment contracts, are entitled to special purpose compensation, provided that their weekly working hours do not exceed 30% of their total working hours.
- Employees of affected companies, whose employment contracts have been suspended, may, exceptionally, work to meet the temporary, urgent and inflexible needs of the company. For this work, the employee will receive his salary, while the employer will have to declare the withdrawal of the **suspension** in the ERGANI Information System.

As regards the procedure for placing an employee in a status of suspension of employment and recovery from special purpose compensation is provided that:

1. The employer is obliged to submit in the ERGANI Information System ERGANI of the Ministry of Labour a solemn declaration about those employees whose contracts are suspended. He/She also must inform each employee about the protocol number of the registration in Information System ERGANI.
2. Employees must submit a solemn declaration that they have been placed on suspension to the special platform held for this purpose. They also submit the details of their personal IBAN bank account, as well as the registration number of the solemn declaration of the employer in the Information System "ERGANI"