

Law Firm



NEW LABOR LAW 5053/2023: KEY CHANGES AND IMPACT

I. INTRODUCTION

On Tuesday, 25 September 2023, the new labor Law 5053/2023 (GGI A' 158/26.09.2023) under the title: "Integration of Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union" of the Ministry of Labor and Social Affairs was officially posted with the Government Gazette Issue (the "Law").

As stated in Articles 1 and 2, the scope of the Law is to:

- simplify administrative procedures concerning the platform of the Ministry of Labor and Social Affairs ("ERGANI"),
- secure paid jobs as well as the sustainability of employment relationships
- provide wider protection of employees' rights, and
- combat undeclared labor.

II. KEY CHANGES INTRODUCED BY THE LAW

Employee's Trial Period

In accordance with Article 4 of the law, the probationary period, during which an employee is assessed, has been reduced from one (1) year to **six (6) months**, and it is no longer obligatory. This means that the employer now has the discretion to decide whether a new employee will work on a trial basis for six months or not. If the employer chooses to maintain the employment relationship with the employee during or after the probationary period, it will be regarded as work experience. However, in the event of termination of the employment relationship, the probationary period will be treated as time spent in employment, and the employment contract will be automatically terminated.

Obligation to Inform the Employee

An additional provision introduced by the Law can be found in Article 6, which pertains to the employer's responsibility to furnish the employee with essential details regarding the fundamental terms of the employment agreement. Article 6, an amendment to Article 70 of the Greek Labor Law Code, outlines the minimum information that must be provided to the employee no later than one week after the commencement of the employment relationship.

Introduction of Parallel Employment

The main provision introduced by Article 9 of the Law is Parallel Employment, amending Article 189 of the Greek Labor Law Code. Following the incorporation of the EU Directive, employees will now have the opportunity to engage in a second job while maintaining the same level of legal protection concerning the minimum rest period, which stands at 11 hours within a 24-hour timeframe (as outlined in Presidential Decree 88/1999). The updated framework for parallel employment ensures that neither the standard working hours (40 hours over a 5-day workweek) nor the established thresholds for overtime (as defined in Presidential Decree 88/1999) are impacted.

Termination of the twelve-month period with severance

The new law introduces Article 325A into the Greek Labor Law Code, outlining the employer's option to negotiate compensation with the employee in contrast to the provisions of Article 17 of Law 3899/2010. The latter explicitly addressed the termination of the initial twelve-month employment period without requiring prior notice and severance payments.

Simplification of Process for submitting cases of employment contract termination in the "ERGANI II" Information System

The employer is required to report, through electronic submission of the relevant forms specified in the Minister of Labor and Social Affairs Decision No. 40331/13.9.2019 (GGI B' 3520), in the Information System "ERGANI II" of the Ministry of Labor and Social Security, any case of voluntary resignation by an employee, self-termination of the probationary period, mutual agreement for contract termination, such as voluntary departure, or the termination of an indefinite-term employment contract, or the expiration of a fixed-term or project-based employment contract, no later than four (4) working days from the day of the employee's departure or contract termination or any other form of contract resolution or termination.

The notice of voluntary resignation by the employee must be accompanied by a digitally scanned form that is personally signed by both the employer and the employee or by a document bearing their electronic signatures, or a document digitally certified by both through the Unified Digital Portal of Public Administration (gov.gr), in accordance with Article 27 of Law 4727/2020 (GGI A' 184), regarding the issuance of documents through the Unified Digital Portal of Public Administration.





III. FINAL OBSERVATIONS

The new Law notably incorporates provisions that introduce substantial changes to the Greek Labor Law system. It streamlines the administrative processes related to the Ministry of Labor and Social Affairs' platform ("ERGANI"), all the while expanding the protection of employees' rights.

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