



**ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΔΙΠΛΩΜΑΤΟΥΧΩΝ  
ΜΗΧΑΝΙΚΩΝ ΕΡΓΟΛΗΠΤΩΝ ΔΗΜΟΣΙΩΝ ΕΡΓΩΝ**

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## **GREECE - COVID 19 Measures**

The situation with Covid - 19 has severely affected the economy and the business activity in Greece. The measures that have been taken by the Greek Government in order to reduce contamination include the suspension of operation of educational institutions of all levels, suspension of operation of several businesses and a curfew that is in effect from March 23<sup>rd</sup>.

In this context a series of measures have been decided by the Government to support the economy, businesses and employees.

### **GENERAL MEASURES**

Greece banned flights to and from Italy, close the borders with Albania and North Macedonia via air, land, and sea, in addition to suspending flights to and from Spain to limit the spread of coronavirus (COVID-19). Only cargo and Greek citizens will be allowed to travel to and from Albania or North Macedonia. The government also extended travel restrictions by banning cruise vessels and passenger ships to and from the country and has announced that all travelers, regardless of nationality, will be subject to a 14-day quarantine upon arrival to the country from abroad..

Furthermore as of March 19, authorities have banned gatherings of more than ten individuals in an effort to limit the spread of the coronavirus (COVID-19). Anyone violating the restriction would face a EUR 1000 fine. It remains unclear how long the ban will remain in effect for.

Greek Health Minister Mr. Vassilis Kikilias announced that starting Wednesday, March 11, all schools, universities, daycare centers, and other educational establishments will be closed in an effort to prevent further spread of the ongoing outbreak of coronavirus disease (COVID-19).

### **MEASURES SUPPORTING ECONOMY**

In an attempt to keep the economy afloat in the aftermath of the coronavirus crisis, the Greek government announced on Monday, additional support measures for some 800,000 businesses, 1.7 million private-sector employees and 700,000 self-employed and small business owners.

“We are implementing policies to keep the economy alive,” said Finance Minister Mr. Christos Staikouras of the March-April aid package amounting to 6.8 billion euros – or 3.5 percent of GDP – and including a 800-euro benefit for 1.7 million private-sector employees (81 percent



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of the impacted private-sector workforce) that have been suspended from their employment contracts and a freeze on their value added tax and debt payments to the state for four months.

The aid is meant to buffer some 800,000 affected businesses on the condition that there are no layoffs. Additionally VAT and tax debt payments of businesses had been suspended for April. However, if payments are made on time, there will be a 25% discount.

The measures also foresee the extension of financial aid for some 700,000 self-employed and small business owners.

Analysts expect growth to contract by 3 percent in 2020 due the Covid-19 crisis, which comes shortly after Greece began to recover from a decade-long debt crisis.

Additionally the government reiterated that the annual Easter benefit will be paid by all businesses in full to all employees.

The Minister went on to add that a supplementary budget is in place to address the coronavirus fallout earmarking 5.1 billion euros in additional spending for March and April.

From the part of the Ministry of Development was announced that the government will provide 1 billion euros in guarantees for loans to struggling businesses and would bear the interest costs of all up-to-date business loans for April, May and June – a measure which may be extended for an additional two months.

### **LABOUR CONTRACTUAL ISSUES**

Concerning the Labour issues the most important are summarized below:

1. Businesses that have been negatively affected by the situation could be categorized as following:

a) Businesses that have ceased their operations with a State decision, and,

b) Businesses that have been substantially affected by the situation. Greek authorities have created a list of the latter based on the Code of Business Activity (ΚΑΔ) as this has been declared to the Tax Authorities. The list is updated regularly.



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a) Cease of specific businesses operations with a State Decision.

In this case the employees are not entitled to their salary, for the period the business is closed due to the Sate decision, since this is considered a force majeure event.

b) Businesses that have substantially been affected by the situation.

In this case the employer is entitled with the right to suspend the employment contracts of their employees, and this can be decided within one month from the date of March 21st 2020 (up until the 20th of April). This measure can be extended by a decision of the competent Greek authorities, however no further information is available at this moment in time.

The Government has now issued new clarifications on the issue of suspension of employment contracts, as follows:

In case (a) the employees are entitled to a special purpose compensation of € 800 paid by the State. The relevant amount is free of tax and covers the period until 30th of April 2020.

Regarding the procedure in regards to making use of the above measures the employer is obliged to submit a declaration within ERGANI, until the 31st of March 2020, where he/she will declare that he/she belongs to case A, and will submit the details of the employees that are not entitled to their salary. Then the employee himself/herself must be notified in writing by the employer and he/she must submit an electronic declaration with the IBAN number of his/her Bank account and refer to the submission number of the employer's declaration. Employees declaration must be submitted within the 1st and the 10th of April 2020.

The employees will have full social security insurance calculated on their full salary and the social security contributions will be covered by the State.

It is important to mention that the above businesses are not allowed to terminate the employment contracts of their employees and such terminations, starting from 18.03.2020 will be considered void.

Unpaid leave applications that have been filed before the employer ceased operations are considered to have been revoked and the employees qualify for the special purpose compensation of € 800.



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Fixed term employment contracts that expired within the period that the employer had ceased operations, are suspended, as well, and continue after the business continuation. The employees are entitled to the special purpose compensation.

In case (b) employers are entitled with the right to suspend the contracts of the employment of all or a part of their employees. By virtue of a mutual Decision of the Ministries of Finance and Labour, dated 28.03.2020, the duration of the suspension has to be 45 days and cannot be interrupted nor revoked. The measure can be implemented until the 20th of April and can be extended by a decision of the Competent Greek Authorities.

The measure of suspension can be implemented gradually.

Should the employer implement the above-mentioned measure of suspension, then termination of employment contracts is not allowed and such terminations, will be considered void.

In addition, the employer is obliged to retain the same employees and with the same terms and conditions of their employment contracts, as they were in force on the 21st of March 2020, for 45 days after the conclusion of the measure of suspension. Exclusion applies for employees that resign from their position, retire or have fixed term employment contracts that expired after the conclusion of suspension measures.

The employees, whose contracts have been suspended, are entitled to a special purpose compensation of € 800 paid by the State. The relevant amount is free of tax and covers the period of 45 days.

The employees will have full social security insurance calculated on their full salary and the social security contributions will be covered by the State.

Employees who work via teleworking, are excluded from the special purpose compensation. However, should both the employer and the employee reach an agreement, the employee can provide his/her services for emergency needs of the employer, via teleworking, and receive the respective part of his/her monthly salary, in excess of the special purpose compensation, provided that the monthly salary of the employee is not exceeded. In this case the employer will cover the corresponding social security contributions, and teleworking should be declared within ERGANI.

Employers who want to pay, on a voluntary basis, any amount and up until the employee's monthly salary, should cover the corresponding social security contributions. The suspension



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measure can be implemented simultaneously with other measures for the remaining employees. The relevant measures are a) a special part time working system where employees work for 50% of the month and b) the right of the employer to transfer his/her employees to other companies of the Group of Companies he belongs to.

Fixed term employment contracts can be suspended and continue for the remaining duration after the conclusion of the suspension system. In this case employees are entitled to the special purpose compensation.

Regarding the procedure in regards to making use of the above measures the employer is obliged to submit a declaration within ERGANI, within the period of the 24th of March 2020 and the 20th of April 2020, where he/she will declare that he/she belongs to case B, and submit the details of the employees that are not entitled to their salary. Then the relevant employees must be notified in writing by the employer and he/she must submit an electronic declaration with the IBAN number of his/her Bank account and refer to the submission number of the employer's declaration. Employees declaration must be submitted within the 1st and 30th of April 2020.

2. In case that the employee is affected by the virus, then the general provisions for sick leave are applicable. According to the relevant provisions, the employer must pay the employee (as long as the employee has provided services for at least 10 days):

Half month's pay, in the case that sickness occurs during the first year of employment

One month's pay, in the case that sickness occurs after the first year of employment.

3. The provisions that have been implemented by the Government include a special purpose leave, that is provided to working parents.

The scope of this leave covers the parents who have children a) enrolled in nursery schools and kindergarten, b) attending in mandatory education schools (general rule: up until the age of 15), and c) attending in special schools or special education and education institutions, irrespective of the children's age, and to the working parents of persons with disabilities who, regardless of their age, are cared for by relevant institutions.



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The minimum period of this special purpose leave is 4 days, 3 days of which correspond to the special purpose leave and 1 day to the annual leave of the employee. The State will subsidize 1/3 of this leave.

Employees are entitled to the special purpose leave for as long as the relevant educational institution operation is suspended and up until 10.04.2020, provided that at least one parent works in the private sector as an employee, even if the other parent is a freelancer.

If both parents work, they decide who will be entitled to the special purpose leave and they submit a relevant declaration with the employer.

4. Other measures include the right of the employer to unilaterally enforce teleworking and the suspension of working time declarations to ERGANI. The declarations will take place within the first 10 days of the following month.

### **TAX PROVISIONS**

#### **1. Extension of deadlines for the submission of the following returns**

Extension for two months from their expiration, where applicable, of the deadlines for the submission of stamp duty and capital duty, having a new deadline in the end of March and April 2020.

Extension until 30/6/2020 instead of 30/4/2020 for the deadline of the submission of the environmental plastic bags duty, for the first quarter of 2020.

Extension until 29/5/2020 instead of 31/3/2020 for the deadline of the submission of accommodation tax for invoices issued in February.

Extension until 30/6/2020 instead of 30/4/2020 for the deadline of the submission of accommodation tax for invoices issued in March.

Extension until 29/5/2020 for the deadline of the submission of inheritance tax and gambling tax returns that expire in the end of March and April. The same applies to donation and parental tax returns for which a notarial document is not drawn up.

In order to ensure the health and safety of the public and Tax Office employees, capital tax returns submitted during this period to tax authorities in person, are received and processed without a cross-check, which will be made at a later date.



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## 2. Measures related to rental payments

Businesses who compulsorily discontinue their operation due to the spread of coronavirus or whose Code of Activity (KAD) is included in the list of the Ministry of Finance, are entitled to a 40% reduction in their rent for the months of March and April. Even if the employer/company paid the full rent of March, they have the right to offset the rent of April by paying 20% of it without any legal consequences. The same applies for the employees of affected businesses' who have already paid the rent of March.

## 3. Handling of commercial cheques

Suspension for 75 days of expiration and payment deadlines of commercial cheques for businesses whose Code of Business Activity (KAD) is already or will be included in April in the list of affected KAD.

The measure applies to all securities / cheques that will be submitted electronically by their issuers to banks within three (3) days of the issuance of the Legislative Content Act, through a specific application of the Greek Credit Profile Database (Tyresias system), regardless of whether the business is currently listed in the list of affected companies or will be included in the near future.

## 4. Payment of Social Security contributions

The deadline for payment of installments related to restructurings which are active and fall due by 31/3/2020 and the deadline for all related subsequent monthly installments is extended for three (3) months without additional fees and late payment surcharges.

## 5. Other decisions

Temporary suspension of all Courts and Public Prosecution offices throughout the country and the National School of Judicial Officers for the period from 28/3/2020 to 10/4/2020 (Governmental decision 21159).

Extension of the temporary ban for the operation of private businesses listed in the relevant governmental list and banning of public gathering in specific areas, throughout the country, from 28/3/2020 to 11/4/2020, in order to limit the spread of COVID-19 coronavirus.