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EMPLOYEE PAYROLL IN GREECE

A Complete Employer's Guide to Costs, Obligations & Entitlements

Updated: Mar 26

Hiring employees in Greece is straightforward once you understand the framework. Greek labor law is protective of employees and involves a number of mandatory obligations that go beyond the monthly salary — including social security contributions, statutory bonuses, holiday entitlements, and regulated premiums for non-standard working hours. This guide covers all of these in plain terms.

All figures are based on current law as of March 2026, including the updated minimum wage effective 1 April 2026 and the new provisions introduced by Law 5239/2025.

A very good, comprehensive tool to start with understanding the costs for your company is https://aftertax.gr/en

Select the Calculations & Contributions tab (second one), and there you can see what your employer cost (total cost of the company) will be with a specific gross cost, plus what the net income for the employee will be and how that is accounted for in a yearly period (14 salaries).

1. The Employment Contract

1.1 Contract Types

There are two main types of employment contracts in Greece:

Type	Key Features
Indefinite-term (open-ended)	Standard contract. No fixed end date. Provides the highest level of job security. Most common in practice.
Fixed-term	For a specific project or duration. Must be in writing. Cannot be used repeatedly to circumvent indefinite-term protections.

1.2 Written Contract Requirements

While a verbal agreement is technically valid for indefinite-term contracts, a written contract is mandatory for part-time and fixed-term arrangements. In practice, a written contract is strongly recommended for all employees. It must specify: job title and duties, place of work, start date, salary and payment method, working hours, and notice period. You can end an indefinite contract whenever you want, but you cannot do that in a fixed-term contract if you don’t have a very serious reason (theft, etc.).

2. Minimum Wage

Greece sets a statutory national minimum wage by ministerial decree, reviewed annually. The most recent update is as of 1st of April 2026. The gross amount for employees is **920** euros per month.

For employees with experience of 3-6 years, the minimum wage is 10% more, 6-9 years 20%, and more than 9 years 30% more.

Employee Category	Increment per 3 Years	Maximum (after)
White-collar employees	+10%	+30% after 9 years

Note: *These increments apply to the statutory minimum wage and are calculated on the basis of total experience, not only tenure with the current employer.*

3. Social Security Contributions (EFKA)

All employees must be registered with and covered by e-EFKA (the Unified Social Security Fund) from their first day of work. Contributions are mandatory and cover pension, healthcare, unemployment benefits, and other entitlements. Both the employer and the employee contribute, calculated as a percentage of the employee's gross salary.

Party	Rate (as of Jan 2025)	Applied On
Employee contribution	**13.37%**	Gross monthly salary
Employer contribution	**21.79%**	Gross monthly salary
Total EFKA burden	**35.16%**	Per employee per month

The employer deducts the employee's 13.37% from the gross salary and remits both portions to EFKA by the 15th of the following month.

- Monthly cap on insurable earnings: €7,572.62 (2025). Contributions are not calculated on salary above this amount.
- Christmas and Easter bonuses are also subject to EFKA contributions (using the same cap on a standalone basis).

3.1 What EFKA Covers for the Employee

Contributions to EFKA entitle the employee (and eligible dependants) to:

- Primary pension on retirement
- Free access to public healthcare (ESY) and hospital treatment
- Unemployment benefit (up to 12 months, subject to prior contributions)
- Sick pay, maternity benefit, and work accident coverage
- Lump-sum benefits in cases of disability, death, or severe illness

4. Income Tax

The employer withholds income tax from the employee's salary on a monthly basis and remits it to the tax authority (AADE). Tax is calculated on the employee's taxable income, which is their gross salary after deducting the employee's EFKA contribution (13.37%).

Over 30 years old

From	To	0 Children	1 Child	2 Children
0	10,000	9%	9%	9%
10,000.01	20,000	20%	18%	16%
20,000.01	30,000	26%	24%	22%
30,000.01	40,000	34%	34%	34%
40,000.01	60,000	39%	39%	39%
>60,000		44%	44%	44%

Up to 25 years old

From	To	0 Children	1 Child	2 Children
0	10,000	0%	0%	0%
10,000.01	20,000	0%	0%	0%
20,000.01	30,000	24%	22%	20%
30,000.01	40,000	34%	34%	34%
40,000.01	60,000	39%	39%	39%
>60,000		44%	44%	44%

From 26 to 30 years old

From	To	0 Children	1 Child	2 Children
0	10,000	9%	9%	9%
10,000.01	20,000	9%	9%	9%
20,000.01	30,000	26%	24%	22%
30,000.01	40,000	34%	34%	34%
40,000.01	60,000	39%	39%	39%
>60,000		44%	44%	44%

5. The 14-Month Salary Structure (Statutory Bonuses)

One of the most important features of Greek employment law is the mandatory 14th-month salary structure. All private sector employees are legally entitled to receive the equivalent of two additional full months of salary per year, distributed across three separate payments. These are not discretionary bonuses — they are a legal obligation.

Bonus	Amount	Payment Deadline	Taxable / EFKA
Christmas Bonus	One full month's salary	By 21 December	Yes (both)
Easter Bonus	Half a month's salary	By Holy Wednesday	Yes (both)
Vacation Bonus	Half a month's salary	When employee takes annual leave	Yes (both)

For employees who have not worked a full year, the bonus is calculated pro-rata based on the months worked. Payment must always be through bank transfer and cannot be replaced by benefits in kind.

> Practical implication for budgeting: the true annual employer cost of an employee is not 12x their monthly salary, but approximately 14x, plus employer EFKA on all 14 payments.

6. Working Hours & Overtime

6.1 Standard Working Hours

The standard statutory working week in Greece is 40 hours, spread over either five 8-hour days or six days (6 hours 40 minutes per day). The absolute maximum weekly average over any 4-month reference period is 48 hours (in line with the EU Working Time Directive).

Mandatory rest entitlements:

- Daily rest: minimum 11 consecutive hours in any 24-hour period
- Weekly rest: minimum 24 consecutive hours in any 7-day period
- Meal break: at least 15 minutes for shifts exceeding 6 hours

6.2 Overtime Categories & Pay

Greek law distinguishes between two types of additional work beyond 40 hours per week. Each carries a different rate of pay:

Category	Hours Worked (5-day week)	Premium on Hourly Rate	Reporting Required
Extra Work (Overwork)	Hours 41–45 per week	**+20%**	Yes (Ergani)
Legal Overtime	Beyond 45 hours per week	**+40%**	Yes (Ergani)
Overtime on Sunday / Public Holiday	Any overtime hours on a holiday	**+115%**	Yes (Ergani)

- Annual overtime cap: 150 hours per year per employee.
- Maximum daily hours: 13 hours (with explicit employee consent, limited to 37 days/year under Law 5239/2025).
- Employees may refuse overtime in good faith and cannot be dismissed for doing so.

Note: *All legal overtime must be pre-declared in the Ergani II digital platform before the hours are worked. Failure to comply is subject to fines.*

7. Night Shifts

Night work in Greece is defined as any work performed between 22:00 and 06:00. Employees who regularly or systematically work night shifts are entitled to additional compensation and are subject to specific health and safety protections (including the right to periodic health assessments).

The night work premium varies by sector and applicable collective agreement, but the standard statutory premium is:

> Night shift premium: typically +25% on the employee’s regular hourly rate for hours worked between 22:00 and 06:00.
> If night hours also constitute overtime, both premiums apply cumulatively.
> From 1 November 2025: the night work premium is exempt from social security contributions (the premium amount is not subject to EFKA).

8. Sunday & Public Holiday Work

8.1 Public Holidays

Greece has 12 mandatory public holidays per year, many of which are linked to the Greek Orthodox calendar. If a public holiday falls on a Sunday, the following Monday is given as a compensatory day off.

Date	Holiday
1 January	New Year’s Day
6 January	Epiphany
Moveable (Feb/Mar)	Clean Monday (Kathari Deftera)
25 March	Greek Independence Day
Moveable (Apr/May)	Good Friday, Easter Monday
1 May	Labour Day
Moveable (June)	Whit Monday (Holy Spirit Day)
15 August	Assumption of the Virgin Mary
28 October	Ochi Day
25–26 December	Christmas Day & Second Day

8.2 Pay for Working on a Public Holiday or Sunday

If an employee is required to work on a public holiday or Sunday, they are entitled to a pay premium in addition to their normal daily wage:

- Working on a public holiday: regular daily pay +75% (i.e., they receive 175% of their normal rate for that day).
- Working on a Sunday: regular daily pay +75%.
- If the work also constitutes overtime: the rate increases further to +115% of the hourly rate.
- From 1 November 2025: these premiums are exempt from social security contributions.

9. Annual Leave

All employees are entitled to paid annual leave. Entitlement increases with length of service. The following applies to employees on a 5-day working week:

Length of Service (total)	Annual Leave Entitlement
During the first calendar year of employment	Pro-rated (based on months worked), up to 20 days
After completing 12 months	21 working days
After completing 24 months	22 working days
After 10 years	25 working days
After 25 years of total service	26 working days

Key rules on annual leave:

- The Vacation Bonus (half a month's salary) is paid when the employee takes their annual leave. It is a separate legal obligation, not optional.
- The employer cannot substitute monetary payment for leave, except upon termination of employment.
- Under Law 5239/2025 (2025), leave can now be split more flexibly: one portion must be at least 5 working days (previously 10).
- Unused leave can, in principle, be carried over to the following year; specific rules apply.

10. Sick Leave

Employees who are sick and provide a medical certificate within 48 hours are entitled to paid sick leave. The duration depends on length of service:

Length of Service	Paid Sick Leave Entitlement
Under 1 year	Up to 15 days
1 to 4 years	Up to 1 month
4 to 10 years	Up to 3 months
10 to 15 years	Up to 4 months
Over 15 years	Up to 6 months

During sick leave:

- For the first 3 days: the employer pays 50% of regular salary.
- From day 4 onwards: EFKA covers the sickness benefit; the employer may top up the difference depending on the employment contract or applicable collective agreement.

11. Maternity, Paternity & Parental Leave

Leave Type	Duration	Who Pays	Condition
Maternity Leave	17 weeks (8 pre-birth + 9 post-birth)	EFKA (at normal salary rate)	200 working days in prior 2 years
Paternity Leave	14 working days	Employer (at normal rate)	Must be used before child is 30 days old

Parental Leave (each parent)	4 months	Unpaid (or per agreement)	Min. 1 year with current employer

12. Notice Period & Termination

When an employer terminates an indefinite-term contract in writing (with notice), the following minimum notice periods apply, if you want to pay half the termkination fee:

Length of Service	Minimum Notice Period
Less than 1 year	None required
1 year	1 month
2–5 years	2 months
6–9 years	3 months
10+ years	4 months

Severance pay also applies upon termination without notice (summary dismissal), calculated based on years of service. The minimum amounts are set by law and can be significant for long-tenured employees. Specific advice should be sought before proceeding with any dismissal.

Severance Pay Scale Structure

Years of Service	Severance Pay - Months)
1 - 4 (years)	2 (months)
4 - 6 (years)	3 (months)
6 - 8 (years)	4 (months)
8 - 10 (years)	5 (months)
10 - 11 (years)	6 (months)
11 - 12 (years)	7 (months)
12 - 13 (years)	8 (months)
13 - 14 (years)	9 (months)
14 - 15 (years)	10 (months)
15 - 16 έτη (years)	11 (months)
16+ έτη (years)	12 (months)

With the notice period, payment is half.

Note: *Unjustified absence from work for more than 3 consecutive working days (following a notice from the employer) may be treated as tacit resignation under Law 5239/2025.*

13. Total Employer Cost — Summary

The true employer cost of an employee goes well beyond the agreed monthly salary. The table below shows a typical annual cost breakdown for a full-time employee on an agreed gross monthly salary of €1,500:

Cost Element	Annual Amount	Notes
Monthly salary × 12	€18,000	Gross
Christmas Bonus	€1,500	1 month
Easter Bonus	€750	0.5 month
Vacation Bonus	€750	0.5 month
Total gross remuneration (14 months)	**€21,000**	
Employer EFKA contributions (21.79% on €21,000)	€4,576	Approx.
TOTAL ANNUAL EMPLOYER COST	**€25,576**	Approx.

Note: *This example excludes any overtime, night shift premiums, sick leave costs, or variable pay. The actual cost will vary by role and hours worked. Always budget on the basis of 14 months of gross salary plus ~22% employer EFKA.*

14. Key Compliance Obligations for Employers

To operate a compliant payroll in Greece, employers must:

- Register the business and all employees with e-EFKA before the first day of work.
- Declare all employment changes (hires, terminations, hours changes) on the Ergani II digital platform. This includes declaring overtime before it is worked.
- Withhold and remit employee income tax to AADE on a monthly basis.
- Submit the Analytical Periodic Declaration (APD) to EFKA by the 15th of each month.
- Maintain a detailed payslip for each employee each month.
- Implement the Digital Work Card (Psifiaki Karta Ergasias) for employees in applicable sectors — this records actual check-in and check-out times electronically.
- Retain payroll records for a minimum of 5 years.

Note: *Non-compliance can result in EFKA penalties, AADE fines, and Labour Inspectorate sanctions. Fines for payroll violations can reach €8,000 or higher per infringement.*

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