

GREECE 2009

1. Review of the system

1.1. Average Worker Wage (AW)

For the year 2009 the average gross income of a worker amount to 18541¹ €.

2. Unemployment Insurance

The unemployment insurance system covers persons who are insured against diseases with a social insurance body. The benefits are divided into regular benefits and special allowances. This programme is targeted on employees that became unemployed against their will and are not capable of finding a job relevant to their qualifications.

2.1 Condition for receipt

- The person must be capable of and available for work
- The person must be unemployed unwillingly
- The person must have registered with an employment agency.
- The person must not receive a pension equal to or larger than the minimum pension granted by IKA (Social Insurance Institute)
- The person must not be self-employed.

2.1.1 Employment conditions

- 125 days of employment in the last 14 months prior to applying for the benefit, or
 - 200 days of employment in the last 2 years prior to applying for the benefit
- The persons applying for the benefit for the first time must have worked for at least 80 days per year in the last two years prior to their application.

2.1.2 Contributions conditions

The system is contributory. The contributions made to the OAED (Manpower Employment Organization) are paid both by the employer and the employee.

2.2 Calculation of benefit amount

2.2.1 Calculation of gross benefit

Pursuant to article 5 of Act 3352/07 the unemployed that were employed in a full-time job, the basic unemployment benefit is defined to 50% of the daily wage of the unskilled worker from January 1st and from January 1st 2008 to 55% of the daily wage of the unskilled worker. To the unemployed that were not employed in a full-time job and whose monthly wages were lower than or equal to the six-fold of the daily wage of the unskilled worker, 50% of the basic unemployment benefit is paid, whereas to the unemployed that were not employed in a full-time job and whose monthly wages were higher than the six-fold and lower than or equal to the twelve-fold of the daily wage of the unskilled worker, 75% of the basic unemployment benefit is paid.

The basic daily unemployment benefit on the 1st of May 2009 amounts to 18,17€, while the monthly one to 454,25€.

The lowest daily unemployment benefit is 9,08€ and the monthly 227,00€.

The unemployment benefit is paid for 25 days per month and increases by 10% for every dependant member of the beneficiary.

¹ AW refers to the Average Wage estimated by the Centre for Tax Policy and Administration (www.oecd.org/ctp). For more information on methodology see Taxing Wages 2007-2008, OECD, 2009, part 5, sections 2 and 3.

2.2.2 Income and earnings disregards

None. The payment of the benefit is interrupted in case there is an income from commercial businesses or liberal professions.

2.3 Tax treatment of the benefit

No taxation is imposed on the benefit.

2.4 Benefit duration

Following a waiting period of six days the benefit is paid during a period, which differs depending to the worker's employment background:

Days of employment	Duration (months)
125-149	5
150-179	6
180-219	8
220-249	10
250 or more	12
210 days and 49+ years old	12

In all cases the payment of the benefit is of 12 months duration, if the applicant has actually worked for 4050 days or more.

In order to be entitled to receive the benefit once again, the applicant must perform actual work.

2.5 Treatment of particular groups

2.5.1 Young persons

Benefit paid to young persons (aged 20-29)

The benefit is paid to young persons, on condition that these are unemployed and remain included in the list of the unemployed for one year. The benefit amounts to 73,37€ per month and increases by 5,87€ for each dependant (child-spouse), and is paid for a period of 5 months. The benefit aims to support new entrants into the labour market.

Family status	Amount (in €s)
Single parent	73,37
Couple	79,24
Either single parent or a couple with children	5,87 for each child

2.5.2 Older workers

The unemployed aged persons that are older than 65 years old, have no assets and whose income does not exceed the OGA(Agricultural Insurance Institute) basic pension, are granted a pension, which is equal to the basic pension granted by the OGA, in the framework of a special account. The OGA grants the said pension on order of the Ministry of Health and Social Solidarity.

The amounts of pensions granted to uninsured persons by the OGA since Oct 1st 2009 are as follows:

360,00€ granted to persons without family burdens

363,32€ granted to persons with a spouse under 65 years of age

366,63€ granted to persons with children under 18 years of age and a spouse over 65 years of age who does not receive a pension.

3. Unemployment Assistance

3.1 Special aids (Conditions and duration)

3.1.1 Special aid after the end of payment of the unemployment allowance

A special allowance, which comprises 13 basic daily wages of the unemployment benefit (it amounts to 17,23€ since 01/09/2008), is paid to the unemployed who are not temporarily

employed following the end of payment of the unemployment benefit, on condition that they remain unemployed and their family income does not exceed a fixed amount (8.510,64€).

This special allowance amounted to **223,99€** from 1/9/2008 (17,23*13).

3.1.2 Special aid after a three-month registration in the unemployed persons list

It is paid to the unemployed, who do not have the prerequisites for a regular benefit (not seasonal workers) and have actually worked for at least 60 days in the year prior to that in which they registered with the OAED. These persons must remain unemployed (registered with the OAED) for 3 months. The benefit is paid every three months in three separate installments in the same year. The payment consists of 15 daily wages of the unemployment benefit, on condition that their family income does not exceed 8.510,64€.

This special benefit amounted to 258,45€ from 01/09/2008 (17,23*15).

3.1.3 Special Social Solidarity Allowance

By virtue of article 90 of Act 3746, O.G. 27 16.02.2009, a lump sum is granted as special financial assistance to all persons who on 22nd of January 2009 belonged to the following groups: **all types of pensioners receiving the EKAS, pensioners of the OGA, persons who suffer from chronic end-stage renal disease receiving food allowance, as well as persons with disabilities who are indirectly insured or uninsured**, on condition that they receive the welfare benefits by virtue of No 63731/21.5.2008 Joint Ministerial Decision (O.G. 931 B') of the Ministers of Economy and Finance and of Health and Social Solidarity, as well as the unemployed persons who are **registered with the OAED**. The amount of this special financial assistance is set as follows:

a) € 200 for the beneficiaries who live in the Prefectures of Arcadia, Grevena, Drama, Evros, Evrytania, Imathia, Thessaloniki, Ioannina, Kavala, Karditsa, Kastoria, Kilkis, Kozani, Larissa, Xanthi, Pella, Pieria, Rhodope, Serres, Trikala, Florina, Chalkidiki.

b) € 150 for the beneficiaries who live in the Prefectures of Attica, Aetolia-Acarnania, Argolis, Arta, Achaea, Boeotia, Euboea, Ilia, Thesprotia, Laconia, Lesbos, Lefkada, Magnesia, Messinia, Corfu, Corinthia, Preveza, Phthiotis and Phocis.

c) € 100 for the beneficiaries who live in the Prefectures of Dodecanese, Zakynthos, Heraklion, Keffalinia, Cyclades, Lasithi, Rethymno, Samos, Chania and Chios.

This **aid is tax free** and it is not calculated within the income limits set for the payment of the EKAS, the benefit for families with many children and any other provision of social nature.

The aid is paid to pensioners who suffer from renal failure through the insurance bodies that grant them the main pension. The aid is paid to persons with disabilities through the local prefectural Self-Government and to long term unemployed persons through the OAED. Each beneficiary receives the said aid from only one source.

The financial assistance of the said article is borne by the State budget allocations which are intended for financing and subsidies to the National Social Cohesion Fund (Act 3631/2008, O.G. 6 A')

3.2 Income and earnings disregards

None.

3.2.1 Calculation of the benefit

3.2.1.1 Irregular additional payments

No additional benefits are granted.

3.2.1.2 Obligations of family members

The family members are under no obligation.

3.2.2. Income and taxes disregards

None. The payment of the OAED benefit ceases, in the case of an income, by any source, exceeding 8.510,64Euro.

3.3

No taxation is imposed on special allowances.

3.4 Treatment of particular groups

It is impossible to grant a benefit again

3.4.1 Young persons

A benefit granted to young persons (aged 20-29).

The benefit is granted to young persons, on condition these are unemployed and remain registered as unemployed for one year. The benefit amounts to 73,37€ per month and is paid for a period of five months. It aims to support the new entrants into the labour market.

3.4.2 Long-term unemployed people

The OAED grants a benefit to the long-term unemployed.

The “long-term unemployed people benefit” is paid to persons between **45 and 65 years of age** who are insured for the unemployment risk, and remain registered as unemployed with the OAED for twelve consecutive months and have exhausted their regular unemployment insurance right after 12 months of payment (irrespective if it happened in the last 12 months or in the past, consecutively or with suspensions), and their family income does not exceed 5.000€ (increased by 587 € for every child under the age of 18).

The benefit amounts to 200€ and is paid for twelve months.

The increase of 10% by each dependent person is given only to the “special aid” recipients and not to the recipients of the “long-term unemployed people benefit”.

3.4.3 Seasonal aid

This aid is offered to persons belonging to occupational groups employed on a seasonal basis (construction workers, tobacco workers, actors, tile makers, forest workers, musicians, etc). The aid is paid on a yearly basis in the period from 1 October to 20 December. The following prerequisites must be fulfilled:

- The applicant must have actually worked for 50 – 210 days, as the case may be in the pertinent branch in the year prior to the year of payment.
- The applicant must not have actually worked for more days in branches other than the pertinent one in the previous year.
- The total of daily wages in any work must not exceed 240.
- The applicant must not fulfill the preconditions for regular benefit in the period in which the seasonal aid is paid.

3.4.4 Worker laid off due to insolvency of the employer

The OAED keeps an independent account called “Account for the protection of workers against employers’ insolvency”. The said account aims to pay up to three months earnings unpaid, due to the employer’s insolvency, as provided for in a contract of employment or a dependent working relationship. These earnings are considered and are being taxed as paid services.

4. Social assistance

Special financial assistance of social solidarity, special contribution of social responsibility of large enterprises and of large real estate property and other provisions

By virtue of Act 3808 (O.G. 227 10.12.2009) a special financial assistance of social solidarity is provided in order to support the families of salaried employees, pensioners and farmers who have a very low income as well as vulnerable social groups, amounting from 300 up to

and including 1300 euros. This financial assistance is calculated to be around one billion euros while the number of beneficiaries of this regulation is estimated to be more than 2,5 million persons. This aid should have been paid in two equal installments (the first was by 31.12.2009 and the second by 30.6.2010.). Due to the budget deficit, the second installment has been cancelled.

Programme of financial assistance to economically weak citizens

The financial assistance to economically weak citizen is ruled according to the provisions of Legislative Decree 57/1973 (Official Gazette 149/19-7-1973, v. A') and of Ministerial Decisions No P3-603/23-2-94 and No P2-2673/11-9-2001 (Official Gazette 1185, v. B').

The beneficiaries of this financial assistance are those persons who have no adequate economic resources and are unable to secure enough resources by his/her own or by means of another source, for instance by means of allowances provided by the social insurance system. Economically weak citizens are "provenly in the impossibility to cover specific needs from their own resources or the resources of their families". This assistance is also provided to foreign nationals if they fulfill the prerequisites and have a legal residence in Greece.

This benefit amount it is a lump sum payment comprised between 234. 78 and 600 Euros. It has not been modified since 2003. This aid is tax free and it is not calculated within the income limits set for any other provision of social nature.

The procedure of this social assistance is also used in order to help specific group facing unusual and specific damages (for instance, people having undergone damages from forest fire). In these cases, the amount of assistance is decided according the case. This financial assistance is not included in the model.

5. Housing benefits

5.1 Conditions for receipt

The Workers' Housing Agency (OEK) beneficiaries are granted financial aid (rental subsidy) so that they may deal with the cost of renting a house. In order for the beneficiaries to receive the rental subsidy, they must fulfill the insurance, as well as other, prerequisites provided for in the Regulation called "Prerequisites for the granting of houses or loans by the OEK", i.e. they must have actually worked with insurance for a specific number of days, depending on their family composition, and neither they themselves nor any dependent member of their family must own a house or possess other assets, which might secure their housing. The beneficiaries that are individuals must have worked for a specific number of days, depending on the category (e.g. workers, working paraplegic - blind, etc), and fulfill the rest of legal prerequisites.

The status of being a pensioner is the only precondition for the participation in the rental subsidy programme, as far as the retired beneficiaries of the OEK are concerned.

The long-term unemployed beneficiaries of the OEK, as long as their unemployment and its duration are ascertained, are provided with a rental subsidy for the period of time during which they receive an OAED benefit, as well as for another two years following the termination of the benefit payment.

Ministry of Education and Religion

Tertiary education undergraduates are granted an **annual housing allowance of 1.000€**, in accordance with the provisions of Act No.3220/04 and Ministerial Decision No.1004908/301/02-02-04. The said allowance is paid for as long as the studies last, according to the rules of procedure of each department. Tertiary education graduates, who

attend a course aiming at obtaining a second or a Master's degree, are not entitled to the above allowance, irrespective of how they have been admitted to the said course.

There is no specific age limit for a beneficiary, in order to be entitled to the allowance, provided that the legal preconditions are met. The student must reside in a rented house, which, due to his/ her studies, is in a city other than the one of his/her main residence, where neither his parents nor he/ she have the full ownership or the usufruct of another residence. Those who reside in university student halls and boarding houses are not entitled to the allowance. In order for the allowance to be granted, the annual family income of the previous fiscal year must not exceed the amount of 30.000Euro, increased by 3.000Euro for each dependent child, beyond the first one.

5.2 Calculation of the amount of the benefit

5.2.1 Calculation of the gross benefit (per month)

Type of family	Monthly Benefit	Annual Benefit
Single persons and couples	115€	1.380€
Couples with one dependent child	140€	1.680€
Couples with two dependent children	165€	1.980€
Couples with three dependent children	215€	2.580€
Couples with four dependent children	215€	2.580€

The amount of the 215€ benefit increases by 25€ per month for each dependent child beyond the fifth child (Children are considered as dependent until they complete their 21st year of age, whereas, if they study at Universities or Technological Educational Institutes or at post-compulsory secondary education state schools, until they complete their 25th year of age. There is no age limitation for children who are incompetent for any type of work)

The abovementioned amounts of rental subsidy increase by 50% for the following OEK beneficiaries participating in the 2009 rental subsidy programme, depending on the category they belong to:

- Long-term unemployed persons, as well as beneficiaries who became unemployed due to the denouncement of their contract of employment in the year 2009, provided that they were unemployed for more than three (3) months.
- Unemployed beneficiaries who moved from their permanent residence and found work in other Prefectures in the year 2009.
- Beneficiaries whose net family income is less than 8.000,00€ in the fiscal year 2009.

Ministry of Education and Religion

The housing allowance granted to the beneficiaries-students of tertiary education amounts to 1.000Euro annually, and the relevant total sum that was granted during the fiscal year 2008 amounted to 70.000.000Euro.

5.2.2 Income and earnings disregards

The rental subsidy is granted to all low-paid beneficiaries, workers and pensioners, whose annual net family income does not exceed 12.000€ in the fiscal year 2008. This amount increases by 2.000€ for each dependent child.

Any kind of net income from any source, as seen in the tax return of the fiscal 2008, apart from: the lump sum compensation due to dismissal, the compensation paid by an insurance company due to an accident, the unemployment benefits, the interests of bank deposits, the paraplegic – quadriplegic benefits, the three-children benefit, the blindness benefit, the total disability benefit, the benefit for families with more than four children, the rental subsidy paid in the previous year, the confinement benefit, back pension of the previous year, the income deriving from the sale of assets in the previous year, the Pensioners' Social Solidarity Benefit

(EKAS) and the amount paid as subsidy for the participation in further education and training programmes, the compensation paid for traveling expenses, the subsidizations deriving from agricultural products, the profits made from gambling (PROPO [i.e. football forecasts], LOTTO [i.e. Lottery]), provided that these profits do not exceed three times the subsidy amount of their category, the compensation granted by virtue of court decisions as well as the income deriving from LAFKA, is regarded as annual family income.

The payment of the benefit is discontinued in the case that another aid is granted by the OEK; more specifically, from the date that the loan agreement is signed or a house is granted.

5.2.3

During the year 2009, the amount of 166.825.314€ drawn for the OEK rental subsidy programme.

The provisions stipulated in para5.2.1 apply regarding the maximum housing benefit sum and how this varies depending on the size and type of a family.

5.3 Tax treatment of the benefit

No taxation is imposed on the benefit.

5.4 Benefit duration

The scheme has one-year duration and is paid once as a lump sum.

The scheme is repeated every year, as long as the requirements set are met every time.

5.5 Treatment of special groups

Provision of financial assistance from the Special Solidarity Fund (EKA) of the OEK to its beneficiaries, who are unable to pay off their debts resulting from housing loans or the price of a house, due to pressing social and financial needs, e.g., long-term unemployment, serious health problems of the beneficiary or his dependants, damages caused by natural disasters, etc. The above assistance is paid in two six-month installments.

Also, the provision of financial assistance from the EKA has extended to cover owed installments of bank loans, with a rental subsidy by the OEK, to its beneficiaries employed by employers, who have gone bankrupt. The said financial assistance is provided for the period starting as soon as wages stop being paid, as stipulated in the decision on bankruptcy, and up to the date, when the denouncement of the contract of employment is served by the trustee in bankruptcy.

Students' Housing Benefit

It is granted from 2004 onwards and based on the conditions provided for in Act No 3220/2004 on "Development and social policy measures – objectivity of tax controls and other provisions", under which the benefit is granted

6. Family allowances

A general scheme is applied, which is supplemented by the employer.

6.1 Conditions for receipt

The preconditions for receiving the family allowance is that the beneficiary must have actually worked for fifty days in the year preceding to that in which the relevant application is submitted or a two-month regular subsidy due to unemployment or a two-month continuous inability to work.

The children for whom allowance is granted must:

- a) be under 18 years of age or under 22 years of age, in case of students
- b) if they are incapable of working, for long as their incapability lasts
- c) be single
- d) reside either in Greece or in another EU Member State.

Calculation of the amount of the allowance

6.2.1 Calculation of the benefit amount

(General scheme)

The amounts of allowances, as readjusted for the year 2007 and 2008, have been formulated as follows:

1 child	8,22€
2 children	24,65€
3 children	55,47€
4 children	67,35€
For each additional child	11,298€
so, 5 children	78,68€

There is a special allowance for parents with more than 3 children	
3 rd child (up to the age of 6)	164,45€ monthly
Families with 4 or more children	41,10€ monthly per child
Life-Long pension to mothers with more than 3 children	94,58€ monthly

In the year 2006, Act No 3454/2006 was published, by virtue of which the mother, who gives birth to a third child or more from 1/1/2006 onwards, is granted a lump sum allowance amounting to 2.000€.

The employer usually pays each worker (married or not) with 5% of the gross income adding 10% for the spouse. The amount paid for the spouse is independent of her status of employment and income.

Women working with employment contract and are insured at the IKA are entitled to a complementary pregnancy and post-natal benefit.

This complementary benefit equals to the pregnancy and post-natal benefits granted by the IKA minus the regular wage. The regular wage is granted and insured by the competent insurance fund when the pregnancy occurs.

The complementary benefit is granted for as long as the pregnancy and post-natal benefits are granted, but not during the period when the employer is obligated to pay for the wage.

OAED grants the complementary benefit as a lump-sum amount after IKA has granted the full amount of the benefits.

Special Maternity Leave

By virtue of Act 3655/2208, art.142, a special maternity leave was instituted. Mothers insured at the IKA – ETAM and working with a fixed-term or non fixed-term contract, are entitled to this additional leave.

The additional leave is granted after the end of the pregnancy/ post-natal leave or the end of the 3.5 months leave granted in substitution of the reduced-time period, according to art.9 of the National General Collective Agreement 2004-2005. The special maternity leave starts the day the pregnancy/ post-natal leave or the reduced-time period ends.

OAED is obligated to pay a monthly benefit to the working mother that equals to the minimum wage as set by the National General Collective Agreement, as well as the proportion of holiday benefits and leave benefits according to the minimum wage.

6.3. Tax treatment of the allowance

General scheme: No taxation is imposed on the allowance.

The allowance of the employer is added to the gross income prior to the imposition of tax.

By virtue of act no 2232/2006 the previous taxation on the allowance for the third or the fourth child was abolished.

6.4 Treatment of special groups

The amounts of family allowances increase by 3,67€ per month and by 44,04 per year for each child in the following cases:

- a) For not recognized children born out of marriage
- b) For children with disabilities
- c) For parentless orphans
- d) When the beneficiary is a widow
- e) When the beneficiary has a disabled spouse
- f) When the beneficiary's spouse is a soldier

Maternity benefits: these are financial benefits, which are granted due to maternity to working women that are not able to receive them from their insurance or are uninsured. The said benefits are granted for a period of six weeks prior to the childbirth and aim at securing satisfactory living standards. These benefits amount to 440,20€ (220,10€ before the childbirth and 220,10€ after it).

Women workers receive maternity benefit from:

- a) the insurance body that they are insured with
- b) the Hellenic Manpower Employment Organization (OAED) and
- c) their employer.

The amount they receive from their employer refers to fifteen-day wages or monthly wages, depending on their previous service; the employer is entitled to deduct from the said benefit any amount the woman worker may receive from her insurance body as a subsidy for the same period of time.

Support of unprotected children scheme: through this scheme, a monthly benefit of 44,02€ is paid to each unprotected child up to age of 16, provided that the monthly income of the family that the child is living with does not exceed the amount of 2820€ for a three-member family (this amount increases by 250€ for each member of the family beyond the third one).

7. Child care benefits

During the school year 2008-2009 the OEE (Workers' Fund) in 24 Day Nurseries hosted in total 1.254 children, of which 415 in the prefecture of Attica and 839 in the region (age 8 months- 5 years).

As far as the childcare programmes are concerned, a scheme is followed in accordance with the rules of modern preprimary education and pilot educational, training and entertainment programmes are carried out in the nurseries, such as educational walks, action plans on intercultural education, environmental education, etc. During the year 2008, 145 educators, as well as 156 persons as administrative and assistant personnel, were employed.

The operational costs (catering-minor expenses-gifts for children) of the OEE Infant Nurseries for the fiscal year 2009 amounted to 1.345.088,84€.

Furthermore, we would like to inform you that, since the summer of 2008, the OEE has incorporated a new scheme into its activities, whose objective is to provide benefited women with posts, concerning the care and accommodation of infants, preschoolers, children and adolescents, in structures (infant nurseries, infant nurseries of integrated care, day nurseries, centers for children's participation in creative activities – KDAP, and centers for the creative activities of children with disabilities – KDAP-MEA) and which aims at increasing the employability of women and their equal opportunities regarding access to work.

During the year 2008, 576 structures took part in the said scheme, each one of which applies its own educational programmes. In total, 10.264 children, aged from two (2) months to twelve (12) years or/and adolescents of certain categories, were hosted by the structures.

Respecting the fees paid by the parents for the care of children, we would like to inform you that the participation in both the OEE programmes is free of charge.

Ministry of Education and Religion

Compulsory education in Greece begins when children are 6 years old and ends when they are 15, covering their studies in both Primary School and the first three classes of High School.

7.1 Out-of-pocket childcare fees paid by parents

As far as the imposition of catering fees for the municipal day nurseries is concerned, it is provided for by the provisions of article 9 of the Model Regulation for the Operation of Municipal Day and Infant Nurseries (Joint Ministerial Decision No.16065/22-4-2002, O.G.B'497), in accordance with which the Administrative Board of the legal entity – following a fully documented consent of the relevant Local Self-Government Agency (OTA), which is in conformity with the social nature of the services provided – may define the criteria for the imposition of a monthly payment (catering fees) to the families of the hosted children, depending on their financial state. The same Administrative Board decision defines the cases of families that may be exempted from the payment of this financial contribution, or that may make reduced payments.

It is noted that the decision to impose catering fees is subsumed in the framework of the OTA and their respective legal entities' financial and administrative independence.

1.112 (64%) of the 1.736 registered Crèches [Day Nurseries] and Infant Nurseries receive catering fees. 270 (24,3%) of them receive a fixed monthly amount, while 842 (75,7%) of them receive catering fees based on the parents' income and on other social criteria (families with more than three children, single-parent families, foreigners, etc).

FIXED MONTHLY CATERING FEES	NURSERIES RECEIVING CATERING FEES	
	NUMBER	RATE %
10 – 30 Euros	142	52,6%
31 – 50 Euros	69	25,6%
51 – 80 Euros	42	15,5%
81 – 150 Euros	17	6,3%
TOTAL	270	100%

211 (78,15%) of the Nurseries, which receive a fixed monthly amount, receive 10 - 50Euros per month and only 59 Nurseries (21,85%) receive amounts higher than 50Euros.

The Nurseries that take into account the family income, in order to determine the amount to be paid as catering fees, use many different scales regarding both the income and the fees.

As far as the amount of paid catering fees per parents' income scale is concerned, there are variations regarding the amount of catering fees imposed by Crèches [Day Nurseries] and Infant Nurseries, not only among income categories, but also within the same category, and the fees vary from 30Euros up to more than 80Euros.

In order to improve the living conditions of the children and the standards of services offered, parents pay catering expenses depending on their family income.

Table : Catering expenses (in €) in 2008

Family income (in €)	Catering expenses (in €)*
Up to 5.898,41	Free
5.898,41 – 8.804,11	20,54
8.804,11 – 11.738,81	26,41
11.738,81 – 14.673,51	35,22
14.673,51 – 17.608,22	44,02
17.608,22 – 20. 42, 2	52,82
Over 20.542,92	64,56

* half expenses are paid for the second child.

Families with more than three children and parents with disabilities (more than 67%) are exempt from the obligation to pay catering expenses when their income is up to 20.542,92€ (when the income is more than 20.542,92€, the expenses for the third child are 20,54€ and 10,27€ for every child beyond the third one). It is not always mean-tested.

7.2 Child-care benefits

By virtue of para5 of article 1 of Act3296/2004, the tax relief of 15% on the expenses for Day and Infant Nurseries has been repealed.

8. Allowances depending on employment

None.

9. Allowances for single-parent families

There is a fixed allowance for children without financial support. Please, refer to family allowances.

10. Tax system

10.1 Income tax schedule

10.1.1 Tax allowances and credits

Standard tax reliefs

Tax reliefs on social security contributions: contributions to social insurance institutes are not considered taxable income.

Non-standard tax reliefs

Main Non-Fixed Tax Reliefs relating to actual expenses: Expenses deducted from the total net income, which are subject to a ceiling.

- **Donations to the State**, municipalities and communities, state universities, the church, the monasteries on Mount Athos, the World Patriarchate of Constantinople, the Patriarchate of Alexandria and Jerusalem, the Sacred Monastery of Mount Sinai, the State and municipal nursing homes and private hospitals which are subsidised from State budget and the Archaeological Resources Fund
- **Donations to private non-profit making legal persons** which have been or are being legally constituted for cultural purposes are deductible up to 30 per cent of total taxable income but only if the donation exceeds EUR 100.
- **Amounts donated to philanthropic institutions**, non-profit making bodies which provide educational services or grant scholarships, Greek legal persons governed by private or public law which have been or are being set up for philanthropic purposes and legally constituted sports clubs recognised by the Secretariat-General for Sports.
- **Insurance expenses** for life/death/accident/sickness for the taxable person, his/her spouse or their dependent children. This also includes the expenses for child insurance paid annually by divorced parents. The amount of deduction cannot exceed 10 per cent of the tax-free income step of the taxpayer's income tax schedule (in 2008, the deduction cannot exceed EUR 1 200).
- **Expenses paid to doctors** for the taxable person, his/her spouse and his/her dependents
- **Fees paid to lawyers for the provision of law advice** for the taxable person, his/her spouse and his/her dependents.
- The **amount of rent** paid for the **main residence** of the taxpayer or his/her family's main residence, provided that the taxpayer is under 40 years old and the residence is located

outside of the urban areas of Attica and Thessalonica. This deduction is offered during the first 5 years of the loan.

- The amount of **rent paid** by the taxpayer **at the location where he is detached**, given that he leases the private residence that he owns elsewhere. The deduction cannot exceed EUR 300 per month. Taxpayers who receive a housing allowance are not entitled to this deduction.
- 20 per cent of the amount – and up to EUR 3000 – paid to **mutual funds** that invest in Greek bonds and shares that are listed on the Athens Stock Exchange, for shares of mutual funds bought after 1-1-2005 and withheld until 31-12-2009.
- 20 per cent of the amount – and up to EUR 700 – spent on the **installation of natural gas systems**, solar panel systems, thermal insulation and teleheating systems.
- **EUR 2 400 for the taxpayer with invalidity** of over 67 per cent and for any dependent handicapped person with invalidity of over 67 per cent living with the taxpayer.
- 40 per cent of the amount of certain expenses (incurred by the taxable person, his/her spouse and dependent children) as defined by law and up to EUR 8,000. Among these are expenses for maintenance and repair of buildings as well as expenses for the provision of services by restaurants, beauty salons etc.

Non-Fixed tax reductions relating to actual expenses

- 20 per cent of the total annual amount of **rent paid for the taxpayer's main residence**, not exceeding EUR 1 200, provided that the taxpayer or his dependents do not own a dwelling with a surface equal to or larger than the rented dwelling in the same region and that the taxpayer does not receive any rent allowance from the state (the tax credit cannot exceed EUR 240).
- 20 per cent of annual **rent paid for the dependent children who are studying** at a recognised educational establishment in Greece up to a maximum of EUR 1 200, provided that the dwelling is situated in the same region of the school or university.
- 20 per cent of the **educational expenses** incurred by the taxpayer for himself or for his dependent children up to a maximum of EUR 1 200 per person. The expenses paid by divorced parents are also included. The tax credit cannot exceed EUR 240.

Note: The amount of each of these expenses that form the basis of the tax credit cannot exceed 10 per cent of the first tax free income step of the taxpayer's income tax schedule (for 2008 the deduction cannot exceed EUR 1 200). All expenses have to be declared; they are calculated jointly for both spouses and are attributed to each spouse according to their declared income.

- 20 per cent of the expenses for **medical and hospital care** of the taxpayer and his/her dependents. The total credit cannot exceed EUR 6 000. Medical expenses in respect of unmarried or widowed children who suffer from an incurable disease, who are mentally retarded or are blind and whose total annual income does not exceed EUR 6 000 are also included.
- 20 per cent of the annual **interest** of mortgage loans taken after 1 January 2003 for the principal residence of the taxpayer. The relief is limited where the financed amount does not exceed EUR 200 000.

- 20 per cent of the **interest paid on loans** granted by banks and other credit institutions for the **restoration**, maintenance or improvement of scheduled buildings and buildings located in areas classified as traditional urban districts or as traditional settlements. The amount of the deduction is calculated upon the interest deriving from the part of the loan that does not exceed EUR 200 000. The credit only applies to loans taken after 1 January 2003.
- 20 per cent of the amount of **alimony** (with a maximum of EUR 3 000) that is paid to a spouse and is adjudicated/or agreed by notary deed. The tax reduction cannot exceed EUR 600.
- **EUR 60** in respect of **each dependent child** for taxpayers with employment income living for at least 9 months of the year **in certain border areas** or on certain islands. In case of a married couple, at least one spouse must satisfy these requirements in order for his/her family to receive this deduction.

Note: Taxpayers who reside abroad but derive taxable income from sources in Greece are not eligible for these deductions, with the exception of residents of the EU Member States who derive at least 90 per cent of their total income from sources in Greece.

- **Spouses:** if a wife earns taxable income, following additional amounts are tax-deductible: a) medical expenses of the wife, her children from a former marriage, her children born out of wedlock, her parents and orphaned relatives of first and second degree of kind, b) interest arising from first-home loans, c) additional child expenses when the wife works in a border area. If from the joint tax return submitted by the spouses no tax obligation arises for one of them, or the payable amount of tax is less than the sum of the deductions (medical expenses, rent of main residence of children who are studying, expenses for additional outside or home tuition, deductions for children because of service in border areas) then the whole amount of the deductions or the ensuing difference is attributed to the payable tax of the other spouse.

10.1.2 Definition of taxable income

Gross income minus tax exemptions.

10.1.3 Tax schedule

Basic tax scale

Income Category	Tax Rate (%)
Up to 12.000	0
From 12.001 to 30.000	25
From 30.001 to 75.000	35
75.001 or more	40

The tax-free amount of 12.000€ for the permanent residents of islands with a population up to 3.100 people increases by 50%, i.e. to 18.000€.

Since 2003, tax reductions that were granted in the past for dependent children have been replaced with a broader zone of tax-free income granted to persons, whose income is earned through employment and who have dependent children.

The tax free amount of income in respect of dependent children is increased as follows:

- by EUR 1 000 if the family comprises one child
- by EUR 2000 if the family comprises two children
- by EUR 10 000 if the family comprises three children and with an additional EUR 1 000 for each additional child

- **The income tax schedule for wage-earners with one dependent child (income earned in 2009):**

Income Step (EUR)	Tax Rate %	Tax for the step (EUR)	Total	
			Income (EUR)	Tax (EUR)
13,000	0	0	13,000	0
17,000	25	4,250	30,000	4,250
45,000	35	15.750	75,000	20.000
Above 75,000	40			

- **The income tax schedule for wage-earners with two dependent children (income earned in 2009):**

Income Step (EUR)	Tax Rate %	Tax for the step (EUR)	Total	
			Income (EUR)	Tax (EUR)
14,000	0	0	14,000	0
16,000	25	4.000	30,000	4.000
45,000	35	15.750	75,000	19.750
Above 75,000	40			

Only the principal is entitled to the increase in the tax-free amount for dependent children. If the principal does not earn income or his/her income is less than the income in the first tax bracket augmented by the tax-free amount for children, then the tax-free amount related to the dependent children or the part of the band increase that is not used by the principal, is added to the tax-free income amount of the other spouse.

10.2 Treatment of family income

Married persons (spouses) are taxed separately on their own separate income, but are required to submit a joint tax return.

10.3 Social insurance contribution scale

The average contributions rate paid by workers and employers to social insurance bodies is calculated on their gross income as follows:

	Employer	Employee	Total
1. Social Insurance Organisation (IKA)	18.43	9.22	27.65
2. Subsidiary Social Insurance Fund (ETAM)	3.00	3.00	6.00
3. Other Funds	6.63	3.78	10.41
Total	28.06	16.00	44.06

In the year 2009, the maximum monthly earnings, on which contributions are paid, are as follows:

- As far as old insured persons are concerned (i.e. those insured for the first time until 31/12/1992), the said earnings amount to **2.432,25€**.
- As far as persons insured for the first time from 1/1/1993 onwards are concerned, the said earnings amount to **5.546,72€**
- The aforementioned rates and earnings are also taken into account for the calculation of the contributions on Christmas and Easter bonuses, as well as on the holiday bonus, on which separate contributions are paid to IKA-ETAM.

11. Part-time employment

11.1 Special rules governing financial assistance to the part-time employed

The earnings of the part-time employed who work for less than 4 hours daily increase by 7.5%.

This provision aims at supporting the part-time employed with less than 4 working hours daily and promotes the greater participation in the labour market, especially of young persons and women, i.e. persons for which this type of employment is the only possible due to educational, family or other obligations.

A prerequisite for the application of the above is that the part-time employed be offered the minimum fixed remuneration provided for in the existing provisions.

Concerning the part time employment at the OTA, by virtue of Act3250/2004, as in force (Act3536/2007), bodies of the public sector, the OTA and other Public Bodies Corporate were given the ability to hire personnel bound by a fixed-term contract of employment under private law for part-time employment for four hours per day and twenty per week; the contract is of eighteen (18) months duration. It is mandatory that the part-time personnel belong to vulnerable social groups (unemployed of various categories, victims of mass dismissals, mothers of underage children, persons with special needs, persons with three children, persons with more than three children), i.e. persons who, through this programme, achieve to support their family income as well as to accumulate time of service that is useful both for the collection of stamps and as previous service for future hiring/employment.

This personnel, as personnel bound by a fixed-term contract of employment under private law, is entitled by analogy to all remuneration and benefits provided for by law that are received each time by the respective permanent OTA personnel of the first and second degree, apart from the lump sum traveling expenses of the OTA personnel of the first and second degree (Act2685/99), since the working hours of this personnel do not justify the granting of the said expenses (article 28, para6, Act3536/2007).

The Ministry of the Interior subsidizes the first degree OTA of the Country from transferred credits of the State Budget, so that they cover payroll expenses of part-time employed staff hired for the realization of the OTA approved plans, as well as Public Bodies Corporate supervised by the OTA, for the provision of social services. To this end, in **2009, 739** first-degree OTA of the country were subsidized with the amount of **41.641.517,00€**.

11.2 Special rules concerning taxation and social contributions regarding part-time employment

None.

12. Developments in the field of politics

12.1 Reforms that took place in 2009

Special Social Solidarity Allowance

By virtue of article 90 of Act 3746, O.G. 27 16.02.2009, a lump sum is granted as special financial assistance to all persons who on 22nd of January 2009 belonged to the following groups: **all types of pensioners receiving the EKAS, pensioners of the OGA, persons who suffer from chronic end-stage renal disease receiving food allowance, as well as persons with disabilities who are indirectly insured or uninsured**, on condition that they receive the welfare benefits by virtue of No 63731/21.5.2008 Joint Ministerial Decision (O.G. 931 B') of the Ministers of Economy and Finance and of Health and Social Solidarity, as well as the unemployed persons who are **registered with the OAED**. The amount of this special financial assistance is set as follows:

- a) € 200 for the beneficiaries who live in the Prefectures of Arcadia, Grevena, Drama, Evros, Evrytania, Imathia, Thessaloniki, Ioannina, Kavala, Karditsa, Kastoria, Kilkis, Kozani, Larissa, Xanthi, Pella, Pieria, Rhodope, Serres, Trikala, Florina, Chalkidiki.
- b) € 150 for the beneficiaries who live in the Prefectures of Attica, Aetolia-Acarnania, Argolis, Arta, Achaea, Boeotia, Euboea, Ilia, Thesprotia, Laconia, Lesbos, Lefkada, Magnesia, Messinia, Corfu, Corinthia, Preveza, Phthiotis and Phocis.
- c) € 100 for the beneficiaries who live in the Prefectures of Dodecanese, Zakyntos, Heraklion, Keffalinia, Cyclades, Lasithi, Rethymno, Samos, Chania and Chios.

This **aid is tax free** and it is not calculated within the income limits set for the payment of the EKAS, the benefit for families with many children and any other provision of social nature.

The aid is paid to pensioners who suffer from renal failure through the insurance bodies that grant them the main pension. The aid is paid to persons with disabilities through the local prefectural Self-Government and to long term unemployed persons through the OAED. Each beneficiary receives the said aid from only one source.

The financial assistance of the said article is borne by the State budget allocations which are intended for financing and subsidies to the National Social Cohesion Fund (Act 3631/2008, O.G. 6 A')

ANNEX – ADDITIONAL INFORMATION ON NURSERIES

The Action “Reconciling family responsibilities and professional life” is part of the Operational Programme “Development of Human Resources” of the Ministry of Labour and Social Security and is co-financed by the European Social Fund (ESF) within the framework of the National Strategic Reference Framework for the period 2007-2013.

The Action aims at providing women beneficiaries with posts for the care and accommodation of infants, babies, children and adolescents in Structures (Infant Nurseries, Crèches [Day Nurseries], Nurseries of Integrated Care, Centres for the Creative Activities of Children (KDAP) and Centres for the Creative Activities of Children with Disabilities (KDAP MEA) and is targeted on the increase in women’s employability and in their equal participation at work.

The said Action was materialized for the first time in the period 2008-2009 (children were accommodated from 1/9/2008 – 31/7/2009), by virtue of the Joint Ministerial Decisions No46855/1622/26-6-2008 and No60460/2171/28-8-2008, and the number of the benefited women – in accordance with the final tables– rose to 10.264, whereas the number of posts covered, as it was modified in the end, rose to 9.445, amount of financing: 19.417.008, 14Euros.

The Action continues to be carried out in the period 2009-2010, by virtue of Ministerial Decision No9.2776/3.553/6-4-2009, by our Organization as its Beneficiary within the same framework that it was carried out in the previous period (relevant information was provided in document No55080/2-2-2009) and with the following differences – improvements:

A) Preconditions for the participation of both the Structures and the women – more specifically:

- The Structures: KDAP which operate in two shifts within their working hours – and that is declared in their operation license – have the right to accommodate children up to the double of their capacity.
- The women who are unemployed and possess a valid unemployment card a month before the release of the Call for Interest (8/4/2009), as well as a copy of an individualized approach certification by the OAED, have the right to participate.
- The women – mothers of children with disabilities have the right to participate and their employment, socio-economic or other status is not taken into account.
- The women who are working mothers (salaried, self-employed, self-employed in the primary sector, participants in the Active Employment Policies, unemployed with a valid unemployment card, subsidized unemployed) have the right to participate and their annual declared family income is not taken into account (in the previous period 2008-2009, the income constituted a participation precondition).

B) Reform of the choice criteria and of the points system, as follows:

- Unified points for all working women (in the previous period 2008-2009, the number of points was given depending on the time of employment at the job)
- Additional points to women who receive a regular unemployment benefit by the OAED, and

C) Increase in the maximum annual expenditure limits in Euro (€), including the VAT paid by our Organization to Structures (Contractors), by post category and for the total of rendered services, as follows:

1. Infant Nurseries – Crèches [Day Nurseries]:

- Category A: infants 2 months old – young children 2,5 years old: 4.200,00Euros (for the previous period 2008-2009: 3.000,00Euros)
- Category B: young children 2,5 years old – children at the age that they start compulsory education: 3.500,00Euros (for the previous period 2008-2009: 2.520,00Euros)

2. Day Nurseries of Integrated Care:

- Category C: infants 8 months old – young children 2,5 years old: 6.000,00Euros (for the period 2008-2009: 3.000,00Euros)

- Category D: young children 2,5 years old – children at the age that they start compulsory education: 6.000,00Euros (for the period 2008-2009: 2.520,00Euros)
 - Category E: young children with disabilities 2,5 years old – children 6,5 years old: 6.000,00Euros (for the period 2008-2009: 4.200,00Euros)
3. Centres for the Creative Activities of Children (KDAP):
- Category F: children at the age that they start compulsory education – children 12 years old and children with light types of mobility or sensory problems: 2.200,00Euros (for the period 2008-2009: 1.560,00Euros)
4. Centres for the Creative Activities of Children with Disabilities (KDAP - MEA)
- Category G: children with disabilities or/and adolescents with mental retardation or/and mobility disabilities: 6.000,00Euros (for the period 2008-2009: 4.200,00Euros)

The abovementioned amounts of money cover the total cost of the services rendered by post and the Contractor is not able to receive payment of catering fees or any other type of fees from the benefited women.

All the aforementioned differentiations were evidently adopted within the effort to provide support to a larger number of women and, hence, to succeed in achieving the goal of the Action to the maximum degree possible.

Finally, we would like to mention that the total number of participating Structures, during the period 2009-2010, is 539 (the number of offered posts is 17.785) and the number of the persons benefited, in accordance with the final tables announced on 8/7/2009, is 14.888, whereas the total number of covered posts will be defined after the procedure of concluding the contracts, which is in progress, is completed.

The Ministry of Health and Social Solidarity founded and financed from the State Budget 1.306 State Day Nurseries with a capacity of 78.000 children (from the age of 2.5 years up to their registration with the Primary School) and 132 Infant Nurseries with a capacity of 10.000 children aged 8 months and up to their registration with the Primary School, with a view to helping working parents as well as economically weak families. Children facing social problems and, for this reason, needing special social care, i.e., children whose one or both parents are dead, children of unmarried mothers, of divorced or separated parents, families with more than three children, parents with physical or mental disability, etc, have priority in their enrollment to the said nurseries.

The possibility that State Day Nurseries and Infant Nurseries may be established is provided for in the provisions of article 13 of Emergency Act (2/11/1935) respecting State Day Nurseries (Official Gazette 527/A), and, in that case, the issue of a Presidential Degree was necessary on proposal of the competent Ministers.

In order to improve the living conditions of children and the services provided to them, parents paid catering fees depending on their family income.

It is pointed out that all State Day Nurseries and Infant Nurseries came ipso jure under the OTA, according to the provisions of article 12 of Act 2880/2001 (O.G9/A/30-01-2001), and now operate as municipal and community Public Bodies Corporate under article 239 of Act3463 (O.G.114/A) (Municipal and Community Code).

The operation of the new Municipal Legal Entities (former State Day Nurseries) is regulated by an Operation Regulation, which is drawn up by the pertinent Municipal or Community Councils and is based on the Model Operation Regulation that has been issued by joint decision of the Ministers of the Interior, Public Administration and Decentralization and of Health and Welfare and is approved by decision of the General Secretary of the Region.

The Ministry of Interior Affairs is responsible for the supervision and control of the above-mentioned municipal entities.

It is noted that an Inspectorate Body for Health and Welfare Services (SEYYYP) was set up within the Ministry of Health and Welfare by Act 2920/2001 (O.G.131 volume A). The said Body may, *inter alia*, intervene in the first degree OTA Services, in the field of Welfare, in order to ascertain the quality and sufficiency of facilities and equipment, as well as in order to take the necessary safety measures for the children's and the personnel's healthy living conditions.

Furthermore, 164 Day Nurseries and Infant Nurseries were operated by bodies supervised by the Ministry of Health and Social Solidarity (National Foundation for the Protection of Mother and Child [PIKPA], National Welfare Organization [EOP], Infants' Centre "MITERA", Institution of Athens Infant Nurseries, Institution of Thessalonica Infant Nurseries and Institution of Larissa Infant Nurseries), which were financed by the State Budget.

These Nurseries, in accordance with article 8 of Act 3106/10-2-2003 (O.G.30 vol. A) on the "Reorganization of the National Social Care System", are now under the competency of the municipalities and communities, in whose administrative region they operate.

The personnel employed in the nurseries are hired in accordance with the standard procedures applying to the hiring of personnel in the Public Sector.

39 Nurseries have been founded and are operated by Charities (non-profitable), some of which are subsidized symbolically by the State Budget.

Also, approximately 1090 Private Day and Infant Nurseries operate (private enterprises).

The Nurseries founded by Charities, as well as the Private Day and Infant Nurseries, operate upon relevant license issued by decision of the Prefect of the local Prefecture, in accordance with the prerequisites set by Ministerial Decision No.P2b/oik.2808/97 (O.G.645/B/97), as amended and supplemented subsequently.

The personnel employed in these units are hired by persons or legal entities, in the name of which the operation license has been issued; the hiring of said personnel is approved by decision of the Directorate or the Section of Public Welfare of the local Prefecture.

The inspection concerning the smooth operation of these units is carried out by the competent services of the Prefecture pursuant to the provisions of article 1 of Act 2345/1995 (O.G.213/A/95).

Since the infant nurseries have come under the competency of OTA, today, 1.574 infant nurseries operate in OTA, mainly in the form of legal entities under public law (NPDD) and 162 in the form of OTA enterprises, while they care for 72.000 children and approximately 7.000 infants. They employ 11.134 persons.

The countries Regions are competent for issues of supervision and inspection of the said municipal legal entities, while the relevant institutional framework is determined by the Ministry of the Interior, Public Administration and Decentralization (Directorate of Organization and Operation of the OTA).

Board fees are paid to the majority of nurseries; either based on the parents' income category or a fixed amount of 10€ up to 150€ on a monthly basis.

We would like to point out that, from 2007 onwards, **the credits** paid in order to cover operational costs and, by order of priority, to cover the salaries of the personnel of the Legal Entities and the Services that have been transferred to the Local Self-Government Agencies [OTA] (former state Crèches [Day Nurseries] and Infant Nurseries – ActNo2880/2001, Crèches [Day Nurseries] and Infant Nurseries – ActNo3106/2003, Sports Centres, etc), are now included in **the amount** of the regular subsidy that is paid to all the Municipalities and Communities of the Country every month and are **supplementary** to it.

The Municipalities and Communities are the only bodies competent to manage the total amount of money (which also includes the credits of Crèches [Day Nurseries] and Infant Nurseries), as they are aware of the needs and the cash reserves of their Legal Entities and they ought to manage it with a view to securing their smooth operation.

For the year **2009**, **595** OTA of the country were subsidized to cover their operational costs and primarily the salaries of the Day and Infant Nurseries' personnel of the Act 2880/2001, with a total amount of **264.227.939€**.

Furthermore, by virtue of the 46855/1622 Joint Ministerial Decision (O.G. 1186/B/26.6.2008) as amended and in virtue by the 60460/2171/28.08.2008 Joint Ministerial Decision (O.G. 1739/B/28.8.2008) "Management, Evaluation, Monitoring and Control System – Implementation Procedure for the reconciliation of the professional and family life", co-funded by the European Social Fund in the framework of the National Strategic Framework of the period 2007-2013, and according to the new function of the children's institutes (nursing schools, creative centers for children and children with disabilities), institutions offer to women with children nursing services. This is a personal action and is been offered to all women meeting the requisitions set by the above-mentioned J.M.D.

Enterprises of the Act277 and of the P.D. 410/1995, as well as Municipal Enterprises of the Act3463/2006, art.254, can also offer the above-mentioned services. Legal profit or non-profit entities as well as private enterprises with the necessary permits, can also offer the aforementioned services.