
GREECE 2001

1. Overview of the system

The national currency is the Drachmae (GRD). The 2001 Average Worker earnings is GRD 5 361 361. All information in this chapter applies to 1 January, 2001.

2. Unemployment insurance

The unemployment insurance scheme covers people who are insured against sickness with a social security institution. The benefits are divided into regular benefits and special allowances. This programme is addressed to salaried individuals, who have become unemployed against their will and who are unable to find work relative to their qualifications.

2.1 *Conditions for receipt*

- to be fit and available for work
- to be involuntarily unemployed
- to be registered at an employment exchange
- to not be self-employed

2.1.1 *Employment conditions*

- 125 days in the last 14 months before the claim
- or
- 200 days in the last 2 years before the claim

First time-claimants need to have worked at least 80 days in the last 2 years before the claim

2.1.2 *Contribution conditions*

The system is reciprocal. Contributions towards the OAED are paid by the employer and the worker.

2.2 *Calculation of benefit amount*

2.2.1 *Calculation of gross benefit*

The benefit is paid for 25 days per month. The amount of payment is related to the earnings at the time of job loss. Manual workers can claim 40 per cent of earnings lost, employees 50 per cent.

Minimum daily benefit: two-thirds of the daily minimum wage

Dependants allowance: 10 per cent of the calculated insurance benefit

Maximum daily benefit: 70 per cent of the AW earnings level
(including allowances)

In 2001 the basic benefit was GRD 3 430 per day (GRD 85 800 per month) and the maximum benefit was GRD 3 630 per day (GRD 90 725 per month).

2.2.2 *Income and earnings disregards*

None. The benefit is withdrawn if there is income from any other source, excluding the cases of occasional and part-time employment.

2.3 *Tax treatment of benefit*

Not taxable

2.4 *Benefit duration*

After a 6 day waiting period the benefit is paid during a period which is related to the employment record:

Employment	duration
125 days	5 months
150 days	6 months
180 days	8 months
220 days	10 months
250 days	12 months
	If aged 49 or more:
125 days	12 months

In all cases, 12 months if the claimant has worked 4,050 stamps or more.

2.5 *Treatment of particular groups*

2.5.1 *Young persons*

People between 20 and 29 years of age who have never worked before are covered under the insurance scheme for payment during 5 months:

family type	amount
Single	GRD 25 000
Couple	GRD 27 000
either, in the presence of children	GRD 2 000 per child

2.5.2 *Older workers*

A pension is paid to the uninsured elderly that have exceeded their 65th year of age. This pension equals the amount of the basic pension that is granted by the Organisation of Agriculture Insurances (OGA). The OGA grants this pension as an agent of the Ministry of Health and Welfare. This pension amounts to:

GRD 48 201/E 141.46 and is increased in the presence of a spouse or a child that is aged under 18, i.e.

GRD 49 199/E 144.38 for a married person with a spouse that is aged less than 65.

GRD 50 196/E 147.31 for a married person having a child aged less than 18.

3. **Unemployment assistance**

3.1 *Conditions for receipt*

The benefit is either paid upon exhaustion of unemployment insurance benefit eligibility, in which case no further requirements are made, or paid to people not qualifying for unemployment insurance benefits in some special cases.

3.1.1 *Employment conditions*

People who do not qualify for unemployment insurance require a 2.4 months record and a 3-month stay in the unemployment registers.

3.1.2 *Contribution conditions*

None.

3.2 Calculation of benefit amount

3.2.1 Calculation of gross benefit

The benefit is paid for 25 days per month. The amount of payment is 17 per cent of the unemployment benefit or 15 per cent of the hypothetical unemployment insurance benefit for those with insufficient unemployment records. The rate is raised to 20% if the worker is laid off for economic reasons.

3.2.2 Income and earnings disregards

None. The benefit is withdrawn if there is income from any other source.

3.3 Tax treatment of benefit

Not taxable.

3.4 Benefit duration

3.5 Treatment of particular groups

3.5.1 Young persons

Benefit for young persons (20-29 years of age).

The benefit is paid to young persons provided that they are unemployed and remain registered in the unemployed list for one year. The benefit amounts to GRD 25 000 per month and is paid for a period of 5 months. The benefit aims at supporting the new entrants in the labour market.

4. Social assistance

A general scheme does not exist, but there are provisions for people who are undergoing severe hardship. The Ministry of Health and Welfare applies 12 programs of financial support (subsidy) for persons with disabilities depending on the kind, the category or the disability rate.

5. Housing benefits

5.1 Conditions for receipt

Provision of rental subsidy from the Workers Housing Organisation (OEK) to unemployed persons, for the time period that they receive a subsidy by the OAED as well as for 2 years after the termination of their subsidy.

5.2 Calculation of benefit amount

5.2.1 Calculation of gross benefit amount (per month)

Single person – Couple	GRD 25 000
With 1 protected child	GRD 29 000
With 2 protected children	GRD 34 000
With 3 protected children	GRD 40 000
With 4 protected children and more	GRD 46 000

5.2.2 Income and earnings disregards

The rent subsidy was granted to beneficiaries whose annual net family income for the fiscal year 2002 did not exceed GRD 2 650 000 and to young couples that got married in the last two calendar years prior to the submission of the application for subsidy, on condition that none of the two has exceeded his/her 35th year of age and their income did not exceed GRD 2 800 000.5.3 Tax treatment of benefit

Not taxable.

5.4 Benefit duration

5.5 Treatment of particular groups

Provision of financial support from the Special Capital of Solidarity (EKA) of OEK to the long-term unemployed who are unable to pay off their debts to the OEK (debts arising from the grant of housing or from loans). Amount of support: the OEK grants the amount of 6-month instalments.

A housing allowance in the form of rental subsidy is granted to the lonely uninsured and financially weak elderly persons over the age of 65 as well as to the couples of uninsured and financially weak elderly persons that do not own a house and live in rented housing. This allowance amounts to GRD 50 000/E 146.73 and is paid directly to the owner of the house through the Social Services of the Prefectural Self-Governments of the country.

6. Family benefits

There exist a general scheme and employer supplements.

6.1 *Conditions for receipt*

Children must be under 18 years of age, or 22 if in education. They must be single and residing in either Greece or another EU member state. The conditions for the payment of the family benefits are the realisation of 50 days of work during the time prior to the claim.

6.2 *Calculation of benefit amount*

6.2.1 *Calculation of gross benefit (per month)*

(General scheme)	
1 child	GRD 2 000
2 children	GRD 6 000
3 children	GRD 13 500
4 children	GRD 16 400
for each additional child	GRD 2 750
plus:	
for each child born after 1 January 1982	GRD 1 000

There is a special allowance for large families:

3rd child (until he/she is 6 years old)	GRD 47 824
Families with 4 or more children	GRD 11 956 per child

The employer usually grants 5 per cent of gross earnings to each individual worker (married or not) for each child plus 10 per cent for a female partner. The partner allowance is independent of her employment status and income.

6.2.2 *Income and earnings disregards*

6.3 *Tax treatment of benefit*

General scheme: Not taxable

The employers' benefit is added to gross income before taxation.

The benefits for the 3rd child and for 4 or more children are taxed at 10% separately from other income.

6.4 *Treatment of particular groups*

The benefits are increased in the case that the beneficiary is a widower or has a disabled spouse who is executing his military service.

Maternity Benefits: These are financial provisions that are granted due to maternity to the working women that are not able to claim them from an insurance fund or are uninsured. They are

granted for the time period of 6 weeks before birth and 6 weeks after birth and aim at ensuring a satisfactory level of living. The benefits amount to GRD 150 000 (GRD 75 000 before birth and GRD 75 000 after birth).

Program for the support of unprotected children: Through this program a monthly benefit of GD 15 000/E 44.02 is paid to each unprotected child up to the age of 16, on condition that the monthly income of the family with which the child stays does not exceed the amount of GRD 80 000/E 234.78 for a 3-member family (increased by GRD 7 000/E 20.54 for each member after the third).

7. Child-care benefits

Please refer to the family benefits

8. Employment-conditional benefits

None.

9. Lone-parent benefits

There is a flat-rate allowance for children who are not supported. Please refer to the family benefits.

10. Tax system

10.1 Income tax rate schedule

10.1.1 Tax allowances and credits

- allowances:
- Work-related expenses: A relief of Drs 300 000 is granted to all wages and salary earners. This relief is given through the tax schedule (see § 10.1.3 below).
- social security contributions
- credits (non-refundable):

Standard tax credits depending on the AW family status: The following reliefs are granted as a credit against the personal tax of the taxpayer calculated according to the general tax schedule:

- Drs 30 000 per child, if the family comprises one child
- Drs 35 000 per child, if the family comprises two children
- Drs 50 000 per child, if the family comprises three children

- Drs 60 000 per child, if the family has four children
- For families with more than four children the tax credit is increased by Drs 10 000 for each child.

10.1.2 *The definition of taxable income*

Gross income minus tax allowances.

10.1.3 *The tax schedule*

Basic rate schedule

Income bracket (Drs)	Tax rate (%)
2 400 000	0
2 846 000	5
4 552 000	15
7 959 000	30
17 047 000	40
Excess	42.5

This is the schedule after the work related expenses allowance. In practice, it is like if this schedule was applied to everybody.

10.2 *Treatment of family income*

Married persons are subjected to tax separately on their own income but are required to file a joint tax return.

10.3 *Social security contribution schedule*

All contributions are payable up to the annual gross income ceiling GRD7 446 000:

- Social Insurance Organisation (IKA): 9.22 per cent of the gross income
- Subsidiary Social Insurance Fund (TEAM): 3.00 per cent of gross income
- Other Funds: 3.68

11. Part-time work

11.1 Special benefit rules for part-time work

An increase of 7.5% is set on the earnings of part-time workers that work for less than 4 hours daily.

This provision aims at supporting those who have few hours of part-time employment and favours the greater participation in the labour market of mainly the young workers and the female workers, for whom this type of employment is the only one possible, due to educational, family or other obligations.

A precondition for the application of the provision is that the part-time workers be paid with the established minimum remuneration of the existing provisions.

11.2 Special tax and social security contribution rules for part-time work

None.

12. Policy developments

12.1 Policy changes introduced in the last year

12.2 Policy changes announced

Further alignment of unemployment assistance and insurance benefits; the introduction of a general social assistance scheme.