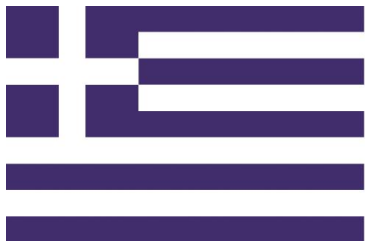


THE OECD TAX-BENEFIT MODEL FOR GREECE

Description of policy rules for 2018



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Description of policy rules for 2018

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- Directorate of Individual Regulations
- Directorate of Employment Integration
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- Manpower Employment Organisation (OAED)

Ministry of Interior

Ministry of Finance

Ministry of Education, Research and Religious Affairs

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Preface

The [OECD Tax-Benefit model \(TaxBEN\)](#) incorporates detailed policy rules for tax liabilities and benefit entitlements as they apply to individual families across OECD member countries. Its main use is to calculate the amount of taxes that people are liable to pay, and the government transfers they are likely to receive, in different family and labour-market situations. The model includes legal policy rules that are relevant for people of **working age** (from 18 years old until the statutory retirement age) and their dependent children. Income tax liabilities and benefit entitlements are calculated for a broad set of *stylised* families (“vignettes”, e.g. a married couple of 40 years old adults with two children aged 4 and 6 respectively). Model users are free to change many of these characteristics, including the age and number of children, activity status of adult members, hours of work, current and past earnings levels, unemployment duration, social contribution records, and housing-related costs. The model has been updated annually since the early 2000s for most OECD countries.

TaxBEN’s policy scope includes the main taxes on employment income (earnings), social contributions paid by individuals and by employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits and support for non-parental childcare are included for a sub-set of countries and years. The most important policy areas that are outside the scope of the model include taxes on wealth (e.g. taxes on immovable and unmovable properties, including local taxes), indirect taxes (e.g. VAT), early-retirement benefits, sickness benefits and in-kind transfers (e.g. free school meals, subsidised transport and free health care).

This report describes the taxes and benefits that are included in the model and focuses on the rules that are relevant for family, individual and labour-market circumstances that are within its scope. The **Annex** provides information on other cash benefits and taxes on employment incomes that can be relevant for some members of the working-age population, but which are not included in the TaxBEN model.

Reading notes and further details on the scope and content of this report

- The **reference date** for policy rules described in this report is **January 1, 2018**.
- **Guidelines for completing and updating this report** are provided [here](#).
- Further information on the model, model results, and references to reports and analytical uses is available on the [project website](#). A [methodology](#) document provides a full description of the assumptions underlying the model as well as the model choices that users can make. The symbol  in the text provides a link to a glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- In order to facilitate transparency between the policy descriptions and the associated code in the model, the variable names are indicated in the text in square brackets using the following format: **[variable name]**, for instance: **[AW]** for the average wage.

The OECD tax-benefit model for Greece: Policy rules in 2018

1. Reference wages

The 2018 average wage **[AW]** is EUR 20 872 (preliminary estimate).¹

The minimum wage for workers bound by a working relationship in the private sector is set as follows:


- aged over 25: for white collar workers EUR 586.08 per month and for blue collar workers EUR 26.18 per day;
- aged under 25: for white collar workers EUR 510.95 per month and for blue collar workers EUR 22.83.

In the model the minimum wage **[MIN]** for blue-collar worker older than 25 years old is used. In 2018 it is EUR 26.18 per day. The annual minimum wage is computed by (i) converting minimum daily wage (as of January 1, 2018) into monthly wage and (ii) multiplying it by 14 (Easter and Christmas bonuses are included), i.e. $\text{EUR } 26.18 * 365/7*5/12 * 14 = \text{EUR } 7\,963.08$.

2. Unemployment benefits

2.1. Unemployment insurance benefit (Τακτική Επιδότηση Ανεργίας)

Variable names: **[UI_p; UI_s]**

This is an unemployment insurance benefit. It is contributory, not means-tested and taxable (under certain conditions). 

2.1.1. Eligibility conditions

Age: 15-74

Contribution/employment history: 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 and should also have:

- 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 the dismissal.

The last two months prior to the commencement of unemployment are not taken into consideration in the calculation of these working days.

¹ AW refers to the Average Wage estimated by the [Centre for Tax Policy and Administration](#). For more information on methodology see the latest [Taxing Wages publication](#).

Conditions are slightly different (more favourable) for persons applying for any subsequent time and for employees in the tourism sector or seasonal workers (*not modelled*).

Behavioural requirements and related eligibility conditions:  The benefit claimant should satisfy the following conditions:

- be capable of and available for work;
- be unemployed unwillingly;
- have registered with an employment agency;
- not receive a pension equal to or larger than the minimum pension granted by the EFKA (i.e. the Unified Social Security Institution, which has integrated all social security funds);
- not be self-employed.

TaxBEN assumes that these compulsory conditions are satisfied when simulating unemployment benefits.²

2.1.2. Benefit amount

The basic unemployment benefit equals 55% of the minimum daily wage of the blue-collar worker, i.e. $\text{EUR } 26.18 * 55\% = \text{EUR } 14.40$ per day. The benefit is paid for 25 days per month. Thus, the monthly basic unemployment benefit is $\text{EUR } 14.40 * 25 = \text{EUR } 360.00$ per month.

The benefit amount also depends on the previous earnings:

- For the unemployed who were employed in a full-time job or whose monthly wages were higher than the twelve-fold of the daily minimum wage of the unskilled worker (i.e. $\text{EUR } 26.18 * 12 = \text{EUR } 314.17$ per month), the basic unemployment benefit is paid in full (i.e. EUR 360 per month).
- For 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 (i.e. $\text{EUR } 26.18 * 6 = \text{EUR } 157.09$ per month), 50% of the basic unemployment benefit is paid (*not modelled*).
- For 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 (i.e. between EUR 157.09 and 314.17 per month), 75% of the basic unemployment benefit is paid (*not modelled*).

The benefit is increased by 10% for every dependant family member of the beneficiary.

2.1.3. Benefit duration

The benefit is paid after a waiting period of six days (*not modelled*).

The period during which the unemployment benefit is being paid depends upon the contribution record the applicant establishes before becoming unemployed and varies between 5 and 12 months, as follows:

² Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see Immervoll and Knotz (2018, forthcoming), [Langenbucher \(2015\)](#) and [Venn \(2011\)](#).

Days of employment* (during 14 month period)	Duration (months)
125-149 (or 200 in the 2-year period)	5
150-179 (or 250 in the 2-year period)	6
180-219 (or 300 in the 2-year period)	8
220-249	10
250 or more (210 or more if 49+ years old)	12

* It is assumed that people usually work 20 days per month.

Different duration rules apply in the tourism sector (*not modelled*).

Within the four year period one cannot receive more than 400 daily benefits.

2.1.4. Means test

The benefit is not means-tested.

2.1.5. Tax treatment

The unemployment benefit is tax exempt on condition that the sum of the taxpayer's other taxable income does not exceed EUR 10 000 annually.

2.1.6. Interactions with other components of the tax-benefit system

Included in the means test for social solidarity income.


2.1.7. Combining benefit receipt and employment/starting a new job

The payment of the benefit is suspended if the claimant takes up a new post or is not capable of and available for work (illness) or in case there is an income from commercial businesses or liberal professions and can be continued when any of the above reasons has ceased to exist.

The unemployed can work for a maximum of 3 days a week (or 12 days a month) during the period of receiving unemployment benefit. In this case, the amount of the unemployment benefit is reduced by the amount of the income gained from employment. Since May 2017, it is no longer possible to combine unemployment benefit receipt with part-time employment. The period of unemployment has to be continuous with some exceptions. After the claimant's request, a continuous period of unemployment can be recognized if the total duration of the spell was broken by less than 70 consecutive days within a period of 12 months. The days that the spell was broken are not counted towards the duration of the unemployment spell.

2.2. Unemployment benefit for long-term unemployed (Επίδομα Μακροχρονίως Ανεργών)

Variable names: **[UA_p; UA_s]**

This is an unemployment assistance benefit in force from 1 January 2014. It is contributory, means-tested and taxable (under certain conditions).  The aim of this benefit is to provide financial assistance to long-term unemployed.

2.2.1. Eligibility conditions

Age: 20-66 years old.

Nationality: It is granted only to EU nationals.

Other conditions: The unemployed who have received and exhausted the unemployment insurance benefit can apply for the benefit for long-term unemployed within 2 months after the expiration of the unemployment insurance benefit. Applicants must be registered with the OAED (Manpower Employment Organization) for a minimum of 12 months.

2.2.2. Benefit amount

The benefit amounts to EUR 200 per month.

2.2.3. Benefit duration

The benefit is paid for twelve months maximum.

2.2.4. Means test

The annual family income must not exceed the amount of EUR 10 000 (increased by EUR 586.08 for each dependent child under the age of 18).

2.2.5. Tax treatment

The unemployment benefit is tax exempt on condition that the sum of the taxpayer's other taxable income does not exceed EUR 10 000 annually.

2.2.6. Interactions with other components of the tax-benefit system

Included in the means test for social solidarity income.


2.2.7. Combining benefit receipt and employment/starting a new job

Taking up a new post automatically means that the benefit is terminated.

2.3. Special aid after the end of payment of the unemployment allowance

(Ειδικό βοήθημα μετά τη Λήξη της Τακτικής Επιδοτησης Ανεργίας)

Variable names: **[UA_p; UA_s]**

This is an unemployment assistance benefit. It is contributory, means-tested and taxable (under certain conditions). 

2.3.1. Eligibility conditions

Age: No age condition

Other conditions: The unemployed is not employed following the end of payment of the unemployment benefit. The unemployed remains unemployed one month after the end of the unemployment benefit. Beneficiaries of the long-term unemployed benefit cannot receive the special allowance after the end of the unemployment benefit.

2.3.2. *Benefit amount*

The benefit is a lump sum payment that amounts to 13 daily unemployment benefits (see Section 2.1.2. for 3 different daily benefit levels). In the model, the full daily unemployment benefit is modelled, thus the lump sum benefit is $\text{EUR } 14.40 * 13 = \text{EUR } 187.20$. There is no increase for dependents.

2.3.3. *Benefit duration*

This is a lump sum payment paid only once.

2.3.4. *Means test*

The annual family income for 2017 must not exceed a fixed amount of EUR 10 858.40. The amount of the annual family income is raised by EUR 293.47 each calendar year.

2.3.5. *Tax treatment*

The unemployment benefit is tax exempt on condition that the sum of the taxpayer's other taxable income does not exceed EUR 10 000 annually.

2.3.6. *Interactions with other components of the tax-benefit system*


Included in the means test for social solidarity income.

2.3.7. *Combining benefit receipt and employment/starting a new job*

The beneficiary has to be unemployed up to the date of application. Following that date, taking up employment is irrelevant since it is a lump sum payment.

2.4. *Special aid for unemployed after a three-month registration* (Ειδικό βοήθημα μετά από τρίμηνη παραμονή στο Μητρώο Ανέργων)

Variable names: **[UA_p; UA_s]**

This is an unemployment assistance benefit. It is contributory, means-tested and taxable (under certain conditions). 

2.4.1. *Eligibility conditions*

Age: No age condition.

Other conditions: The benefit is paid to the unemployed who do not have the prerequisites for a regular benefit but have 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.

2.4.2. *Benefit amount*

The benefit amounts to 15 basic daily unemployment benefits, i.e. $\text{EUR } 14.40 * 15 = \text{EUR } 216$ per month. There is a supplement of 10% for each dependent family member.

2.4.3. *Benefit duration*

The beneficiary may receive the special aid up to three times in the same calendar year if the conditions for the payment of the special aid are met more than once in the same calendar year. The sixty-day wage condition is required only for the first payment of the benefit within the same calendar year.

2.4.4. *Means test*

The annual family income must not exceed a fixed amount of EUR 10 858.40. The amount of the annual family income is raised by EUR 293.47 each calendar year.

2.4.5. *Tax treatment*

The unemployment benefit is tax exempt on condition that the sum of the taxpayer's other taxable income does not exceed EUR 10 000 annually.

2.4.6. *Interactions with other components of the tax-benefit system*

Included in the means test for social solidarity income.

2.4.7. *Combining benefit receipt and employment/starting a new job*

Taking up a new post automatically means that the benefit is terminated.

3. Social assistance and housing benefits

3.1. *Social Solidarity Income (Κοινωνικό Εισόδημα Αλληλεγγύης - KEA)*

Variable name: **[SA]**

Introduced in February 2017.

The Social Solidarity Income ("SSI") is a welfare program that combines: i) Income support, ii) Complementary social services and iii) Actions for integration and reintegration into the labour market. The program, is used to "top up" other income sources. It is non-contributory, means-tested and not taxable.

3.1.1. *Eligibility conditions*

(a) One-person household: a single adult who is residing or staying alone in a dwelling and does not fall within the category of adults up to 25 years attending school, university, or an institution for vocational education and training in Greece or abroad.

(b) Multi-person household: all individuals living under the same roof. Multi-person households include adult children up to 25 years of age attending school, university, or an institution for vocational education and training, regardless of their place of residence.

(c) Homeless people: people who are homeless or living in inadequate housing may be beneficiaries of the program, provided they are registered (*not modelled*).

3.1.2. *Benefit amount*

The guaranteed amount of the monthly benefit shall be as follows: EUR 200 for single person households, increased by EUR 100 for each additional adult member of the household and by EUR 50 for each additional minor member (up to 18 years old) with the maximum of EUR 900 per month per household.

In single parent households, for the purposes of calculating the guaranteed amount, the first unprotected child is counted as an adult.

3.1.3. *Benefit duration*

The cash benefit is paid for twelve months from the date of first payment. After the lapse of the above period, the beneficiary is required to resubmit an application for inclusion in the program. In the model, it is assumed that a person resubmits application.

3.1.4. *Means test*

The actual total of all the incomes from any source in Greece or abroad, before taxes, after social security contributions, which has been received by all household members, in the six months prior to application to the SSI Program. The total reported income includes all allowances, other subsidies, and any income exempt from taxes or taxed in a special way with the exceptions referred to below.

The reported income does not include the foster care allowance as well as the non-contributory disability benefits provided by the *State (not covered by the model)*.

20% of income from employment (after social security contributions) is disregarded in the income test.

The reported income of the household, as calculated for eligibility purposes, in the six last months prior to submission of the application, cannot exceed six-times the amount of the guaranteed amount for each type of household.

Asset tests also apply to movable and immovable property, bank deposits (*not modelled*).

3.1.5. *Tax treatment*

The benefit is not taxable.

3.1.6. *Interaction with other components of the tax-benefit system*

The benefit is not included in the income test for any other benefit.

3.1.7. *Combining benefit receipt and employment/starting a new job*

In case of a transition of a beneficiary from out-of-work into work, beneficiary's employment income (after social security contributions) is disregarded fully in the 1st month of employment; in the 2nd and 3rd months 40% are disregarded.

4. Family benefits

4.1. *Single child support allowance* (Ενιαίο Επίδομα Στήριξης Τέκνων) – abolished in 2018

Variable name: **[FB_scsa]**

This is a non-contributory benefit, means-tested and not taxable. The benefit is abolished in 2018, and replaced by a new Child allowance (ΕΠΙΔΟΜΑ ΠΑΙΔΙΟΥ), which is described in Section 4.2.

4.1.1. *Eligibility conditions*

The allowance is granted to families for every child up to 18 years old (up to 24 years old if enrolled in compulsory or higher education).

4.1.2. *Benefit amount*

The full benefit amount is EUR 40 per month for every dependent child.

4.1.3. *Benefit duration*

As long as the eligibility conditions hold.

4.1.4. *Means test*

The allowance can be paid in full or in part depending on equivalent family income. The following equivalence scale is applied:

Household member	Equivalence Scale
Adult	1
Partner	1/3
Child	1/6

The benefit amount depends on the income category of the family:

Income limit (EUR per year)	Benefit paid
6 000	Full
12 000	2/3
18 000	1/3

4.1.5. *Tax treatment*

The benefit is not taxable.

4.1.6. *Interaction with other components of the tax-benefit system*

Included in the income test for social solidarity income.

4.1.7. *Combining benefit receipt and employment/starting a new job*

The benefit is reduced if family income exceeds the thresholds.

4.2. *Child allowance (Επίδομα Παιδιού)*

Variable name: **[FB_scsa]**

This is a non-contributory benefit, means-tested and not taxable. The benefit was introduced in 2018 and replaced Single child support allowance (ΕΝΙΑΙΟ ΕΠΙΔΟΜΑ ΣΤΗΡΙΞΗΣ ΤΕΚΝΩΝ), see Section 4.1.

4.2.1. *Eligibility conditions*

The allowance is granted to families for every child up to 18 years old or 19 years old if enrolled in secondary education (up to 24 years old if enrolled in compulsory or higher education).

4.2.2. *Benefit amount*

The benefit amount depends on the number of the dependent children and the category of the equivalent family income (see Section 4.2.4. .

For the first income category:

- EUR 70 per month for the first dependent child
- An extra EUR 70 per month for the second dependent child
- An extra EUR 140 per month for the third and every other dependent child beyond the third

For the second income category:

- EUR 42 per month for the first dependent child
- An extra EUR 42 per month for the second dependent child
- An extra EUR 84 per month for the third and every other dependent child beyond the third

For the third income category:

- EUR 28 per month for the first dependent child
- An extra EUR 28 per month for the second dependent child
- An extra EUR 56 per month for the third and every other dependent child beyond the third

4.2.3. *Benefit duration*

As long as the eligibility conditions are met.

4.2.4. *Means test*

The amount of the allowance depends on equivalent family income. The following equivalence scale is applied:

Household member	Equivalence Scale
Adult	1
Partner	1/2
Child	1/4

In single parent households, the first unprotected child is counted as an adult.

The benefit amount depends on the income category of the family:

Categories	Income limit (EUR per year)
1	Up to 6 000
2	6001 - 10000
3	10001 - 15000

4.2.5. *Tax treatment*

The benefit is not taxable.

4.2.6. *Interaction with other components of the tax-benefit system*

Included in the income test for social solidarity income.

4.2.7. *Combining benefit receipt and employment/starting a new job*

The benefit is reduced if family income exceeds the thresholds.

4.3. *Special benefit for large families* (Ειδικό Επίδομα Τρίτεκνων και Πολύτεκνων) – abolished in 2018

Variable name: [\[FB_special\]](#)

This is a non-contributory benefit, means-tested and not taxable. The benefit is abolished since January 2018.

4.3.1. *Eligibility conditions*

This is an additional benefit for families with three dependent children or more. Dependent child is up to 18 years old (up to 24 years old if enrolled in compulsory or higher education).

4.3.2. *Benefit amount*

The special allowance is EUR 500 for each child per year.

4.3.3. *Benefit duration*

As long as the eligibility conditions hold.

4.3.4. *Means test*

The allowance is paid if family income does not exceed the following thresholds:

Number of children	Family income threshold (EUR)
3	45 000
4	48 000
More than 4	+ 4 000 per child

4.3.5. *Tax treatment*

The benefit is not taxable.

4.3.6. *Interaction with other components of the tax-benefit system*

Included in the income test for social solidarity income.

4.3.7. *Combining benefit receipt and employment/starting a new job*

The benefit is reduced if family income exceeds the thresholds.

4.4. *Low income support for families with children in compulsory education*

(Εισοδηματική ενίσχυση για οικογένειες, με παιδιά στην υποχρεωτική εκπαίδευση)

Variable name: [\[FB_LumpS\]](#)

This is a non-contributory benefit, means-tested and not taxable.

4.4.1. *Eligibility conditions*

This benefit is granted to low-income families with children attending compulsory education, i.e. from the age of 5 and not exceeding 16 years of age.

4.4.2. *Benefit amount*

The benefit is EUR 300 per child per year.

4.4.3. *Benefit duration*

As long as the eligibility conditions hold.

4.4.4. *Means test*

Annual family income cannot exceed EUR 3 000.

4.4.5. *Tax treatment*

The benefit is not taxable.

4.4.6. *Interaction with other components of the tax-benefit system*

Included in the income test for social solidarity income.

4.4.7. *Combining benefit receipt and employment/starting a new job*

The benefit is fully withdrawn if the income test is not met.

5. **Childcare for pre-school children**

The **reference date** for the policy rules described in this section is **January 1, 2018**.

The Manpower Employment Organization (OAED) is responsible for providing childcare facilities to working people through its day nurseries. The OAED operates 24 day nurseries, of which 8 are located in the Prefecture of Attica and 16 in other Regions.

Their working hours are from 6.45 a.m. to 16.00 p.m., from September to July (closed in August).

The OAED day nurseries cater for preschool children (from eight months to the school age) whose parents are entitled to OAED benefits and allowances. The Organization's selection criteria are both social (families with more than three children, orphans, children of single-parent families, disabled children) and economic (children of low-income parents are prioritized).

5.1. *Gross childcare fees*

Variable name: `[GCcc_cost]`

The criteria for the imposition of a monthly payment (catering fees) to the families of the hosted children are regulated. The fees depend on the financial state of families. In some cases families may be exempted from the payment of financial contributions or may be eligible to reduced payments.

The amount of catering fees imposed by Crèches [Day Nurseries] and Infant Nurseries vary from EUR 30 to more than EUR 80 per month. Catering expenses depend on family income:

Family income (EUR per year)	Catering expenses, 2008* (EUR per month)
Up to 5 898.4	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 – 20 542.92	52.82
Over 20 542.92	64.56

* The values are updated from 2008 up to 2018 using CPI (1.08819).

5.1.1. *Discounts for part-time usage (not modelled)*

None.

5.2. *Fee discounts and free provision*

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 EUR 20 542.92 per year. If the income is more than EUR 20 542.92 per year, the expenses for the third child are EUR 20.54 and EUR 10.27 for every child beyond the third one.

5.3. *Child-care benefits for formal centre-based care*

Variable name: `[cc_benefit]`

None.

5.4. *Child care allowance for children not using child care centers*

None.

5.5. Tax concessions for childcare expenditures

None.

6. In-work benefits

There are no in-work benefits in Greece.

7. Social security contributions and payroll taxes

7.1. Social security contributions (Εισφορές Κοινωνικής Αλληλεγγύης)

Variable names: [SOCSEC_1; SOCSEC_2; SSCR_1; SSCR_2]

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

	Insured person	Employer	Total
Unified Social Security Institution (EFKA)	9.22	17.88	27.10
A) main pension for employees	6.67	13.33	20.00
B) healthcare coverage of employees	2.55	4.55	7.10
Unified Supplementary Social Security and Lump Sum Benefits Fund (ETEAEP)	3.50	3.50	7.00
Other Employees' Contributions	3.28	3.68	6.96
TOTAL	16.00	25.06	41.06

The ceiling for insurable earnings for the calculation of the monthly insurance contribution of employees and employers is set at ten times the amount corresponding to the basic salary of an unmarried employee over 25 years old (EUR 5.860,80). The insurable earnings cannot be below the basic salary of an unmarried employee over or under 25 years old (EUR 586,08 or EUR 510,95 respectively). Christmas and Easter bonuses as well as holiday allowances are also subject to social security contributions.

8. Taxes

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

8.1. Personal income tax (Φόρος εισοδήματος φυσικών προσώπων)

Variable name: [INCTAX_1; INCTAX_2]

8.1.1. Tax allowances

Social security contributions: all compulsory social security contributions and optional contributions to legally constituted funds are fully deductible from taxable gross income.

8.1.2. Tax base

Taxable income (covered by the model) includes income from employment. Some forms of income are exempt from the tax:

- unemployment benefits granted by the National Employment Organisation (OAED) provided that the total annual income of the beneficiary does not exceed the amount of EUR 10 000.
- alimony (*not covered by the model*);
- benefits provided to special categories of handicapped people (*not covered by the model*);
- salaries and pensions paid to handicapped people (*not covered by the model*);
- other (*not covered by the model*).

8.1.3. Income tax schedule

The following progressive tax schedule applies to employment income:

Income bracket (EUR per year)	Tax rate (%)
Up to 20 000	22
20 000 - 30 000	29
30 000 – 40 000	37
More than 40 000	45

8.1.4. Tax credits

Employment and pension tax credit: The tax for employees (and pensioners) is reduced as following:

- by EUR 1 900 for annual income up to EUR 20 000, for taxpayers with no dependent children;
- by EUR 1 950 for annual income up to EUR 20 000 for taxpayers with one dependent child;
- by EUR 2 000 for annual income up to EUR 20 000 for taxpayers with two dependent children;
- by EUR 2 100 for annual income up to EUR 20 000 for taxpayers with 3 dependent children or more;
- for income exceeding EUR 20 000, the above mentioned tax credit is being reduced by EUR 10 for every EUR 1 000 of taxable income.

In order to maintain the tax reduction, the taxpayer is required to prove certain level of expenditures (*assumed to hold in the model*).

Other tax credits (*not modelled*): Other tax credits include expenses on donations. Deductions for expenditure on medical and hospital care has been abolished since 2017.

8.2. Special solidarity contribution (*Εισφορά αλληλεγγύης*)

Variable names: [\[SOLICONTAX_1\]](#); [\[SOLICONTAX_2\]](#)

Solidarity contribution was introduced in 2011. In the model they are classified as income tax [\[IT\]](#).

Solidarity contributions are computed with the following marginal rates:

Income (EUR per year)	Tax Rate (%)
0 – 12 000	zero
12 001 – 20 000	2.20
20 001 – 30 000	5.00
30 001 – 40 000	6.50
40 001 – 65 000	7.50
65 001 – 220 000	9.00
>220 000	10.00

Lump-sum benefits paid by welfare funds and insurance organizations and lump-sums paid as financial aids to long term unemployment people are excluded from solidarity contributions. There are some other exemptions but they are not covered by the model.

Annex: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Greece that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

Unemployment benefit for self-employed and freelancers (Βοήθημα ανεργίας αυτοτελώς και ανεξαρτήτως απασχολουμένων)

This benefit was introduced in 2012.

Eligible person should:

- have a minimum of 3 years of insurance to their respective Social Security Fund and payment of the contributions to the Special Account for Unemployment
- have a total net income for the 2 years prior to the application that does not exceed the amount of EUR 20 000 (individual income) and EUR 30 000 (family income)
- have ceased business from 01/01/2012 onwards and do not work (either as self-employed or employees)
- have closed their business for a minimum period of 3 months prior to the beginning of the allowance
- not have been submitted to any optional insurance scheme or have applied for pension
- not have transferred their business (share or stocks) to relatives of 1st and 2nd degree
- not have outstanding debts to their Social Security Fund
- reside permanently in Greece.

The amount of the benefit is EUR 360.00 per month. The duration varies from 3 to 9 months.

Short-time work benefit (Επίδομα διαθεσιμότητας)

In case of work suspension (e.g. if a company is financially weak), unemployed people can receive assistance for the period under suspension. This assistance is equal to 10% of the average regular earnings recorded in the last two months of full-time employment prior to work suspension. These benefits are not paid for longer than three months per year. It is not possible to grant a benefit repeatedly.

Special seasonal assistance (Ειδικό Εποχικό Βοήθημα)

This aid is offered to persons belonging to occupational groups employed on a seasonal basis, e.g. construction workers, tobacco workers, salaried workers of the tourist sector, etc. The aid is paid once per year. The applicant must fulfil certain conditions with respect to previous work, daily wage, etc.

Benefit due to the employer's insolvency (Bankruptcy benefit) (Παροχή λόγω Αφερεγγυότητας του Εργοδότη)

The OAED keeps an independent account called "Account for the protection of workers against employers' insolvency". This account aims to pay up to three months earnings unpaid due to the employer's insolvency. These earnings are considered and are being taxed as paid services.

Unemployment benefit due to refrain from work (Τακτική επιδότηση ανεργίας λόγω επίσχεσης και Βοήθημα επίσχεσης)

Unemployment benefit due to refrain from work

The aim of this benefit is to compensate financially the employee who exercises his/ her right to refrain from work because the employer has stopped granting the wages and has the same eligibility criteria that apply for the unemployment benefit.

Allowance due to refrain from work

For the employees not entitled to the unemployment benefit, an unemployment allowance can be given. The amount of the allowance is equal to 20 times the basic unemployment allowance (plus 10% for each dependent family member) subject to condition that the beneficiary's annual family income does not exceed a fixed amount of EUR 10 858.40. Payments are made every month for the maximum of 12 months

Benefit due to temporary lay-off (Επίδομα λόγω θέσης σε διαθεσιμότητα)

This is a benefit for income completion when employees are placed to availability/temporary lay-off.

All employees who are placed to availability by their employers are eligible.

The amount is 10% of the last two months average of regular payments. The employer pays the workers to temporary lay-off. The worker has to submit the application within 60 days from the date on which he was laid off (proven by a document provided by the employer). The worker is not registered as unemployed because the work contract is valid.

This benefit is given at the beginning of the intervention, periodically with a duration that cannot exceed the period of 3 months each year. It is not means-tested.

Housing allowance for tertiary education undergraduates (Φοιτητικό στεγαστικό επίδομα)

Tertiary education undergraduates are granted an annual housing allowance of EUR 1 000. The allowance is paid for as long as the studies last. Tertiary education graduates, who attend a course aiming at obtaining a second or a Master's degree, are not entitled to the above allowance.

There is no specific age limit for a beneficiary. 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 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 EUR 30 000, increased by EUR 3 000 for each dependent child, beyond the first one.

The housing (student) allowance of EUR 1 000 is granted annually. It is not subject to taxation.

Employer provided family support (Οικογενειακή ενίσχυση που παρέχεται από τον εργοδότη)

Employers in some sectors pay workers (married or not) family support in a form of 5% supplement to the gross income for each child and adding 10% for the spouse. The amount paid for the spouse is independent of her status of employment and income.

Low income support for households in mountainous and disadvantaged areas (Εισοδηματική ενίσχυση οικογενειών ορεινών μειονεκτικών περιοχών)

An allowance of EUR 600 is granted per year for annual income up to EUR 3 000 and an allowance of EUR 300 per year for annual income up to EUR 4 700.

Pregnancy and post-natal period benefit (Επίδομα εγκυμοσύνης και λοχείας)

During maternity leave, women employees receive the following benefits:

- Insured women are paid by the Social Insurance Institute for 56 days before the presumed date of confinement (pregnancy benefit) and for 63 days after it (post-natal period benefit), i.e. for a total of 119 days (17 weeks). The insured woman is granted 50% of the presumptive daily wage of the insurance class to which she belongs, on the basis of the average earnings of the last 30 days of the previous year, as well as the child benefit (10% for each child and up to 40% maximum). In this case, the minimum amount of the benefit equals to the 2/3 of the insured woman's earnings and the maximum amount of the mentioned benefit.
- The Greek Manpower Employment Organisation pays a supplementary amount to ensure the mother's income reaches the level before the leave. The abovementioned amount covers the period in which the mother received the pregnancy benefit and the post-natal period benefit. Since 2017 this allowance is also provided to presumed mothers, but only for the period of the post-natal period benefit. Presumed mother is defined as the mother who has a child with the help of a surrogate and in-vivo artificial insemination.
- Additionally, employed women receive an amount from their employer that corresponds to fifteen-day wages or one monthly salary, depending on their previous service to this employer.

Post confinement care benefit (Επίδομα τοκετού)

The birth grant is a lump sum payment of EUR 900 for the birth of one child, EUR 1 200 for twins and EUR 1 600 for triplets. Financial benefits due to maternity are also granted to uninsured women for a period of six weeks prior to the childbirth. These benefits amount to EUR 440.20 (EUR 220.10 before the childbirth and EUR 220.10 after it) and are paid by municipalities.

Special Maternity Leave (Ειδική παροχή προστασίας της μητρότητας)

A special maternity leave can be granted to insured mothers. Beneficiaries are the private sector employees, who are covered exclusively by the regulations of the -each time in force- National General Labour Collective Agreement as regards the alternative use of

reduced working hours as child-care leave. This additional leave is granted after the end of the maternity leave or the end of the 3.5 months leave granted in substitution of the reduced-time period (child-care leave).

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. For women working part-time for up to four hours per day or up to 13 days per month on average during the six months before their pregnancy leave, the amount paid is half the one mentioned above. Women that take the special maternity leave are insured for medical care.

In 2017 the Special Maternity Leave is also granted to presumed mothers (see above for a definition).