

Employment Briefing

New legal framework for the employment of pensioners

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A. Introduction to the Legal Framework

1. On 15 January and 5 February 2024, e-EFKA issued Circular No. 1¹ and 7² respectively which together clarify the legal framework for the employment of pensioners, applying the provisions of Article 114 of Law 5078/2023.
2. Under these provisions, e-EFKA pensioners in their own right who are employed in the private sector and therefore compulsorily covered by e-EFKA, are not deprived of the full main and supplementary pension to which they are entitled to from the competent insurance body, with one exception³.
3. Social security contributions are paid as provided for by the law together with a non-contributory fee to e-EFKA (πόρος μη ανταποδοτικού χαρακτήρα υπέρ e-EFKA).

B. Pensioners to Which New Provisions Apply

1. The legal provisions apply to e-EFKA pensioners in their own right, whose pensions are payable due to:

¹ Under Protocol No. 61423/2024.

² Under Protocol No. 172607/2024.

³ For Employees that are not yet 62, the age limit of the pension suspension may be adjusted as per the applicable legal provisions. For the time of pension suspension, no non-contributory amount is payable to e-EFKA.

- a. retirement;
- b. retirement due to disability; or
- c. disability.

C. Obligation to Pay a Non-Contributory Fee to e-EFKA

1. **The way in which payable amounts are calculated depends** on the category of employment applicable to the pensioner. Categories include salaried and non-salaried employees (freelancers or self-employed), salaried engineers or lawyers and people remunerated on the basis of invoices provided for services rendered and people remunerated and insured under the Ergosimo Insurance Coupon system (εργόσημο).

Non-Contributory Fees Paid To E-EFKA In Addition to Social Security Contributions in Major Employee Categories

	Insurance Class	Insured Employee	Employer
Salaried Employees	Primary Insurance and Other Benefits	7.7%	0%
	Supplementary Insurance	2.3%	0%
	Total percentage:	10%	

Calculation basis: Insurable Income.

Note: The above percentages apply also to employees paid by Insurance Coupon where the calculation basis is the value of the relevant Insurance Coupon.

Salaried Engineers/Lawyers	Primary Insurance and Other Benefits	7.7% based on insurable income	0%
	Supplementary Insurance	40% of the selected insurance class	
Persons Remunerated by	Primary Insurance and other benefits	10%	0%

Invoice for Provision of Services	Total percentage:	10%
Calculation basis: Invoice net value.		
Non-Salaried Employees (Freelancers And/or Self-Employed)	50% of the selected insurance class (for Primary Insurance and other benefits sector).	
40% in case of inclusion in the supplementary insurance, ie: 40% of the selected primary insurance category for the primary insurance and other benefits sector and 40% of the selected supplementary insurance category for the supplementary insurance sector.		

2. Notes:

- a. The non-contributory fee paid in favor of e-EFKA is depicted in the Analytical Periodical Declaration (ΑΠΔ) submitted by each employer.
- b. Exemptions from the above payment obligations apply in specific circumstances (e.g. mental disability) to certain categories of employees.
- c. In the case of multiple co-insurance/parallel insurance, the non-contributory fee is paid independently for each insured employment activity.

3. **Pro-increase of the already paid pension:** After the cessation of employment, pensioners may request that the main and/or supplementary pension already paid is increased by reference to the time of the pensioner's employment⁴. Pensioners are also entitled to a supplementary lump-sum benefit reflecting the duration of their employment. Fees paid to e-EFKA are not refundable and cannot be used to increase the pension amounts already paid, or to establish the right to another pension.

D. Declaration of Undertaken Employment by Pensioners

1. Pensioners who undertake employment which is compulsorily covered by e-EFKA insurance are required to notify the competent e-EFKA authority prior to their engagement in any work which is subject to e-EFKA coverage. Failure to comply with this reporting obligation results in monetary penalties equal to 12 months of main and auxiliary pensions.

E. Cap on the Non-Contributory Fee Paid to e-EFKA

1. The total amount payable to e-EFKA must not exceed 12 times the national pension per annum

⁴ Applicable retroactively from 13 May 2016 on condition that this was permitted by the previously applicable legal framework.

(currently 12 monthly payments of €426.17 amounting to €5,114.04). Any amount paid in addition to this is returned to insured persons following clearance conducted by e-EFKA and returns of amounts paid which are not due are also provided for.

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