



Tax incentive for creation of new jobs implemented

Summary of art. 71D of L.4172/2013, as implemented by POL.1244/31-12-2018

On 31 December 2018, the Greek parliament approved guidance (POL. 1244, published in the government gazette on the same date) that specifies the conditions for the application of article 71D of tax law 4172/2013, introducing a “super deduction” for an employer’s social security contributions for the creation of new full-time jobs. The incentive applies as from the 2019 tax year.

Under article 71D, 150% of an employer’s social security contributions for the creation of new full-time jobs are deductible from the gross revenues of legal persons and legal entities (including physical persons engaged in a business activity), up to a maximum of 14 times the minimum wage of an unmarried employee over 25 years of age, provided both of the following conditions apply during the tax year the new full-time jobs were created:

- a. There is an increase of the average number of employees during the year, compared to the

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- average number of the previous year; and
- b. There is an increase of the total cost of employee wages during the year, compared to the previous year.

POL. 1244 provides that the tax incentive applies for the recruitment of:

- a) Young people up to 30 years old at their recruitment date;
- b) Long-term unemployed persons registered with the labor employment office (OAED), or other unemployment funds similar in operation to the OAED, at the time of their recruitment.

The incentive also applies where part-time or rotation contracts, or service or project-based contracts, are converted into full-time employment contracts.

In addition to the year of recruitment or conversion of a contract into a full-time employment contract, the super deduction incentive is available for the following four consecutive years, provided the average number of employees and the total employee wage cost for each year do not decrease compared to the previous year.



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