



COVID-19 - Third package of measures in order to tackle the effects of the spread of Coronavirus

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Tax Law Alert



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COVID-19 - Third package of measures in order to tackle the effects of Coronavirus

On 20.03.2020, the Ministries of Finance and Labour announced a the third package of measures in order to tackle the adverse effects of the spread of COVID-19.

The measures by the Ministry of Finance:

01 **Facilitating the payment of non-overdue loan instalments**

For employees, self-employed persons and sole proprietorships who benefit from the exceptional financial support amounting to EUR 800, the suspension of the payment of non-overdue loan installments is provided. The said suspension shall last for three (3) months.

02 **Financial support amounting to 800 euro**

Extension of the provision of EUR 800 exceptional financial support to private sector employees, self-employed persons and entrepreneurs. The employees of affected businesses as well as all self-employed persons and entrepreneurs, who are affected by the current situation, will benefit from the provision of the exceptional financial support, while the relevant social security costs will be fully covered so as for the social security rights of the aforementioned beneficiaries to remain unaffected.

03 **Exceptional financial aid for redundant employees**

It is regulated that the exceptional financial aid amounting to EUR 800 will also be provided to those who have been made redundant or have been forced to resign from the 1st until the 17th of March.

04 **Easter Bonus**

The new measures provide that the Easter Bonus for 2020 will be fully paid to all employees by every business. Further, employers are given the option to pay the said bonus at a later date, without any penalties.

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The measures by the Ministry of Labour:

01 Suspension of employment contract

Employers of affected businesses facing a substantial turnover decrease (regarding businesses with the CPA codes that will be specified by the anticipated decision that will be issued by the Ministry of Finance) may opt for a suspension of the employment contracts of all or part of their employees. For those employees whose employment contracts will be suspended, the EUR 800 exceptional financial aid will be provided, in conjunction with full social security coverage of their total nominal salary. The said suspension may apply for a period of one (1) month, while an extension is provided should no improvement of the current conditions is observed. In case of the application of the said measure, there is an explicit prohibition on the termination of the employment contracts of all employees by the employer. However, in the event of non-compliance with the aforementioned prohibition, the termination of the employment contract is considered invalid. By the time the suspension period is over, the employer shall preserve the same number of existing jobs and for a period of time equal to the time of the suspension. All employees whose employment contracts are already suspended or will be suspended until 30.04.2020 will benefit from the EUR 800 exceptional financial aid, provided that they have completed their registration in the electronic platform of the Ministry of Labour ("ERGANI") by 31.3.2020. The said amount of the financial aid will be tax exempted, exempt from seizure and it cannot be offset. The employer shall report to "ERGANI" the employees whose contracts have been suspended and, further, notify those employees concerned. Otherwise, the employer will not qualify for the application of the measures regarding the suspension of payments to the State. With respect to employees, in order for them to receive the exceptional financial aid, they shall declare the suspension of their employment contracts in a special platform of the General Secretariat of Labour of the Ministry of Labour.

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The measures by the Ministry of Labour:

02 **Exceptional financial aid to redundant employees**

It is regulated that the exceptional financial aid amounting to EUR 800 will also be provided to those who have been made redundant or have been forced to resign as of 1st March, regardless of whether they benefit from unemployment allowance.

03 **Easter Bonus**

It is provided that the Easter Bonus for 2020 will be fully paid. Further, the employer may pay the said bonus in the summer, along with vacation bonus. However, it is provided that the employer may proceed with the payment of the Easter Bonus earlier during the year, as resources may permit.

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