

# THE OECD TAX-BENEFIT DATABASE

Description of policy rules for  
Greece 2023



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## Description of policy rules for 2023

**OECD contact:** Olga Rastrigina, Jobs and Income Division, Directorate for Employment, Labour and Social Affairs. Email: [Tax-Benefit.Models@oecd.org](mailto:Tax-Benefit.Models@oecd.org)

**National team:**

Dept of Relations with International Organisations // Directorate of International Relations // Ministry of Labour and Social Security [Tel: 0030 210 3256141]

Ministry Of Labour and Social Security

- Directorate of International Relations
- Directorate of Individual Contractual Arrangements
- Directorate of Collective Regulations
- Directorate of Employment Integration
- General Secretariat for Social Security
- Public Employment Service (DYPA)

Ministry of Social Cohesion and Family

- Directorate for the Combat against Poverty
- Directorate for the Protection of Children and Family
- Autonomous Department of Social Housing Policies

Ministry of the Interior

Ministry of Finance

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## Preface

This report provides a detailed description of the tax and benefit rules in Greece as they apply to working-age individuals and their dependent children. It also includes output from the [OECD Tax-Benefit model \(TaxBEN\)](#), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour market circumstances, .e.g. in employment versus unemployment.

The **main body** of the report describes the rules that are relevant for the family and labour market characteristics that are within the scope of the **TaxBEN** model (see below for the methodology and user guide). The **annex** provides information on other cash benefits and taxes on employment income that are relevant for other groups of the working-age population, but are outside the scope of the **TaxBEN** model.

**TaxBEN** is essentially a large cross-country calculator of tax liabilities and benefit entitlements for a broad set of *hypothetical* families (“vignettes”), e.g. a married couple of 40-years-old adults with two children aged 4 and 6 (click [here](#) for a quick overview of the **TaxBEN** model). **TaxBEN** incorporates rules on the main taxes on employment income, social contributions paid by employees and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family and childcare benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits, maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The main policy instruments that are currently not included in the **TaxBEN** model are taxes on wealth (e.g. taxes on immovable and unmovable properties), indirect taxes (e.g. VAT), early-retirement benefits, short-time work compensation schemes, sickness benefits, and in-kind benefits (e.g. subsidised transport and free health care).

### Useful online resources for the OECD tax-benefit model (TaxBEN)



[TaxBEN web calculator](#)



[Methodology and user guide](#)



[OECD tax-benefit data portal](#)



[Network of national experts](#)


### Guidelines for updating this report (for national experts)



[General guidelines](#)

Detailed [guidelines for updating Section 5](#) “Net costs for Early Childhood Education and Care”

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

- **Reference date** for the policy rules described in this report: **1 January 2023**.
- The symbol  in the text provides a link to the 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.
- **TaxBEN** variables are indicated in the text using the format `[variable name]`.

## The OECD tax-benefit model for Greece: Policy rules in 2023

### 1. Reference wages and other reference amounts

Average wage **[AW]**: The OECD tax-benefit model uses Secretariat estimates of the average full-time wage (available [here](#))<sup>1</sup>. If Secretariat estimates are not available yet, the model uses wage projections obtained by applying forecasted wage growth<sup>2</sup> to the latest available wage estimate.

Since 1 May 2022, the minimum wage for workers bound by a working relationship in the private sector is set as follows:

- for white collar workers EUR 713.00 per month
- for blue collar workers EUR 31.85 per day.

On 1 April 2023, the minimum wage was increased further:

- for white collar workers EUR 780.00 per month
- for blue collar workers EUR 34.84 per day.

*In the model, the minimum wage **[MIN]** for white-collar worker is used.<sup>3</sup> The annual minimum wage is computed by multiplying the minimum monthly wage (as of 1 January 2023) by 14 (Easter and Christmas bonuses are included). Thus, the annual minimum wage is EUR 713 \* 14 = EUR 9 982. The policy reference date in the model is 1 January 2023, this is why the increase of the minimum wage in April is not included in the model. If the increase in April is taken into account, the annual wage with Easter<sup>4</sup> and Christmas bonuses is commuted in the following way: EUR 713 \* 3 + EUR 780 \* 11 = EUR 10 719.*

There is no automatic indexation of the minimum wage in Greece. The procedure followed for the determination of the minimum wage and daily wage is described in detail in article 103 of Law 4172/2013 as in force.

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<sup>1</sup> Average Wages are estimated by the [Centre for Tax Policy and Administration](#) at the OECD. For more information on methodology see the latest [Taxing Wages publication](#).

<sup>2</sup> Wage growth projections are based on [OECD Economic Outlook](#) and [EU economic forecasts](#) (for non-OECD countries).

<sup>3</sup> Earlier TaxBEN versions used minimum wage for blue-collar workers. Starting from TaxBEN version 2.3.1, results for all policy years are based on the minimum wage for white-collar workers.


<sup>4</sup> The Easter Bonus is calculated on the basis of the salary of the 15th day before Easter. In 2023, Easter in Greece was on 16 April 2023. Therefore, the Easter bonus is computed using the minimum wage on 1 April 2023.

## 2. Unemployment benefits

This section covers payments to unemployed individuals. Section 2.1. describes unemployment insurance benefit. Sections 2.2. to 2.4. cover unemployment assistance benefits for different groups of unemployed. Annex contains information on unemployment benefit for self-employed and freelancers, special aid for seasonal workers, and unemployment benefit due to refrain from work (*not simulated in the model*).

### 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+

#### **Contribution/employment history:**

The persons applying for the benefit for the first time must have worked: for at least 125 days in the last 14 months prior to their dismissal, and for at least 80 days per year in the last two years prior to the submission of their application

or

for at least 200 days in the last 2 years prior to the dismissal and for at least 80 days per year in the last two 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.

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 to be self-employed.

*TaxBEN assumes that these compulsory conditions are satisfied when simulating unemployment benefits.*<sup>5</sup>

#### 2.1.2. Benefit amount

**Basic amount:** On 1 January 2023, the basic unemployment benefit equals 55% of the minimum daily wage of the blue-collar worker, i.e. EUR 31.85 \* 55% = EUR 17.52 per

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<sup>5</sup> Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see [How demanding are activation requirements for jobseekers? - OECD](#).

day. The benefit is paid for 25 days per month. Thus, the monthly basic unemployment benefit is  $\text{EUR } 17.52 * 25 = \text{EUR } 438$  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<sup>6</sup> were higher than the twelve-fold of the daily minimum wage of the unskilled worker (i.e.  $\text{EUR } 31.85 * 12 = \text{EUR } 382.21$  per month), the basic unemployment benefit is paid in full (i.e.  $\text{EUR } 438$  per month).
- For the unemployed who 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  $\text{EUR } 191.11$  and  $382.20$  per month), 75% of the basic unemployment benefit is paid (*not modelled*).
- For the unemployed who 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.  $\text{EUR } 31.85 * 6 = \text{EUR } 191.10$  per month), 50% of the basic unemployment benefit is paid (*not modelled*).

On 1 April 2023, the amount of daily unemployment benefit increased further from  $\text{EUR } 17.52$  to  $19.16$  following the increase in the minimum daily wage of the blue-collar worker from  $\text{EUR } 31.85$  to  $34.84$ . *This is not included in the model in 2023 as the policy reference date is 1 January 2023.*

**Increase for dependants:** The benefit increases by 10% for every dependant family member of the beneficiary.

**Easter and Christmas bonuses:**<sup>7</sup> Due to the Easter and Christmas holidays, financial aid is provided to the subsidized unemployed as follows:

- a. For the Easter holidays, equal to half of the monthly amount of the unemployment benefit, if they have been subsidized for the entire period from 1 January to 30 April. If the subsidized persons have completed a subsidy period shorter than that specified above, they are entitled to a financial aid equal to three daily unemployment benefits for each month of subsidy.
- b. For the Christmas holidays, equal to the amount of the monthly unemployment benefit, if they have been subsidized for the entire period from 1 May to 31 December. If the subsidized persons have completed a subsidy period shorter than that specified above, they are entitled to a financial aid equal to three daily unemployment benefits for each month of subsidy.

Easter and Christmas bonuses are calculated using the amount of unemployment benefits with increases for dependants.

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<sup>6</sup> Monthly average wage is calculated as the average of the gross monthly earnings of the six months prior to the termination of employment. These six months do not necessarily have to be consecutive. They are the last six months of dependent employment during which the jobseeker was getting paid. If the jobseeker only worked for five months in the last 14 months (the minimum current contribution requirement), then the average is computed on the basis of these five months.

<sup>7</sup> Easter and Christmas bonuses are included in the model for all policy years starting from TaxBEN version 2.6.0. According to the legislation for policy years 2001-2020, the bonuses are computed as six additional daily allowances for each full month of benefit receipt.



*In the model, the subsidies are simulated as free additional daily unemployment benefits per month for the months when unemployed receive basic unemployment benefit.*

### 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:

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; or 4050 for the whole work history)	12

\* Days of employment are converted into calendar months assuming that people usually work 25 days per month.

\*\*The condition during the 14 months period is included in the model; alternative conditions are not modelled.

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

Within the four-year period one cannot receive more than 400 daily benefits (*not modelled*).

### 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 Guaranteed Minimum Income and housing benefit.

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

Cumulation of unemployment benefit with earnings from work is possible if the unemployed takes up a full-time job (i.e. 40 hours per week) before the end of the entitlement period to unemployment benefit. In such case he/she receives 50% of the benefit until the end of the entitlement.

The payment of the benefit is suspended if the claimant takes up a part-time job 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.

As regards the unemployed persons, who during the same period of receipt of unemployment benefit have accumulated up to 70 days of insurance in farming activities,

their entitlement is not interrupted or suspended and the number of days of unemployment benefit is neither deducted, nor taken into consideration.

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.

#### 2.1.8. *Indexation*

The benefit amounts are linked to the minimum wage (see Section 1). Other monetary parameters used in the calculations (e.g. threshold in Section 2.1.5) are not indexed automatically.

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

Variable names: [UAl\_p; UAl\_s]

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

#### 2.2.1. *Eligibility conditions* <sup>i</sup>

**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 for 12 months 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 Public Employment Service (DYPA) 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*

For unemployment assistance allowances there is no concrete fiscal legislation regarding their taxation. All unemployment benefits are tax exempt on condition that the sum of the taxpayer's other taxable income does not exceed EUR 10 000 annually (see Section 2.1.5).

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

Included in the means test for the Guaranteed Minimum Income and housing benefit.

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

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

As regards the long-term unemployed, who during the same period of receipt of long-term unemployment benefit have accumulated up to 70 days of insurance, their entitlement is suspended for the duration of those 70 days.

As regards the long-term unemployed, who during the same period of receipt of long-term unemployment benefit have accumulated up to 70 days of insurance in farming activities, their entitlement is not interrupted or suspended.


### 2.2.8. *Indexation*

The benefit is not indexed automatically.

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

*(Ειδικό βοήθημα μετά τη λήξη της Τακτικής Επιδότησης Ανεργίας)*

Variable names: [UA2\_p; UA2\_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 unemployment 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 EUR 17.52 \* 13 = EUR 227.76 on 1 January 2023

The benefit increases by 10% for every dependant family member of the beneficiary (since its introduction).

On 1 April 2023, the amount of daily unemployment benefit increased further from EUR 17.52 to 19.16 following the increase in the minimum daily wage of the blue-collar worker from EUR 31.85 to 34.84. *This is not included in the model in 2023 as the policy reference date is 1 January 2023.*

### 2.3.3. *Benefit duration*

This is a lump sum payment paid only once.

#### 2.3.4. Means test

For benefit recipients on 1 January 2023, the annual family income for the previous year (2022) must not exceed a fixed amount of EUR 12 912.69. The amount of the annual family income is raised by EUR 293.47 each calendar year, according to Ministerial Decision No30659/1989.

Additional income limits were established by article 19 of Law 4921/2022 and valid from 29 December 2022: in the cases of the long-term unemployed, i.e. those registered in the DYPA Digital Register for a period of more than 12 months, the annual total family income, regardless of its source of origin, real and assumed, should not exceed the following limits:

- up to EUR 16 000 for unmarried or widowed members without dependents
- up to EUR 16 000 for divorced/separated, increased by EUR 3 000 for each child
- up to EUR 24 000 for married couples/parties of an agreed cohabitation increased by EUR 3 000 for each child
- up to EUR 27 000 for a single-parent family increased by EUR 3 000 for each child after the first.

#### 2.3.5. Tax treatment

See Section 2.2.5.

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

Included in the means test for the Guaranteed Minimum Income and housing benefit.

#### 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.

#### 2.3.8. Indexation

The benefit amounts are linked to the minimum wage (see Section 1). Other monetary parameters used in the calculations are not indexed automatically.

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

Variable names: [\[UA3\\_p\]](#); [\[UA3\\_s\]](#)

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 DYPA. These persons must remain unemployed (registered with the DYPA) for 3 months.

#### 2.4.2. *Benefit amount*

The benefit amounts to 15 basic daily unemployment benefits, i.e. EUR 17.52 \* 15 = EUR 262.80 on 1 January 2023 and is paid once per three months.

The benefit increases by 10% for every dependant family member of the beneficiary (since its introduction).

On 1 April 2023, the amount of daily unemployment benefit increased further from EUR 17.52 to 19.16 following the increase in the minimum daily wage of the blue-collar worker from EUR 31.85 to 34.84. *This is not included in the model in 2023 as the policy reference date is 1 January 2023.*

#### 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*

For benefit recipients on 1 January 2023, the annual family income for the previous year (2022) must not exceed a fixed amount of EUR 12 912.69. The amount of the annual family income is raised by EUR 293.47 each calendar year, according to Ministerial Decision No30659/1989.

Additional income limits were established by article 19 of Law 4921/2022 and valid from 29 December 2022: In the case that at the time of payment of the 3rd instalment the insured have become long-term unemployed, i.e. they have been registered in the DYPA Digital Register for a period longer than 12 months, the total family income, regardless of its source of origin, real and assumed, must not exceed the following limits:

- up to EUR 16 000 for unmarried or widowed members without dependents,
- up to EUR 16 000 for divorced/separated, increased by EUR 3 000 for each child,
- up to EUR 24 000 for married couples/parties of an agreed cohabitation increased by EUR 3 000 for each child,
- up to EUR 27 000 for a single-parent family increased by EUR 3 000 for each child after the first.

#### 2.4.5. *Tax treatment*

See Section 2.2.5.

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

Included in the means test for the Guaranteed Minimum Income and housing benefit.

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

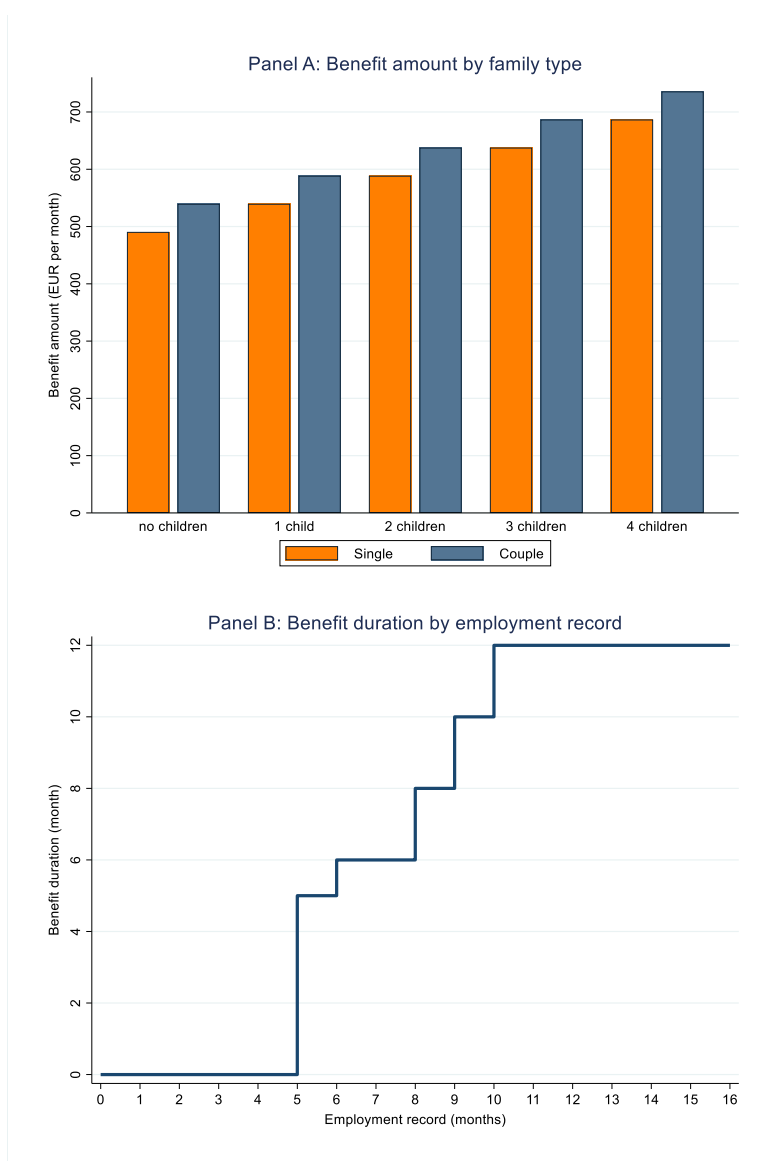
Taking up a new post automatically means that the benefit is terminated.

#### 2.4.8. *Indexation*

The benefit amounts are linked to the minimum wage (see Section 1). Other monetary parameters used in the calculations are not indexed automatically.

**Figure 1. Unemployment insurance benefit**

40-year-old single or couple with or without children



*Note:* The figure shows unemployment benefit of the first adult. In a couple, the second adult is assumed to be out of work and not eligible for unemployment benefits. Spouse and children are considered as dependants in the calculation of the unemployment benefit of the first adult. Easter and Christmas bonuses are included as three additional daily benefits per month. Benefit amount remains the same throughout its duration. Panel A assumes that the first adult has employment record of at least 5 months and previously worked full time. In Panel B, employment record increases from 0 to 16 months by 1 full month (25 working days); smaller increases are not considered.

*Source:* OECD Tax-Benefit Model.

**Figure 2. Unemployment insurance and assistance benefits**

40-year old single person without children



*Note:* The figure shows amounts and duration of unemployment insurance and assistance benefits received by a person with different past employment record. Six cases (3, 5, 7, 8, 9, and 10 months of previous employment record) are selected to show different outcomes. Persons with contribution record below 60 working days (approx. 2.4 months) are not eligible to unemployment insurance and assistance benefits. Easter and Christmas bonuses for recipients of unemployment insurance benefit are included as three additional daily benefits per month.

*Source:* OECD Tax-Benefit Model.



### 3. Social assistance and housing benefits

#### 3.1. *Guaranteed Minimum Income (Ελάχιστο Εγγυημένο Εισόδημα)*

Variable name: **[SA]**

Social Solidarity Income (*Κοινωνικό Εισόδημα Αλληλεγγύης - ΚΕΑ*) was introduced in February 2017. In February 2020, it is renamed Guaranteed Minimum Income (*Ελάχιστο Εγγυημένο Εισόδημα*).

The Guaranteed Minimum Income (GMI) 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 (not modelled):** people who are homeless or living in inadequate housing may be beneficiaries of the program, provided they are registered. Homeless people living in homeless shelters may be also beneficiaries of the program for up to two reference periods (since July 2021).

##### 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.

The benefit cannot be less than EUR 10 per month. If the calculated amount is less than EUR 10 per month, it is not paid.

##### 3.1.3. *Benefit duration*

Since November 2018, the cash benefit is paid for six months from the date of first payment (previously 12 months). 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*

Applicants (or a municipal or community centre employee on an applicant’s behalf) enter their credentials, using their social security number and tax identification number. The GMI information system then automatically pre-fills part of the GMI application form with information from their latest tax return on the tax authority database (taxisnet).

Furthermore, the IT platform cross-links electronically in “real time” information from several state databases. Other information that is not available from the above databases tax returns (e.g. education level) must be filled in by the applicant.

If all pre-filled information is up to date and consistent with official databases, then the applicant can submit the application form and automatically see the outcome (approved/rejected). If there are inconsistencies, a notification appears, highlighting ‘missing’ or ‘incorrect’ information, and asking the applicant to visit a municipal office or community centre.

### **Income test**

The tested income includes 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 Guaranteed Minimum Income. 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: (a) the foster care benefit (b) non-contributory disability benefits granted by the State, (c) the financial support to those who get into emergency resulting from other natural disasters, (d) the allowance paid to the unemployed who participate in training subsidy programmes, (e) the housing benefit, (f) 20% of labour earnings after social security contributions (including in the context of public work schemes), (g) total income for two reference periods in case of autonomy for homeless people and women victims of domestic violence due to integration into the labour market.

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 test**

Asset test also applies to movable and immovable property, bank deposits. *The asset test is not modelled.*

#### **1. Type of asset**

The asset information is automatically pre-filled in the GMI application form with information from the latest tax return on the tax authority database (taxisnet).

#### **2. Assets included in the assessment**

##### **Main residence**

The total taxable value of the household’s real property<sup>8</sup> (including the main residence), as determined for the calculation of the Property Tax according to the last issued tax determination act, may not exceed EUR 90 000 for one-person households, increased by EUR 15 000 for each additional household member with an overall maximum threshold of EUR 150 000.

##### **Other immovable properties owned by the claimant or their family**

Other immovable property is also assessed and included in the total taxable value of the household’s real property (see thresholds above).

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<sup>8</sup> The total taxable value of property is determined using the cadastral value (objective real estate value), prefilled by the tax authority database.

**Cultivated and/or uncultivated lands**

The value of land is also included in the total taxable value of the household's real property (see thresholds above) **Vehicles**

The objective value of the household's vehicles may not exceed EUR 6 000 in total, as determined in the last issued tax determination act. The latter takes into account both engine power and the age of the vehicle.

**Household appliances and personal belongings**

The household appliances and personal belongings are not included in the asset tests. **Movable assets**

Movable assets include current accounts, saving accounts, saving accumulation plans, savings for private pension plans, bonds, equities, participation in cooperatives, etc.

The total amount of deposit interest of the household members in all credit institutions in Greece or abroad, as reported in the last assessed income tax return, may not exceed annually the amount obtained from the following formula:

Annual interest = deposit limit for each household type \* average annual deposit interest rate/100

Deposit limit for each household type:

- Single person household: EUR 4 800
- Household consisting of two adults or a single parent household with a minor member: EUR 7 200
- Household consisting of two adults and one minor member or single parent household with two minor members: EUR 8 400
- Household consisting of three adults or two adults and two minor members or single parent household with three minor members: EUR 9 600
- Household consisting of three adults and one minor member or two adults and three minor members or single parent household with four minor members: EUR 10 800
- Household consisting of four adults or two adults and four minor members or single parent household with five minor members: EUR 12 000
- Household consisting of four adults and one minor member or two adults and five minor members or single parent household with six minor members: EUR 13 200
- Household consisting of five adults or two adults and six minor members or a single parent household with seven minor members: EUR 14 400

The year of calculation of the average deposit interest rate is defined as the one to which the last assessed income tax return corresponds.

**3. Exemptions, asset disregards, and eligibility thresholds**

There are no exemptions in the asset test. The eligibility thresholds are mentioned above.

**Impact of assets on benefit amounts**

The asset of an applicant determines eligibility for GMI benefit, but it does not affect the amount of the benefit.

More information: <https://keaprogram.gr/govnr/Home/Contact>

### 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*

Since November 2018, the temporary earnings disregards for taking up a new employment are replaced by a new approach: For the “reference period” of six months the amount of income support is fixed. Taking up employment during the “reference period” does not affect the amount of the benefit. After the benefit is reassessed, employment income from the new employment is included in the income test as described in Section 3.1.4.

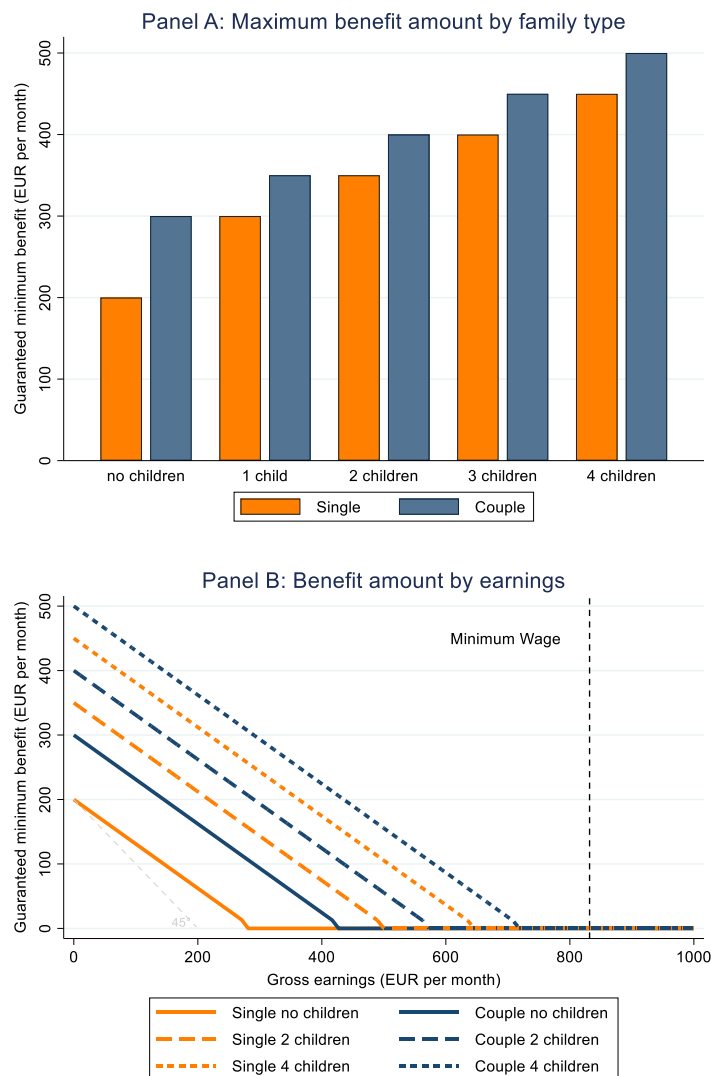
*In the model, when a transition into work occurs, it is assumed that a person has just started a period of receipt of social assistance, thus, his or her earnings are ignored for the first six months in the new job.*

### 3.1.8. *Indexation*

No indexation of the benefit amount or the eligibility thresholds.

**Figure 3. Guaranteed Minimum Income**

40-year old single or couple with or without children



*Note:* Results assume no receipt of child allowance, unemployment benefits or other benefits, which are usually included in the means test for guaranteed minimum income. Panel A shows maximum benefit amount for a jobless family with no income. Panel B shows the reduction in benefit amount if a family has earnings from work. 45° line shows how the benefit for a single person without children would decrease if the benefit would have been reduced by 1 Euro for every Euro earned.

*Source:* OECD Tax-Benefit Model.

### 3.2. *Housing Benefit* (Επίδομα Στέγασης)

Variable name: [\[HB\\_RA\]](#)

Introduced in March 2019. *Implemented in the model in since policy year 2020 as policy reference date is 1 January.*

The Housing Benefit is a welfare program aiming to help low-income households who live in rented primary residences to meet their housing costs. The program is non-contributory, means-tested and not taxable.<sup>9</sup> This benefit does not contain any provisions for expenses on energy, heating or other related utilities.

#### 3.2.1. *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.

(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.

#### 3.2.2. *Benefit amount*

The guaranteed amount of the monthly benefit shall be as follows: EUR 70 for single person households, increased by EUR 35 for each additional member of the household with the maximum of EUR 210 per month per household.

In single parent households, the amount is increased by EUR 35 per month.

The benefit cannot be higher than the rent.

#### 3.2.3. *Benefit duration*

The cash benefit is paid for six 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.*

#### 3.2.4. *Means test*

The total income cannot exceed EUR 7 000 for a single-person household, increased by EUR 3 500 for each additional household member. In the single-parent family for the first minor member of the household, the income limit is increased by EUR 7 000. In households with unprotected children, the income limit is increased by EUR 7 000 for each unprotected child (*not modelled*).

The means test is based on 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, as stated in the last tax declaration. The total reported income includes all allowances, subsidies, and any income exempt from taxes or taxed in a special way with the exceptions referred to below.

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<sup>9</sup> See more details here: [Housing Benefit - OPEKA](#).

The reported income does not include the child benefit, the foster care allowance, the unemployment training programs payment as well as the non-contributory disability benefits provided by the State. Guaranteed Minimum Income is also not included.

If the reference income exceeds the income threshold, the benefit is not paid.

Asset tests also apply to movable and immovable property, bank deposits. *In the model, the asset test is assumed to be met.*

### 3.2.5. Tax treatment

The benefit is not taxable.

### 3.2.6. Interaction with other components of the tax-benefit system

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

### 3.2.7. Combining benefit receipt and employment/starting a new job

The benefit can be combined with earnings from work, but the benefit is not paid if family income exceeds the income threshold.

For the “reference period” of six months the amount of housing benefit is fixed. Taking up employment during the “reference period” does not affect the amount of the benefit. After that, the benefit is reassessed and employment income from the new employment can be included in the income test. In practice, the income test is based on the last tax declaration. Therefore, taking up employment does not affect the benefit, until the next tax declaration is submitted and the income from the employment is declared.

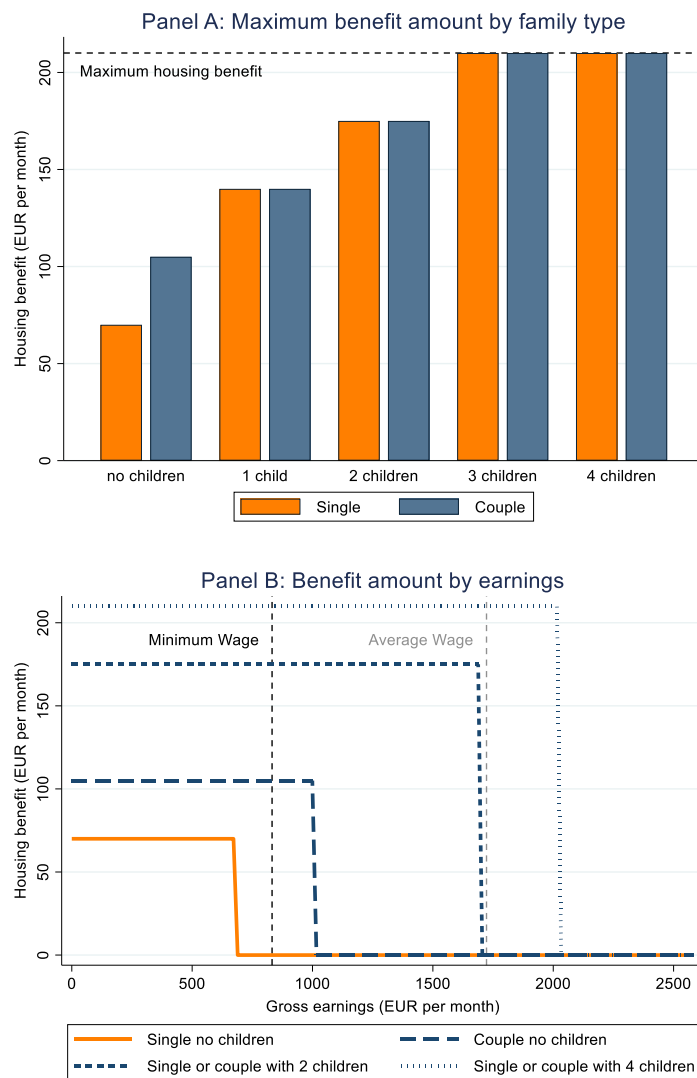
In the model, it is assumed that the authorities have the most recent information on beneficiary’s income without any delay. When a transition into work occurs, it is assumed that a person has just started a period of receipt of housing benefit, thus, his or her earnings are ignored for the first six months in the new job. After that, the benefit is re-assessed taking into account new employment income.

### 3.2.8. Indexation

No indexation of the benefit amount or the eligibility thresholds.

**Figure 4. Housing benefit**

40-year-old single or couple with or without children



*Note:* Results assume no receipt of child allowance, unemployment benefits or other benefits, which are usually included in the means test for housing benefit. Rent is assumed to be 20% of average wage for all family types. Panel A shows maximum benefit amount for a jobless family with no income. Panel B shows the reduction in benefit amount if a family has earnings from work.

*Source:* OECD Tax-Benefit Model.



## 4. Family benefits

### 4.1. 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 (*ENIAIO EΠΙΔΟΜΑ ΣΤΗΡΙΞΗΣ ΤΕΚΝΩΝ*).

#### 4.1.1. 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 in higher education or if they have an invalidity of at least 67%). Furthermore, beginning from the school year 2022-2023, the additional condition of attendance in compulsory education concerning children aged between 4 and 16 years old must be met for the payment of the benefit to applicants. *The model assumes that these conditions are satisfied.*

#### 4.1.2. Benefit amount

The benefit amount depends on the number of the dependent children and the category of the equivalent family income (see Section 4.1.4. .

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

#### 4.1.3. Benefit duration

As long as the eligibility conditions are met.

#### 4.1.4. 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

Reference income is taxable family income after social security contributions.

#### 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 the Guaranteed Minimum Income.

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

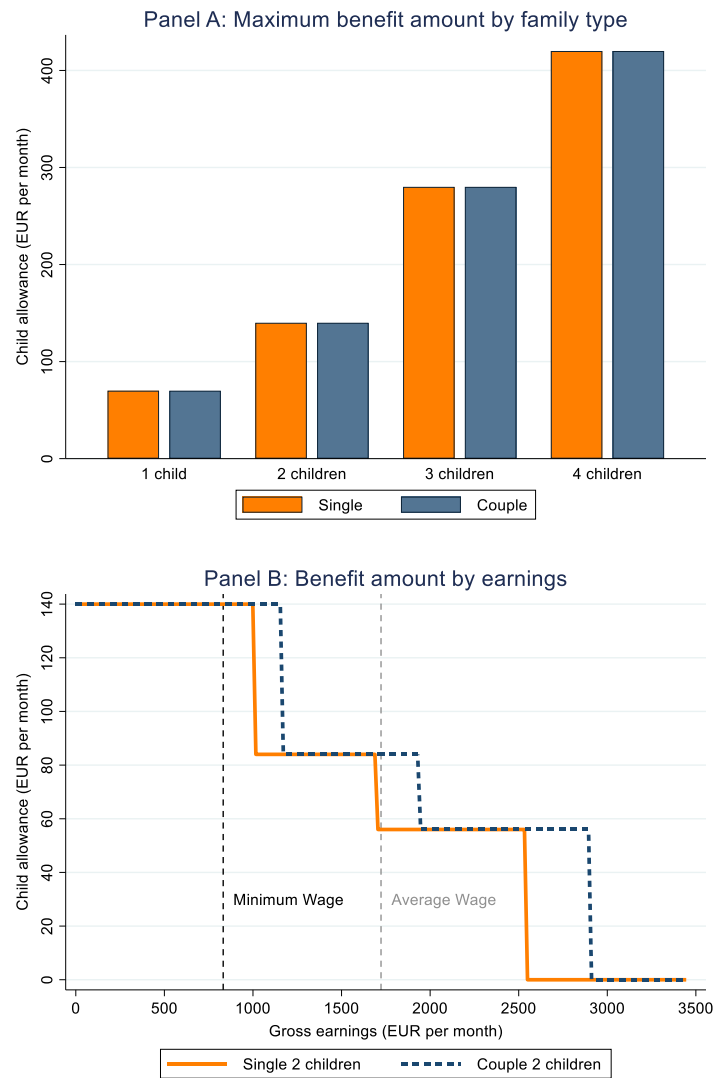
The benefit is reduced if family income exceeds the thresholds.

#### 4.1.8. *Indexation*

No indexation of the benefit amount or the eligibility thresholds.

**Figure 5. Child allowance**

40-year-old single or couple with children



*Note:* Panel A shows maximum benefit amount for a jobless family with no income. Panel B shows the reduction in benefit amount if a family has earnings from work.

*Source:* OECD Tax-Benefit Model.

## 5. Net costs of Early Childhood Education and Care

The **reference date** for the policy rules described in this section is **1 January 2023**.

In Greece, early childhood education and care is organized in:

- Child (*Paidikoi*), Infant (*Vrefikoi*) and Infant/Child Centres (*VrefonipiakoiStathmoi*) within the competence of Municipalities (Ministry of Interior);
- Private pre-school education and care centres, within the competence of the Ministry of Labour, Social Insurance and Social Solidarity;<sup>10</sup>
- Pre-primary Schools (*Nipiagogeia*), public and private, within the competence of the Ministry of Education, Research and Religious Affairs.<sup>11</sup>

The Municipal authorities are responsible for the establishment and operation of municipal Infant, Child and Infant/Child Centers. These centers operate either within a municipality as a municipal service or within the legal entities of municipalities. Infant and Infant/Child Centers accommodate children from 2 months up to the age of compulsory education, i.e. at the age of 4; Child Centres - from 2.5 years up to the age of compulsory education, i.e. 4. These Centres may require board fees on a monthly basis, depending on the economic status of the family. The childcare fees are laid down either by the Municipal Council or by the Management Board of the Legal Entity according to the *Standard Procedural Regulation of Municipal child centers and infant/child centers*” (OG 4249/B/15.12.2017). The typical working hours of municipal child, infant and infant/child centres are from 7:00 to 16:00. They run from 1 September to 31 July of the following year, i.e. an operation period of 11 months.

Pre-primary schools is compulsory for 5-year-olds since 2006. Over the span of the last few years, pre-school education became compulsory also for 4-year-old children in most municipalities of the country:

- In 2019-2020, it was not yet compulsory in some municipalities of the Athens prefecture.
- In 2020-2021, it was compulsory in all the country except four municipalities of the Athens prefecture.
- Since 2021-2022, it is compulsory in the whole country.

Six-year-old pupils enroll in compulsory primary education. Pre-primary and primary education is free of charge.

In addition to public and private childcare facilities, the Public Employment Service (DYPA) is responsible for providing childcare facilities to working people through its day nurseries. The DYPA operates 26 day nurseries, of which 8 are located in the Prefecture of Attica and 18 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 DYPA day nurseries cater for preschool children (from six months old to the school age) whose parents are entitled to DYPA benefits and allowances. The Organization’s selection criteria are both social (families with more than

<sup>10</sup> By virtue of the provisions of Presidential Decree 77/2023 (OG 130/27.06.2023) a new Ministry of Social Cohesion and Family was established (Article 1). Private pre-school education comes under its competence.

<sup>11</sup> By virtue of the provisions of Presidential Decree 77/2023 (OG 130/27.06.2023) the title of the Ministry has been changed to: Ministry of Education, Religious Affairs and Sports.

three children, orphans, children of single-parent families, disabled children) and economic (children of low-income parents are prioritized).

*The model assumes a family residing in Athens. Children from 1 up to 4 years old (excluding) are assumed to attend municipal Infant, Child and Infant/Child Centres. The associated childcare costs are computed as described in Section 5.1. . Children from 4 years to 5 years old (including) are assumed to attend compulsory pre-primary school free of charge. From 6 years old, children attend compulsory primary school.*

### 5.1. Gross childcare fees

Variable name: `[GCcc_cost]`

#### Subsistence expenses

Based on the Standard Operating Regulations of Municipal Childcare Centers - Nurseries (O.G. 4249/5-12-2017), the Municipal Council may define the criteria for charging the payment of monthly financial contributions (subsistence expenses) to the families of children accommodated in such facilities, depending on their financial circumstances. In case financial contributions are required, they should be reasonable and symbolic. The same decision of the Administrative Board or of the Municipal Council defines the exemption cases from the payment of subsistence expenses or cases where the amounts may be reduced.

As representative of subsistence expenses, this is the example of Athens, i.e. the largest municipality of the country:

#### The fees for public centers in the municipality of Athens (1 January 2023):

The Management Board Act of the Municipal Nursery of Athens lays down the child care fees to be charged to parents for their children attending child centers of the Municipal Nursery of Athens, based on the family income and the number of children attending childcare in the same family, as follows:

Family Income (EUR per year)	1 child (EUR per month)	2 children (EUR per month)
1 -20 000	0	0
20 001 – 25 000	55	75
25 001 – 30000	65	95
30 001 – 35000	95	125
35 001 – 40 000	115	160
40 001 – 50000	140	180
50 001 – 75 000	165	210
75 001 – 100000	190	235
100001 – 200000	260	330
200 001 – 300000	330	400
300001 and more	400	500

Note: Family income is defined as gross taxable income (see Section 8.1.2).

Moreover, families with incomes over EUR 30 001 pay reduced fees if they belong to the following categories:

- The family has a disabled child with a minimum rate of invalidity of 35% or a disabled parent with a minimum rate of invalidity of 50% (*not covered in the model*)

- Single parent families, widows/widowers, divorced parents
- Families with three underage children.

In these cases, the fees are based on the following table:

Family Income (EUR per year)	1 child (EUR per month)	2 children (EUR per month)
0 – 30 000	0	0
30 001 – 35 000	50	65
35 001 – 40 000	60	75
40 001 – 50 000	70	100
50 001 – 75 000	100	135
75 001 – 100 000	120	170
100 001 – 200 000	150	190
200 001 – 300 000	175	220
300 001 and more	200	250

Families are exempted from financial participation in the following circumstances:

- Families with a family income of up to EUR 20 000.
- Families having an income up to EUR 30 000 with a disabled child with a minimum rate of invalidity of 35% or a disabled parent with a minimum rate of invalidity of 50% (*not covered in the model*).
- Large families\* regardless of their total income.
- Single parent families, widows/widowers, divorced parents, with an income up to EUR 30 000.
- Families with underage three children with an income up to EUR 30 000. In the case of a third child attending the centre, an exemption from the fees charged to parents applies for the third child.

Note: \* Large families are families with at least 4 children (up to 23 years old or 25 years old if in education). A parent without a spouse (or a parent with disability) is considered a large family if he/she has at least 3 children.

Childcare fees and income eligibility thresholds are not subject to automatic indexation.

#### 5.1.1. *Discounts for part-time usage*

None.

#### 5.2. *Child-care benefits for formal centre-based care*

Variable name: `[cc_benefit]`

None.

#### 5.3. *Child care allowance for children not using child care centres*

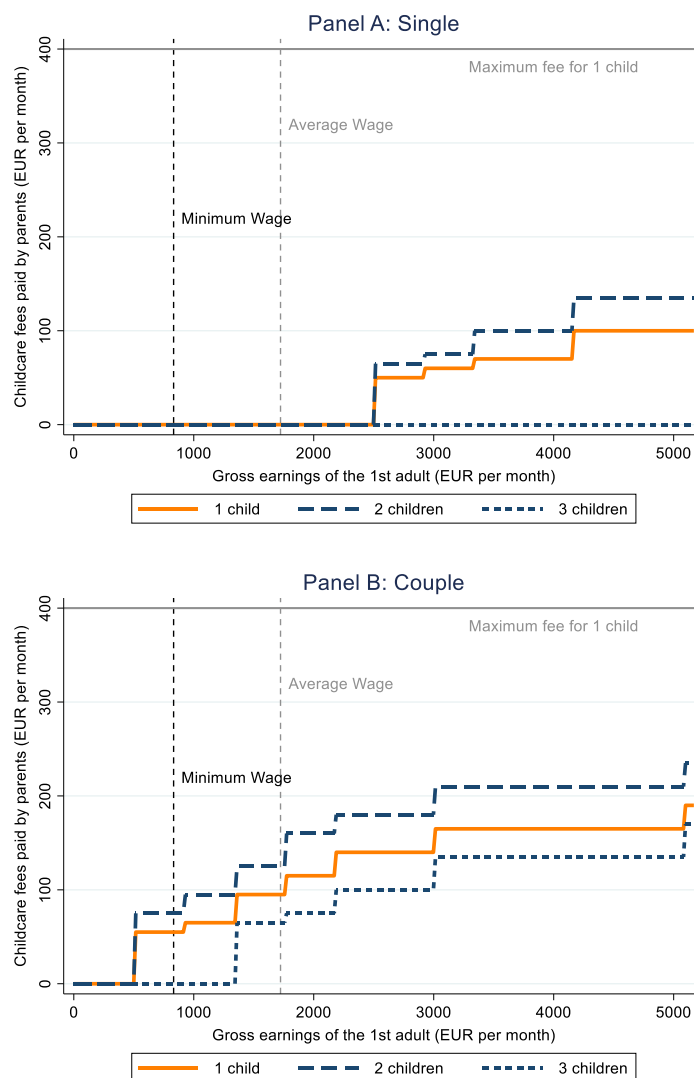
None.

#### 5.4. *Tax concessions for childcare expenditures*

None.

**Figure 6. Childcare fees paid by parents**

40-year-old single or couple with children (Athens)



*Note:* A family is assumed to live in Athens. Children are 2, 3, and 4 years old. The 2 and 3-years-old children attend municipal Infant or Child Centres full time; the 4-years-old child attends compulsory pre-primary education free of charge. Both parents are working full time. In a couple, the second adult earns 67% of the average wage. Horizontal axis shows gross earnings of the first adult. A single parent with 1 or 2 children and a couple with 3 children are eligible to lower fees than a couple with 1 or 2 children. A single parent with 3 or more children and a couple with 4 or more children are exempt from childcare fees.

Source: OECD Tax-Benefit Model.

## 6. In-work benefits

OECD note: This section provides information on employment-conditional (“in-work”) benefits for employees, i.e. benefits whose eligibility is conditional on the following key requirements: 1) being regularly employed (in either the private or public sector); 2) working a certain number of hours and/or earning more than a certain minimum. This definition notably excludes ‘workfare’ programmes and related ‘work-first’ policies that make out-of-work benefits conditional on participation in work activities.

This section provides information also on one-off and/or temporary payments for benefit recipients who are out of work and make a transition into employment. These type of benefits are referred to as transitional “into-work” benefits in order to differentiate them from the “regular” in-work benefits that do not have any predefined maximum duration after moving into work.

Based on this definition, Greece does not have an “in-work” benefit programme. However, Sections 3.1.7. and 3.2.7. describe special rules for means tests when a recipient of Guaranteed Minimum Income benefit or Housing benefit moves into work. Such provisions are classified as an into-work benefits. Section 2.1.7. describes possibility to accumulate unemployment insurance benefit with earnings from work after transition from unemployment into full-time job (introduced in 2023). This provision is also classified in the model as into-work benefit.



## 7. Social security contributions and payroll taxes

### 7.1. Social security contributions (Εισφορές Κοινωνικής Ασφάλισης)

Variable names: [SOCSEC\_1; SOCSEC\_2; SSCR\_1; SSCR\_2]

On 1 January 2023, the average contributions rate (%) paid by employees and employers to social insurance bodies are calculated on their gross income as follows:

	Insured person	Employer	Total
Electronic National Social Security Institution (e-EFKA)	12.22	20.88	33.10
A) Main pension for employees	6.67	13.33	20.00
B) Healthcare coverage of employees	2.55	4.55	7.10
C) Branch of Supplementary Insurance (ex ETEAEP) / Hellenic Auxiliary Pensions Defined Contributions Fund (TEKA)*	3.00	3.00	6.00
Other Employees' Contributions	1.65	1.41	3.06
TOTAL	13.87	22.29	36.16

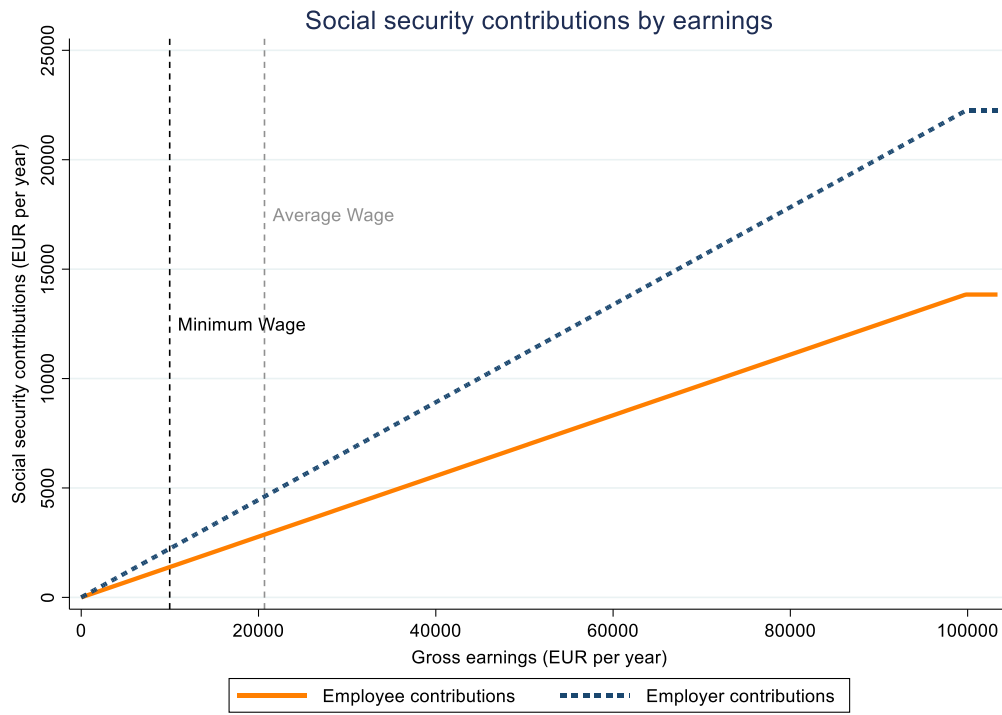
Note: \* From 1 January 2022, new entrants in labour market are subject to the new Hellenic Auxiliary Pensions Defined Contributions Fund (TEKA). The contributions rates (for employees and employers) are the same as for the Branch of Supplementary Insurance of e-EFKA (ex. ETEAEP). Those already insured aged under 35 (born after 1 January 1987) may select to switch compulsory supplementary insurance from e-EFKA to TEKA.

From 1 January 2023, the ceiling for insurable earnings for the calculation of the monthly insurance contribution of employees and employers is set at EUR 7 126.94 per month. Christmas and Easter bonuses as well as holiday allowances are also subject to social security contributions.

From 1 January 2023, the ceiling is adjusted by the percentage change in the average annual general consumer price index of the previous year. From 1 January 2025, it is adjusted by the wage change index.

**Figure 7. Social security contributions**

40-year-old single person without children



*Note:* Social security contributions do not depend on family structure. Calculations assume a person in full-time employment.

*Source:* OECD Tax-Benefit Model.

## 8. Taxes

Married persons are taxed separately on their own separate income. From tax year 2018 onwards, married persons are not obliged to submit joint tax return and if at least one of the spouses opts for it, by its irrevocable declaration for each tax year until 28 February of the year of submission of the return, the tax return may be submitted separately.

Persons who have entered into a civil union – partnership can also file a joint income tax return. In this case, civil union partners have the same tax treatment as married couples.

### 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 Public Employment Service (DYPA) provided that the total annual income of the beneficiary does not exceed the amount of EUR 10 000 (*this is the only exemption within the scope of the model*);
- alimony received by the beneficiary according to the Court adjudication or notary Document;
- benefits and similar allowances provided to special categories of disabled persons;
- salaries, pensions and fixed remuneration granted to disabled people with a disability rate of at least 80%;
- pension provided to war victims or their families, as well as to soldiers and military personnel injured in the course of their duties or their families in times of peace;
- financial aid to recognized political refugees, to persons residing temporarily in Greece for humanitarian reasons and to persons that have submitted the relevant application to the competent Greek authorities, paid by bodies carrying out refugee aid schemes financed by the UN and the EU;
- the benefit for hazardous labour paid in the form of flying, diving, minesweeping, paratroopers, divers and submarine disasters to officers, non-commissioned officers and hoplites of the Armed Forces, the Greek Police, the Fire Brigade and the Coast Guard, to the medical and nursing staff and the ambulance crews of E.K.A.B. who perform an ordered service by air for the provision of First Aid at a rate of 100% and the flight compensation paid to the pilots of the Civil Aviation and the Civil Aviation Service at a rate of 65%;
- the fees paid by the World Association of Disabled Artists (VDM.FK) to its members of foot and mouth painters, who are tax residents of Greece, exclusively for the work of painting that is paid by the above association in foreign currency;

- pensioners' social solidarity allowance paid by EKAS - EFKA to the beneficiaries;
- income from employment obtained by foreign officers and low crew members of merchant ships, who are foreign tax residents, on merchant ships with Greek flag, which perform exclusively international trips.

### 8.1.3. *Income tax schedule*

Law 4646/2019 (Government Gazette A'201/12-12-2019) introduced new tax provisions into the Income Tax Code. These provisions apply to incomes derived from 1 January 2020 onwards. The following progressive tax schedule applies to employment income:

Income bracket (EUR per year)	Tax rate (%)
0 - 10 000	9
10 001 – 20 000	22
20 001 – 30 000	28
30 001 – 40 000	36
More than 40 001	44

Income tax thresholds are not automatically indexed.

Income tax provisions do not apply to employment income obtained by:

- Officers serving on merchant marine vessels and in floating shipyards of article 267 of Law 4555/2018 and which is taxed at a tax rate of 15%,
- Low crew serving on merchant marine vessels and in floating shipyards of article 267 of Law 4555/2018 which is taxed at a tax rate of 10%,
- Captains, co-pilots and aircraft engineers of airlines with a tax residence or permanent establishment in Greece, who are tax residents of Greece for the monthly compensation they receive, which is taxed at a tax rate of 15%,
- The members of the Independent Appeal Committees of article 5 of Law 4375/2016 (A' 51) for the monthly compensation they receive and which is taxed at a tax rate of 15% and
- Athletes and coaches from sports corporations, paid athletes' departments or recognized sports associations, and trainers of Team Sports Referees from Federations, if the sums they receive in one-off or installments for the signing of the transfer contract or the renewal or the termination of their cooperation contract exceed EUR 40 000 and which is taxed at a tax rate of 22%.

The tax resulting from the implementation of the above-mentioned tax scale shall be increased by the amount resulting from the positive difference between the required and declared amount of expenses by electronic means of payment, multiplied by a factor of 22%. The required amount of expenses by electronic means of payment for each tax year is set at 30% of the actual income (and not the imputed) derived from salaried work, pensions, immovable property and business activity and up to EUR 20 000 per year. The maximum required expenses are EUR 20 000 per year.

*The model assumes that the required amount of expenses is achieved.*

#### 8.1.4. Tax credits (Μείωση Φόρου)

**Employment and pension tax credit:** Since 1 January 2020, the tax for employees (and pensioners) is reduced as following:

- by EUR 777 for annual income up to EUR 12 000 for taxpayers with no dependent children;
- by EUR 810 for annual income up to EUR 12 000 for taxpayers with one dependent child;
- by EUR 900 for annual income up to EUR 12 000 for taxpayers with two dependent children;
- by EUR 1 120 for annual income up to EUR 12 000 for taxpayers with 3 dependent children;
- by EUR 1 340 for annual income up to EUR 12 000 for taxpayers with 4 dependent children.

For each additional dependent child after the fourth the tax deduction increases by EUR 220. For annual income exceeding EUR 12 000, the above mentioned tax credit is being reduced by EUR 20 for every EUR 1 000 of taxable income above the limit. *For higher precision, the model calculates this reduction in a continues way using 0.2 reduction rate.*

In order not to apply the above mentioned surcharge due to the non coverage of the required amount of expenses, the taxpayer is required to prove certain level of expenses.

The amounts of tax credit and related income thresholds are not automatically indexed.

**Other tax credits (not modelled):** Other tax credits include expenses on donations. The payable amount of tax is reduced by 20% on the amounts of donations to certain bodies, as well as to political parties, party alliances and candidates for the National Parliament and the European Parliament, if donations exceed during the tax year the amount of EUR 100. The total amount of donations cannot exceed 5% of the taxable income. Especially for donations to charitable institutions and registered Civil Society Organizations, the amount of tax is reduced by 40% on the amount of donations, as long as the donations exceed during the tax year the amount of EUR 100 and are deposited in special accounts held for this purpose at a bank legally operating in the European Member State or EEA (European Economic Area). The total amount of donations in this case cannot exceed 40% of taxable income.

Deductions for expenditure on medical and hospital care has been abolished since 2017.

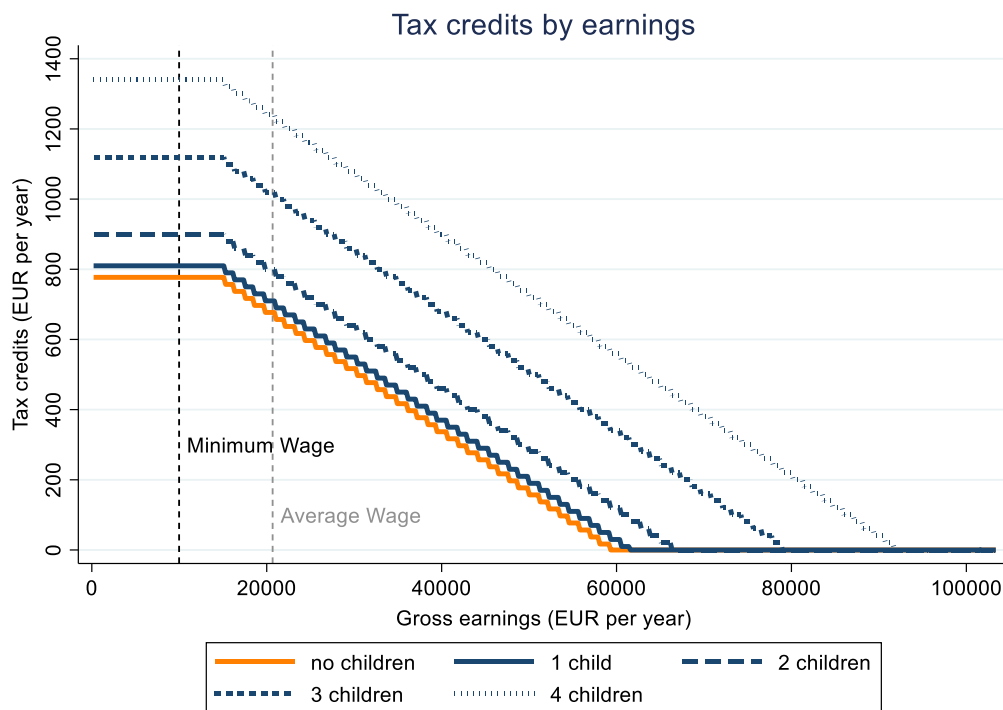
#### 8.2. Special solidarity contribution (Ειδική Εισφορά αλληλεγγύης)

Variable names: [\[SOLICONTAX\\_1\]](#); [\[SOLICONTAX\\_2\]](#)

According to the Law 4972/2022 (article 177), the special solidarity contribution is abolished for all incomes from 1 January 2023 onwards.

**Figure 8. Employment tax credit**

40-year-old single person with or without children

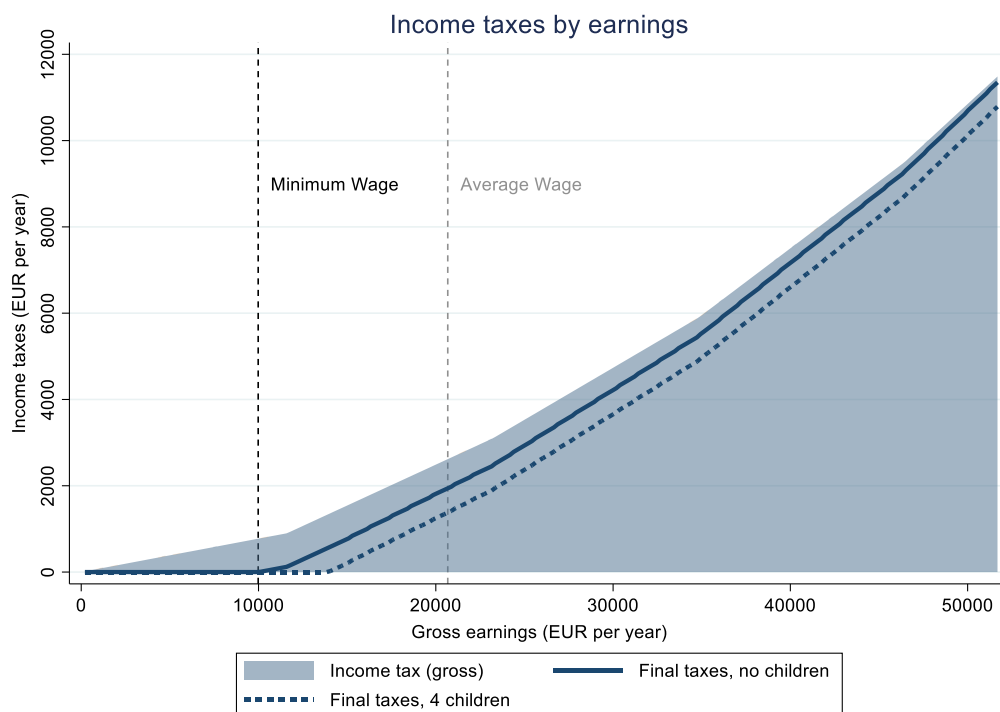


*Note:* A person is assumed to have only earnings from work. The value of tax credit depends on the number of children, but it does not depend on whether a person is single or married. In a couple, both working spouses are eligible to increases for children.

*Source:* OECD Tax-Benefit Model.

**Figure 9. Income taxes**

40-year-old single person with or without children



*Note:* A person is assumed to have only earnings from work. Gross taxes are taxes before the employment tax credit. Final taxes are total taxes after subtraction of employment tax credit. The value of tax credit depends on the number of children, but it does not depend on whether a person is single or married. In a couple, both working spouses are eligible to increased amounts of tax credits for children.

*Source:* OECD Tax-Benefit Model.

## 9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for Greece 2023. TaxBEN by default produces the following output: net household incomes (**black line**) and its subcomponents (**coloured stacked areas**) for selected family and individual circumstances.

The model and the related web calculator is accessible from the [project website](#). The figure shows outputs for four scenarios:

- By percentage of the average wage (**Panel A**);
- By working hours (**Panel B**);
- By duration of a new job (in months) for a person claiming social assistance who started a new employment (**Panel C**);
- By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel D**);
- By previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel E**);
- By previous employment record, for a jobseeker claiming unemployment benefits (**Panel F**).

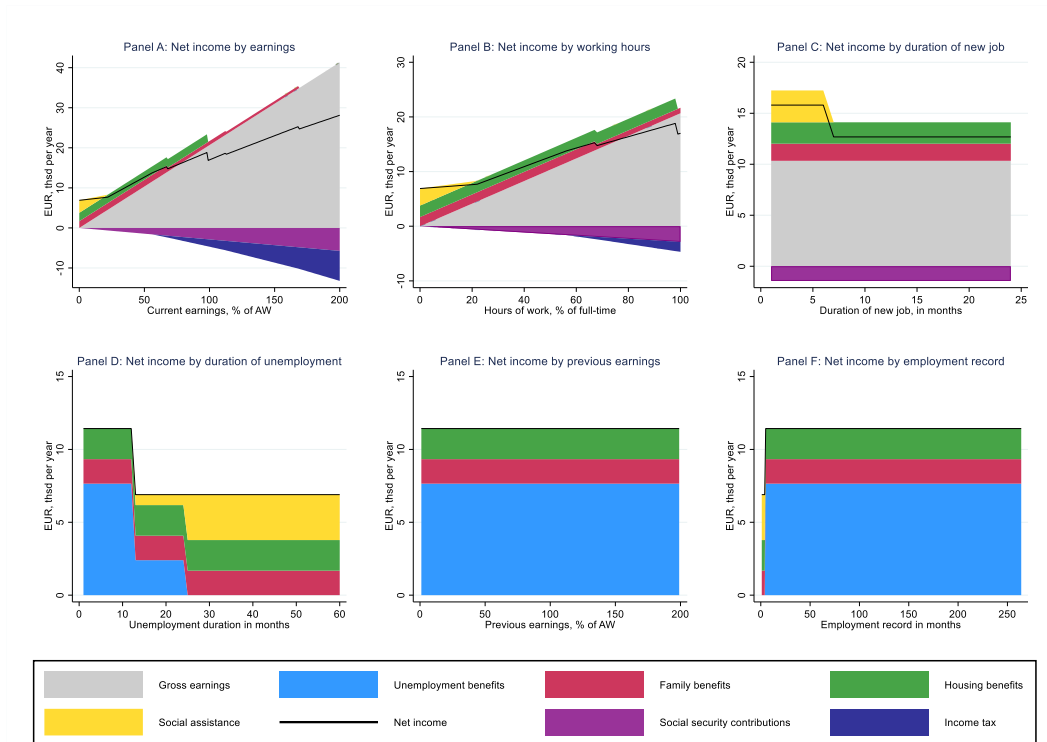
The stacked areas shows the following household income components: **GROSS** = gross earnings; **SSC** = social security contributions; **IT** = income tax; **FB** = family benefits; **HB** = housing benefits; **SA** = social assistance; **IW** = in-work benefits. Note that each component may contain more than one benefit or tax.

Results refer to a two-adult family with two children. Adults are both 40 years old whereas children are 4 and 6 years old respectively. Social assistance and housing benefit supplements are assumed to be available in all the six scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.



**Figure 10. Selected output from the OECD tax-benefit model**

40-year old couple with two children



*Notes:* In Panel A, B, and C the first adult is employed, whereas the second adult is out of work and not eligible for unemployment benefits, e.g. because they have expired (the same is assumed for the first adult when earnings are zero). In Panel A, the first adult works full-time at different wage levels. In Panel B, the first adult earns average (hourly) wage at variable working hours. In Panel C, the first adult has just started a new full-time employment at 50% of the average wage after claiming social assistance.

In Panels D, E, and F the first adult is out of work and claiming unemployment benefits, whereas the second adult is out of work and not eligible to unemployment benefits. In Panel D and F, previous earnings of the first adult equal to the average wage. In Panels D and E, the first adult is assumed to have a 'long' employment benefit receipt of 264 consecutive months before the job loss. Panels E and F refer to the 2nd month of unemployment benefit receipt.

*Source:* OECD Tax-Benefit 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 formerly insured by OAEE, ETAP MME and ETAA (Βοήθημα ανεργίας αυτοτελώς και ανεξαρτήτως απασχολουμένων)***

This benefit was introduced in 2011 (applicable for the insured by OAEE and ETAP MME since 2013 and for the insured by ETAA since 2018).

Eligible person should:

- have a minimum of 3 years of insurance to their respective Social Security Fund and a minimum of 3 years payment of the contributions to the Special Account for Unemployment. Since 17 July 2020, paid or regulated contributions to the Fund are no longer a prerequisite for the period from three years onwards.
- have a total net income for the 2 tax years prior to the application that does not exceed the amount of EUR 30 000 (individual income) and EUR 40 000 (family income).
- have ceased business from 1 January 2012 onwards and do not work (either as self-employed or employees). Insured by ETAA (only) who have not cease business can still claim the benefit if they haven't exercised their profession for the last 6 months before applying and have an income from their professional activity for the tax year before the application under 60% of statutory minimum wage deduced in annual basis.
- 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. Since 17 July 2020, this requirement is no longer in effect for the period from three years onwards.
- reside permanently in Greece.
- not to provide dependent work or not to be self-employed, at home or abroad.
- not to have interrupted professional activity in order to serve his military service or to participate in university, postgraduate or doctoral studies.

The duration varies from 3 to 9 months. Since 17 July 2020 the amount of the benefit is adjusted every time the basic monthly amount of the regular unemployment benefit is adjusted. On 1 January 2023 the amount is EUR 438 per month and from 1 April 2023 onwards is equal to EUR 479 per month

**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 or Bankruptcy benefit (Παροχή λόγω Αφερεγγυότητας του Εργοδότη)**

The DYPA 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. The amount paid by DYPA is not taxable.

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

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 daily unemployment benefit (plus 10% for each dependent family member) subject to condition that for benefit recipients on 1 January 2023, the annual family income for the previous year (2022) must not exceed a fixed amount of EUR 12 912.69. The amount of the annual family income is raised by EUR 293.47 each calendar year. The beneficiary may receive the allowance 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 allowance within the same calendar year.

**Open programme of 100 000 new subsidized jobs (Ανοιχτό Πρόγραμμα Επιδότησης ασφαλιστικών εισφορών)**

The open programme of 100 000 new subsidized jobs is implemented since 1 October 2020 according to Law 4726/2020 article 32 (GG A' 181/18.09.2020) and Ministerial Decision 39359/996 30.09.2020 and 39551/Δ1.11831 (GG B' 4261 30.09.2020). The programme was completed in April 2023.

It provides incentives to companies-employers to create new jobs in order to stimulate employment, prevent unemployment and support workers' incomes due to the effects of COVID-19 pandemic. The purpose of the programme is to create 100 000 new jobs, with the subsidy of all insurance contributions (employers-employees), for six months, in companies-employers of the private sector of the country, regardless of industry and business activity.

Eligible to participate in the mechanism are all companies, of a continuous or seasonal<sup>12</sup> operation, regardless of their activity code.

The new jobs that are subsidized by the programme are additional to the number of existing jobs of companies-employers on a specific date. For each new position created, addressing unemployed persons for at least one month, and included in this program, the state budget subsidizes the total insurance contributions of the employee and employer, regardless of the amount of the monthly salary (that has to be at least the minimum wage), as well as the corresponding insurance contributions in Easter, Christmas and leave allowance, for a period of six months. In case the new job concerns a long-term unemployed person, registered in the DYPA unemployment register for a period of at least twelve months, the new recruitment is subsidized from the state budget in addition to the subsidy of EUR 200 of the net monthly salary, before tax and special solidarity contribution.<sup>13</sup> In any case, the net monthly salary, before tax and special solidarity contribution, of the newly hired long-term unemployed person may not be less than the amount of EUR 200 per month.

During the period of subsidizing the new job, the change of the terms of employment contracts beneficiaries of the programme is not allowed.

The policy is implemented since 1 October 2020 and valid until the subsidized jobs will be exhausted.

The policy is not means-tested.

According to Law 4855/2021 article 197 (G.G. A'215/12.11.2021) from 1 January 2022 the new jobs of the programme are increased by 50 000.

From 1 October 2020 to 16 April 2022, 150 000 recruitments had been covered. Some new work positions opened in September and October 2022 within the same budget due to non-completion of some positions of the 6-months programme.

The programme has been closed for new enrolments. On 1 February 2023 there are still beneficiaries of the programme who are working in the companies (until the end of the six months' period).

Additionally, a new open programme of new jobs for the first recruitment of young people aged 18-29 – "PROTO ENSIMO" (art. 196 of the aforementioned law) is implemented from 1 January 2022. The programme was completed in April 2023.

According to the terms of the programme, from the total subsidy amount of EUR 1 200 for each new employment contract, EUR 600 is paid directly to the hired young person and EUR 600 is paid directly to the employer. For part-time employment the amount of subsidy is set to EUR 600 (EUR 300 to young person and EUR 300 to the employer). Since 17 June 2022 (Law 4941/2022), the total subsidy is EUR 3 600 for each new employment contract, of which EUR 1 800 is paid directly to the hired young person and EUR 1 800 is paid directly to the employer. For part-time employment the amount of subsidy is set to EUR 1 800 (EUR 900 to the young person and EUR 900 to the employer). This subsidy concerns employment contract of at least one month and up to six months.

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<sup>12</sup> Since June 2021, the duration of the contracts of new jobs of seasonal workers in the tourism and food sector and jobs in seasonal companies can be at least one month and up to six months.

<sup>13</sup> Since June 2021, new recruitments concerning seasonal workers in the tourism and food sector also receive a subsidy of EUR 200 per month.

The programme PROTO ENSIMO has been closed for new enrollments (closed for new applications on 31 December 2022). On 1 February 2023 there are still beneficiaries of the programme as employees in the companies.

Also, according to Law 4997/2022 article 9 from 1 January 2023, a subsidy program for social security contributions is established for private sector businesses that convert part-time employment contracts of employees to full-time employment contracts. The program applies to all types of businesses, regardless of legal form, which employ part-time employees in a percentage higher than 50% of the total number of employees, as of 9. September 2022. Eligible for conversion are the part-time employment contracts concluded until 9 September 2022.

### ***Special purpose compensation for employees working in companies in the fur industry***

Implemented since July 2022 according to Law 4949/2022 article 79 (GG A' 215) and Joint Ministerial Decision 67806/19-7-2022 (GG B' 3796).

The Action, implemented by the Ministry of Labour and Social Security, aims to financially support employees working in companies active in the Fur industry and affected by the consequences of the war in Ukraine. These companies may suspend the employment contracts of a maximum of 80% of all their employees, who were hired until 31 May 2022, for each month, starting from July 2022 until June 2023. Companies-employers have to declare their employees under suspension each month. The employees have to also declare their suspension. Companies that use the measure of suspending work contacts are obliged not to dismiss any staff during the use of the measure. Employees, whose employment contract has been suspended, are entitled to financial support, as special purpose compensation, in the amount EUR 534, which corresponds to 30 days, according to the ratio of days of suspension of their employment contracts. Social insurance contributions, Christmas and Easter allowances are also covered.

### ***Special purpose compensation for employees working in companies affected by the floods of 15 October 2022 in the areas belonging to the administrative boundaries of the Regional Units of Heraklion and Lasithi of the Region of Crete***

Implemented since October 2022 according to Law 4997/2022 article 48 (GG A' 219) and Joint Ministerial Decision 22170/2023 (B'1327). The action was completed on 15 January 2023.

The Action, implemented by the Ministry of Labour and Social Security, aims to financially support employees working in companies affected by the floods of 15 October 2022 in the areas belonging to the administrative boundaries of the Regional Units of Heraklion and Lasithi of the Region of Crete. These companies may suspend the employment contracts of part or all of their employees, who were hired until 14 October 2022, until the damages caused due to the weather phenomenon on 15 October 2022 have been repaired and in any case not beyond three months. Companies-employers have to declare their employees under suspension each month. The employees have to also declare their suspension. Companies that use the measure of suspending work contacts are obliged not to dismiss any staff during the use of the measure. Employees, whose employment contract has been suspended, are entitled to financial support, as special purpose compensation, in the amount of EUR 534, which corresponds to 30 days, according to the ratio of days of suspension of their employment contracts. The measure ended in January 2023. Social insurance contributions, Christmas and Easter allowances are also covered.

***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 e-EFKA 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 Public Employment Service (D.Y.P.A.) 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. This is paid to biological mothers, as well as to presumed mothers (i.e. mothers who have a child with the help of a surrogate and in-vivo artificial insemination) and to adoptive mothers of children up to the age of 8 years.
- 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. The employer is obliged to pay the difference between the subsidy of the insurance body and the above mentioned amount.

### ***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 Protection Allowance (Ειδική παροχή προστασίας της μητρότητας)***

A special maternity protection allowance of up to nine months (Law 4997/2022, art 43) can be granted to insured mothers. Beneficiaries of the D.Y.P.A. subsidy are mothers (biological, presumed - i.e. mothers who have a child with the help of a surrogate and in-vivo artificial insemination - and adoptive mothers of children up to 8 years old) who work in the private sector in a dependent labour relationship.

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) as provided by the regulations of the in-force National General Labour Collective Agreement.

DYPA pays a monthly benefit that equals to the minimum wage, as set each time, 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. In addition to this, beneficiaries are insured for old-age and sickness branch and for supplementary pension.

### ***Parental leave allowance (Επίδομα γονικής άδειας)***

Parental leave allowance is granted for the first two months of the four-month parental leave. Beneficiaries of the DYPA subsidy are parents (natural, adoptive or sponsoring parents) of children of age up to 8 years old, who work as employees.

The parental leave allowance is equal to the statutory minimum wage, as determined each time, and a ratio of holiday gifts and leave allowance is paid based on the aforementioned amount by the DYPA. In the case of multiple births the parental benefit is granted for 2 additional months, regardless of the number of children born together. Moreover, the leave and the benefit are doubled (up to 8 months leave of which the first 4 months are paid by DYPA) in special cases where one of the parents is not present: the child is orphan of one parent; the child is not recognised by the father; or one of the parents has no legal custody of the child.

### ***Childbirth Benefit (Επίδομα Γέννησης)***

Since 1 January 2021, childbirth benefit was introduced by virtue of law 4659/2020 (OG 21A'/03-02-2020). It is a one-off payment intended to help parents to meet the initial costs of having a child.

The benefit is granted to mothers residing legally and permanently in Greece, provided that the equivalent family income (i.e. the total annual income of all family members divided by the weighted sum of the members of the family) is less than EUR 40 000.

It is a lump-sum benefit of EUR 2 000, granted in two equal installments. The first installment is paid the first month after the child is born and the second one after five months.

The benefit is not taxable. There are no interactions with other components of the tax-benefit system.

***"Access of preschool children, infants and toddlers to preschool education and care services, access of children, adolescents and persons with disabilities to creative employment centers "***

Under the provisions of article 104 "Access of preschool children, infants and toddlers to preschool education and care services, access of children, adolescents and persons with disabilities to creative employment centers " of Law 4941/2022 (A' 113), a programme of financial support for families was established, so that infants and toddlers have access to preschool education and care services, as well as a programme of financial support for access of children, adolescents and persons with disabilities to creative employment centers. The program is implemented by the Hellenic Society for Local Development and Local Government (EETAA SA). The funding expenditure is covered by EU funds from the co-funded Regional Operational Programmes of the NSRF 2021-2027, and by National Resources.

For the school year 2022-2023, an amount of EUR 40 000 000 will be allocated from the budget of the Ministry of Labour and Social Security for the implementation of the programme.

The joint ministerial decision for the school period 2022-2023 (No.77094/01-08-2022 B'4094) defined the categories of beneficiaries, the selection criteria, the implementation procedure, as well as every relevant detail.

The above-mentioned programme consolidates the action "Harmonization of Family and Professional Life" and the programme "financial support to families with pre-school children", through the provision of care and accommodation places for pre-school children" of article 35 of Law No. 4704/2020 (A'133).