



Legal Flash

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New social security law published - Significant reforms on freelancers' social security status and contributions

Law 4670/2020 introduces significant social security reforms in relation to **(i)** the organization and operation of digital Unified Social Security Fund (named "e-EFKA"), **(ii)** the submission of monthly social security statements (named "APD"), **(iii)** the social security contributions for salaried employees, freelancers and self-employed individuals as well as **(iv)** employed pensioners. More specifically:

Integration of ETEAEP Fund into EFKA and change of the latter's trade name to e-EFKA

As of 01.03.2020, the Unified Auxiliary Insurance and Lump Sum Benefits Fund ("ETEAEP"), is integrated into EFKA - which is renamed to e-EFKA - where all insured individuals of ETEAEP are being transferred. Furthermore, all rights and obligations of insured individuals and pensioners of ETEAEP are accordingly transferred to the relevant e-EFKA's sectors, irrespectively of the time period of insurance.

Submission of social security statements - Issuance of administrative acts

As of 01.07.2020, all employers liable to submit an APD, shall do so by electronic means. Respectively, the administrative acts issued during the review between declared and paid social security contributions **are being delivered electronically** by being uploaded to e-EFKA's online services, which employers can access using their personal codes. The date of notification of said acts shall be the date of the employer's online access to the application, which is recorded electronically and can be documented in writing.

Reduction of contributions for salaried employees

As of 01.06.2020, social security contributions rates for salaried employees are determined as follows:

Category of contributions	Employer's Contributions %	Employee's Contributions %
Primary Pension	13.33	6.67
Healthcare Insurance	4.55	2.55
Auxiliary Pension	3.25	3.25
Other Contributions (unemployment, etc.)	3.20 (from 3.68)	2.86 (from 3.28)
Total	24.33 (from 24.81)	15.33 (from 15.75)

New method for the calculation of contributions for freelancers' and self-employed individuals

As of 01.01.2020, freelancers' and self-employed individuals' contributions are fully disconnected from any years of employment, declared income and the statutory minimum wage.

For the payment of said social security contributions, freelancers and self-employed individuals are classified, **by virtue of their declaration to be submitted to e-EFKA's platform by 13.03.2020**, in six (6) social security categories, whose corresponding monthly contribution amounts for primary pension and healthcare insurance are presented in the following table. As far as healthcare insurance is concerned, insured individuals are assigned **mandatorily** to the same category as the one for primary pension.



Category of contributions	Primary Pension	Healthcare insurance in money	Healthcare insurance in kind	Unemployment	Total
Under 5 years of professional activity	93	3	30	10	136
1 st category	155	5	50	10	220
2 nd category	186	6	60	10	262
3 rd category	236	6	60	10	312
4 th category	297	6	60	10	373
5 th category	369	6	60	10	445
6 th category	500	6	60	10	576

In case the above mentioned declaration is not duly submitted, insured individuals are being automatically classified in the first category.

Contributions for auxiliary pension and lump sum of freelancers, self-employed and specific salaried individuals

As of 01.01.2020, self-employed individuals, freelancers and lawyers under a salaried legal mandate, salaried engineers and health professionals are being classified in three (3) contribution categories for auxiliary pension and lump-sum payment, presented in the following table.

Particularly for lawyers under a salaried legal mandate, the below amounts of monthly contributions are being equally allotted between the employer and the lawyer (i.e. 50% each).

Category of contributions	Auxiliary pension as of 01.01.2020 to 31.05.2022	Auxiliary pension as of 01.06.2022 onwards
1 st category	42	39
2 nd category	51	47
3 rd category	61	56

Category of contributions	Lump-sum contribution
1 st category	26
2 nd category	31
3 rd category	37

Payment of contributions in case of salaried employment along with a freelance profession or self-employment or an activity subject to the former OGA fund

Salaried employees who are also self-employed or have a freelance profession or an activity subject to the former Organisation of Agricultural Insurance (OGA) fund shall pay the social security contributions provided by their salaried employment, in monthly contributions paid by the employer and the employee at the specific rates applicable.

The amount of the above monthly contributions shall not be lower than that provided in the 2nd category (for primary pension and healthcare) and the 1st category (for auxiliary pension and lump-sum payment). In case employment contributions are lower than the above thresholds, the remaining amount shall be paid by the insured individual.

Employment of pensioners

For pensioners who have already assumed employment or who will - as of 28.02.2020 - assume any employment or will acquire any capacity or any activity that is mandatorily subject to insurance by EFKA, the gross amount of the main and auxiliary pensions paid are reduced by a rate of 30% for as long as they are employed or maintain the said insurable capacity or activity.

It is important to note that each individual case needs to be examined based on its own merits, and that the above-mentioned general principles might not necessarily capture all possible eventualities. Our expert advisors are in a position to advise you on the implications arising from a Greek perspective in relation to your specific case.