



## Law 4690/2020 introduces the “SYN-ERGASIA” mechanism aimed in supporting employment for the period of June 15<sup>th</sup> 2020 till October 15<sup>th</sup> 2020.

The «SYN-ERGASIA» mechanism aims to support employment for businesses affected by COVID-19

Within the context of supporting companies affected by COVID-19, Article 31 of Law 4690/2020 introduces the "SYN-ERGASIA" mechanism for supporting employment. The program covers the period from June 15<sup>th</sup> 2020 to October 15<sup>th</sup> 2020 with the main goal of maintaining full-time jobs in the private sector.

By virtue of the same article, the “safety personnel” scheme, which was introduced by the Legislative Act of March 20<sup>th</sup> 2020, is abolished as of June 15<sup>th</sup> 2020.

Additional circulars are expected from the Ministers of Finance and Labor further clarifying the provisions of article 31 of law 4690/2020.



Eligible for participating in the support mechanism are all businesses regardless of their Business Activity Code (ΚΑΔ) provided that their operating revenue has decreased by at least 20% in comparison with the “reference revenue” depending on the month of their induction in the mechanism and the type of accounting books maintained.

**Businesses subject to VAT filings**

Businesses that are required to file a periodical VAT return are required to have a 20% decrease of their VAT revenue (code 312 of the periodical VAT return) in comparison with the “reference revenue” depending on the month of induction and the type of accounting books, as per below tables.

**Eligibility conditions for the «SYN-ERGASIA» mechanism**

<b>Induction Month</b>	<b>Revenue that needs to be reduced by at least 20% in comparison with “reference revenue”</b>
June 2020	Sum of March-April 2020 revenue
July 2020	Sum of March-April-May 2020 revenue
August-September 2020	Sum of March-April-May-June 2020 revenue

*For businesses maintaining Double Entry accounting books:*

<b>Induction Month</b>	<b>«Reference Revenue»</b>
June 2020	The sum of revenue of March - April 2019. In case where the revenue of one month is not positive, then the sum of the 2019 revenue divided by 6. In case the total revenue of 2019 is not positive then the revenue of February 2020 multiplied by 2.
July 2020	The sum of revenue of March – April - May 2019. In case where the revenue of one month is not positive, then the sum of the 2019 revenue divided by 4. In case the total revenue of 2019 is not positive then the revenue of February 2020 multiplied by 3.
August - September 2020	The sum of revenue of March – April – May - June 2019. In case where the revenue of one month is not positive, then the sum of the 2019 revenue divided by 3. In case the total revenue of 2019 is not positive then the revenue of February 2020 multiplied by 4.



**Eligibility conditions for the «SYN-ERGASIA» mechanism**

Regardless of the induction month, all companies maintaining double entry books are eligible for making use of the mechanism in case of zero revenue during 2019 and February 2020.

*For businesses maintaining single entry books:*



**Eligibility conditions for the  
«SYN-ERGASIA» mechanism**

<b>Induction Month</b>	<b>“Reference Revenue”</b>
June 2020	The sum of revenue of the 1 <sup>st</sup> and 2 <sup>nd</sup> quarter of 2019 divided by 3. In case that the revenue of one of the quarters is not positive the sum of 2019 revenue divided by 6. In case the 2019 revenue is not positive, the revenue of the 1 <sup>st</sup> quarter of 2020 multiplied by 2/3.
July 2020	The sum of revenue of the 1 <sup>st</sup> quarter multiplied by 1/3 and of the 2 <sup>nd</sup> quarter of 2019 multiplied by 2/3. In case that the revenue of one of the quarters is not positive the sum of 2019 revenue divided by 4. In case the 2019 revenue is not positive, the revenue of the 1 <sup>st</sup> quarter of 2020.
August - September 2020	The sum of revenue of the 1st quarter multiplied by 1/3 and of the 2nd quarter of 2019. In case that the revenue of one of the quarters is not positive the sum of 2019 revenue divided by 3. In case the 2019 revenue is not positive, the revenue of the 1st quarter of 2020 multiplied by 4/3.

Regardless of the induction month, all companies maintaining single entry books are eligible for making use of the mechanism in case of zero revenue during 2019 and the first quarter of 2020.



**Businesses that are not required to file VAT returns or are VAT exempted**

Businesses that are not required to file VAT returns or are VAT exempted, need to present at least a 20% reduction of gross revenue (code 047 of the E3 document) in comparison with the reference revenue, depending on the induction months, as per following tables:

Induction Month	Revenue that needs to be reduced by at least 20% in comparison with “reference revenue”
June 2020	Sum of March-April 2020 revenue
July 2020	Sum of March-April-May 2020 revenue
August – September 2020	Sum of March-April-May-June 2020 revenue

The “Reference Revenue” for businesses not required to file periodical VAT returns is defined as per the following table:

Induction Month	“Reference Revenue”
June 2020	The sum of 2019 gross revenue divided by 6. In case of nonpositive revenue for 2019 the business is still eligible for participation.
July 2020	The sum of 2019 gross revenue divided by 4. In case of nonpositive revenue for 2019 the business is still eligible for participation.
August – September 2020	The sum of 2019 gross revenue divided by 3. In case of nonpositive revenue for 2019 the business is still eligible for participation.

**Eligibility conditions for the «SYN-ERGASIA» mechanism**



Businesses that make use of the "SYN-ERGASIA" mechanism, may reduce the work time per week by up to 50% either for a part or for all their employees, depending on their operational needs. The reduction in the work time does not result in the conversion of the employment contract of the employees subject to the mechanism, for the period of time that the companies make use of the mechanism.

The provisions of the mechanism apply only to employees who have a fulltime employment contract, on the date of publication of the law. Businesses may use the mechanism for one or more months within its validity period, for all or part of their employees.

### **Benefits provided by the Mechanism**

The employees of businesses that make use of the mechanism receive state financial support, which amounts to 60% of their net salary corresponding to the time period that they are not working.

It should be noted that the social security contributions, which correspond to the amount of the financial aid, are not covered by the mechanism. In the event that the net salary, after the above adjustment, falls short of the net minimum wage or wage, the difference is replenished by the state budget.

Under the mechanism, the proportion of the Leave allowance and the Christmas allowance for the year 2020 is paid, assessed on the basis of financial support for the short-term work, which amounts to 60% of the reduced employees' salaries, according to the respective legislation.

Businesses, which unilaterally reduce their employees' weekly working hours and make use of the "SYN-ERGASIA" mechanism, have the obligation to cover all social security contributions, as assessed on the initial nominal salary of the employees included in the mechanism and for the period of induction of each employee to the mechanism. The same applies for the social security contributions of the Leave allowance and the Christmas allowance of 2020.

### **Employer Obligations**

Businesses that make use of the mechanism are obliged not to terminate the employment contracts of the employees subject to the mechanism provisions.

Any such terminations are considered as invalid. Businesses are also required to maintain the nominal salaries of said employees on the same level for as long as each of them is included in the mechanism.

Companies that choose to make use of the "SYN-ERGASIA" mechanism and have one of the following Business Activities Codes (KΑΔ), at the time of law 4690/2020 publication:

51.10 "Passenger Air Transport",

51.21 "Air freight Transport",

52.23 "Air Transport Related Activities" and

33.16 "Repair and maintenance of aircraft and spacecraft",

and companies that provide consulting and other management advice (KΑΔ 70.22) exclusively to companies operating in the field of air transport, as evidenced by their main KΑΔ (51.10, 51.21 and 51.23), as well as companies operating within Airports and only for their employees in Airports, are obliged to pay the Social Security contributions corresponding only to the actual reduced working time of their employees, calculated on their nominal salaries, in contrast with the above mentioned provisions.

Social Security contributions corresponding to the remaining conventional working time of these employees, assessed on their nominal salaries, are paid by the State Budget.

Exceptionally, for these companies, the mechanism's application extends until December 31<sup>st</sup> 2020. Businesses have the right to participate in the mechanism as of October 16<sup>th</sup> 2020 to December 31<sup>st</sup> 2020, as long as they had the right to participate in the mechanism at any time during the previous period.



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