

Pensions at a Glance 2023



Greece

Greece: Pension system in 2022

Pensions are provided through a public scheme, where the pension is comprised of a non-earnings-related part (the national pension) and a contributory pension. The future of the supplementary, auxiliary pensions is not modelled by the OECD.

Key indicators: Greece

		Greece	OECD
Average worker earnings (AW)	EUR	19 912	39 182
	USD	20 968	41 261
Public pension spending	% of GDP	15.7	7.7
Life expectancy	at birth	80.7	80.7
	at age 65	84.3	84.6
Population over age 65	% of working-age population	39.3	31.3

Qualifying conditions

The pension age is 67 for both men and women with at least 4 500 days of contributions (equivalent to 15 years). Insured persons with a contribution record of 12 000 working days (40 years) can retire with a full pension benefit at the age of 62. There are concessions for people who work in arduous or unhygienic occupations and for caretakers of disabled children or siblings. The minimum old-age pension requires 15 years' contributions.

Benefit calculation

National

The national pension is not earnings-related and is financed directly from the State budget. The minimum requirements are 15 years of insurance and 15 years of residence in Greece. The full amount of the national pension is EUR 384, and it corresponds to 20 years of insurance and 40 years of residence in Greece from the age of 15 until the age limit required for receiving the pension. The full amount is reduced by 2% for every year which falls short from 20 to 15 years of insurance (national pension for 15 years is EUR 345.60). That amount is reduced by 1/40 for every year of residence less than 40 years.

Earnings-related

The contributory pension, which is calculated depending on the years of insurance and on pensionable earnings during working life, specifically from 1 January 2002 until the date of the retirement application. There is a varying accrual rate from 0.77% for each year up to 15 years gradually increasing to 2.55% for the 36th to 40th year and beyond the 40th year is reduced to 0.5%. Past earnings are inflated with the change in the average annual Consumer Price Index of the Hellenic Statistical Authority for the period until 2024, and from 2025 onwards with the annual change in wages as determined by the aforementioned Authority.

The ceiling to pensionable earnings is EUR 6 500.00 per month.

1st entity: Branch of Supplementary Insurance of e-EFKA, managed on mixed DB/NDC system. The supplementary pension is calculated under defined benefit system for insurance time until 31.12.2014 and under the NDC (Notional Defined Contribution) system from 1.1.2015 onwards. The pension for those first insured after 1.1.2014 is under the NDC system. For those first insured before 31.12.2013, the pension is composed of two parts: the first one takes into account the insurance time until 31.12.2014; the accrual rate is 0.45% on pensionable earnings for each year. The second part takes into account the insurance time from 1.1.2015 onwards and is calculated under the NDC system. The conditions for receiving supplementary pension are the same as for the main pension.

2nd entity: Hellenic Auxiliary Pensions Defined Contributions Fund (T.E.K.A.) is a funded system of defined contributions (DC), which is addressed to new entrants in the labour market since 01.01.2022, for all citizens born after 01.01.2004, on a compulsory basis, and already employed persons aged under 35 (born after 1.1.1987) on a voluntary basis. For those already insured over the age of 35, nothing changes. They will retire under the current system and their pensions will be calculated based on the current rules. The pension is calculated based on the technical parameters applicable at the time of retirement and depends on the balance of the insured's individual account.

Variant careers

Early retirement

Early retirement with reduced pension is possible from the age of 62 for both men and women with a reduction of 1/200 for each missing month until the age of 67.

Late retirement

It is not possible to defer the pension for workers in the public domain after the age of 67 years. For self-employed employees in the private sector, it is possible to defer the pension.

Childcare

The non-contributory periods that can be regularised are based on the number of children (300 days can be purchased for the first child, 600 days for each subsequent child, up to a maximum of 1 500 days for 3 children). The above periods can be back purchased for the purposes of entitlement to a pension as well as for its calculation.

The conditions to be met in order to buy back the above periods are eligibility for old age pension under conditions valid from 1 January 2011 onwards and completion of at least 3 600 working days or 12 years of insurance.

Unemployment

For insured persons entitled to an old-age pension based on the stricter requirements that came into force from 1 January 2011, periods of involuntary unemployment can be used as a fictitious insurance period, for entitlement to a pension. The conditions to be met in order to buy back the above periods are eligibility for old age pension under conditions valid from 1 January 2011 onwards and completion of at least 3 600 working days or 12 years of insurance. The fictitious periods taken into account in order to qualify for pension cannot exceed seven years in total.

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For self-employed and independent professionals, periods of involuntary unemployment can also be used as a fictitious insurance period for the fulfilment of the minimum conditions for retirement. The fictitious periods taken into account in order to qualify for pension cannot exceed one year. Conditions for granting unemployment benefit to employed persons are: at least 125 days of work during the 14 months that preceded the job loss or, at least, 200 days of work during the 2 years preceding the job loss for first time claimants. The last two months are excluded from the reference period. For first time claimants, an additional requirement of at least 80 days of work per year during the previous two years applies. Since 1 January 2014 there is a limit of 400 days in the previous four calendar years before the beginning of the unemployment benefit. Claimants are not entitled to unemployment benefit if they have already received 400 days of benefit in the past four years. If they have received less than 400 days, they can claim for the remaining days of benefit. The unemployment benefit to self-employed and independent professionals is paid for a period of 3 to 9 months, provided that self-employed and independent professionals have at least three (3) years of insurance before the termination of their profession and have paid the monthly insurance contribution (EUR 10). Earnings-related eligibility conditions are applied for the unemployment benefit to self-employed and independent professionals.

Self-employed

Before 2020, the contributions of the self-employed were linked to their income but from 1 January 2020 there are six insurance categories, and each individual will choose annually one pension category according to which he/she will be insured for the upcoming year. In light of such scheme, the higher category one opts, the higher contributions will he/she pay monthly, which will result to higher pension amount in the future. The insured persons will be mandatorily subject to the same health insurance category. By default, the self-employed will be assigned to the lower category of monthly pension contribution equal to EUR 155 in 2021. Given the regular contribution rate of 20% this implies the contribution base of EUR 775.

As opposed to employees, the self-employed are not mandatorily covered by the Auxiliary Pensions.

Personal income tax and social security contributions

Taxation of pensioners

There are no special tax allowances or credits for pensioners.

Taxation of pension income

Pension benefits are subject to general taxation rules. Certain exemptions exist for persons crippled in war, war victims and their families, blind persons and persons suffering from paraplegia.

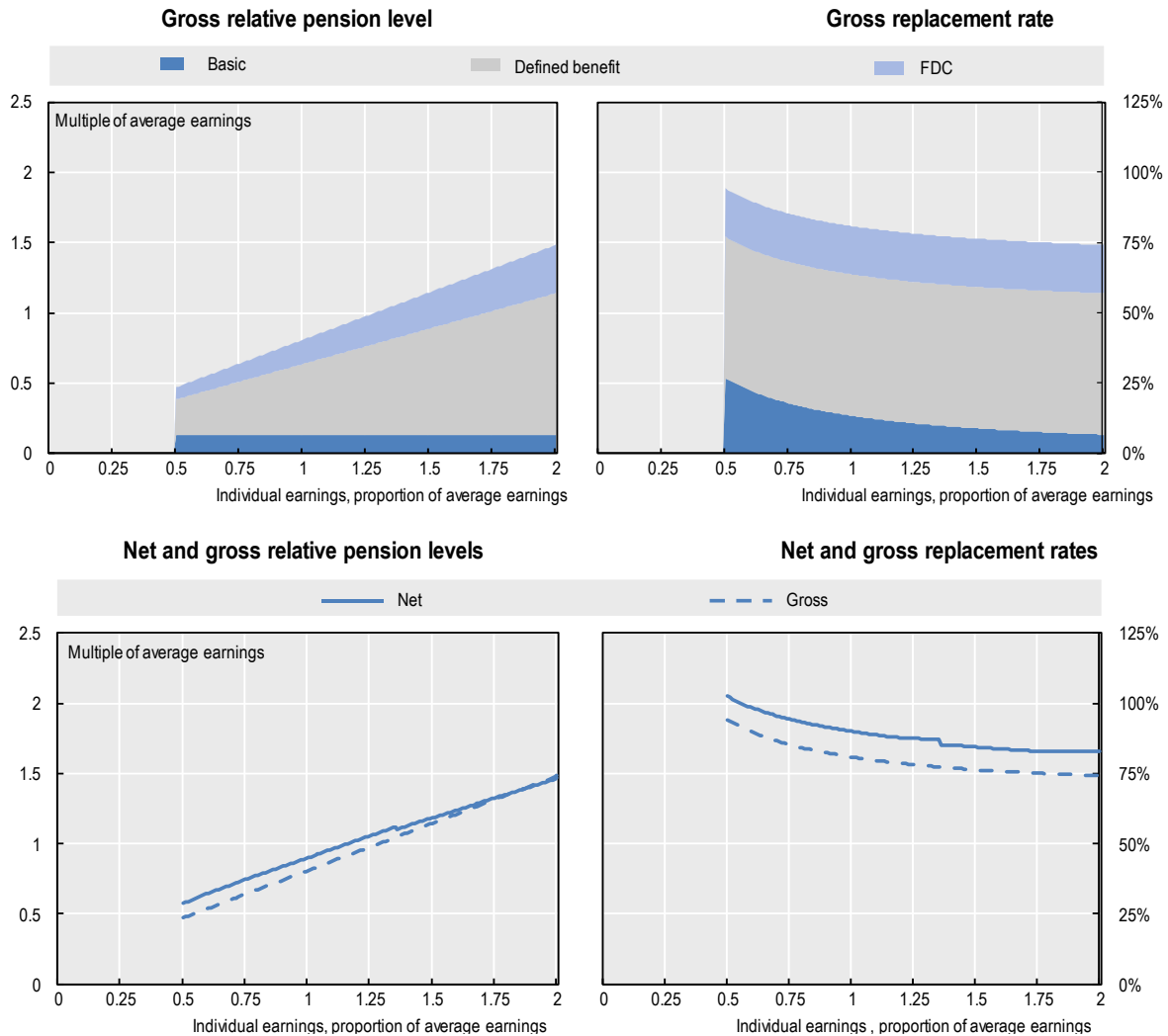
Social security contributions paid by pensioners

Pensioners pay 6% contributions for health care on their pension.

Pensioners also pay contributions according to general rules if they work. Also, certain pension reduction rules apply for pensioners who work, namely 30% reduction on the total payable pension.

The two above apply to supplementary pensions as well.

Pension modelling results: Greece in 2066 retirement at age 66



Men Women (where different)	Individual earnings, multiple of average					
	0.5	0.75	1	1.5	2	3
Gross relative pension level (% average gross earnings)	47.1	64.0	80.8	114.5	148.2	215.7
Net relative pension level (% net average earnings)	57.3	74.4	90.0	118.4	146.5	197.9
Gross replacement rate (% individual gross earnings)	94.2	85.3	80.8	76.4	74.1	71.9
Net replacement rate (% individual net earnings)	102.6	94.4	90.0	84.4	82.7	82.3
Gross pension wealth (multiple of individual gross earnings)	18.5	16.7	15.8	15.0	14.5	14.1
Net pension wealth (multiple of individual net earnings)	20.1	18.5	17.6	16.5	16.2	16.1

Assumptions: Real rate of return 2.5%, real earnings growth 1.25%, inflation 2%, and real discount rate 1.5%. All systems are modelled and indexed according to what is legislated. Transitional rules apply where relevant. DC conversion rate equals 90%. Labour market entry occurs at age 22 in 2022. Tax system latest available: 2022.