

TAX Updates

22 September 2026

Consistent with our commitment to provide [updated information](#) on current tax issues, we set below a brief overview of the new framework of Occupational Insurance in Greece

With the recent Law 5327/2026, the institutional framework governing occupational insurance is being reformed and modernized, with a view to further strengthening the second pillar of the social security system and optimizing its operation for the benefit of employees, businesses and self-employed professionals.

Changes to the Regulatory Framework

Among the numerous reforms introduced to the regulatory framework governing Professional Insurance Funds (TEA) and group pension insurance schemes, we highlight below several key changes that also carry significant tax implications.

Minimum Conditions for Receiving Pension Benefits

The new provisions establish a harmonised framework setting out the minimum eligibility requirements for the receipt of pension benefits from Professional Insurance Funds (TEA) and the newly introduced Occupational Pension Group Insurance Products (OAPES), which are intended to replace the existing group pension insurance schemes.

Specifically:

- For benefits linked to retirement, the minimum condition is the receipt of an old-age pension from the primary social security institution.
- For benefits linked to the period prior to retirement, it is required that the beneficiary has reached the age of 55.

In addition to their primary pension benefits, TEA and OAPES may provide supplementary benefits to beneficiaries facing exceptional circumstances, such as disability, accident, illness, death, or termination of employment. These benefits may take various forms, including:

- *Early liquidation of the individual account:* the early payment, in whole or in part, of a member's accumulated pension rights before the minimum eligibility conditions have been met.

- *Additional monetary benefits:* lump-sum or periodic cash payments that are not linked to the member's accumulated pension rights but are provided as supplementary insurance coverage. From a tax perspective, these additional monetary benefits are excluded from the calculation of employment income.

Increase of the Maximum Permissible Thresholds for Insurance Contributions

The maximum thresholds for insurance contributions and premiums in favor of Professional Insurance Funds (TEA) and Group Insurance Products for Occupational Pension (OAPES), which may be paid by the employee and the employer, are increased and shall not exceed annually and cumulatively the following thresholds:

- For employees: 35% of the total gross employment income and benefits in kind (instead of 20%, which previously applied).
- For self-employed: EUR 35 000 per year (instead of EUR 20 000, which previously applied).

Specifically, for individuals who first become members of a TEA or participants in an OAPES after reaching the age of 55, the applicable annual limits are reduced to 20% of gross employment income for employees and EUR 20 000 for self-employed individuals.

The increase in the maximum contribution and premium thresholds also has important tax implications. Contributions and premiums paid to a TEA or under an OAPES, either directly by the employee or by the employer on the employee's behalf, are excluded from the calculation of employment income, provided they do not exceed the applicable limits.

New Tax Framework

The new law also introduces significant changes to the tax framework applicable to TEAs and OAPES.

New Tax Rates for Pension Benefits

The taxation of pension benefits paid by TEA and OAPES, which are linked to retirement or to the period prior retirement (as well as any supplementary benefits relating to accumulated rights), is now determined based on the person's age at the commencement of payment of the benefit, rather than on the years of participation in the insurance scheme, as it was previously the case. Specifically:

- Members aged 62 to 67: The benefit is taxed at a rate of 5% when paid periodically and 10% when paid as a lump sum. The same tax rates apply to members who receive an old-age pension from the primary social security institution, provided they have reached the age of 55.
- Members older than 67: The benefit is taxed at a rate of 2.5% when paid periodically and 5% when paid as a lump sum.
- Benefits paid before the member reaches the age of 62: These are taxed according to the general income tax scale for employment income.

It is clarified that a "periodically paid benefit" means a benefit paid in fixed or increasing instalments, either for life or for a period of at least fifteen (15) years, on condition that any adjustments due to changes in investment returns in recent years are made.

It is highlighted that the previous 50% increase of the tax rates applicable in cases of "early redemption" has been abolished under the new regime.

Finally, it should be noted that benefits paid by the special funds ETEAM (Unified Funds for Supplementary Insurance of Employees) continue to be taxed under the tax rates and related surcharges of the previous regime.

Entry into Force / Transitional Provisions

The new maximum permissible limits for insurance contributions and the new tax rates on pension benefits apply as from 1 January 2027.

Amounts accumulated in OAPES and TEA during the period 1 January 2024 – 31 December 2026 continue to be taxed under the previous regime, which provides for:

- Lower thresholds for insurance contributions and premiums which were excluded from the calculation of employment income.
- Taxation of pension benefits based on the total period of participation of the insured person in the relevant scheme up to 31 December 2026.
- Increased tax rates for persons who were first insured after the age of 55.
- A 50% increase of the tax rates in cases of early redemption.

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This Newsletter aims to provide the reader with general information of the above-mentioned matters. No action should be taken without first obtaining professional advice specifically relating to the factual circumstances of each case`