

NEWSFRONT

GREEK SHIPPING INTELLIGENCE

9 February 2024

Vol. 25/ No. 6



LEGAL OPINION

Sea Employment contract / bonus

Bonus is often paid to seafarers as part of their salary and in order to encourage and reward the latter's effort and performance. Such bonus is paid over and above the minimum wages as defined by the applicable collective agreement.

The bonus, once agreed, cannot unilaterally be set-off with other collective agreement allowances. For that to occur, it is required that relevant term is provided in the seafarer's employment agreement. In such case, possible further amounts to which the seafarer is eligible, can be set-off, provided always that they do not exceed the amount of the bonus. If they do, the excessive amount is due to the seafarer.

Piraeus one-membered Court of Appeal Judgment no 644/2020, Judge: M. Daniil, Attorneys at law: M. Leividiotou-Saxoni, St. Lyras, Maritime Law Review vol. 48, p. 203.

NOTE: Bonus cannot be revoked once agreed. The insertion of a clause in the employment contract that it can be set-off with further allowances, renders such clause valid, as it is not unilateral but agreed by both parties executing the employment agreement.

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