

NEWSFRONT

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LEGAL OPINION

'Lending' of employee – Labour accident

Sometime an office employee is "loaned" by his / her initial employer to another company, owning a vessel, to work as seafarer.

Should a labour accident occur onboard during the 'loan' period, certain issues may arise: In principle, the injured party is entitled to the remuneration under law 551/1915, which provides for a limited amount regardless of the liability of the employer; If the employee is secured with the Social Security Institution (IKA), Law 551/1915 does not apply in such case; The 'borrowing' employer is in principle liable for remuneration of the injured employee.

The fact the 'borrowing' employer – the shipowning company, – employs the office employee as a seafarer and consequently declares him with Seamen Pension Fund (NAT) does not change the reality of the employee's IKA social security.

As a result, the 'borrowing' employer is not liable to pay the remuneration of law 551/1915.

Piraeus One Member – Court of Appeal Judgment no 311/2016, Judge: A. Anastasiou, Attorneys at law: G. Papatheodoropoulos, Ev. Astras, Maritime Law Review vol. 44, p. 245.

NOTE: The borrowing of employees is usual in affiliated companies, but also exists among unrelated companies. It is interesting to note that social security obligations of the initial employer remain active in the 'borrowed' employment.

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