


## Financing adult learning database

<b>Name of the instrument - Local language</b>	Λογαριασμός για την Απασχόληση και την Επαγγελματική Κατάρτιση (ΛΑΕΚ)
<b>Name of the instrument - English translation</b>	Account for employment and vocational training (LAEK)
<b>Scheme ID</b>	73
<b>Country</b>	 Greece
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Training fund
<b>Sub-type of instrument</b>	National level collection and national level distribution
<b>Type of entry</b>	Single instrument

<b>Short description</b>	<p>The Greek Manpower Organisation (OAED) provides every company in the private and public sectors the possibility to train their staff, taking advantage of the Account for Employment and Vocational Training (LAEK). Employers are obliged by law to contribute a proportion of the payroll (0.24% since July 2014) to the fund. The funds are then used to subsidize training costs of companies. Companies can receive 100% of their contributions back to cover their training costs. The funds for refunding employers' training costs are collected together with contributions for covering costs of initial vocational education and training and training of the unemployed, yet are treated as separate funding streams. The objective of the in-company training programmes covered by the fund is to train employees in subjects that respond to the needs of the company and increase the productivity of their employees. Staff eligible for the training is those insured with the Greek Social Security Institute (IKA) and belonging to one of the insurance branches of OAED. No preferential treatment is applied.</p>
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for</b>	Not applicable

<b>sectoral instruments)</b>	
<b>Relevance</b>	Key instrument
<b>Legal basis</b>	Law 2224/1994 introduced the levy employers pay. Law 2434/1996 created the account for employment and vocational training (LAEK).
<b>Objective(s) and target(s)</b>	To finance employee training. More specifically, the aim of the in-company training programmes, is the training of employees in specialisations that meet the needs of companies and can increase the productivity of their employees. According to the law, the employer contribution of 0,24% to the LAEK training fund is compulsory for all employers whose employees are registered in the Social Insurance Institute (IKA). The LAEK training funds that are offered to enterprises for employee training are not considered as income and are not subject to any taxes.
<b>Year of implementation</b>	1996
<b>Year of latest amendment</b>	2017
<b>Operation/management</b>	The Greek Manpower Organization (OAED) is responsible for operating and managing the scheme. OAED issues yearly announcements on the details for trainings that can be reimbursed. Employers use the online platform, available at OAED's website, for entering data on expenses. OAED is responsible for making visits to training sites and request additional information from employers.
<b>Eligible group(s)</b>	The Greek Manpower Organisation (OAED) manages the Training Fund (known as LAEK in Greek) which aims to train employees in subjects that respond to the needs of enterprises and increase their productivity. The training fund consists of part of the employer contributions paid by companies to the Social Insurance Institute (IKA in Greek). All employees who are registered at the Social Insurance Institute and who belong to one of the insurance branches of OAED are eligible to participate.
<b>Group(s) with preferential treatment</b>	No
<b>Education and training eligible</b>	No specifications on the type of education and training, it depends on the needs of the company. Companies can be subsidised for in-company trainings (internal or external trainers), trainings abroad, trainings in an external provider's facilities.
<b>Source of financing and collection mechanism</b>	Mandatory levy on public and private companies and local authorities, 0.24% of their payroll (new level for the levy from 1 July 2014; before: 0.45%).
<b>Financing formula and allocation mechanisms</b>	The amount of subsidy that employer is entitled to receive for training provided in the year N is as follows: - 100% of eligible training costs as long as the employer's contribution to the fund in the year N is higher than or equal to eligible costs; - 70% of employer's contribution to

	<p>the fund in year N if employer's eligible training costs are higher than the contribution to the fund. Employers that did not provide training in the year N-1 can transfer 70% of their contribution paid in the year N-1 and use it in the year N; similarly, employers that did not use to full extent 70% of their contribution paid in year N-1 can transfer the remaining amount and use it in the year N. The average hourly cost per trainee is calculated as follows: average hourly cost per trainee = total cost of training / (number of trainees x number of realised training hours) For training that is provided by an external trainer or authorised training provider, the average hourly cost per trainee cannot be more than 33. For training that is provided by internal trainer, the average hourly cost per trainee depends on the number of participants: - up to 3 participants: 33 - up to 6 participants: 25 - up to 10 participants: 19 - up to 33 participants: 12. For training abroad, the average hourly cost is: - up to 7 participants: 110 - up to 14 participants: 90 - up to 21 participants: 80 - up to 33 participants: 70. Remark: the number of participants concerns all participants attending the training and not just the ones to be reimbursed by LAEK. For trainings that take place outside working hours, each trainee receives an hourly supplement of 5/training hour. If the employer trains employees with special needs, a training supplement of 7 per training hour must be provided to the trainees. Employers may opt to reimburse the internal trainer (for training within or outside working hours) with 15 per training hour. Employers are obliged to allow OAED to make visits to the training sites and keep all necessary documentation/proof of expenses for 5 years. If visits/controls by OAED prove false declarations by the employer or the employer cannot prove the expenses incurred, then the training will not be reimbursed and additional sanctions/fines are foreseen. LAEK resources attributable to employers and relating to vocational training are exempt from seizure, are not recognised as income and are exempt from taxation. Allocation of funds: The reimbursement is transferred to the employer's bank account, after employer provides OAED with all necessary documentation.</p>
<b>Eligible costs</b>	Fees and other costs related to training, hourly compensation of trainees, costs of internal and external trainers, travel and accommodation, meals, training materials, rent of training venue, administration costs
<b>Volumes of funding</b>	The allocated amount of the training fund is EUR 20 000 000 every year over the last 3 years. However, there are long delays in disbursements that have actually discouraged some enterprises from participating (no data on disbursements were provided).
<b>Beneficiaries/take up</b>	There has been a gradual decrease in the number of beneficiaries of the first group of programmes (LAEK 0,24) organised directly by the enterprise, from 2014 to 2018. Notably, there were 99 183 trainees in 2014 and 67 460 in 2018 and 900 companies that applied for repayment in 2014 and only 33 in 2018. This is due to two reasons: a) in 2014 there was a reduction in employers' contributions and therefore reducing the frequency of programmes and the potential number of beneficiaries per company; b) the increase in the size of companies eligible for funding from

	26+ employees until 2016 to 31+ and 50+ employees in 2017 and 2018 respectively, reduced the number of potential beneficiary companies. On the other hand, in the second group of programmes (LAEK 1-49) there has been a gradual increase in the number of trainees (from 47 618 in 2014 to 51 543 in 2018) as this programme is organised by employers' organisations and therefore has the potential to cover trainees from several companies at the same time.
<b>Organisation responsible for monitoring/evaluation</b>	Manpower Employment Organization (OAED).
<b>Most relevant webpage - in English</b>	<a href="http://www.oaed.gr/index.php?lang=en">http://www.oaed.gr/index.php?lang=en</a>
<b>Most relevant webpage - local language</b>	<a href="http://www.oaed.gr/index.php?lang=el">http://www.oaed.gr/index.php?lang=el</a>
<b>Recent changes</b>	<p>2017: The size of eligible companies increased from 26+ employees (which was the eligible size up to 2016) to 31+ employees. 2018: The size of eligible companies increased further to those with 50+ employees. Source: Report on OAED Actions, March 2015 - June 2019, p.67. The 2018 reform (which increased the size of eligible companies) was deemed necessary because, following audits carried out by OAED through the IT (ERGANI) system, it was found that a large number of trainees were not eligible, resulting in parts of the programmes not to be paid at all and payment reductions for others. Source: Report on OAED Actions, March 2015 - June 2019, p.68.</p> <p>Recent changes in response to COVID-19</p> <p>From 11-03-2020, all educational processes in the country, as well as the LAEK programmes were suspended due to the pandemic. Applications for new training programmes restarted on 29/05/2020. From 10/11/2020 the implementation of LAEK physical trainings was postponed.</p>
<b>Sources</b>	<p>OAED website and LAEK website -<a href="http://www.oaed.gr/index.php?lang=el">http://www.oaed.gr/index.php?lang=el</a></p> <p>Legislation (Law 2224/1994)</p> <p>Report on OAED Actions, March 2015-June 2019 <a href="http://www.oaed.gr/documents/10195/1214556/GSS++2015-2019.pdf/4c4d8186-16ad-4ea0-88dc-fed0c37d3306">http://www.oaed.gr/documents/10195/1214556/GSS++2015-2019.pdf/4c4d8186-16ad-4ea0-88dc-fed0c37d3306</a></p> <p>OAED, LAEK Programme 2020 OAED, LAEK Programme 2019 OAED, LAEK Programme 2018 OAED, LAEK Programme 2017 <a href="http://laek.oaed.gr/">http://laek.oaed.gr/</a></p> <p>Programme of Vocational Training (0.24%) of 2015 - <a href="http://laek.oaed.gr/">http://laek.oaed.gr/</a> Programme of Vocational Training (0.45%) of 2014 - <a href="http://laek.oaed.gr/">http://laek.oaed.gr/</a></p>