



Tsakos Group offers pension top-ups to employees

Panagiotis Tsakos' brainchild is part of a wider campaign to revive Greek maritime tradition

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by [Harry Papachristou](#)

The Tsakos Group has become the first Greek shipping company to offer a supplementary pension scheme to its employees.

The Occupational Pension Fund (OPF) of Tsakos Maritime Enterprises & Associates has been up and running since late last year.

About 500 of the group's seamen and onshore staff have already signed up. The take-up rate among white-collar employees is close to two-thirds.

Jumping for joy

"When our company's management told us they would set up the scheme, I felt like jumping for joy," said Titos Koukakis, who worked as chief engineer on Tsakos' ships and is currently branch manager of Tsakos Columbia Shipmanagement on Chios.

It is easy to see why the offer is popular. Years of austerity have led to deep pension cuts in Greece. The government slashed retirees' old-age benefits by more than one-third as the state struggled to balance its budget and qualify for bailout funds from international lenders.

Seafarers have been particularly affected. As part of a national social security reform two years ago, the separate maritime employees' pension fund, NAT, was

compulsorily merged into EFKA — a state-run social security organisation covering all private workers.



Charalampos Katsipoulakis of Tsakos' OPF Photo: OPF

The NAT had been in deep trouble even before it was dissolved. When maritime professions were popular and tens of thousands of Greeks worked at sea, the NAT used to be one of the country's financially soundest pension funds. But it eventually fell into the red, as the number of Greek seamen dwindled and contributions fell short of benefits.

Company-run social security schemes are an obvious alternative to boost pension - incomes. However, they have been rare in Greece, whose mandatory, state-run, pay-as-you-earn system leaves little room for such initiatives.

Tsakos' OPF is the brainchild of group founder Captain Panagiotis Tsakos. It forms part of a wider campaign by the octogenarian tycoon to support and revive the Greek maritime tradition.

At about the same time as the OPF was set up, Tsakos founded a maritime high school on his home island of Chios.

To attract employees to the OPF, Tsakos guarantees the capital that employees invest in it. "I am not aware of any other shipowning organisation in the world that does what we do," OPF chairman Charalampos Katsipoulakis told TradeWinds.

The fund is a non-profit organisation that collects members' individual contributions, which can range between €30 and €5,000 (\$34 to \$5,620) per month.



Petros Christodoulou will be among the fund's professional investment managers
Photo: WWF

Contributions are deductible from taxable income. After 10 years of membership, or upon mandatory retirement, members are entitled to a tax-free, lump-sum payment. Its size depends on what kind of yields the fund achieves.

Day-to-day decisions are outsourced to professional investment managers, including Petros Christodoulou, an investment banker who headed Greece's Public Debt Management Agency and National Bank of Greece, its biggest lender.

The fund has capital of about €500,000, invested in Greek treasury bills or blue-chip European stocks. It will consider longer-term investments once its war chest increases.

Being registered in Greece, the OPF is subject to extensive supervision and oversight by local and European regulators, said Koukakis, who sits on the board.

Open to non-Greeks

Despite its Greek roots, the fund is also open to non-Greek employees and crews. "We have even colleagues from the Philippines, Russia and Ukraine signing up," Katsipoulakis said.

Tsakos' OPF may pave the way for other big Greek shipping companies to adopt similar schemes. An OPF information event held on Chios was well received, with about 40% of attendees representing various shipping firms.