



CONTENTS

Explanation of the terms used	3
INTRODUCTION	6
THE CURRENT SOCIAL INSURANCE SCHEME	6
PERSONS COVERED	7
Compulsorily insured persons	7
Voluntarily insured persons	7
Persons serving in the National Guard	7
CONTRIBUTIONS	8
Employed persons' contribution	8
Self-employed persons' contribution	10
Voluntarily insured persons' contribution	10
LIABILITY FOR THE PAYMENT OF CONTRIBUTIONS	12
Employed persons	12
Self-employed persons	12
Persons with mixed employment / Employed persons who work for more than one employer	12
Overlapping of compulsory insurance with voluntary insurance	12
DEADLINES OF PAYMENT OF CONTRIBUTIONS	13
PAYMENT OF CONTRIBUTIONS	13
Additional charge for late payment	13
Termination of liability to pay contributions	14
BENEFITS	14
Types of Benefits	14
Benefit Structure	15
Basic benefit	15
Supplementary benefit	15
I. MARRIAGE GRANT	15
II. MATERNITY GRANT	16
III. FUNERAL GRANT	16
IV. MATERNITY ALLOWANCE	17
V. SICKNESS BENEFIT	18
VI. UNEMPLOYMENT BENEFIT	19

VII. INVALIDITY PENSION	20
VIII. OLD-AGE PENSION	22
IX. WIDOW'S PENSION	24
X. ORPHAN'S BENEFIT	26
XI. MISSING PERSON'S ALLOWANCE	26
XII. EMPLOYMENT INJURY BENEFITS	27
a. INJURY BENEFIT (TEMPORARY INCAPACITY)	27
b. DISABILITY BENEFIT (DISABILITY GRANT OR PENSION)	27
c. DEATH BENEFIT	28
i. Widow's/widower's pension	28
ii. Orphan's Benefit	29
iii. Parent's allowance	30
GENERAL INFORMATION ON BENEFITS	31
Deadline for submission of claims for benefits	31
Right to more than one benefit	31
Revision of benefit rates after award	32
Beneficiaries under the repealed scheme	32
Appeals	32

This Guide is published by the Social Insurance Services.
The Guide provides general information and should not be considered, in any case, as a complete and authentic interpretation of the legislation.
More information can be obtained from the Social Insurance District Offices.

Explanation of the terms used

Actual basic insurance:

The insurable earnings for each year on which contributions have been paid up to the amount of the basic insurable earnings.

Actual insurance / actual insurable earnings:

Insurable earnings on which contributions have been paid.

Assimilated insurance:

Insurable earnings on which the insured person has no obligation to pay contributions, such as:

- for any period of full time education after the 16th year of his/her age;
- for the periods of National Guard service;
- for periods he/she receives sickness, unemployment, maternity or injury benefit, or invalidity pension from the Social Insurance Fund;
- for the period of absence from his/her work with parental leave.

When calculating the right of entitlement and the amount of old-age pension and widow's pension for the death of an insured person who passed away during or after the pensionable age, only up to six years (6 insurance points) of assimilated periods of insurance regarding full-time education period is taken into consideration. However, in case of entitlement to other benefits, all periods of full-time education are taken into account without any restrictions. An insured woman is entitled for the purpose of entitlement to a pension or for the purpose of increase of her pension, assimilated periods of insurance for each child, delivered or adopted, for a period up to 156 weeks within a period of 12 years from the birth of each child, in order to fill any gaps in her insurance record.

Basic insurable earnings:

The amount of insurable earnings, which is determined each year, is increased by Order of the Council of Ministers published in the Cyprus' Government Gazette, in accordance with the increase of the average of the insurable earnings in the previous contribution year compared to the preceding contribution year.

Basic Insurance:

The insurable earnings for each year up to the amount of the basic insurable earnings, meaning up to one (1) insurance point.

Benefit year:

The period beginning the first Monday of July of each year and ending the last Sunday prior to the first Monday of July of the following year.

Contribution year:

For employees, whose salary is fixed on a monthly basis, it means the calendar year and for the other insured persons it means a period of fifty-two (52) or fifty-three (53) weeks, beginning the first Monday of each year and ending the Sunday prior to the first Monday of the following year.

Insurable earnings:

The amount of earnings on which the insured person pays contributions.

Insurance point:

The result of the conversion of actual and assimilated insurable earnings into insurance points.

Dependant of the insured person:

- For a male beneficiary, his spouse is a dependant if she lives with or has been maintained by him and receives no pension from the Social Insurance Fund. In case the wife works, if the claim concerns old-age, invalidity or disability pension with reference period as of 1/1/2013, the wife is not considered to be dependant of the insured male person.
- For a female beneficiary, her spouse is a dependant if he is unable to support himself, is wholly maintained by her and receives no pension from the Social Insurance Fund.
- Children under the age of 15 years.
- An unmarried daughter aged between 15 and 23 years in full-time education.
- An unmarried son aged between 15 and 25 years in full-time education or in National Guard service.
- Children, regardless of age, who are permanently incapable of self-support.
- The parent, who is unable to work and who is maintained by the insured person.
- A minor younger brother or sister, if he/she is maintained by the insured person.

Period of interruption of employment:

Any two days of interruption of employment, consecutive or not, within a period of six (6) consecutive days and any such periods of interruption of employment including an interval of not more than thirteen (13) weeks.

Reference period:

The period beginning on 5/10/1964 or if the person reaches the age of 16 after 3/10/1965, the period beginning on the first day of the contribution year in which the person reaches the age of 16 and ending the last week before the week on which he/she becomes entitled to pension (relevant date). That period begins on 7/1/1957 or on the first day of the contribution year in which the person reaches the age of 16, whichever date is later for insured persons who in order to be entitled to a pension need insurance periods before 5/10/1964 to be taken into account, if the applicant only by their inclusion acquires a right, or if their inclusion increases the amount of the pension.

Relevant contribution year:

The last contribution year, prior to the benefit year, which includes the date of fulfilling the relevant insurance conditions (i.e. for the first semester of 2014 the relevant contribution year is 2012 and for the second semester of 2014 the relevant contribution year is 2013).

Relevant date:

In relation to any benefit, means the first day on which a person would be entitled to the benefit, if he/she would apply within the prescribed period.

Supplementary insurance:

The insurable earnings for each year over the amount of the basic insurable earnings, meaning above one (1) insurance point.

Weekly value:

The valuation of the insurance point into insurable earnings, based on the weekly amount of the basic insurable earnings.

INTRODUCTION

The first Social Insurance Scheme in Cyprus was introduced on January 1st of 1957. It covered all employed persons on a compulsory basis, with the exception of certain categories of agricultural workers. Self-employed persons and those workers exempted from compulsory insurance were given the right to be insured voluntarily. The Scheme of 1957 provided for: marriage, maternity and funeral grants, sickness and unemployment benefits, old-age and widow's pensions and orphan's benefit. All, contributions and benefits were flat-rate, irrespective of insurance earnings. The Scheme was financed through equal contribution from the employed persons, the employers and the State.

In October 1964, substantial changes were made to the 1957 Scheme, regarding both its personal and material scope. Thus, compulsory insurance was extended to every person gainfully occupied in Cyprus, including the self-employed, while the material scope was extended to include maternity allowance and benefits for industrial accidents and occupational diseases.

On January 1st of 1973, invalidity pension was introduced for persons permanently incapable of work, irrespective of cause; sickness benefit was extended to self-employed and unemployment and sickness benefits were granted to married women.

Along with the above improvements, benefit rates were increased and by July 1974, their level was by 292% higher than in 1957.

The Turkish invasion in Cyprus in July 1974 and the occupation of 40% of the island's territory by the Turkish army, not only inhibited any further improvements to the Scheme, but made necessary the taking of certain restrictive measures to safeguard the Scheme against the risk of bankruptcy. Such measures included the reduction of pension rates and the suspension of payment of unemployment benefit and certain other benefits. The July 1974 levels were restored in 1977. Thereafter, the benefit rates were increased in 1978, 1979 and 1980 and a new benefit was introduced, the missing persons' allowance, for the families of persons missing as a result of the Turkish invasion.

THE CURRENT SOCIAL INSURANCE SCHEME

The current Social Insurance Scheme, which was put into operation on 6/10/1980, has incorporated the previous flat-rate scheme in a modified structure providing in addition supplementary earnings-related benefits. Therefore, the Scheme is divided into two parts: the basic part, corresponding to the repealed flat-rate scheme, and the earnings-related part.

A brief description of the Scheme as it stands now with the improvements effected to it since its introduction is given below.

PERSONS COVERED

The Social Insurance Scheme applies to all workers (employed and self-employed). Voluntary insurance is allowed to persons who wish to continue insurance after a prescribed period of compulsory insurance or to persons who work abroad in the service of Cypriot employers.

Compulsorily insured persons

Every employee in Cyprus is compulsorily insured under the Social Insurance Scheme. The compulsory insurance falls into two categories: employees and self-employed.

Every person who is employed in the service of an employer, such as workers, employees in the private sector, public employees, semi-public employees and apprentices fall under the category of employed persons.

Every person who is employed in a business of their own or perform any activities for their own account, such as traders, industrialists, farmers etc., fall under the category of self-employed persons.

Voluntarily insured persons

Every compulsorily insured person, such as employed or self-employed, whose employment is terminated, has the right to continue to be insured under the Cyprus Social Insurance Scheme on a voluntary basis. In order to be eligible to become a voluntary contributor a person must have actual insurance equal to at least one (1) insurance point, which means that he/she must have paid contributions on insurable earnings not lower than the yearly amount of basic insurable earnings.

Every person who has his/her ordinary residence in Cyprus and is employed in the service of a Cypriot employer abroad can be voluntarily insured.

Persons serving in the National Guard

For persons serving in the National Guard contributions are paid by the Republic of Cyprus.

CONTRIBUTIONS

The Social Insurance Scheme is financed by contributions paid by the employers, the insured persons and the State as a percentage on the insurable earnings.

Employed persons' contribution

For the employed persons the rate of contribution is 17.9%, 6.8% is payable by the employer, 6.8% by the employee and 4.3% by the State.

The contribution rate for employees will change as follows:

1. 20.2%, of which 7.8% is paid by the employee, 7.8% by the employer and 4.6% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st January 2014,
2. 21.5%, of which 8.3% is paid by the employee, 8.3% by the employer and 4.9% from the Consolidated Fund of the Republic of the contribution year beginning on or after 1st of January 2019,
3. 22.8%, of which 8.8% is paid by the employee, 8.8% by the employer and 5.2% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2024,
4. 24.1%, of which 9.3% is paid by the employee, 9.3% by the employer and 5.5% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2029,
5. 25.4%, of which 9.8% is paid by the employee, 9.8% by the employer and 5.8% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2034, and
6. 26.7%, of which 10.3% is paid by the employee, 10.3% by the employer and 6.1% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2039.

When an employed person is covered by an occupational pension scheme by his employer without the payment of any contribution on the part of the employee, the rate of the Social Insurance contribution which is paid by the employer is 10.15%, by the employee 3.45% and by the State 4.3%.

The contribution rate for employees who cover an occupational pension scheme, without the payment of contribution from the employee will change as follows:

1. 20.2%, of which 3.95% is paid by the employee, 11.65% by the employer and 4.6% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2014;
2. 21.5%, of which 4.2% is paid by the employee, 12.4% by the employer and 4.9% from the Consolidated Fund of the Republic for the contribution year beginning on or after

1st of January 2019;

3. 22.8%, of which 4.45% is paid by the employee, 13.15% by the employer and 5.2% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2024;
4. 24.1%, of which 4.7% is paid by the employee, 13.9% by the employer and 5.5% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2029;
5. 25.4%, of which 4.95% is paid by the employee, 14.65% by the employer and 5.8% from the Consolidated Fund of the Republic of the contribution year beginning on or after 1st of January 2034; and
6. 26.7%, of which 5.2% is paid by the employee, 15.4% by the employer and 6.1% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2039.

The employer is obliged to pay the contributions (his rate and the rate of the employee) to the Social Insurance Fund. He is entitled however, to deduct the rate of contribution of the employee from his wages or salary on the day he pays the employed person. If the employer omits to deduct the contribution of the employed person on the day he pays the employed person, he has no right to deduct it for future wages or salaries.

In the case of apprentices working without pay, the employer is liable to pay both its own contribution and the contribution of the apprentice. The apprentice is obliged to pay contributions only on its actual insurable earnings.

The insurable earnings of an employed person, i.e. the earnings that are taken into consideration for social insurance purposes, include the basic wage or salary, cost of living allowance, overtime, commissions, 13th/14th salary, 53rd/56th week, the contribution of the employer to the Central Holiday Fund and to the Trade Unions' holiday funds etc. The only exceptions are exceptional commissions and ex gratia payments.

The maximum amount of insurable earnings for the purpose of payment of contributions is fixed by Regulations. This amount is usually revised every year. In case that the wage or salary is higher than the maximum amount of insurable earnings, no contribution is paid on that higher amount.

For apprentices who work and earn less than the half of the amount of basic insurable earnings, the contribution is calculated on a theoretical amount of earnings, equal to half of the amount of the basic insurable earnings.

Self-employed persons' contribution

For the self-employed persons the rate of contribution is 16.9% of insurable earnings, 12.6% is payable by the self-employed person himself and 4.3% by the State.

The contribution rate for self-employed persons will change as follows:

1. 19.2%, of which 14.6% is paid by the self-employed and 4.6% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2014;
2. 20.5%, of which 15.6% is paid by the self-employed and 4.9% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2019;
3. 21.8%, of which 16.6% is paid by the self-employed and 5.2% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2024;
4. 23.1%, of which 17.6% is paid by the self-employed and 5.5% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2029;
5. 24.4%, of which 18.6% is paid by the self-employed and 5.8% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2034; and
6. 25.7%, of which 19.6% is paid by the self-employed and 6.1% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2039.

The insurable earnings of self-employed persons are fixed by Regulations according to their specific occupational category. For each category of self-employed persons a compulsory minimum insurable income is prescribed (notional income). If a self-employed person proves that his/her actual income is lower than the minimum insurable income of his/her occupational category, after submitting a relevant application may be allowed to pay contributions on his/her actual income.

Voluntary insured persons' contribution

In the case of voluntary insured persons the contribution is 14.8% on declared earnings, 11% is payable by the voluntary insured person himself and 3.8% by the State.

The contribution rate for voluntary insured persons (home) will change as follows:

1. 17.1%, of which 13% is paid by the voluntary insured person and 4.1% from the Consolidated Fund of the Republic, from the first Monday of the contribution year 2014;
2. 18.4%, of which 14% is paid by the voluntary insured person and 4.4% from the Consolidated Fund of the Republic, from the first Monday of the contribution year 2019;
3. 19.7%, of which 15% is paid by the voluntary insured person and 4.7% from the Consolidated Fund of the Republic, from the first Monday of the contribution year 2024;
4. 21%, of which 16% is paid by the voluntary insured person and 5% from the Consolidated Fund of the Republic, from the first Monday of the contribution year 2029;

5. 22.3%, of which 17% is paid by the voluntary insured person and 5.3% from the Consolidated Fund of the Republic, from the first Monday of the contributions' year 2034; and
6. 23.6%, of which 18% is paid by the voluntary insured person and 5.6% from the Consolidated Fund of the Republic, from the first Monday of the contribution year 2039.

Voluntary insured persons working abroad in the service of Cypriot employers pay contributions of 13.6% on either the basic insurable earnings or on their normal earnings, as agreed in the respective contract of employment, up to the maximum amount of insurable earnings. An additional contribution of 4.3% is paid by the State.

The contribution rate for voluntary insured persons working abroad will change as follows:

1. 20.2%, of which 15.6% is paid by the voluntary insured person and 4.6% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2014;
2. 21.5%, of which 16.6% is paid by the voluntary insured person and 4.9% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2019;
3. 22.8%, of which 17.6% is paid by the voluntary insured person and 5.2% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2024;
4. 24.1%, of which 18.6% is paid by the voluntary insured person and 5.5% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2029;
5. 25.4%, of which 19.6% is paid by the voluntary insured person and 5.8% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2034; and
6. 26.7%, of which 20.6% is paid by the voluntary insured person and 6.1% from the Consolidated Fund of the Republic for the contribution year beginning on or after 1st of January 2039.

LIABILITY FOR THE PAYMENT OF CONTRIBUTIONS

Employed persons

The employer is liable to pay contributions to the Social Insurance, Annual Holidays with Pay, Redundancy, Human Resource Development and Social Cohesion Funds for each of his/her employees, whose remuneration is not less than €2 per week, or not less than €7 per month if he/she is a salaried employee.

Self-employed persons

A self-employed person is liable to pay contributions for each contribution week in which he/she has worked as a self-employed person.

Persons with mixed employment / Employed persons who work for more than one employer

The liability of the employer for paying contributions to the above funds exists even if the employee is working for another employer for the same period or if the employee works at the same time as a self-employed person. At the end of each contribution year any contributions paid by the insured person for his self-employment in excess of the maximum amount of insurable earnings is refunded to him/her. No refund of employer's contribution is allowed.

Overlapping of compulsory insurance with voluntary insurance

If a person is entitled to pay contributions on a voluntary basis and at the same time on a compulsory basis (employed and self-employed person), he/she has the right to pay contributions voluntarily, if his/her insurable earnings are below the level of earnings on which he/she has opted to pay contributions on voluntary insurance.

DEADLINES FOR PAYMENT OF CONTRIBUTIONS

Employers pay their contributions (including the employee's share), by the end of the calendar month which follows the month for which contributions are due. For example, for January 2014 contributions must be paid by the 28th of February 2014. If the last day of the month is a Saturday, Sunday or a public holiday, the last day for the payment of contributions is the following working day.

Self-employed persons pay their contributions quarterly within one month and ten days from the end of each quarter. For example, January-March 2014 contributions must be paid by 10th of May 2014. If the last day of the month is a Saturday, Sunday or a public holiday, the last day for the payment of contributions is the following working day.

Voluntary insured persons pay their contributions quarterly or monthly. If a voluntary contributor does not pay contributions within 12 months from the end of the contribution year to which the contribution refers, he/she loses his/her right to voluntary insurance for that year.

PAYMENT OF CONTRIBUTIONS

Contributions can be paid in cash or with bank cheques issued in favour of the Director of Social Insurance Services. The employer or a representative of the employer can visit any Social Insurance District Office. He/she can also send the "Statement of Earnings and Contributions" by post to the Social Insurance District Office and in such case the payment of contributions must be made by bank cheques. **Contributions can also be paid online using the method of Direct Debit.**

Additional charge for late payment

In case of delay in the payment of contributions by an employer, an additional charge must be paid to the Social Insurance Fund and the Social Cohesion Fund fixed as a percentage of the contributions due and rising progressively according to the time of delay. For the first month of delay **the charge is 3% and increases by 3% for each month of delay, after the first month, up to a maximum of 27%.**

Termination of liability to pay contributions

Liability for the payment of contributions ceases on the day the insured person reaches the pensionable age (65 years). An insured person, however, who reaches the pensionable age and does not satisfy the contribution conditions for old-age pension, may continue to pay contributions until satisfaction of these conditions. Under no circumstances contributions are payable after the age of 68.

The employer is obliged to pay contributions to the Central Holiday Fund, the Redundancy Fund, the Human Resource Development Fund and the Social Cohesion Fund even if the employee receives old-age pension and irrespective of his/her age.

BENEFITS

Types of Benefits

The Scheme provides for the following benefits:

- a. Marriage grant (abolished for weddings that took place on 1/1/2013 and thereafter)
- b. Maternity grant
- c. Funeral grant
- d. Maternity allowance
- e. Sickness benefit
- f. Unemployment benefit
- g. Invalidity pension
- h. Old-age pension
- i. Widow's pension
- j. Orphan's benefit
- k. Missing person's allowance
- l. Employment injury benefit, which includes:
 - i. Temporary incapacity (injury benefit);
 - ii. Disability benefit; and
 - iii. Death benefit.

Employed persons are entitled to all of the above benefits. **Self-employed** persons are not entitled to unemployment benefit and employment injury benefits. **Voluntary insured persons** working abroad for Cypriot employers are not entitled to employment injury benefits. **Other voluntary insured persons** are entitled only to marriage, maternity and funeral grants and to old-age and survivor's benefits.

Benefit structure

All periodical benefits, i.e. benefits excluding grants, are composed of the basic benefit and the supplementary benefit.

Basic benefit

The basic benefit, which includes increases for dependants, is related up to the first point of the insurable earnings of the insured person.

Supplementary benefit

The supplementary benefit is related to the insurable earnings of the person above the first point. No increases for dependants are payable on the supplementary benefit.

I. MARRIAGE GRANT

Beneficiaries

The marriage grant is paid to both spouses by half ($\frac{1}{2}$) to each of them, regardless of insurance category (employees, self-employed or voluntary contributors). **The marriage grant has been abolished as of 01/01/2013, for weddings that occurred from that date onwards.**

Insurance conditions

The conditions for the payment of marriage grant are:

- the marriage to have occurred; and
- on the wedding day at least one of the two spouses should:
 - a. have actual basic insurance at least equal to 0.50 of the insurance point and at least twenty-six (26) weeks must have passed from the week of commencement of his / her insurance; and
 - b. have actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

Rate of benefit

Marriage grant is divided equally between the two spouses and is equal to 8% (4% for each spouse) of the annual basic insurable earnings.

II. MATERNITY GRANT

Beneficiaries

Maternity grant is payable to a mother, based on her own or her husband's insurance.

Insurance conditions

The conditions for the payment of maternity grant are:

- the delivery must have occurred; and
- on the maternity day at least one of the two spouses should:
 - a. have actual basic insurance at least equal to 0.50 of the insurance point and at least twenty-six (26) weeks must have passed from the week of commencement of his/her insurance; and
 - b. have actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

Rate of benefit

The amount of the maternity grant is the same for all women entitled to it and is equal to 6% of the annual amount of the basic insurable earnings. The maternity grant is revised every January.

III. FUNERAL GRANT

Beneficiaries

Funeral grant is payable for the death of:

- i. any insured person, regardless of the category of insurance (employee, self-employed or voluntary insured person) provided that he/she satisfies the relevant insurance conditions at the time of his/her death;
- ii. any pensioner of old-age, invalidity, widow's/widower's pension;
- iii. any person who receives death benefit, missing person's allowance or orphan's benefit;
- iv. any person whose death is caused by an industrial accident or occupational disease;
- v. any person who is a dependant of an insured person or a pensioner.

Insurance conditions

The insurance conditions for the payment of funeral grant are the same as those for the payment of the maternity grant.

Rate of benefit

The amount of the funeral grant is equal to 5.6% of the annual amount of the basic insurable earnings. The funeral grant is revised every January.

IV. MATERNITY ALLOWANCE

Beneficiaries

Maternity allowance is payable to an insured woman (employed, self-employed or voluntary insured person at the service of a Cypriot employer abroad) for a period of 18 weeks beginning between the 9th and the 2nd week before the expected week of confinement, at the option of the applicant.

If immediately after birth the infant is hospitalised or is in an incubator due to premature delivery or due to the need for treatment because of a health problem, the maternity allowance will be granted for an additional week for every twenty-one (21) days the infant was hospitalised, provided that the recipient provides an original certificate from the doctor and a medical certificate from the hospital, where the infant was hospitalised. The extension of maternity allowance will be granted for a period consecutive to the period of eighteen (18) weeks and will not exceed a maximum period of six (6) weeks.

If the application form is submitted after the birth, the period of eighteen (18) weeks shall be based on the date of birth and not on the expected date of birth.

In the case of adoption of a child, the insured person is entitled to maternity allowance for a period of sixteen (16) weeks if the adoption took place during the first twelve years from the child's birth.

Insurance conditions

The conditions for the payment of the maternity allowance are the insured person to:

- be on a maternity leave and not to receive full salary or wages from her employer; and
- have actual basic insurance at least equal to 0.50 of the insurance point and at least twenty-six (26) weeks must have passed from the week of commencement of her insurance, and
- have actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

Rate of benefit

The weekly rate of benefit is equal to 72% of the weekly value of the insurance point of the insured person's basic insurance in the relevant contribution year.

The benefit is not payable in the case of a woman who receives full wages during the maternity allowance period. If reduced wages are paid, the amount of such wages and the benefit payable cannot exceed full wages.

V. SICKNESS BENEFIT

Beneficiaries

Sickness benefit is payable to employed and self-employed persons between the ages of 16 and 63 who are incapable for work. Persons who do not satisfy the insurance conditions for old-age pension at 63 are allowed to receive benefit up to the date on which they satisfy the relevant insurance conditions but in no case after the age of 65.

The period for which sickness benefit is payable cannot exceed 156 days for each period of interruption of employment. The payment of the allowance may be extended for a further 156 working days in the same period of interruption of employment, provided that the insured person meets the insurance requirements for invalidity pension, but he/she is not expected to remain permanently unable to work.

There is a waiting period of 3 days in the case of employed persons and 9 days in the case of self-employed persons for which period the benefit is not payable. Self-employed persons are treated in the same way as employed persons in cases of accident and hospitalisation.

Insurance conditions

The insurance conditions for entitlement to sickness benefit are that the person concerned:

- has actual basic insurance at least equal to 0.50 of the insurance point and at least twenty-six (26) weeks have passed from the week of commencement of his/her insurance; and
- has actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

Requalification for benefit

To requalify for benefit (following exhaustion of the right) the person concerned must have paid contributions on earnings not less than 26 times the weekly amount of the basic insurable earnings after the date of exhaustion and in addition he/she must have

worked for a period of thirteen (13) weeks since the date of exhaustion, where thirteen (13) weeks must also have elapsed.

Rate of benefit

The weekly rate of benefit is 60% of the insurable earnings up to the basic earnings, increased by 20% for a dependant spouse and by 10% for each of the children or other dependants (the maximum number of dependant children and other dependants are two). In case there is no increase for the spouse, 10% increase is paid up to 2 dependants. If both spouses are entitled simultaneously to a benefit the increase for dependants is paid only to the spouse who is entitled to the increase with the greater height. The weekly amount of supplementary allowance is equal to 50% of the weekly value of the insurable earnings that exceeds the basic insurable earnings up to a maximum of two times the basic insurable earnings.

The benefit is not payable in case the employed person concerned receives full wages. If reduced wages are paid, the benefit payable, added to the wages paid, must not exceed full wages.

VI. UNEMPLOYMENT BENEFIT

Beneficiaries

Unemployment benefit is payable to employed persons between the ages of 16 and 63 for involuntary unemployment. Persons, who do not satisfy the insurance conditions of old-age pension at the age of 63, are allowed to receive benefit up to the date of which they satisfy the relevant insurance conditions but in no case after the age of 65.

The period for which unemployment benefit is payable does not exceed 156 days for each period of interruption of employment.

Insurance conditions

The insurance conditions are that the person concerned:

- has actual basic insurance at least equal to 0.50 of the insurance point and at least twenty-six (26) weeks have passed from the week of commencement of his/her insurance; and
- has actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year.

Requalification for benefit

For qualification after exhaustion of right, the person concerned must have paid contributions on earnings not less than 26 times the weekly amount of the basic insurable earnings and in addition he must have worked for a period of 26 weeks since the date of exhaustion, where twenty-six (26) weeks must also have elapsed.

As an exception, persons over 60 years of age, who do not receive any pension under any occupational scheme or a lump sum payment from a Provident Fund, requalify for unemployment benefit after exhaustion of their benefit under the same conditions as for the requalification for sickness benefit.

There is a waiting period of three (3) days except in the case of persons working abroad in the service of a Cypriot employer for whom the waiting period is thirty (30) days.

Rate of benefit

The weekly rate of unemployment benefit is the same and is calculated in the same manner as sickness benefit.

VII. INVALIDITY PENSION

Beneficiaries

Invalidity pension is payable to persons who have been incapable for work for at least 156 days and are expected to remain permanently incapable of work, i.e. they are unable to earn from work which they are reasonably expected to perform, more than 1/3 of the sum earned usually by a healthy person of the same occupation or category and education in the same area or, in the case of persons between the ages of 60 and 63, more than ½ of the aforesaid sum.

Insurance conditions

The insurance conditions are that the person concerned:

- i. has at least three (3) actual basic insurance points and he/she has been insured for at least 156 weeks;
- ii. has weekly average insurable earnings (actual or assimilated) equal to at least 25% of the weekly amount of the basic insurable earnings in the relevant period;
- iii. has actual or assimilated insurance equal to at least 0.39 of the insurance point within the relevant contribution year or has actual or assimilated insurance equal to at least 0.39 of the insurance point on average within the last two relevant contribution years.

In case of invalidity caused by any accident, a person is entitled to invalidity pension if the insurance conditions for sickness benefit are satisfied.

Even though the contributions taken into account for entitlement purposes are only those of employed and self-employed persons, for assessing the rate of invalidity pension voluntary contributions are also taken into account.

Rate of pension

The invalidity pension has two components: (i) the basic pension and (ii) the supplementary pension.

In the case of full loss of earnings capacity, invalidity pension is full and is assessed as follows:

- i. the basic weekly pension is 60% of the weekly average of actual and assimilated basic insurable earnings over the relevant period, increased to 80% for a dependant spouse and 90% or 100% for two or more dependants, respectively. It must be noted that a female spouse is considered a dependant when she is unemployed while a male spouse is considered a dependant when he is incapable of self-support. In case the spouse is not considered a dependant the increase for dependant children or other dependants increases the pension to 70% for one dependant and 80% for two dependants. If the beneficiary is divorced he/she is allowed an increase of 10% for each dependant child up to three children.
- ii. the supplementary weekly pension is equal to 1/52 of 1.5% of the total insurable earnings (actual and assimilated) of the beneficiary in excess of the basic insurable earnings.

When the loss of earnings is partial, invalidity pension is reduced and it is assessed as follows:

Loss of earnings capacity	Percentage of full pension
50% - 66 2/3%	60%
66 2/3% - 75%	75%
75% - 99%	85%

VIII. OLD-AGE PENSION

Beneficiaries

Old-age pension is payable to all insured persons (employed, self-employed or voluntary insured persons) on reaching the pensionable age of 65, provided that they meet the relevant insurance conditions.

Insurance conditions

The insurance conditions for the payment of the old-age pension are:

- i. the insured person has attained actual basic insurance of at least 10 insurance points and 520 weeks have elapsed since the week of commencement of insurance.

The actual basic insurance is gradually increasing from 10 to at least 15 insurance points, starting from April 2013 as follows:

- Since the first Monday of April 2013, the insured person has attained actual basic insurance of at least 11 insurance points and 572 weeks have elapsed since the week of commencement of insurance,
 - Since the first Monday of January 2014 the insured person has attained actual basic insurance of at least 12 insurance points and 624 weeks have elapsed since the week of commencement of insurance,
 - Since the first Monday of January 2015 the insured person has attained actual basic insurance of at least 13 insurance points and 676 weeks have elapsed since the week of commencement of insurance,
 - Since the first Monday of January 2016 the insured person has attained actual basic insurance of at least 14 insurance points and 728 weeks have elapsed since the week of commencement of insurance and
 - Since the first Monday of January 2017, the insured person has attained actual basic insurance of at least 15 insurance points and 780 weeks have elapsed since the week of commencement of insurance.
- ii. the total number of actual and assimilated basic insurance points of the insured person should not be less than 30% of the years in the relevant reference period (as of 7/1/1957 or 5/10/1964 or the first day of the contribution year in which the person reaches the age of 16 until the last contribution week before the week on which he/she becomes entitled to pension).

The insured person, however, is entitled to old-age pension on completion of the age of 63 if:

- he/she satisfies the relevant insurance conditions and the total number of his/her actual and assimilated basic insurance points is not less than 70% of the years in the relevant reference period; or
- he/she was entitled to invalidity pension immediately before reaching the age of 63; or

- he/she is between the ages of 63 and 65 and he/she would be entitled to invalidity pension if he/she had not completed the age of 63.

For the miners the pensionable age may be reduced down to the age of 58, depending on the duration of work in mines.

A person who at pensionable age does not satisfy the insurance conditions for old-age pension is entitled to a lump sum payment at the age of 68 equal to 15% of the total amount of his/her insurable earnings (actual and assimilated) provided that he/she satisfies the following insurance condition:

- he/she has at least 6 actual basic insurance points and not less than 312 weeks have elapsed from the beginning of his/her first insurance.

The lump sum payment is not payable if the person concerned is entitled to social pension.

As in the case of invalidity pension, the old-age pension is composed of: (i) the basic pension and (ii) the supplementary pension.

Rate of pension

The basic and the supplementary old-age pension are calculated in the same manner as the basic and the supplementary invalidity pension.

Actuarial reduction on old-age pension

The amount of the old-age pension, payable to a person who becomes beneficiary at the age of 63, is reduced for lifetime when the relevant year falls within the time period:

- a. from 1st January 2013 until 31st December 2013, by 0.5% for each completed month or part thereof, included in the period from the date of payment until the date he/she reaches the age of 63 years and 6 months (i.e. 3% reduction when the payment of the old-age pension begins at the age of 63),
- b. from 1st January 2014 until 31st December 2014, by 0.5% for each completed month or part thereof, included in the period from the date of payment until the date he/she reaches the age of 64 (i.e. 6% reduction when the payment of the old-age pension begins at the age of 63),
- c. from 1st January 2015 until 31st December 2015, by 0.5% for each completed month or part thereof, included in the period from the date of payment until the date he/she reaches the age of 64 years and 6 months (i.e. 9% reduction when the payment of the old-age pension begins at the age of 63), and

d. from 1st January 2016 onwards, by 0.5% for each completed month or part thereof, included in the period from the date of payment until the date he/she reaches the age of 65 years (i.e. 12% reduction when the payment of the old-age pension begins at the age of 63).

The actuarial reduction will also apply in the case where an insured person is entitled to:

- the minimum old-age pension,
- widow's pension whose deceased spouse was in receipt of an old-age pension, and
- orphan's benefit for the death of a parent who was in receipt of an old-age pension.

A person entitled to old-age pension may request a postponement of the commencement of the payment of his/her pension until the age of 68. In this case, the amount of old-age pension is increased by 0.5% for every month between the month of postponement and the month of the beginning of the pension. A proportional increase will be granted in the case of a widow's pension.

An old-age pensioner, who has paid contributions on insurable earnings between the age of 63 and 65, is entitled to a weekly increase of his/her pension equal to 1/52 of 1.5% of these insurable earnings.

IX. WIDOW'S PENSION

Beneficiaries

Widow's pension is paid to the widow of the insured person who was with or mainly maintained by her husband or the widower who was incapable of self-support.

Insurance conditions

The widow's pension is payable under certain conditions:

- in case **the deceased spouse had attained the pensionable age** and was already receiving an old-age pension, or would have been entitled to an old-age pension; or
- in case **the deceased spouse had not attained the pensionable age**, and:
 - the insured person had completed at least 3 insurance points of actual basic insurance and 156 weeks had elapsed from the commencement of the week of insurance; and
 - the total number of the actual and assimilated basic insurance points of the insured person should not be less than 25% of the years within the relevant reference period.

In case of death caused by any accident, there is entitlement to such pension if the insurance conditions for funeral grant are satisfied.

Rate of pension

As in the case of old-age pension, the widow's pension is composed of: (i) the basic pension and (ii) the supplementary pension.

The basic weekly pension is 60% of the weekly average of actual and assimilated basic insurable earnings over the relevant period, increased to 80%, 90% and 100% for one, two or three dependants respectively.

If the deceased person was entitled to an old-age pension with actuarial reduction, then the basic amount of the widow's pension will be equal to the basic amount of the old-age pension of the deceased person without the increase for the dependants. This amount is increased by 20%, 10% or 10% if the recipient has one, two or three dependants, respectively.

The supplementary weekly pension is equal to 60% of the supplementary old-age or invalidity pension paid or payable to the deceased if he/she was entitled to such a pension. In any other case, the weekly amount of supplementary pension is equal to 60% of the invalidity pension that would be payable to the deceased if he/she would satisfy the relevant insurance conditions for such pension on the date of his/her death.

In the case of an insured person who passed away before the age of 63, he/she is considered to have contributed for the period from the date of his/her death until the date he would reach the age of 63.

A widow or a widower, whose husband or wife, respectively, at the time of death did not satisfy the insurance conditions for widow's pension, is entitled to a lump sum payment if her husband or his wife, respectively, (when had not attained the pensionable age) satisfied the first insurance condition for invalidity pension (when had attained the pensionable age or was receiving old-age pension), or satisfied the insurance condition for old-age lump sum. This lump sum is equal to 15% of the total amount of the deceased person's basic insurable earnings and 9% of the deceased person's total amount of supplementary insurable earnings.

In case of re-marriage, the widow is entitled to a lump sum equal to one year's pension, excluding any increases for her dependants.

X. ORPHAN'S BENEFIT

The orphan's benefit is payable to a minor:

- a. whose parents are both deceased and at least one of them was insured; or
- b. whose parents were separated and the one, under whose care he/she was, is deceased; or;
- c. whose one parent passed away and the surviving parent is not entitled to widow's pension; or
- d. whose widowed mother, who was in receipt of a widow's pension, remarried.

Insurance conditions

In cases (a) and (b) above, the orphan's benefit is paid when at least one of the parents who died was insured. In case (c) it is necessary for the deceased parent to satisfy the insurance conditions for widow's pension.

Rate of benefit

The orphan's benefit in cases (a) and (b) above is composed of the basic and the supplementary benefit.

The basic orphan's benefit is equal to 40% of the weekly amount of the basic insurable earnings.

The supplementary benefit is equal to 50% of the widow's supplementary pension, which was or would have been payable for the death of the parent, but the total of such benefit in no case can be higher than the full widow's supplementary pension, where there are more than two orphans.

The orphan's benefit in case (c) and (d) above is equal to 20% of the weekly amount of the basic insurable earnings for each orphan, up to a maximum of three orphans.

The orphan's benefit is payable until the orphan reaches the age of 15 or the age of 23 in case of a female in full time education or the age of 25 in case of a male in full-time education or in military service. There is no age limit for orphans who are permanently incapable of self-support.

A lump sum of one year's benefit is payable to an orphan, in case (a) or (b) above, on termination of his/her entitlement, other than by death, before the age of 17.

XI. MISSING PERSON'S ALLOWANCE

The allowance is the same as the basic widow's pension and the basic orphan's benefit.

XII. EMPLOYMENT INJURY BENEFITS

The benefits for employment accidents and occupational diseases are as follows:

- a. injury benefit (temporary incapacity);
- b. disability benefit (disability grant or pension); and
- c. death benefit.

a. INJURY BENEFIT (TEMPORARY INCAPACITY)

Beneficiaries

Injury benefit is payable to any employed person who is incapable of work as a result of an employment accident or occupational disease. The benefit is payable for up to 12 months from the date of accident or contraction of the disease.

Insurance conditions

There are no insurance conditions that need to be satisfied. It is sufficient that the employee was employed on the day he/she had the accident or he/she suffered from the occupational disease, that he/she cannot work because of this and he/she is not receiving salary or wage in full for this period. In the case of an employment accident it is necessary for the accident to have taken place at the workplace and during work hours for reasons related to his/her work or in transit from/to the workplace.

Rate of benefit

The rate of injury benefit is the same as for the sickness benefit, except that the minimum benefit for persons, whose earnings are below the basic insurable earnings, is corresponding to such earnings.

b. DISABILITY BENEFIT (DISABILITY GRANT OR PENSION)

Beneficiaries

Disability benefit is payable to any employed person, who as a result of an employment injury, suffers a loss of physical or mental faculty of a degree of not less than 10% with the exception for disability due to pneumoconiosis, which is compensated from 1%.

Disability benefit may take the form of either a **grant** (lump sum) or a **pension**, depending on the degree of disability. The first is payable for disability between 10% and 19%

and the latter for disability 20% and above (no benefit is payable for disability below 10%). Indicatively, the disability grant for 2013 is €3.777,87 for 10% disability and rises accordingly for every degree above 10% reaching €7.177,94 for 19% disability.

Insurance conditions

There are no insurance conditions that need to be satisfied for the payment of disability pension. Disability pension is paid even when the beneficiary is still working.

Rate of pension

The disability pension consists of (i) the basic pension and (ii) the supplementary pension.

The weekly basic disability pension for 100% disability is 60% of the weekly amount of the basic insurable earnings, increased to 80% for the first dependant, 90% for two dependants and 100% for three dependants.

The weekly supplementary pension is 60% to the weekly average of insurable earnings of the beneficiary, above the basic insurable earnings, in the period beginning the first day of the second year before the year in which the accident occurred and ending the day of accident.

The disability pension for a degree of disability below 100% is proportional to the actual degree. However, if the disability renders the person concerned permanently incapable of work, the disability benefit is payable as if the degree of disablement would be equal to the percentage of invalidity.

A constant attendance allowance per month is payable for disability pensioners with degree of disablement equal to 100% in need of constant care.

c. DEATH BENEFIT

The benefit includes:

- i. **Widow's / widower's pension,**
- ii. **Orphan's benefit,** and
- iii. **Parent's allowance.**

i. Widow's/ widower's pension

Beneficiaries

Widow's pension is paid to the survivors of an employed person, who dies as a result of an employment injury. In certain cases it is paid to the widower of an employed person, who dies as a result of an employment injury.

Insurance conditions

The widow of an employed person is allowed to a widow pension if at the time of the death of her husband she was cohabiting with her husband or he was solely or primarily responsible for her maintenance.

The widower is allowed to a widower pension if at the time of the death of his wife he was permanently incapable of self-support or the deceased wife was solely or primarily responsible for his maintenance or she would be solely or primarily responsible for his maintenance in case the death had not occurred.

There are no insurance conditions that need to be satisfied for the payment of widow's/ widower's pension.

Rate of pension

The widow's pension (and under certain conditions the widower's pension) consists of a basic pension and a supplementary pension.

The basic widow's pension is the same as the basic disability pension for 100% disability.

The supplementary widow's pension is 60% of the supplementary disability pension which the deceased was or would have been receiving, as explained under disability pension above, for 100% Disability.

In case of a widow, the pension ceases on remarriage and a lump sum equal to one year's pension, excluding any increases for dependants, is paid to her.

ii. Orphan's Benefit

Beneficiaries

The orphan's benefit for death caused by employment injury is payable to a minor, as in the case of the ordinary orphan's benefit.

Insurance conditions

There are no insurance conditions that need to be satisfied. It is sufficient that the death of one of the parents occurred due to employment injury or occupational disease.

Rate of benefit

The basic benefit is the same as for the ordinary orphan's benefit. The supplementary benefit is 50% of the supplementary widow's pension, which was or would have been payable for the death of the parent, but the total of such benefit can in no case be higher than the full widow's supplementary pension, where there are more than two orphans.

iii. Parent's allowance

Beneficiaries

The parent's allowance, is payable in case the deceased insured person died due to employment injury or occupational disease.

Insurance conditions

There are no insurance conditions that need to be satisfied. It is sufficient that the deceased did not have a surviving spouse or surviving orphans and that the surviving parent had been maintained by the deceased person until the date of his death.

Rate of benefit

The allowance consists of a basic allowance equal to 40% of the basic insurable earnings per week per parent and of a supplementary allowance equal to 30% of the 100% supplementary Disability pension which was or would be payable to the deceased.

GENERAL INFORMATION ON BENEFITS

Deadline for submission of claims for benefits

An application form should be submitted with the required certificates, within a prescribed period as mentioned in the table below.

Benefit	Deadline for submission of application forms
Marriage Grant (abolished for weddings that took place on 1/1/2013 and thereafter)	twelve months
Maternity Grant	twelve months
Funeral Grant	twelve months
Maternity Allowance	twenty-one days
Sickness Benefit	twenty-one days
Missing person's allowance	three months
Invalidity Pension	three months
Old-age Pension	three months
Widow's Pension	three months
Orphan's Benefit	three months

Employment Injury Benefits	Deadline for submission of application forms
Injury Benefit	twenty-one days
Disability Benefit	three months
Death Benefit	three months

Right to more than one benefit

The general principle of the right to only one benefit/pension/grant applies to the Scheme. This means that, where there is entitlement to more than one benefit for the same period, the benefit with the higher rate is paid. This does not apply when there

is entitlement, at the same time, to widow's pension and short-term benefit (sickness, unemployment or injury benefit or maternity allowance).

Revision of benefit rates after award

The rates of basic pensions are reviewed at the beginning of each year in accordance with the percentage of revision of the basic insurable earnings, while the rates of the supplementary pensions are reviewed, in accordance with the increase of the cost of living index (comparison of the second semester of the year with the second semester of the previous year).

Furthermore, the rates of pensions are increased every July in accordance with the increase of the cost of living index (comparison of the first semester of the year with the previous one), if the latter is at least 1%. This increase is taken into account when determining the increase of the rates of pension at the beginning of the year.

Pensions will not be revised for the period 2013-2016.

Beneficiaries under the repealed scheme

Beneficiaries in respect of pensions before the introduction of the current Scheme are receiving the benefits corresponding to the basic benefits of the current Scheme.

Appeals

If the applicant is not satisfied with the decision of the Social Insurance Services on request, may appeal against such decision by an application to the Minister of Labour and Social Security within 15 days of being notified of such decision.

If the applicant is not satisfied with the Minister's decision may appeal to the Supreme Court within 75 days of being notified by the decision of the Minister. The applicant can also appeal directly to the Supreme Court within 75 days from the date of the notification of the decision of the Social Insurance Services.

For more information you can visit the Social Insurance Services' website
www.mlsi.gov.cy/sid

or contact the telephones below:

Head Offices:	22401600		
Social Insurance District Office of Lefkosia:	22409710	Citizens' Service Centre Lefkosia:	22446686
Social Insurance Office of Agios Andreas (Lefkosia):	22878085	Citizens' Service Centre Lemesos:	25829129
Social Insurance District Office of Lemesos:	25804319	Citizens' Service Centre Larnaka:	24815555
Social Insurance District Office of Larnaka:	24805201	Citizens' Service Centre Pafos:	26822400
Social Insurance District Office of Pafos:	26821242	Citizens' Service Centre Ammochostos:	23300300
Social Insurance Office of Polis Chrysochou:	26321532	Citizens' Service Centre Polis Chrysochou:	26821888
Social Insurance Office of Ammochostos:	23816550	Citizens' Service Centre Pelendri:	25813400

