

## Cyprus

Exchange rate: US\$1.00 equals 0.48 pounds (£).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1957.

**Current laws:** 1980 (social insurance), with amendments; and 1995 (social pension), with amendments.

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed and self-employed persons aged 16 to 65.

Voluntary coverage for formerly covered persons and for Cypriots working abroad for Cypriot employers.

Exclusions: Family labor.

There are no special systems for any specified groups of employees.

**Social assistance:** The social pension is payable to persons aged 65 or older who are not entitled to a pension or a similar payment from any other source and satisfy residence conditions.

#### Source of Funds

##### Social insurance

**Insured person:** 6.3% of gross earnings; voluntary contributors, 10% of earnings.

The maximum weekly earnings for contribution purposes are £479.

The insured's contributions also finance cash sickness and maternity, work injury, and unemployment benefits.

**Self-employed person:** 11.6% of gross earnings.

The maximum weekly earnings for contribution purposes are £479.

The self-employed person's contributions also finance cash sickness and maternity benefits.

**Employer:** 6.3% of payroll.

The maximum weekly earnings for contribution purposes are £479.

The employer's contributions also finance cash sickness and maternity, work injury, and unemployment benefits.

**Government:** 4% of payroll; contributes as an employer.

The maximum weekly earnings for contribution purposes are £479.

The government contributions also finance cash sickness and maternity, work injury, and unemployment benefits.

#### Social assistance

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost of the social pension is financed out of general revenue.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 65 (age 63 for miners) with at least 3 years of contributions, covered earnings at least equal to 156 times the weekly basic insurable earnings, and weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Weekly basic insurable earnings are £79.90.

**Early pension:** Age 63 if the weekly average of paid and credited earnings is at least equal to 70% of weekly basic insurable earnings. (Miners aged 58 or older with a minimum of 5 years of employment may receive a pension 1 month earlier for every 5 months of work if they retire from that occupation.)

Benefits are payable abroad.

**Old-age settlement (social insurance):** Payable at age 68 to a person who does not meet the contribution conditions for the old-age pension because the insured's weekly average insurable earnings are less than 25% of weekly basic insurable earnings.

Weekly basic insurable earnings are £79.90.

**Social pension (social assistance):** Age 65 and the claimant has resided in Cyprus for 20 years after age 40 or 35 years after age 18.

**Disability pension (social insurance):** Payable for a permanent incapacity for work with at least 3 years of contributions, covered earnings at least equal to 156 times the weekly basic insurable earnings, and weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings; paid or credited contributions in the year before the onset of disability must be equal to at least 20 times the weekly basic insurable earnings, or average insurable earnings in the last 2 years must be equal to at least 20 times basic insurable earnings. If the disability is caused by an accident, the same qualifying conditions apply as for the cash sickness benefit, below.

Weekly basic insurable earnings are £79.90.

Benefits are payable abroad.

**Survivor pension (social insurance):** The deceased had at least 3 years of contributions, covered earnings at least equal to 156 times the weekly basic insurable earnings, and weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Weekly basic insurable earnings are £79.90.

If the death is caused by an accident, the same qualifying conditions apply as for the cash sickness benefit, below.

Benefits are payable abroad.

**Orphan's pension (social insurance):** The deceased was insured and supported the child; for full orphans, one of the parents must have been insured.

Benefits are payable abroad.

**Survivor settlement (social insurance):** Paid if a widow(er) is not entitled to the survivor pension because the weekly average insurable earnings of the deceased spouse were less than 25% of the weekly amount of the basic insurable earnings. The survivor must not receive the social pension.

Weekly basic insurable earnings are £79.90.

**Missing person's allowance (social insurance):** Payable to a dependent if the whereabouts of the insured are unknown and he or she is presumed dead.

### **Old-Age Benefits**

**Old-age pension (social insurance):** The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings exceeding basic insurable earnings.

Weekly basic insurable earnings are £79.90.

Past earnings are adjusted once a year according to changes in wages.

The maximum weekly earnings for benefit calculation purposes are £479.

The minimum pension is equal to 85% of the full basic pension.

Dependent's supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension is paid for each child up to a maximum of two children.

Schedule of payments: Thirteen payments a year.

**Old-age settlement (social insurance):** At age 68, a lump sum equal to 15% of total paid and credited insurable earnings is paid.

**Social pension (social assistance):** £155.33 a month. If receiving another pension or a similar payment that is lower than the social pension, the difference between the two pensions is paid.

Special allowance to pensioners: Payable to all pensioners with pension income (excluding dependent supplements) up to £500.

Benefit adjustment: Benefits are adjusted in January and July each year. (In January, the basic pension is adjusted according to wages and the supplementary pension according to prices; in July, the basic and supplementary pensions are adjusted according to prices.)

### **Permanent Disability Benefits**

**Disability pension (social insurance):** The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings above basic insurable earnings.

Weekly basic insurable earnings are £79.90.

Past earnings are adjusted once a year according to changes in wages.

The maximum weekly earnings for benefit calculation purposes are £479.

Dependent's supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension is paid for each child up to a maximum of two children.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted in January and July each year. (In January, the basic pension is adjusted according to wages and the supplementary pension according to prices; in July, the basic and supplementary pensions are adjusted according to prices.)

### **Survivor Benefits**

**Survivor pension (social insurance):** The basic pension is equal to 60% of the insured's average basic insurable earnings, plus 60% of the insured's supplementary pension. The pension is payable to a dependent widow(er).

Weekly basic insurable earnings are £79.90.

Past earnings are adjusted once a year according to changes in wages.

The maximum weekly earnings for benefit calculation purposes are £479.

The survivor pension ceases on remarriage, and a lump sum equal to a year's pension is paid.

A person receiving a survivor pension may also receive an old-age pension or disability pension including the supplementary pensions, up to a maximum depending on insurable earnings.

**Orphan's pension (social insurance):** The benefit is equal to 20% of the deceased's basic insurable earnings for one child, 30% for two children, and 40% for three or more

children; for full orphans, 40% of the deceased's basic insurable earnings is paid plus 50% of the supplementary widow's pension for one orphan or 100% for two or more orphans younger than age 15 (age 23 for an unmarried female orphan who is a full-time student, age 25 for an unmarried son who is a full-time student or is serving in the National Guard, no limit if disabled).

Termination settlement: A lump sum equal to 1 year's orphan's pension is payable on the termination of the orphan's pension because of age.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

Schedule of payments: Thirteen times a year.

**Survivor settlement (social insurance):** A lump sum is paid equal to 15% of the deceased's basic insurable earnings plus 9% of the deceased's earnings exceeding the basic insurable earnings level.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

**Missing person's allowance (social insurance):** The pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings exceeding the basic insurable earnings.

A person receiving a missing person's allowance may also receive an old-age pension or disability pension including the supplementary pensions, up to a maximum depending on insurable earnings.

Dependent's supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension is paid for each child up to a maximum of two children.

**Funeral grant (social insurance):** £329 is payable for the death of the insured or a pensioner; £164.50 for the death of a dependent.

Benefit adjustment: Benefits are adjusted in January and July each year. (In January, the basic pension is adjusted according to wages and the supplementary pension according to prices; in July, the basic and supplementary pensions are adjusted according to prices.)

### **Administrative Organization**

Directed by a tripartite advisory Social Insurance Board and a director, the Social Insurance Services of the Ministry of Labor and Social Insurance (<http://www.mlsi.gov.cy>) administers the program.

## **Sickness and Maternity**

### **Regulatory Framework**

**First law:** 1957.

**Current law:** 1980 (social insurance), with amendments.

**Type of program:** Social insurance system.

### **Coverage**

**Cash benefits:** Employed and self-employed persons aged 16 to 63.

Voluntary coverage for Cypriots aged 16 to 63 working abroad for Cypriot employers. Persons aged 64 or 65 are covered if they are not entitled to the old-age pension.

Exclusions: Family labor.

There are no special systems for any specified groups of employees.

**Medical benefits:** Certain categories of persons residing in Cyprus, including civil servants, members of the police and armed forces, low-income individuals and families, and persons diagnosed with certain chronic diseases.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors, above.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above. The total cost of medical benefits.

### **Qualifying Conditions**

**Sickness benefits:** Must have 26 weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, the insured can requalify after the payment of 26 additional contributions.

**Maternity benefits:** Must have 26 weeks of paid contributions with 20 contributions paid or credited in the last year.

**Maternity grant:** Must have 26 weeks of paid contributions with 20 contributions paid or credited in the last year. The grant is also payable to the nonworking wife of an insured man.

**Medical benefits:** Must reside in Cyprus.

### **Sickness and Maternity Benefits**

**Sickness benefit:** The benefit is equal to 60% of average basic insurable earnings in the last year plus a supplement

equal to 50% of average earnings exceeding the basic amount in the last year, up to a maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (18 days for self-employed persons) for up to 52 weeks.

**Dependent's supplement:** The supplement is equal to 1/3 of basic benefit for a dependent spouse and 1/6 for other dependents, up to a maximum of two dependents. A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

Past earnings are adjusted once a year according to changes in wages.

**Maternity benefit:** The benefit is equal to 75% of average insurable earnings during the last year. The benefit is payable for 16 weeks beginning between the 6th and 2nd week before the expected date of childbirth.

The benefit is also payable for 14 weeks to a stepmother for a child adopted before age 13.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

Past earnings are adjusted once a year according to changes in wages.

**Maternity grant:** A lump sum of £242.

### **Workers' Medical Benefits**

Medical services are provided directly to patients in government hospitals and dispensaries. Benefits include medical treatment, hospitalization, maternity care, and medicines.

Benefits are free for active and retired civil servants, members of the police and armed forces, recipients of social assistance and their dependents, single persons with annual income not exceeding £9,000, families with annual income not exceeding £18,000 plus £1,000 for each dependent child, families with four or more children, and persons diagnosed with certain chronic diseases.

**Cost sharing:** A copayment is made by single persons with annual income between £9,001 and £12,000 and by families with total annual income between £18,001 and £22,000 plus £1,000 for each dependent child.

### **Dependents' Medical Benefits**

Medical services are provided directly to patients in government hospitals and dispensaries. Benefits include medical treatment, hospitalization, maternity care, and medicines.

Benefits are free for the dependents of active and retired civil servants, the dependents of members of the police and armed forces, dependents of social assistance recipients, families with annual income not exceeding £18,000 plus £1,000 for each dependent child, families with four or more children, and persons diagnosed with certain chronic diseases.

**Cost sharing:** A copayment is made by families with total annual income between £18,001 and £22,000 plus £1,000 for each dependent child.

### **Administrative Organization**

Directed by a tripartite advisory Social Insurance Board and a director, the Social Insurance Services of the Ministry of Labor and Social Insurance (<http://www.mlsi.gov.cy>) administers the program.

Ministry of Health (<http://www.moh.gov.cy>) provides medical services through government hospitals.

### **Work Injury**

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#### **Regulatory Framework**

**First law:** 1957.

**Current law:** 1980 (social insurance), with amendments.

**Type of program:** Social insurance system.

#### **Coverage**

Employed persons.

Exclusions: Self-employed persons.

There are no special systems for any specified groups of employees.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

#### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.



### Temporary Disability Benefits

The benefit is equal to 60% of average basic insurable earnings in the last year and is payable after a 3-day waiting period for up to 12 months.

**Dependent's supplement:** The supplement is equal to 1/3 of basic benefits for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

**Supplementary benefit:** The benefit is equal to 50% of average insurable earnings exceeding basic insurable earnings in the last year, up to a maximum of twice basic insurable earnings.

Past earnings are adjusted once a year according to changes in wages.

The minimum benefit plus supplements is £79.90 a week.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

### Permanent Disability Benefits

**Permanent disability pension:** If the insured is 100% disabled, the weekly basic pension is equal to £47.94.

**Supplementary permanent disability pension:** The weekly pension is equal to 60% of average earnings exceeding basic earnings in the last 2 years.

Past earnings are adjusted once a year according to changes in wages.

**Partial disability:** A percentage of the full (basic and supplementary) pension is paid according to the assessed degree of disability (between 20% and 99%); a lump sum is paid for an assessed degree of disability of between 10% and 19%.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

**Dependent's supplement:** The supplement is equal to 1/3 of the basic benefit for a dependent spouse and 1/6 for other dependents, up to a maximum of two dependents. A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

**Constant-attendance supplement:** £26.07 a week is paid if assessed as 100% disabled and in need of constant care and attention.

**Benefit adjustment:** Benefits are adjusted in January and July each year. (In January, the basic pension is adjusted according to wages and the supplementary pension according to prices; in July, the basic and supplementary pensions are adjusted according to prices.)

### Workers' Medical Benefits

Benefits for the treatment of work injuries and occupational diseases include all necessary medical treatment and hospitalization in government dispensaries and hospitals.

### Survivor Benefits

**Survivor pension:** A dependent widow(er) receives £47.94 a week plus 60% of the supplementary permanent disability pension.

The supplementary permanent disability pension is equal to 60% of average earnings exceeding basic earnings in the last 2 years.

Past earnings are adjusted once a year according to changes in wages.

The survivor pension ceases on remarriage, and a lump sum equal to a year's pension is paid.

**Orphan's pension:** The benefit is equal to 20% of the deceased's basic insurable earnings for one child, 30% for two children, and 40% for three or more children; for full orphans, 40% of the deceased's basic insurable earnings is paid plus 50% of the supplementary widow's pension for one orphan or 100% for two or more orphans younger than age 15 (age 23 for an unmarried female orphan who is a full-time student, age 25 for an unmarried son who is a full-time student or serving in the National Guard, no limit if disabled).

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

**Termination settlement:** A lump sum equal to a year's orphan's pension is payable on the termination of the pension because of age.

**Dependent parent's pension (in the absence of the above):** The weekly pension is equal to 40% of basic insurable earnings plus 30% of the supplementary permanent disability pension.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

**Funeral grant:** A lump sum of £329 is payable to the widow(er) or the person who paid for the funeral.

### Administrative Organization

Directed by a tripartite advisory Social Insurance Board and a director, the Social Insurance Services of the Ministry of Labor and Social Insurance (<http://www.mlsi.gov.cy>) administers the program.

Ministry of Health (<http://www.moh.gov.cy>) provides medical services through government hospitals.

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## Unemployment

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### Regulatory Framework

**First law:** 1956.

**Current law:** 1980 (social insurance), with amendments.

**Type of program:** Social insurance system.

### Coverage

Employed persons aged 16 to 63 (including voluntarily insured persons who work for Cypriot employers abroad).

Employed persons aged 64 or 65 are covered if they are not entitled to an old-age pension.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors, above.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors, above.

**Government:** See source of funds under Old Age, Disability, and Survivors, above.

### Qualifying Conditions

**Unemployment benefits:** Must have 26 weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, requalification is possible after the payment of 26 additional weeks of contributions. The insured must be capable of and available for work and must report weekly to the employment exchange. If unemployment is due to voluntary leaving, misconduct, direct participation in a trade dispute, the refusal of a suitable job offer, or the refusal of a job opportunity, the insured may be disqualified for up to 6 weeks.

### Unemployment Benefits

The benefit is equal to 60% of average basic insurable earnings in the last year, plus a supplement of 50% of average earnings exceeding the basic amount in the last year, up to maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (30 days for the voluntarily insured) for at least 156 days.

Weekly basic insurable earnings are £79.90.

The maximum weekly earnings for benefit calculation purposes are £479.

Dependent's supplement: The supplement is equal to 1/3 of basic benefits for a dependent spouse and 1/6 for other dependents, up to a maximum of two dependents. A spouse

is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

### Administrative Organization

Directed by a tripartite advisory Social Insurance Board and a director, the Social Insurance Services of the Ministry of Labor and Social Insurance (<http://www.mlsi.gov.cy>) administers the program.

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## Family Allowances

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### Regulatory Framework

**First law:** 1987.

**Current laws:** 2002 (child benefit), with amendments; and 2003 (mother's allowance).

**Type of program:** Universal system.

### Coverage

**Child benefit:** All persons residing in Cyprus with at least one child.

**Mother's allowance:** Mothers residing in Cyprus with at least four children who are not entitled to a child benefit.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### Qualifying Conditions

**Child benefit:** Payable to parents living with at least one dependent child. The child must be younger than age 15 (age 18 if unmarried; age 25 if in military service; age 25 (male) or age 23 (female) if a student; no limit if disabled).

Supplementary annual benefit: Payable to families based on gross family income in the 3 years before the claim to child benefit (income up to £18,000 in 2003).

**Mother's allowance:** Payable to mothers residing in Cyprus with at least four children who have ceased to be entitled to the child benefit as a result of exceeding the age limit. The allowance is not payable to mothers who are entitled to the social pension or any other pension from another source if the amount of this pension is equal to or more than the maximum monthly rate of the basic old-age pension (£191.77).

**Marriage grant:** The spouse has been insured for at least 26 weeks and has paid contributions on insurable earnings that are at least 26 times the weekly amount of the basic insurable earnings and the claimant has paid or been

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credited with insurable earnings in the previous contribution year that are at least 20 times the weekly amount of the basic insurable earnings.

Weekly basic insurable earnings are £79.90.

### **Family Allowance Benefits**

**Child benefit:** The annual basic benefit is £218.48 for families with one eligible child, £436.97 for two eligible children, £1,310.89 for three eligible children, and £655.45 per child for families with four or more children.

**Supplementary annual benefit:** If the annual family income is less than or equal to £9,000, the benefit is £54.62 for one eligible child, £218.48 for two eligible children, £491.59 for three eligible children, and £218.48 per child for families with four or more children.

If the annual family income is between £9,000.01 and £18,000, the benefit is £27.31 for families with one eligible child, £163.86 for two eligible children, £409.65 for three

eligible children, and £136.55 per child for families with four or more children.

**Mother's allowance:** An eligible mother receives £35.20 a month regardless of the number of children.

**Schedule of payments:** Thirteen payments a year.

**Marriage grant:** £329 is paid a month for a year. The grant is divided equally between the two spouses if either spouse satisfies the contribution conditions.

**Benefit adjustment:** Benefits are adjusted in January each year according to changes in the cost of living.

### **Administrative Organization**

Ministry of Finance (<http://www.mof.gov.cy>) administers the child benefit and mother's allowance programs.

Directed by a tripartite advisory Social Insurance Board and a director, the Social Insurance Services of the Ministry of Labor and Social Insurance (<http://www.mlsi.gov.cy>) administers and pays the marriage grant.