

Cyprus

Exchange rate: US\$1.00 = 0.92 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1957.

Current laws: 1995 (social pension) and 2010 (social insurance).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed and self-employed persons.

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

Exclusions: Family labor.

Social assistance (social pension): Residents of Cyprus.

Source of Funds

Social insurance

Insured person: 7.8% of covered earnings; voluntarily insured, 13% of declared income in Cyprus and 15.6% of covered earnings abroad.

The maximum weekly earnings used to calculate contributions are €1,046.

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

Self-employed person: 14.6% of income according to occupation.

The maximum weekly earnings used to calculate contributions are €1,046.

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

Employer: 7.8% of covered payroll.

The maximum weekly earnings used to calculate contributions are €1,046.

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

Government: 4.6% of covered payroll for insured persons, self-employed persons, and voluntarily insured persons working abroad (4.1% if working in Cyprus).

The maximum weekly earnings used to calculate contributions are €1,046.

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

Social assistance (social pension)

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost financed from general revenue.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (age 63 for miners) with at least 14 years of coverage (gradually rising to 15 years by 2017), paid contributions on earnings of at least 728 times (gradually rising to 780 times by 2017) the weekly basic covered earnings, and paid or credited contributions in at least 30% of the reference period.

The reference period is the years since October 5, 1964, (since January 7, 1957, if it results in a higher benefit) or the year in which the insured reached age 16, whichever is later, up to the pensionable age.

Weekly basic covered earnings are €174.38.

Early pension: Age 63 with paid or credited contributions in at least 70% of the reference period. (Miners aged 58 or older with at least three years of employment may receive a pension one month earlier for every five months of mining work if they retire from that occupation.)

The reference period is the years since October 5, 1964, (since January 7, 1957, if it results in a higher benefit) or the year in which the insured reached age 16, whichever is later, up to the pensionable age.

Benefits are payable abroad.

Old-age settlement (social insurance): Age 68 and does not qualify for the old-age pension. Must have paid contributions in at least six years on earnings of at least 312 times the weekly basic covered earnings.

Weekly basic covered earnings are €174.38.

Social pension (social assistance): Age 65, a resident of Cyprus for at least 20 years after age 40 or 35 years after age 18, and not entitled to any other benefit.

Disability pension (social insurance): Paid for a loss of working capacity of at least 50%. The insured must have at least three years of coverage, paid contributions on earnings of at least 156 times the weekly basic covered earnings, and paid or credited contributions in at least 25% of the reference period. Must have either paid or credited contributions in the year before the disability began or average covered earnings in the last two years of at least 20 times the weekly basic covered earnings.

The reference period is the years since October 5, 1964, (since January 7, 1957, if it results in a higher benefit) or

the year in which the insured reached age 16, whichever is later, up to the week before the disability began.

If the disability is caused by an accident, the same qualifying conditions apply as for cash sickness benefit (see Sickness and Maternity).

Weekly basic covered earnings are €174.38.

Benefits are payable abroad.

Spouse's pension (social insurance): Paid to a widow(er) if the deceased received or was entitled to receive an old-age pension or was insured for at least three years, had paid contributions on earnings of at least 156 times the weekly basic covered earnings, and had paid or credited contributions in at least 25% of the reference period.

The reference period is the years since October 5, 1964, (since January 7, 1957, if it results in a higher benefit) or the year in which the deceased reached age 16, whichever is later, up to the age at death.

If the death is caused by an accident, the same qualifying conditions apply as for cash sickness benefit (see qualifying conditions under Sickness and Maternity).

Weekly basic covered earnings are €174.38.

Benefits are payable abroad.

Orphan's pension (social insurance): The deceased was insured and was supporting a child up to age 15 (age 25 (men) or age 23 for (women) if a full-time student or in military service at the time of death; no limit if disabled); for full orphans, one of the parents must have been insured.

Termination settlement: Paid when an orphan is no longer eligible for an orphan's pension due to age restrictions.

Benefits are payable abroad.

Spouse's settlement (social insurance): Paid to a widow(er) if the deceased did not meet the contribution conditions for a spouse's pension but had paid contributions on earnings of at least 156 times the weekly basic covered earnings. If the deceased received or was entitled to receive an old-age pension the qualifying conditions are the same as for the old-age settlement. The widow(er) may not receive a social pension and a spouse's settlement at the same time.

Weekly basic covered earnings are €174.38.

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

Funeral grant: Paid if the deceased was receiving an old age, disability, spouse's, or orphan's pension, or a missing person's allowance; died as a result of an occupational accident or disease; or was insured for at least 26 weeks with paid contributions on covered earnings of at least 26 times the weekly basic covered earnings, and paid or credited contributions in the previous year on earnings of at

least 20 times the weekly basic covered earnings. Also paid when an insured person's dependent dies.

Weekly basic covered earnings are €174.38.

Old-Age Benefits

Old-age pension (social insurance): The pension consists of a basic pension and a supplementary pension. The full basic pension is 60% of the insured's annual average basic covered earnings. The supplementary pension is 1.5% of the insured's earnings above the weekly basic covered earnings.

Early pension: The pension is reduced by 0.5% for every month taken before age 65.

Weekly basic covered earnings are €174.38.

Basic covered earnings are adjusted once a year according to changes in wages. Earnings for the supplementary pension are adjusted annually.

The maximum weekly covered earnings are €1,046.

The minimum pension is 85% of the basic pension.

Dependent's supplement: The basic pension is increased to 80% of the insured's annual average basic covered earnings for the first dependent, 90% for the second, and 100% for the third; for a married female beneficiary, an additional 10% of the annual average basic covered earnings is paid for each child, up to two children.

Schedule of payments: Thirteen payments (one every four weeks) a year.

Old-age settlement (social insurance): A lump sum of 15% of the total paid or credited contributions is paid.

Social pension (social assistance): €336.28 a month is paid. If receiving another pension or a similar payment less than the social pension, the difference between the two pensions is paid.

Benefit adjustment: Benefits are adjusted in January and July each year according to changes in wages and prices. Pension indexation has been suspended from January 1, 2013 until December 31, 2016.

Permanent Disability Benefits

Disability pension (social insurance): The full disability pension is paid for a 100% loss of earning capacity. The pension consists of a basic pension and a supplementary pension. The basic pension is 60% of the insured's annual average basic covered earnings. The supplementary pension is 1.5% of the insured's earnings above the weekly basic covered earnings. The period from the onset of the disability to age 63 is credited.

Partial disability: 85% of the full pension is paid for a loss of earning capacity of 76% to 99%; 75% for a loss of earning capacity of 66.7% to 75%; 60% for a loss of earning capacity of 50% to 66.6%.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages. Earnings for the supplementary pension are adjusted annually.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic pension is increased to 80% of the insured's annual average basic covered earnings for the first dependent, 90% for the second, and 100% for the third; for a married female beneficiary, an additional 10% of the annual average basic covered earnings is paid for each child, up to two children.

Schedule of payments: Thirteen payments (one every four weeks) a year.

Benefit adjustment: Benefits are adjusted in January and July each year according to changes in wages and prices. Pension indexation has been suspended from January 1, 2013 until December 31, 2016.

Survivor Benefits

Spouse's pension (social insurance): The pension consists of a basic pension and a supplementary pension. The basic pension is 60% of the insured's annual average basic covered earnings. The supplementary pension is 60% of the supplementary old-age or disability pension (1.5% of the insured's earnings above the weekly basic covered earnings) the deceased received or was entitled to receive.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic pension is increased to 80% of the insured's annual average basic covered earnings for the first dependent, 90% for the second, and 100% for the third.

The spouse's pension ceases on remarriage and a lump sum of one year of the pension is paid.

A person may receive a spouse's pension and an old-age or disability pension (including the supplementary pension) at the same time, up to a maximum that varies according to the insured's covered earnings.

Schedule of payments: Thirteen payments (one every four weeks) a year.

Orphan's pension (social insurance): 20% of the deceased's basic covered earnings is paid for each child, up to three children; 40% for full orphans plus 50% of the supplementary spouse's pension for one orphan or 100% for two or more orphans younger than age 15 (age 23 (unmarried women) if a full-time student or age 25 (unmarried men) if a full-time student or in military service; no limit if disabled).

Termination settlement: A lump sum of one year of pension is paid.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Schedule of payments: Thirteen payments (one every four weeks) a year.

Spouse's settlement (social insurance): A lump sum of 15% of the deceased's basic covered earnings plus 9% of earnings exceeding basic covered earnings is paid.

Weekly basic covered earnings are €174.38.

The maximum weekly covered earnings are €1,046.

Missing person's allowance (social insurance): The allowance is 60% of the insured's annual average basic covered earnings plus 60% of the supplementary old-age or disability pension (1.5% of covered earnings exceeding basic covered earnings) the deceased received or was entitled to receive.

A person receiving a missing person's allowance may also receive an old-age or disability pension (basic and supplementary) up to a maximum, depending on covered earnings.

Funeral grant (social insurance): A lump sum of €507.81 is paid when the insured or a pensioner dies; €283.90 when a dependent dies.

Benefit adjustment: Benefits are adjusted in January and July each year according to changes in wages and prices. Pension indexation has been suspended from January 1, 2013 until December 31, 2016.

Administrative Organization

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

Sickness and Maternity

Regulatory Framework

First law: 1957.

Current law: 2010 (social insurance).

Type of program: Social insurance system.

Coverage

Cash benefits: Employed and self-employed persons.

Voluntary coverage for citizens working abroad for Cypriot employers and persons aged 64 or 65 not entitled to the old-age pension.

Exclusions: Family labor.

Medical benefits: Certain categories of persons residing in Cyprus, including civil servants, military and police

personnel, 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.

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

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

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

Qualifying Conditions

Sickness benefits: Must have at least 26 weeks of coverage, paid contributions on earnings of at least 26 times the weekly basic covered earnings, and paid or credited contributions on earnings of at least 20 times the weekly basic covered earnings in the last year. After benefits have been paid for one year, the insured may qualify for an additional benefit after 13 more weeks of work and paid contributions on earnings of at least 26 times the weekly basic covered earnings.

Dependent's supplement: Paid to a spouse who is not working or receiving any benefit from the Social Insurance Fund.

Maternity benefits: Must have paid contributions on earnings of at least 26 times the weekly basic covered earnings, and paid or credited contributions on earnings of at least 20 times the weekly basic covered earnings in the last year.

Dependent's supplement: Paid to a spouse who is not working or receiving any benefit from the Social Insurance Fund.

Maternity grant: The insured or the insured's husband must have at least 26 weeks of coverage, paid contributions on earnings of at least 26 times the weekly basic covered earnings, and paid or credited contributions on earnings of at least 20 times the weekly basic covered earnings in the last year. The grant is also paid to the nonworking wife of an insured man.

Medical benefits: Residents of Cyprus.

Sickness and Maternity Benefits

Sickness benefit: The benefit consists of a basic benefit and a supplementary benefit. The basic benefit is 60% of the insured's average basic covered earnings in the last year. The supplement is 50% of average covered earnings exceeding basic covered earnings in the last year, up to twice the weekly basic covered earnings. The benefit is paid after a three-day waiting period (nine days for self-employed persons) for up to 52 weeks.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic benefit is increased to 80% of average basic covered earnings for the first dependent, 90% for the second, and 100% for the third.

Maternity benefit: The benefit consists of a basic benefit and a supplementary benefit. The basic benefit is 72% of the insured's average basic covered earnings in the last year. The supplement is 72% of average covered earnings exceeding basic covered earnings in the last year, up to the maximum covered earnings. The benefit is paid for 18 weeks beginning two to nine weeks before the expected date of childbirth (22 weeks for multiple births, may be extended for premature births).

The benefit is paid for 16 weeks to a stepmother of a child adopted before age 12.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic benefit is increased to 80% of average basic covered earnings for the first dependent, 90% for the second, and 100% for the third.

Maternity grant: A lump sum of €544.08 is paid.

Workers' Medical Benefits

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

Benefits are free for active and retired civil servants, military and police personnel, recipients of social assistance and their dependents, unmarried persons with annual income up to €15,377.41, families with annual income up to €30,754.82 plus €1,708.60 for each dependent child (no income limit for families with four or more children), and persons diagnosed with certain chronic diseases.

Cost sharing: Copayments are required for unmarried persons with annual income from €15,377.42 to €20,503.22 and for families with total annual income from €30,754.83 to €37,589.23 plus €1,708.60 for each dependent child.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Cost sharing: Copayments are required for families with total annual income from €30,754.83 to €37,589.23 plus €1,708.60 for each dependent child.

Administrative Organization

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

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

Work Injury

Regulatory Framework

First law: 1957.

Current law: 2010 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

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

Self-employed person: Not applicable.

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

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

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The pension consists of a basic benefit and a supplementary benefit. The basic benefit is 60% of the insured's average basic covered earnings in the last year. The supplementary benefit is 50% of average covered earnings exceeding basic covered earnings in the last year, up to twice the weekly basic covered earnings.

Dependent's supplement: The basic benefit is increased to 80% of average basic covered earnings for the first dependent, 90% for the second, and 100% for the third. A spouse is considered dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Permanent Disability Benefits

Permanent disability pension: The pension consists of a basic pension and a supplementary pension. If the insured has an assessed incapacity of 100%, the full basic pension is 60% of the insured's weekly basic covered earnings. The supplementary pension is 60% of average covered earnings exceeding basic covered earnings in the last two years.

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

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic benefit is increased to 80% of the insured's average basic covered earnings for the first dependent, 90% for the second, and 100% for the third. A spouse is considered dependent if not working or receiving any benefit from the Social Insurance Fund.

Benefit adjustment: Benefits are adjusted in January and July each year according to changes in wages and prices.

Workers' Medical Benefits

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

Survivor Benefits

Spouse's pension: The pension consists of a basic pension and a supplementary pension. The basic pension is 60% of the insured's weekly basic covered earnings. The supplementary pension is 60% of the supplementary permanent disability pension for a 100% incapacity.

The supplementary permanent disability pension for a 100% incapacity is 60% of the deceased's average covered earnings exceeding basic covered earnings in the last two years.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

The spouse's pension ceases on remarriage and a lump sum of one year of pension is paid.

Orphan's pension: 20% of the deceased's basic covered earnings is paid for each child, up to three children; 40% for full orphans plus 50% of the supplementary spouse'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

male orphan who is a full-time student or is serving in the National Guard, no limit if disabled).

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Termination settlement: When an orphan's pension ends due to age restrictions, a lump sum of one year of pension is paid.

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

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Funeral grant: A lump sum of €507.81 is paid to the widow(er) or the person who paid for the funeral.

Administrative Organization

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

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

Unemployment

Regulatory Framework

First law: 1957.

Current law: 2010 (social insurance).

Type of program: Social insurance system.

Coverage

Employed persons, including voluntarily insured persons who work for Cypriot employers abroad and employed persons aged 64 or 65 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.

Self-employed person: Not applicable.

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

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

Qualifying Conditions

Unemployment benefits: Must have at least 26 weeks of coverage, paid contributions on earnings of at least 26 times the weekly basic covered earnings, and paid or credited contributions on earnings of at least 20 times the weekly basic covered earnings in the last year. After entitlement to the benefit ceases, the insured can qualify for additional benefits after 13 weeks of work and paid contributions on earnings of at least 26 times the weekly basic covered earnings.

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, or the refusal of a suitable job offer, the insured may be disqualified for up to six weeks.

Dependent's supplement: Paid to a spouse who is not working or receiving any benefit from the Social Insurance Fund.

Unemployment Benefits

The benefit consists of a basic benefit and a supplementary benefit. The basic benefit is 60% of the insured's average basic covered earnings in the last year. The supplement is 50% of average covered earnings exceeding basic covered earnings in the last year. The benefit is paid after a three-day waiting period (30 days for the voluntarily insured) for up to 156 days.

Weekly basic covered earnings are €174.38. Basic covered earnings are adjusted once a year according to changes in wages.

The maximum weekly covered earnings are €1,046.

Dependent's supplement: The basic benefit is increased to 80% of the insured's average basic covered earnings for the first dependent, 90% for the second, and 100% for the third.

Administrative Organization

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

Family Allowances

Regulatory Framework

First law: 1987.

Current laws: 2002 (child benefit) and 2003 (mother's allowance).

Cyprus

Type of program: Universal system.

Coverage

Child benefit: Residents of Cyprus.

Mother's allowance: Residents of Cyprus.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Child benefit: Paid to parents living with at least one dependent child. The child must be younger than age 18 (age 19 if a student; age 21 if in military service; no limit if disabled).

Single parent benefit: Paid to single parents.

Family Allowance Benefits

Child benefit

Basic benefit: For families with annual income up to €49,000, €379.92 a year is paid for one eligible child, €379.92 for two children, €759.96 for three children, and €1,260 for four or more children. For families with annual income from €49,000.01 up to €59,000, €345 a year is paid for two eligible children, €690 for three children, and €1,134.96 for four or more children.

Supplementary benefit: If annual family income is €19,500 or less, €95.04 a year is paid for one eligible child, €189.96 for two children, €285 for three children, and €414.96 for four or more children. If annual family income is from €19,500.01 up to €39,000.00, €45 a year is paid for one eligible child, €140.04 for two children, €234.96 for three children, and €264.96 for four or more children.

Single parent benefit: If annual family income is €39,000 or less, €2,160 a year is paid for each eligible child; if annual family income is €39,000.01 to €49,000, a €1,920 a year is paid for each child.

Administrative Organization

Welfare Benefits Administration Service in the Ministry of Labor, Welfare, and Social Insurance, administers the child benefit and mother's allowance programs.