



Social Insurance and National Health contributions for 2020

14 January 2020 – This year Social Insurance contributions remain the same as in 2019 whereas contributions to the General Healthcare System will be increased on 1 March 2020. This increase is offset for individuals by the recent increase of the maximum annual tax deduction from 1/6th to 1/5th of their taxable income.

Social Insurance Contributions for 2020

The Social Insurance Contributions for 2020 are summarized below:

Contributions	Employee	Employer	Self-Employed
Social Insurance Contributions	8,3%	8,3%	15,6%
Social Cohesion Fund		2,0%	
Redundancy Fund		1,2%	
Industrial Training Fund		0,5%	
Holiday Fund (if not exempt)		8,0%	

Note 1: Social cohesion fund is calculated on total emoluments and has no maximum level.

Note 2: As from 1st of January 2020, the maximum amount applicable for Social Insurance contribution purposes is €54.864 pa, €4.572 per month for monthly paid employees and €1.055 per week for weekly paid employees.

General Health System Contributions for 2020

Also, as from 1 March 2019 the General Healthcare System Law of 2001 (GHS), as amended, came into effect.

Individuals, employers and the government contribute to the GHS.

Initially, the contributions were set at 1,70% for employees and pensioners, 1,85% for employers, 1,65% for the government, and 2,55% for self-employed individuals. As from 1 March 2020, the contributions will increase to 2,65% for employees and pensioners, 2,90% for employers, 4,70% for the government and 4% for self-employed. The contributions will be deducted from the entire earnings of the individuals (including dividends, interest and rental income) up to a maximum of €180.000.

Below is set a table summarizing the relevant contributions:

Ref	Category	Sources of Income	Applicable From	
			1/3/2019	1/3/2020
(i)	Employees	Emoluments	1,70%	2,65%
(ii)	Employers	Employees' emoluments	1,85%	2,90%
(iii)	Self-Employed	Own Income	2,55%	4,00%
(iv)	Pensioners	Pension	1,70%	2,65%
(v)	Persons holding an office	Officers' Remuneration	1,70%	2,65%
(vi)	Republic of Cyprus or Natural/ Legal person responsible for the remuneration of persons holding an office	Officers' Remuneration	1,85%	2,90%
(vii)	Persons earning rental, interest, dividend and other income	Rent, interest and dividend	1,70%	2,65%
(viii)	Republic's Consolidated Fund	Emoluments/pensions of persons in (i), (iii), (iv) and (v)	1,65%	4,70%

It is noted that for General Health System Contributions purposes domicile of the individual is irrelevant.

As always, the Taxation Department of Costas Tsielepis & Co Ltd is at your disposal should you require any further information or clarifications.