



## Benefits in Kind defined for Social Insurance purposes

20 May 2020 - The Social Insurance Department has provided written guidance to Costas Tsielepis & Co Ltd on whether specific Benefits in Kind fall within the definition of insurable earnings for Social Insurance purposes.

Listed below are 12 scenarios of Benefits in Kind that are exempt from Social Insurance contributions with the exemption of scenarios 1, 2, 7 και 8, under which there is an obligation by the employer to pay only the 2% Social Cohesion Fund (SCF).

No.	Scenarios	Social Insurance Contributions, Annual Leave, Redundancy & Industrial Training Funds	Social Cohesion Fund
1.	Employer rents property and furniture which are used by the employees	Exempt	2%
2.	Employer provides rental allowance and travelling allowance to the employees	Exempt	2%
3.	Employer provides monthly allowances relating to telephone, electricity and water to the employees	Exempt	Exempt
4.	Employer pays tickets for the employees to visit their family abroad.	Exempt	Exempt
5.	Employer provides motor vehicles (either owned or leased) for the personal use of the employees.	Exempt	Exempt
6.	Employer provides free parking for the use of the employees	Exempt	Exempt
7.	Employer provides monthly motor vehicle allowance for the personal use of the employees	Exempt	2%
8.	Employer provides a fixed allowance to the employees for the use of their personal motor vehicles used for business purposes	Exempt	2%
9.	Employer pays on behalf of the employees premiums relating to medical schemes, life insurance schemes and other insurance schemes payable by the employees	Exempt	Exempt
10.	Employer compensates employee for the relocation to Cyprus	Exempt	Exempt



11.	Employer provides assets in reduced prices to the employees, repayment of personal liabilities/ accounts (tuition fees, gym expenses, etc.). In addition, the employer provides free or subsidized goods and services (i.e. travelling, entertainment, meals, consulting services, moving or transportation services etc.).	Exempt	Exempt
12.	Employer provides the option to the employees for the acquisition of shares of the employer or another related entity on a predetermine price (option rights).	Exempt	Exempt

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