



Social Insurance Contributions up by 0,5%

7 January 2019 - Social Insurance Contributions have increased by 0,5% as from 1 January 2019.

As of the beginning of the year, both employer and employee Social Insurance Contributions will increase by 0,5%, from 7,8% to 8,3%. The increase will be applicable for the next five years.

Additionally, the Social Insurance Contributions payable by self-employed individuals will increase by 1%, from 14,6% to 15,6%. The amount of the contributions is subject to lower and maximum limits, depending on the profession or trade of the self-employed individual. These limits are set on an annual basis.

The below table summarises the relevant rates applicable for 2019:

Contributions	Employee	Employer
Social Insurance Contributions	8,3%	8,3%
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 2019, the maximum amount applicable for Social Insurance Contribution purposes is €54.648 p.a. for monthly paid employees, €54.652 p.a. for weekly paid employees, €4.554 per month for monthly paid employees and €1.051 per week for weekly paid employees.

Introduction of the National Health Insurance System

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

Individuals, employers and the government will contribute to the GHS.

Initially, the contributions are 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 summarising 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%

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