

Cyprus

Exchange rate: US\$1.00 equals 0.70 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1957.

Current laws: 1980 (social insurance) and 1995 (social pension).

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 citizens working abroad for Cypriot employers.

Exclusions: Family labor.

Social assistance: Persons aged 65 or older who are residents of Cyprus and ineligible for social insurance benefits.

Source of Funds

Social insurance

Insured person: 6.8% of covered earnings; 11% of covered earnings for voluntary contributors working in Cyprus; 13.6% of covered earnings for voluntary contributors working abroad.

The maximum weekly earnings used to calculate contributions are €973.

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

Self-employed person: 12.6% of covered earnings.

The maximum weekly earnings used to calculate contributions are €973.

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

Employer: 6.8% of covered payroll.

The maximum weekly earnings used to calculate contributions are €973.

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

Government: 4.3% of covered payroll; 3.8% for voluntary contributors.

The maximum weekly earnings used to calculate contributions are €973.

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 from general revenue.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (age 63 for miners) with at least 5 years of contributions, covered earnings of at least 260 times the weekly basic covered earnings, and paid and credited weekly average earnings of at least 25% of basic covered earnings since 1964 or age 16. Weekly basic covered earnings are €162.22.

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

Benefits are payable abroad.

Old-age settlement (social insurance): Paid at age 68 to an insured person who does not meet the contribution conditions for the old-age pension because their weekly average covered earnings are less than 208 times the weekly basic covered earnings.

Weekly basic covered earnings are €162.22.

Social pension (social assistance): Age 65 or older and a resident of Cyprus for at least 20 years after age 40 or 35 years after age 18.

Special allowance to pensioners: A special allowance is paid to old-age pensioners under certain conditions.

Disability pension (social insurance): Paid for a permanent incapacity for work with at least 5 years of contributions. The insured must have covered earnings of at least 156 times the weekly basic covered earnings and paid and credited weekly average earnings of at least 25% of basic covered earnings since 1964 or age 16. Additionally, paid or credited contributions in the year before the disability began or average covered earnings in the last 2 years must be at least 20 times the weekly basic covered earnings. If the disability is caused by an accident, the same qualifying conditions apply as for the cash sickness benefit (see Sickness and Maternity).

Weekly basic covered earnings are €162.22.

Benefits are payable abroad.

Survivor pension (social insurance): The deceased had at least 3 years of contributions, covered earnings of at least

156 times the weekly basic covered earnings, and paid and credited weekly average earnings of at least 25% of basic covered earnings since 1964 or age 16, or was entitled to an old-age pension.

Weekly basic covered earnings are €162.22.

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

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 deceased's weekly average covered earnings were less than 156 times the weekly basic covered earnings. The survivor may not receive a social pension and a survivor settlement at the same time.

Weekly basic covered earnings are €162.22.

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.

Old-Age Benefits

Old-age pension (social insurance): The monthly basic pension is 60% of average basic covered earnings plus a supplementary pension of 1.5% of covered earnings exceeding basic covered earnings.

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

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

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

Dependent's supplement: The basic pension is increased by 33.3% for the first dependent and by 16.6% for the second and third dependents; for a married female beneficiary, 16.7% of the basic pension is paid for each child, up to two children.

Schedule of payments: Thirteen payments a year.

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

Social pension (social assistance): €315.36 a month is paid. If receiving another pension or a similar payment that is less than the social pension, the difference between the two pensions is paid.

Special allowance to pensioners: Up to €854.30 is paid (excluding dependent supplements).

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

Permanent Disability Benefits

Disability pension (social insurance): The monthly basic pension is 60% of average basic covered earnings plus a supplementary pension of 1.5% of covered earnings exceeding basic covered earnings.

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

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

Dependent's supplement: The basic pension is increased by 33.3% for the first dependent and by 16.7% for the second and third dependents; for a married female beneficiary, 16.7% of the basic pension is paid for each child, up to two children.

Schedule of payments: Thirteen payments a year.

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

Survivor Benefits

Survivor pension (social insurance): The monthly basic pension is 60% of the insured's average basic covered earnings plus a supplementary pension of 60% of the insured's supplementary pension (1.5% of covered earnings exceeding basic covered earnings). The pension is paid to a dependent widow(er).

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

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

The survivor pension ceases on remarriage and a lump sum of a year of pension is paid.

A person may receive a survivor pension and an old-age or disability pension (including the supplementary pension) at the same time, up to a maximum depending on covered earnings.

Orphan's pension (social insurance): The benefit is 20% of the deceased's basic covered earnings for one child, 30% for two children, and 40% for three or more children; for full orphans, 40% of the deceased's basic covered earnings is paid plus 50% of the supplementary widow(er)'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).

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

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

Schedule of payments: Thirteen payments a year.

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

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

Missing person's allowance (social insurance): The pension is 60% of average basic covered earnings plus a supplementary pension of 1.5% of covered earnings exceeding basic covered 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 covered earnings.

Dependent's supplement: The basic pension is increased by 33.3% for the first dependent and by 16.7% for the second and third dependents; for a married female beneficiary, 16.7% of the basic pension is paid for each child, up to two children.

Funeral grant (social insurance): €668 is paid for the death of the insured or a pensioner; €334 for the death of a dependent.

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

Administrative Organization

Social Insurance Service of the Ministry of Labor 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: 1980 (social insurance).

Type of program: Social insurance system.

Coverage

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

Voluntary coverage for citizens 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.

Medical benefits: Certain categories of persons residing in Cyprus, including civil servants, police force and armed forces 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: The insured must have at least 26 weeks of paid contributions including 20 contributions paid or credited in the last year. After entitlement to sickness benefits ceases, the insured can qualify for additional benefits after 26 more weekly contributions.

Maternity benefits: The insured must have at least 26 weeks of paid contributions including at least 20 contributions paid or credited in the last year.

Maternity grant: The insured must have 26 weeks of paid contributions including at least 20 contributions paid or credited in the last year. The grant is also paid to the non-working wife of an insured man.

Medical benefits: The insured must reside in Cyprus.

Sickness and Maternity Benefits

Sickness benefit: The benefit is 60% of the insured's average basic covered earnings in the last year plus a supplement of 50% of average covered earnings exceeding basic covered earnings in the last year, up to twice the basic covered earnings. The benefit is paid after a 3-day waiting period (9 days for self-employed persons) for up to 52 weeks.

Weekly basic covered earnings are €162.22.

Dependent's supplement: The supplement is 33.3% of the basic benefit for a dependent spouse and 16.7% for each other dependent, up to two dependents. A spouse is considered dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

The maximum weekly earnings used to calculate benefits are €973.

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

Maternity benefit: The benefit is 75% of the insured's average covered earnings during the last year. The benefit is paid for 18 weeks beginning between the 6th and 2nd week before the expected date of childbirth.

The benefit is also paid for 16 weeks to a stepmother of a child adopted before age 13.

The maximum weekly earnings used to calculate benefits are €973.

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

Maternity grant: A lump sum of €491 is paid.

Workers' Medical Benefits

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

Benefits are free for active and retired civil servants, police force and armed forces personnel, recipients of social assistance and their dependents, unmarried persons with annual income not exceeding €15,377.41, families with annual income not exceeding €30,754.83 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: A copayment is made for unmarried persons with annual income between €15,379.12 and €20,503.22 and for families with total annual income between €30,756.53 and €37,589.23 plus €1,708.60 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 medicine.

Benefits are free for the dependents of active and retired civil servants, the dependents of police force and armed forces personnel, dependents of social assistance recipients, families with annual income not exceeding €30,754.83 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: A copayment is made for families with total annual income between €30,756.53 and €37,589.23 plus €1,708.60 for each dependent child.

Administrative Organization

Social Insurance Service of the Ministry of Labor 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: 1980 (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 monthly basic benefit is 60% of average basic covered earnings in the last year plus a supplementary benefit of 50% of average covered earnings exceeding basic covered earnings in the last year, up to twice the basic covered earnings. Benefits are paid after a 3-day waiting period for up to 12 months.

Dependent's supplement: The supplement is 33.3% of the benefit for a dependent spouse and 16.7% for each other dependent, up to 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 covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

The minimum benefit plus supplements is €162.22 a week.

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

Permanent Disability Benefits

Permanent disability pension: If the insured has an assessed disability of 100%, the monthly basic pension is €389.33 plus a supplementary pension of 60% of average covered earnings exceeding basic covered earnings in the last two 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 of between 20% and 99%; a lump sum is paid for an assessed degree of disability of between 10% and 19%.

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

Dependent's supplement: The supplement is 33.3% of the basic pension for a dependent spouse and 16.7% for other dependents, up to 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: €211.73 a month is paid if the insured requires the constant attendance of others to perform daily functions.

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 dispensaries and hospitals.

Survivor Benefits

Survivor pension: A dependent widow(er) receives €211.73 a week plus 60% of the supplementary permanent disability pension.

The supplementary permanent disability pension is 60% of the deceased's average covered earnings exceeding basic covered earnings in the last 2 years.

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

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

The survivor pension ceases on remarriage and a lump sum of a year of pension is paid.

Orphan's pension: The benefit is 20% of the deceased's basic covered earnings for one child, 30% for two children, and 40% for three or more children; for full orphans, 40%

of the deceased's basic covered 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).

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

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

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

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

Funeral grant: A lump sum of €668 is paid to the widow(er) or the person who paid for the funeral.

Administrative Organization

Social Insurance Service of the Ministry of Labor 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: 1956.

Current law: 1980 (social insurance).

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.

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: The insured must have at least 26 weeks of paid contributions including at least 20 contributions paid or credited in the last year. After entitlement to the benefit ceases, the insured can qualify for additional benefits with 26 more weekly 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, or the refusal of a suitable job offer, the insured may be disqualified for up to 6 weeks.

Unemployment Benefits

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

Weekly basic covered earnings are €162.22.

The maximum weekly earnings used to calculate benefits are €973.

Dependent's supplement: The supplement is 33.3% of the basic benefit for a dependent spouse and 16.7% for other dependents, up to 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

Social Insurance Service of the Ministry of Labor 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).

Type of program: Universal system.

Coverage

Child benefit: All residents of 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: Paid to parents living with at least one dependent child. The child must be younger than age 15 (age 18 if unmarried; age 23 if a student; age 25 if in the National Guard; no limit if disabled).

Supplementary annual benefit: Paid to families according to gross family income in the 3 years before applying for the child benefit (annual income up to €34,172 in 2006).

Mother's allowance: Paid 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.

Marriage grant: Paid if insured for at least 26 weeks and the insured has paid contributions on covered earnings that are at least 26 times the weekly amount of the basic covered earnings and has paid or been credited with covered earnings in the previous contribution year that are at least 20 times the weekly amount of the basic covered earnings.

Weekly basic covered earnings are €162.22.

Family Allowance Benefits

Child benefit: The annual basic benefit is €409.99 for families with one eligible child, €820 for two eligible children, €2,459.94 for families with three eligible children, and €1,352.98 per child for families with four or more children.

Supplementary annual benefit: If the annual family income is up to €17,086.11, the benefit is €102.49 for one eligible child, €409.98 for two eligible children, €922.50 for families with three eligible children, and €430.86 per child for families with four or more children.

If the annual family income is between €17,086.01 and €34,172.03, the benefit is €51.25 for families with one eligible child, €307.49 for two eligible children, €768.72 for families with three eligible children, and €281.87 per child for families with four or more children.

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Mother's allowance: An eligible mother receives €66.07 a month regardless of the number of children.

Schedule of payments: Thirteen payments a year.

Marriage grant: €668 a month is paid 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.

Social Insurance Service of the Ministry of Labor 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.