



SOCIAL INSURANCE CONTRIBUTIONS AND INTRODUCTION OF NHS SYSTEM 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%. Thereafter, the rate will increase by 0,5% every five years, until it reaches 10,3% as from 1 January 2039.

Moreover, as from 1 January 2019, the rate for self-employed persons will rise from 14,6% to 15,6%. Thereafter, the rate will increase by 1% every five years, until it reaches 19,6%, as from 1 January 2039. The amount of contributions by self-employed persons is subject to a lower and a maximum limit, depending on the profession or trade of the Self-employed person.

Below is set a table summarising the relevant contributions:

Applicable for	Employee	Employer	Self-employed
2018	7,8%	7,8%	14,6%
2019-2023	8,3%	8,3%	15,6%
2024-2028	8,8%	8,8%	16,6%
2029-2033	9,3%	9,3%	17,6%
2034-2038	9,8%	9,8%	18,6%
2039+	10,3%	10,3%	19,6%

The maximum level of insurable emoluments for 2019 is €54,648.

For employees paid weekly, the maximum insurable amount is €1,051 and for employees paid monthly €4,554.

*If the cumulative emoluments (from January-December) reach the maximum insurable amount, no social insurance contributions will be deducted from the 13th salary, except for the social cohesion fund which cannot be restricted and is always calculated on total emoluments.

The below table summarises the relevant rates applicable for 2019:

Contributions	Employee	Employer	Maximum Insurable Amount
Social Insurance Contributions	8,3%	8,3%	€54,648
Social Cohesion Fund	-	2%	N/A
Redundancy Fund	-	1,2%	€54,648
Industrial Training Fund	-	0,50%	€54,648
Holiday Fund (if not exempt)	-	8%	€54,648

National Health System

As from 1 March 2019, the National Health System Law of 2001 (NHS), as amended 2017, will come into effect with the aim to provide to the population equal access to a holistic health care system. Patients will have the option to select a health care provider from the private as well as the public health care sector.

Contributions are capped at €180,000 annual income. They will start from 1 March 2019 and will increase from 1 March 2020 as per the table below :

Ref	Category	Applied On	From 1/3/2019	From 1/3/2020
(i)	Employees	Emoluments	1,7%	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	Rental, Interest, Dividend Income etc	1,70%	2,65%
(viii)	Republic's Consolidated Fund	Emoluments/Pensions of persons (i), (iii), (iv) and (v)	1,65%	4,70%

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