



SOCIAL INSURANCE CONTRIBUTIONS AND INTRODUCTION OF NHS SYSTEM 2021

Both employer and employee Social Insurance Contributions remain at 8,3%. The rate will increase in 2024 to 8,8% and thereafter will increase by 0,5% every five years, until it reaches 10,3%, as from 1 January 2039.

The rate for self-employed persons remains at 15,6%. The rate will increase to 16,6% in 2024 and thereafter 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 2021 is €57,408 pa.

For employees paid weekly, the maximum insurable amount is €1,104 and for employees paid monthly €4,784.

*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 2021:

Contributions	Employee	Employer	Maximum Insurable Amount
Social Insurance Contributions	8,3%	8,3%	€57,408
Social Cohesion Fund	-	2%	N/A
Redundancy Fund	-	1,2%	€57,408
Industrial Training Fund	-	0,50%	€57,408
Holiday Fund (if not exempt)	-	8%	€57,408

General Healthcare System (GHS)

The General Healthcare System Contributions are only payable by Individuals and came into effect as from 1 March 2019. They are capped at annual income of €180,000.

Non-domiciled individuals are not exempt from GHS contributions. Non-Cyprus tax residents are subject to GHS contributions only in case they receive rental income from properties situated in Cyprus, or if they get profits or other benefits from any office or employment exercised in the Republic. Contributions to the GHS are deductible from the employer's taxable income and of the individuals taxable income (maximum annual deduction for individuals was increased from 1/6th to 1/5th of their taxable income effective from 01/01/2019)

The rates will increase from 1 March 2020 as per the table below :

Ref	Category	Applied On	From 1/3/2020
(i)	Employees	Emoluments	2,65%
(ii)	Employers	Employees' emoluments	2,90%
(iii)	Self-Employed	Own Income	4,00%
(iv)	Pensioners	Pension	2,65%
(v)	Persons Holding an office	Officers' Remuneration	2,65%
(vi)	Republic of Cyprus or Natural/Legal person responsible for the remuneration of persons holding an office	Officers' Remuneration	2,90%
(vii)	Persons earning rental, interest, dividend and other income	Rental, Interest, Dividend Income etc	2,65%
(viii)	Republic's Consolidated Fund	Emoluments/Pensions of persons (i), (iii), (iv) & (v)	4,70%

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