

Cyprus

Exchange rate: US\$1.00 equals 0.47 pounds (£).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1956.

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

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: Employed and self-employed persons aged 16 to 64.

Voluntary coverage for formerly covered persons and for Cypriots working abroad for Cypriot employers.

Social assistance: The old-age social pension is available to persons aged 65 or older who are not entitled to a pension or a similar payment from any source.

Source of Funds

Insured person

Social insurance: 6.3% of earnings; voluntary contributors, 10% of earnings.

Social assistance: None.

Self-employed person

Social insurance: 11.6% of earnings.

Social assistance: None.

Employer

Social insurance: 6.3% of payroll.

Social assistance: None.

Government

Social insurance: 4% of payroll.

Social assistance: Total cost.

All of the above social insurance contributions also finance cash sickness, maternity, work injury, and unemployment benefits (6% of total contributions paid by the insured person, the employer, and government finance unemployment benefits).

The maximum weekly earnings for contribution and benefit purposes are £441.

Qualifying Conditions

Old-age pension (social insurance): Age 65 (age 63 for miners) with a minimum of 3 years' contributions and earnings in the lower band (covered earnings up to the basic earnings level) at least equal to 156 times weekly basic insurable earnings and weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Weekly basic insurable earnings are £73.47.

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

A widow may substitute her husband's coverage record for her own for the period before his death.

Lump-sum payment (social insurance): Payable at age 68 to a person who does not meet the contribution conditions for an old-age pension; persons with a minimum of 3 years' contributions and covered earnings at least equal to 156 times weekly basic insurable earnings but without weekly average earnings (paid and credited) since 1964 or since age 16 at least equal to 25% of basic insurable earnings.

Social pension (social assistance): Age 65 with 20 years' residence after age 40 or 35 years' residence after age 18.

Disability pension (social insurance): Permanent incapacity for work. Contribution conditions are the same as for the old-age pension, above; plus paid or credited contributions in the year preceding the onset of disability must be equal to at least 20 times weekly basic insurable earnings. (Alternatively, average insurable earnings in the last 2 years must be equal to at least 20 times basic insurable earnings.) If the disability is caused by an accident, the same qualifying conditions apply as for cash sickness benefit.

Survivor pension (social insurance): Contribution conditions are the same as for the old-age pension. (A lump sum is paid if the qualifying conditions are not met.) If death is caused by an accident, the same qualifying conditions apply as for cash sickness benefit.

Orphan's pension (social insurance): The deceased was insured and supported the child; for full orphans, one of the parents was insured.

Lump-sum payment (social insurance): Paid when there is no entitlement to a survivor pension because of insufficient average basic insurable earnings.

Missing person's allowance (social insurance): Payable to a dependent if the whereabouts of the insured is unknown and he or she is presumed dead.

All pensions are payable abroad.

Old-Age Benefits

Old-age pension (social insurance): The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings above basic insurable earnings.

Weekly basic insurable earnings are £73.47.

Dependent supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension for each child up to a maximum of two children.

Schedule of payments: Pensions are paid 13 times a year.

Lump-sum payment (social insurance): 15% of total paid and credited earnings.

Social pension (social assistance): £142.84 a month. If receiving another pension or a similar payment that is lower than the social pension, the difference between the two pensions is paid.

Special allowance: Payable to all pensioners with pension income (excluding dependent supplements) up to £500.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

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

Permanent Disability Benefits

Disability pension (social insurance): The basic pension is equal to 60% of average basic insurable earnings, plus a supplementary pension equal to 1.5% of insurable earnings above basic insurable earnings.

Weekly basic insurable earnings are £73.47.

Dependent supplement: The basic pension is increased by 1/3 for the first dependent and by 1/6 for the second and third dependents; for a married female beneficiary, 1/6 of the basic pension for each child up to a maximum of two children.

Schedule of payments: Pensions are paid 13 times a year.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

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

Survivor Benefits

Survivor pension (social insurance): The basic pension is equal to 60% of the insured's average basic insurable earnings, plus 60% of the insured's supplementary pension. The pension is payable to a dependent widow(er).

Weekly basic insurable earnings are £73.47.

Remarriage settlement: A lump sum equal to 1 year's pension is payable upon remarriage.

Orphan's pension (social insurance): For full orphans, 40% of deceased's basic insurable earnings plus 50% of the supplementary widow's pension for one orphan and 100% for two or more orphans under age 15; under age 23 for an unmarried female orphan in full-time education; under age 25 for a male student or military serviceman; no limit if disabled. The benefit for a half orphan is 20% of basic insurable earnings for one child, 30% for two children, and 40% for three or more children.

Weekly basic insurable earnings are £73.47.

Termination settlement: A lump sum equal to 1 year's orphan's pension is payable on the termination of the pension due to age.

Schedule of payments: Pensions are paid 13 times a year.

Lump-sum payment (social insurance): A lump sum equal to 15% of the deceased's basic insurable earnings plus 9% of the earnings above the basic earnings level is payable, unless the surviving spouse is entitled to a social pension.

Weekly basic insurable earnings are £73.47.

Missing person's benefit (social insurance): Same as the old-age pension, including the dependent supplement.

Funeral grant (social insurance): £303 upon the death of the insured or a pensioner; £151.50 upon the death of a dependent.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

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

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Sickness and Maternity

Regulatory Framework

First law: 1956.

Current law: 1980.

Type of program: Social insurance (cash benefits) and national health service (medical care) system.

Coverage

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

Voluntary coverage for Cypriots aged 16 to 63 working abroad for Cypriot employers. Persons between ages 64 and 65 are covered if they are not entitled to the old-age pension.

Medical care: All residents of limited means, public employees, police officers, and members of the armed forces.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: See source of funds under Old Age, Disability, and Survivors, above. The total cost of medical care.

Qualifying Conditions

Sickness benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, the insured can requalify upon the payment of 26 contributions.

Maternity benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year.

Maternity grant: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year.

Medical benefits: All residents of limited means, public employees, police officers, and members of the Armed Forces.

Sickness and Maternity Benefits

Sickness benefit: 60% of average basic insurable earnings in the last year, plus a supplement of 50% of average earnings above the basic amount in the last year, up to a maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (18 days for the self-employed) for up to 52 weeks (the minimum is 26 weeks).

Dependent supplement: One-third of basic benefit for a dependent spouse and 1/6 for other dependents (up to a maximum of 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 insurable earnings are £73.47.

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

Maternity benefit: 75% of average insurable earnings during the last year. The benefit is payable for 16 weeks beginning between the 6th and 2nd week before expected date of childbirth.

The benefit is payable for 14 weeks to stepmothers for adopted children if the adoption takes place before the child is age 13.

Weekly basic insurable earnings are £73.47.

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

Maternity grant: £223 (payable also to the nonworking wife of an insured man).

Workers' Medical Benefits

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

Dependents' Medical Benefits

Same as for the insured person.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Ministry of Health provides medical services through government hospitals.

Work Injury

Regulatory Framework

First law: 1942.

Current law: 1980.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: See source of funds under Old Age, Disability, and Survivors, above.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

60% of average basic insurable earnings in the last year, payable after a 3-day waiting period for up to 12 months.

Dependent supplement: One-third of basic benefits for a dependent spouse and 1/6 for other dependents (up to a maximum of two dependents). A spouse is dependent if he or she is not working or is not receiving any benefit from the Social Insurance Fund.

Supplementary benefit: 50% of average insurable earnings above basic insurable earnings in the last year, up to a maximum of twice basic insurable earnings.

The minimum benefit plus supplements is £68.74 a week.

Weekly basic insurable earnings are £73.47.

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

Permanent Disability Benefits

Permanent disability pension: £41.24 a week if 100% disabled.

Partial disability: A percentage of the full (basic and supplementary) pension in proportion to the assessed degree of disability (between 20% and 99%) or a lump sum for an assessed degree of disability of between 10% and 19%.

Supplementary permanent disability pension: 60% of average earnings above basic earnings in the last 2 years.

Weekly basic insurable earnings are £73.47.

Dependent supplement: One-third of the basic benefit for a dependent spouse and 1/6 for other dependents (up to a maximum of 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: £20.64 a week if 100% disabled and in need of constant care and attention.

Benefit adjustment: Pensions in payment are adjusted in January and July each year. (In January, the basic part is adjusted according to wages and the supplementary part according to prices; in July, the basic and supplementary parts are adjusted according to prices.)

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

Workers' Medical Benefits

Benefits include all necessary medical treatment and hospitalization in government dispensaries and hospitals.

Survivor Benefits

Survivor pension: Same as the basic permanent disability pension, plus 60% of the supplementary permanent disability pension. The pension is payable to a dependent widow(er).

Remarriage settlement: A lump sum equal to 1 year's pension is payable upon remarriage.

Orphan's pension: For full orphans, 40% of deceased's basic insurable earnings plus 50% of the supplementary widow's pension for one orphan and 100% for two or more orphans

under age 15; under age 23 for an unmarried female orphan in full-time education; under age 25 for a male student or military serviceman; no limit if disabled. The benefit for a half orphan is 20% of basic insurable earnings for one child, 30% for two children, and 40% for three or more children.

Weekly basic insurable earnings are £73.47.

Termination settlement: A lump sum equal to 1 year's orphan's pension is payable on the termination of the pension due to age.

Dependent parent (in the absence of the above): 40% of basic insurable earnings per week plus 30% of the supplementary permanent disability pension.

Weekly basic insurable earnings are £73.47.

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

Funeral grant: £303.

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1980.

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 to 65 are covered if they are not entitled to an old-age pension.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: See source of funds under Old Age, Disability, and Survivors, above.

Six percent of total contributions paid by the insured person, the employers, and government toward old-age, disability, and survivors benefits are transferred to the Unemployment Benefit Account to finance unemployment benefits.

Qualifying Conditions

Unemployment benefit: Twenty-six weeks of paid contributions with 20 contributions paid or credited in the last year. After entitlement is exhausted, requalification is possible upon the payment of 26 weeks of 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, the refusal of a suitable job offer, or the failure to avail one's self of a job opportunity, the insured may be disqualified for up to 6 weeks.

Unemployment Benefits

60% of average basic insurable earnings in the last year, plus a supplement of 50% of average earnings above the basic amount in the last year, up to a maximum of twice basic insurable earnings. The benefit is payable after a 3-day waiting period (30 days for the voluntarily insured) for at least 156 days.

Weekly basic insurable earnings are £73.47.

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

Dependent supplement: One-third of basic benefits for a dependent spouse and 1/6 for other dependents (up to a maximum of 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

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.

Family Allowances

Regulatory Framework

First and current laws: 1987 (child benefit) and 2000 (mother's allowance).

Type of program: Universal system.

Coverage

Child benefit: All residents with four or more children.

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.

Employer: None.

Government: Total cost.

Qualifying Conditions

Child benefit: The parent receiving the benefit must be residing in the country, but the child need not be. The family must include four or more dependent children. A child is dependent if under age 15; between ages 15 and 18 and unmarried; between ages 18 and 25 and in military service; between ages 18 and 25 (male) or ages 18 and 23 (female) and in full-time education; no limit if disabled.

Mother's allowance: Mothers residing in Cyprus with at least four children who are not entitled to a child benefit.

Family Allowance Benefits

Child benefit: £31.35 a month for each dependent child (2002).

Mother's allowance: £31.35 a month for each dependent child (2002).

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

Administrative Organization

Director of Social Insurance Services in the Ministry of Labor and Social Insurance and a tripartite advisory Social Insurance Board direct the program.

Ministry of Labor and Social Insurance, through the Department of Social Insurance, administers the program.