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**SOCIAL INSURANCE (CONTRIBUTIONS) REGULATIONS 2013**

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## **SOCIAL INSURANCE (CONTRIBUTIONS) REGULATIONS 2013**

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The Administrator makes the following Regulations in exercise of the powers in sections 6(3), 10(5) and 22 of the Social Insurance (Facilitation of Republican Social Insurance Scheme) Ordinance 2013(a).

### **PART 1**

#### **PRELIMINARY**

##### **Citation and commencement**

1. These Regulations may be cited as the Social Insurance (Contributions) Regulations 2013 and come into force on 1 September 2013.

##### **Interpretation**

2. In these Regulations—

“contribution booklet” means the booklet issued by an insurance office following an application under regulation 26;

“contribution month” means, in relation to—

- (a) an employed person who is paid on a monthly basis, a calendar month; and
- (b) other insured persons, a period of 4 or 5 calendar weeks which begins on the Monday which follows the first day of the calendar month and ends on the Sunday before the Monday which follows the first day of the next calendar month;

“insurance office” means a Social Insurance District Office of the Republic or a Social Insurance Office of the Republic;

“Social Insurance Ordinance” means the Social Insurance (Facilitation of Republican Social Insurance Scheme) Ordinance 2013.

### **PART 2**

#### **ADMINISTRATIVE ARRANGEMENTS**

##### **Registration of employers**

3. (1) An employer must apply for registration at the nearest insurance office by completing and submitting an application on the form required under the corresponding Republican law.

(2) An application for registration under subsection (1) must be submitted within 1 month of a person becoming an employer.

##### **Registration and certificate of commencement of employment**

4. (1) An employed person and a self-employed person must apply for registration at the nearest insurance office by completing and submitting an application on the form required by the corresponding Republican law.

(2) Subject to paragraph (3), an application for registration under paragraph (1) must be submitted within 1 month of a person commencing employment or self-employment.

(3) An application by an employed person must be submitted via the person’s employer before the deadline for payment of contributions under regulation 11.

(4) Before commencement of employment, an employer must provide an employed person with a certificate of commencement of employment (a “certificate”).

- (5) The certificate must include the following—
- (a) full name of the employed person;
  - (b) identity card number, passport number or alien or foreign registration number (as the case may be) of the employed person;
  - (c) social insurance number of the employed person (if available);
  - (d) date employed person commenced employment;
  - (e) name and trade name (if applicable) of the employer;
  - (f) social insurance registration number of the employer;
  - (g) signature and authorised stamp of the employer; and
  - (h) signature of the employed person.
- (6) The Chief Officer may exempt an employer from the requirement to provide a certificate.
- (7) The employer must keep a copy of the certificate, which must be made available to an inspector at any reasonable time.
- (8) The employer must notify the nearest insurance office of the issue of a certificate by not later than the end of the calendar month in which the employed person commences employment, either by sending a copy of the certificate or by any other procedure determined by the Chief Officer.
- (9) An employer, other than an employer exempted under paragraph (6), commits an offence if the employer does not—
- (a) provide an employed person with a certificate;
  - (b) make a copy of a certificate available to an inspector in accordance with paragraph (7),
  - (c) notify the insurance office in accordance with paragraph (8);

### **Notification of employment**

5. (1) An employer must notify the nearest insurance office of the employment of an employed person on the form prescribed in the corresponding Republican law, unless the Chief Officer approves other arrangements for the employer.
- (2) The notification under paragraph (1) must be submitted on or before the day the contributions in respect of the employed person are payable under regulation 11.
- (3) Where an employed person has not registered previously under regulation 4, an employer must ensure that the employed person completes an application for registration, which is to be submitted at the same time as the notification under paragraph (1).
- (4) An employer must submit the notification required under paragraph (1) regardless of whether the employer has all the information required to complete the certificate or the form required under the corresponding Republican law.
- (5) An employer who fails to notify the nearest insurance office of the employment of an employed person in accordance with this regulation commits an offence.

### **Record of employees**

6. (1) An employer must keep a record of the following information about each employed person—
- (a) full name;
  - (b) identity card number, passport number or alien or foreign registration number (as the case may be);
  - (c) social insurance number;
  - (d) date employment commenced;
  - (e) amount of earnings for each contribution period; and
  - (f) any other particulars related to employment that the Chief Officer may determine.
- (2) The record must be made available to an inspector at any reasonable time.

### **Negligible earnings**

7. The earnings of an employed person are negligible earnings if they are less than—
- (a) €2 per week, in the case of a person paid on a weekly basis;
  - (b) €7 per month, in the case of a person paid on a monthly basis.

### **Ceiling of insurable earnings**

8. (1) The ceiling of insurable earnings is—
- (a) 6 times the weekly amount of basic insurable earnings (the “weekly ceiling”) where the contribution period is a calendar week;
  - (b)  $13 \times \frac{1}{3}$  of the weekly ceiling (the “monthly ceiling”) where the contribution period is a calendar month.
- (2) The ceilings in subsection (1) are rounded up to the nearest euro.
- (3) A 13th month salary, commission or earnings which do not fall within a contribution period are apportioned between the contribution periods to which the payments relate (the “relevant contribution period”).
- (4) No contribution is payable on any amount which exceeds the ceiling of insurable earnings for the relevant contribution period.
- (5) For the purpose of determining the amount of contributions, the amount of insurable earnings for each contribution period are to be determined as a whole number euros, by rounding down any fraction of a euro less than 50 cents and rounding up any other fraction of a euro.

### **Port workers’ insurable earnings**

9. (1) The weekly and monthly ceiling of insurable earnings specified in regulation 8(1) does not apply to the determination of the amount of contributions to be paid by a port worker, but the insurable earnings of a port worker in a contribution year may not exceed the annual ceiling of insurable earnings.
- (2) For the purpose of paragraph (1), where a port worker is employed by 2 or more employers in the same contribution period the 2 employers are deemed to be 1 employer.
- (3) In this regulation the “annual ceiling of insurable earnings” is determined by reference to the ceiling of insurable earnings specified in regulation 8(1).

### **Statement of earnings and contributions**

10. Except where the Chief Officer approves other arrangements, an employer must provide to the nearest insurance office a statement of the earnings and contributions of every employed person in each contribution month.

### **Date for payment of contributions**

11. An employer must pay contributions due to the Fund not later than the last day of the calendar month which follows the contribution month for which contributions are due.

### **Place and manner of payment**

12. (1) An employer must pay contributions to the nearest insurance office or to any other place the Chief Officer determines.
- (2) An employer must submit the statement required under regulation 10 at the same time as paying the contributions.

### **Employer to issue certificate about employed person**

13. (1) If an employed person makes an application, or the Chief Officer so requests, an employer must provide a certificate of insurable earnings of an employed person to the employed person or the nearest insurance office, as the case may be.
- (2) The certificate must include the following information in relation to the employed person—
- (a) full name;
  - (b) identity card number, passport number or alien or foreign registration number (as the case may be);
  - (c) social insurance number;
  - (d) period of employment;

- (e) insurable earnings for the current contribution year or any other period of time so requested.

### **Prisoners' earnings**

14. For the purpose of paying contributions, the Crown may withhold 25% of the earnings payable to a prisoner undertaking employment in the Areas, for any week in which contributions are payable.

### **Training programmes**

15. (1) The insurable earnings of person undertaking an occupational training programme in accordance with paragraph 1(c) of Part 1 of Schedule 1 to the Social Insurance Ordinance is the allowance paid in respect of the training, up to the ceiling of insurable earnings.

(2) For the purpose of payment of contributions in respect of the person, the employer is the Authority which is recognised under the Human Resource Development Authority (Republic of Cyprus) (Recognition) Ordinance 2001**(b)**.

### **Occupational categories: self-employed persons**

16. (1) The contributions of self-employed persons are determined by the person's occupational category specified in column (a) of the table in Part 1 of the Schedule.

(2) The minimum weekly amount of insurable earnings of a self-employed person is  $B \times C$  where—

- (a) "B" is the factor in column (b) of the table for the corresponding occupational category; and
- (b) "C" is the weekly amount of basic insurable earnings.

(3) Subject to regulation 17, a self-employed person must pay contributions on at least the minimum weekly amount of insurable earnings determined in accordance with paragraph (2).

### **Earnings less than minimum**

17. (1) If a self-employed person's earnings are lower than minimum weekly earnings determined under regulation 16(2), the person may apply to the Chief Officer with evidence of actual weekly earnings.

(2) Where the Chief Officer is satisfied that a self-employed person's actual weekly earnings are less than those determined under regulation 16(2), the person may pay contributions on actual weekly earnings.

(3) For the purpose of paragraph (2), actual weekly earnings are the self-employed person's average actual weekly earnings for the calendar year which preceded the contribution year for which contributions are payable.

(4) If the self-employed person did not work during the preceding calendar year, average actual weekly earnings are determined by an assessment of the amount the self-employed person could reasonably be expected to earn.

(5) If, following an application under paragraph (1), the Chief Officer decides that the self-employed person's average actual weekly earnings are higher than the minimum weekly earnings, the person must pay contributions on average actual weekly earnings up to the ceiling of insurable earnings.

(6) A self-employed person who submits an application under paragraph (1) must pay contributions on minimum weekly earnings determined under regulation 16(2) until the day a decision of the Chief Officer under this regulation takes effect.

(7) A decision of the Chief Officer under this regulation takes effect from the first day of the quarterly period specified in column (a) of the table in Part 2 of the Schedule which follows the date of the application.

### **Notification of change of occupation**

18. (1) A self-employed person must notify the nearest insurance office within 1 month of a change in the person's occupational category.

(2) The notification must be made on the form required by the corresponding Republican law.

(3) Regulations 16 and 17 apply, with any necessary modification, to the determination of contributions following a change in self-employed person's occupational category.

**Payment deadline: self-employed persons' contributions**

19. A self-employed person must pay contributions to the nearest insurance office for each contribution month within the quarterly period specified in column (a), by the date specified for that period in column (b) of the table in Part 2 of the Schedule.

**Payment deadline: optionally insured persons**

20. (1) A person who is optionally insured under section 13 of the Social Insurance Ordinance must pay contributions to the nearest insurance office within 12 months of the end of the contribution year for which the contributions are due.

(2) No payment may be made after the 12-month period specified in paragraph (2).

**Late payment: administrative penalty**

21. (1) An employer or self-employed person who does not pay contributions to the nearest insurance office by the deadline specified in regulation 11 or 19 must pay—

- (a) an administrative penalty of 3% of the contributions due for a delay of up to 1 month; and
- (b) a further administrative penalty of 3% for each additional month of delay, up to a maximum administrative penalty of 27% of contributions due.

(2) Despite paragraph (1), a self-employed person is not required to pay an administrative penalty for late payment on the difference between contributions paid and contributions due following a decision of the Chief Officer under regulation 17(5), until the end of the second calendar month following the date of the decision.

**Self-employed persons: cessation of self-employment**

22. (1) If a self-employed person ceases to be self-employed, the person must notify the nearest insurance office not later than the end of the calendar month which follows the quarterly period in column (a) of the table in Part 2 of the Schedule.

(2) The notification must be made on the form required by the corresponding Republican law.

**Refund of contributions**

23. (1) A person may apply to the nearest insurance office for a refund of contributions in the circumstances specified in this regulation.

(2) The circumstances are where—

- (a) contributions have been paid by an employed person, employed by 2 or more employers, on earnings which exceed the ceiling of insurable earnings;
- (b) contributions have been paid by an insured person, as both an employed person and a self-employed person in the same contribution year, on earnings which exceed the ceiling of insurable earnings; or
- (c) contributions have been paid by any person which exceed the amount required under the Social Insurance Ordinance, unless the contributions were paid pursuant to false representations about employment for the purpose of obtaining a benefit.

(3) In the case of paragraph (2)(a), contributions paid by the employed person's employer are not refunded.

(4) In the case of paragraph (2)(b), the contributions paid in respect of the earnings while the person was self-employed which exceed the ceiling of insurable earnings are refunded.

(5) An application for a refund under this regulation must be made no later than 2 years from the end of the contribution year for which the contributions were paid.



## **PART 3**

### **PERSONS EMPLOYED IN PRIVATE HOUSEHOLDS**

#### **Application of Part 3**

**24.** This Part applies in respect of persons employed, within the same contribution period, by 2 or more employers in a private household to carry out domestic work.

#### **Employed person to pay contributions to nearest insurance office**

**25. (1)** Despite section 6(2) of the Social Insurance Ordinance, an employed person is required to pay both the employed person's contribution and the employer's contribution.

(2) The contribution which the employer is required to pay under section 5 of the Social Insurance Ordinance is to be paid to the employed person at the same time as payment of the employed person's earnings to which the contribution relates.

#### **Application for contribution booklet**

**26. (1)** An employed person must apply to the nearest insurance office for a contribution booklet within 1 month of commencing employment.

(2) The application must be made on the form required by the corresponding Republican law.

#### **Entries in contribution booklet**

**27. (1)** An employer must enter in the contribution booklet the earnings and the employer's contributions for those earnings paid to the employed person in accordance with regulations 25(2) and 31(1).

(2) Both the employed person and the employer must sign the entries.

#### **Payment deadline**

**28.** An employed person must pay both the employed person's contributions and the employer's contributions not later than the end of the calendar month which follows the contribution month for which contributions are due.

#### **Place and manner of payment**

**29. (1)** Payment of contributions under regulation 25 must be made to the nearest insurance office.

(2) An employed person must produce the contribution booklet when making the payment.

#### **Renewal of contribution booklet**

**30. (1)** An employed person must deliver the contribution booklet for the previous contribution year to the nearest insurance office not later than the end of January following the end of the contribution year, and must apply for a new contribution booklet.

(2) The application must be made on the form required by the corresponding Republican law.

#### **Contributions for annual leave and redundancy**

**31. (1)** Contributions which an employer is required to make in accordance with the Annual Holidays with Pay Ordinance 1973(c) and the Employment (Termination) Ordinance 2010(d) are to be paid to the employed person in accordance with the provisions for contributions in regulation 25(2).

(2) The contributions referred to in paragraph (1) are to be paid to the nearest insurance office by the employed person at the same as payment of contributions determined under section 5 of the Social Insurance Ordinance.

#### **Signature is determinative**

**32.** Unless the opposite is proved, the signature of an employed person in a contribution booklet in accordance with regulation 27(2), is determinative that the employer paid contributions to the employed person under regulations 25 and 31.

#### **Employer not required to pay contributions to insurance office**

**33.** Providing an employer pays contributions to the employed person in accordance with regulations 25 and 31, the employer is not required to pay contributions to an insurance office.



**PART 4**  
**MISCELLANEOUS**

**Offences: further provisions**

**34.** (1) Section 28 (power to impose a fixed penalty) of the Social Insurance Ordinance has effect in relation to the offences specified in regulations 4(9) (offences related to certificate of commencement of employment) and 5(5) (notification of employment of employed person).

(2) An inspector may serve a fixed penalty notice under section 28 on an employer in respect of each employed person in relation to which the employer has committed an offence under regulation 4(9) or 5(5).

(3) An employer convicted of an offence under regulation 4(9) or 5(5) is liable on conviction to a term of imprisonment not exceeding 1 year or to a fine not exceeding €1,700, or to both.

(4) If an offence committed by a body corporate is committed with the consent of, or is attributable to the negligence of, an officer of that body corporate, the officer also commits an offence and is liable, on conviction, to the penalty for the offence.

(5) Where paragraph (4) applies, an inspector may serve a fixed penalty notice in accordance with paragraph (2) on both the body corporate and the officer of the body corporate.

**Delegation of functions to the Republic**

**35.** The functions of the Chief Officer in these Regulations are general delegated functions for the purposes of the Delegation of Functions to the Republic Ordinance 2007(e).

**SCHEDULE**

**SELF-EMPLOYED PERSONS**

**PART 1**

Regulation 16

Occupational categories

Column (a) Occupational category	Column (b) Factor
<b>1.</b> Doctors, pharmacists and specialists in health matters (graduates)— (a) for a period of not more than 10 years; (b) for a period of 10 years or more.	2.20 4.45
<b>2.</b> Accountants, economists, lawyers and other professional self-employed persons— (a) for a period of not more than 10 years; (b) for a period of 10 years or more.	2.20 4.45
<b>3.</b> Directors, others engaged in business, estate agents and wholesale dealers.	4.45
<b>4.</b> Professors, teachers or assistant teachers in universities, secondary education, primary education, pre-school age education and special education— (a) for a period of not more than 10 years; (b) for a period of 10 years or more.	2.15 4.30
<b>5.</b> Builders and persons working in the building industry.	2.70
<b>6.</b> Farmers, livestock formers, poultry farmers, fishermen and women and persons engaged in similar occupations.	1.50

<b>7.</b> Drivers, excavator operators and persons engaged in similar occupations.	2.15
<b>8.</b> Assistant technicians, operators of machinery other than in the building industry, product assemblers of metal, elastic, plastic, wood and similar material products and freelance reporters.	2.15
<b>9.</b> Clerks, typists, cashiers and executive secretaries.	2.15
<b>10.</b> Technicians not in any other occupational category.	2.15
<b>11.</b> Shopkeepers.	2.05
<b>12.</b> Butchers, bakers, confectioners, producers and persons engaged in the preservation of meat, dairy, fruit and tobacco products and similar occupations.	1.65
<b>13.</b> Hawkers, postmen and women, refuse collectors, mine, quarry and stone workers, seafarers, specialists in submarine construction, specialists in lifting equipment and wire rope installations, street cleaners, service providers and sales persons.	1.50
<b>14.</b> Cleaners, bailiffs, guards and dry-cleaning store owners.	2.05
<b>15.</b> Designers, computer operators, ship engineers, agents and similar professions, musicians and entertainers.	2.20
<b>16.</b> Persons not in any other occupational category.	2.20

## PART 2

Regulations 17, 19 and 22

Contribution months and payment deadlines

<b>Column (a)</b> <b>Quarterly periods</b>	<b>Column (b)</b> <b>Deadline for payment of contribution</b>
January to March	10th of the following May
April to June	10th of the following August
July to September	10th of the following November
October to December	10th of the following February

Dated this 18th day of July 2013.

(SBA/AG/2/EM/130/1)

J. S. Wright,  
Deputy Administrator,  
Sovereign Base Areas.

### Notes

- (a) Ordinance 19/13.
- (b) Ordinance 22/01.
- (c) Ordinance 10/73.
- (d) Ordinance 3/10.
- (e) Ordinance 17/07.

## **EXPLANATORY NOTE**

**(This note is not part of the Regulations)**

### Introduction

1. This explanatory note relates to the Social Insurance (Contributions) Regulations 2013 (the “Regulations”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Regulations.

2. This note should be read in conjunction with the Regulations. It is not and is not meant to be a comprehensive description of the Regulations. So, when a regulation or part of a regulation does not seem to require any explanation or comment, none is given.

### Particular points

3. The Regulations are made under the Social Insurance (Facilitation of Republican Social Insurance Scheme) Ordinance 2013 (the “Ordinance”). Accordingly, they must be read in conjunction with that Ordinance. The purpose of the Regulations is to set out administrative arrangements for the payment of social insurance into the Republic’s social insurance fund. Accordingly, they mirror the Republic’s Social Insurance (Contributions) Regulations 2010, P.I. 289/2010 (Republic of Cyprus) as amended by P.I. 32/2012 (Republic of Cyprus).

4. Regulation 2 defines terms used in the Regulations. Where a term is defined in section 2 of the Ordinance, that definition applies in the Regulations and is not repeated in regulation 2.

5. Part 2 sets out administrative arrangements for the payment of contributions by employed persons, their employers and self-employed persons. Employers are required to provide each employee with a certificate of commencement of employment and notify the nearest social insurance office of such employment (regulations 4 and 5). Failure to provide a certificate of commencement of employment or to notify the social insurance office is an offence for which a fixed penalty notice may be served (regulation 34). Employers are required to send a statement of earnings each month to the nearest social insurance office for each employed person (regulation 10). Contributions in respect of employed persons are to be paid no later than the end of the calendar month which follows the contribution month (regulation 11), and for self-employed persons are payable on a quarterly basis (regulation 19 and Part 2 of the Schedule). There are administrative penalties for late payment (regulation 21).

6. Regulation 8 sets out the formula for the calculation of the ceiling of insurable earnings (i.e. the maximum weekly or monthly earnings on which contributions are payable). Contributions of self-employed persons are subject to minimum weekly amounts determined by occupational category. The formula for determining this is in regulation 16 and occupational categories are set out in Part 1 of the Schedule. If a self-employed person’s earnings are lower than the weekly minimum, regulation 17 provides that they may apply to the Chief Officer for contributions to be payable on actual weekly earnings. Regulation 23 provides for refund of contributions in specified circumstances.

7. Part 3 applies only to persons employed to carry out domestic work in 2 or more households in the same contribution period. In these circumstances, the employed person is required to apply for a contribution booklet at the nearest social insurance office (regulation 26). The employer must enter the amount of both the employer’s and employed persons contributions in the booklet (regulation 27) and it is then the responsibility of the employed person to pay both the employed person’s and the employer’s contributions (regulation 25) by the end of the calendar month which follows the contribution month (regulation 28).

8. Part 4 makes miscellaneous provisions. Regulation 34 applies the procedure related to fixed penalties in section 28 of the Ordinance to offences committed under regulations 4 and 5. Regulation 35 delegates the functions of the Chief Officer to the Republic in accordance with provisions in the Delegation of Functions to the Republic Ordinance 2007.

