



REPUBLIC OF CYPRUS

Ministry of Labour, Welfare and Social Insurance

Special Scheme for Complete Suspension of Business and Provision of a Special Unemployment Benefit

The Special Scheme for Complete Suspension of Business and the Provision of a Special Unemployment Benefit is valid from 11/3/2020 to 12/4/2020 (depending on the date on compulsory suspension by Government decision) for:

Businesses (legal or natural persons who are employers) who have completely suspended their operation, in accordance with the Decrees of the Minister of Health and the relevant decisions of the Council of Ministers, provided that the nature and / or mode of their operation has not changed.

The basic requirement for participation in the Scheme is that no employee has been fired since 1 March 2020, and in case the application is approved, any employee should not be dismissed either during the period of participation in the Scheme or during an additional period equal to the period of participation in the Scheme, plus one additional month (excluding cases where dismissal without notice is justified). It is understood that businesses will not be able to fire employees for financial reasons during the above period.

For companies employing more than nine employees, a Special Unemployment Benefit will be paid to 90% of employees, provided the terms and conditions are met.

The remaining 10% shall include managing shareholders, partners holding more than 20% of the shares, general managers and senior executives. If the above persons exceed 10% of the employees of the business, then they may be included and receive Special Unemployment Benefit, provided that the terms and conditions are met.

To calculate the number of employees that make up 90% of all employees, the result of the mathematical operation is rounded to the nearest integer.

For businesses employing up to nine employees, Special Unemployment Benefit may be paid to all employees of the business, irrespective of their status.

For the period for which the Special Unemployment Benefit is to be paid, the employer shall be relieved of his obligation to pay the salary to his employees who received the Benefit. Where a salary has been paid also for the period for which the employees receive the Special Unemployment Benefit, the portion of the salary corresponding to that period may be offset by the employer.

The period of payment of the Special Unemployment Benefit shall be considered as a special period for purposes of contributions to the Social Security Fund and shall be credited accordingly to the beneficiary's insurance account.

How the Special Unemployment Benefit is calculated, provided that all the terms and conditions are met:

- For employees who qualify for unemployment benefit under the Social Insurance Law, at 60% of the value of the insurance units, in accordance with the above legislation.
- For employees who are not eligible under the Social Insurance Law and are insured with the Social Security Fund in January 2020 will be paid a Conditional Benefit, the amount of which will be determined by a subsequent decision.
- The maximum amount that may be paid as a Special Unemployment Benefit for a period of one month may not exceed € 1,214.
- The Special Unemployment Benefit is not paid for any period during which the employee receives unemployment benefit, Special Sick Leave Allowance, Sick Leave Allowance, Special Leave of Absence Allowance or other similar benefits from the Social Security Fund.
- Employees who were included in a Special Scheme for Complete Suspension of Business of the tourism industry (such as hotels and restaurants), upon completion of their suspension period, may be included in this Scheme.