



REPUBLIC OF CYPRUS

Ministry of Labour, Welfare and Social Insurance

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

The Special Scheme for Partial Suspension of Business and provision of a Special Unemployment Benefit is valid from 16/3/2020 to 12/4/2020 for:

-Businesses (legal or natural persons who are employers) who have partially suspended their operation, that is, they have a turnover decline greater than 25% in March 2020 and are projecting a corresponding drop in turnover for April 2020, as compared to the corresponding months of the previous year and the decline in turnover is solely due to the state of the business as a result of the COVID-19 Coronavirus Pandemic.

-In the cases of businesses that were not active during the corresponding period of the previous year, the basis for comparison will be the months immediately proceeding March 2020.

- 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.
- Businesses employing up to 50 employees may join the Special Scheme for Partial Suspension of Business and declare 75% of their total number of employees so that they may receive a Special Unemployment Benefit, provided the terms and conditions are met.

- Businesses employing more than 50 employees may join the Special Scheme for Partial Suspension of Business and declare 60% of their total number of employees so that they may receive a Special Unemployment Benefit, provided the terms and conditions are met.
- To calculate the number of employees that fall into either 75% or 60% of the total number of employees, the result of the mathematical operation is rounded to the nearest integer.
- It is specified that for businesses employing up to two persons, the Special Unemployment Benefit may be paid to all employees, irrespective of their capacity, provided the terms and conditions are met.
- For businesses employing more than two employees, the Special Unemployment Benefit may not be paid to managing shareholders, partners holding more than 20% of the shares, general managers and senior executives who fall into either 25% or 40% of staff, accordingly, depending on in the case, to whom the Special Unemployment Benefit may not be paid.

-In cases where the number of the above-mentioned persons exceeds 25% or 40% of the company's employees, as the case may be, then they may be included and receive the Special Unemployment Benefit, if the terms and conditions are met.

- 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.

- For businesses that join the Special Scheme for Partial Suspension of Business, the employer has the option of employing in the company staff who will receive a Special Unemployment Benefit, by paying those staff the remainder of their salary and the corresponding contributions to Social Insurance Funds.

-The remainder of the salary may be differentiated, provided that the employee consents based on his / her working hours.

- An employee to whom a Special Unemployment Benefit will be paid, provided that he/she consents to it, may be employed by the company and receive the remainder of his/her salary and receive a differentiated amount, based on the hours worked.

-The period during which the Special Unemployment Benefit will be paid 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.

- The Special Scheme for Partial Suspension of Business does not apply to public and wider public sector organizations, bodies governed by public law and other similar organizations and other financial activities that have not actually reduced their turnover as shown below:

- Supermarkets
- Any businesses which supply food
- Sale of fruits, vegetables, meat and fish
- Satellite and other telecommunications services
- Production of electricity
- Waste Collection and Management
- Financial and insurance activities, including Licensed Banking Institutions
- Veterinary Activities
- Doctors (Excluding Dentists)
- Hospital Activities
- Elderly homes
- Manufacture of pharmaceutical preparations
- Wholesale of pharmaceuticals
- Pharmacies
- Trade in medical and orthopedic supplies

It is clarified that the employment of domestic staff does not in any way fall under the covered employers.

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.