



## CHANGES IN THE WAY WAGES ARE PAID

These are changes that concern the method of payment of wages, the issuance of a payslip, the cut-offs, the obligation to keep data, records and proof, as well as the offenses and penalties provided for by the legislation.

**Under the new regulations, the employer must pay an employee's salary through:**

- a bank account or payment account of the employer's choice or
- by bank cheque in the name of the employee.

In the case of persons for whom the completion of the procedure for opening a bank account or payment account is pending, the employer may pay the salary in cash, either in notes or coins, for a period not exceeding 4 months from the hiring date.

### Employer obligations

The employer has an obligation to:

- issue payrolls,
- give the employee a copy of the payslip on paper or electronically, within five working days from the date of payment of the salary
- keeps a record of the statements which is sent within 15 calendar days from the date of the relevant request of an inspector or other officer.

The data that should be included in the weekly or monthly statement for the payment of the salary transmitted by the employer to the employee in paper or electronic form and for which he keeps proof of transmission or receipt by the employee are:

- Employer and employee identification data as follows: (i) name; (ii) address; (iii) identity; (iv) Social Security number or employer registration number
- Payment date
- Period covered by payment
- Payment details as follows: (i) basic salary with reference to the number of weekly hours worked; (ii) overtime pay with reference to the number of overtime and how overtime compensation is calculated; (iii) any other payments.
- Employee contributions as follows: (i) Social Insurance Fund; (ii) General Health System; (iii) other contributions that may be provided for by law or regulation or written agreement or collective agreement.
- Employer contributions as follows: (i) Social Insurance Fund; (ii) Social Cohesion Fund; (iii) surplus staff Fund; (iv) Human Resources Development Fund; (v) General Health System
- Items included if applicable: (i) automatic indexation (ii) Commission; (iii) 13th salary; (iv) 14th salary (v) travel (vi) contributions to the Central leave Fund (vii) employer and/or employee contributions to the Welfare Fund.



## 2023 WITH THE NATIONAL MINIMUM WAGE

**The institution of the National Minimum Wage will be implemented for the first time in Cyprus from January 1, 2023, after the relevant decree of the Minister of Labor and Social Insurance, Kyriakos Kousios, comes into force.**

The National Minimum Wage is set at 940 euros. For the first six months of employment it will be 885 euros, while at the beginning there will be a transitional period.

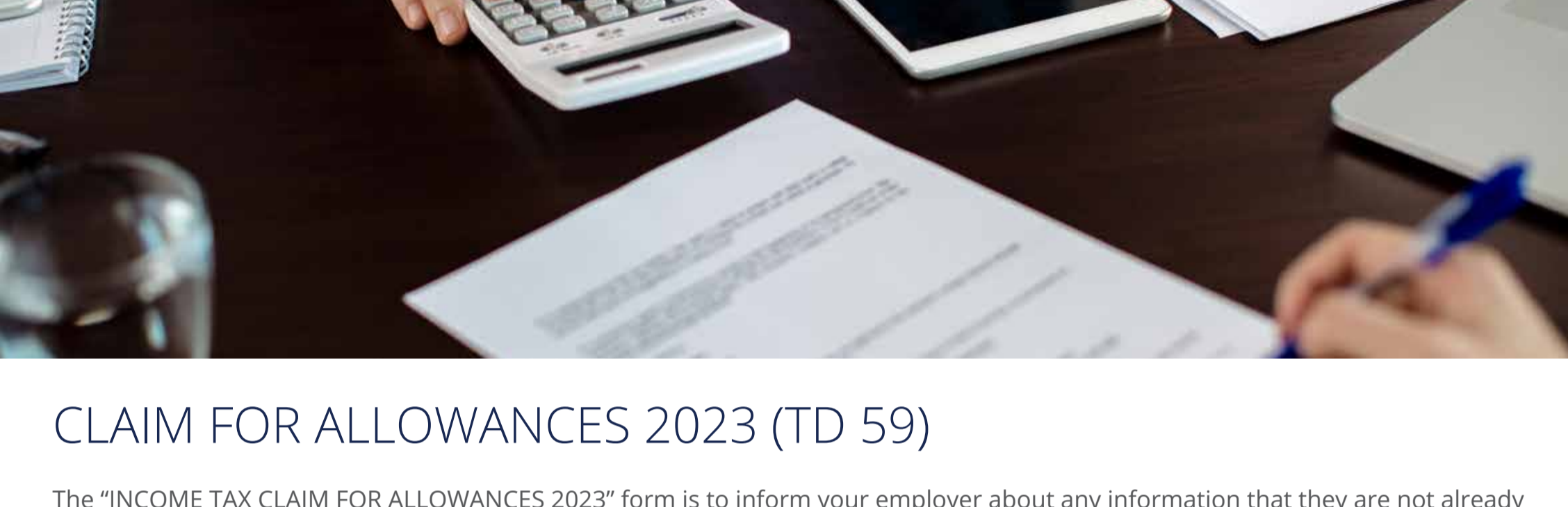
40,000 low-wage workers essentially benefit from the establishment of the National Minimum Wage, but those who work in agriculture, domestic workers and those who work in shipping are excluded. Also, people who receive training or education to obtain a degree or professional qualification are excluded.

Also excluded from the Ordinance are those who receive more favorable treatment through convention, custom, practice or other Ordinance. If an employee has better benefits than those provided for in the Ordinance, the better benefits are not affected in any way.

## ANNOUNCEMENT FOR THE SOCIAL INSURANCE AUTHORITIES REGARDING INSURABLE EARNINGS, IMPUTED INCOME AND PENSIONS FROM JANUARY 2023

As of January 2023, Cyprus will for the first time be implementing a minimum wage.

1. The maximum limit of insurable earnings increases from the month of contributions January 2023 to €1.155 per week and to €5.005 per month.
2. The imputed incomes of self-employed workers on which social insurance contributions are calculated increase by 3,37% from 2.1.2023.
3. According to the Social Insurance Legislation, the percentage increase in January 2023 (both in the basic and in the additional part of pensions) is offset against the percentage of the indexed increase granted to pensions in July 2022. Therefore, both the basic and the supplementary part of the pensions from 1.1.2023 will not have an increase.



## CLAIM FOR ALLOWANCES 2023 (TD 59)

The "INCOME TAX CLAIM FOR ALLOWANCES 2023" form is to inform your employer about any information that they are not already aware of. This form is important so that your employer properly calculates your monthly deductions (income tax (PAYE), social insurance, GHS, etc.) for the rest of the year.

**Make sure to state in the form (amongst other):**

1. Claiming the 20% / 50% exemption (put date of arriving in Cyprus for the 1st time)
2. For the Personal Insurance Plans please split the amounts for
  - a. own personal life insurances plans,
  - b. Private Medical Insurance Plans
  - c. Any private pension fund contributions
3. expect to earn income other than just salary income (i.e. rental income or business income)
4. Donations to registered charities
5. Subscriptions to unions / other professional bodies, etc.

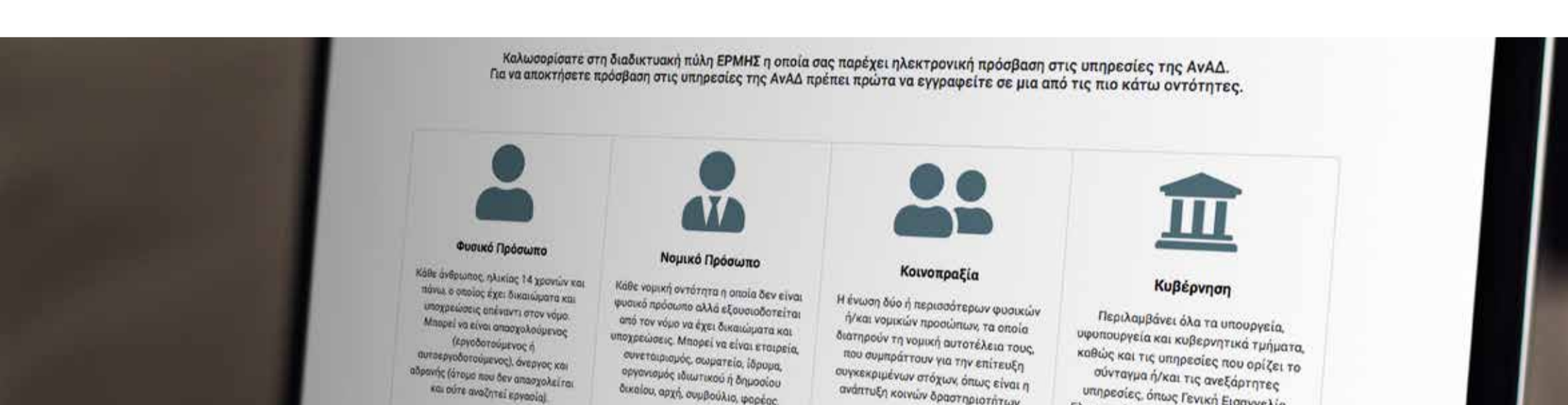
**Practical info below on how to fill-in your Form TD59 for tax year 2023:**

1. The 20% / 50% income exemption --> complete part B2
2. Personal life insurance payments --> complete part B9
3. Personal health insurance payments --> complete part B7
4. Donations to Cyprus charities --> complete part B5
5. Professional subscription payments --> complete part B1
6. Provident fund payments, or any other tax-deductible expenses (e.g. Social Insurance payments, Healthcare payments), there should be no need to state in the form since your payroll team should already know the amounts.

Please make sure you properly fill-in the relevant parts of the form, sign it and send it to the email [payroll@accyp.com](mailto:payroll@accyp.com) by 15th of January 2023.

On the subject of the email please indicate the company name you are employed by.

**Download the form**



## THE DIGITAL PORTAL "ERMIS"

Since September 2022, the Human Resource Development Authority of Cyprus (HRDA) has announced the launch of the digital portal "ERMIS".

The digital portal "ERMIS" is an electronic system, through which all procedures related to plans and systems of HRDA are now processed.

For more information and clarifications that you may need during your registration on the digital portal "ERMIS", you can contact the Public Service Office of HRDA at 22390300, or by e-mail [info@anad.org.cy](mailto:info@anad.org.cy), or on the HRDA website [www.anad.org.cy](http://www.anad.org.cy).

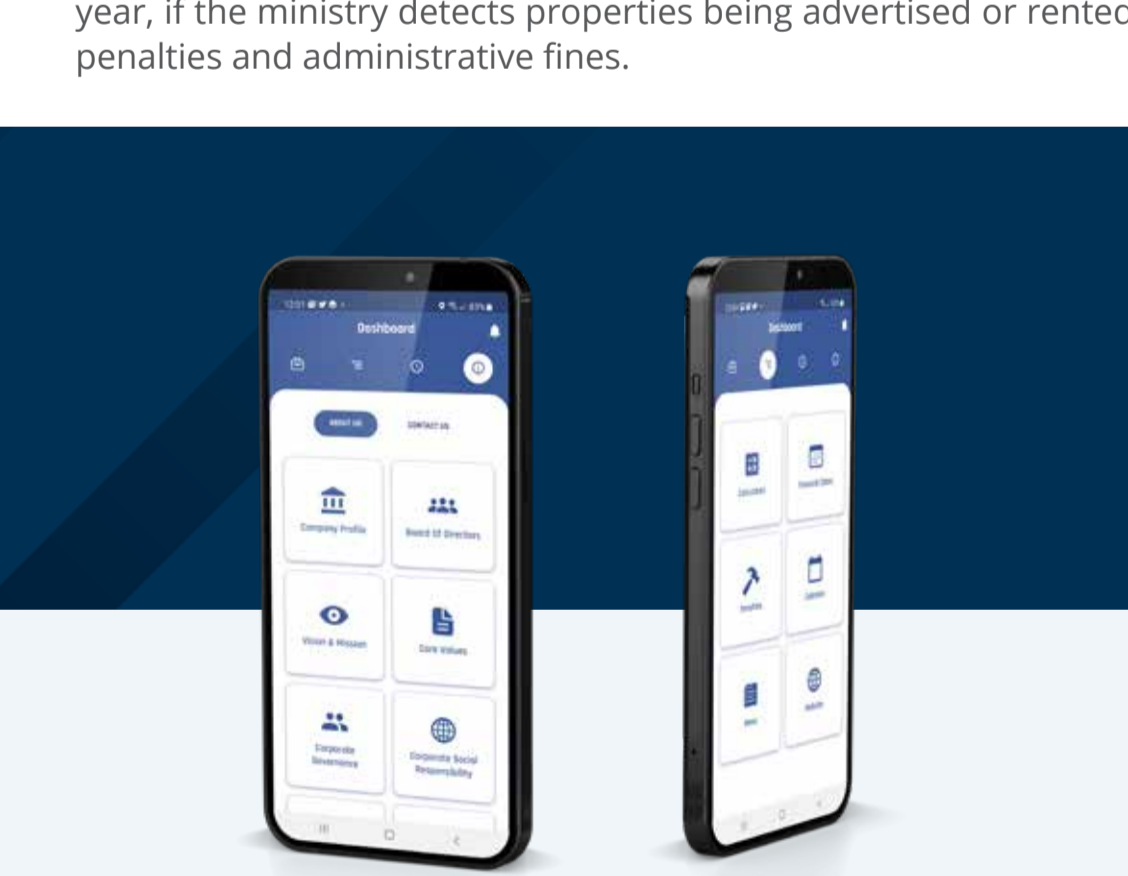


## 10 THOUSAND BEDS IN THE AIRBNB REGISTRY - GRACE PERIOD ENDS

Those who own and advertise properties for short-term rentals online will be essentially illegal, if they do not take care to register in the Register of Self-catering Accommodations of the Ministry of Tourism by **February 7, 2023**, as the grace period essentially ends.

An extension of one year has already been granted for registration in the register since the first deadline expired on February 7, 2022. Due to difficulties that seem to have arisen in the first plans to register interested parties in the register, the Parliament decided to grant an extension for another year, with the Ministry of Tourism estimates that this will be the last.

The submission of applications for registration in the register is only done online for natural and legal persons who are interested and, as mentioned, this will continue until the beginning of 2023. The license/registration fee is 222 euros. After February 7 of the new year, if the ministry detects properties being advertised or rented without being registered in the register, it will proceed to impose penalties and administrative fines.



## NEW VERSION OF OUR APP AVAILABLE FREE ONLINE!

ACC CY is a simple and easy-to-use mobile application that helps you calculate your income and taxes and keep you up to date with the latest financial news in Cyprus. Whether you are self-employed or work at a company, this application is tailored to your needs.

The app also offers the ability to keep track of any key dates and to set important reminders to your calendar for Cyprus Tax, VAT and Social Insurance deadlines. There is also a description of the penalties and interests regarding the Income TAX, VAT, Social Insurance and Annual Levy for companies in Cyprus.

## UPCOMING SUBMISSION DEADLINES

**By January 31st**

- Submission of declaration of deemed dividend distribution form (FORM TD623).

**By the end of the month**

- Payment of tax deducted from employees salary (PAYE) in the preceding month.
- Payment of Special Contribution for Defence (SDC) and contribution to General HealthCare System (GHS) withheld on payments of dividends, interest or rents (when the tenant is a company, partnership, the state or local authority) made to Cyprus tax residents in the preceding month.
- Payment of tax withheld in the preceding month on payments to non-Cyprus residents.
- Payment of Social insurance and contribution to General HealthCare System (GHS) deducted from employees emoluments FORM Y.K.A. 2-002.
- INTRASTAT forms are submitted to the VAT Authorities within 10 days from the end of the related month, in electronic form only provided that the supplies of a taxable person exceeded the registration threshold for INTRASTAT purposes.
- The VIES form, is submitted to the VAT Authorities within 15 days from the end of the related month in electronic form only.



## ACCOUNTING AND BOOKKEEPING SERVICES

Accounting and bookkeeping is a crucial aspect of your business functions and financial management. Still, some business owners might decide to do it themselves. In that case, they don't just lose precious time but also jeopardise their business. Disorganised financial management can lead to compliance issues later on – doing it yourself might cost your business more than you think.

When it comes to running a successful business, it's important to stay on top of your finances. That's why at A&C CHRISTOFI LTD, we offer a wide range of accounting and bookkeeping services tailored to meet the needs of individual clients. From balancing the books every month to preparing for year-end tax returns, we'll help you keep track of business performance so you can focus on other important tasks.

### Professionalism and Integrity

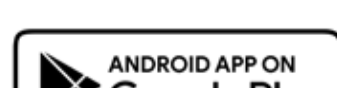
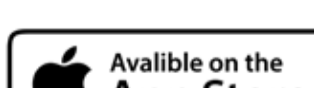
As accounting and bookkeeping experts, we understand the importance of this. Our professional approach allows us to provide strong client bonds, while transparent communication provides ultimate peace of mind. We're here to make the everyday running of your company a much easier task, offering accounting and payroll services that'll free up time and ease stress. Organisation is key and, with us by your side, you'll have everything from cash flow forecasts to computerised records at your fingertips.

Give your business the success it deserves. **Contact our expert advisor today!**

For more information get in touch with us!

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Download our app:



## WHO WE ARE

Licensed by the ICAEW, ACCA and Cyprus ICPAC

A & C CHRISTOFI LTD is a full-service accounting and auditing firm that focuses primarily on clients' needs. We offer accounting, payroll, and tax preparation services for businesses and individuals as well as tax planning and business advisory services. We focus on serving the unique needs of our clients on a one-to-one basis. We are accessible, flexible, and personal, and we make your business our business. We are dedicated to professionalism, integrity and our clients' complete satisfaction.

## A & C CHRISTOFI LTD

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