
Cyprus

SOCIAL INSURANCE

The National Strategy Report on Pensions gave the opportunity to Cyprus to formulate an all-embracing pension policy responding to the problems of the overall pension system of the country and to recommend a number of measures of reform.

A serious concern for the pension system in Cyprus is its sustainability in relation to the ageing population. In order to improve the financial sustainability of the Social Insurance scheme, several reform measures have been proposed and are currently under discussion with the social partners. These include the gradual increase of the social insurance contributions and the increase of the minimum qualifying period for pensions under the Social Insurance scheme. They also contain the abolition of the right to early pension between the ages of 63 and 65, as well as the abolition of the right to unemployment benefits for persons retiring before the pensionable age and receiving pensions from occupational pension schemes. The Social Insurance Law is expected to be amended in the light of these measures during 2008.

Latest amendments of the Social Insurance Law & Regulations

As from July 2007, maternity allowance period has been extended for two more weeks, i.e. from sixteen to eighteen weeks.

As from January 2007, the occupational categories of the self-employed were increased from nine to sixteen as well as their notional income upon which they pay social insurance contributions.

HEALTH CARE

Health Care Reform

The present system of health care has since long been criticised for the fragmentation of the services, the lack of coordination between the public and private health sector, the lack of equity in its financing and in general its inability to respond to the expectations of the population.

On 20 April 2001, the House of Representatives enacted a law for the introduction of a National Health System (NHS), which will provide health care free of charge at the time of delivery. The system has a universal coverage and will be financed by contributions from the state, the employers, the employees, the self-employed, the pensioners and all those who have non-employment incomes. The System is expected to be implemented by the end of 2008, but preparatory work has already started.

Coverage

The National Health System mainly covers:

- (a) Every citizen of the Republic who has its permanent residence in Cyprus.
- (b) Every dependent person of the beneficiary provided under paragraph (a).
- (c) Every person who is a contributor and has his permanent residence in Cyprus or he is a contributor legally employed in Cyprus.
- (d) EU citizens and their dependants.
- (e) The dependants of persons mentioned under paragraph (c) provided that they are permanent residents of Cyprus for a certain period of time, which shall be prescribed by Regulations.

Financing

The Scheme will be financed by contributions from the State, the employers, the employees, the self-employed, the pensioners and persons having non-employment related income (interests, dividends, rents etc.)

The contribution will be calculated on the total earnings/income without any ceiling.

Organisation

Contributions will be paid into the Health Insurance Fund (H.I.F), which will bear the cost of the health care services (including administration costs) provided to the persons covered under the Law.

The administration of the Scheme and the management of the H.I.F. will be the responsibility of the Health Insurance Organization, which will be managed by a tripartite Management Board consisting of representatives of the Government, the employers, the employees and the self-employed.

The Organization will not provide services directly, but will purchase them from health services providers, public and private. Patients will be free to choose their doctor and hospital.

Health Services

The health care services to be provided under the Scheme include:

- (i) Out-patient care by general practitioners and specialists care to both out-patients and in patients

Document available at:

http://ec.europa.eu/employment_social/social_protection/missoc_info_en.htm

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- (ii) the necessary drugs and pharmaceutical material
 - (iii) Diagnostic and paramedical examinations
 - (iv) Hospitalisation
 - (v) Dental care, for persons up to the age of 15 years
 - (vi) Medical rehabilitation and provision of prosthetic and orthopedic appliances
 - (vii) Domiciliary visiting
 - (viii) Transport of the patient, as his condition requires.

The above services will be free at the point of delivery.

Relevant websites:

Social Insurance Services: www.mlsi.gov.cy/sid

Social Welfare Services: www.mlsi.gov.cy/sws

Service for the Care and Rehabilitation of the Disabled

Labour Department: www.mlsi.gov.cy/dl