

**ASSESSMENT OF SOURCES AND METHODS USED IN THE PROVISION OF BASIC INFORMATION FOR THE CALCULATION OF SPECIFIC INDICATORS FOR A65 PURPOSES**

COUNTRY: **CY** 

DATE: 04.12.2017

CONTEXT

1. This report is written in the context of the implementation of Article 65 and Annex XI of the Staff Regulations of Officials and Conditions of Employment of Other Servants of the European Union, as most recently amended by Regulation 1023/2013 of the European Parliament and of the Council.
2. Article 12 of Annex XI states that "*...It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the update of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring...*"
3. A methodology manual has been developed to describe the calculation of specific indicators in accordance with Article 65 of the EU Staff Regulations. There have been various editions over time; the most recent version is document A6465/14/26rev2, dated May 2016.
4. This methodological documentation is supplemented with interpretation guidelines and specific agreements for individual Member States reached during each annual data collection exercise.
5. With effect from 2010, detailed documentation is drawn up for each Member State which aims to give a full description of the manner in which basic data is compiled and transmitted to Eurostat to allow the calculation of Specific Indicators.

Twenty-two of these draft "inventories" (at different stages of completion) were presented at the meeting of the Working Group on Articles 64 and 65 of the Staff Regulations in Luxembourg in March 2015. A further progress report was reviewed at the meetings in Luxembourg in March 2016 and 2017.

6. Previous assessment reports for this country have been prepared as follows: None
7. The current assessment report is based on the following information:
  - a. pro-forma document A6465\_16\_03;
  - b. data provided by the national statistical authorities in the Standard Remuneration Questionnaire for the year 2017;
  - c. the "inventory", version dated 04.03.2015 (status: not yet validated);

- d. other resources identified in connection with the work to establish Specific Indicators, including Eurofound and local websites (no governmental website info).

#### ORGANISATIONAL ISSUES (SUMMARY)

8. The name of the national delegate to the Working Group on Articles 64 and 65 is communicated to Eurostat by the Head of Methodology, Dissemination, Prices and ICT surveys | Statistical Service of Cyprus.
9. The national data required for the calculation of Specific Indicators is transmitted to Eurostat by the Statistics Officer | Statistical Service of Cyprus.  
The contact person has remained constant in recent years.
10. The national data is compiled from the following national sources:  
The *Law on the State Budget* sets the salary scales in the civil service.  
Pensions, remuneration and allowances received by public sector employees are set by regulatory standards.
11. Information on salary scales can be found on the website of the Treasury of the Republic of Cyprus  
[http://www.treasury.gov.cy/treasury/treasurynew.nsf/page17\\_gr/page17\\_gr?OpenDocument](http://www.treasury.gov.cy/treasury/treasurynew.nsf/page17_gr/page17_gr?OpenDocument)  
  
For Cost of Living Allowance (COLA) and child benefits concrete figures can be found on the website [www.infocyprus.com](http://www.infocyprus.com).  
On income tax: concrete information on [www.in-cyprus.com](http://www.in-cyprus.com).
12. The standard remuneration questionnaire for the year 2017 was transmitted via *eDamis* on 20.07.2017.
13. The following tables in the standard remuneration questionnaire for the year 2017 were not fully completed in 2017:

T3 

NOT complete
-----------------

 T6 

NOT provided
-----------------

#### Comments:

T3 (Components of salary): No changes in the components of the gross salary from 2016 to 2017. The only change in the compulsory deductions was the termination of the temporary contribution of all civil servants as from 01.01.2017.

T6 (Reference to legislative texts): No changes in the legislation on staff remuneration and conditions of employment from 2016 to 2017.

14. The national validation of the Specific Indicator calculated by Eurostat for the year 2017 was transmitted via eMail on 12.09.2017.

## OVERALL ASSESSMENT



Comply

## QUALITY ASSESSMENT – STAFF NUMBERS

15. Comments regarding the sample population for which staff numbers are supplied:  
In 2017, as in previous years, sample figures were given for all grades in the three categories (AD, AST and SC).  
The sample population differs from the total population, the ratio is 95.6% for 2017 (small decrease compared to 2016 = 96.0%).
16. Comments regarding the total population from which the sample is selected:  
For the total reference population only the subtotals for the three categories are given.
17. Comments regarding supply of the number of employees for the total central public administration (ESA 2010 s.1311):  
Country remarks:  
- The ESA 2010 figure refers to the 1st quarter of 2017.  
- This figure includes all the government employees under central government (besides conscript soldiers), even those excluded for Article 65 purposes (temporary and hourly staff, armed forces, medical staff, education, diplomats etc).

## QUALITY ASSESSMENT – GROSS SALARY DATA

18. Comments regarding the supply of a figure for gross remuneration for each grade:  
- Remuneration data is reported for the same grades as those for which staff numbers are reported;  
- Data are provided for the minimum/middle/maximum step for every grade.  
- Data are provided for single and married-with-two-children civil servants.  
- The SRQ worked example (Table 4), provides a calculation of gross pay for the minimum of A10 scale, both for single and married officials.  
- Monthly gross salary consists of the basic salary + cost of living allowance (COLA) + 1/12<sup>th</sup> of the 13<sup>th</sup> salary.
19. Comments regarding additional payments eg. state benefits:  
Child benefits are included in the calculations for a married couple with 2 children.

## QUALITY ASSESSMENT – STATUTORY DEDUCTIONS

In Table 3 of the SRQ file no information on statutory deductions, except for the remark that as of January 1<sup>st</sup>, 2017, the temporary contribution is no longer applicable.

In the salary tables and the example in Table 4 of the SRQ file the following deductions have been applied: social insurance fund, widows, contribution for health care, earnings reduction, pension plan contribution and income tax.

20. Comments regarding the calculation of personal income tax:  
Personal income tax divided in 5 tax groups, taxes going from 0% for group 1 to 35% for group 5.  
No tax reductions applied in the SRQ.
21. Comments regarding the calculation of occupational pension contributions: The Pension Plan contribution is 3% for 12 months.
22. Comments regarding the calculation of medical insurance contributions: The contribution fee for health care in general hospitals amounts 1.5% per month on gross salary for 13 months.
23. Comments regarding the calculation of other social security contributions: The contribution to the Social Insurance Fund amounts 3.95% of the gross salary, with ceilings.
24. Comments regarding the calculation of other statutory deductions: There is the widow's deduction: 2% on gross salary for 12 months.  
The Earnings Deduction is applied on gross salary, depending on level of income.

#### QUALITY ASSESSMENT – OTHER ASPECTS

25. N/A.

#### ACTION POINTS

26. N/A