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Factsheet for case CY-2020-11/327

Special scheme for complete suspension of business

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Country	Cyprus, applies nationwide
Time period	Temporary, 11 March 2020 - 12 June 2020
Type	Legislation or other statutory regulation
Category	Income support to workers and those laid off – Income support for people in employment (e.g. short-time work)
Case created	07 April 2020 (updated 27 April 2020)

Background Information

The scheme addresses businesses who have completely suspended their operation, in accordance with the Degree 101 of the Quarantine Law, Chapter 260 of the Minister of Health. It includes hypermarkets, shopping malls, cafeterias, libraries, sport centers, thematic parks, hairdressing saloons, barber shops, night clubs and pubs, etc.

* On Wednesday 8 April, the President of the Republic announced the decision of the Cabinet to extent the measure up until 12 June 2020. Currently, the Ministry of Labour undertakes a legal and technical processing of the measure.

Content of measure

The basic requirement for participation in the Scheme is that no employee has been fired since 1 March 2020. Additionally, businesses participate in the Scheme should not dismiss any employee during the period of participation, during an additional equal period of participation and plus one additional month after the end period of participation.

For businesses employing more than 9 employees, a special unemployment benefit will be paid to 90% of employees and the remaining 10% shall include managing shareholders, partners holding more than 20% of the shares, general managers and senior executives.

For businesses employing less than 9 persons, the special unemployment benefit may be paid to all employees irrespective of their status.

The maximum amount that may be paid for a period of month may not exceed 1,214 euros.

On the 23 April 2020, the Cabinet amended the calculation of the payable amount to the beneficiaries in order to support as many employees as possible currently out of work or full-time work. For the purpose of paying the Scheme of Complete Suspension Benefit, the insurable earnings of the year 2018 will be taken into account, but in addition, a comparison will be made based on the declared salary of January 2020. The payable amount will be the highest amount that results from this comparison taking into account the 60% for both calculations.

Additionally, a minimum payable amount of 356 euros has been defined for beneficiaries, which amount is equal to the lowest statutory pension. Also, a special plan will be implemented for employees who first started work in February and March 2020, under the strict condition that they will be registered by their employers.

An additional amendment to the Scheme is the inclusion of persons over 65 years of age who do not receive statutory pension and continue to work.

Furthermore, the scheme includes now new categories of economic activity that were excluded initially. The announcement does not define which categories are included, however.

In addition, those for whom the regular unemployment benefits from the Social Insurance Fund have been completed, may join the Scheme to receive a Special Unemployment Allowance for the period 13/4/2020 and 12/6/2020.

Use of measure

The budget available for the scheme is 182 million euros (covering the Scheme for the partial suspension of business Degree 130) but there is no estimation of the number of beneficiaries at this moment.

Actors, target groups and funding

Actors	Target groups	Funding
National government Social partners jointly Trade unions Employers' organisations Company / Companies	Employees All companies SMEs	National funds

Social insurance		
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Social partners

Role of social partners	Agreed (outcome)
Form of involvement	Direct consultation

The Government has consulted the social partners - trade unions, employers' organizations and all political parties - the provision of the scheme and the outcome emerged is on an agreed base.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 07 April 2020: Special Scheme for Complete Suspension of Business (www.coronavirus.mlsi.gov.cy)
- 23 April 2020: Τη λήψη επιπρόσθετων μέτρων στήριξης των εργαζομένων αποφάσισε το Υπουργικό Συμβούλιο (www.pio.gov.cy)