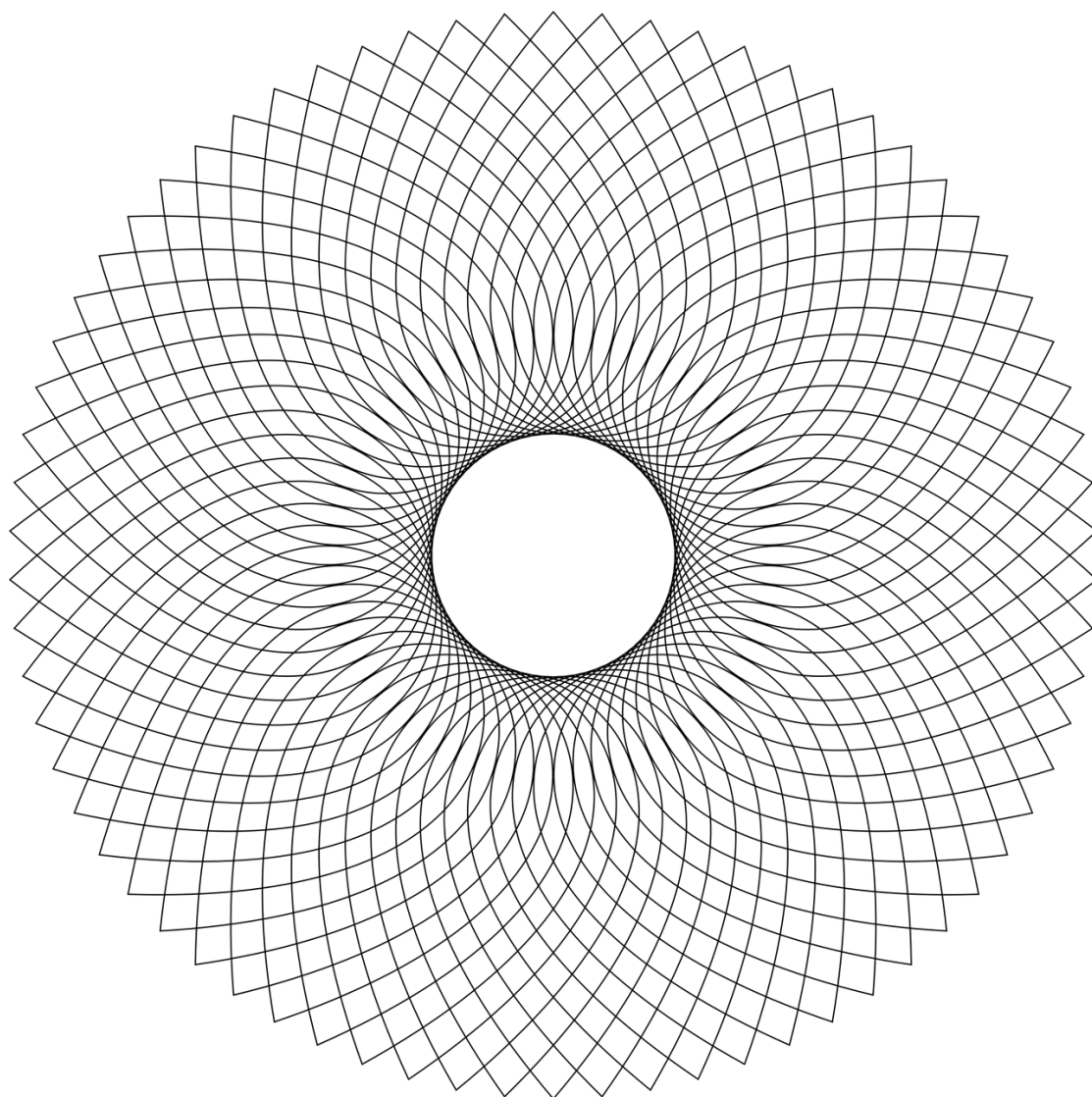


National Health System (NHS) of Cyprus



The House of Representatives of Cyprus, in 2017, passed the legislation on the National Health System where it provides for the need to improve the quality of health care provision in Cyprus and provides issues, including health care services, healthcare service providers, as well as the way the system is financed through contributions and supplements.

This Law will be referred to as the National Health System Laws 2001 to 2017.

The National Health Fund will be funded by contributions from employees, employers, pensioners, self-employed and the Government.

Contributions of employees and employers will be paid according to the payment standards of contributions to the Social Insurance Fund and will be collected initially by the Social Insurance Fund, which will then transfer the amount to the NHS Fund.

The implementation of the National Health System will take place in two phases and, depending on these phases, it will be determined the amount that the beneficiaries and the employers will contribute to the NHS Fund. From 1 March 2019, the scheme's beneficiaries will begin to pay their contributions and on June 1, 2019 they will begin to enjoy primary care services, such as visits to the medical staff, procurement of medicines, laboratory and other examinations. The payment of contributions will begin automatically for everyone and this will be in force from March 2019 until March 2020.

At that time:

- Every employee will pay 1,70% of his/her salary income through the Social Insurance Fund.
- Each employer will pay 1,85% of the salary of each of his/her employees to the Social Insurance Fund.
- Every self-employed person will pay 2,55% of his/her earnings to the Social Insurance Fund.
- Every pensioner will pay 1,70% of the amount of his/her pension to the Social Insurance Fund or will be paid/cut by the Government if he/she is a pensioner of the Public Service.
- Every income earner will pay 1,70% of his/her salary and the payment/cut will be done by the Tax Department.
- The Fixed Fund of the Republic will pay 1,65% of the salaries and pensions of all beneficiaries directly to the GFC Fund.

From 1 March 2020, the rates of contributions will increase and will reach the rates required by the law. The full implementation of the NHS will start on June 1, 2020 and the beneficiaries will have full medical coverage from the System.

As of March 1, 2020, every employee will pay 2,65% of his/her salary earnings and each employer a rate of 2,90% on the salary of each employee. Each self-employed 4% of his/her earnings, each pensioner 2,65% of the amount of his/her pension, and any person holding or exercising any office 2,65% of his/her salary earnings. Incomers and people who are holding offices will pay 2,65% of their income. The Fixed Fund of the Republic will pay 4,70% of the remuneration and pensions of all beneficiaries.