

Introduction of National Health System in the Republic - key highlights

Newsletter - Tax Reporting & Strategy



Background Information

As per National Health System Law of 2001 (89(I)/2001 as amended, a national health system is introduced in the Republic aimed to provide to the population equal access to a holistic health care system. Patients will have the option to select a health care provider from the private as well as the public health care sector.

Eligible persons

All citizens who have their normal residence in the Republic's controlled areas and falling under the following categories:

- Cyprus citizens;
- European Union citizens working or who have a right of permanent residence in the Republic as per the national legislation;
- Third country nationals who have legally obtained a right of permanent residence in the Republic or equal treatment right under the national legislation;
- Family members of above categories in line with the provisions of the national legislation
- Refugees and persons under protection status ("πρόσωπα με καθεστώς συμπληρωματικής προστασίας")

Phases of Implementation

It is envisaged for the National Health System to be implemented in two phases, as indicated below:

Phase A – 01/06/2019	Phase B – 01/06/2020
Introduction of personal doctor and specialist, laboratory examinations and medicine for out-of-hospital patients	Full implementation of the System with introduction of in-hospital treatment, Accident and Emergency, ambulance, nursing staff, preventive dental care, medical rehabilitation, house visits etc

Contributions relating to the introduction of the National Health System

As per the applicable legislation, contributions will start from 1/3/2019 and increase from 1/3/2020 as presented in the table below.

Ref	Category	Applied on	Phase A	Phase B
			01/03/2019	01/03/2020
(i)	Employees	Own emoluments	1,70%	2,65%
(ii)	Employers	Employees' emoluments	1,85%	2,90%
(iii)	Self-employed	Own income	2,55%	4,00%
(iv)	Pensioners	Pension	1,70%	2,65%
(v)	Persons holding office*	Officers' Remuneration	1,70%	2,65%
(vi)	Republic of Cyprus or Natural/ Legal person responsible for the remuneration of persons holding an office	Officers' Remuneration	1,85%	2,90%
(vii)	Persons, earning rental, interest, dividend and other income	Rental, Interest, Dividend Income etc	1,70%	2,65%
(viii)	Republic's Consolidated Fund (Πάγιο Ταμείο της Δημοκρατίας)	Emoluments/ Pensions of persons (i), (iii), (iv) and (v)	1,65%	4,70%

* Relates to holders of public or local authority office or other office, the income out of which does not come within the scope of (i) or (iii) or (iv) of (vii).

Where the total of emoluments, pension income and other income exceed €180.000, contributions to the National Health System are paid only on the amount of €180.000. Contributions are applied first to the emoluments earned out of employment, self-employment and office and subsequently on pension income and other income.

Practical implementation

More information with respect to the practical implementation of the National Health System contributions in employers' monthly payroll calculations and in the case of pensioners and people earning other income will be provided once available e.g. calculation method, withholding process, timing of payment of contributions, tax deductibility of contributions to the National Health System etc.

Lets talk

For a deeper discussion of how this development might affect you, please contact:



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