Incentive Scheme for providing incentives for the employment of the unemployed by providing flexible forms of work through teleworking

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|  | **PROGRAMMING PERIOD:**  **(e.g. 2014-2020)** | 2021-2027 |
|  | **Title of the Programme/Fund:** | |
| Incentive Scheme for providing incentives for the employment of the unemployed by providing flexible forms of work through teleworking | | |
|  | **Summary description of Programme/ Fund:** | |
| The scheme involves subsidising part of the salary costs of staff as an incentive for employers to hire unemployed people to work in various forms of telework. The Project is included in the Recovery and Resilience Plan and is funded by the Recovery and Resilience Mechanism, the central instrument of NextGenerationEU, the temporary instrument to finance the EU's recovery and exit from the crisis caused by the COVID-19 pandemic. | | |
|  | **Analytical description of Programme/Fund (around 1 page):** | |
| Eligibility to join the Scheme are employers who:  1) Are established and carry out activities in areas controlled by the Republic of Cyprus.  2) They are registered in the Social Security Register as employers; 2) They are registered as employers who are located in the areas where the Republic of Cyprus is established and controlled by the Republic of Cyprus.  3) Have not exceeded the maximum number of persons that can be recruited through the Scheme per call, which has been set at five (5) persons.  4) They meet the conditions for State aid under Regulation 2023/2831 on de minimis aid (State Aid Registrar's website, http://www.publicaid.gov.cy/).  5) They will employ a full-time person for whom the following pre-conditions are met:  i.He/she belongs to the target group, i.e. he/she is an unemployed person registered with the Public Employment Service (PES) up to one day before or on the date of recruitment. At least 30 % of his/her employment will be carried out through teleworking and confirmed on a monthly basis.  ii. He/she is a citizen of the Republic of Cyprus, or a citizen of any other Member State of the European Union or a citizen of a third country, legally residing in the Republic and has the right of free access to the labour market of the Republic of Cyprus.  iii.The application form must be submitted within one month from the date of recruitment (i.e. if you are recruited e.g. on 20/3/24, the application form must be submitted by 19/4/2024) (31 days - maximum number accepted). The recruitment and start of employment cannot take place after the application for participation in the scheme has been submitted. The date of recruitment/start of employment may take place on the same day as the submission of the application for participation.  iv.He/she has not worked for the particular employer in the eight months preceding the date of his/her recruitment to the Scheme. Prior employment is also considered to be employment with other companies that have a common shareholder and/or stock corporations owned by the same ultimate beneficiary as the applicant employer.  6) They cannot be employed through the Scheme:  i.Individuals for whom the employer has previously received a grant from a co-funded Project during the 2021-2027 Programming Period.  ii. Self-employed individuals for self-subsidy.  iii. Individuals who are Shareholders and/or Directors of a company (excluding Public Companies), members of the Board of Directors, Association/Association/Foundation and  iv.Persons who are spouses or are related to each other by first or second degree of consanguinity by blood or marriage to the Employer. That is, persons related to each other as parents, children, spouses, in-laws, grandparents, grandparents, grandchildren, sons-in-law, daughters-in-law, brothers-in-law, brothers and sisters-in-law are not eligible to participate in the employer-employee relationship. For the above exceptions, employer is defined in 3.1. 6 (iii) above.  7) A person hired through the Plan must fill a job vacancy notified by the Employer to the Public Employment Service (PES) prior to or on the same day the person is hired.  8) The date of application must be within the period specified in the solicitation.  9) The salary to be paid to the person recruited through the Scheme shall not be lower than that provided for by the applicable Minimum Wage Ordinance\* and the corresponding adjustment in six (6) months even if the specific job/position in which the person is recruited is not included in those specified in the Ordinance.  (\*The Minimum Wage Ordinance of 2022 and 2023 came into force on 1 January 2024 and sets the national minimum wage. Based on the provisions of the Decree, every employee who is employed full-time must receive an initial monthly wage that is at least €900 gross and after a 6-month continuous period of employment with the same employer, this wage must increase to at least €1,000 gross.)  **To be eligible to join the Scheme, employers who apply must meet the following conditions:**  i.They cannot be subsidized for the same person, in the same period of time, the same type of expenditure (e.g. salary) by different institutions/funds/mechanisms.  ii. they will commit that they will not reduce the staff of their business in the same e-occupation for which the person joining the Scheme is recruited for the period of the Public Funding Agreement. The same applies to the person who will be employed through the Scheme. The recruitment must represent a net increase in the number of employees in the business compared to the month prior to the month in which the recruitment took place, in the same occupation as the one applied for. Any reduction in staff both in the previous month of recruitment and during the period of participation in the scheme will not be justified unless the post or posts have become vacant following voluntary redundancy, retirement on grounds of age, or statutory redundancy for the reasons set out in Article 5 of the Employment Termination Act 1967 (Law 24/1967) as amended (http://www.cylaw.org/nomoi/enop/non-ind/1967\_1\_24/), with the exception of Article 5(b).  iii. Aid to individual consumers (e.g. households) on the basis of Article 107(2) of the Treaty on the Functioning of the EU is compatible with the common market, i.e. it is excluded from the scope of the State aid rules.  iv.The potential beneficiary should be able to demonstrate that its company is engaged in an economic activity.  It should be noted that in order to obtain the legal right to receive the aid, i.e. the approval of the beneficiary on the basis of the conditions of the Plan, the Certificate of Grant of Aid must be issued through the Central Register System, in accordance with the State Aid Control (Central Register System for State Aid and de minimis aid) Regulations of 2020 (Decree 193/2020).  It is noted that if at any stage, either during the approval for inclusion in the Scheme, or during the period of validity of the application, or even after the expiry of this period of participation in the Scheme, it is established that any of the above criteria/conditions are not met, then depending on the stage, either the inclusion procedure will be terminated or the exclusion procedure from the Scheme will be activated.  It is also noted that in case false declarations, data or information is found to have been submitted, then the application for participation in the Scheme will be rejected. In addition, the Implementing Entity may reject applications for participation from the same employer that are in the process of approval and integration. | | |
|  | **Total Budget of Programme/Fund:** | |
| €3.870.000. | | |
|  | **Thematic categories:** | |
| * Employment | | |
|  | **EU co-financing rate:** | 100% |
|  | **Beneficiaries (eligible for applying):** | |
| * Employees | | |
|  | **Coordinating body in Cyprus:** | |
| Department of Labour | | |
|  | **EU Website link for the Programme/Fund:** | |
| <http://www.mlsi.gov.cy/dl> | | |