Incentive Scheme for the Employment of Young People aged 15 to 29 who are Not in Education, Employment, or Training (NEETs) combined with two-month training

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|  | **PROGRAMMING PERIOD:** **(e.g. 2014-2020)** | 2021-2027 |
|  | **Title of the Programme/Fund:** |
| Incentive Scheme for the Employment of Young People aged 15 to 29 who are Not in Education, Employment, or Training (NEETs) combined with two-month training |
|  | **Summary description of Programme/ Fund:**  |
| The Scheme aims to mitigate unemployment among young people aged 15 to 29 years old who are not participating in an education or training programme and to sustainably integrate young people into the labour market by placing them in subsidised jobs and gaining work experience combined with two-month training. 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 :**  |
| 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 in the Social Security Register as employers.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 (website of the State Aid Registrar,http://www.publicaid.gov.cy/ ). 5) They will employ a full-time person for whom the following pre-conditions are met: i.Belongs to the target group, i.e. a young person aged between 15 and 29 years (29 years and 364 days), at the date of recruitment, who is out of employment, education or training and is unemployed and registered with the Public Employment Service (PES) up to one day before or on the date of recruitment.ii. 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 having the right of free access to the labour market of the Republic of Cyprus.iii.Recruitment and commencement of employment cannot take place after the submission of the application for participation in the Scheme. The effective date of commencement of employment is considered to be the 1st day of training, where it will be considered as the date of recruitment. Specifically, the application for participation must be submitted within one month of the start date of the 2-month training i.e., if the candidate for employment is hired 3/20/24, the application for participation may be submitted from 3/20/24 through 4/19/24 (31 days - maximum acceptable number of days from the start date of training).iv. He/she did not work for the employer in the eight months preceding the date of his/her employment in the Plan. 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 Plan: i.Individuals for whom the employer was previously subsidized by co-funded Plans during the 2021-2027 Program Period.ii. Self-employed individuals for self-subsidy.iii. Persons who are Shareholders and/or Directors of a company (excluding public companies), members of theBoard of Directors, of an Association/Association/Foundation and iv.Persons who are spouses or related to each other by first or second degree of consanguinity or affinity by blood or marriage to the Employer. That is, persons related to each other as parents, children, spouses, in-laws, grandparents, 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, the employer is defined in point 3.1. 6 (iii) above . 7) A person recruited through the Scheme must fill a job vacancy notified by the Employer to the Public Employment Service (PES) prior to or on the same day the person starts training.8) The application date must be within the period predetermined by the Plan or solicitation and no later than 31/5/24. 9) The salary to be paid to the individual hired through the Plan shall not be less than that provided by the applicable Minimum Wage Ordinance1 and the corresponding adjustment in six (6) months even if the specific job/job position in which the individual is hired is not included in those specified in the Ordinance.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 Plan shall not be justified unless the position or positions have become vacant following voluntary redundancy, retirement on grounds of age, or statutory redundancy for reasons referred to in Section 5 of the Termination of Employment Act 1967 ((Act24/1967)asamended (http://www.cylaw.org/nomoi/enop/nonind/1967\_1\_24/), excluding Section 5(b).1The Minimum Wage Decree of 2022 and 2023 entered into force on 1 January 2024 and sets the national minimum wage. Under the provisions of the Ordinance, every employee who is employed on a full-time basis must receive an initial monthly salary of at least €900 gross and after a 6-month continuous period of employment with the same employer, this salary must be increased to at least €1,000 gross.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 is 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 rules on the Control of State Aid (Central Register System for State Aid and Minor 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:** |
| €7.824.000 |
|  | **Thematic categories:** |
| * Employment
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|  | **EU co-financing rate:** | 100% |
|  | **Beneficiaries (eligible for applying):**  |
| * Employees
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|  | **Coordinating body in Cyprus:** |
| Department of Labour |
|  | **EU Website link for the Programme/Fund:** |
| <http://www.mlsi.gov.cy/dl> |