

REPUBLIC



OF CYPRUS

35(I) of 2007
200(I) of 2012
221(I) of 2022.

THE PROTECTION OF WAGES LAW OF 2007

(English translation and consolidation)

Office of the Law Commissioner
Nicosia,
March, 2023

ΓΕΝ (Α) – L.187

ISBN 978-9925-570-86-7

NICOSIA

PRINTED AT THE PRINTING OFFICE OF THE REPUBLIC OF CYPRUS

CONTENTS

	Page
Note for the Reader.	iii
The Protection of Wages Law, 2007 (English translation and consolidation)	1

NOTE FOR THE READER

The publication at hand by the Office of the Law Commissioner is an English translation and consolidation of the Protection of Wages Laws, 2007, 2012 and 2022 [i.e. Laws 35(I) of 2007, 200(I) of 2012 and 221(I) of 2022].

However useful the English translation of the consolidated Laws is in practice, it does not replace the original texts of the Laws since only the texts published in the Official Gazette of the Republic are authentic.

The Office of the Law Commissioner shall not be under any liability to any person or organisation in respect of any loss or damage, including consequential loss or damage, however caused, which may be incurred or arises directly or indirectly from reliance on information in this publication.

Copyright © Office of the Law Commissioner, Nicosia 2023

Reproduction authorised without prior application. Reference to the source will be appreciated.

A LAW TO PROVIDE FOR THE PROTECTION OF WAGES

The House of Representatives enacts as follows:

- Short title. **1.** This Law may be cited as the Protection of Wages Law of 2007.
35(I) of 2007
200(I) of 2012
221(I) of 2022.
- Interpretation. **2.** For the purposes of this Law unless the context otherwise requires:
- 2 of 221(I) of 2022. “Director” means the Director of the Department of Labour Relations of the Ministry of Labour and Social Insurance;
- “employee” means any person working for another person, either under an employment contract or apprenticeship or under such circumstances that an employer-employee relationship may be inferred and the term “employer” shall be construed accordingly and shall include the Government of the Republic of Cyprus;
- “employees’ representatives” means the representatives of employees under any law and/or practice;
- Official Journal of the EU: L 119, 4.5.2016, p. 1.
2 of 221(I) of 2022. “General Data Protection Regulation” or “GDPR” means the act of the European Union with the title “Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)“;

“Minister” means the Minister of Labour and Social Insurance”

2 of 221(I) of 2022. “payment account” means the payment account with basic features held in the name of one or more consumers which is used for the execution of payment transactions in accordance with the provisions of the Comparability of Fees, Payment Account Switching and Access to Payment Accounts Law;

64(I) of 2017
124(I) of 2020
76(I) of 2021.

“wage” means any monetary consideration resulting from the employment of an employee and any profit from such employment which may be eligible for a monetary valuation, including provident fund contributions as well as the contribution payable to the Central Holiday Fund, established under the Annual Holidays with Pay Law and it shall not include extraordinary commissions or ex gratia payments;

8 of 1967
25 of 1968
23 of 1969
26 of 1970
34 of 1972
66 of 1972
5 of 1973
85 of 1979
55 of 1980
65(I) of 1993
79(I) of 1996
26(I) of 1997
110(I) of 1999
165(I) of 2001
66(I) of 2002
72(I) of 2002
169(I) of 2002
18(I) of 2005
42(I) of 2011
217(I) of 2022.

Employer’s obligations and method of payment of wages.

3 of 221(I) of 2022.

3.-(1) The employer pays the employee's wage-

(a) to a bank account or payment account of the employee's choice; or

(b) by bank cheque in the name of the employee:

Provided that, in the case of persons for whom the completion of the procedure for opening a bank account or payment account is pending, the employer may pay the wage in cash, either in banknotes or coins, for a period not exceeding four (4) months from the date of recruitment of the employee:

It is further provided that, in cases where the request for the opening of a payment account is rejected for any reason, the employer may continue to pay the wage in cash, either in banknotes or coins, provided that the employer provides the Director with a relevant attestation from the credit institution that rejected the employee's application for the opening of a payment account:

It is further provided that the employer shall keep a record of the relevant attestations for each employee to whom this provision applies.

(2) Payment of a wage to the payment accounts of the employee's choice, as provided for in paragraph (a) of subsection (1), may be conducted in any way, including payment by electronic means of payment or through payment service providers, as these are defined in accordance with the provisions of the Payment Services Law.

128(I) of 2009
52(I) of 2010
31(I) of 2018.

(3) Notwithstanding the provisions of subsections (1) and (2), the wage may be paid in cash, either in banknotes or coins, provided that the employer pays the wage on a weekly basis and has entered into a collective agreement or other written

agreement with the employee, which provides that the payment of the wage may be made on a weekly basis:

Provided that, in the case of a written agreement, that bears the signatures and the written names in full of the employer and the employee:

It is further provided that such collective agreement or written agreement shall be sent within fifteen (15) calendar days from the date of the relevant request by an Inspector or other officer appointed in accordance with the provisions of section 13.

(4) Subject to the provisions of subsections (1), (2) and (3), the employer-

Table.

(a) issues a statement of wage payment, containing at least the data specified in the Table;

(b) provides the employee with a copy of the statement referred to in paragraph (a), either in paper or electronically, within five (5) working days from the date of payment of the wage;

(c) keeps a record of the statements referred to in paragraph (a), on the basis of the provisions of section 12;

Provided that the said file is sent within fifteen (15) calendar days from the date of the request of an Inspector or other officer appointed in accordance with the provisions of section 13.

Payment of wages in kind.

4.-(1) The payment of a part or of the entire wage in the form of alcoholic beverages or other harmful substances shall be prohibited.

(2) Part of the wage may be paid in kind, where this is customary in the field of economic activity or profession concerned, provided that:

(a) such products or services (allowances), after considering their quantity and quality, are appropriate and beneficial to the employee or to his family;

(b) the value assigned to such products or services (allowances) is fair and reasonable; and

(c) in any case, the employee consents for payment in kind.

Direct payment of wages.

5. Wages must be paid directly to the employee except where the employee himself has consented in writing to the contrary.

Freedom of disposal of one's wage.

6. The employer has no right to restrict in any manner, either directly or indirectly, the freedom of any employee to dispose of his wage, except in cases and to the extent this is permitted by other sections of this Law.

Pressure to use the shops of the employer prohibited.

7. Where the employer has shops selling goods or services to employees, the employees shall not be subjected to any pressure to use such shops or services.

Place and time of payment of wages.

8.-(1) Where the payment of wages is made in cash, it shall only be carried out during working hours at the workplace or close to it, unless otherwise provided for in any other law or regulation or collective agreement.

(2) The payment of wages at entertainment establishments or similar businesses and, where necessary to discourage abuse, at retail outlets, shall be prohibited, unless the payment of wages is made to persons employed at the aforementioned places.

Frequency of payment of wages.

9. -(1) The frequency of payment of wages must be at least weekly, except for monthly paid personnel, in which case it must be paid at least monthly.

(2) In the case of employees whose wages are estimated “by piece” or proportionately to production, the maximum intervals for the payment of wages must, as far as possible, be such so that wages are paid at least twice a month, at intervals not exceeding sixteen days.

(3) The frequency of payment provided for in subsections (1) and (2) of this section may be modified where a collective agreement and/ or practice provides otherwise.

Deductions from wages.

10.-(1) Subject to the provisions of subsections (2), (3) and (4) of this section, no deductions from wages shall be permitted except only:

(a) deductions provided for by a law or regulation;

(b) deductions pursuant to regulations on pension funds, provident funds and medical care funds;

(c) deductions pursuant to a court judgment;

(d) deductions for compensation due to damage sustained by the business which was caused by the employee intentionally or due to his gross negligence; and

4(a) of 221(l) of 2022.

(e) deductions provided for by a collective agreement or general agreement between employers' organisations and employees' representatives, for employees to whom they apply

4(b) of 221(l) of 2022.

(f) other deductions, upon the employee's written and signed consent.

(2) Prior to the wage deduction as a compensation to the employer, pursuant to paragraph (d) of subsection (1), the employees' representatives must be consulted, in order to determine, inter alia, the amount of the compensation and the way it shall be paid and where there is no recognised mechanism of employee representation within the business, the employee himself must be consulted.

(3) Where the consultations pursuant to subsection (2) do not reach a settlement of the dispute, such dispute shall be referred to the Ministry of Labour and Social Insurance for mediation, and where no agreement is reached at the mediation stage, the Ministry shall refer the dispute to the Industrial Disputes Tribunal.

(4) Deductions from wages under this section shall be limited to the extent that the employee shall be able to support himself and his family.

4(c) of 221(I) of 2022.

(5) In cases of deductions pursuant to paragraph (f) of subsection (1), the employer keeps a record of the consent forms of the employee on the basis of the provisions of section 12 and in a document whose form and content is decided by the Director in a relevant circular issued.

Assignment of wages prohibited except in some cases.

11. The assignment of wages shall not be permitted unless and to the extent where it is explicitly provided by a law or regulation:

Provided that under no circumstances can such assignment be made to such an extent that prevents the support of the employee and his family.

Obligation to keep details, records and evidence.

2(a) of 200(I) of 2012.

12.-(1) The employer must keep records showing for each employee details in relation to his gross and net wage, including any deductions made to the wage as well as the reasons for which such deductions were made.

5 of 221(I) of 2022.
125(I) of 2018
26(I) of 2022.

(2) Subject to the provisions of the GDPR, of the Protection of Natural Persons with regard to the Processing of Personal Data and for the Free Movement of such Data Law and any other relevant legislation, the records kept pursuant to subsection (1) shall be kept by or on behalf of the employer and shall be available for inspection by an inspector or other officer appointed pursuant to section 13 for a period not exceeding six (6) years.

2(b) of 200(I) of 2012. (3) The proof for the payment of a wage to an employee lies upon the employer.

Inspectors and/or other officers. **13.** The Minister may appoint Inspectors and/or other officers for the better carrying out of this Law.

Main tasks of Inspector. **14.** The main tasks of the Inspector appointed under section 13 of this Law shall be to:

(a) ensure the full and effective implementation of the provisions of this Law, either by conducting an ex officio investigation for monitoring its implementation, or by examining complaints submitted to him for disputes arising from the implementation of the provisions of this Law.

(b) provide information, advice and recommendations to employers and employees in relation to the most effective way of compliance with the provisions of this Law.

(c) report to the Minister any problems caused during the implementation of the Law and submit proposals in relation to measures that must be taken to address them.

Inspector's powers. **15.-(1)** For the purposes of the implementation of this Law, every Inspector may:

(a) upon presentation of his identity, enter freely and without prior notice, at any time of the day or night in any workplace, other than residential premises:

Provided that entry in residential premises may be made upon the consent of their occupier;

(b) be accompanied by a police officer, if he has reasonable cause to believe that he shall be obstructed in the exercise of his powers or the performance of his duties. For this purpose, the Police must dispose one or more officers to accompany him.

(c) be accompanied by any other person he may deem necessary.

(d) perform checks, inspections, investigations, interrogations or examinations as he deems necessary to ascertain the implementation of the provisions of this Law and in particular:

(i) request from any person, for whom he has a reasonable cause to believe that he may provide information or clarifications in relation to any inspection regarding the implementation of the provisions of this Law, to answer relevant questions either alone or in the presence of any other person, which the Inspector may request or allow, and request from any such person to sign a statement that his answers are true.

(ii) request from any person at the workplace to provide, for matters which are under the control or responsibility of such person, any necessary facilities and assistance for him to exercise any of the powers vested in him under this section;

(iii) request the assistance of any public service or authority which is obligated to provide it.

(2) During his visit for inspection under subsection (1) of this section, the Inspector shall inform the employer or his representative of his presence unless he deems that this would adversely affect the performance of his duties.

Inspector's actions where a complaint is submitted.

16.-(1) The Inspector may accept complaints in relation to a dispute arising from the implementation of this Law by any person who deems to be affected by such dispute, as well as on behalf of any such person, and as soon as such complaint is submitted to him, he shall follow the procedure provided for in subsections (2), (3) and (4) of this section, provided that the case has not been brought before a Court.

(2) In the exercise of the powers vested in him by the Law, the Inspector shall investigate the complaint submitted to him in any beneficial manner and in particular, he shall invite the person against whom the complaint is submitted as well as any other person competent or responsible for it, to provide information, clarifications or any evidence held or under his control that may serve or facilitate the investigation of the complaint and he shall attempt to settle the dispute.

(3) If the dispute is settled pursuant to subsection (2), the Inspector shall draw up minutes of the settlement of the dispute, which shall be signed by both parties.

(4) If the dispute is not settled pursuant to subsection (2), the Inspector shall draw up minutes recording all his actions and findings, and that may be used in proceedings before the Industrial Dispute Tribunal.

(5) Subject to the provisions of any law, from the day of submission of the complaint under subsection (1), until the date when the minutes provided for in subsection (4) were drawn up, any timeframe in force for making an appeal to the Industrial Disputes Tribunal by the person who submitted the complaint or on behalf of him, as well as the limitation period of his claim, shall be suspended.

Duty to provide information to the Inspector.

17.-(1) Every employer or a representative thereof and every employee of such employer must, upon the Inspector's demand, provide to him any information, book, record, certificate or other document or any other evidence held by him, in relation to matters regulated by this Law.

(2) In general, the employer, the representatives or the employees thereof must provide any means required by the Inspector, which are necessary for the entry, inspection, examination, investigation or any other exercise of power under this Law in relation to the business of such employer.

Inspector's obligation for confidentiality.

18.-(1) The Inspector must deem and handle every matter and every information, written or verbal, that came to his knowledge during the performance of his duties, as confidential, and he shall not disclose or transmit any such matter or information.

(2) In the event that any Inspector acts in breach of the obligation for confidentiality as determined in subsection (1) of this section, the Inspector shall hold civil responsibility under the provisions of section 70 of the Public Service Law.

1 of 1990
71 of 1991
211 of 1991

27(I) of 1994
83(I) of 1995
60(I) of 1996
109(I) of 1996
69(I) of 2000
156(I) of 2000
4(I) of 2001
94(I) of 2003
128(I) of 2003
183(I) of 2003
31(I) of 2004
218(I) of 2004
68(I) of 2005
79(I) of 2005
105(I) of 2005
96(I) of 2006
107(I) of 2008
137(I) of 2009
194(I) of 2011
78(I) of 2013
7(I) of 2014
21(I) of 2014
100(I) of 2015
148(I) of 2017
151(I) of 2017
152(I) of 2017
98(I) of 2020
136(I) of 2020
1(I) of 2022
113(I) of 2022
120(I) of 2022.

Competent
Court.

19.-(1) The competent Court for the settlement of any civil dispute within the framework of this Law shall be the Industrial Disputes Tribunal.

(2) Where an employer is convicted for breach of the provisions of this law, the Industrial Disputes Tribunal may issue an order for the payment of monetary debts of the employer arising from the non payment of wages.

Offences and
penalties.
3 of 200(I) of
2012.

20.-(1) Without prejudice to the provisions of subsections (2), (3) and (4) of this section, any employer who contravenes the provisions of this Law is guilty of an offence and is liable, on conviction, to imprisonment for a term not exceeding six (6)

months or to a fine not exceeding fifteen thousand Euros (€15000) or to both such penalties.

6 of 221(l) of
2022.

(1A) In case an offence is committed, in breach of this Law, by a legal person or organisation and is proved either to have been committed with the consent or complicity of a natural person who at the time the offence is committed holds a position of advisor, president, director, secretary or other similar position in the legal person or appears to be acting in that capacity, then the person or persons who committed the offence shall, upon conviction, be liable to the penalty provided for in subsection (1) for that offence.

(2) In addition to the penalties provided for in subsection (1), the Court may also, upon conviction of the employer, issue an Order for the payment of the amount due to the employee.

(3) Any employer who makes an abusive recourse to insolvency proceedings in order to deprive employees of their rights deriving from this Law is guilty of an offence and is liable, on conviction, to imprisonment for a term not exceeding six (6) months or to a fine not exceeding ten thousand Euros (€10000) or to both such penalties.

(4) Subject to the provisions of subsection (5) any person who:

(a) obstructs an Inspector in the exercise of any of the powers vested in him by the Law;

(b) refuses to reply or falsely replies to any inquiry for which power is granted under the Law;

(c) fails to present any record, certificate, book or other document or data that must be presented in accordance with the Law;

(d) obstructs or attempts to obstruct any person from presenting himself before an Inspector or from being examined by him,

is guilty of an offence and is liable, on conviction, to imprisonment for a term not exceeding six (6) months or to a fine not exceeding ten thousand Euros (€10000) or to both such penalties.

(5) Where an offence is committed under subsection (4) by a legal person or organisation, any person who at the time the offence was committed, is a director, president, manager, secretary or holds any other similar position in the said legal person or appears to act in such capacity, is guilty of the same offence unless he proves that the offence was committed without his consent or complicity or negligence and shall be subject to the penalty provided for such offence in the said subsection.

Regulations.

21. The Council of Ministers may make Regulations for the better carrying out of the provisions of this Law or to regulate any matter that may be regulated by Regulations.

7 of 22(I) of 2022

TABLE

[Section 3(4)(a)]

A. Minimum data to be included in the weekly or monthly statement on payment of wage which the employer forwards to the employee in paper or electronic form and for which he keeps proof of delivery or receipt by the employee:

1. Identification of employer and employee as follows:
 - (i) full name.
 - (ii) address.
 - (iii) identity.
 - (iv) social security number or employer's registration number.
2. Date of payment.
3. Period of payment.
4. Payment details as follows:
 - (i) basic wage with reference to the number of weekly working hours;
 - (ii) overtime pay with reference to the number of overtime hours and calculation method of overtime compensation;
 - (iii) any other payments.
5. Employee contributions as follows:
 - (i) Social Insurance Fund;
 - (ii) General Health System;

(iii) any other contributions provided for by law or regulation or written agreement or collective agreement.

6. Employer contributions as follows:

(i) Social Insurance Fund;

(ii) Social Cohesion Fund;

(iii) Redundancy Fund;

(iv) Human Resource Fund;

(v) General Health System;

(vi) other contributions provided for by law or regulation or written agreement or collective agreement.

7. Data included if applicable:

(i) cost-of-living adjustment;

(ii) commission;

(iii) 13th wage;

(iv) 14th wage;

(v) travel expenses;

(vi) contributions to the Social Insurance Services Central Holiday Fund;

(vii) employer and/or employee contributions to the Provident Fund.