

PROTECTION OF WAGES

Who is covered by the legislation and what is included in wages?

- The Law applies **to all employees**.
- Wage includes **any benefit or profit that can be measured financially and it is paid by the employer to the employee**, in exchange for her/his work. It does not include extraordinary commissions or ex-gratia payments. Contributions to provident funds and contributions to the Annual Leave Fund are considered wages.



«Non-payment of wages constitutes a criminal offence for the employer»

How and when should an employer pay the wages?

- The wage must be paid either to a **bank account or a payment account*** of the **employee's choice, or by a bank check on employee's name**.
- As an exception, the wage **may be paid** in cash if:
 - the employee's application for opening a bank account or a payment account is pending and this arrangement should be in effect for a maximum period of **4 months from the time that employment commences**.
 - the banking institution **refuses to open a payment account** for an employee and a relevant certificate from the banking institution was submitted to the Department of Labour Relations, provided that the employer keeps records of the aforementioned certificates.
 - there is a **written agreement that the salary will be paid on a weekly** basis.
- The employer cannot limit, directly or indirectly, the **employee's freedom on how to spend the wage** except for some exceptions.
- **Payment in kind** of the wage or any part of it is permitted only when there is a practice which is customary in the field of economic activity or profession AND provided that:
 - the employee **consents**,
 - the kind of item(s) is/are **suitable and beneficial** for the employee or his/her family, taking into account their quantity and quality, and
 - the monetary value attributed to the items is **reasonable and fair**.

How often should the wage be paid by the employer?

- Wage must be paid **at least weekly** and for monthly paid employees **every month**.
- In the event that the wage is being paid **"by the piece" or depending on the production**, the wage must be paid at least twice a month and the payment intervals shall **not exceed 16 days**, provided that it is practically feasible.

* More information regarding **payment accounts** can be obtained from banking institutions

Are wage deductions allowed?

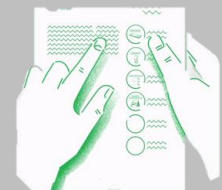
Deductions from **wages are generally forbidden**. However, some deductions from wages are permitted under specific conditions such as the extent deemed to be necessary for the maintenance of the employee and her/his family. Also, deductions are allowed when:

- provided by **law or regulation** (social security contributions, income tax, etc.),
- provided by regulations regarding **pension, welfare and healthcare funds**,
- prescribed by **Court rulings**,
- are to cover **damages suffered by a business**, either intentionally or due to serious negligence of the employee, (**after consultation with the employee or his/her representatives**),
- there is an **employee's written consent**.
- provided for by a **collective agreement or another general agreement** between employers and employees representatives.

Is the employer obliged to issue and give to all employees a payslip statement?

Every employer is obliged to issue and give a **monthly or weekly payslip** and this payslip must be given **in paper or electronically, within five (5) working days of the wage payment date**. The payslip should include items such as basic wage and other benefits and all employer and employee contributions. A complete list is available on the website of the Department of Labour Relations (<http://www.mlsi.gov.cy/dlr>).

« Every employer is obliged to issue and give monthly or weekly payslip »



How can a citizen request more information or submit a complaint?

By contacting the **Department of Labour Relations** of the Ministry of Labour, Welfare and Social Insurance as follows:

- ➔ **in writing** to the address: Department of Labour Relations, 1431 Nicosia
- ➔ through the **email**: info@dlr.mlsi.gov.cy
- ➔ by filling an **online form** at: <http://www.mlsi.gov.cy/dlr>
- ➔ by contacting **in person or by telephone**:

Nicosia: 54, Grivas Digenis Ave., 4th floor, 1096 Nicosia, tel.: 22803100
Limassol: 80, Franklin Roosevelt Ave., 3012 Limassol, tel.: 25819440/820
Larnaca: 5, Artemidos Ave., 1st floor, 6020 Larnaca, tel.: 24817800/801
Paphos: 1, Agiou Spyridonos Str., 8021 Paphos, tel.: 26822614/640
Famagusta: 82, Eleftherias Avenue, 5380 Deryneia (Service on Fridays)

Department of Labour Relations
MINISTRY OF LABOUR AND SOCIAL INSURANCE

Website: <http://www.mlsi.gov.cy/dlr>