

Cyprus Response to the Questionnaire on social protection of older persons addressed to Governments by the Independent Expert on the question of human rights and extreme poverty

(i) The legal and institutional framework

1. Provide details of the legal framework by which the programme(s) is established:
- (a) Please indicate the retirement age/eligibility age of the pension and if it takes into account the nature of the occupation (e.g. formal or informal employment) of the potential beneficiaries.

According to the Social Insurance Legislation old age pension is payable at the age of 65 for men and women and does not take into account the nature of the occupation.

The social pension is payable also at the age of 65 for both sexes and does not take into account the nature of the claimants' occupation.

- (b) Are there any restrictions, including a qualification period for receiving the pensions?

Old age pension (paid out of the Social Insurance Fund). A person is entitled to old age pension provided that on completion of the pensionable age he / she satisfies the relevant contribution conditions which are:

As from 4.1.2010:

(i) has paid contributions for at least five years and his/her insurable earnings in the lower band are not less than 260 times the weekly amount of the basic weekly amount of the basic insurable earnings.

As from 3.1.2011:

(i) has paid contributions for at least seven years and his/her insurable earnings in the lower band are not less than 364 times the weekly amount of the basic weekly amount of the basic insurable earnings.

As from 2.1.2012:

(i) has paid contributions for at least ten years and his/her insurable earnings in the lower band are not less than 520 times the weekly amount of the basic weekly amount of the basic insurable earnings;

(ii) has weekly average insurable earnings (actual and credited) as of 5.10.1964, in the lower band or from the contribution year in which he/she attained the age of 16, to the last contribution week before the pensionable age, equal to at least 30% of the weekly amount of the basic insurable earnings.

Furthermore, old age pension may be awarded at the age of 63 provided that stricter conditions are fulfilled.

Exception to this are miners who have at least five years of employment in a mine, and are entitled to old age pension one month earlier than the normal pensionable age for every 5 months of work in a mine, on condition that they have retired from mine work, but in no case can they draw pension before the age of 58.

The Social Pension Scheme provides for the payment of pension to persons who have completed the age of 65, satisfy certain residence conditions and are not entitled to other pension the rate of which is equal or higher than the monthly rate of the social pension.

(c) Please indicate whether it is a contributory or a non-contributory programme.

The Social Insurance Scheme is a **contributory scheme** which is funded by the employers, the employees and the State. In the case of **employed persons**, the contribution is 17,9% on their *insurable earnings* and it is divided to contributions paid by the employer, the employee and the State in the proportion of 6,8%, 6,8% and 4,3%, respectively.

In the case of **self-employed persons**, the contribution is 16,9% on the notional income of the person concerned. Out of 16,9%, 12,6% is paid by the self-employed himself and 4,3% by the State.

The Social Pension Scheme is a **non contributory scheme** and is funded from the General Taxation.

2. In the event that the programme is not established by law, please provide details of the administrative regulations or the relevant programmatic document available that are at the origin of its implementation.

The Social Insurance Scheme was established by the Social Insurance Law 41/1980 - 2009.

The Social Pension Scheme was established by the Social Pension Law 25(I) of 1995 – 2005.

3. Please describe the institutional framework used to implement the programmes:

(a) Please indicate which governmental authorities, structures and mechanisms, including those at the federal, state/provincial, municipal and local level were involved in the design, implementation and monitoring of the programme(s).

Both the Social Insurance Scheme and the Social Pension Scheme are administered by the Social Insurance Services which fall under the control and supervision of the Ministry of Labour and Social Insurance.

(b) Were civil society organizations involved in the elaboration of the legal framework, the implementation and monitoring of the programme(s)? If yes, please describe their role.

The civil society organizations are involved in the elaboration of the legal framework through the tripartite cooperation of the state, the employees' and employers' organizations, participating at the Social Insurance Board.

(ii) Programme costs and coverage

4. Please indicate the number of beneficiaries of the programme (annually)? If available, please provide details on their profile (e.g. sex, age, ethnicity, origin...).

For the year 2009 the number of beneficiaries of old age pension paid out of the Cyprus Social Insurance Fund was as follows:

Number of old age pension recipients paid out of the Cyprus Social Insurance Fund for 2009		
Male	Female	Total
54012	30242	84254

For the year 2009 the number of Social Pension beneficiaries was as follows:

Number of Social Pension recipients for 2009		
Male	Female	Total
388	14546	14934

5. Which geographical areas are covered by the programme in the country (national, regional, local)?

The Social Insurance Scheme covers compulsorily every gainfully occupied person in Cyprus while the Social Pension Scheme covers only the persons who reside in Cyprus in the areas which are controlled by the Republic of Cyprus.

6. What is the annual budget of the programme(s)? What is the percentage of the GDP does this constitute?

According to the final accounts of the Social Insurance Fund for the year 2007 the annual expenditure for old age pension was €499.888.051 while the annual expenditure for Social Pension was €52.442.384.

7. Please give details and indicate the sources of funding utilized for the programme(s) and the main costs involved at the various stages of implementation. In particular, is the programme operated with national, regional, local public resources? Are external resources used for this programme?

The Social Insurance Scheme is funded by the contributions of the State, the employed persons and the employers. In the case of self employed persons the Scheme is financed by the State and the self employed persons. The percentage of the contributions is mentioned in our answer.

The Social Pension Scheme is funded by the General Taxation which is administered by the Ministry of Finance.

8. Please indicate approximately how many potential beneficiaries were **not** reached by the programme. Have studies been undertaken to assess the reasons for coverage gaps? Please provide details of their profile (e.g. sex, age, ethnicity, origin....) if available.

N/A

9. What is the average amount of pensions in relation with the national average income or minimum salary? How is the pension calculated?

N/A

(iii) Implementation procedures

10. What procedures are utilized in order to pay the beneficiaries?

Claims for old age pension and social pension have to be submitted to the nearest Social Insurance Office accompanied by the relevant certificates.

11. What procedures are utilized in order to inform beneficiaries about the programme? Is Information made available in more than one language?

An application form is mailed to old age pension beneficiaries, three months prior to the completion of the age of 63, so that they are promptly informed and not lose part of their benefits due to late claim.

The Social Pension beneficiaries have to apply for their pension to the Social Insurance Services upon reaching the age of 65.

12. Were other services (such as social work, subsidized services) provided to the beneficiaries in connection to the pensions? If yes, please describe them.

Public assistance is provided within the framework of the Public Assistance and Services Law of 2006 (L.95(I)/2006) and aims to ensure a socially acceptable minimum standard of living for persons (and families) legally residing in the Republic of Cyprus, subject to eligibility criteria. In particular, any person whose income and other economic resources are insufficient to meet his/her basic and special needs, as defined in the legislation, may apply

for public assistance, which may be provided in the form of monetary support and/or services.

The nature of the benefit is differential in terms that it varies according to the applicant's income. The total amount received by the claimant varies according to the number of dependent persons, special needs (i.e. care, rent, special diet, special needs), applicants income. For persons 63+ and persons with mental illness, the amount of €170 per month is not taken into account.

It is a non-contributory scheme since it is not calculated based on the contributions paid by employers, employees or insured persons.

According to the Decision of the Council of Ministers (No 65.807, 04/07/2007) an annual benefit of € 427.15 is payable to old persons over 65 living alone who are public assistance recipients as a further measure for promoting the social integration of public assistance recipients.

If an older person is entitled to Public Assistance, he/she can also benefit from:

1. Rent Allowance which covers monthly rent or mortgage interest for the house in which the applicant resides. Rent allowance may reach up to 50% of the total basic allowance (both the applicant's and the dependants') with a maximum of € 598 per month.
2. Family Support for the Informal Care of Elderly and Disabled Members Scheme allows a maximum amount €12,000 to be paid to the beneficiary's needs for house repairs, extensions and/or house equipment up to the maximum. The subsidisation may be granted in instalments, based on actual costs. House repairs and/or equipment are meant to help the elderly become more functional and remain at their home (or the informal carer's home) for as long as possible.
3. Subsidisation Programme for the Self-Employment of the Elderly Scheme can provide a maximum amount of €2,570 for one person and € 3,855 for a couple. Subsidisation is based on actual costs and is granted once. The claimant may re-apply for a new grant after 3 years.

Public Assistance is also granted in the form of services such as Day-care for persons with disabilities and older persons, residential care for persons with disabilities and older persons, home care and telecare. The frequency of home care or day care or the need for residential care is based upon individual needs.

Home care may include housework and personal care (e.g. dressing, personal hygiene, cooking, laundry, shopping, visit to the doctor, etc). The State may pay (fully or partly) a private home carer who may be a family member. It is possible to compensate a family member who provides long-term care (if a family member is required to stop working for that purpose, or s/he is of low socio-economic standing), or a friend or a non-governmental organization, offering home care services for the provision of long-term care to persons entitled to public assistance, who are in need of care. Cash allowances vary depending on the needs and the type of care required

(maximum amount €240). In addition, the state may pay the salary of a Home Helper in the case of person in need of 24hr home care (€ 287,80 salary + social insurance contribution €73)) who is entitled to public assistance. Home care is also provided by state Home Carers who are employed under a contract with the government. In addition, home care programmes are implemented by NGOs at local level which are financed by the Grants-in-Aid Scheme of the Social Welfare Services.

The Nursing Services of the Ministry of Health provide community nursing and in urban and rural areas in Cyprus mainly for the elderly, for people with serious / chronic illnesses and for the disabled persons. Pancyprian mental health community nursing is provided for serious cases for adults (elderly people included), children and young people. Community medical care is also provided in cases of serious / chronic illness especially in areas far away from general hospitals.

The State (Social Welfare Services) provides day care facilities in public residential homes where recipients of Public Assistance may attend for a number of hours during the day according to their individual needs. There are no time limits for the use of day care facilities. Specialised services provided in residential homes may include occupational therapy, physiotherapy, meals and laundry services. Day Care Centres for the Elderly and Persons with Disabilities are also operated by NGOs at local level which are financed by the Grants-in-Aid Scheme of the Social Welfare Services. In order to assist or enable them to pay for care in a day center, depending on the individual's financial situation. Cash benefits may vary from €85 to €137 per month, depending on the beneficiaries' needs and the type of services provided.

The State (Social Welfare Services) provides full time care in residential homes for older persons and persons with mental and physical disabilities. The State also operates Community Homes (small family units of 5 persons) for persons with mild mental and physical disabilities.

Through the Grants-in-Aid Scheme of Social Welfare Services, NGOs receive funding for operating residential care centres (old-age homes, housing for the disable) as well as Community Homes for persons with mild mental and physical disabilities at local level. Residential care is also provided by privately owned homes for the elderly. In addition to free residential care in public institutions, the state may pay monthly cash benefit for residential care in private or non-governmental homes for persons entitled to public assistance. Cash benefits vary from €587.59 to €701.52 per month depending on the care needs of the beneficiary. Residential homes may be public, private or non-governmental.

Moreover, the Social Welfare Services cooperate with private companies for the provision of telecare services to public assistance recipients (i.e. old persons living alone, persons with disabilities living alone) with the amount of €18.79 per month.

13. Do beneficiaries of the programme access other public services at special conditions, in particular for health services?

In accordance to the Governmental Medical Institutions and Services Law, the pensioners are owners of Governmental healthcare services card in accordance to their incoming criteria (Medical Card A – free coverage, Medical Card B – partial coverage).

Moreover, pensioners, older than 65 years old, beneficiaries of a free medical card «Type A» and whose income is not expected to undergo the settled incoming limits (€8.543 for each individual), are automatically holders of a non expired Healthcare Card. Based on this criterion, a European Medical Card is also issued with a validity of 5 years.

In the case of pensioners who are been employed in the Governmental Sector, the cost for healthcare services received is fully covered.

(iv) Monitoring mechanisms and complaint procedures

14. Please describe the monitoring procedures utilized in order to oversee the implementation of the programme(s) and the entities responsible for monitoring.

For both Schemes certain internal procedures are applied such the mailing of a certificate to verify that the pensioner still has the same address, the same dependants etc. Procedures such as internal and external audit are also followed.

15. Are there any complaint mechanisms or procedures attached to the programme, which are available to beneficiaries? If yes, please describe them.

Amongst the duties that the customer service section of the Social Insurance Services has, is the handling of our customers' complaints.

16. Have there been instances when any local action was taken against the programme or those responsible for its implementation? If yes, what were the circumstances of the legal action and the basis of the complaint(s)?

N/A

(v) Existing studies and evaluations of old age pensions

17. Please provide any studies in particular needs assessment, utilized in order to develop the programme(s).

N/A

18. Please provide any studies in particular impact assessments, developed to assess the implementation of the programme(s).

N/A

(vi) Other available social protection schemes that benefit older persons

The Expert would welcome information pertaining to other social protection schemes that benefit older persons, in particular in-kind benefits such as user fee exemptions and subsidized services. Please provide information about existing schemes guaranteeing that older persons have access to health services and essential drugs, housing support including access to water and sanitation, life-long education, social work and care services.

Pensioners have access to healthcare services and medicines in accordance to incoming criteria as stated in the respective National Law (Medical Card A – free coverage, Medical Card B – partial Coverage).

Moreover, the Ministry of Health in Cyprus, has moved forward with the expansion of Community care services for the elderly. The Home Nursing programme which responds mainly to elderly' s health care needs is now expanded in a lot of the island's areas.

Finally, in an attempt to enable the easy access of pensioners and elderly to specific healthcare services, the Ministry of Health has established two Daily Centres for Alzheimer patients, one in Lithrodonda Village and one in Nicosia.