

Cyprus Knowledgebase

Hiring blueprint

Core employment practices

In Cyprus, core employment practices emphasise fair treatment and equality, with a strong focus on adherence to labour laws governing wages, working hours, and conditions.

Employers are also required to follow regulations on employee rights, including those related to safety, anti-discrimination, and termination procedures. Freedom of contracting

Employers and employees have the freedom to enter into employment contracts that are mutually agreeable, within the boundaries set by labour laws and regulations.

Priority of employment rights

Employment rights prescribed by law take precedence over any conflicting provisions in employment contracts.

Employment contracts

Written contracts: Employment contracts must generally be in writing and should include essential terms and conditions of employment.

Types of contracts: Permanent contracts are the norm, but fixed-term contracts and part-time contracts are also recognised.

Probationary period: The notice period are up to 6 months.

Working hours

Standard Workweek: The standard workweek in Cyprus is 40 hours, typically spread over five days.

Overtime: Overtime work is regulated and must be compensated at higher rates than normal working hours.

Rest periods: Employees are entitled to daily and weekly rest periods, including breaks during working hours.

Leave entitlements

Annual leave: Employees are entitled to paid annual leave, typically ranging from a minimum of 20 days.

Sick leave: Paid sick leave is provided for employees. They are entitled to up to 156 days of sick leave per year.

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Maternity and paternity leave: Maternity leave is provided for a period of 18 weeks, with additional unpaid leave options. Paternity leave is also provided for 16 weeks.

Termination of employment

Notice periods: Notice periods for termination are specified in law and depend on the length of service.

Severance pay: Severance pay may be required upon termination, based on the duration of employment.

Grounds for termination: Termination of employment may occur on various grounds including redundancy, misconduct, or mutual agreement.

Health and safety

Workplace safety: Employers are obligated to ensure a safe working environment and provide necessary safety measures.

Training and equipment: Employers must provide appropriate training and equipment to ensure safety at work.

Discrimination and equal treatment

Anti-discrimination laws: Laws prohibit discrimination based on various grounds such as gender, race, ethnicity, religion, disability, and sexual orientation.

Equal pay: Employers must ensure equal pay for equal work without discrimination.

Collective bargaining

Trade unions: Employees have the right to join trade unions and engage in collective bargaining.

Collective agreements: Collective agreements negotiated between employers and trade unions govern terms and conditions of employment in specific sectors. Employment of foreigners

Employment of foreigners is regulated by specific permits and conditions under immigration and labour laws. Foreigners seeking employment in Cyprus typically need a valid work permit issued by the government, which is often sponsored by their prospective employer.

Salary disbursement and monthly client invoicing

In Cyprus, the salary structure encompasses the basic salary, various allowances, social security contributions, and reimbursements, all of which together form the total cost to the company (CTC).

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Salary input: According to Native Teams policy, monthly inputs must be submitted by the 12th of each month. This deadline may adjust slightly based on business days and public holidays.

Invoicing: Invoices are issued on the 15th of each month as per our policy. This date might vary slightly due to business days or public holidays.

Payslips: Payslips are made available in employees' accounts on the Native Teams platform on the day salaries are paid.

Minimum wage

Cyprus has a national minimum wage that is periodically reviewed and adjusted. The minimum wage is 1000 thousand euro.

Pay increases

Pay increases may be based on collective agreements, individual negotiations, or as mandated by law.

Reduction of wages

Reduction of wages is regulated and may require mutual agreement or justification under specific circumstances.

Social security and benefits

Mandatory contributions: Employers and employees are required to make contributions to social security schemes.

Pension system: Cyprus has a social insurance system that provides pensions and other benefits upon retirement or disability.

Labour laws

Legal framework

Cyprus employment law combines statutory provisions and case law. Statutory regulations cover specific aspects of employment, including termination, working hours, annual leave, and social insurance contributions. However, every employment relationship is fundamentally contractual. In areas not specifically regulated by statutory provisions,

general contract law applies. Cyprus employment law integrates common law and statutory provisions.

While standard contract law principles primarily govern employment relationships, statutory rights and obligations supplement them where applicable.

Key employment-related statutes include the Termination of Employment Law of 1967 (as amended), the Social Insurance Law of 1980 (as amended), the Annual Paid Leave Law of 1967 (as amended), the Protection of Maternity Law of 1997, the Minimum Salaries Law (as amended), the Equal Treatment at Work and Employment Law of 2004 (as amended), the Health and Safety at Work Law of 1996 (as amended), Law 100(I)/2000 (which mandates employers to inform employees about the conditions of their employment contract or relationship), and the Collective Redundancies Law of 2001. The foundation of employment law in Cyprus is contract law. Employment contracts are further reinforced by relevant employment law principles. The principle of freedom of contract allows employers and employees to negotiate employment terms, which are valid as long as they do not contravene any other law or policy.

Additionally, Article 25 of the Cypriot Constitution protects the right of individuals to engage in any profession or carry out any occupation, trade, or business. This right may be subject to formalities, conditions, or restrictions prescribed by law that are related to necessary qualifications, public security, constitutional order, public safety, public order, public health, public morals, or the protection of rights and liberties guaranteed by the Constitution or in the public interest.

Furthermore, the law mandates that employers must provide detailed information about the employment contract to the employee within one month of the start of the employment relationship. This information can be delivered through an employment contract or a letter of appointment.

Employment contract

Types of employment contract

In Cyprus, various types of employment contracts exist, each meticulously designed to accommodate distinct employment arrangements and legal stipulations. These contracts ensure that both employers and employees understand their rights and obligations within the employment relationship. Indefinite duration contracts

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Indefinite duration contracts are open-ended agreements with no predetermined termination date, thereby offering employees long-term job security and stability. These contracts are typically favored for permanent positions and involve a comprehensive set of statutory benefits and protections. Employees under such contracts are entitled to annual leave, sick leave, and social insurance contributions, as mandated by Cypriot employment law. The terms of termination under these contracts are governed by the Termination of Employment Law of 1967, as amended, which provides specific procedures and conditions under which an employer may lawfully terminate the contract, including requisite notice periods and severance pay based on the employee's length of service.

Fixed-term contracts

Fixed-term contracts are agreements that specify both a commencement date and an explicit termination date. These contracts are commonly used for temporary roles, seasonal work, or specific projects with a clear end date. Cyprus employment law currently limits the maximum duration of probation period at 6 months and recommends a 3 month probation period for all companies on average. The employment relationship under a fixed-term contract automatically terminates upon the conclusion of the specified period unless both parties mutually agree to renew or extend the contract. Such contracts must comply with the Fixed-Term Work Law of 2003, which aims to protect fixed-term employees from unjustified treatment and ensure that their employment conditions are comparable to those of permanent employees. Employers must be cautious to avoid successive fixed-term contracts that might be construed as an indefinite duration contract unless there is a justified reason for renewal. Part-time employment contracts

Part-time employment contracts are designed for employees who work fewer hours than the standard full-time hours. Part-time employees are entitled to the same statutory rights as full-time employees, though benefits such as annual leave and sick pay may be prorated based on the number of hours worked. The Part-Time Work Law of 2002 ensures that part-time workers receive fair treatment and are not discriminated against in comparison to their full-time counterparts.

Temporary or casual employment contracts

Temporary or casual employment contracts cater to short-term or irregular work arrangements. These contracts are often utilized for covering peak periods, special projects, or filling in for absent employees. While temporary workers may not enjoy the same level of job security as those on indefinite contracts, they are still entitled to basic employment rights and protections under the relevant statutes.

Zero-hours contracts

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Zero-hours contracts do not guarantee a minimum number of working hours, providing flexibility for both employers and employees. Employees are called to work as needed, without a fixed schedule. While this type of contract offers flexibility, it also lacks assured income or job stability. Employees on zero-hours contracts are entitled to receive statutory benefits for the hours they work and should be informed about their working conditions and rights under the Employment (Miscellaneous Provisions) Law.

Probationary contracts

Probationary contracts are typically employed at the beginning of an employment relationship to evaluate the new employee's suitability for the role. The probation period, which varies in length depending on the nature of the job and company policy, allows employers to assess performance while providing employees the opportunity to understand their job responsibilities. During this period, either party can terminate the contract with a shorter notice period. If the employment continues beyond the probationary period, the employee may then be transitioned to an indefinite duration or fixed-term contract.

Apprenticeship contracts

Apprenticeship contracts combine employment with vocational training, allowing apprentices to gain practical experience while learning. These contracts outline the training and development opportunities provided, as well as the apprentice's wage. Apprentices are typically subject to specific terms and conditions governed by the Apprenticeship Law and related regulations, ensuring they receive appropriate training and remuneration.

Content of an employment contract

An employment agreement in Cyprus generally encompasses various essential elements aimed at delineating the rights and duties of both the employer and the employee. An employment contract must, at a minimum, encompass the following essential elements to ensure compliance with legal standards:

- Identification of the parties: The contract must clearly identify the employer and the employee, including their full legal names and addresses.
- Place of work and registered address of the business: The contract must specify the primary location where the employee will perform their duties, along with the registered address of the employer's business.
- Position or specialization of the employee: The contract must detail the job title, role, or specific area of expertise for which the employee is being hired.

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- Commencement date and duration of the contract: The contract must state the start date of employment. If the contract is for a fixed term, the duration must be explicitly mentioned.
- Notice periods: The contract must outline the notice periods required for termination by either party, in accordance with applicable laws and regulations.
- Annual leave entitlement: The contract must specify the employee's entitlement to annual leave, including the number of days and any relevant conditions.
- Compensation: The contract must detail all forms of remuneration the employee is entitled to, including salary, bonuses, and other financial benefits, along with the schedule for their payment.
- Working hours: The contract must define the usual duration of daily or weekly employment, including standard working hours and any expectations for overtime.
- Application of collective agreements: The contract must acknowledge any applicable collective bargaining agreements that may affect the terms and conditions of employment. Employment contracts may be drafted in any language mutually understood by both parties. In instances where the contract is written in a language not understood by the employee, it is imperative that the contract's provisions be orally explained to the employee. It is strongly recommended that the employer secure confirmation from an independent professional, such as a lawyer, verifying that the terms of the contract have been adequately explained to the employee.

In addition to express terms, certain terms are implied into employment contracts by virtue of statutory provisions and common law principles. These implied terms embody the rights and obligations of both the employer and the employee, forming an integral part of the employment contract and the overall employment relationship. Typically, implied terms include, but are not limited to:

- Trust and confidence: An implied obligation for both parties to act in a manner that maintains mutual trust and confidence.
- Good behaviour: An implied duty for both parties to behave appropriately and respectfully towards each other.
- Duty of good faith: An implied obligation for both parties to act with honesty and integrity in the performance of their contractual obligations.
- Timely payment of salary: An implied requirement for the employer to pay the employee's salary on time and without undue delay.

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- Prohibition of abuse, harassment, and discrimination: An implied duty for both parties to refrain from any form of abusive behaviour, harassment, or discrimination.

Amendments to an employment contract may only be effected with the mutual consent of both parties. Any modification to the terms of the contract must be agreed upon by both the employer and the employee, ensuring that the changes are documented and legally binding.

Oral, written, or electronic employment contracts

The written form is the most commonly used form for concluding employment contracts. It is imperative that the terms and conditions of employment be meticulously documented in writing, serving as a tangible expression of the mutual understanding and agreement between the employer and the employee.

The prescribed form of documentation may manifest in various forms, including but not limited to:

- A comprehensive and legally binding written contract delineating exhaustively the terms, rights, and obligations pertaining to the employment relationship;
- A formal letter of engagement, serving as an official communication outlining the essential terms and conditions of employment in a clear and unequivocal manner;
- Any other legally recognised document, endorsed by the employer and the employee, which encompasses, at a minimum, all requisite details specified under applicable employment laws and regulations.

It is incumbent upon the employer to ensure timely disclosure of the aforementioned terms and conditions to the employee, with such disclosure mandated to occur no later than one calendar month subsequent to the commencement of the employment engagement. In instances where alterations or modifications to the terms of employment are contemplated or implemented, the employer bears the legal obligation to furnish written notification to the employee within one month from the effective date of said alterations or modifications, thereby ensuring transparency and compliance with statutory requirements.

Importantly, the absence of a formal written employment contract does not derogate from the existence or enforceability of the employment relationship, as the rights and obligations of the parties therein are governed by both explicit agreements and implied terms arising from the conduct and actions of the parties. In circumstances where the

employer neglects or fails to execute a written employment contract with the employee prior to the commencement of work or fails to provide written confirmation thereof, the legal consequence is the presumption of the existence of an indefinite-term employment relationship between the parties, with the attendant rights and obligations accruing accordingly.

It is noteworthy that any unwarranted or unjustified failure on the part of the employer to adhere to the statutory requirements pertaining to the execution and documentation of employment contracts constitutes a breach of legal obligations and may render the employer liable to legal sanctions, including but not limited to fines and penalties. The burden of establishing a valid justification for such non-compliance rests squarely with the employer.

Furthermore, it is expressly provided that employment contracts may be drafted and executed in a language comprehensible to both parties, thereby ensuring mutual understanding and clarity regarding the terms and conditions of the employment relationship.

Finally, it is affirmed that an employment contract authenticated with a qualified electronic signature ("QES") possesses equivalent legal validity and enforceability as a manually signed paper document, thereby facilitating the adoption and utilization of modern electronic means for the execution and authentication of employment contracts in accordance with prevailing legal norms and standards.

Key requirements

Working hours

The employee's working week is generally 40 hours per week. In Cyprus, the standard full-time working week for an employee cannot exceed forty hours. This limit is established to protect employees from excessive workloads and to promote their well-being. It is important to note that this maximum limit applies unless otherwise specified by law, a collective agreement, an agreement between the works council and the employer, or the individual employment contract.

In cases where the working hours are not explicitly stated in any of the aforementioned agreements, it is presumed that the full working time is forty hours per week. This presumption acts as a safeguard to ensure that employees are not required to work longer hours than what is considered standard without proper agreement.

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Part-time employment in Cyprus is defined as any working arrangement where the hours are shorter than those of full-time employment. Part-time workers enjoy similar rights and protections as full-time employees, including entitlements related to working hours and overtime. According to Cyprus employment law, an employee is prohibited from working for more than one employer if the total working time exceeds 40 hours per week, unless additional work has been agreed upon. This provision aims to prevent exploitation of workers by ensuring that they do not face excessive work demands from multiple employers simultaneously.

Furthermore, when entering into a part-time employment contract, the worker is obligated to disclose to the employer any existing part-time employment contracts with other employers. This requirement promotes transparency and allows employers to make informed decisions regarding scheduling and workload distribution.

In situations of force majeure, extraordinary increases in workload, or other urgent circumstances, an employee may be required to work longer than the standard full or part-time hours. This additional work, known as overtime, must be requested in writing by the employer. However, there are strict limits on the total duration of work allowed per week, with the maximum set at 48 hours.

It's important to emphasise that any requirement for the worker to exceed the 48-hour limit must be mutually agreed upon by both parties. This ensures that employees have a say in their working conditions and can refuse to work overtime without facing any adverse consequences to their employment status.

The legal regulations stipulate the following remuneration for overtime in retail settings:

- 150% of the regular wage rate on weekdays
- 200% on Sundays, public holidays, as well as during free mornings or afternoons.

Night work

Night work is work performed between 8 pm and 6 am. Night work regulations in Cyprus are governed by the relevant labour laws and regulations. Night work is typically defined as any work performed between the hours of 8:00 PM and 6:00 AM. Employers are obligated to comply with specific rules concerning night work, which often include provisions for additional compensation or benefits for employees working during these nighttime hours.

Employees working night shifts are entitled to additional compensation or benefits as stipulated by labour laws or collective agreements. This compensation may include higher hourly pay rates, night shift allowances, or extra days off to offset the challenges of working during unsocial hours.

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Certain groups of employees, such as pregnant women, nursing mothers, or young workers, may benefit from additional protections concerning night work. For instance, pregnant women may have the right to refuse night work if it poses a risk to their health or the health of their baby. Employers have a responsibility to ensure the health and safety of employees working at night. This involves providing adequate lighting, security measures, and access to breaks and rest periods during their shift. There may also be regulations regarding the maximum number of consecutive night shifts an employee can work without a rest period to prevent fatigue and ensure their well-being.

Furthermore, employers are generally required to inform employees in advance if they are expected to work night shifts and provide them with information about their rights and entitlements regarding night work. This transparency helps employees understand their working conditions and ensures compliance with labour regulations.

Breaks and types of leaves

Employees enjoy daily and weekly rest periods and breaks. They can also use both paid leave under certain conditions and unpaid leave. Break: A worker who works at least six hours a day has the right to a rest (break) of at least 15 minutes every working day, unless otherwise specified by a special law. The rest period may not be granted at the beginning or the end of the working day.

Daily rest: During each time period of twenty-four hours, the worker has the right to a daily rest of at least eleven hours continuously.

Weekly rest: The worker has the right to a weekly rest for a continuous duration of at least twenty-four hours.

If the employer so decides, the worker may, for a period of 14 days, have:

- Two separate rest periods of 24 hours each; or
- One rest period of 48 consecutive hours.

Paid leave: In compliance with labour regulations in Cyprus, employers are obligated to provide a minimum of four weeks of paid leave to their employees.

This entitlement extends throughout the year, allowing for non-continuous utilization. It is expressly prohibited for employers to substitute this mandated leave with monetary compensation.

This statutory provision ensures that employees are afforded adequate time off for rest and recreation, contributing to their overall well-being and work-life balance. By safeguarding

the right to paid leave, the legislation in Cyprus promotes a fair and equitable employment environment, fostering employee satisfaction and productivity.

Unpaid leave: Employees are granted the prerogative to avail themselves of a maximum of seven occurrences of unpaid leave within the scope of a calendar year.

This allowance, often characterized as "force majeure," specifically delineates situations of compelling familial urgency necessitating the temporary absence of the employee from their duties.

Recognised within the legal framework, this entitlement is formalised under the rubric of carer's rights, affirming the imperative to accommodate the responsibilities and exigencies of familial caregiving.

Annual leave

A Cypriot employee is entitled to at least 20 days' holiday per year. Under Cyprus employment law, an employee is entitled to an annual vacation of at least four weeks for each calendar year.

This translates to 20 working days for employees on a five-day working week and 24 working days for those on a six-day working week. This entitlement is a statutory minimum, ensuring all employees receive adequate time off to rest and recuperate.

The terms of a collective agreement, an agreement concluded between the works council and the employer, labour regulations, or the individual labour contract may stipulate a longer duration of annual vacation than the minimum prescribed by law.

These agreements are often negotiated to provide more favorable terms for employees, reflecting the commitment of the parties involved to promote employee well-being. It is important to note that no restrictive regulation was found on this subject, indicating a degree of flexibility in enhancing the statutory leave entitlements. Employees and employers may agree to accumulate annual leave, allowing it to be carried over for a period of up to two years. This provision accommodates employees who may wish to defer their leave for various reasons, subject to mutual agreement. Such flexibility helps balance the operational needs of the business with the personal needs of the employee.

In the event of the termination of the employment contract, the employer is obligated to compensate the employee for any unused annual leave. This compensation serves as an alternative to taking the leave and ensures that employees do not forfeit their entitled rest period due to the cessation of their employment. The amount of compensation is determined proportionally to the number of days of unused annual leave, ensuring fairness in the settlement.

It is crucial to highlight that any agreement purporting to waive the right to annual leave, or to accept payment in lieu of taking the annual leave, is considered void under Cyprus employment law. This provision underscores the importance of taking actual rest periods and protects employees from potentially being coerced into forgoing their entitled leave for monetary compensation.

Public holidays

There are 15 public holidays. The public holidays are designated days off that are observed nationwide, providing workers with additional time off beyond their annual vacation entitlement. These public holidays are either fixed or moveable and are recognised by law. In Cyprus, public holidays are an important aspect of the annual leave entitlement, and employees are typically granted time off on these days. The Official Public Holidays in Cyprus 2025:

January 1 (Wednesday) – New Year's Day
January 6 (Monday) – Epiphany
March 25 (Tuesday) – Greek Independence Day
April 9 (Wednesday) – Orthodox Good Friday
April 10 (Thursday) – Orthodox Holy Saturday
April 12 (Saturday) – Orthodox Easter Sunday
April 13 (Sunday) – Orthodox Easter Monday
May 1 (Thursday) – Labour Day
June 9 (Monday) – Whit Monday
August 15 (Friday) – Assumption of Mary
October 1 (Wednesday) – Cyprus Independence Day
October 28 (Tuesday) – Greek National Day
December 24 (Wednesday) – Christmas Eve
December 25 (Thursday) – Christmas Day
December 26 (Friday) – Boxing Day

Note that some holidays may be observed on different dates according to the Orthodox Christian calendar.

Employees are entitled to a day off with full pay on public holidays, meaning they receive their regular wages as if they were working on that day.

If an employee is required to work on a public holiday, they are typically entitled to additional compensation. This compensation may include extra pay, often at a higher rate such as double time or time-and-a-half, or time off in lieu.

In Cyprus, there is no general rule that automatically transfers a public holiday to the following Monday if it falls on a weekend. Consequently, if a public holiday falls on a Saturday or Sunday, there is usually no additional weekday given off in lieu of the holiday.

However, the specific terms of individual employment contracts, collective agreements, or company policies may dictate otherwise. Some employers may choose to grant an additional day off or provide extra compensation, but this is not required by Cypriot law.

Employees who work on a public holiday are often entitled to increased pay. The rate of additional pay can vary, but it is commonly set at double the normal hourly wage or time-and-a-half. Alternatively, some employers may offer employees time off in lieu for hours worked on a public holiday. This arrangement allows employees to take another day off at a later date, subject to agreement between the employer and the employee.

Salary

In 2024, Cyprus will introduce a revised minimum wage structure aimed at benefiting more than 25,000 full-time employees across diverse sectors.

This initiative seeks to bolster fair remuneration practices and bolster economic stability within the labour market.

Effective January 1, 2024, all full-time employees must receive a minimum gross monthly wage of no less than €1000. In 2025, the national minimum wage in Cyprus remained fixed at €1,000 per month, that is 12,000 euros per year.

This statutory requirement ensures that employees are compensated at a baseline level commensurate with their full-time employment status.

For employees who have not completed six months of continuous employment with the same employer by January 1, 2024, a minimum gross monthly salary of €900 for full-time work is mandated until the completion of the six-month period. This provision aims to support new employees during their initial integration into the workforce.

The determination of employee working hours must strictly adhere to conditions specified in applicable collective agreements or formal written agreements between employers and employees. This ensures clarity and adherence to established labour practices.

Part-time employees will receive a minimum monthly salary adjusted proportionally based on their contracted working hours relative to full-time employment. This adjustment ensures equitable compensation across different employment statuses under the new minimum wage regulations.

Sick leave

Employees in Cyprus are entitled to sick leave, but the specifics can vary depending on the employment contract or collective agreement. Generally, employees are entitled to up to 156 days of sick leave per year. The beginning and duration of temporary incapacity or inability to work (hereinafter: sick leave) is determined by the selected doctor of medicine of primary health care.

The sick leave period for which the insured is entitled to salary compensation is proven by a report on temporary incapacity to work issued by the selected doctor of primary health care.

Incapacity to work because of illness must be certified by a doctor from the first day of the illness.

Salary compensation during the sick leave is determined from the compensation base, which is the average amount of salary paid to the insured in the last month before the month in which the case occurred, on the basis of which the right to salary compensation is acquired, regardless of whose burden it is paid.

Sickness benefit is paid for a period not exceeding 156 days for each period of discontinued work.

The amount of the weekly sickness allowance 60% of the assumed weekly wage of the insurance class in which the insured is classified.

To receive the benefit, an application form, accompanied by the required certificates, must be submitted within 21 days of the start of the illness. There is a waiting period of 3 days for employees, whereas the waiting period for the self-employed is 9 days. In the event of an accident or hospitalisation, the self-employed are dealt with in the same way as employees.

The employers have a choice to pay for the first few days of sick leave (normally three) or cover the remaining percentage of the sickness benefit after the first few days have passed.

If the employer does not pay for the remainder of the time, Social Insurance makes the payment. If the incapacity to work is not permanent, the benefit payment period may be extended to a maximum of 312 days.

Parental leave

Cypriot employees are entitled to 6 weeks of parental leave. An employed or self-employed parent is eligible for 18 weeks of parental leave, applicable until their child reaches 8 years of age, contingent upon the completion of a continuous six-month period of employment with the same employer.

Working parents hold the privilege, upon request, to take parental leave with flexibility, accommodating both their personal needs and the operational demands of their employer.

Such leave can be taken in segments, with a minimum duration of one day and a maximum duration of five weeks per calendar year. Additionally, parental leave benefits are extended to insured employed parents during their leave period. This benefit encompasses a maximum of six weeks per parent for each child and is disbursed from the conclusion of maternity/paternity leave until the child reaches either 8 years old or, in cases of children with disabilities, 18 years old.

In situations involving a child with a disability, the parental leave benefit duration is extended as follows:

- Four weeks if the child is certified by the Disability Assessment System of the Department of Social Integration of Persons with Disabilities as having severe or moderate mental disabilities.
- Six weeks if the child is certified by the Disability Assessment System of the Department of Social Integration of Persons with Disabilities as having total disabilities.

Paternity and maternity leave

Maternity and paternity leave policies are designed to support working parents during the crucial early stages of parenthood. Paternity leave can be availed within a span of 16 weeks following the birth of the child, while employed and self-employed expectant women are mandated to take a leave of 18 weeks. Paternity leave

New fathers are entitled to two weeks paternity leave. Also, paternity leave may be taken within 16 weeks from the birth of the child.

Finally, new fathers who have completed work equal to six months or more may take unpaid leave for up to 18 weeks as a result of the adoption or childbirth.

Adoptive fathers receive the allowance for a period of 2 consecutive weeks between the week of adoption and the following 16 weeks.

Financial support during paternity leave

The beneficiary is entitled to salary compensation equal to 72% of the salary.

The paternity benefit is not paid if the person concerned receives their full salary during the period in which maternity allowance is granted. If they receive a reduced wage, the sum of that wage and the allowance must not exceed the full wage.

Maternity leave

Employed and self-employed pregnant women have to take 18 weeks maternity leave starting between the ninth and second weeks before the week of the expected birth. The employee must be at least 26 weeks employed from the insurance start date.

Maternity leave is extended from 18 weeks to 22 weeks for mothers in employment who give labour to a second child and 26 weeks for a third child and any subsequent children.

Female employees who wish to adopt a child under 12 years old and who have notified the Department of Social Welfare Services of the adoption are entitled to 16 weeks of maternity leave.

Maternity leave lasts until the baby is 6 months old, with the mandatory part of it covering the period between 28 days prior to the expected date of birth until 70 days after the child's birth (a total of 98 days without interruptions).

Additional maternity leave covers the period after the expiry of the mandatory part of maternity leave (from the 71st day from the child's birth) until the baby turns 6 months old.

Financial support during the maternity leave

The beneficiary is entitled to salary compensation equal to 72% of the salary.

The maternity benefit is not paid if the person concerned receives their full salary during the period in which maternity allowance is granted. If they receive a reduced wage, the sum of that wage and the allowance must not exceed the full wage.

Termination

Methods of employment termination

In Cyprus, the termination of an employment contract is governed by both statutory law and common law principles. The primary legal framework is provided by the Termination of Employment Law (24/1967) and subsequent amendments. Modes of termination of the employment contract

- By the death of the employee: The employment contract is automatically and immediately terminated upon the death of the employee, as the fulfillment of contractual obligations by the deceased party becomes impossible.
- By the death of the employer (if a natural person): The employment contract terminates if the employer, who is a natural person, passes away. This cessation occurs due to the impossibility of the continuation of the employer-employee relationship, unless a successor or estate takes over the business and the employment relationship continues under their authority.
- Upon expiry of a fixed-term contract: The employment contract concludes at the end of the specified duration for which it was established. The contract is not renewed unless both parties expressly agree to extend or renew the contract, either orally or in writing.
- Upon the employee reaching retirement age: The employment contract terminates when the employee reaches the statutory retirement age of 65 years, unless there is a specific agreement to extend the employment beyond this age, in compliance with applicable laws and regulations governing retirement and continued employment.
- By mutual agreement: The employment contract may be terminated at any time by mutual consent of both the employer and the employee. This agreement to terminate must be documented in writing, signed by both parties, and should outline any terms and conditions related to the termination, such as severance pay or continuation of certain benefits.
- By dismissal: The employer has the authority to terminate the employment contract through dismissal. Such dismissal must comply with legal standards and typically requires that the employer provides a valid reason for termination, adheres to due process, and complies with any notice periods or severance requirements mandated by employment law or the employment contract.
- By judicial decision: The employment contract can be terminated by a ruling from the Labour Disputes Court. Such a decision may arise from disputes regarding the legality or

fairness of a dismissal, non-payment of wages, or other employment-related conflicts. The court's decision is binding on both parties. Ordinary termination

Both the employee and the employer possess the right to ordinarily terminate the employment contract, subject to certain conditions and procedures outlined by employment law and the specific terms of the employment contract.

Ordinary termination by the employee (resignation)

No reason required: The employee may terminate the employment contract without providing a specific reason for the termination.

Notice period: The employee is obligated to comply with the notice period prescribed by applicable law or as stipulated in the employment contract. The notice period allows the employer time to make necessary adjustments or find a replacement for the departing employee.

Consequences of non-compliance: Failure to adhere to the required notice period may result in the employee being liable for damages or forfeiting certain benefits, such as severance pay or accrued leave, depending on the terms of the employment contract and applicable labour laws.

Ordinary dismissal by the employer

Dismissal of an employee by an employer must be made in writing with precise reasons and must necessarily respect the notice period. An indefinite-term employment contract can be terminated by the employer at any time with proper notice.

When dismissing an employee, the employer must provide a written notice that includes an explanation for the dismissal, if one is given. This notice must be delivered directly to the employee being dismissed.

Redundancies

The employer has the right to terminate an employee's contract due to business-related reasons, which might include economic, technical, or organizational changes. Such reasons could involve a reduction in production, the adoption of new technologies, or shifts in market conditions. These changes may necessitate the termination of certain positions to allow the company to continue its operations effectively.

Despite the provisions outlined in the Redundancies Law, the employee's right to compensation remains protected under the Termination of Employment Law. This ensures that employees are entitled to appropriate compensation even in cases of redundancy.

Extraordinary dismissal

Both the employer and the employee may opt for extraordinary termination of an employment contract concluded for a definite or indefinite period of time.

In the event of extraordinary termination, neither the employer nor the employee have the obligation to comply with the notice period, but they must prove the existence of a justified reason for dismissal.

Reasons for extraordinary dismissal

The employer has the right to terminate the employment of an employee without notice, where the employee's conduct is such as to justify his dismissal without notice, e.g.:

- Gross misconduct by the employee in the course of his duties,
- Commission by the employee in the course of his duties of a criminal offence without the agreement, expressed or implied, of his employer,
- Immoral behaviour by the employee in the course of his duties. and
- Serious or repeated contravention or disregard by the employee of work or other rules in relation to his employment.

Where the employer does not exercise his right to dismissal without notice within reasonable time, the termination of employment is deemed to be unjustified.

If an employee has filed a request for extraordinary termination of employment due to conduct of his employer, he is entitled to unemployment benefit.

Notice period and challenging the dismissal

The notice period is not fixed but varies according to the duration of the weeks worked by the employee. Ordinary dismissal by employer: An employer intending to terminate the employment of an employee, who has completed at least 26 weeks of continuous employment with that employer, is obliged to give the employee a minimum period of notice in writing, depending on the length of his service, as follows:

Period of continuous employment:

- 26 to 51 weeks: one week.
- 52 to 103 weeks: two weeks.
- 104 to 155 weeks: four weeks.
- 156 to 207 weeks: five weeks.
- 208 to 259 weeks: six weeks.

Native Teams

- 260 to 311 weeks: seven weeks
- 312 or more weeks: eight weeks

Extraordinary dismissal: No notice period.

Termination during probationary period: The employer is not obliged to give notice, if the employment is on a probationary basis for a period not longer than 104 weeks. Where such a period is longer than 104 weeks, notice is not required only where the probationary period has been fixed by written agreement between the employer and the employee at the time of recruitment.

Dismissal by employee (resignation): An employee who intends to terminate his employment, has to give a minimum period of notice to his employer, depending on his duration of employment, as follows:

Period of continuous employment

- 26 to 51 weeks: 1 week.
- 52 to 259 weeks: 2 weeks.
- 160 weeks or more: 4 weeks.

The employer has the right to require the employee to accept payment of his wages, in lieu of the period of notice to which he is entitled.

Challenging the dismissal

If an employee believes that their employer has unlawfully dismissed them, the employee can file a lawsuit before the Labour Disputes Court.

The amount of compensation is decided by the Labour Disputes Court after an application by the employee, but in no case, it can be less than the amount of redundancy payment, to which the employee would be entitled, had he been declared redundant, or higher than two years wages. In assessing the amount of compensation, the Court gives consideration, inter alia, to the emoluments of the employee, the length of his service, the loss of his career prospects, his age and the circumstances of his dismissal.

Where the termination of the employment of an employee who has worked for an employer employing 19 or more employees, is considered unlawful and as an act of bad faith, the Labour Disputes Court, may, following an application by the employee concerned and if it thinks fit considering the circumstances of the case, order the reinstatement of that employee, as well as the payment of damages for the actual loss suffered by the employee. The amount of damages cannot exceed the wages of 12 months.

Rights and obligations of unemployed persons

To be eligible for unemployment benefits, the employees must have been employed and made social insurance contributions for a designated period. Generally, this requires having worked for at least 26 weeks and having paid contributions on insurable earnings during that time. Unemployed persons are entitled to financial compensation provided that they have at least 26 weeks of uninterrupted work.

This means that workers who have maintained consistent employment for this period are eligible to receive unemployment benefits, ensuring a safety net during periods of joblessness. These benefits are crucial in offering temporary financial support and stability as individuals seek new employment opportunities.

Unemployment benefits are paid to workers aged 16 to 63 who find themselves unemployed. This age range is inclusive of young workers who may be entering the workforce for the first time, as well as older workers who may be nearing retirement.

Additionally, the benefit limit is extended to 65 years if the insured person is not entitled to a statutory pension, recognizing the unique financial needs of older workers who may not yet have access to retirement funds. This extension provides an important layer of financial protection for those who are close to but not yet at retirement age. However, there are specific exclusions to these benefits. The self-employed are not entitled to unemployment benefits, reflecting the different nature of self-employment compared to traditional employment.

Furthermore, unemployed persons cannot exercise the right to financial compensation if their employment has been terminated through their own fault or will. This includes situations where the termination was voluntary or due to misconduct. Similarly, if an independent profession was terminated without a justified reason, the individual would also be ineligible for benefits. These conditions ensure that the system supports those who are unemployed through no fault of their own, rather than those who leave employment voluntarily or due to their own actions.

The duration of unemployment benefits is also regulated. Unemployment benefits are paid for a period not exceeding 156 days in each period of unemployment. This limitation encourages beneficiaries to seek new employment within a reasonable timeframe while providing sufficient support during their job search. By setting this time limit, the system balances providing necessary financial assistance with promoting a return to the workforce.

Overall, the structure of unemployment benefits is designed to provide essential financial support to those who have lost their jobs through no fault of their own, ensuring a measure of economic stability during transitional periods of unemployment. It recognizes the

different circumstances of various workers, including age and the reasons for unemployment, and seeks to balance support with incentives to return to work.

Severance pay

Employees who have completed at least 4 years of continuous employment are generally entitled to severance pay. Severance pay is a sum of money which, as a means of ensuring income and mitigating the harmful consequences of the termination of the employment contract, the employer pays to the employee whose employment contract is terminated after 26 weeks of continuous work.

An employee is not entitled to compensation, if his employment has been terminated for any of the following reasons:

- Where the employee has become redundant.
- Where the termination is due to force majeure, war operations, political rising, act of God, or destruction of the plant by fire not caused by the wilful act or negligence of the employer.
- Where the employment is terminated at the end of a fixed term contract or because of the attainment by the employee of the normal retirement age by virtue of custom, law, collective agreement, work rules or otherwise.
- Where the dismissal is due to the employee's own fault. The termination of employment is deemed to be due to the employee's own fault, if he fails to carry out his work in a reasonably efficient manner or conducts himself in manner that renders him liable to dismissal without notice

In addition, no compensation is payable in the case of any employee, who, before the termination of his employment, has attained the pensionable age (65). Under any employment scheme in Cyprus, the severance payment varies based on the length of continuous employment:

- For a period of up to 4 years, the severance payment amounts to 2 weeks' wages for each year of continuous employment.
- For more than 4 years and up to 10 years, the severance payment increases to 2.5 weeks' wages for each year of continuous employment.
- Employees with more than 10 years and up to 15 years of continuous employment are entitled to 3 weeks' wages for each year.
- Those with more than 15 years and up to 20 years receive 3.5 weeks' wages per year of continuous employment.
- For individuals with more than 20 years and up to 25 years of continuous employment, the severance payment equals 4 weeks' wages for each year worked.

Additional items

Probationary period

The duration of the probationary period is up to six months. The maximum length of probation (trial) period

The standard probation period in Cyprus is up to six months but it can be extended for up to two years through a written agreement between the employer and employee.

In the above-mentioned case, the duration of the trial work must be proportional to the expected duration of the contract and the nature of the work performed by the worker.

The failure of the worker to fulfil the position requirements during the probationary period is a particularly justified reason for the termination of the employment contract, which can be terminated by the employee during its duration, but no later than on the last day of the probationary period.

After the termination of the concluded employment contract in which trial work was agreed upon, the employee and the employer cannot re-contract trial work when entering into a new employment contract for the performance of the same tasks.

The employer is not obliged to give notice, if the employment is on a probationary basis for a period not longer than 104 weeks.

Where such a period is longer than 104 weeks, notice is not required only where the probationary period has been fixed by written agreement between the employer and the employee at the time of recruitment.

Intellectual property rights

In the realm of employment law, intellectual property rights are chiefly regulated by the provisions set forth in the employment contract between the employer and the employee. It is generally stipulated that any intellectual property generated by an employee during the

term of their employment is vested in the employer. In Cyprus, the landscape of intellectual property (IP) rights within the framework of employment law is predominantly shaped by contractual arrangements between employers and employees. Understanding the nuanced legal principles governing IP rights in this context is crucial for both parties involved.

Fundamentally, the default position under Cypriot law asserts that IP rights arising from an employee's work during the course of their employment typically vest with the employer. This principle applies particularly to creations that are developed within the scope of the employee's duties or responsibilities, or those that reasonably fall within the employer's business operations. Such IP rights encompass various forms, including copyrights, patents, trademarks, and other proprietary creations that arise in the course of employment.

However, contractual agreements can modify these default rules. Employers and employees are empowered to negotiate and stipulate specific provisions regarding the ownership, use, and exploitation of IP rights through employment contracts or separate agreements. These contractual terms prevail over statutory defaults, thereby allowing parties to tailor IP rights arrangements to suit their particular business needs and operational requirements. In cases where an employee generates intellectual property that is outside the scope of their employment duties, the ownership of such creations may not automatically transfer to the employer unless expressly provided for in the employment contract. This exception underscores the importance of clear contractual language in delineating the boundaries of employer and employee rights concerning IP.

Additionally, confidentiality obligations play a significant role in the realm of IP rights within employment relationships. Employees are obligated to maintain the confidentiality of any proprietary information or trade secrets they acquire during their tenure, even beyond the termination of their employment. Breaches of confidentiality can lead to legal liabilities and may affect the enforcement of IP rights.

Disputes concerning the ownership or infringement of intellectual property rights in employment settings typically fall under the jurisdiction of civil courts in Cyprus. Courts interpret and enforce contractual provisions governing IP rights, ensuring adherence to legal principles and equitable resolutions.

Employers and employees are advised to seek professional legal counsel to draft comprehensive and clear employment contracts that address intellectual property ownership and use. By doing so, parties can mitigate risks, prevent disputes, and ensure compliance with Cypriot employment and intellectual property laws. This proactive approach not only protects the interests of both employers and employees but also fosters a conducive environment for innovation and business development within the legal framework of Cyprus.

Employee data privacy

In Cyprus, employee data privacy is safeguarded under the Protection of Individuals with Regard to the Processing of Personal Data Law of 2018, aligning with the European Union's General Data Protection Regulation (GDPR). This legislation ensures that employers must handle employees' personal data responsibly, respecting their privacy rights and implementing appropriate security measures.

Employee data privacy in Cyprus is primarily governed by the General Data Protection Regulation (GDPR), as Cyprus is a member of the European Union (EU). Here are some key aspects:

The legal basis for processing employee personal data must be established, such as for the performance of the employment contract, legal obligations, vital interests, consent (rarely used in employment), or legitimate interests.

Employers must inform employees about the purposes of data collection and processing, including any automated decision-making that significantly affects them.

Special categories of personal data (e.g., health or religious beliefs) require additional protection, typically requiring explicit consent or another specific legal basis. Employees have rights under the GDPR, including access to their data, rectification, erasure (in certain cases), restriction of processing, and objection. Data portability may also apply.

Employers must implement security measures to protect personal data from unauthorized or unlawful processing, accidental loss, destruction, or damage.

When transferring personal data outside the EU/EEA, employers must ensure adequate safeguards are in place, such as using standard contractual clauses.

Public authorities and organizations processing large-scale data or sensitive information must appoint a Data Protection Officer.

The Cyprus Commissioner for Personal Data Protection enforces GDPR, with penalties for non-compliance including fines up to €20 million or 4% of global annual turnover, whichever is higher.

Employers in Cyprus should ensure compliance with GDPR to protect employee privacy rights effectively.

Restrictive covenants

Prohibition of competition

The prohibition of competition primarily pertains to employment law, particularly regarding non-compete clauses in employment contracts. These clauses aim to restrict an employee's ability to work for competitors or start a competing business for a certain period after leaving an employer. Legal prohibition of competition

The worker may not, without the employer's approval, for his own account or for someone else's account, enter into business related to the activity performed by the employer (legal prohibition of competition).

If the worker acts contrary to the prohibition mentioned above, the employer may demand from the worker compensation for the damage suffered or may demand that the work concluded be considered as concluded for his account, that is, that the worker hand over the earnings from such work to him or transfer the earnings claim from such work.

If, at the time the employment relationship was established, the employer knew that the employee was engaged in certain activities, and did not require him to stop engaging in such activities, he is considered to have given the employee permission to engage in such activities.

The legal prohibition of competition is in force even when it is not contracted.

Contractual prohibition of competition

The employer and the employee may agree that for a certain period of time after the termination of the employment contract, the employee may not be employed by another person who is in market competition with the employer, and that he may not, for his own account or for the account of a third party, enter into business in which he competes with employer (contractual prohibition of competition).

Post-termination restrictive covenants of this kind in employment contracts are, in most instances, considered to be an unlawful restraint from exercising a lawful profession, trade or business of any kind, and to that extent they are declared void and unenforceable. Case law in Cyprus is relatively scarce to this effect. Therefore, it may be assumed that a Cypriot court could possibly rule such a clause enforceable in some instances, but the limitations have to appear reasonable under the circumstances.

In examining the reasonableness of a restrictive covenant, the court will take into consideration all the circumstances of the specific case, particularly the geographical area,

duration, level of importance of the position of the employee and access to information, and type of restriction.

Compensation in case of contractual prohibition of competition

Although the agreement to pay compensation is not required by law for the validity of a post-termination non-competition clause, it is considered to be an element taken into account with all the criteria to check the legality of this clause.

Termination and waiver of contractual prohibition of competition

Termination: The non-compete prohibition remains valid unless the employment contract is terminated by the employee for just cause.

Waiver: the employer may waive the contractual prohibition of competition, provided that he notifies the employee in writing. In this case the employer is not obliged to pay the compensation.

Non-compliance with the contractual prohibition of competition

In the event of non-compliance with the contractual prohibition of competition, a contractual penalty may be agreed upon.

Remote working

Remote working policy

Employees can work from home, either permanently, temporarily, or occasionally, depending on mutual agreement with their employer and considering occupational safety regulations. This arrangement allows for better work-life balance and can be initiated by either party through a proposal to amend the employment contract. Working from home (at a designated separate workplace) can be implemented in several forms: as a permanent arrangement, a temporary measure, or on an occasional basis.

This flexibility depends on an agreement reached between the employee and the employer, which can be initiated by a proposal from either party. Such an agreement is feasible provided that the specific nature of the work and the low risk associated with it, as determined in accordance with the relevant regulations on occupational safety, permit such an arrangement.

Native Teams

An employee who customarily performs their duties at the employer's premises may wish to better harmonize their professional responsibilities with their family obligations and personal needs. In such cases, the employee has the right to propose an amendment to their employment contract. This amendment would formalize an arrangement for working from home for a specified period of time. This proposal is particularly pertinent in certain situations, including but not limited to the following:

- Health protection considerations due to a diagnosed illness or an established disability, which may necessitate a safer or more convenient working environment.
- Pregnancy or the assumption of parental responsibilities towards children, specifically until the child reaches the age of eight years old, allowing the employee to balance work with child-rearing duties.
- The provision of personal care to a member of the immediate family or household, which may require the employee to be present at home to attend to the needs of a dependent family member.

In the event of extraordinary circumstances that disrupt normal business operations, such as disease epidemics, earthquakes, floods, or other similar catastrophic events, the employer may decide to authorise work from home. This decision is made to ensure the continuity of business activities and to protect the health and safety of employees and other individuals. Under such exceptional conditions, the employer can permit work from home without necessitating any changes to the existing employment contract with the employee. This allows for a swift and flexible response to ensure both the safety of personnel and the ongoing functionality of the business.

Responsibilities within a remote work arrangement

Employees who request to work from home must receive a response from their employer, who can only refuse with a valid reason communicated in writing. Employers must ensure that employees working at a separate workplace receive salaries and benefits equal to those of employees with similar roles at the employer's premises. Obligations and rights of employees who work at a separate workplace

In case of an employee's request to the employer to amend the employment contract by which work from home would be regulated, the employer is obliged to respond to the employee, and he can reject the request for a justified reason only, which must be explained in writing to the employee.

An employee who has agreed with the employer amendment of the employment contract temporarily may propose to the employer that, before the expiry of the time for which the amended employment contract was concluded, he performs the work again at the employer's premises.

Obligations and rights of employers towards employees who work at a separate workplace

The salary and other material rights of the employees who work at a different workplace must not be set at a lower amount than the salary of an employee who works in the employer's premises on the same or similar job.

The employer is obliged to adjust the amount and deadlines for the execution of work in a way that does not prevent the employee from using daily, weekly, and annual leave within the established scope.

Mandatory content of the employment contract in case of work at a separate workplace

An employment contract concluded in writing, by which the employer and the employee agree to work at a separate workplace, must also contain additional information about:

- the organisation of work that enables the availability of employees and their unhindered access to business space, information and professional communication with other workers and the employer, as well as third parties in the business process,
 - the method of recording working hours,
 - means of work for the performance of work that the employer is obliged to acquire, install and maintain,
 - compensation for expenses incurred due to the performance of work,
 - the method of training and professional development of the employees,
 - the way of exercising the right to employees' participation in the decision-making process, and
- duration of work at a separate workplace.

Health and safety at home

Home-based employees' health and safety are governed by the Health and Safety at Work Law (Law No. 89(I)/1996), which mandates employers to assess and mitigate risks in home workplaces, provide appropriate equipment, and offer training on safety practices.

Employees are required to adhere to safety protocols, report hazards, and use provided equipment properly to ensure a safe working environment. In Cyprus, health and safety regulations for home-based employees are governed by several legal frameworks aimed at ensuring safe working conditions. The primary legislation is the Health and Safety at Work

Law (Law No. 89(I)/1996), which outlines the general duties of employers, employees, and other stakeholders in maintaining a safe and healthy working environment.

Under this law, employers are required to conduct risk assessments of the home workplace to identify potential hazards and implement measures to mitigate them. Employers must also provide suitable equipment and ensure its safe use, including ergonomic office furniture, computers, and other necessary tools. Furthermore, employers are obliged to offer training and provide information regarding health and safety practices relevant to working from home. Continuous monitoring of the home work environment and providing support to employees to address any health and safety concerns are also mandated.

Employees, on their part, must follow the safety procedures and guidelines provided by the employer, report any hazards or unsafe conditions promptly, and use the provided equipment correctly, reporting any faults or issues. The Workplace Welfare Regulations, which complement the Health and Safety at Work Law, specify requirements for workplace welfare that also apply to remote work environments. These requirements include ensuring proper ventilation, lighting, and adequate workstations.

Employers should establish clear communication channels and policies for remote work, including health and safety protocols. Encouraging flexible working hours to reduce stress and improve work-life balance, as well as providing resources and support for mental health, is essential due to the unique challenges of remote work.

The Labour Inspection Department is responsible for enforcing health and safety laws in Cyprus. This department has the authority to inspect workplaces, including home offices, and ensure compliance with health and safety regulations. Employers found in breach of these laws may face penalties, including fines and other sanctions.

To ensure home safety, employers should conduct ergonomic assessments to prevent musculoskeletal problems, encourage regular breaks to prevent fatigue and eye strain, and establish clear emergency procedures, including fire safety measures. These laws and regulations ensure that employees in Cyprus, even when working from home, are entitled to a safe and healthy working environment.