

FINANCIAL SUPPORT PROGRAMME FOR DEALING WITH THE CONSEQUENCES OF CORONAVIRUS

The “Support Programme” includes the following:

REINFORCING THE PROTECTION NETWORK OF THE WORKERS AND THE VULNERABLE POPULATION GROUPS

1. Granting of a “Special Leave” to parents who are employed in the private sector for the care of children up to 15 years old (including the third grade of gymnasium) due to the suspension of classes in schools, both public and private, in nurseries and kindergartens.

- For the “special leave”, which may last up to 4 weeks **at the present stage, not including holidays**, an allowance will be given as follows:

For a parent with a salary of up to €2,500: on the first €1,000 of the parent’s salary a “special leave” allowance will be granted in the order of 60% of the salary and on the next €1,000 of their salary, an allowance in the order of 40% will be granted. It is noted that in the cases of single-parent families, the ratio for granting the allowance will be differentiated in a 70% and 50% order respectively.

- The leave will be granted to one of the two parents and if one parent receives the said leave, the other one cannot receive the same leave at the same time. Moreover, if one parent is employed / receiving unemployment benefit / partakes in a Suspended Operations Plan and the other one does not, the working parent is not eligible, unless the parent who is not working has contracted the virus himself or is hospitalized or is disabled or is under curfew.
- The said leave will be granted to parents, if the nature of their work **does not allow for teleworking or working from home or working under flexible working hours** and if there is no domestic assistance. The leave will be granted in agreement with the employer, provided a relevant application has been submitted.
- The said leave applies to parents of people with disabilities (independent of age), given that the said persons do not receive a care allowance.
- The period of the special leave, will be considered as a period of assimilated insurance.
- Regarding the public sector, employees, whom Ministers consider that they should turn out to work but there is a need for them to stay home for the care of their children, must, in agreement with their Supervisor, arrange for their replacement.

1 month, €20mn, potential beneficiaries 50.000 persons
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2. Suspended Operations Plan

To all businesses that have decided today to suspend their operations and to all businesses that will continue their operations and will suffer losses beyond 25% of their turnover, a Suspended Operations Plan of the businesses is applied aiming at avoiding redundancies and **at the same time**

the affected workers will receive unemployment allowance for as long as the business will be under suspended operations.

€110mn

3. Support Plan for Small Businesses, amounting to €10mn, for businesses employing up to 5 people, under the condition that they keep employing their employees and have suffered a loss bigger than 25% of their turnover. The Plan foresees a subsidy of 70% of the workers' salary. The conditions and safeguards of the Plan will be announced along with the invitation.

€10mn

4. Payment plan for people working in the Afternoon Programmes of the Ministry of Education:

Granting of allowance, which will equal full pay, to about 5,000 persons that are employed in the Afternoon and Evening Programmes of the Ministry of Education, Culture, Sport and Youth (Music Schools, Sports Schools, State Institutes of Further Education, Adult Education Centres, all-day Optional Schools, Afternoon and Evening Programmes of Technical Schools and the "Actions for Social and School Inclusion" Programme) and other similar procurement services programmes of the Ministry of Education.

€3mn

5. Granting of "sickness benefit" of an average of €800 per month to:

i. **Workers who are dealing special health issues** and fall within the Catalogue that has been prepared by the Ministry of Health, and who must be absent from their work in order to protect their health and not worsen it. The presentation of a certificate by their personal doctor is a prerequisite.

ii. **Cases of compulsory absence from work** to persons under the instructions or orders of the Authorities (Category 1 [obligatory curfew under medical supervision (quarantine) and Category 2 [self-isolation under phone supervision]), given that the employees under curfew hold a certificate issued by the Ministry of Health.

iii. **Persons over 63 years of age up to 65 years of age**, who do not receive statutory pension and continue to work and who fall within categories 1 and 2 of the Ministry of Health, given that the workers under curfew hold the certificate issued by the Ministry of Health.

iv. For the purpose of supporting **self-employed workers, the sickness benefit will be granted the same way it does for employees, from the fourth day.**

For every 20.000 workers, **€16mn**

6. **Extension of the time period for the submission of appeals at the Social Insurance Services for self-employed persons** for a month until 30 April 2020 (deadline is 31 March 2020).

7. **The creation of mobile units for servicing elderly and vulnerable persons, so that they can be provided with goods they need.** Assistance will be requested from Voluntary Organisations and Businesses for materializing the goal.

The benefit payments for the said benefits will take place under simplified and accelerated procedures.

REINFORCING THE HEALTH SYSTEM

8. **Provision for support for the health sector with EUR 100 million to combat the pandemic where necessary, including:**

- Employment of additional medical, nursing and support staff for a more efficient and direct response to the work they are required to carry out.
- Support regarding equipment and material infrastructure
- Reinforcement of the Institute of Neurology and Genetics both in human resources and in material infrastructure
 - Reinforcement of the Centre Ambulance
 - Reinforcement of the Service 1420

EUR 100 million

9. **Non-payment of the additional contribution to the General Healthcare System, which is scheduled as of 31/3/2020 for two months, by employers, employees and the State,** in order to strengthen the health sector in the effort to combat the virus and not to affect the incomes of employees and enterprises. Please note that the timetable for the implementation of the 2nd phase of the General Healthcare System (GESY) is not affected. If increased needs are encountered for the implementation of the 2st Phase of the General Healthcare System (GESY), these shall be covered by the State.

EUR 98 million

SUPPORT FOR ENTERPRISES, ENHANCING THE LIQUIDITY AND STIMULATING INLAND CONSUMPTION

10. **Temporary suspension for two months of the obligation to pay VAT** for the provision of liquidity to undertakings. It concerns undertakings whose turnover was not over EUR 1 million according to the tax returns submitted in 2019 and undertakings whose turnover has fallen by more than 25 % without imposing any charges. It is noted that arrangements will be made so that the debts are paid out gradually, by 11 November 2020. It concerns companies. This measure will increase the liquidity of companies in the period in which they are expected to face a liquidity problem.

EUR 200 million

(Liquidity)

11. Temporary reduction of VAT from 19 % to 17 % for a period of two months and from 9 % to 7 % for a period of three and a half months immediately after the adoption of the relevant legislation in order to strengthen citizens' purchasing power and boost consumption.

EUR 70 million

12. For the duration of the exceptional situation, special arrangements will be made for those who have been included in the long-term debt plan.

13. Residence allowance for students abroad: An allowance of EUR 750 is granted to cover the expenses of students attending university institutions abroad who will not return to Cyprus during the Easter holiday period.

14. Two months extension of the obligation to submit tax returns for those who were under the obligation to do so by 31.3.2020. (new deadline 31.5.2020)

15. Suspension of the requirement for the retention of guarantees under public and private sector procurement contracts for supplies of services or products delayed by the crisis. The measure has already been taxiiing.

16. Support for the recovery of tourism. Additional appropriations of EUR 11 million for the implementation of actions to support tourism in Cyprus between June and September 2020, in cooperation with airlines and travel operators, as well as actions to boost tourist attraction during the period from October 2020 to March 2021.

EUR 11 million

17. Banking sector: The ECB has already considered measures in support of bank lending. Under the new measures, Cypriot financial institutions will be able to raise liquidity from the Eurosystem under significantly favourable conditions. The measures decided by the ECB concern, inter alia, the release of the capital stock, which for the Cypriot systemic banks is calculated by the CBC beyond EUR 1,3 billion. Furthermore, the Central Bank of Cyprus is considering additional local measures which shall be announced by the Governor of the Central Bank within the next days.

OTHER CIVIL PROTECTION MEASURES

18. Introduction of a cap on the price of personal hygiene products (masks, antiseptics, antibacterial liquids, soaps, etc.) in order to tackle profiteering effects.

19. Necessary staff in the public service: The public service and the wider public sector and persons serving in the education service for upcoming month, as of Tuesday 17/03/2020, will work as follows:

- where possible from their own homes,
- with security personnel for urgent matters and serving citizens for emergency cases

The essential services are excluded from the above. The Ministers will define the needs of their Ministry and their departments for the proper planning of the work.

As far as the **Education Service** is concerned, the Minister for Education and Culture is authorised to develop a programme for the educational needs during the time of non-operation of public schools with a view to use technology in order to address part of the education programme.

Irrespective of the above, and with the purpose to timely and effectively implement the measures announced, the public service, the wider public sector and the education service are obliged, if they are

not called on a special duty or working from home, in case it is required of them, to provide their services in other areas as well if they are deemed necessary.