



Cyprus Tax News

Refund on GHS Contributions

On 7 February 2020, the Health Insurance Organization (“HIO”) in exercising the powers conferred to it by the General Health System Legislation (“The Law”) has issued instructions in relation to refunds on GHS Contributions.

These instructions lay down the procedure for requesting a refund on GHS contributions paid in excess of the maximum amount on which GHS contributions apply.

Who is entitled to a refund?

Contributors who have paid GHS contributions on total amounts of income in excess of €180.000 per annum.

Application for a refund

To claim the refund, the contributor is required to submit the relevant refund application form to the HIO, recently published on the [GHS website](#) enclosing the requested supporting documentation. The application form must be completed and submitted to the HIO after the end of the calendar year during which the excess contributions were paid.

No refunds can be claimed 3 years after the end of the calendar year during which such contributions were paid.

In the case of excess employer contributions paid on employee emoluments, the application for a refund can be submitted by the employer before the end of the calendar year.

Examination of refund application

The refund application will be examined within a period of 60 days. In case where there is insufficient information to examine the request, the HIO has the right to request additional information.

Upon approval of the refund application, the applicant will get notified and the refundable amount will be paid via wire transfer to the applicant's bank account within 30 days following the date of approval of the request.

In case the application is rejected, the applicant has the right to proceed with an objection within 30 days from the date of the receipt of the notification of the decision.

Calculation of the refund

The refund will be calculated per calendar year and the order of the sum of contributions will be determined in accordance with Section 19(4)(b) of The Law as shown below:

- i. First on the emoluments/remuneration of employees, then;
- ii. On the emoluments of self-employed individuals and officers, then;
- iii. On Pensions, and finally;
- iv. On any other income.

How are you affected?

Contributors who have paid GHS contributions on total amounts of income in excess of €180.000 per annum have the right to a refund and can exercise their right by submitting the relevant application form to the HIO.

How can we help?

We are at your disposal to assist you in calculating the refund on GHS contributions paid as well as providing our assistance in relation to the application procedure.



Get in touch

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