ZEDRA Local Country Guide Payroll Capabilities

Cyprus

Reports

Cyprus payroll systems will output the following local payroll reports. These are available in local and English language:

- Paysheet report
- Payslip report
- Payroll journal
- Social insurance contributions
- Income Tax report
- Employers Return
- Employee Emoluments Certificate
- Employee claim for Allowances
- Benefit in Kind reports
- Benefit from loan reports
- Leave reports

The above reports are regularly generated, however there are additional reports available.

Country Specific Commentary

- Employees must be registered as an employee of the Company, within 14 days of their employment start date, with the Social Insurance Department (SID)
- The Employee must be registered with the SID and subsequently only via a local system called Ergani. Any termination of employment is also recorded via Ergani.
- An employer return is filed annually, by the 31st July, for all employee data
- Employees exceeding taxable income of EUR19.500 are required to complete and file an annual tax return (taxable income up to EUR19.500 is not taxed)
- Tax exemptions may be applicable to high earning individuals and person who were previously employed outside of Cyprus, that have not worked here before. (Additionally information available case by case).
- An Employer completes the monthly contributions filing via the online system SISNet and makes payments electronically.
- Monthly tax forms for the PAYE withheld and paid to the tax department is done manually.

Disclaimer: This document must be read in conjunction with our Legal and Regulatory notice at zedra.com

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MAKE AMBITION HAPPEN

We should clarify our offering in relation to forms/returns submissions in according with the underlying obligation, distinguishing between payroll/per-employee requirements and employer-level requirements.

IR7 (now TD7) - In 2025, the Tax Department introduced a new compliance requirement in relation to the TD7. What was previously an annual submission covering amounts withheld from salaries and employer contributions is now supplemented by a monthly reporting obligation, which includes tax details for each employee. We have included this monthly reporting within the monthly payroll compliance fee, together with Social Insurance, PAYE and GESY contributions.

The annual TD7 remains a separate employer obligation from the monthly submissions. It represents the employer's year-end declaration/reconciliation of employee remuneration and associated payroll amounts and is submitted separately from the monthly returns. For this service we charge an annual fee, which is a single fee charged to the employer rather than per employee.

IR63 (now TD63) - The TD63 is the employee's annual Certificate of Earnings, which the employer must provide annually to employees, including those who were employed during the relevant period but have since left. Provided the process is automated and we have administered the payroll throughout the year, with each TD63 essentially involving a reconciliation of information already held, this is included within the stated payroll fees rather than being charge separately.

IR59 (now TD59) – Employee Tax Declaration. This is an annual declaration completed by the employee detailing income, deductions and allowances relevant to their PAYE calculation. The information will differ from employee to employee depending on their personal circumstances. Once completed, the employer/payroll provider reviews and processes the declaration to determine the correct tax deductions through payroll. The employee may complete the declaration themselves, however we can review documentation which is additionally charged per employee.

ERGANI - Registrations of starters and leavers, amendments to employment information and changes to employment terms/contracts are employment/HR administration requirements triggered by specific employment events, rather than by the monthly payroll calculation itself. We can certainly undertake these, but these services are separately chargeable:

(i) New employee registration or employee update – Charge per employee

(ii) New mandate (volume) set-up – pricing on request

Local System Functionality

Upon request, and according to the payroll engagement,

- Local payroll filings prepared via the payroll system reports.
- Payroll reconciliations.
- Payroll interface.
- Payroll payment processes.
- Administrative requirements for Social Insurance Department (SID) - e.g. benefit claims.

- Holiday leave application.
- Individual annual tax returns.
- Other HR functions – for example, advertising, interviews etc.

Additional Services

It is possible that additional local services may be required in specific local countries to support the global standard operating model. Below is a list of additionally chargeable services for your consideration:

- Monthly reconciliations between the system and raw data.
- Completion of payroll data into client templates.
- Conversion of employee data files to xml for execution of payments.
- Application for Employer's registration to Social Insurance Department.
- Application for Employee's registration to Social Insurance Department.
- Application for Employee's registration to Tax Department.
- Registration of Employee's in Ergani Portal.
- Individual tax forms (TD 63 – Emoluments Certificate to be submitted to the Tax
- Department).
- Applications (of any type) to the SID (Maternity/Paternity/Parental/Sick leave).
- Application and renewal to Migration Department for working permit.
- Application for Employer's Liability and Public Insurance