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**EMPLOYMENT  
LAW**

 **ELIAS**  
NEOCLEOUS  
& Co LLC

# CYPRUS EMPLOYMENT LAW

Cyprus employment law is a mixture of statute and case law. Statutory provisions govern certain aspects of employment such as termination, working hours, annual leave and social insurance contributions. Nonetheless, every employment relationship is contractual in nature and to the extent that any of its aspects are not regulated by specific legal provisions, general contract law applies.

Employment law in Cyprus is generally perceived as a form of social legislation, a term commonly used to describe statutory provisions which protect weaker members of the society.

## EMPLOYEE OR SELF-EMPLOYED

This distinction is very important for determining liability for taxes and social insurance contributions and, most important, statutory rights and benefits applicable only to employees.

The engagement of workers as independent contractors, on the other hand, is governed exclusively by general principles of contract law. To determine whether a person is an employee or self-employed, all the facts and circumstances of the relationship must be taken into account, not only the contents of a written agreement, with particular emphasis on the overall integration and economic realities between the contracting parties.

## EMPLOYMENT CONTRACTS

An employment contract may be for a fixed term or an indefinite term. As a general rule, employment under a fixed term contract is considered to automatically terminate upon expiration of its term. However, termination will not be considered lawful at the end of a fixed term if the Industrial Disputes Court has reason to consider that the contract was actually for an indefinite period, such as in the case of long term employment through a series of fixed term contracts. Furthermore, any period of continuous employment under a fixed term contract or a series of fixed term contracts which exceeds 30 months is automatically considered to become of unlimited duration, unless the employer can show that the fixed term is justified on objective grounds.

Collective agreements in Cyprus are not legally enforceable and disputes under them cannot be settled in court, unless their terms and conditions are integrated in employment contracts. Collective bargain disputes between employers and Trade Unions, where applicable, are usually dealt with according to the provisions of the Industrial Relations Code.

## OUR SERVICES

The employment law specialists who make up our employment law team can assist you with:

- Legal advice on all employment law issues, to ensure compliance and to enable you to take informed decisions
- Employment-related documents, such as employment contracts, statutory notices, policy documents and handbooks
- Support in liaising with the authorities, such as the Ministry of Labour and Social Insurance, trade unions and the Registrar of Provident Funds and employee representatives or works councils
- Employment dispute resolution and litigation: representation before courts, the Ministry of Labour and Social Insurance, and other bodies



## EMPLOYEE RIGHTS AND BENEFITS

Generally, employees in Cyprus enjoy a number of statutory rights, such as:

- Protection from Unlawful Dismissal
- Information about their terms and conditions of Employment
- Equal opportunities and protection from discrimination at work
- Trade Union membership
- Annual Leave
- Maternity Leave
- Parental Leave and Leave for Family Emergencies
- Information and Consultation
- Health and Safety at work
- Daily and weekly rest periods
- Minimum salary

In addition to the above rights, employees also enjoy certain statutory benefits, depending on their contributions to the various state funds, such as:

- Old Age Pension
- Redundancy payments
- Unemployment Benefit
- Sickness Benefit and Incapacity Pension
- Labour Accident and Work-related Illness Allowance
- Maternity and Childbirth Allowance

## OBLIGATIONS UNDER EMPLOYMENT

Employees in Cyprus not only enjoy certain rights and benefits but also owe a number of statutory and common law duties and obligations towards their employers, such as the obligation to perform their work in a satisfactory manner, to follow the employer's reasonable and lawful instructions, the duty of loyalty and the duty of confidentiality.

Employees who violate these obligations may be subject to disciplinary measures, including, in serious cases, termination of their employment. It is considered good practice for employers to have in place performance evaluation systems and handbooks / policies about disciplinary procedures, dress codes, use of the telephones and internet at work, processing of employees' personal data, confidentiality, etc.

Disciplinary powers must be exercised by employers with caution, to ensure fair treatment and to minimize the risk of legal action, especially in cases where termination of employment is considered. The Courts will not readily accept that an employee's conduct justifies dismissal and, as a general rule, it is the employer who carries the burden of proof in such cases.

Employers must be aware of the statutory framework or developments in case law in order to best utilise their workforce in a way that allows for the balance between the needs of the staff and the company. Labour matters faced by companies include incorporating a system for performance of staff, remote working policies on account of Covid, posting of workers in other EU member states, drafting employment contracts for executive employees that are also directors, drafting separation agreements for mutual terminations, assessments for redundancies and even multi-disciplinary matters that relate to staff but cross over to GDPR or tax matters.

Elias Neocleous & Co LLC is the exclusive Cyprus member of the Employment Law Alliance, the world's largest network of labor and employment lawyers, with leading employment, labor, and immigration attorneys in more than 120 countries. Firms are invited to become ELA members only after a rigorous due-diligence process, including consultation with experienced in-house counsel, judges, current members, and industry leaders.

The Legal 500 rankings for Europe, the Middle East & Africa, released in April 2017, recommend Elias Neocleous & Co LLC as a top-tier firm in Employment Law in Cyprus, quoting clients' feedback about an 'excellent team', 'first class' lawyers and a 'capable and responsive' practice, where 'a member of the team is always on hand to help'.



Elias Neocleous & Co LLC is the largest law firm in Cyprus and is internationally recognised as a leading law firm in the South-East Mediterranean region.

We are the only Cyprus firm selected for Legal Business magazine's "Euro Elite" top 100 firms in Europe. We have more than 140 fee-earners and management team whose skills we leverage to assist clients. We serve clients out of three offices in Cyprus and out of an international network of offices in the main destinations for investment via Cyprus.

Our staff have unmatched experience in assisting clients in cross-border investment projects in Europe, Asia, Africa and the Americas. Our attention to client service is what sets us apart. For us the client comes first.

#### LIMASSOL

Neocleous House  
195 Makarios III Avenue  
P.O.Box 50613  
CY-3608 Limassol, Cyprus  
T: +357 25110110  
F: +357 25110001

#### NICOSIA

5 Lemesou Avenue  
2nd Floor  
P.O.Box 26821  
CY-1648 Nicosia, Cyprus  
T: +357 22110300  
F: +357 22110001

#### PAPHOS

S.P. Business Centre  
4th Floor, Offices 410-411  
17 Neophytos Nikolaidis Ave. & Kilkis  
P.O.Box 61297, CY-8132 Paphos, Cyprus  
T: +357 26110390  
F: +357 26110001



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