



**M.C. FANDEOS CO LTD**

*Chartered Certified Accountants*

*Est.1997*

# Changes in Social Insurance Contributions and Defence tax in 2024



## **Social insurance contributions increase in 2024**

This year, as of 1<sup>st</sup> January 2024, social insurance contributions went up for both employers and employees as well as self-employed individuals.

At the same time, the maximum amount of insurable earnings has been increased from €60.060 per annum to €62.868 per annum, that is €1.209 per week and €5.239 per month.

The contribution rates for both the employer and the employee will increase from 8,3% to 8,8% on insurable earnings.

Whereas, for self-employed persons, the contribution rate will increase from 15,6% to 16,6% on insurable earnings.

## **Reduction of Defence tax in 2024**

Another change this year is that of reduction in Defence tax on passive income which came into force on 1 January 2024.

Kindly reminding that Defence tax is paid on passive income that of dividend income, interest income and rental income and is applicable only to Cypriot tax residents.

Thus, this year, the Defence tax on passive income earned by Cypriot tax residents (individuals and companies) is reduced from 30% to 17%.

**The Tax Department of M.C. Fandeos remains always at your disposal for any further queries or assistance you may need in your tax matters.**

