

Income Tax
CLAIM FOR ALLOWANCES FOR
THE YEAR 2019



(By virtue of the Income Tax Law No.118(I) of 2002, as amended)

NOTE. Before completing this form please read the instructions and notes on page two.

Employee's Name: Social Ins. No:
Home Address:
E-mail Address:
T.I.C.: Identity / Identification No: Tel. Number:

EMPLOYEES DECLARATION

PART A. INCOME

| | € |
|--|--------------------------|
| 1. Salaried Services and benefits that fall within the meaning of income for Social Security purposes (notes 1 and 14) | |
| 2. Benefits and other amounts that do not fall within the meaning of income for Social Security purposes (notes 1 and 14) | |
| 3. Social Security Pension and Social Insurance Widow's pension taxable at normal rates (note 5) | ..... |
| 4. Gross Rents | ..... |
| 5. Income from other sources (note 3) | ..... |
| 6. TOTAL INCOME | |
| 7. Less income that is not taxable | ..... |
| 8. TOTAL TAXABLE INCOME [A6 – A7] with normal rates | |
| 9. Widow's Pension from this employer –Tick the box if you have chosen to be taxed separately (note 5) | <input type="checkbox"/> |
| and declare the amount of widows pension that you receive from the Social Security Department | ..... |
| Deductions relating to Widows pension | |
| 10. AIF carried interest and UCITS performance taxed at 8% special rate –Tick the box if you have chosen to be taxed separately (note 6) | <input type="checkbox"/> |

For use by employer

| € |
|-----------|
| |
| |
| |
| |
| |
| |
| (a) |
| (b) |
| (c) |
| (a) |
| (b) |

PART B. Less : ALLOWANCES AND DEDUCTIONS

| | |
|---|-------|
| 1. Subscriptions to Unions or / and other Professional bodies | ..... |
| 2. Deductions for First employment | ..... |
| 3. Deductions for Rented properties (Capital allowances, Interest and 20% of gross rental income for expenses of rented properties) | ..... |
| 4. Reduction of Emoluments in accordance with Law 168(I) of 2012 (note 15) | ..... |
| 5. Other deductions (note 9) | ..... |
| 6. INTERMEDIARY CALCULATION [A8 – (total B1 to B5)] | |
| 7. Pension, Provident, Health and Social Insurance Funds plus Medical Fund (note 10) | ..... |
| 8. Contributions to N.H.S.(National Health System) | ..... |
| 9. Life Insurance Premiums (notes 10 and 11 ) | ..... |
| 10. Investment in innovative companies (note 12) | ..... |

11. I,
declare that I have read the instructions on page two and with this in mind I declare that the above information is true and correct and that (Enter X if and where applicable)
 I wish to have tax deducted from the pensions I receive from the Social Security Department
Signature **Date**

12. TOTAL ALLOWANCES (Total B1 to B9, ignoring the intermediary calculation)
13. INCOME CHARGEABLE TO TAX AT NORMAL RATES(A8 – B12)

PART C. TAX COMPUTATION

| | Chargeable Income | Tax Rates | Tax |
|---------------------------|-------------------|-----------|-------|
| From € 0 to € 19 500 | | @ NIL | --- |
| From € 19 501 to € 28 000 | | @ 20 % | ..... |
| From € 28 001 to € 36 300 | | @ 25 % | ..... |
| From € 36 301 to € 60 000 | | @ 30 % | ..... |
| From € 60 001 | | @ 35 % | ..... |

1. TAX ON CHARGEABLE INCOME
2. TAX TO BE DEDUCTED → for income tax + widows pension + special rates $(((C1 \times (A1+A2+A3^1) \div A6)) + ((A9a+A9b^1 - A9c - 19500) \times 20\%)) + (\text{maximum of } A10(a+b) \times 8\% \text{ and } 10000)$ (see note 6 & 21)
3. DEDUCTION OF TAX: MONTHLY (C2 ÷13 or C2 ÷12 accordingly) \ WEEKLY (C2 ÷52)
4. ANNUAL DEDUCTION FOR N.H.S.(National Health System) as of 1.3.2017 – deduct 1.7% on incomes from lines A2, A9a and A10a. When the amount of €3060 is reached stop withholding [e.g. (A2 + A9a + A10a)/(12 or 13 or 52 accordingly)*1.7% or if the amounts differ each month/week then 1,7% on the amounts of the actual incomes]. (note 22)

INSTRUCTIONS AND NOTES

Instructions to Employees

1. Upon completion of this declaration up to part B11 (excluding lines A1, A2, A6, A8 and B6), submit this form to your employer. If the form is not completed, no tax allowances will be granted to you by your employer.
2. Your employer, upon completing the second column with the amounts and totals, according to the restriction of allowances and deductions, will compute your taxable income and your tax.
3. A4 and A5. Enter any income for the year from other sources. For instance, income from a previous employment, pensions, partnership, rents, income from buildings under preservation order, trade, interest, dividends and the redemption of life insurance policies. In the case of a redemption of a life insurance policy within three years from the date of the policy, thirty per cent (30%) of the premiums for which a deduction was given is added to your taxable income, in cases where the redemption occurs during the fourth, fifth and sixth year from the date of the insurance policy, twenty per cent (20%) of the premiums for which a deduction was given is added to your taxable income.
If you have income from sources other than employment, e.g. rents, you must submit a temporary declaration (T.D.5) for these, by the end of July of the year, and pay the relevant tax on the due dates.
4. A7. Enter any amounts included in A5 that are not taxable, such as income from buildings under preservation orders, interest and dividends and certain pensions (the pension given to the President of the Republic and part of the pension given to the President of the House of Representatives upon their retirement from office, the pensions and special grants given by virtue of the Relief of Suffered Laws).
5. A9. If widows' pension is going to be taxed separately, enter X in the box and if you receive a widow's pension from the Social Security Department enter this in the second row. If you select to have your widow's pension taxed with your other income then the widows pension from the Social Security Department must be entered in line A3, if it is received from the employer to whom this form is being submitted, your employer will include this income in A2 and if it is received from another source enter it in A5. In this case the deductions that relate to the widows pensions should be included with other deductions and exemptions.
6. A10. If you are claiming the special tax rate of 8% with a minimum tax of €10.000 for AIF carried interest and UCITS performance (articles 20b and 20c respectively) enter X in the box. This selection must be made for each year independently. Your employer will enter the amounts of income subject to social insurance in row b and the remainder in row a. If you are not making this selection the amounts should be entered in rows A1 and A2 accordingly, by your employer.
7. B2. If you are claiming a deduction for first employment in the Republic you are allowed to deduct either (a) 20% of your emoluments from any employment with a maximum of €8.550, provided that 183 days have not passed between the date of your arrival in the Republic and the date of commencement of your employment or (b) 50% of your emoluments from any employment provided that your salary exceeds €100.000 in the tax year.
8. B3. If you have declared income from rents in A4 you are allowed to claim capital allowances and interest relating to the rented property. If the rental income derives from the letting of **buildings**, twenty per cent (20%) of the gross rents of **building only** is allowed as a deduction. If you have not declared income from rents your employer will not allow these amounts.
9. B5. If you are claiming any other deduction in B5 you must submit evidence to your employer of their validity. If no such evidence is given, your employer will not allow any deduction or allowance. If you are employed in a permanent establishment overseas, your employer will include here the amount of deduction for your employment abroad.
10. B7 and B9. The total amount of contributions of the current year for Life Insurance, approved medical funds, Pension Schemes, Pension and Provident funds and Social Insurance Contributions, must not exceed one sixth of your taxable income (i.e. 1/6th of the intermediary calculation B6), provided that the aforementioned are approved by the Commissioner of Taxation.
11. B9. Premiums **paid during the year** must not exceed 7% of the capital sum insured on **your life**.
12. B10. The amount is restricted to 50% of income after all deductions including deductions for health etc., life and provident etc.

Instructions to Employers

13. All your employees must complete and sign form T.D.59A, every year. It is clarified that a director of a company or any person involved in the management of a company is considered to be an employee. If no T.D.59A is submitted then you will not allow any deduction other than the tax free amount and the contributions that are known to you (i.e. line B7).
14. A1 and A2. Complete the second column with the estimated income for the year. Income includes, salary, wages, overtime, bonus, allowance, share of profit, perquisite, fee, commission or pension and the annual value (determined at the current market rates) of any residence, quarter, board or perquisite or allowances granted in respect of employment whether in money or otherwise (Article 6(3) of the Assessment and Collection of Taxes Act, 4/78 as amended). In A1 also enter the deemed benefits stipulated by the Income Tax Law 118(I)/2002 as amended.
Income includes Wage / Wage, Overtime pay, Tips, Benefits, Share of earnings, Lucky, Rights, Commissions, Pensions, Annual residence value, Grocery lodging or other lucrative benefit (monetary or non-monetary) (Article 6 (3) of the Taxation and Collection of Taxes Law, 4/78 as amended) as well as the reasonable benefits provided by Income Tax Law 118 (I) / 2002 as amended.
15. A9 and A10. Special Rates, if selected by the employee. Please keep in mind notes A5 and A6 above.
Widows pension- Include widows pension paid by you in A9a and the deductions relating to it in A9c. For the income in A9a you are obliged to deduct NHS and Income tax. If your employee authorises you to, you may also deduct Income Tax for widows pension received from the Social Security Department.
Special rate tax of 8%. Include in line b the amounts that are subject to social insurance deductions and the remainder in line a. For the incomes in A10a and A10b you must deduct income tax while on the amounts of A10b you must deduct NHS as well.
16. Complete lines B1-B5 in the second column taking into account the restrictions mentioned in paragraphs 7 to 11 above.
17. B4. Reduction of Emoluments in accordance with Law 168(I) of 2012 of officials, employees and pensioners of the state and the wider state section is computed by the employer and is paid every month with code 0114. In the case of weekly payments of wages etc the final computation of the obligation of the month is made during the payment of the last wage etc for the month..
18. Calculate the intermediary calculation on line B6.
19. B7. Complete the amounts of contributions to Pension Funds, Provident Funds etc. having in mind the restrictions applicable to the contributions to the medical fund (maximum 1.5% of salary, i.e. A1 to A4) and the provident fund in accordance to the provisions of its approval.
20. Complete lines B7 - B10 of the second column taking into account the restrictions mentioned in paragraph 10 above and compute the total deductions and the taxable income.
21. C2. Compute the tax on taxable income and the tax that must be deducted (i.e. the proportion relating to income from your employees salary adding the possible tax on widow's pension if the last is being taxed separately **and the amount on 2nd parenthesis is positive**).
22. C3. For incomes for which you are the employer, you must withhold 1.7% NHS. When the total of these incomes exceeds €180.000 then you can stop withholding NHS for the following months on incomes from lines A2, A9a and A10a. Please note that your contribution (as employer) for NHS is applied even the income exceeds €180.000.