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INSTRUCTIONS AND NOTES

Instructions to Employees

1. Upon completion of this declaration up to part B9 (excluding lines A1, A2, A6, A8 and B5), 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. A3 until 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 widow's 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 widow's 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 widow's 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 deductions 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, or (b) 50% of your emoluments from any employment provided that your salary exceeds €100.000 in the tax year according to circular 2017/4, or (c) 50% of your emoluments from any employment provided that your salary exceeds €55.000 in the tax year according to circular 2022/10.
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. B4. If you are claiming any other deduction in B4 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. B6 until B8. Enter the amounts that are not deducted by this employer. The total amount of contributions of the current year for Life Insurance, approved medical funds, G.H.S., Pension Schemes, Pension and Provident funds and Social Insurance Contributions, must not exceed one fifth of your taxable income (i.e. 1/5th of the intermediary calculation B5), provided that the aforementioned are approved by the Commissioner of Taxation.
11. B8. Premiums **paid during the year** must not exceed 7% of the capital sum insured on **your life**.
12. B9. 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 B6 & B7).
14. A1 and A2. Complete the second column on line A1 with the estimated for the year income which is subject to Social Security deductions and the deductions for the G.H.S. are going to be paid to Social Insurance Fund such as residence benefit. Other benefits and amounts which are NOT subject to above deductions must be entered on line A2, eg. the deemed benefits stipulated by the Income Tax Law 118(I)/2002 as amended. **Notes 5 and 6 above are relevant.**
Income includes Wage / Wages, 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.
Widow's pension: Include widow's pension paid by you in A9a and the deductions relating to it in A9c. For the income in A9a you are obliged to deduct G.H.S. and Income tax. If your employee authorises you, you may also deduct Income Tax for widow's pension received from the Social Security Department.
Special tax rate of 8%: Include in line 10b the amounts that are subject to social insurance deductions and the remainder in line 10a. For the income in A10a and A10b you must deduct income tax, while on the amounts of A10a you must deduct G.H.S. as well.
16. Complete lines B1-B4 in the second column taking into account the restrictions mentioned above for PART B.
17. Calculate the intermediary calculation on line B5.
18. B6. 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, (line A6) and the provident fund in accordance to the provisions of its approval.
19. Complete on second column lines B7 - B9 of the second column taking into account the restrictions mentioned above for PART B and compute the total deductions and the taxable income.
20. C1 and 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, if it is positive** and the tax with special rates). You must NOT deduct any tax based on income from other sources than Social Insurance Fund (see note 3).
21. C3. For income for which you are the employer, you must withhold 2,65% G.H.S. When the total of these income (lines A1, A2, A9 and A10) exceeds the amount of €180.000, then you can stop withholding G.H.S. for the following months on income from lines A2, A9a and A10a.