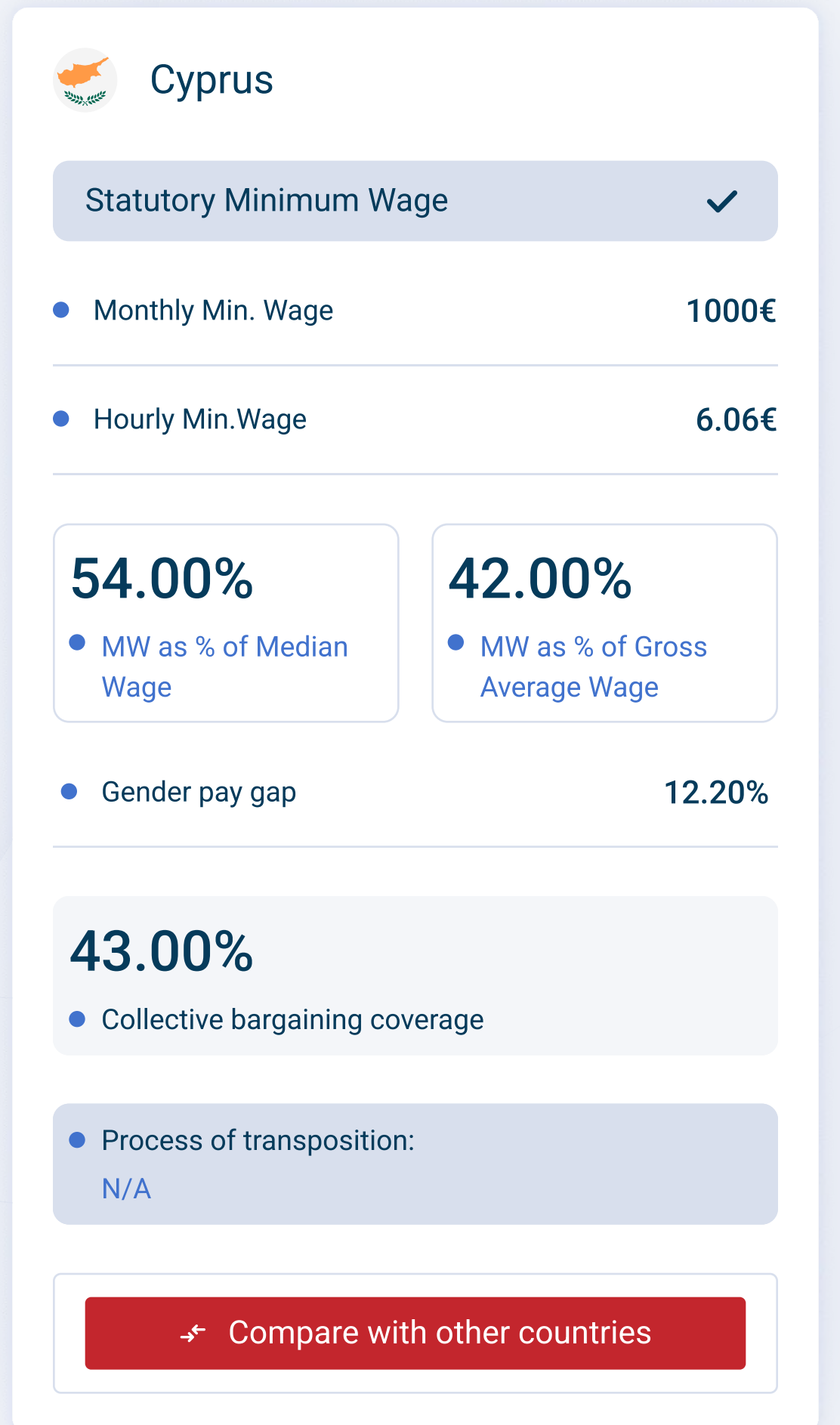
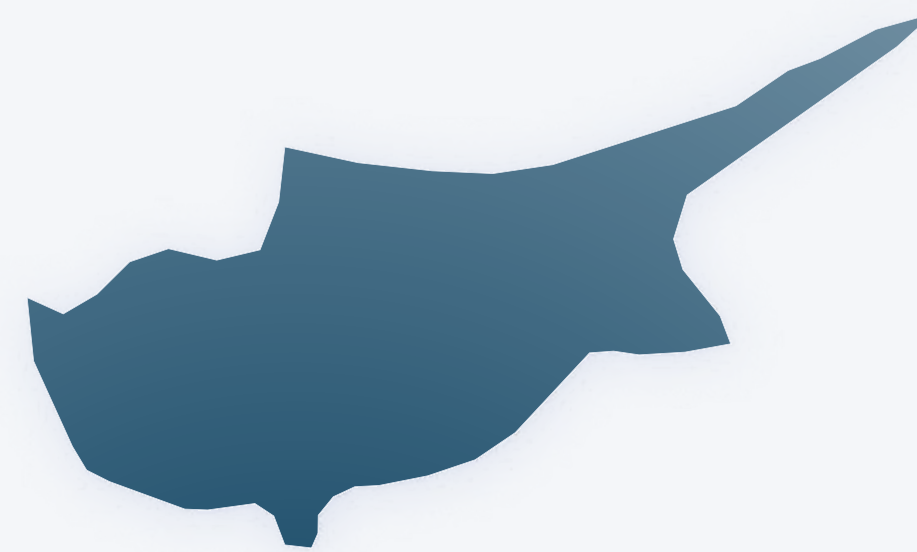


Minimum Wage & Collective Bargaining in Republic of Cyprus - 2025



Latest update on 05/05/2025

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Minimum wage system in Republic of Cyprus

Until recently, the Republic of Cyprus did not have a statutory national minimum wage (NMW) that applies across all sectors and occupations. In September 2022, the National Minimum Wage Act came into effect, eventually introducing a statutory national minimum wage for all full-time employees. The Act was updated in 2023 to take into account changes in the level of the national minimum wage.

Prior to the implementation of the [National Minimum Wage Act 2022](#), minimum wages were determined by the [Minimum Wage Act 2012 \(Chapter 183\)](#). According to Article 3(1) of the latter, the Council of Ministers could issue a decree on an annual basis, effective from 1 April each year. This established a minimum wage for certain professions and occupational groups, such as clerks, salespersons, school assistants, childcare assistants, infant care assistants, nursing assistants, caregivers in institutions, and security guards. The minimum wage for occupational groups not covered by that decree was determined either by collective agreement (where applicable), or by individual negotiations between the employer and the employee (see also [Giannakourou 2022](#)).

As of September 2022, the National Minimum Wage Act established a national minimum wage for all full-time employees, set at 940 euro (€) from 1 January 2023 (Article 5(1)). In 2023, an amendment to the law took effect, setting the minimum wage at €1,000 from 1 January 2024. Employees who, either before or after 1 January 2024, have not completed six months of continuous employment with the same employer are entitled to a gross monthly wage of at least €900 for full-time employment until completing six months of continuous employment. Following the 2024 adjustment to the national minimum wage, any future adjustments will subsequently be applied every two years; hence, for 2025, the minimum wage remains at the 2024 levels.

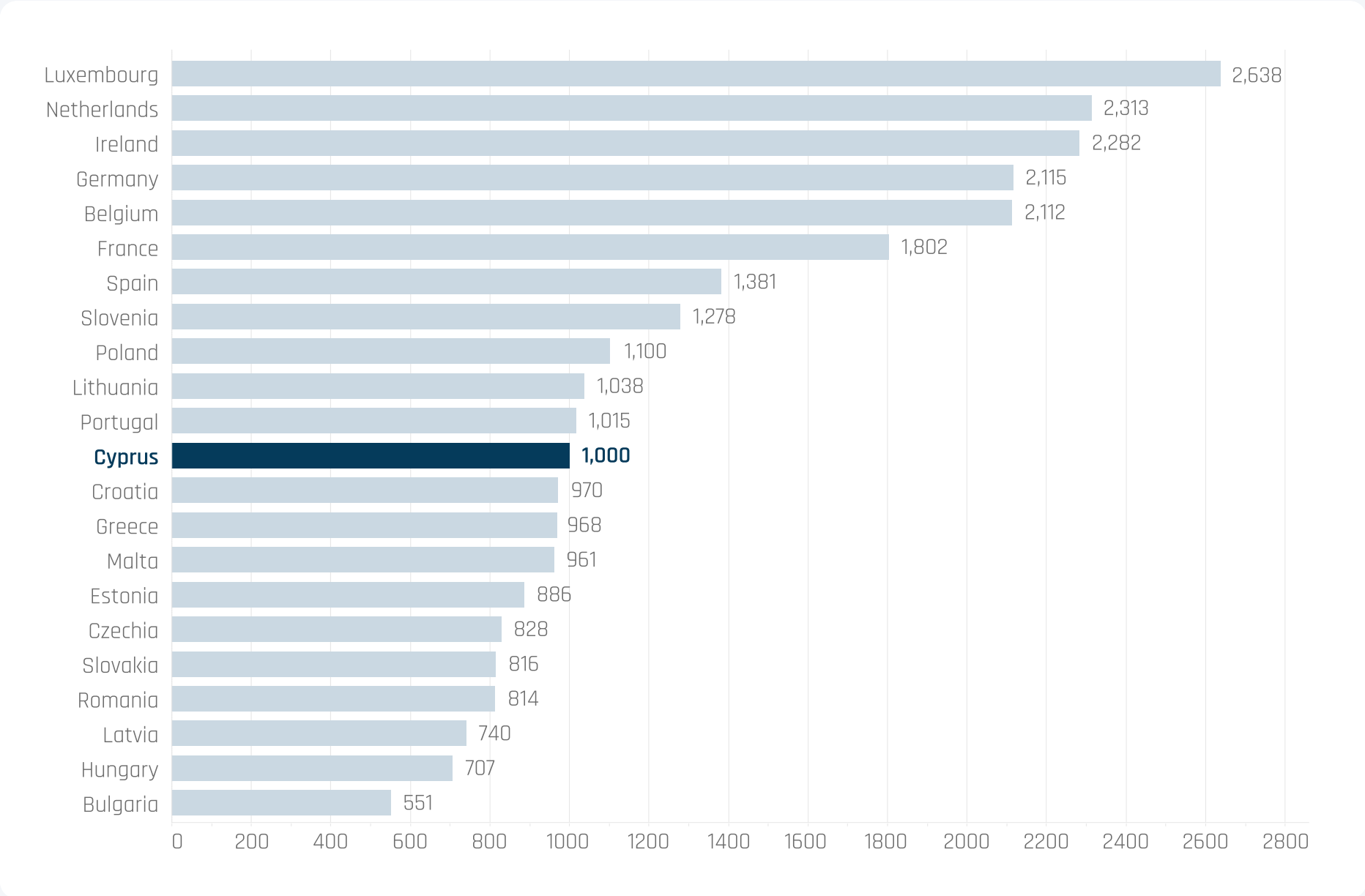
Several exceptions and deviations from the minimum wage apply. For instance, Article 3 of the National Minimum Wage Act states that the provisions of the Act do not apply to domestic workers, agricultural and livestock workers, workers in the maritime industry, and to any employees whose wages are subject to more favourable arrangements under specialised legislation, a contract, practice or custom. Moreover, the provisions of the Act do not apply to individuals undergoing training or education as required by law, practice or custom for obtaining a diploma and/or practicing their profession.

According to Article 10 if, as part of an agreed employment contract, the employer provides the employee with meals and/or accommodation, the minimum monthly wage may be reduced, subject to an agreement between the employer and the employee, as follows:

- (i) up to 15% when meals are provided, and/or
- (ii) up to 10% when accommodation is provided.

Finally, Article 11 stipulates that for individuals under the age of 18, who are employed for occasional work not exceeding two consecutive months, the minimum wage in cash may be reduced by 25%.

Monthly Minimum Wage (€) per Country



Statutory Minimum Wage Yes	Wage inequality (inter-decile Ratio P90/P10) 4.80	Gender Pay Gap 12.20%
Hourly Minimum Wage 6.06€/hour	Nominal Growth rate of Wages --	In-work poverty rate 7.00%
Monthly Minimum Wage 1000.00€/ month	Real Growth rate of wages -2.20%	% of workers covered by minimum wage --



Minimum wage system in Republic of Cyprus

Special provisions also exist for certain categories of employees in the hospitality industry who are covered by the Minimum Wages in the Hotel Industry Act of 2020. As of 1 January 2025, the [Minimum Wages in the Hotel Industry Act of 2025 \(K.D.P. 55/2025\)](#) has come into effect. The Act establishes higher minimum wages for specific categories of employees, ranging from 3.7% to 18.7% on top of the national minimum (and 7.22% to 10.88% for those employees with less than six months’ continuous employment).

Minimum wage adjustments are subject to the workings of the Minimum Wage Adjustment Committee. The Committee is appointed by the Council of Ministers and comprises three workers’ representatives, three employers’ representatives, and three independent academics or recognised experts in labour issues, one of whom is appointed Committee chair by the Council of Ministers.

The Committee prepares a report, which is submitted to the Minister of Labour and Social Security at least two months before each revision, taking the following into consideration:

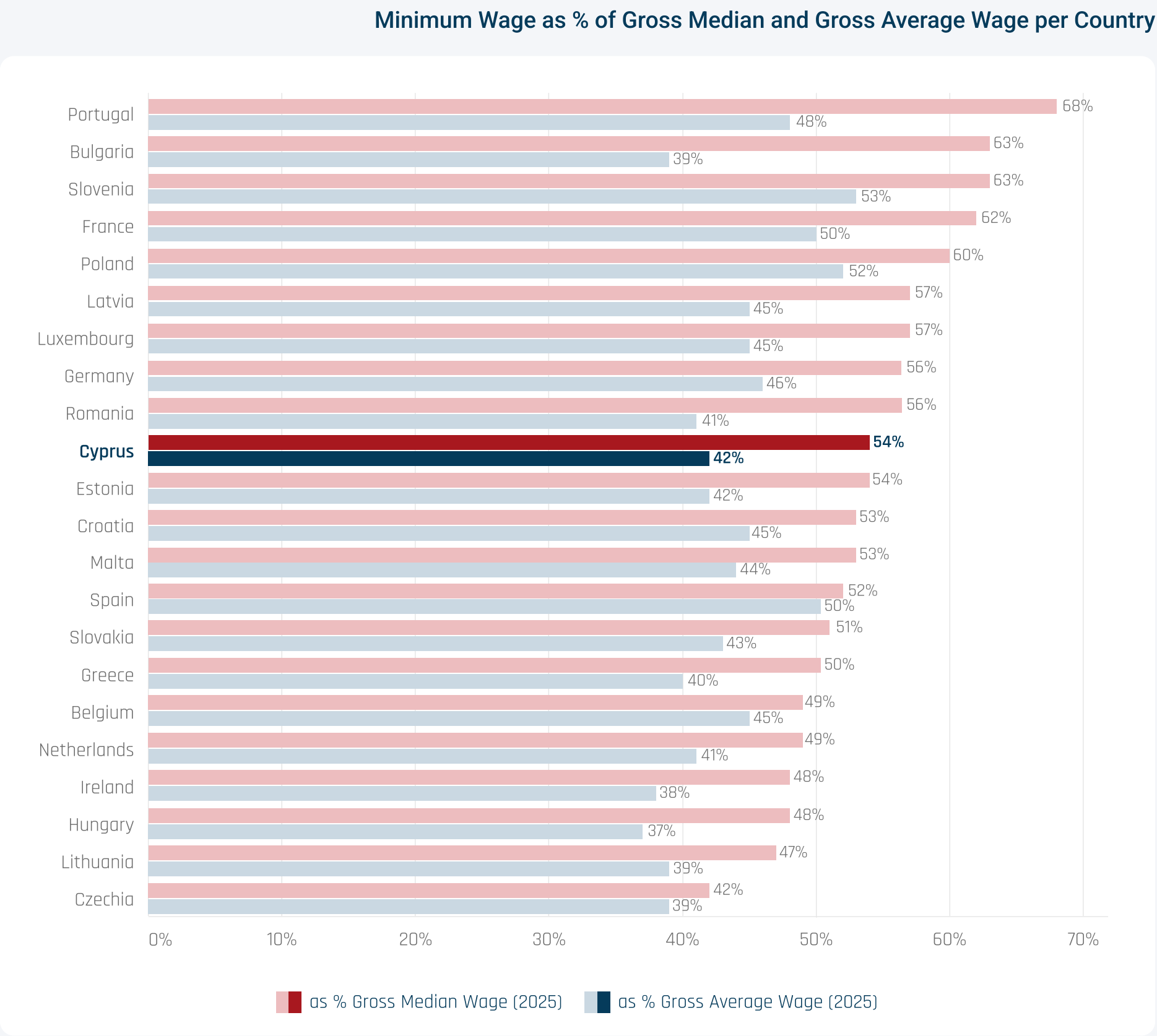
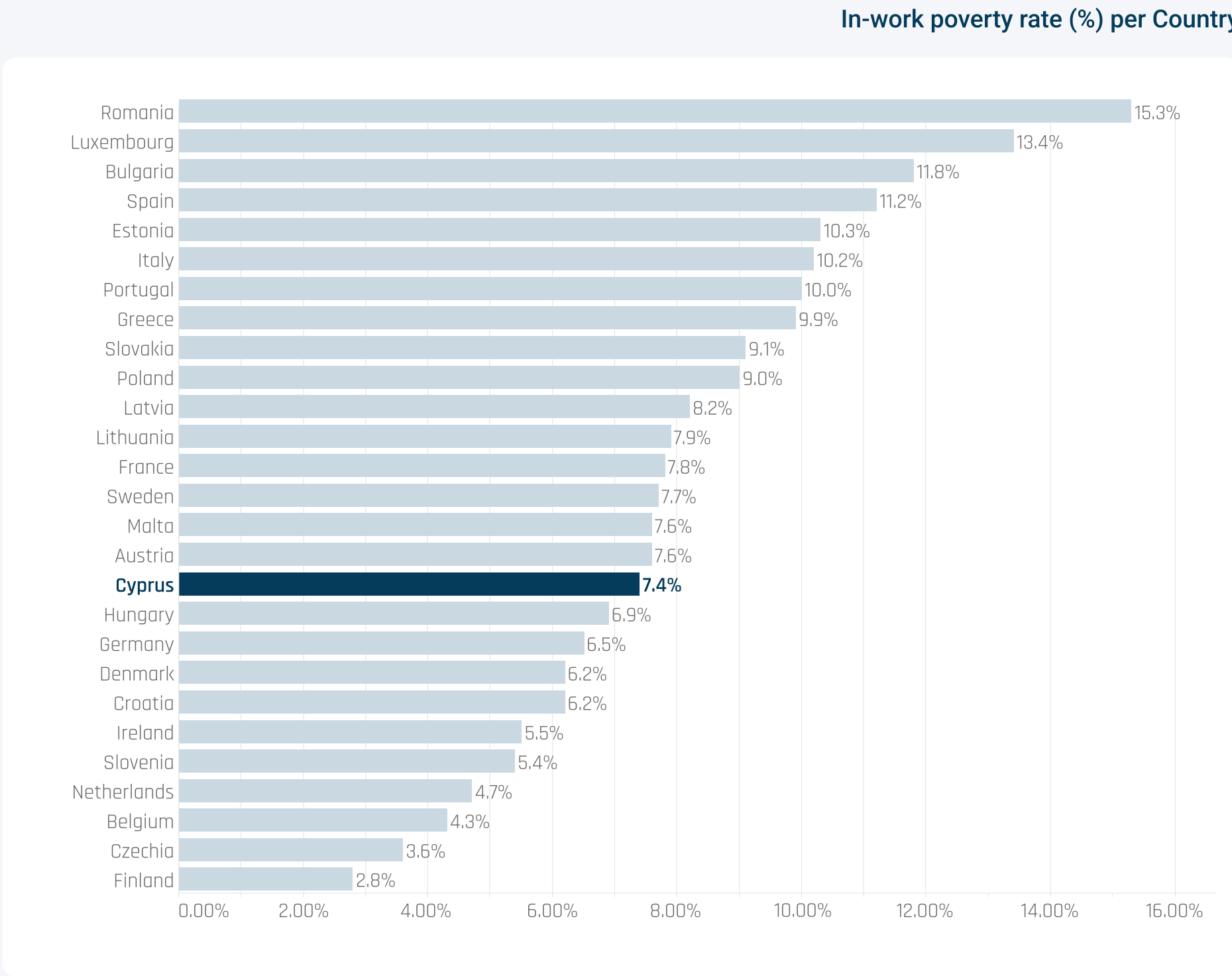
- (i) the purchasing power of the minimum wage, also regarding any changes in the cost of living;
- (ii) trends in employment levels and unemployment rates;

- (iii) changes in economic growth and productivity levels;
- (iv) variations and trends in wage levels and their distribution;
- (v) the impact of any changes in the minimum wage on employment levels, relative and absolute poverty indices, the cost of living, and economic competitiveness.

The Minister, after taking into account the views of the Labour Advisory Body on the Committee’s report, submits a specific and justified recommendation on adjusting the minimum wage to the Council of Ministers, including the possibility of no adjustment. It is also at the Minister’s discretion to seek and consider opinions from other bodies,

individuals or authorities before submitting their recommendation to the Council of Ministers. According to [official statistics of the government of the Republic of Cyprus](#), the average monthly gross wage in Cyprus in 2023 stood at €2,063, and the median wage at €1,792.

Thus, in 2023, the relative value of the minimum wage as a percentage of the average and the median wage was 46% and 52%, respectively.





Collective Bargaining system in Republic of Cyprus

In Cypriot law, collective bargaining is one of the primary means provided to trade unions for promoting their members’ economic and social interests. The right to collective bargaining is enshrined in the Constitution (Article 21(2) and Article 26(2)), and the right to conclude collective agreements is provided for in Article 4 of ILO Convention No. 98, which was ratified by Law 18/1966.

However, collective bargaining and collective agreements are not regulated by a specific law. Although the Constitution allows for the enactment of legislation to confer legal binding force on collective agreements, such a law has not yet been issued. Consequently, collective agreements in the Republic of Cyprus are considered to be non-legally binding ‘gentlemen’s agreements’ between the contracting parties.

As a result, collective agreements do not have regulatory force and cannot give rise to enforceable individual rights for unionised employees against their employers. Hence, under the Cypriot legal system, collective agreements are regarded as trade union agreements rather than contracts in the sense of private law. Therefore, their implementation cannot be enforced by court decisions, nor do they generate legally enforceable individual rights in favour of employees ([Giannakourou 2022: 66–67](#)).

According to Cypriot common law, there is no obligation for an employer to recognise a trade union or to negotiate with it. Therefore, the resolution of collective disputes through collective bargaining is left to the free will of both parties.

The [Trade Union Recognition Act 2012](#) establishes a binding trade union recognition process for employers, with the purpose of engaging in collective bargaining. According to Article 19 of the Act, if an employer, after the issuance of a recognition order, refuses either to enter into negotiations or to negotiate in good faith, or to meet with and consequently recognise the representatives of the employees, the trade union has the right to either: (a) file a complaint with the Registrar, or (b) apply to the labour relations department for mediation in the labour dispute. If the trade union chooses option (b), then for the duration of the mediation process, it cannot resort to option (a).

Furthermore, according to Article 21(b) of the same Act, any employer who refuses to enter into negotiations on concluding a collective agreement after the issuance of a trade union recognition order is guilty of an offense and, upon conviction, is subject to a fine not exceeding €5,000.

In the case of an expired collective agreement, its terms remain in effect only if they are expressly or implicitly incorporated (through custom or long-standing repeated practice) into the individual employment contract between the employee and the employer.

In such cases, even if a collective agreement expires without being renewed, its terms continue to apply unless they are modified by a new employment contract or through the renewal of the existing collective agreement. Consequently, if incorporation has taken place, the incorporated terms (for example, wages or working time) become part of the individual employment contract, thereby creating rights and obligations for both employees and employers.

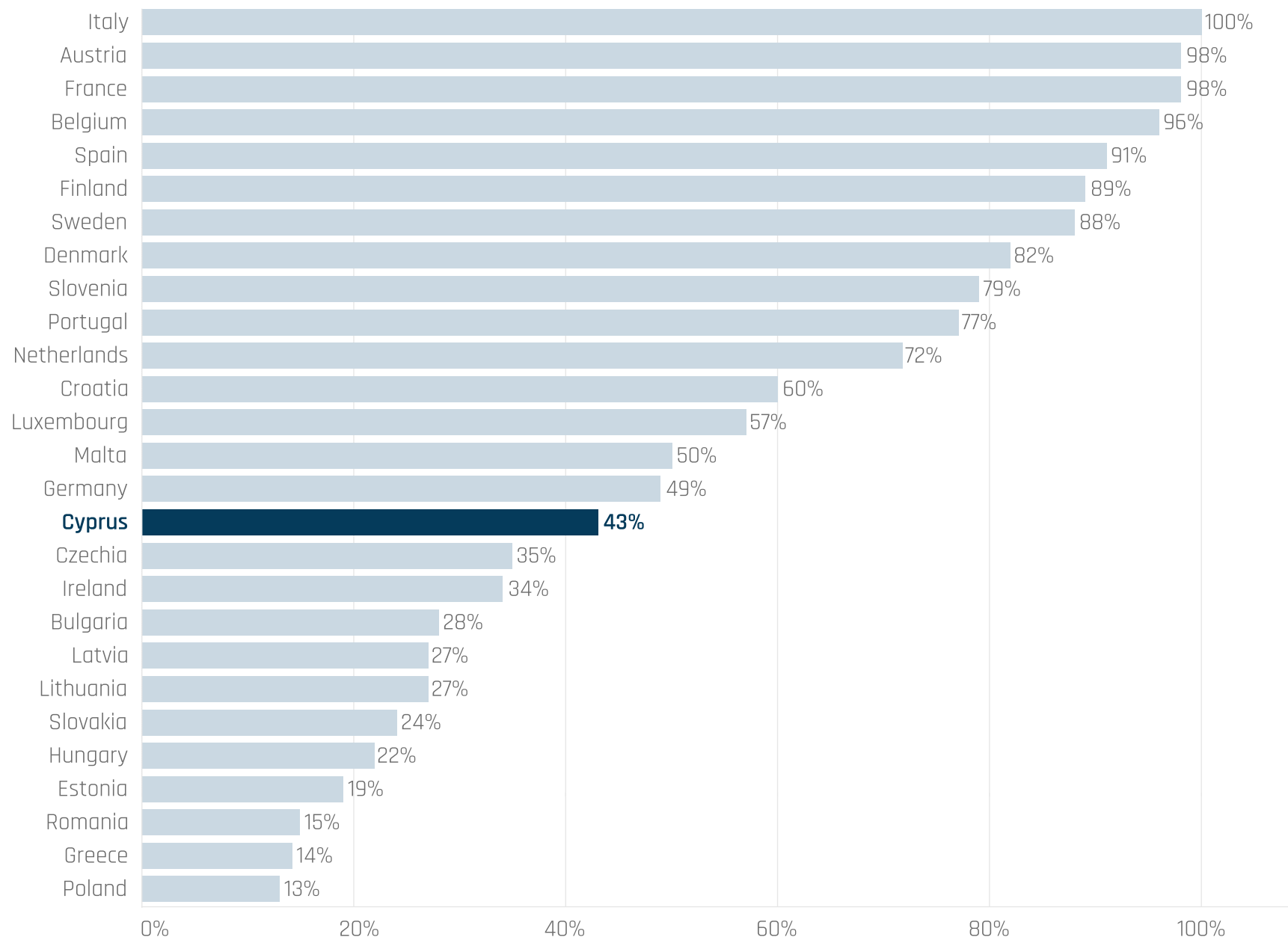
Collective Bargaining Coverage
43.00%

Trade Union Density
43.30%

Extension Mechanism
No Extension Mechanism

Valididy of Collective Agreements after expirations?
Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Republic of Cyprus

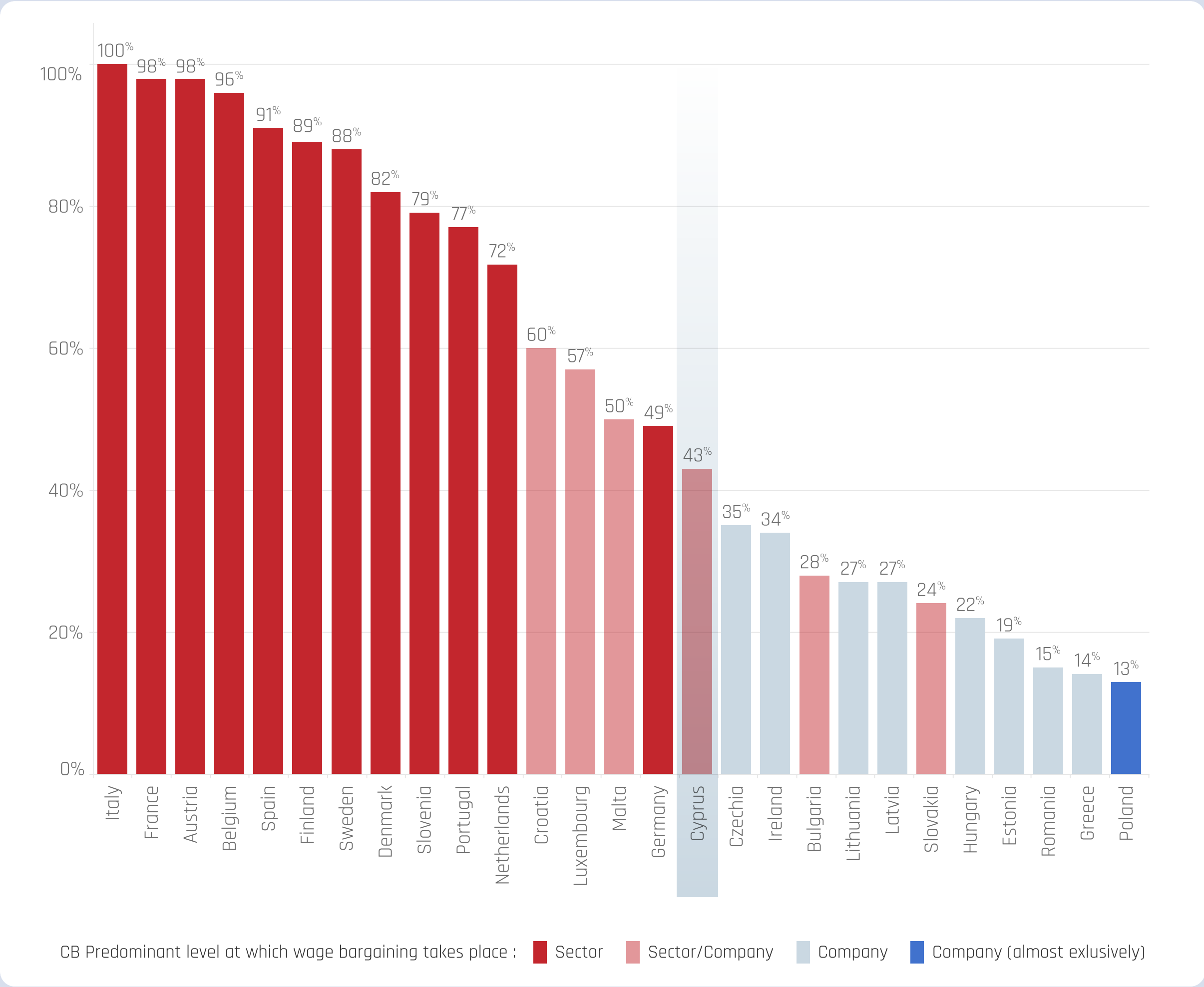
For the terms of a collective agreement to be incorporated into an individual employment contract, there must either be an explicit reference to them or clear evidence from the specific employment relationship that the parties intended to integrate one or more terms of the collective agreement into the employment contract. This intention can be inferred from the conduct of the parties, demonstrating their willingness to adopt specific provisions of the collective agreement (see also [Giannakourou 2022](#): 67–68).

According to data from the [OECD/ AIAS ICTWSS](#) database and [Eurofound](#), collective bargaining coverage in the Republic of Cyprus has experienced a steady decline over the past 20 years (from 2000 to 2019).

Cypriot law does not include any specific provisions regarding collective bargaining clauses in public procurement. [Relevant demands have been raised by the Cypriot Trade Unions](#), but the matter has not been addressed in legislation thus far.

Cypriot legislation does not contain specialised provisions for the protection of trade union officials but includes a general clause for the protection of trade union members. More specifically, according to Article 50(1b) of the [Trade Unions Act 1965](#), it is unlawful to dismiss or otherwise discriminate against an employee because they are a trade union member or participate in trade union activities outside working hours, or during working hours with the employer’s consent.

CB Predominant level at which wage bargaining takes place per Country





Transposition of the European Directive on Adequate Minimum Wages in the EU

The Republic of Cyprus is among the member states that have not (as of March 2025), transposed the European Minimum Wage Directive into their national legal framework.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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