

## DECLARATION FOR CLAIMING TAX DEDUCTIONS FOR THE TAX YEAR 2026 - Income Tax

(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 and the guides and frequently asked questions (FAQ's) on the Departments Website. Fields with a star \* are compulsory. For full functionality on computers and mobile devices, the use of the Adobe Acrobat Reader application is recommended.

Employee's Name\*: ..... Social Ins. No\*: .....

Home Address\*: .....

E-mail Address\*: .....

Tax Identification Number (T.I.N.):\* ..... Tel. Number\*: .....

### EMPLOYEES DECLARATION

#### PART A. INCOME

- |   | € |
|---|---|
| 1. Salaried Services and benefits that fall within the meaning of Social Insurance Services income (notes 1, 2, 4 and 16)   |   |
| 2. Benefits and other amounts that do not fall within the meaning of Social Insurance Services income (notes 1, 2, 4 and 16)  |   |
| 3. (a) Social Insurance Pension and Social Insurance Widow's pension taxable at normal rates (note 4)   |   |
| (b) I wish to have tax deducted for these pensions (Enter X if applicable)  |   |
| 4. Gross Rents (note 3)   |   |
| 5. Income from other sources (note 3, 4)  |   |
| 6. TOTAL INCOME   |   |
| 7. Less income that is not taxable (note 5)   |   |
| 8. TOTAL TAXABLE INCOME [A6 – A7] with normal rates   |   |
| 9. (a) Widow's Pension from this employer –Tick the box if you have chosen to be taxed separately (note 4) and (b) declare the amount of widow's pension that you receive from the Social Insurance Services. |   |
| 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)  |   |

#### PART B. Less: ALLOWANCES AND DEDUCTIONS

- |  |  |
|--|--|
| 1. Subscriptions to Unions or / and other Professional bodies  |  |
| 2. Deductions for First employment (note 7)  |  |
| 3. Home Insurance for natural disasters (up to €500)   |  |
| 4. Deductions for Rented properties (Capital allowances, Interest and 20% of gross rental income for expenses of rented properties) (note 8) |  |
| 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 G.H.S. (General Healthcare System)   |  |
| 9. Insurance premiums for life, permanent or temporary, total or partial disability (notes 10 and 11)  |  |
| 10. Deduction for dependent children (note 12)   |  |
| 11. Deduction for rent of primary residence or interest of a serviced primary residence loan (note 13)                                       |  |
| 12. Expenditure for energy upgrade of a primary residence or purchase of an electric vehicle (note 13)                                       |  |
| 13. Investment in innovative companies (note 14)   |  |

14. 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:

Signature .....

Date .....

For use by  
employer

€

15. TOTAL ALLOWANCES (Total B1 to B13, ignoring the intermediary calculation)

16. INCOME CHARGEABLE TO TAX AT NORMAL RATES (A8 – B15)

#### PART C. TAX COMPUTATION

- |                           | Chargeable Income | Tax Rates | Tax |
|---------------------------|-------------------|-----------|-----|
| From € 0 to € 22.000      |                   | @ 0 %     | --- |
| From € 22.001 to € 32.000 |                   | @ 20 %    |     |
| From € 32.001 to € 42.000 |                   | @ 25 %    |     |
| From € 42.001 to € 72.000 |                   | @ 30 %    |     |
| From € 72.001             |                   | @ 35 %    |     |
- TAX ON CHARGEABLE INCOME**
  - TAX TO BE DEDUCTED** → for income tax + widows pension + special rates  

$$[(C1 \times (A1+A2+A3^1) \div A6)] + ((A9a+A9b^1 - 22.000) \times 20\%) + (\text{maximum of } A10(a+b) \times 8\% \text{ and } 10.000)]$$
 (see note 4, 6 & 21)
  - DEDUCTION OF TAX: MONTHLY** (C2 ÷ 13 or C2 ÷ 12 accordingly) \ **WEEKLY** (C2 ÷ 52)
  - ANNUAL DEDUCTION FOR G.H.S.** on income from A2, A9a and A10a. When, during the year, the annual income of A1, A2, A9 and A10 exceeds the amount of €180.000, stop withholding. (See note 22)

<sup>1</sup> Add this amount ONLY if the employee has authorized you.

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**INSTRUCTIONS AND NOTES**

**Instructions to Employees**

1. Upon completion of this declaration up to part B14 (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. A3 to A5. Enter any income for the year from other sources. For instance, income from a previous employment, pensions (note 4), partnership, rents, income from buildings under preservation order, trade, interest, dividends, the redemption of life insurance policies and the partial redemption of an insurance policy.  

In the case of a redemption of a life insurance policy (if the contract concerns both life and disability, then the entire contract is considered to concern life insurance) 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. For a partial redemption of an insurance policy, a) 50% of the amount of the **partial redemption** if it is made before the completion of 4 years from the date of the insurance policy and b) 50% of the amount of the redemption that exceeds the value of the **gross redemption** on 31/12 of the fourth year preceding the redemption if it is made after the completion of 4 years from the date of the insurance policy is added to the taxable income and is taxed. The amount of the gross redemption is reduced by the amount by which the partial surrenders of the three previous years exceed the premiums paid during those three years.

**If you have income from sources other than employment, e.g. rents, you must submit a temporary declaration code 0200 via the Tax portal for these, by the end of July of the year, and pay the relevant tax on the due dates.**
4. A2, A3, A5 and A9. Widow's pension. If you elect to tax widow's pension separately, enter X in the box in A9 and if you receive a widow's pension from the Social Insurance Services (SIS) enter this in the second row. If you elect to have your widow's pension taxed with your other income, at normal rates, then the widow's pension from the SIS 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 it must be entered in A5. If it is to be taxed at normal rates the deductions that relate to the widow's pensions should be included with other deductions and exemptions.
5. 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).
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 election 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 election 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 (EE04), 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 and 2024/04.
8. B4. 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 until B9. 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. 1/5<sup>th</sup> of the intermediary calculation B6), provided that the aforementioned are approved by the Commissioner of Taxation.
11. B9. Life Insurance Premiums and permanent or temporary, total or partial disability premiums **paid during the year** must not exceed 7% of the capital sum insured on that and which **relates to you and not to any other person/s**.
12. B10. A deduction of €1.000 is granted for the first child, €1.250 for the second child and €1.500 for the third and each additional dependent child, provided that certain income criteria and other conditions are met. In cases of single parent families, the deduction is doubled. Please refer to the guide on the Departments Website for the criteria, the conditions, the definition of dependent child and single parent.
13. B10 and B12. Provided that income criteria are met and under conditions a deduction of a) up to €2.000, under conditions, is granted to each spouse, civil partner or single person for interest on a serviced housing loan for the purchase or construction of a main residence in the Republic, for which the instalments are paid continuously or rent paid for the use of a main residence in the Republic and b) up to €1.000, under conditions, to each spouse or civil partner or single person for capital expenditure carried out for i) improving the energy efficiency of the main residence in the Republic ii) technical energy efficiency systems of the main residence in the Republic, renewable energy systems, as well as electrical energy storage batteries and iii) electric vehicles registered with the Department of Road Transport.
14. B13. The amount is restricted to 50% of income after all deductions including deductions for health etc., life and provident etc. dependents and housing (B6 less B7 to B11).

**Instructions to Employers**

15. 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 contributions that are known to you (i.e. B7 & B8).
16. A1 and A2. Fill in the second column of A1 with the estimated income and benefits for the year for which G.H.S withheld is payable the Social Insurance Services e.g. residence benefit. Income that does not fall under this is recorded in A2, e.g. the deemed benefits stipulated by the Income Tax Law 118(I)/2002 as amended. Notes 4 and 6 above are relevant.  

Income includes Wage / Wages, Overtime pay, Tips, Benefits, Share of earnings, Perquisite, Fees, 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. The tax applicable to bonuses, as well as other income not paid on an ad hoc basis, must be deducted on the month in which this amount is paid to employee.
17. A9 and A10. Special Rates, if elected by the employee. Please keep in mind notes 4 and 6 above.  

Widow's pension: Includes widow's pension paid by you in A9(a). For the income in A9(a) 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 Insurance Services and enter the pension in 9(b). In this case you should not enter it in A3.

Special tax rate of 8%: Include in A10b the amounts that are subject to social insurance deductions and the remainder in A10a. 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.
18. Fill in B1-B5 in the second column taking into account the restrictions mentioned in the instructions above for PART B and compute the intermediary calculation in 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 2% of gross income per circular 3/30.5.24) and the provident fund in accordance to the provisions of its approval.
20. Fill in B7 - B13 in the second column taking into account the restrictions mentioned above and compute the total deductions and the taxable income.
21. 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 latter is being taxed separately **and the amount on 2<sup>nd</sup> 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 Pensions (see note 3).
22. C4. 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.