

8<sup>th</sup> January, 2019

**To all Members**

Sir/Madam,

**Subject: Cost of Living Allowance (COLA) – Final figures for 2018**

The Cyprus Employers & Industrialists Federation (OEB) informs all members that adjust salaries based on the change in the Cost Of Living Allowance (COLA) for the following:

1. The Consumer Price Index (excluding excise taxes) for the year 2018 recorded an increase of 1.51%.
2. According to the transitional agreement on COLA, which was signed on the 28<sup>th</sup> July 2017 by the Social Partners, salaries are adjusted by 50% of the annual Index increase. Therefore, the increase for 2018 is 0.76%.
3. As a result, COLA as of 01/01/2019 amounts to 1,04% on the new salaries, as these were formed through the above transitional arrangement.

**Examples:**

Salary before 01/01/2018	COLA calculation for 2017	COLA calculation for 2018
€ 1000	$1000 * 0,28\% = €2,80$	$1000 * (0,28\% + 0,76\%) = €10,40$
	Salary as of 01/01/2018	Salary as of 01/01/2019
	$1000 + 2,80 = €1002,80$	$1000 + 10,40 = €1010,40$

Salary before 01/01/2018	COLA calculation for 2017	COLA calculation for 2018
€ 1500	$1500 * 0,28\% = €4,20$	$1500 * (0,28\% + 0,76\%) = €15,60$
	Salary as of 01/01/2018	Salary as of 01/01/2019
	$1500 + 4,20 = €1504,20$	$1500 + 15,60 = €1515,60$

*Please note that the above examples do not account for any general increases and / or increments granted in 2018.*

For any clarifications, please contact OEB's Industrial Relations & Social Policy Department at 22-665102

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**Member:**

