

# Greek cash-for-reform proposals

New cash-for-reform proposals to save nearly €7.9bn over the next two years are by far the biggest combination of tax hikes and spending cuts offered by Greek Prime Minister Alexis Tsipras to date



## PRIMARY SURPLUS

Primary budget surplus: Government revenues minus its expenses when interest on national debt is excluded. New Greek proposal accepts creditors' surplus targets in full

2015: **1.51%** of GDP. 2016: **2.87%** of GDP  
TOTAL: **€7.899 million**



## PENSIONS

Early retirement to be phased out gradually by 2025. Special €57 to €230 a month benefit for low-income pensioners to be replaced from 2020

Savings (€, millions)	2015	2016
Early retirement accruals	60	300
Main contributions increase of 3.9%	350	800
Health contributions increase of 1%	135	270
Increase in supplementary contributions	120	490
<b>€2,525 million</b>		



## VAT REFORMS

New three-tier structure with rates of 23%, 13% and 6%. Lenders wanted two rates of 11% and 23%

**€2,040 million**



## CORPORATE

Tax reforms include one-off levy of 12% on businesses that make profits of over €500,000. Rise in corporation tax from 26% to 29%



2015 2016  
**1,165 1,065**

**€2,230 million**

## OTHER

Increases in luxury tax on pools, planes, large cars and private boats over 10 metres

Defence spending cuts	0	200
TV advertising tax	100	100
Luxury goods tax	47	47
Electronic gambling tax	35	225
4G, 5G phone licences	0	350

**€1,104 million**