

## Malta

Exchange rate: US\$1.00 equals 0.70 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1956 (old age and survivors), 1956 (social assistance), 1965 (disability), and 1979 (earnings-related pension).

**Current laws:** 1987 (social security) and 2006 (pension system reform).

**Type of program:** Social insurance and social assistance system.

#### Coverage

Residents aged 16 or older, citizens employed abroad by foreign employers with a business in Malta, and students in certain work-study programs.

Exclusions: Married persons not gainfully employed, full-time students, and persons older than age 65.

#### Source of Funds

**Insured person:** 10% of covered wages; €6.62 a week if younger than age 18 with earnings up to the minimum wage.

The minimum weekly contribution is €15.23.

The maximum weekly contribution is €32.91.

The maximum annual earnings used to calculate contributions are €17,115.

The insured's contributions also finance cash sickness, work injury, and unemployment benefits.

**Self-employed person:** From €26.37 to €49.37 a week, depending on net income from self-employment.

The maximum annual net income used to calculate contributions is €17,115.

The self-employed person's contributions also finance cash sickness and work injury benefits.

**Employer:** 10% of covered payroll; €6.62 a week for employees younger than age 18 with earnings up to the minimum wage.

The minimum weekly contribution for each employee is €15.23.

The national weekly minimum wage is €152.29.

The maximum weekly contribution is €32.91.

The employer's contributions also finance cash sickness, work injury, and unemployment benefits.

**Government:** A sum of 50% of the value of total contributions.

The government's contributions also finance cash sickness, work injury, and unemployment benefits.

#### Qualifying Conditions

**Old-age pension:** If born before December 31, 1951, the pensionable age is 61 (men) or 60 with the option to retire at age 61 (women); age 62 (men and women) if born from 1952 to 1955; age 63 (men and women) if born from 1956 to 1958; age 64 (men and women) if born from 1959 to 1961; age 65 (men and women) if born on or after January 1, 1962.

The insured must have at least 156 weeks of paid contributions, including an annual average of at least 20 weeks of paid or credited contributions.

**Child-rearing credit:** For each child reared, the insured person receives 2 years (4 years for a child with a disability) of credited contributions to finance old-age benefits. The credited periods for child rearing can be shared between the parents. The insured (including adoptive parents) must have legal custody of the child who must be younger than age 6 (age 10 if disabled).

**Early pension:** Paid from age 61. If the insured was born on or after January 1, 1962, he or she must have accumulated at least 2,080 weeks of paid or credited contributions since age 18; if the insured was born between 1952 and 1961, he or she must have accumulated 1,820 weeks of paid or credited contributions since age 18 (age 19 if born before May 5, 1958).

Retirement from insured employment is necessary.

**Partial pension:** A reduced pension is paid with an annual average of at least 20 weeks of contributions (flat-rate pension) or 15 weeks of contributions (earnings-related pension).

**Income test:** Earned income from employment or self-employment from age 61 (men) or age 60 (women) must not exceed the national weekly minimum wage until age 65.

The national weekly minimum wage is €152.29

The old-age pension is payable abroad.

**Old-age noncontributory pension (means-tested):** Paid if the insured does not satisfy the contribution conditions for the old-age pension.

**Means test:** The means test is based on the capital assets and income of the household members.

The old-age noncontributory pension is not payable abroad.

**Disability pension:** The insured is assessed with a total and permanent incapacity for full-time or part-time work and has at least 250 weeks of paid contributions as an employee or as a self-employed person, including an annual average of at least 20 weeks of paid or credited contributions. The insured must have been in continuous full-time

or regular part-time employment or self-employment for at least 12 months before the date of the claim.

For each child reared, the insured person receives 2 years (4 years for a child with a disability) of credited contributions to finance disability survivor benefits. The credited periods for child rearing can be shared between the parents. The insured (including adoptive parents) must have legal custody of the child who must be younger than age 6 (age 10 if disabled).

Partial pension: A reduced pension is paid with an annual average of at least 20 weeks of contributions.

The disability pension is payable abroad.

**Disabled child allowance (noncontributory):** A benefit is paid to parents for a child with an assessed disability.

The allowance ceases at age 16 (14 for a child with a visual impairment) and is replaced by the disability pension.

**Pension for visually impaired, disabled, or severely disabled persons (noncontributory):** Paid for visually impaired, disabled, or severely disabled persons.

The noncontributory disability pension is not payable abroad.

**Survivor pension:** Paid to a widow(er) whose deceased spouse had paid at least 156 weeks of paid contributions, with an annual average of at least 20 weeks of paid or credited contributions from age 19, or who was of retirement age.

For each child reared, the insured person receives 2 years (4 years for a child with a disability) of credited contributions to finance survivor benefits. The credited periods for child rearing can be shared between the parents. The insured (including adoptive parents) must have legal custody of the child who must be younger than age 6 (age 10 if disabled).

Partial pension: A reduced pension is paid if the deceased had an annual average of at least 20 weeks of contributions (flat-rate pension) or 15 weeks of contributions (earnings-related pension).

Income test: Income must not exceed the minimum wage; widows younger than age 60 with children younger than age 21 qualify for the survivor pension regardless of income.

A widow(er) aged 60 or older without dependent children receives the survivor pension if his or her average weekly earnings do not exceed the national minimum wage.

The national weekly minimum wage is €152.29.

In case of remarriage, the widow(er)'s pension ceases 5 years after the date of remarriage.

**Orphan's pension:** Paid for the death of both parents. One parent must have been insured and had at least 1 week of contributions at the time of death.

Survivor benefits are payable abroad.

## Old-Age Benefits

**Old-age pension:** Pensions vary depending on whether entitlement exists to the earnings-related pension that was introduced on January 22, 1979; whether an occupational service pension is paid (reducing the social security benefit); and whether the insured is married and has a dependent spouse.

The flat-rate pension for those who are also entitled to an occupational service pension ranges from €62.30 to €137.35 a week depending on the marital status of the insured.

Earnings-related pensions of up to €219.83 a week are based on 66.7% of annual average earnings of the best 3 consecutive years in the 10 years before retirement for employed persons or in the 10 years before retirement for self-employed persons.

**Old-age noncontributory pension (means-tested):**

€95.63 is paid for a single person, and €122.08 is paid for a married couple. When only one member of a couple qualifies, €78.02 is paid.

Benefit adjustment: Benefits are adjusted according to increases in the cost of living allowance set annually by the government.

## Permanent Disability Benefits

**Disability pension:** Pensions vary depending on whether an occupational service pension is paid and whether the insured is married and has a dependent spouse.

The minimum weekly pension is €58.29.

The maximum weekly pension is €137.35.

**Disabled child allowance (noncontributory):** €16.31 a week is paid.

**Pension for visually impaired, disabled, or severely disabled persons (noncontributory):** €90.47 is paid for a single person; €180.94 for a couple if both persons qualify.

Benefit adjustment: Benefits are adjusted according to increases in the cost of living allowance set annually by the government.

## Survivor Benefits

**Survivor pension:** The pension paid to a widow(er) varies depending on whether contributions were paid before January 22, 1979, and whether a survivor pension is paid by the deceased spouse's employer.

The maximum flat-rate pension for the survivor of a deceased person who paid contributions only before January 22, 1979, is €109.37 a week.

Earnings-related pensions of up to €183.19 a week are calculated based on 55.6% of average annual earnings for the best 3 consecutive years in the 10 years before the spouse's death or retirement; for self-employed persons, 55.6% of

average annual earnings in the 10 years before the spouse's death or retirement.

Survivor's supplement: €4.54 a week is paid per child if the child is entitled to the child allowance (see Family Allowances). An additional €9.32 a week per child is paid if the child is younger than age 18 and the surviving spouse is not employed or self-employed.

Upon remarriage, the widow(er) continues to receive a pension, which varies from €85.78 to €109.37.

**Orphan's pension:** €50.08 a week is paid for each orphan younger than age 16; €90.46 for each orphan between ages 16 and 21 who is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, the allowance is reduced so that the allowance and gross earnings combined are equal to the national weekly minimum wage.

The national weekly minimum wage is €152.29.

Benefit adjustment: Benefits are adjusted according to increases in prices.

### **Administrative Organization**

Ministry for the Family and Social Solidarity (<http://www.mfss.gov.mt>) provides general supervision.

Director General of Social Security manages the program.

Social Security Division administers the program.

## **Sickness and Maternity**

### **Regulatory Framework**

**First laws:** 1956 (sickness) and 1981 (maternity).

**Current law:** 1987 (social security).

**Type of program:** Social insurance (cash benefits) and universal (medical benefits) system.

Note: The Employment and Industrial Relations Act requires employers to provide 100% of earnings for 14 weeks of maternity leave.

### **Coverage**

**Cash sickness benefits:** Employed and self-employed persons.

**Cash maternity benefits:** Resident citizens of Malta.

**Medical benefits:** Resident citizens of Malta.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors for cash sickness benefits. Medical and maternity benefits are funded from general revenue.

### **Qualifying Conditions**

**Cash sickness benefits:** The insured must have at least 50 weeks of paid contributions, including at least 20 weeks of paid or credited contributions in the 2 years before the year in which the claim is made.

**Cash maternity benefits:** Paid to resident citizens of Malta and European Union citizens and persons covered by the European Social Charter residing in Malta. The insured must not be entitled to maternity leave under the Employment and Industrial Relations Act. (The Employment and Industrial Relations Act requires employers to provide 100% of earnings for 14 weeks of maternity leave.)

**Medical benefits:** There is no minimum qualifying period.

### **Sickness and Maternity Benefits**

**Sickness benefit:** €17.88 a day is paid for a married person or a person supporting a spouse who is not employed full time; €11.57 a day is paid for other persons. The benefit is paid from the 4th day of incapacity for up to 156 days a year; up to 312 days a year if the person undergoes major surgery, suffers a severe injury (not work-related), or has a serious disease requiring long-term treatment before resuming work.

During a 2-year period, the total number of benefit days must not exceed 468 days. The total number of benefit days must not exceed the total number of contributions paid since the person first entered the system.

**Maternity benefit:** €73.38 is paid for 14 weeks, of which at least 5 weeks must be taken after childbirth.

### **Workers' Medical Benefits**

Benefits and health services are provided by public hospitals and clinics. Inpatient treatment, including medicine and medical devices, is provided free of charge in public hospitals. Public primary care services and outpatient treatment is free of charge. Persons registered as having a chronic disease receive free medicine. Outpatients, except for low-income persons, pay for medicine and medical devices.

### **Dependents' Medical Benefits**

Benefits and health services are provided by public hospitals and clinics. Inpatient treatment, including medicine and medical devices, is provided free of charge in public hospitals. Public primary care services and outpatient treatment is free of charge. Persons registered as having a chronic disease receive free medicine. Outpatients, except for low-income persons, pay for medicine and medical devices.

### **Administrative Organization**

Director General of Social Security manages the program.

Social Security Division administers the program.

Ministry for the Family and Social Solidarity (<http://www.mfss.gov.mt>) supervises cash benefits.

Ministry for Health, the Elderly, and Community Care (<http://www.sahha.gov.mt>) is responsible for in-kind and medical benefits.

Director General of Health manages the in-kind benefits.

Health Division administers the in-kind benefits.

---

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1929.

**Current law:** 1987 (social security).

**Type of program:** Social insurance system.

#### **Coverage**

Employed and self-employed persons.

#### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

#### **Qualifying Conditions**

**Work injury benefits:** The insured must have at least 1 week of contributions.

#### **Temporary Disability Benefits**

€26.85 a day is paid for a single or married person supporting a spouse who is not in full-time employment; €20.20 a day is paid for other insured persons. The benefit is paid from the fourth day of disability for up to 12 months.

#### **Permanent Disability Benefits**

**Permanent disability pension:** For an assessed degree of disability of at least 90%, a full disability pension is paid regardless of the number of contributions paid or credited. Benefits vary depending on whether an occupational service pension is paid and whether the insured is married and has a dependent spouse. Benefits range from €58.24 to €137.35 a week.

For an assessed degree of disability between 20% and 89%, the pension ranges from €14.20 to €63.19 a week.

For an assessed degree of disability between 1% and 19%, a lump sum is paid ranging from €219.24 to €4,156.06.

**Benefit adjustment:** Benefits are adjusted according to increases in prices and wages.

#### **Workers' Medical Benefits**

Benefits include medical, surgical, and rehabilitative treatment and medicine.

#### **Survivor Benefits**

**Survivor pension:** The pension paid to a widow(er) varies depending on whether contributions were paid before or after January 22, 1979, and whether a survivor pension is paid by the deceased spouse's employer.

The maximum flat-rate pension for the survivor of a deceased person who paid contributions only before January 22, 1979, is €109.37 a week.

Earnings-related pensions of up to €183.19 a week are calculated based on 55.6% of annual average earnings of the best 3 consecutive years in the 10 years before the spouse's death or retirement on age or medical grounds for employees; in the last 10 years before the spouse's death or retirement on age or medical grounds for self-employed persons.

Upon remarriage, the widow(er) continues to receive a pension, which varies from a €85.78 to €109.37.

**Benefit adjustment:** Benefits are adjusted according to increases in prices and wages.

**Orphan's pension:** €50.08 a week is paid for each orphan younger than age 16; €90.46 for each orphan between ages 16 and 21 who is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, then the allowance is reduced so that the allowance and gross earnings combined are equal to the national weekly minimum wage.

The national weekly minimum wage is €152.29.

**Dependent parent's pension:** €122.08 is paid for a married, dependent father who is supporting a wife; €101.94 for all other cases.

**Benefit adjustment:** Benefits are adjusted according to increases in prices.

#### **Administrative Organization**

Ministry for the Family and Social Solidarity (<http://www.mfss.gov.mt>) provides general supervision.

Director General of Social Security manages the program.

Social Security Division administers the program.

## Unemployment

### Regulatory Framework

**First law:** 1956.

**Current law:** 1987 (social security).

**Type of program:** Social insurance and social assistance system.

### Coverage

Employed persons.

Exclusions: Self-employed persons.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Unemployment benefit:** The insured must have at least 50 weeks of paid contributions, including at least 20 weeks of paid or credited contributions in the contribution year before the year in which the claim is made. The insured must be registered as unemployed and be capable of, and available for, work. No benefit is paid for 6 months if unemployment is voluntary or the result of misconduct.

**Special unemployment benefit (means-tested):** Paid to the head of the household in place of the unemployment benefit if he or she satisfies a means test.

**Unemployment assistance (means-tested):** Paid if the insured has exhausted the right to unemployment benefits.

### Unemployment Benefits

The daily benefit is €10.86 for a single parent or a married person supporting a spouse who is not employed full time; €7.10 a day is paid for other insured persons. The benefit is paid for up to 156 days. The total number of days must not exceed the total number of contributions paid since the person first entered the system.

**Special unemployment benefit (means-tested):** The daily benefit rate is €18.22 for a single parent or for a married person supporting a spouse who is not in full-time employment; €11.91 a day for other insured persons. The benefit is paid from the first day of unemployment for up to 156 days; thereafter, entitlement is paid if insured has completed at least 13 weeks of employment. The total

number of benefit days must not exceed the total number of contributions paid since the person first entered the system.

**Unemployment assistance (means-tested):** The maximum benefit is €91.55 a week. The benefit is reduced by all annual income derived from investments exceeding €93.18. If weekly income exceeds the weekly benefit, no benefit is paid.

### Administrative Organization

Ministry for the Family and Social Solidarity (<http://www.mfss.gov.mt>) provides general supervision.

Director General of Social Security manages the program.

Social Security Division administers the program.

## Family Allowances

### Regulatory Framework

**First laws:** 1974 (child allowances), 1977 (special allowances), 1988 (disabled child allowances and parental allowances), and 1989 (family bonuses).

**Current law:** 1987 (social security).

**Type of program:** Social insurance and social assistance system.

### Coverage

All resident citizens of Malta and European Union citizens and persons covered by the European Social Charter residing in Malta.

### Source of Funds

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** See source of funds under Old Age, Disability, and Survivors.

### Qualifying Conditions

**Child allowance (income-tested):** All households with children younger than age 21, if the income of both parents does not exceed €23,923. For children aged 16 or older, the child must be a full-time student and not receiving a stipend for studying, must never have been in gainful employment, must not be registered as unemployed, and must not be entitled to any social assistance benefits.

**Care allowance for foster children:** The child is certified by a competent authority as being a foster child or under the care of an institution.

**Disabled child allowance (no means test):** Paid to all households caring for a child with an assessed physical or mental disability. The child must not receive any other social security pension for the disability.

### **Family Allowance Benefits**

**Child allowance:** The benefit for one child is calculated as the difference between €23,923 and the couple's income multiplied by 6%. The benefit increases by another 6% per child. If household income does exceed €23,923, a flat rate of €250 per annum per child is paid.

**Care allowance for fostered children:** €70 a week is paid.

**Disabled child allowance:** €16.31 a week is paid.

### **Administrative Organization**

Ministry for the Family and Social Solidarity (<http://www.mfss.gov.mt>) provides general supervision.

Director General of Social Security manages the program.

Social Security Division administers the program.