

Malta

Exchange rate: US\$1.00 equals
0.34 Maltese lira (Lm).

Old Age, Disability, and Survivors

Regulatory Framework

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

Current law: 1987.

Type of program: Social insurance system.

Coverage

Residents aged 16 or older, citizens employed outside Malta by foreign employers having a place of 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 the basic wage; the minimum and maximum weekly contributions are Lm 5.39 and Lm 12.98, respectively (flat rate of Lm 2.84 a week if under age 18).

Self-employed person: Lm 9.61 to Lm 19.47 a week, depending on net income from self-employment and other sources.

Employer: 10% of payroll; minimum and maximum weekly contributions for each employee are Lm 5.39 and Lm 12.98, respectively (flat rate of Lm 2.84 a week for employees under age 18).

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

The maximum basic weekly wage (employed person) or weekly net income (self-employed person) for contribution purposes is Lm 129.77.

The maximum basic annual wage or net annual income for payment of the earnings-related pension is Lm 6,748.04.

The maximum basic annual wage or net annual income for pensionable income purposes if the employer also pays an occupational service pension is Lm 6,750.

All of the above contributions also finance sickness, maternity, work injury, unemployment, and family allowance benefits.

Qualifying Conditions

Old-age pension: Age 61 (men) or age 60 (women) with 156 weeks of paid contributions, including an annual average of 50 weeks of paid or credited contributions.

Partial pension: A reduced pension is awarded if the annual average is between 20 and 49 weeks of contributions under the

flat-rate pension scheme or between 15 and 49 weeks under the earnings-related scheme.

Income test: Earned income from age 61 (men) or age 60 (women), whether through employment or self-employment, must not exceed the national minimum wage (Lm 53.88 per week) until age 65.

The old-age pension is payable abroad.

Old-age noncontributory pension: The insured does not satisfy the contribution conditions for the old-age pension.

Disability pension: Total permanent incapacity for eligible full-time or regular part-time work with 250 weeks of paid contributions as an employee or as a self-employed person, including an annual average of 50 weeks of paid or credited contributions.

Partial pension: A reduced pension is awarded if the annual average is between 20 and 49 weeks of contributions.

Survivor pension: Awarded to a widow(er) whose deceased spouse paid 156 weeks of contributions, with an annual average of 50 weeks paid or credited.

Partial pension: A reduced pension is awarded if the insured had an annual average of between 20 and 49 weeks of contributions under the flat-rate pension scheme or between 15 and 49 weeks under the earnings-related scheme.

Income test: Earned income must not exceed the minimum wage; widows under age 60 with children under age 16 qualify for the survivor pension regardless of their income.

Orphan's pension: Awarded in the event that both parents are deceased. One parent must have been insured and had at least 1 week of contributions at the time of death.

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 the insured has an occupational service pension (which causes reductions in the social security benefit); and whether the person is married with a dependent spouse.

Pensions for those who paid contributions only before January 22, 1979, range from a minimum of Lm 18.90 a week to a maximum of Lm 86.53 a week.

Earnings-related pensions, which can be as much as Lm 86.53 a week, are 2/3 of the yearly average of the best 3 consecutive years in the last 10 years before retirement for employed persons or in the last 10 consecutive years before retirement for self-employed persons.

Old-age noncontributory pension: A means-tested pension is provided.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Permanent Disability Benefits

Disability pension: Pensions vary depending on whether an occupational service pension is payable and whether the person is married with a dependent spouse. Pensions range from a minimum of Lm 17.16 a week to a maximum of Lm 45.16 a week.

Benefit adjustment: Benefit adjustment is linked to increases in prices and, in some cases, to increases in wages.

Survivor Benefits

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

The maximum pension for a person who paid contributions only before January 22, 1979, is Lm 72.11 a week.

Earnings-related pensions, which can be as much as Lm 72.11 a week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before the spouse's death or retirement on age or medical grounds for employees; in the last 10 consecutive years before the spouse's death or retirement for self-employed persons.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Remarriage grant: Upon remarriage, a widow(er) forfeits any entitlement to a survivor pension from a previous marriage and receives a lump sum equal to 52 weeks of the applicable National Minimum Pension.

Orphan's pension: Lm 13.88 a week for each orphan under age 16; Lm 30.99 for each orphan between ages 16 and 21, provided the orphan is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, then the allowance is reduced to bring the total of such an allowance and gross earnings to an amount equivalent to the minimum wage.

Benefit adjustment: Benefit adjustment is linked to increases in prices.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

Sickness and Maternity

Regulatory Framework

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

Current law: 1987.

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

The Employment and Industrial Relations Act requires employers to provide 100% of earnings for 13 weeks' maternity leave.

Coverage

Sickness benefits: Employed and self-employed persons.

Maternity benefits: Resident citizens.

Medical benefits: Resident citizens.

Source of Funds

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

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

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

Government: See source of funds under Old Age, Disability, and Survivors, above, for cash benefits.

Medical benefits are funded from general taxation.

Qualifying Conditions

Cash sickness benefit: Fifty weeks of paid contributions and 20 weeks paid or credited during the last 2 contribution years before the benefit year in which the claim was made.

Maternity benefit: Maltese citizenship and residence in Malta and, if previously in employment, not entitled to maternity leave under the Employment and Industrial Relations Act.

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: Lm 6.32 a day for a single person or person supporting a spouse who is not in full-time employment; Lm 4.08 a day for other persons. Benefit is payable from the fourth day of incapacity for up to 156 benefit days a year; up to a maximum of 312 benefit 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 being able to resume work. During a 2-year period, the total number of benefit days may not exceed 468.

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

Maternity benefit: The benefit is awarded for 14 weeks, 13 weeks of which are paid at Lm 20. Of the 14 weeks' entitlement, at least 8 weeks must be taken before the expected date of childbirth, and the remaining weeks are to be taken as needed.

Workers' Medical Benefits

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

Dependents' Medical Benefits

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

Administrative Organization

Ministry for Social Policy provides general supervision.
Director of Social Security manages the program.
Department of Social Security administers the program.

Work Injury

Regulatory Framework

First law: 1929.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employed and self-employed persons whose work is interrupted as a result of a work injury.

Source of Funds

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

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

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

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

Qualifying Conditions

Work injury benefits: At least 1 week of contributions.

Temporary Disability Benefits

Lm 9.49 a day for a single parent or married person supporting a spouse who is not employed full time; Lm 7.14 a day for other persons. The benefit is payable from the fourth day of injury for up to 12 months.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of 90% or more, a full disability pension is awarded regardless of the number of contributions paid or credited. Benefits vary depending on whether an occupational service pension is payable and whether the person is married with a dependent spouse. Benefits range from a minimum of Lm 17.16 a week to a maximum of Lm 45.16 a week. For an assessed degree of disability of between 20% and 89%, the pension ranges from Lm 5.02 to Lm 22.35 a week.

For an assessed degree of disability of between 1% and 19%, a lump-sum award is made ranging from Lm 77.56 to Lm 1,473.54.

Benefit adjustment: Benefit adjustment is linked to increases in prices and, in some cases, to increases in wages.

Workers' Medical Benefits

Medical, surgical, and rehabilitative treatment and medicines.

Survivor Benefits

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

The maximum pension for a person who paid contributions only before January 22, 1979, is Lm 72.11 a week.

Earnings-related pensions, which can be as much as Lm 72.11 a week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before the spouse's death or retirement on age or medical grounds for employees; in the last 10 consecutive years before the spouse's death or retirement for self-employed persons.

Benefit adjustment: Benefit adjustment is linked to increases in wages and prices.

Remarriage grant: Upon remarriage, a widow(er) forfeits any entitlement to a survivor pension from a previous marriage and receives a lump sum equal to 52 weeks of the applicable National Minimum Pension.

Orphan's pension: Lm 13.88 a week for each orphan under age 16; Lm 30.99 for each orphan between ages 16 and 21, provided the orphan is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the minimum wage, then the allowance is reduced to bring the total of such an allowance and gross earnings to an amount equivalent to the minimum wage.

Dependent parents: Lm 43.10 for a married dependent father who is supporting a wife; Lm 35.92 for all other cases.

Benefit adjustment: Benefit adjustment is linked to increases in prices.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1987.

Type of program: Social insurance system.

Coverage

Employed persons.

Source of Funds

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

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

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

Qualifying Conditions

Unemployment benefit: Fifty weeks of paid contributions and 20 weeks of paid or credited contributions made during the contribution year before the benefit year in which the claim was made. The insured must be registered as unemployed and be capable of, and available for, work.

Special unemployment benefit: Payable to the head of household in lieu of unemployment benefit if he or she satisfies a means test.

Unemployment assistance: The insured has exhausted the right to an unemployment benefit.

Unemployment Benefits

Lm 3.84 a day for a single parent or a married person supporting a spouse who is not in full-time employment and Lm 2.50 a day for other persons.

Special unemployment benefit: The benefit rate is Lm 6.44 a day for a single parent or for a married person maintaining a spouse who is not employed full time; Lm 4.20 a day for other persons. The benefit is payable from the first day of

unemployment for up to 156 benefit days; thereafter, subsequent entitlement will depend upon the person's having 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 scheme.

Unemployment assistance: A means-tested benefit is provided.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security 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), with 1996 amendment.

Type of program: Social insurance and social assistance system.

Coverage

All resident Maltese citizens who satisfy the means test.

Source of Funds

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

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

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

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

Qualifying Conditions

Child allowance: All households with children under age 21, if the income of both parents did not exceed Lm 10,270 in 2003. For children aged 16 or older, the child must be a full-time student and not being paid for the studies, must never have been in gainful employment, must not be registered as unemployed, and is not entitled to any social 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: All households caring for a physically or mentally disabled child if the child is not

receiving any other social security pension for the disability. The income of one of the parents did not exceed Lm 13,270 in 2003.

Family Allowance Benefits

Child allowance: The benefit is calculated on the difference between the Lm 10,270 ceiling and the couple's income multiplied by a percentage starting at 6% for one child and increasing depending on the number of children.

Care allowance for foster children: Lm 12 a week.

Disabled child allowance (income-tested): The maximum benefit is Lm 5 a week.

Administrative Organization

Ministry for Social Policy provides general supervision.

Director of Social Security manages the program.

Department of Social Security administers the program.