

Malta

Exchange rate: U.S.\$1.00 equals
0.45 Maltese lira (Lm).

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1956 (old age and survivors), 1965 (disability), and 1979 (2/3 pension).

Current law: 1987.

Type of program: Social insurance system.

Coverage

Residents aged 16 and over, citizens employed outside Malta by foreign employers having a place of business in Malta, and students in certain work-study programs. Coverage excludes married women not gainfully employed, full-time students, and persons over age 65.

Source of Funds

Insured person: Employed contribute 10% of basic wage; the minimum and maximum contributions are Lm 5.14 and Lm 12.78 per week, respectively (flat rate of Lm 2.84 per week if under age 18). Self-employed persons contribute Lm 9.22 to Lm 19.19 per week, depending on net income from self-employment and other sources.

Employer: 10% of payroll; minimum and maximum contributions are Lm 5.14 and Lm 12.73 a week, respectively, per employee (Lm 2.89 per week for employees under age 18).

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

The maximum basic wage (employed person) or net income (self-employed person) for contribution purposes is Lm 127.27 per week.

The maximum basic wage or net income for payment of the earnings-related pension is Lm 6,618.04 per year.

The maximum basic wage or net income for pensionable income purposes if employer also pays a service pension is Lm 6,750 per year.

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

Qualifying Conditions

Old-age pension: Age 61 (men) or age 60 (women); 156 weeks of paid contributions, with an annual average of 50 weeks of paid or credited contributions. A reduced pension is awarded if coverage is between 20 weeks and 49 weeks under the flat-rate pension scheme or if coverage is between 15 weeks and 49 weeks under the earnings-related scheme.

Earned income from age 61 (men) or age 60 (women), whether through employment or self-employment, must not exceed the national minimum wage (Lm 51.33 per week) until age 65.

The old-age pension is payable abroad.

Disability pension: Total permanent incapacity for eligible full-time or regular part-time work; 250 weeks of paid contributions as an employee or as a self-employed person, with an annual average of 50 weeks of paid or credited contributions. A reduced pension is awarded if coverage is between 20 weeks and 49 weeks.

Survivor pension: Awarded to a widow whose deceased spouse paid 156 weeks of contributions, with annual average of 50 weeks paid or credited. A reduced pension is awarded if coverage is between 20 weeks and 49 weeks under the flat-rate pension scheme or between 15 weeks and 49 weeks under the earnings-related scheme.

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 a citizen of Malta and had at least 1 week of contributions at the time of death.

Old-Age Benefits

Old-age pension: Benefits vary depending on whether entitlement exists to the earnings-related benefit 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.

Benefits for persons who paid contributions only before January 22, 1979, range from a minimum of Lm 17.13 a week to a maximum of Lm 84.86 a week.

Earnings-related benefits, which can be as much as Lm 84.86 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.

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

Permanent Disability Benefits

Disability pension: 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 15.39 a week to a maximum of Lm 43.16 a week.

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

Survivor Benefits

Widow's pension: Benefits vary depending on whether contributions were paid before or after January 22, 1979, and

whether a widow's pension is payable by the deceased husband's employer.

The maximum benefit for persons who paid contributions only before January 22, 1979, is Lm 70.72 a week.

Earnings-related benefits, which can be as much as Lm 70.72 a week, are 5/9 of the yearly average of the best 3 consecutive years in the last 10 years before the husband's death or retirement on age or medical grounds for employees or in the last 10 consecutive years before the husband's death or retirement for self-employed persons.

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

Remarriage grant: Upon remarriage, a widow forfeits any entitlement to a survivor pension from a previous marriage and receives a lump sum equal to 52 weeks of pension.

Orphan's pension: Lm 13.24 a week for each orphan under age 16; Lm 29.32 for each orphan between ages 16 and 21, provided 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 allowance and gross earnings to an amount equivalent to the minimum wage.

Benefit adjustment: The adjustment of benefit is linked to increases in prices.

Administrative Organization

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

Sickness and Maternity

Regulatory Framework

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

Current law: 1987.

Type of program: Social insurance system. Cash benefits only.

(The Conditions of Employment Regulation Act requires employers to provide 100% of earnings for 13 weeks' maternity leave.)

Coverage

Sickness benefit: Employed and self-employed persons.

Maternity benefit: Resident citizens.

Source of Funds

Insured person: See Old Age, Disability, and Survivors, above.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

Cash sickness benefit: 50 weeks of paid contributions and 20 weeks paid or credited during the last 2 contribution years prior to 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 Conditions of Employment Regulation Act.

Sickness and Maternity Benefits

Sickness benefit: Lm 6.02 a day for a single person or person maintaining a spouse who is not in full-time employment; Lm 3.89 a day for other persons. Benefit is payable from the fourth day of incapacity for up to 156 benefit days a year; up to maximum of 312 benefit days a year if the person undergoes major surgery or suffers a severe injury (not work-related) or is afflicted by a serious disease requiring long-term treatment before the person is 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 17.50. 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.

Administrative Organization

Ministry of Social Welfare provides general supervision.
Department of Social Security administers the program.
Director of Social Security manages 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 work injury.

Source of Funds

Insured person: See Old Age, Disability, and Survivors, above.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

One week of contributions.

Temporary Disability Benefits

Lm 9.05 a day for a single parent or married person supporting a spouse who is not employed on a full-time basis; Lm 6.81 a day for other persons. Payable from the fourth day of injury for up to 12 months.

Permanent Disability Benefits

Permanent disability pension: For disabilities 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 15.39 a week to a maximum of Lm 43.16 a week. For disabilities between 20% and 89%, the pension ranges from Lm 4.79 to Lm 21.31 a week. For disabilities between 1% and 19%, a lump-sum award is made ranging from Lm 73.96 to Lm 1,405.16.

Benefit adjustment: The adjustment of benefit 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: Widows and orphans. See survivor benefits under Old Age, Disability, and Survivors, above.

Administrative Organization

Ministry of Social Welfare provides general supervision.
Department of Social Security administers the program.
Director of Social Security manages 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 Old Age, Disability, and Survivors, above.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

Unemployment benefit: 50 weeks of paid contributions and 20 weeks of paid or credited contributions made during the contribution year prior to the benefit year in which the claim was made. Person must be registered as unemployed and be capable and available for work.

Unemployment Benefits

Unemployment benefit: Lm 3.66 a day for a single parent or a married person supporting a spouse who is not in full-time employment and Lm 2.04 a day for other persons.

Special unemployment benefit: Payable to the head of household in lieu of unemployment benefit if he or she satisfies a means test. The benefit rate is Lm 6.14 a day for a single parent or for a married person maintaining a spouse who is not in full-time employment; Lm 4.00 a day for other persons. Payable from the first day of unemployment for up to 156 benefit days; thereafter subsequent entitlement will be dependent upon the person having completed at least 13 weeks of employment.

In no case may the total number of such benefit days exceed the total number of contributions paid since the person first entered the scheme.

Administrative Organization

Ministry of Social Welfare provides general supervision.
Department of Social Security administers the program.
Director of Social Security manages 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. As of July 6, 1996, child allowance, special allowance, parental allowance, and family bonus were incorporated within a new means-tested child allowance scheme. Disabled child allowance was made subject to a separate means test as of the same date.

Type of program: Social insurance system/public assistance.

Coverage

All resident Maltese citizens who satisfy the means test.

Source of Funds

Insured person: See Old Age, Disability, and Survivors, above.

Employer: See Old Age, Disability, and Survivors, above.

Government: See Old Age, Disability, and Survivors, above.

Qualifying Conditions

Child allowance: All households with children under age 21, if the income of both parents does not exceed Lm 10,270 in 2001. For children aged 16 or over, the child must never have been in gainful employment, not be registered as unemployed, be a full-time student and not being paid for the studies, and not entitled to any social benefits.

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 must not exceed Lm 13,270 in 2001.

Family Allowance Benefits

Child allowance: Benefit is calculated on the difference between the Lm 10,270 ceiling and the couple's income times a varying percentage ranging from 1.5% to 11.5%, depending on number of children.

Disabled child allowance: The maximum benefit is Lm 5.00 a week (income-tested).

Administrative Organization

Ministry of Social Welfare provides general supervision.

Department of Social Security administers the program.

Director of Social Security manages the program.