

National Plan for Malta

IN LINE WITH COUNCIL RECOMMENDATION ON ACCESS TO
SOCIAL PROTECTION FOR WORKERS AND THE SELF-
EMPLOYED, ADOPTED IN 2019

MINISTRY FOR SOCIAL JUSTICE AND SOLIDARITY, THE FAMILY AND
CHILDREN'S RIGHTS

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1. Introduction

This National Plan is developed in line with the Council Recommendation of 8 November 2019 and the subsequent Guidance for National Plans for access to social workers and self-employed.¹ The plan is based on data published in the Access to social protection for workers and the self-employed - Version 0 of the monitoring framework document.²

The adopted Council Recommendation calls on Member States to ensure access to social protection for all workers and the self-employed through enhanced formal coverage gaps, effective coverage and improved adequacy and transparency of benefits. In this respect, Member States should ensure that all workers and self-employed can adhere to social protection schemes, and build-up as well as take-up entitlements, which can be preserved, accumulated, or transferred across schemes. Moreover, the Council Recommendation calls for sufficient and timely benefits which are contributed to in a proportionate manner and for the provision of information to all workers about their rights and obligations. In this regard, the scope of the National Plan for Malta is to give an overview of the measures in place, identify existing challenges and gaps and plan the way forward for ensuring access to social protection for workers and self-employed.

Malta has a social protection system covering all its citizens. Malta's social protection system is composed of several policies and programs specifically introduced to address certain risks against a person's well-being. The Maltese social protection system encompasses a robust social security system and is accompanied by several services provided in kind, including healthcare coverage, to cater for its citizens in general and for specific different vulnerable groups. Policies and measures in place target several risks including unemployment, sickness, injury at work, and invalidity, and address certain vulnerable groups such as children, women, older people, and persons with disabilities. However, it has been acknowledged that social protection is rather dynamic and requires to be continuously strengthened to cater for new needs and challenges.

The National Plan will encompass:

1. An overview of the current measures in place including an overview of Malta's state-of-play in relation to the implementation of the Council Recommendation;
2. COVID-19 related measures;
3. Identification of challenges and existing gaps;
4. Measures to be introduced, or already launched since the adoption of the Council Recommendation.

1.1 Overview of Social Security System in Malta

The Social Security Act (Cap 318) of the Laws of Malta forms the basis of two robust pillars on which benefits are paid: Contributory and Non-Contributory Benefits. Contributory benefits are paid according to the number of social security contributions insured persons paid during their lifetime,

¹ Council Recommendation of 8th November 2019 on Access to Social Protection for Workers and Self-Employed (The Council of the European Union), 2019/C 387/01).

² Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

while non-contributory benefits are paid following the assessment of a means test to the most vulnerable in society.

When considering the scope of the Council Recommendation, it is important to highlight that the Maltese system distinguishes between 'self-occupied' and 'self-employed' merely based on earnings. A "self-occupied" is a self-employed person who is engaged in any economic activity with earnings exceeding €910 per year.³ A "self-employed" is defined as a person who has not yet passed his sixty-fifth birthday, is ordinarily resident in Malta and is not an employed person nor a self-occupied person.⁴ For the purpose of this National Plan, the term self-employed will refer to self-occupied persons as stipulated by the Social Security Act.

The Maltese social security legislation does not provide a legal distinction between employed and self-employed persons but relies on the definition provided by the main legislation on labour law (Employment and Industrial Relations Act (EIRA)). The latter defines an employee as "any person who has entered into or works under a contract of service, or any person who has undertaken personally to execute any work or service for, and under the immediate direction and control of another person, including an outworker, but excluding work or service performed in a professional capacity or as a contractor for another person when such work or service is not regulated by a specific contract of service."

Self-employed persons have in general the same rights and benefits as employees.⁵ Self-employed are covered for Healthcare, Old-Age and Survivors' Pensions, Family Benefits, Guaranteed Minimum Resources, and Long-Term Care same as for employees and for maternity benefits up to a certain extent.

1.1.1 Social Protection Contributory Benefits

1.1.1.1. Unemployment Benefit

This benefit targets unemployed persons and its aim is to provide temporary replacement income to those who have lost their job. Such benefit also indirectly facilitates the return to work, or entry to the workforce for those without a job. This benefit is awarded to both persons who were employed or self-employed (prior to their unemployment) and register for work with Jobsplus (Malta's Public Employment Service) under Part I of the Unemployment Register.

The Unemployment Benefit is paid on a six-day week basis and covers payment from Monday to Saturday. A beneficiary is entitled to a maximum of one hundred and fifty-six (156) days of Unemployment Benefit. Moreover, this entitlement is based on the number of Social Security Contributions paid by the claimant prior to the claim.

Persons eligible for this benefit, must be registering for employment under Part 1 of the Unemployment Register kept by JobsPlus. In addition, claimants must have paid a minimum of fifty (50) Class 1 and/or Class 2 Social Security Contributions since being registered under the Social

³ Engaged in an economic activity such as vendor, beautician etc.

⁴ Income derived from rents, investments, capital gains or any other income.

⁵ Vide Section 1.1.2.

Security Act (Cap. 318) until date of Benefit Claim; and have also twenty (20) paid or credited Class 1 or Class 2 Social Security Contributions during the last two consecutive calendar years prior to the request for the Unemployment Benefit. To be entitled for the full 156 days of Unemployment Benefit, claimants must satisfy the Social Security Contributions Tests indicated above and also have a minimum of 156 Social Security Contributions paid. For the period covered by registration with Jobsplus, the insured person's social security contributions will be credited.

Overview of Unemployment Benefit in relation to the implementation of the Council Recommendation

a. Formal Coverage of Unemployment Benefits

In terms of formal coverage, Malta's labour force is covered for unemployment protection through a mandatory contributory and non-contributory scheme provided for by the Social Security Act (CAP 318 of the Laws of Malta). In the Maltese scheme, there is no distinction between males and females, and no distinction is made according to the sector of employment.

In fact, the Social Security Act (Cap 318) provides that every person who is in insurable employment between the age of 16 and 65 is to be insured, and therefore is liable to pay social security contributions. Such a requirement renders every insured person eligible to claiming and receiving benefits including unemployment benefits subject to satisfying the minimum conditions. Therefore, persons claiming social security benefits (irrespective of their form of work) who are in employment or self-employment and are paying social security contributions according to Social Security Act, and satisfy the minimum requirements established by the Social Security Act, would qualify for the benefits being claimed. In this respect, the Version 0 Report of the Social Protection Monitoring Framework confirms that Malta is in line with the Council Recommendation in terms of formal coverage.⁶

Until 2019, unemployment benefits were only granted to employees who fulfil the above-mentioned eligibility conditions. However, in 2019 self-employed persons have historically been extended the right to receive unemployment benefits if they cease their activity and start registering for work, putting them on the same footing as employed persons. Such measure ensures formal and effective coverage to self-employed persons and puts this category of workers at par with employees. This measure is also included in the Version 0 Report of the Social Protection Monitoring Framework.⁷

b. Effective Coverage of Unemployment Benefit

As outlined in the ILO report⁸, unemployment benefits are important in reducing poverty for the unemployed. Effective coverage for unemployment is critical especially in ensuring income security. Malta's social security scheme was designed to cover all insurable persons irrespective of their employment relationship and when it comes to unemployment benefits following recent legislative changes, workers and self-employed share the same level of

⁶ Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

⁷ Ibid.

⁸ Flagship World Social Protection Report 2017-19 (International Labour Organisation, 2020).

coverage. In view that Malta has one social security scheme, acquired entitlements for both employees and self-employed persons are ensured.

As per this report's SDG indicator on effective coverage for unemployed persons, 62% of unemployed persons receive cash benefits (contributory or non-contributory).⁹ However, it is to be noted that the data gathered through this indicator dates back to 2015 and the Maltese context both in terms of the unemployment rates and in terms of new benefits has changed. If the pre COVID-19 scenario is investigated, it can be noted that in 2019 there were 1,128 Unemployment Benefit beneficiaries¹⁰ whilst there were 1,496¹¹ persons registering for work under Part I. Such figures show that circa 75% of unemployed persons received the unemployment benefit.

c. Adequacy of Unemployment Benefit

The unemployment benefit is paid at a flat rate both to employees and self-employed. In 2021, the daily married rate is that of €13.12 and the daily single rate is that of €8.58. These payments are made from the first day of unemployment and continue for a period of one-hundred and fifty-six days. Such a period of a maximum of six months is intended to provide short-term income replacement until the person manages to gain new employment. After the expiry of this period, the person concerned no longer qualifies for this benefit unless he/she takes up employment again for a period of at least thirteen (13) weeks. For the period covered by unemployment benefit the insured person will be awarded Social Security Contributions credits as long as no part wages or salaries are being paid.

The Maltese Unemployment Benefit has a very close link to employment services, which go together and are part of the stipulated conditions for receiving this benefit. Services offered by the Maltese Public Employment Services (PES) include job-matching, offering support and guidance, and facilities for jobseekers to enhance, update and develop their skills. Jobsplus strives to assist clients in finding the right job by providing tailor-made guidance services in accordance to the individual needs. Unemployed persons who register with the PES are allocated an employment advisor who becomes their primary contact point and together discuss the current employment situation, suitable career paths and other prospective options including training. This is done through an individualised career guidance and the development of Personalised Action Plans (PAPs) for employment. Moreover, Jobsplus also offers specialized Inclusive Employment Services which are specifically designed for persons with disability, former substance abusers, former prison inmates, and individuals with other socio-economic difficulties.

By providing income replacement for the loss of earnings and cushioning the loss of incomes, unemployment protection schemes play a fundamental role in preventing individuals from falling into poverty once they become unemployed (Carter, Bédard and Peyron Bista, 2013).¹² The Maltese unemployment protection scheme is not only composed of the mandatory

⁹ Flagship World Social Protection Report 2017-19 (International Labour Organisation, 2020).

¹⁰ National Statistics Office, News Release of 7th April 2021, Government Expenditure on Social Security Benefits: January-December 2020.

¹¹ National Statistics Office, News Release of 29th January 2020, Registered Unemployment: November and December 2019.

¹² Flagship World Social Protection Report 2017-19 (International Labour Organisation, 2020).

contributory element, but is also accompanied by other measures, including non-contributory benefits. Although social assistance is beyond the scope of this council recommendation, it is to be noted that in the non-contributory scheme, the Special Unemployment Benefit is paid to the head of the household instead of the Unemployment Benefit, provided that the relative means-test is satisfied. Moreover, Unemployment Assistance is paid at a rate that can change in accordance with the means test, and in relation to the number of persons in the household. Such measures are specifically designed to target vulnerable groups due to unemployment and to ensure that they maintain a decent standard of living during the period of unemployment.

Measuring adequacy in terms of the benefits proportionality to the contributory capacity would require a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of unemployment benefits for these types of vulnerable groups. With reference to self-employed, prior to 2019, these persons were not entitled to unemployment benefits. Self-employed persons and employees are paid the same unemployment benefit flat-rate.

1.1.1.2. Sickness and Healthcare Benefits

Sickness Benefits

The purpose of the sickness benefit is to provide income security in case of illness. It furthers the fulfilment of the human rights with regards to health and social security, while supporting public health and the prevention of poverty. In order to be eligible to receive the sickness benefit a person must submit fortnightly medical certificates within 10 days from date of examination;

- Have paid a minimum of 50 Social Security contributions;
- Have paid or credited a minimum of 20 Social Security contributions in the last two years prior to application.

An employee is paid for Sickness Benefit starting from the fourth day of sickness (the day after the examination date), since the first three days are payable by the employer. However, if same person is unable to return to work because they are receiving treatment from Sir Anthony Mamo Oncology Centre, only the first three (3) days shall not be paid throughout the calendar year. This is also applicable to those diagnosed with Fibromyalgia or Myalgic Encephalomyelitis.

For the period covered by sickness benefit the insured person will be awarded Social Security Contributions credits provided no part wages or salaries are being paid.

Since the first three days are payable by the employer. An employer may either:

- a. Pay the wage of the employee in full for the first 3 days of sickness and then pay the difference between the Sickness Benefit entitlement and the employee's wage for any additional certified sick leave;
- b. Pay the wage of the employee in full for the certified sick leave and in return the employee refunds the employer the Sickness Benefit entitlement once this is issued by the Department of Social Security;

A self-employed person who submits a medical certificate is awarded Sickness Benefit from the 4th day of sickness, and is entitled to a fixed benefit rate.

Sickness Benefit is awarded according to the number of days of the employee's working week; that is, (five- or six-day week). No payment is effected for public holidays and Sundays.

A person who is unemployed due to a sickness and is awaiting to be awarded a Contributory Invalidity Pension or is not able to work and is submitting fortnightly medical certificates, may also be awarded Sickness Benefit. Such entitlement is paid Monday to Saturday including Public Holidays, except Sundays. Government employees are excluded from being awarded Sickness Benefit whilst on paid sick leave.

Overview of Sickness Benefit in relation to the implementation of the Council Recommendation

a. Formal Coverage of Sickness Benefits

In terms of formal coverage, Malta's labour force is covered for sickness benefits through a mandatory contributory scheme provided for by the Social Security Act (Cap 318) of the Laws of Malta. In fact, the Social Security Act (Cap 318) provides that every person who is in insurable employment between the age of 16 and 65 is to be insured, and therefore is liable to pay social security contributions. Such a requirement renders every insured person eligible to claiming and receiving benefits including sickness benefits subject to satisfying the minimum conditions. Therefore, persons claiming social security benefits (irrespective of their form of work) who are in employment or self-employment and are paying social security contributions according to Social Security Act, and satisfy the minimum requirements established by the Social Security Act, would qualify for the benefits being claimed.

b. Effective Coverage of Sickness Benefit

Sickness benefits guarantee that an adequate income is provided during sick leave when earnings are suspended.¹³ In view that Malta has one social security scheme, acquired entitlements for both employees and self-employed persons are ensured. In the Maltese scheme there are no exemptions from compulsory insurance. Nonetheless, a person may still opt for voluntary private insurance. With respect to qualifying periods, entitlement for employed and self-employed persons is alike and is subject to at least fifty (50) paid weekly contributions of which twenty (20) paid or credited contributions should fall in the preceding two years. The Maltese scheme provides also for credited periods which are considered for entitlement to sickness benefits. It is worth mentioning that the qualifying period does not vary with age. The waiting period of the sickness benefit is three (3) days except for persons suffering from fibromyalgia and persons undergoing therapy for cancer for whom there is no waiting period.

The maximum duration of sick leave is up to a total of one-hundred and fifty-six (156) working days (the employee's work week can be five (5) or six (6) days). This could be extended for up to further three-hundred and twelve (312) days in a two-year period following the first claim for sickness benefit in certain cases when the claimant undergoes any major surgical intervention or suffers from a severe injury or is afflicted by some serious disease which requires long treatment before such person can resume work.

¹³ Social Protection Spotlight (International Labour Organization, 2020).

c. Adequacy of Sickness Benefit

The sickness benefit rate is a flat rate for both employees and the self-occupied persons in Malta. The daily married rate is that of €21.64 (2021 rate) and the daily single rate is that of €14.01 (2021 rate). Moreover, employers provide continued payment of part of the salary during sickness. With regards to unemployed persons, sickness benefit is paid to unemployed. The same conditions and the same rates apply as for those in employment and it is paid on a six (6)-day week basis in any period of sickness during unemployment.

Measuring adequacy in terms of the benefits proportionality to the contributory capacity would require a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of sickness benefits for these types of vulnerable groups. The Maltese scheme provides also for child credited periods which are then considered for entitlement towards a Maltese Pension. However, it is to be noted that the award of such credits, is subject to the condition that the persons enters or re-enters into the labour market and work for a period equal to the credits awarded.

Health Care Benefits

Entitlement to public health services is practically universal. All those who are covered by the Social Security Act, either through payment of contributions or through a mechanism of exemption from payment, are covered. Foreigners covered under the Social Security Act are entitled to the same care as nationals. Temporary visitors from EU Member States have direct access to public health care upon presentation of a European Health Insurance Card (EHIC), together with an identification document. If the relevant forms are not presented, persons who receive treatment would be required to pay the incurred costs.

Overview of Healthcare Benefits in relation to the implementation of the Council Recommendation

a. Formal and Effective Coverage of Healthcare Benefits

The publicly financed health system provides a comprehensive basket of health services to all people residing in Malta, who are covered by Maltese social security legislation. However, entitlement to a few services (including elective dental care, optical services and some formulary medicines) is means-tested. The means-test falls under the non-contributory scheme of the Social Security Act. Accordingly, those who fall within the low-income bracket, as determined by the means-test, are entitled to free medicines from a restricted list of essential medicines and to certain medical devices (subject to certain conditions). Persons who suffer from chronic illnesses included in a specific schedule incorporated in the Social Security Act are entitled to free medicines strictly related to the chronic illness in question. This benefit is provided to people by virtue of having the condition, independent of financial means. The national benefit package is determined based on availability, evidence-based practice and affordability. A rapid Health Technology Assessment is first carried out to evaluate any procedure or service that is proposed for inclusion. At this time a committee is set up to provide recommendations to health authorities regarding health care benefits, being

mindful of financial constraints and legislation. In addition, the Government Formulary List defines which medications are available from the public sector, including which patient groups are entitled to which medications and who can prescribe them.

b. Adequacy of Healthcare Benefits

Based on self-reported unmet needs for medical examination assessed by Survey of Income and Living Conditions and as reported on Eurostat 2019, Malta had 0% of its population reporting unmet needs for financial reasons, distance and waiting time, while 0.3% of the Maltese population reported unmet needs for dental care. It should be noted that the latter is the lowest reported figure amongst European Member States in 2019.

1.1.1.3. Maternity and equivalent Paternity Benefits

Maternity and Adoption Benefit

In Malta, the maternity benefit ensures that a woman is able to give quality time to her child without having to worry of losing her job and her source of income. Mothers who satisfy the conditions are entitled to Maternity Benefit for a period of fourteen (14) weeks.

The Maternity Benefit is paid for 14 weeks (8 weeks before birth and 6 weeks after) to persons who are unemployed, to self-employed persons and those persons who did not avail themselves of maternity leave from their employer.

For Adoption Benefit, the same application form is used for Maternity Benefit, but it has to be submitted by a parent after adoption procedure is finalised with the adopted child living in Malta with his/her adoptive parents. The payment rate is the same as that for the maternity benefit. The benefit is paid for 14 weeks to persons who are unemployed, to self-employed persons and those persons who did not avail themselves of paid adoption leave from their employer.

The pension system is based on the social model that the pension is tied to continuity in employment. The systems of credits introduced for child rearing through the maternity and adoption benefit is directed to counter employment discontinuity, and hence ensures a higher pension, for people who choose to take leave from their employment to raise a family.

Maternity and Adoption Leave Benefit

The maternity leave benefit is paid to persons who have opted for the maternity leave through their employer and decide to extend the maternity leave by four weeks. The rate payable is equal to the national minimum wage.

A pregnant employee can resort to maternity leave for an uninterrupted period of eighteen (18) weeks. For the first fourteen (14) weeks, the maternity benefit, is paid by the employer but the weeks beyond the first fourteen (14) weeks are not covered by the employer. This is without

prejudice to any entitlement for payment which may be effected by virtue of the Social Security Act with regards to the extra weeks after the first fourteen (14) weeks.

The expectant mother has to notify her employer in writing of the date when she intends to avail herself of such entitlement at least four weeks before its commencement, in so far as is reasonably practicable. The employee is obliged to avail herself of six (6) weeks of the total entitlement immediately after the date of confinement. Another four (4) weeks are to be taken immediately before the expected date of confinement, unless agreed otherwise between the employer and the employee. The remaining balance of entitlement to be availed of, in whole or in part may be taken, either immediately before or immediately after the aforementioned periods, as the employee may decide.

On termination of maternity leave, the employee has the right to resume work in the post formerly occupied on the commencement of the maternity leave and if such post is no longer available, to a related post.

On the other hand, the aim of the Adoption Leave Benefit is to continue to help support children who have joined a family through adoption and increase job retention. This leave is designed to safeguard the employment rights of employees who have adopted a child but does not apply in the case of adoptions where the person adopted is the natural offspring of either of the parents. The rate payable is the same as that of the maternity leave benefit.

In the case of a single parent, adoption leave shall be enjoyed by that parent.

In the case of more than one parent:

- (i) if only one parent is in employment on the date of adoption of the child, adoption leave shall be enjoyed by that parent;
- (ii) if both parents are in employment, whether with different employers or with the same employer, on the date of adoption of the child, each parent shall be entitled to such part of the adoption leave as they may agree in writing.

Paternity Leave

The aim of this leave is to allow the father time to bond with their child/children. This benefit assists the family to collectively adapt to and experience the new family situation while sharing parental duties and assisting the new mother with her needs. Currently, employed fathers are entitled to two (2) days of paternity leave. Self-employed fathers are not eligible, and this is also noted in the Version 0 Report of the Social Protection Monitoring Framework.¹⁴

Overview of Maternity and equivalent Paternity Benefits in relation to the implementation of the Council Recommendation

a. Formal Coverage of Maternity and equivalent Paternity Benefits

¹⁴ Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

With respect to formal coverage, all insured employees are covered for all maternity and paternity benefits which are provided for in the Maltese legislation. On the other hand, whilst self-employed persons are eligible to receive maternity and adoption related benefits, they are not entitled for Paternity Benefits.¹⁵ Cognisant of such a difference between employees and self-employed, Malta will be studying this issue further.

b. Effective Coverage of Maternity and equivalent Paternity Benefits

Effective social protection through the provision of maternity and equivalent paternity benefits promotes equality in employment and occupation. The several complimentary maternity and adoption benefits are designed to ensure that workers, self-employed and unemployed persons have the necessary coverage.

With regards to qualifying conditions, the maternity, adoption, and paternity beneficiaries should be insured under the social security system and be a Maltese citizen or married/cohabiting with a citizen of Malta, or be a citizen of a European Union Member State, or a citizen of a member country of the European Social Charter, or having a refugee status and ordinarily residing in Malta or Gozo.

However, there are no stipulated qualifying periods for accessing these benefits. Such element of the Maltese maternity, adoption and paternity benefits enhances the benefit coverage for all groups of workers including non-standard workers. This is also confirmed by the Version 0 Report of the Social Protection Monitoring Framework.¹⁶

c. Adequacy of Maternity and equivalent Paternity Benefits

Maternity cash benefit, paid in lieu of maternity leave, may be issued after the eight (8) month of pregnancy and not later than six (6) months after birth. Payment for fourteen (14) weeks is made in two instalments (if claimed before birth) or in one instalment if claimed after birth. The rate payable is: €99.59 per week for unemployed. Self-occupied persons are entitled to fourteen (14) weeks of maternity benefit at the weekly flat rate of €181.08.

On the other hand, the maternity leave benefit paid by the Social Security Department is paid to employees and self-employed alike. It may be issued after the fourteenth week of maternity leave and up to end of eighteenth week. Payment for a maximum of four (4) weeks is made in one instalment. The income replacement payable is the same for employees and self-employed persons and paid at a rate of €181.08 per week.

With respect to maternity leave granted by the employer, the employees are paid 100% of their earnings for fourteen weeks. As for the paternity leave, the employer pays the employee 100% of earnings for two (2) days.

¹⁵ Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

¹⁶ Ibid.

Measuring adequacy of benefits proportionality to the contributory capacity requires a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of these benefits for these types of vulnerable groups.

1.1.1.4. Invalidity Benefits

The Invalidity pension benefit is provided to persons who are below retirement age and who are certified as being incapable of performing full-time or part-time employment due to health reasons. This benefit safeguards human rights in the spheres of health and social security whilst providing a source of income thus prevention of poverty during a time of physical and mental hardship.

To be eligible for an Invalidity pension a person must be below pension age.

They must also be either:

- (i) In continuous employment or
- (ii) unemployed and registering for work with Jobsplus for a period of not less than 1 year or
- (iii) in receipt of the means tested Social Assistance benefit.

The individual must also have been submitting Sick Leave medical certificates on a fortnightly basis for at least six months and have paid at least 250 Class 1 or Class 2 contributions with a contribution average of at least 19.5.

The individuals who satisfy these criteria are subsequently assessed by a Medical Board. The Invalidity Pension is issued for a minimum period of one year to a maximum of three years and is issued upon termination of employment. When a person's degree of disability is assessed at 90% or more by the medical panel, that person is entitled to full rate of Invalidity pension without a contributory test.

The Invalidity Pension Income is relative to the contributions paid. Furthermore, during the period when a person is in receipt of an Invalidity pension their contributory history is credited for the purpose of their pension income calculation. A total of 132 persons benefitted from the invalidity pension in 2020.

Overview of Invalidity Pension Benefit in relation to the implementation of the Council Recommendation

a. Formal Coverage of Invalidity Pension Benefit

With regards to formal coverage, the invalidity pension benefit is a contributory benefit catered through mandatory coverage under the Social Security scheme. This benefit is provided to persons who are certified to be incapable of appropriate full-time or regular part-time employment as a consequence of serious disease or impairment. This invalidity benefit is exportable worldwide. This benefit is awarded to both persons in employment and self-employed persons.

b. Effective Coverage of Invalidity Benefit

With respect to the qualifying period for this benefit, persons should have paid a minimum of two-hundred and fifty (250) contributions or a circa of five years in employment to qualify for this benefit. In the Maltese scheme, the qualifying period for this benefit does not vary with age. In case of terminally ill persons, the minimum qualifying period is set to one year and the pension is granted at the maximum rate as if the persons had contributed all their working life.

With regards to the assessment criteria, the main criteria used to assess eligibility for an invalidity pension relates to the extent to which the persons' ability to perform work and everyday tasks is impaired after their condition has been properly and fully treated. The extent of the impairment determines the medical condition of the claimant as permanent or temporary. Based on these criteria, a percentage of reduced working capacity is determined for each category and the minimum level of reduced working capacity to be entitled to the pension is 20%.

c. Adequacy of Invalidity Pension Benefit

The invalidity benefit is paid at a flat rate to both self-employed and employed persons. The minimum flat-rate is not income related. The highest rate payable is €166.40 and the lowest is €127.66 when the person's incapacity for work is considered severe. When the incapacity is not thus considered, the rates range from a minimum of €157.98 per week for a married person, and €138.18 for a single person.

Complimenting this benefit, the beneficiary of the Invalidity pension can be also entitled to Sickness Assistance which is subject to a means-test and to the decision of a medical panel appointed by the Department of Social Security. The member/s of the household who satisfies the above conditions is entitled to €27.50 per week.

The beneficiary who is not in receipt of Children Allowances can be entitled to Supplementary Allowance subject to a means-test. The allowance amounts to maximum €14.62 weekly for a couple: and €6.50 for a single person.

Measuring adequacy in terms of the benefits proportionality to the contributory capacity would require a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of invalidity benefits for these types of vulnerable groups.

1.1.1.5. Old-age Benefits and Survivors' Benefits

The aim of the contributory retirement pension is for all those who have paid the required amount of social security contributions to have a foundation for their retirement income and to support them in their old age as well as to alleviate retirement poverty.

There are 3 categories of pensions a person can receive:

- Two-Thirds Pension (TTP) for claimants who paid an amount of contributions and income declared;
- Retirement Pension (RP) for claimants in receipt of Service Pension;
- National Minimum Pension (NMP) is for insured claimants who paid contributions prior to the 31st January 1979. However, a person who paid contributions both prior and after mentioned date have both NMP and TTP assessed and awarded the most beneficial pension.

On the other hand, the aim of the survivor's pension is for widows/widowers,¹⁷ or registered partner whose deceased spouse/deceased partner satisfies the relevant contribution conditions on date of passing away to receive a pension based on the late spouses/partner's pension. The prevention or mitigation of financial hardship and poverty risk for the surviving spouse/registered partner and their dependents is the purpose of these benefits.

There are 3 categories of Widow/er's Pension a person can receive:

- National Minimum Widow/er's Pension (NMWP) is awarded when deceased was already in receipt of retirement pension;
- Early Survivors Pension (ESRP) is awarded when deceased is not yet in receipt of a retirement pension;
- Survivors Pension (SRP) is awarded when deceased was already in receipt of a retirement pension.

In cases where the deceased is not yet in receipt of a retirement pension the widow/surviving partner would be awarded the Early Survivors Pension. A widow or widower/surviving registered partner will receive five sixths of the late spouse/partner's pension. If before the spouse/partner's demise they were still in employment, the entitlement will be five ninths of the pensionable income. If a widow/er/partner is of pension age and is entitled to a retirement pension by virtue of the Social Security contributions they paid, and they are receiving the 5/6 of their deceased spouse/partner's pension as it was more beneficial, they will be entitled to the spouse/partner's full pension.

The widow/er/surviving partner in receipt of the Widow's Contributory Pension is also eligible to other benefits such as Sickness Benefit, if there are minor children within the household and still dependent on the widow/er.

Overview of Old-age Benefits and Survivors' Benefits in relation to the implementation of the Council Recommendation

a. Formal Coverage of Old-age Benefits and Survivors' Benefits

Within the context of a mandatory contributory scheme, all insured persons are formally covered to receive old-age and survivors' benefits. With regards to retirement pension, this is granted to all those insured claimants who have paid the required number of contributions thus employed, and self-employed are all covered. The benefits are provided to the eligible persons through an automated process without the need for

¹⁷ Any reference to Widow/er's is also applicable to registered partners in line with Maltese Legislation.

application. With respect to survivors' benefits, eligible widows and eligible legal surviving partners can apply for these benefits. Such formal coverage is also confirmed by the Version 0 Report of the Social Protection Monitoring Framework.¹⁸

Moreover, through the EU Social Security Coordination Rules (Regulation 883/2004) and through international agreements that Malta has with other countries, pension rights acquired in respective countries are safeguarded. In fact, the principles of aggregation, exportability, and equal treatment ensure that insured persons in different countries are formally covered to receive a full pension upon retirement.

b. Effective Coverage of Old-age Benefits and Survivors' Benefits

As outlined in the ILO report,¹⁹ ensuring income security for people during their old age is a crucial objective linked to the human right of social security, which modern societies seek to achieve. In fact, this is in line with the principles of the Maltese Social Security System whereby all insurable persons irrespective of their employment relationship are covered to benefit from acquired pension rights. The scheme allows for several types of contributions to extend coverage to all types of persons in employment. Employed persons pay Class One contributions, while the self-employed pay Class Two contributions. Class One contributions imply that any person employed under a contract of service in Malta is in insurable employment and subject to the payment of these contributions. For each person, a tripartite contribution is payable: the employed person, the employer and the State each pay 10 per cent of the basic salary of the employee; with the contribution capped to the Maximum Pensionable Income. The rate of Class Two contributions is equally shared by the State and self-employed persons, whereby the self-employed pays 15 per cent and the State pays 7.5 per cent of their annual income that is subject to the same ceiling that applies for employees.

With respect to qualifying periods, claimants must have made an average of at least fifteen (15) weekly contributions (paid or credited) per year from 1965 (both are worked out and the beneficiary will be awarded the rate which is higher) or from age 19, and completed at least ten years of employment or self-occupation prior to retirement. In order to draw a full pension, eligible insured persons must have an average of fifty (50) or more weekly contributions (paid or credited) per year from 1956, 1965 or from the age of 19.

As regards pension age, the 2006 reform included a gradual increase in the retirement age from 61 years for men and 60 years for women to 65 years by 2027. In the case of a person born during the calendar years 1952 to 1955, pension age is 62 years; for persons born during the period 1956 to 1958, pension age is 63 years; for persons born in the period 1959 to 1961, pension age is 64 years; and for persons born after 1962, pension age shall be 65 years.

¹⁸ Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

¹⁹ Flagship World Social Protection Report 2017-19 (International Labour Organisation, 2020).

Moreover, the Maltese Social Security scheme has several safeguards to mitigate different risk factors that insured persons may encounter due to their individual situations. Such safeguards include the provision of credits in cases of unemployment, motherhood, periods of study, voluntary work, and other measures to sector specific persons such as ex-members of the Police Force, the Armed Forces, the Civil Protection Department, and Prison Guards and carers. Contributions towards these benefits are credited also in respect of periods of sickness, widowhood, and invalidity.

As another safeguard, the widow/er or survivor in receipt of the Widow's Contributory Pension is also eligible to other contributory benefits such as Sickness Benefit, if there are minor children within the household and still dependent on the widow/er. As of 2019, eligible cohabitating surviving partners can apply for this benefit as well.

c. Adequacy of Old-age Benefits and Survivors' Benefits

The Maltese Social Security Act (Cap. 318) provides for a periodic review of the Maltese pension system. Such reviews are carried out every five years and their primary aim is to analyse the system's adequacy, sustainability and solidarity constituted by both good policy governance and decision making. The most recent Strategic Review document was issued in 2020²⁰ and this was the third strategic review carried out, since the inclusion of Article 64B in the Social Security Act which establishes the legal framework to perform such periodic reviews. This strategic review puts forward several necessary reform recommendations and includes a review mechanism to monitor these recommendations.

Pension rates for retired persons and survivors have increased annually to date since 2019. Moreover, the tax exemption cap on the maximum income of pensioners was raised annually throughout the same years to ease the financial burdens of pensioners and survivors.

Additionally, the incentives to encourage later retirement and the linking of the contributory period to the period spent in retirement, contribute to the strengthening of the long-term sustainability of public finances and ensure better adequacy of pensions. The increase in the minimum pension, complimented by the previously mentioned measures designed to mitigate against gaps in the contributory periods of particular groups have been introduced specifically to widen the pension coverage and ensure an adequate income.

Measuring adequacy of benefits proportionality to the contributory capacity requires a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of these benefits for these types of vulnerable groups.

²⁰ Strategic Review on the Adequacy, Sustainability, and Solidarity of the Pension System as Mandated by Article 64B of the Social Security Act (The Pensions Strategy Group, 2020).

1.1.1.6. Benefits in respect of accidents at work and occupational diseases

Injury on Duty Benefit/ Industrial Disease Benefit

This benefit is awarded to a person who has not yet reached retirement age and is not in receipt of an Invalidity Pension and who had an accepted claim for this benefit. Such an individual would have suffered a percentage disablement resulting from the same injury or a disease arising out of, or during course of his employment or self-occupation.

In order to receive this benefit, a person should file an injury form within ten days from date of injury and have paid at least one social security contribution. The person must also appear before the medical board appointed under the provisions of the Social Security Act and is subject to a decision made by the same medical board.

Social Security credits are awarded for the period a person is in receipt of this benefit provided no part wages or salaries are being paid whether this person is employed or self-employed. The payment will be for a maximum period of one year according to the Department's Medical Panel decision. If after a year the person is still unable to resume work, s/he will be requested to start submitting medical certificates and claim will be converted to Sickness Benefit.

The same individual may be entitled to receive an Injury Grant or an Injury Pension depending on the established percentage rate, in that:

In the case of the injury Grant and individual may benefit from a once only grant based on the percentage rate suffered between 1% and 19%. This rate is decided by a Medical Panel appointed according to the Social Security Act (Cap.318.)

The aim of this benefit is to ensure the right to protection against employment injury as enshrined in the Universal Declaration of Human Rights (UDHR), 1948, and the International Covenant on Economic, Social and Cultural Rights (ICESCR), 1966. This benefit provides income security to victims of employment injury or industrial disease and their dependent family members.

There were 1,567 persons who received this benefit in 2020.

Injury on Duty Pension

An individual is entitled to the injury on duty pension if the percentage rate of injury suffered is between 20% and 89%. The rate is decided by a Medical Panel, appointed according to the Social Security Act (Cap. 318.). Eligible applicants may be allowed to work and at the same time retain their Injury Pension until they reach retirement age.

This benefit provides an income replacement at a guaranteed level and on a periodic basis to a person who has suffered injury or illness during the course of their employment/self-occupation resulting in a total or partial loss of earning capacity and which is likely to be permanent.

It is to be noted that a person may be entitled to receive an Invalidity Pension if it is certified by a Medical Panel appointed according to the Social Security Act (Cap. 318.), that he/she is incapable or not suitable for regular full-time or part-time employment. If a person suffers 90% or more disablement resulting from the same injury or a disease arising out of, or during course of his employment or self-occupation, he/she may be entitled to receive an Invalidity Pension.

There were 223 persons who received the injury on duty pension in 2020.

Overview of the benefits in respect of accidents at work and occupational diseases in relation to the implementation of the Council Recommendation

a. Formal Coverage of benefits in respect of accidents at work and occupational diseases

These benefits are regulated by the Social Security Act (Cap. 318). Anyone who suffers injuries and/or disease at work and has paid at least one social security contribution is formally covered and eligible for this benefit. Despite having this condition for entitlement, the mandatory nature of the Maltese social security scheme including the benefits in relation to accidents at work and occupational diseases, ensures formal coverage for all insured workers and self-employed persons.

b. Effective Coverage of benefits in respect of accidents at work and occupational diseases

Through these benefits, all employed and self-employed workers in Malta's workforce with a required minimum of one contribution are effectively covered for industrial injuries, disease, and disablement. As another requirement, it is to be mentioned that the claim for injury benefit needs to be submitted not later than ten (10) days following the day of the injury. This benefit also offers coverage for workers while travelling as a passenger to or from his/her place of work in any vehicle (including a ship, vessel or aircraft), which is in any way provided or paid for directly by his/her employer.

With regards to occupational diseases, an official list of occupational diseases is found in the Fourth Schedule of the Social Security Act (Cap. 318). The list is created and adjusted by the Department of Social Security following medical advice from appropriate medical experts in the field. Other diseases proved to be of occupational nature in individual cases may result in the expansion of the list. The only requirement for entitlement is that of having paid a minimum of one contribution and there are no other conditions required.

With respect to the waiting time of the injury benefit, the first three (3) days of injury or disease are paid by the employer. Taking into account the duration of this benefit, the insured person is entitled to have one year injury leave on full pay from his/her employer and the employees have to refund the amount received from the Social Security Department to their employer. The employed person is entitled to full-pay if the duration of incapacity does not exceed one (1) year from the date of injury. In the case of self-employed persons, the amount is paid to the claimant and kept by the claimant. Although the maximum duration of this benefit is that of twelve months, one needs to consider that a person may also be eligible to benefit from injury or invalidity pensions which have a longer-term in nature.

c. Adequacy of Injury on Duty Pension

The injury on duty pension is paid at two different rates depending on the marital status of the person. The daily married rate of this benefit is €32.46 while the daily single rate is €24.42. As confirmed by Version 0 Report of the Social Protection Monitoring Framework,²¹ although this benefit guarantees income replacement in case of an injury or occupational disease, the benefits are based on a flat-rate and are not earnings related. However, it shall also be highlighted that the insured persons would be entitled to the injury on duty pension if the percentage rate of injury suffered is between 20% and 89%. Complimentary to this, the person may be entitled to receive an Invalidity Pension if it is certified as such by a Medical Panel. Such pensions are periodically reviewed and adjusted to also include cost-of-living adjustments with the aim of ensuring better adequacy. Apart from the benefits in cash, it is to be noted as well that all workers including self-employed persons are entitled to receive required state health care services for their recovery.

Measuring adequacy in terms of the benefits proportionality to the contributory capacity would require a specific set of data which is not captured through national statistics. Similarly, data in relation to new forms of work is also required to measure adequacy of sickness benefits for these types of vulnerable groups.

1.1.2 General aspects of the Maltese Social Security Scheme which are in line with implementation of the Council Recommendation

1.1.2.1 Transparency of Social Security and Healthcare Benefits

Malta is committed to ensuring transparency of benefits to the public and to the groups who need them most. In this context, Malta has undertaken several initiatives to enhance the public service visibility and provide timely accessible information to all through one single interface which is servizz.gov. [Servizz.gov](https://servizz.gov) is the agency bringing all government services together. It is a bridge between the Public Service of Malta and the public, making government services more accessible. This initiative incorporates information and application facilities through its website, which hosts all online government forms in one portal, and the provision of customer assistance through twenty decentralised servizz.gov hubs. Moreover, all services are available through a common mobile application and the public can use the 153 free phone number or online contact forms for their queries. All information and necessary support in relation to social security benefits is provided free-of-charge.

In addition to this, the Ministry for the Social Justice and Solidarity, the Family and Children's Rights and the Ministry for Health (including respective departments) also host their own websites which are linked with the [Servizz.gov](https://servizz.gov) website. With regards to the website of the Social Security Department, information on benefits, applications, benefit rates and payment dates, personal benefit calculator facilities and latest news on social security benefits are included. Besides online accessibility, the Department of Social Security continuously engages in information campaigns using several mediums including television, radio, print and social media platforms. The website of the Ministry for Health incorporates information of health service, medicines, public health and health policy.

²¹ Access to social protection for workers and the self-employed: Version 0 of the monitoring framework (European Commission, October 2020).

Complimentary to this, Malta has embarked on the first national strategy for retirement income and financial capability (2017-2020). This strategy identifies that financial capability is a central social policy concern as lack of financial knowledge, ability, opportunity, and assets contribute to poverty and inequality. This national strategy for financial capability, implemented through GEMMA²² provides information, knowledge and education related financial capability programmes directed at both the public, different life cycles, and vulnerable groups. Through this national strategy, information in relation to the social security branches of social protection was also provided.

1.1.2.2 Simplified procedures for self-employed

All information is provided to all the public including employees and self-employed. More specifically, self-employed have a dedicated single central contact point, Business First, whereby entrepreneurs are assisted through the set-up, running and the development of their business in Malta. Business First serves as the information point for all business-related Government services and offers the necessary support to businesses to apply for incentives and schemes offered by Malta Enterprise and by the Government of Malta.

²² Further information may be found on the respective website: <https://gemma.gov.mt/>

2. Challenges

Maintaining a robust social security system to protect people against the financial implications of social risks and to uphold a decent standard of living is a main challenge in itself. Over the years, Malta has developed and enhanced its social security system to protect its citizens and guarantee timely, effective and proportionate social security benefits.

To this effect, Malta's social security system has been streamlined for both employees and self-employed persons. In fact, the Social Security Act (Cap 318) provides that every person who is in insurable employment between the age of 16 and 65 is to be insured, and therefore is liable to pay social security contributions. Such a requirement renders every insured person eligible to claiming and receiving benefits subject to satisfying the minimum conditions. Therefore, persons claiming social security benefits (irrespective of their form of work) who are in employment or self-employment and are paying social security contributions according to Social Security Act, and satisfy the minimum requirements established by the Social Security Act, would qualify for the benefits being claimed.

Despite having widened the social security coverage of both employed and self-employed insured persons, the recent forms of work are posing new challenges to measure and ensure access to national social protection systems. In view that to date, the collected national statistics in relation to social protection are not segregated according to labour market statuses beyond employment and self-employment, the policy makers' visibility on access to social protection in relation to different forms of work is rather limited. Such a scenario has shed light on the importance of capturing this data as suggested by the Council recommendation, at a national level. In this regard, efforts are put forward in order to bring all the required stakeholders on board, so that the collated data would start capturing information in more detail and also be broken down according to labour market statuses (self-employed/employee), type of employment relationship (temporary or permanent, part-time or full-time, new forms of work or standard employment), gender and age. Upon having official national statistics that would also reflect the new forms of work, policy makers would then be in a better position to assess in further detail access to social protection of these groups.

The above extends to healthcare coverage which is also closely linked to social security coverage. Universal health coverage has been a very important pillar of Maltese government policy for several decades and enjoys full support from all political spectra. Whilst there is a parallel private health sector in Malta, all health services are available also in the public sector. The main exception is pharmaceuticals and medical products, as only those that are approved through a health technology assessment process are made available in the public sector. Such a comprehensive health service being delivered free at the point of care implies that government is continually reviewing its policy to ensure the maximisation of access, quality and sustainability of a state of the art health care service in the face of a growing population, which includes an expanding aged subpopulation and healthcare inflation which typically grows at a factor which is around triple that of the general economy.

The challenges facing the health system in Malta emanate primarily from trying to maintain a sustainable health system, whilst ensuring access for a fast growing population with changing demographic composition (influx of foreign workers and population ageing) with a quality health care service which aims to keep up standards in view of fast evolving medical technology. We understand that two important pillars to achieve this are prevention and innovation. One other related challenge is access to expensive medical technology and to health workforce. Cooperation and collaboration

between EU member states will assist to address this issue as evidenced by the joint procurement initiative at EU level during the pandemic.

Malta is already prioritising prevention and innovation and has been doing so for several years, also with European support. Investment in prevention includes not only several health education and health promotion activity but also investing in preventive healthcare at primary care level in order to have the right surveillance in place and avoid complications, particularly in the case of chronic diseases. Such investment is already underway at various levels, with dedicated health workforce recruitment and development of infrastructure.

Malta intends to expand its investment in innovation to help achieve better prevention and also more efficient healthcare. Malta has recently embarked on a pilot initiative for remote patient monitoring amongst paediatric diabetic patients. This has been well received by service users and is planned to be expanded to a larger cohort, plus other patient groups. The healthcare system has also invested substantially, with the help of European funding, in creating an ehealth technical and governance framework prior to the pandemic and is keen to now build further innovation on this platform. Malta also intends to develop capacity in the innovative area of blood and tissue banking, as the insularity of the Maltese islands presents challenges to seek care abroad in this sector.

In the meantime, the Maltese healthcare system needs to cater for the needs of the ever-growing aged subpopulation. This patient group requires access to free treatment for their chronic conditions, which treatment is key for the prevention of complications. Malta already has a substantial list of chronic conditions for which free medical treatment is provided, but clearly there is room for further support. Malta has also made substantial progress in access to oncological treatment. As highlighted earlier, access to expensive innovative drugs for a small country presents major challenges as such a country would lack the required economies of scale to secure reasonable prices. This was highlighted as a priority during the Maltese Presidency of the EU Council in 2017 and the Valletta Technical Committee collaboration has kept its momentum since then working towards a vision of more equitable access of expensive and innovative medication for all EU member states.

Last but not least, one needs to acknowledge the additional challenges and complications brought about by the COVID-19 pandemic. The pandemic has brought about immediate health needs within the population driving up health spending and further threatening sustainability. One needs to keep in mind that efforts to control and treat the pandemic have now been sustained for eighteen months. The pandemic has also accentuated or heightened other needs, as there will be long lasting impact on patients with chronic diseases who, despite Malta having done its best to minimise the period during which preventive healthcare was not available, may have been too fearful to access such services, nonetheless. The mental health impact of the pandemic will be even longer lasting as the pandemic has disrupted many people's lives and disrupted the delicate mental health balance of those who already had mental health difficulties. Whilst the need for more acute mental healthcare had already been highlighted prior to the pandemic, the need for a new acute mental health facility has become more dire and, indeed, the Ministry for Health is keeping this commitment.

3. Lessons learnt from the COVID-19 crisis

The current COVID-19 pandemic has resulted in unprecedented shocks globally, and Malta is no exception. Throughout the first three quarters of 2020, nominal GDP contracted by 7.3%. Total gross value added declined by 5.7%, as the pandemic took its toll on the Maltese economy.²³ After a strong start to 2020, the travel restrictions imposed to contain the spread of COVID-19 had a disproportionate impact on the tourism sector. The damage is also reflected in other sectors such as wholesale and retail trade and accommodation and food service activities, in which the interlinkages with the tourism sector are prevalent.

The Maltese Government implemented several measures as part of a financial package to support the Maltese economy during the COVID-19 pandemic. These were mainly intended at easing pressures on the liquidity of businesses, protecting jobs and helping the most vulnerable during these difficult times. In order to mitigate the negative consequences of the COVID-19 pandemic, Malta rolled out four temporary COVID-19-related benefits aimed at offering temporary assistance through the provision of €800 per month (€500 per month for part-timers) to a number of groups of individuals who would otherwise have been at an increased risk of poverty and social exclusion: (i) unemployed persons; (ii) persons with disabilities who had to stay at home due to health concerns that arose as a consequence of the pandemic and could not telework; (iii) parents working in the private sector who took additional unpaid leave for the caretaking of their children whilst schools were closed; and (iv) persons employed in the private sector who had been ordered by the Superintendent of Public Health not to leave their home, were unable to work from home, and were not being paid by their employer whilst absent from work.

Safeguarding the economy proved to be a challenge in the light of the fact that Malta, like the rest of the world, has been grappling with the economic impact of the COVID-19 pandemic. As a result, in order to limit the resulting economic damage, the Maltese government, through Malta Enterprise, had announced several measures as part of a financial package to help the Maltese economy, mainly aimed at easing pressures on the liquidity of businesses, protecting jobs and helping the most vulnerable during this most challenging period.

Like in other countries, the measures taken to control the pandemic have led to a decrease in demand for goods and services. Malta is a small open economy that is largely dependent on tourism. The closure of the airport and port to tourists resulted in lower demand for most of the goods and services produced and consumed locally. This had a negative impact on liquidity and profitability of local enterprises, companies and SMEs in general which also had an impact on their short-to-medium term plans which impinged on their projected productivity expectations. The uncertainty surrounding job security for those in employment has also resulted in a lower expenditure. Although Malta registered an increase in unemployment, swift action by the Maltese Government ensured that no spike was registered within the Maltese labour market. Malta continues to enjoy one of the lowest unemployment rates in the EU.

²³ Quarterly Review (Central Bank of Malta, 2020).

3.1 Gaps that have been closed through temporary measures during the pandemic

3.1.1. Social Security Benefits

The introduced COVID-19 related measures were aimed at dealing with the economic and social impact of the pandemic, keeping the economy afloat, safeguarding jobs and assisting workers and vulnerable persons. The newly introduced COVID-19 measures assisted in preventing unemployment, increasing income support, assisting parents in caring for their children during semi-lockdowns, and specific support to vulnerable groups including persons with disability. Such measures were not only aimed at providing financial assistance to persons and families, but also to support their general well-being throughout a time of hardship. To ensure effectiveness of the COVID-19 related benefits, all measures were publicised widely through various channels to ensure public awareness. Moreover, all benefit applications were assessed rapidly for eligibility and efficient payment processes were carried to provide cash benefits on time. Moreover, assistance and guidance were also offered through the servizz.gov mediums, including through the use of the freephone number, district hubs and respective government departments.

Additional Unemployment Benefit

Date introduced:	18 th March 2020
Entitlement criteria:	Persons who became unemployed after 8 th March 2020 due to the impact of COVID-19. Persons must still satisfy the eligibility criteria applicable for Unemployment Benefits.
Brief description:	Persons who totalize a minimum of 50 weeks of insurance (including aggregated contributions), 20 weeks of which being in the last 2 years, shall be entitled to unemployment benefits and topped up by an additional unemployment benefit.

The Additional Unemployment Benefit was introduced to provide a top-up on the existent Unemployment Benefit during the pandemic period. In this regard, those registered unemployed who were eligible to receive the Unemployment Benefit became automatically eligible to receive this benefit. Such a measure addressed the income gap which could have been caused by the sudden pandemic and which would have negatively impacted the standard-of-living of unemployed persons. Despite that during the COVID-19 pandemic, Malta has not lifted the eligibility conditions of the Unemployment Benefit, Malta has embarked on a national strategy through the provision of financial support to assist companies in retaining their workers. Such measure together with the COVID-19 Wage Supplement²⁴ assisted workers to retain their current employment and therefore preventing them from becoming unemployed. This measure compliments the Additional Unemployment Benefit

²⁴ Vide section 3.1.4 Economic Measures

and to avoid gaps in the social contribution record of beneficiaries, 10 per cent from the special grants were deducted as a social contribution.

Parent Benefit

Dates introduced:	18 th March 2020 15 th March 2021
Entitlement criteria:	Parents employed in the private sector, with children under 16 years of age, who were not able to work from home, and who due to the closure of schools and child care centres on the 8 th March 2020, could not report physically to work in order to attend to their children's care.
Brief description:	The benefit is limited to one parent per household. Persons working on a full or part-time basis are eligible. The employment relationship should remain active. Eligibility is determined in accordance with the priority rules for family benefits set out in the Regulations.

The Parent Benefit was primarily intended to support parents who worked with the private sector whose children could not attend schools or child-care centres during semi-lockdown measures introduced by government. Such benefit guaranteed an income replacement to these parents and assisted parents in caring for their children. From a job retention perspective, such measure facilitated employers to retain their workers and in turn, ensured that parents do not lose their current employment due to the inevitable unforeseen gaps created by the restrictive measure introduced to battle the COVID-19 pandemic.

Benefit for a Person with Disability

Date introduced:	18 th March 2020
Entitlement criteria:	Persons with disability employed in the private sector, who after 8 th March 2020 due to the impact of COVID-19 could not report physically to work on medical advice and could not work from home.
Brief description:	This benefit is payable to holders of a Maltese or EU Disability Card or persons registered as a person with disability with the local Public Employment Services. Persons working on a full or part-time basis are eligible. The benefit is payable independently from any other Disability Assistance that the person is receiving.

The Benefit for a Person with Disability targeted a specific vulnerable group negatively impacted by the COVID-19 restrictive measures. Such measure ensured that those persons who could not

physically got to work upon medical advice, received support through replaced income which was given over and above any other disability related benefits. Such benefit not only ensured income provision to persons with disability, but also addressed the general well-being of persons with disability. Such measure assisted also to private sector employees to retain their workers, specifically those workers with a disability and ensure that this vulnerable group remains part of the Maltese workforce. Through this measure, persons with disability could remain safe at their home during the pandemic, whilst safeguarding their risk of unemployment.

Medical Benefit

Date introduced:	27 th March 2020
Entitlement criteria:	An income replacement benefit payable to persons employed in the private sector who, after the 27th March 2020, due to the impact of Covid-19 were not able to work because they were ordered by the Superintendent of Public Health of Malta not to leave their home.
Brief description:	Persons suffering from a specific medical condition, as established by the local health authorities, and are not able to work from home and are not being paid by their employer during their absence from work.

As the previously described benefit, this benefit was aimed at assisting those persons who could not physically go to work during the COVID-19 pandemic, due to their medical condition. These persons were under order to segregate themselves by the Superintendent of Public Health not to leave their homes because they fall under the below list. These persons included those:

- Suffering from diabetes and dependent on insulin;
- On biological medicines;
- Had cancer in previous six months;
- Immuno-suppressed;
- Admitted to hospital for some respiratory disease over the previous six months;
- Had a heart condition in the previous six months;
- Attending the heart failure clinic;
- Taking oral steroids.

The measure assisted all these vulnerable people to secure their income, whilst retaining their current place of work during such a difficult period. In addition, the social security contributions of these persons for the duration of the stipulated period were paid and their future contributory pension rights were also safeguarded. Moreover, in the case of persons entitled to Children's Allowance, their rate was also adjusted taking into consideration the new income earned and thus the Children's Allowance may have increased up to the maximum rate of €24.08 per week per child. In cases whereby beneficiaries were entitled to the In-Work Benefit, they continued to receive it without any deductions. In cases of persons entitled to Supplementary Allowance, their rate was adjusted to consider the new income earned and resulting in an increase up to the maximum rate of €4.57 per

week for single persons and €12.54 per week for couples. This measure also assisted employers to cope with the negative shocks of the pandemic, and more specifically to assist them in retaining their workforce.

3.1.2 Healthcare Benefits²⁵

From a healthcare service point of view, the Maltese government understood the need to protect, as much as possible, the hospital and healthcare services by investing in Public Health System in order to keep the impact of the pandemic as low as possible, knowing that lack of access to hospital care when required would have resulted in increased mortality. Indeed, apart from financing the aforementioned measures, government prioritised investment in maintaining a high testing rate throughout the pandemic and, in more recent months, a high vaccination rate. Maintaining a high testing rate meant a high detection rate which is early in the course of the illness, as well as effective management of patients and their contacts on time to control the spread of the disease as much as possible. Malta has managed to maintain a positivity rate below 6% at all times when other countries have been reaching peaks of up to 40-50% positivity rate. This meant that the hospital was never overwhelmed. Besides, such a scenario also meant that elective healthcare services were unavailable for only a very short period. The Ministry for Health transitioning strategy, both in 2020 and in 2021 always prioritised the restart of elective healthcare services from the very first steps. In effect, during 2020, elective healthcare services were unavailable for a period of only 6 weeks. This is key to minimise the corollary effect of the COVID-19 pandemic; patients with chronic diseases not having the opportunity to have their preventive health checks. Despite the difficult pandemic context, Malta has sustained its efforts for the continuous provision of preventive care. These efforts would in future prevent a higher volume of severe medical complications, including higher morbidity, mortality and financial costs. These efforts were also accompanied by the continuation of mental healthcare service including consultations using different communication mediums such as online or over the phone. Moreover, the mental health helpline assisted the general public to receive support from mental health professionals.²⁶

3.1.3 Economic Measures²⁷

Through Malta Enterprise, the Government adopted a number of employment-related measures as a response to the pandemic. These include the Wage Supplement Scheme, refunds on expenses incurred to adopt Teleworking Arrangements and payment for Quarantine Leave.

To stimulate economic activity, assistance was provided on rent and on electricity payments to support undertakings operating from business premises (any physical location through which business functions and/or processes are conducted, including commercial sites, industrial set-ups and offices). The scheme provides funding to cover rental costs and the cost of electrical power. To be eligible, undertakings must have received or be receiving a wage supplement under the Wage supplement scheme. To-date, Malta Enterprise has assisted 3,631 recipients amounting to €10.6M on rental costs and 4,739 recipients amounting to €4.7M on electricity costs.²⁸

²⁵ Information was provided by Ministry for Health.

²⁶ Data was provided by Ministry for Health.

²⁷ Information was provided by the Ministry for Energy, Enterprise and Sustainable Development.

²⁸ Data was provided by the Ministry for Energy, Enterprise and Sustainable Development.

In order to help businesses adopt to the challenges brought about by the pandemic, Malta Enterprise launched the Business Plan Re-engineering Scheme of which the main aim was that of supporting small and medium-sized businesses to realign their business activities, re-train their employees, restructure their products/services and optimise the use of technology whilst embracing green technology and practices. Assistance was given in the form of a cash grant to cover 50% of the costs incurred, up to a maximum of €5,000 per advisory service that businesses employed to assist them in the transition.

Also, as part of the Regeneration measures as announced in April 2021, a one-time grant scheme was designed to mitigate against business lost due to restrictions imposed. The aid is granted in the form of a cash grant of EUR 1,000 for those businesses that remained closed after 10 May 2021 as per legal notices issued by the Health Authority and are in receipt of the wage supplement.

It is to be noted that Malta Enterprise provided Investment Aid for the Production of COVID-19 Relevant Products in the form of a cash grant not exceeding 80% of the eligible costs to support undertakings to carry out investment projects to increase or initiate production of pandemic-related products or to diversify existing production to be able to produce such products.

A COVID-19 R&D Fund was also created by Malta Enterprise in collaboration with the Malta Council for Science and Technology with the main aim of financing research on COVID-19, namely to explore innovative and improved approaches related to the current pandemic and also any potential future waves.

The Government has also launched the second wave of Government vouchers to keep the economy going. All residents are to receive vouchers for a value of EUR 100, of which EUR 60 can be used in restaurants and tourist establishments and EUR 40 in retail and beauty outlets. The vouchers started being redeemed from 7 June and will cost the Government EUR 50 million. Unlike the first wave, people are now given the opportunity to download their vouchers on their smartphone by logging in with an e-id or an account tied to an ID card or residency card. Those that are unable to do that, will receive the vouchers by mail.

In July 2021, two new schemes were launched to assist businesses affected by the pandemic. The Re-Start scheme is targeted to self-employed, micro and SMEs that had to terminate business operations due to the economic disruptions caused by the pandemic between 1 June 2020 and 30 September 2021. Business who had to close their operations can benefit from advisory services and subsequently cover the implementation phase to restart their business activity or venture into a new business. The maximum grant is that of EUR 10,000. The other scheme, referred to as Change to Grow, is also targeted to the self-employed, micro and SMEs with the main aim being that of helping them realign their business activity, restructure their employees, products and/or service portfolios, optimize the use of technology and embrace green technology and practices. The Change to Grow initiative will support advisory services and costs associated with the implementation phase of any recommendations pursuant to the advisory. It shall be noted that the advisory must be procured in areas which address a strategic shift in the operations. Similar to the Re-Start scheme, the maximum grant is EUR 10,000.

3.1.4 Other Covid-19 related Measures

Due to the unprecedented COVID-19 situation, several modes of operations had to be adjusted as new measures had to be introduced to ensure business continuity. Government and companies had to resort to several temporary measures to continue with their operations. These initiatives include measures relating to flexibility in working conditions. In fact, during the COVID-19 pandemic, the Department for Industrial and Employment Relations (DIER) was issuing permits to those employers who couldn't uphold the terms listed in their employee contracts with regards to the number of hours or days to work in line with Article 42 of the Employment and Industrial Relations Act (Cap 452). For those employers that could not retain their staff at 100% functionality, DIER issued Article 42 permits which allowed employers to retain their staff whilst working less hours or days throughout the week or month. These permits amounted to 4,494 permits²⁹ between March 2020 until July 2021.³⁰

3.2 Accelerating the extension of social protection systems to non-standard workers and the self-employed and mainstreaming measures adopted during the pandemic into the social protection system

The introduced COVID-19 related social security benefits were mainstreamed to all insured persons. Therefore, both employed and self-employed persons could benefit from all the four social security measures.

In view that these adopted measures were specifically tailor-made to deal with the pandemic scenario, these measures were adopted on a temporary basis to target those negatively impacted people. Malta notes that the COVID-19 related temporary measures were mostly required and benefited from during semi-lockdowns. In fact, it can be noted that the sharpest increase of unemployment benefits was mainly during the months of semi-lockdowns, particularly in May and June 2020.³¹ Linking this further, the additional unemployment benefit claims increased sharply during the months of May and June 2020, with a total of 1,872 beneficiaries at the end of the scheme.³² With respect to the Covid Parent Benefit, a sharp increase can also be noted for the month of May 2020 amounting to 4,292 beneficiaries and then a slight decrease was registered in June 2020.³³ This benefit was reintroduced in 2021, specifically when a semi-lockdown was re-introduced, in order to assist parents during this restrictive period.

Within this context, whilst such introduced benefits may be required in the event of a similar situation, at this stage Malta is not envisage mainstreaming of these temporary Covid-19 measures.

²⁹ There were 855 companies which applied for permits.

³⁰ The data was provided by the Department of Industrial and Employment Relations.

³¹ There were 2389 unemployment benefit beneficiaries in May 2020, and 2,325 unemployment benefit beneficiaries in June 2020, when compared to the pre-Covid-19 figures of just 317 beneficiaries in February 2020. Data was provided by the Department of Social Security.

³² There were 1,794 additional unemployment beneficiaries in May 2020, which increased to 1,872 beneficiaries in June 2020. It shall be noted that a slight increase in these months may also be attributed to an interim period from when schemes were launched until applicants became aware and apply for the benefits. Data was provided by the Department of Social Security.

³³ There were 4,038 parent benefit beneficiaries in June 2020. At the beginning of the scheme in March 2020, there were only 312 beneficiaries. It shall be noted that a slight increase in these months may also be attributed to an interim period from when schemes were launched until applicants became aware and apply for the benefits. Data was provided by the Department of Social Security.

4. Policy objectives and measures to be taken

4.1 Policy Objectives

Malta is committed to implement the principles set out in the Council Recommendation. Malta has already implemented several initiatives which reflect the spirit of the Council Recommendation. Such measures are in line with Malta's strategic vision and are also reflected in the implementation of its annual budgetary initiatives.³⁴

For the effective and adequate implementation of the suggested measures of the Recommendation, a detailed analysis measuring the current national measures aimed at social protection is required. Malta foresees that benefit specific studies will provide an accurate picture of the Maltese context including the identification of any gaps that may be present. Within this context, Malta will embark on the following studies:

Type of Study	Timeframe
Strategic Review on the Adequacy, Sustainability, and Solidarity of the Pension System	Implemented, 2020.
Access to Social Protection for Workers and Self-employed: Unemployment Benefit	Q2, 2022
Access to Social Protection for Workers and Self-employed: Invalidity, and benefits in relation to accidents at work and occupational diseases	Q2, 2023
Access to Social Protection for Workers and Self-employed: Sickness, Maternity and Paternity Benefits	Q2, 2024

These studies on particular social security benefits which are important branches of social protection, will also capture recommendations on necessary reforms and measures. These recommendations will equip the relevant stakeholders to undertake a targeted approach for the implementation of the principles of the Council Recommendation. The measures identified for the National Plan will require to compliment national strategies, have financial sustainability and necessary support of relevant stakeholders.

4.2 Measures

From 2019 onwards, Malta has already undertaken several initiatives, mainly as budget measures, which reflect the principles of the Council Recommendation. Therefore, in this section the related budget measures will be highlighted according the respective branch of social security. With respect to upcoming initiatives for the further implementation of the Council Recommendation, Malta will be first conducting national studies on all the benefits capturing the branches of social protection, prior to deciding upon the required intended measures.

³⁴ A detailed outline of these measures is found in Section 3.2.

4.2.1 Unemployment benefits

Introduction of Unemployment Benefit to Self-Employed Persons	
i. Year of Implementation	
	2019
ii. Aim of the measure	
	The aim of this measure is to provide replacement income to those self-employed persons who have lost their job and to facilitate the return to work or entry to the workforce for those without a job. Following the introduction of this measure, the unemployment benefit started to be awarded to both persons who have paid Class 1 or Class 2 Social Security Contributions and therefore including self-employed, and are registering with Jobsplus (Malta's Public Employment Service) under Part I of the Unemployment Register.
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	
	Self-Employed Persons
iv. Branch/risk that is covered	
	Unemployment of self-employed persons
v. Expected Results (Including number of non-standard workers and self-employed covered)	
	Provision of unemployment benefit to self-employed workforce. 41,787 ³⁵ self-employed persons may benefit from the newly introduced measure. ³⁶
vi. Timeline for implementation	
	This measure is ongoing.
vii. Financial resources allocated	
	No EU funding resources are used. Financial resources are allocated as needed to eligible beneficiaries. In 2019, there were 64 self-employed persons who received the unemployment benefit amounting to a total expenditure of €49,672.00. ³⁷ In 2020, there were 162 self-employed persons who received the unemployment benefit amounting to a total expenditure of €152,178.67. ³⁸ Additionally, in 2020, unemployed self-employed could also benefit from the COVID-19 Additional Unemployment Benefit. Such measure supported 91 unemployed self-employed persons and amounted to a total expenditure of €86,248.17. ³⁹
viii. Implementing bodies and cooperation with stakeholders	
	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights and Jobsplus.
ix. Evaluation	
	Research measures are expected to be finalised and provide outcomes on evaluation and monitoring guidelines by Q2 2022

³⁵ This number reflects the total registered self-employed persons with and without employees.

³⁶ National Statistics Office, News Release of 24th June 2021, Labour Force Survey: Q1/2021.

³⁷ Internal data provided by the Department of Social Security.

³⁸ Ibid.

³⁹ Ibid.

4.1.2 Sickness and Healthcare Benefits

Sickness Benefit: Change in the benefit payment	
i. Year of Implementation	
	2020
ii. Aim of the measure	<p>To assist individuals who are undergoing medical care at regular intervals due to illness, such as those persons receiving cancer treatment, through the payment of contributory benefits.</p> <p>This change in the benefit payment ensures that individuals who under the previous system did not receive the full income from their salary after having exhausted all their sick leave, no longer miss sickness benefits. This benefit will cover the entire treatment period.</p>
ii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	<p>Persons unable to work due to having to undergo medical care at regular intervals and having utilised all the sick leave entitlement would benefit from this amendment. Given that any member of the population, at any given time may potentially fall ill, this benefit can be said to cover all the population in regular employment.</p> <p>60 persons benefitted from this measure in 2020.</p>
iii. Branch/risk that is covered	Reduction of waiting time for persons undergoing times of hardship due to an illness requiring regular treatment.
Expected Results (Including number of non-standard workers and self-employed covered.)	All eligible workers eligible for sickness benefit are covered.
iv. Timeline for implementation	This measure is ongoing.
v. Financial resources allocated (covering both national funding sources and EU funding sources)	<p>No EU funding resources are used.</p> <p>Financial resources are allocated as needed to eligible beneficiaries.</p> <p>In 2020, there were a total of sixty beneficiaries who benefitted from this measure amounting to a total expenditure of €75,702.64.⁴⁰</p>
vi. Implementing bodies and cooperation with stakeholders	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
vii. Evaluation	A research measure will be undertaken in Q2 2024 to gather data, monitor the measure and refine it if necessary.

⁴⁰ Internal data provided by the Department of Social Security.

Health Care Benefit: Free treatment for new chronic conditions	
i. Aim of the measure	Access to free treatment for new chronic conditions.
ii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	Chronic disease patients (34% of the Maltese population aged 15+ reports a longstanding/chronic health problem).
iii. Branch/risk that is covered	Patient suffering chronic disease which may hinder their productivity.
Expected Results (Including number of non-standard workers and self-employed covered)	Provision of free treatment for new chronic diseases' patients
iv. Timeline for implementation	2023
v. Financial resources allocated (covering both national funding sources and EU funding sources)	Under negotiation with Ministry for Finance.
vi. Implementing bodies and cooperation with stakeholders	Ministry for Health
vii. Evaluation	Through registration with Pharmacy of Your Choice scheme, under the terms of the Fifth Schedule of the Social Security Act.

4.1.3 Invalidation Benefits

Increase in Invalidation Pension	
i. Year of Implementation	
	2019, 2020, 2021
ii. Aim of the measure	
	Increase in pension rate apart from that of the Cost of Living Adjustment to further increase the income of the beneficiaries to all those in receipt of an invalidation pension.
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	
	All beneficiaries of an invalidation pension are covered by this measure. 3,314 persons benefitted from this measure in 2020. ⁴¹
iv. Branch/risk that is covered	
	Invalidation-risk of poverty.
v. Expected Results (Including number of non-standard workers and self-employed covered.)	
	All workers eligible for the invalidation pension are covered by this measure.
vi. Timeline for implementation	
vii.	This measure is ongoing.
viii. Financial resources allocated (covering both national funding sources and EU funding sources)	
	No EU sources are used. Financial resources are allocated as needed to eligible beneficiaries. In 2020, €19,698,000 were spent on this measure. ⁴²
ix. Implementing bodies and cooperation with stakeholders	
	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
x. Evaluation	
	A research measure on invalidation is to be carried out in Q2 2023 to gather data, monitor the measure, and refine it if necessary.

⁴¹ National Statistics Office, News Release of 7th April 2021, Government Expenditure on Social Security Benefits: January-December 2020.

⁴² Ibid.

4.1.4 Old-Age Benefits and Survivors' Benefits

A. Increase in retirement and widow's pensions	
i. Year of Implementation	2019, 2020, 2021
ii. Aim of the measure	<p>Increase in pension rate apart from that of the Cost of Living Adjustment to further increase the income of the beneficiaries to all those in receipt of a pension.</p> <p>The following increases were provided each year of implementation:</p> <p style="padding-left: 40px;">2019: €2.17 2020: €3.51 2021: €3.25</p>
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	<p>All those beneficiaries already in receipt of a retirement pension and widows' pension or a non-contributory age pension are covered by this measure.</p> <p>70,305 persons benefitted from increases in relation to retirement pensions in 2020.⁴³</p> <p>17,829 persons benefitted from increases introduced to pensions in relation to widowhood in 2020.⁴⁴</p>
iv. Branch/risk that is covered	
v. Pension – addressing the risk of poverty.	
vi. Expected Results (Including number of non-standard workers and self-employed covered.)	All those workers eligible for these pensions are covered by this measure.
vii. Timeline for implementation	This measure is ongoing.
viii. Financial resources allocated (covering both national funding sources and EU funding sources)	<p>No EU sources are used Financial resources are allocated as needed to eligible beneficiaries.</p> <p>€598,231,000 were spent on retirement pensions in 2020.⁴⁵</p> <p>€148,783,000 were spent on widows' pensions in 2020.⁴⁶</p>
ix. Implementing bodies and cooperation with stakeholders	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
x. Evaluation	A national research study on pensions is been carried out every five years.

⁴³ National Statistics Office, News Release of 7th April 2021, Government Expenditure on Social Security Benefits: January-December 2020.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Ibid.

B. Increase in the tax exemption cap on pensions	
i. Year of Implementation	2019, 2020, 2021
ii. Aim of the measure	<p>The aim of this measure is to raise the maximum pension income that is exempt from income tax, so that the increases in pensions granted to the beneficiary (including the COLA increase) would not be taxable the following year.</p> <p>2019 - The maximum income cap was increased to €13,434.</p> <p>2020 - The maximum income cap was increased to €13,798 for a single beneficiary. Married couples receiving a single pension benefitted from a maximum tax-exempt income amounting to fifteen thousand, seven hundred and ninety-eight-euro €15,798.</p> <p>2021 - The maximum income cap was increased to €14,058 for a single beneficiary and in the case of married couples who both receive a pension and who apply a married tax computation, the other income that is exempt from income tax will increase to three thousand, six hundred euro €3,600.</p>
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	<p>Old age pensions 70,305 persons benefitted from this measure in 2020.</p>
iv. Branch/risk that is covered	Pensions - risk of poverty
v. Expected Results (Including number of non-standard workers and self-employed covered)	All beneficiaries of contributory old age pensions
vi. Timeline for implementation	This measure is ongoing.
vii. Financial resources allocated (covering both national funding sources and EU funding sources)	<p>No EU sources are used Financial resources are allocated as needed to eligible beneficiaries. €598,231,000 were spent on retirement pensions in 2020.⁴⁷</p>
viii. Implementing bodies and cooperation with stakeholders	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
ix. Evaluation	A national research study on pensions is been carried out every five years

C. Recognition of social security contributions paid before reaching the age of 18/19

⁴⁷ National Statistics Office, News Release of 7th April 2021, Government Expenditure on Social Security Benefits: January-December 2020.

i. Year of Implementation	2021
ii. Aim of the measure	This measure applies to persons born before 1962 who do not qualify for a pension when taking into account all the contributions paid after the age of 19. Any contributions paid by these individuals before reaching 19 years of age are now being taken into account, and if the required minimum is reached, the person is now eligible for a reduced minimum pension.
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	Persons previously not eligible to receive minimum pension due to insufficient contributions but having paid contributions prior to the age of 19. As end of June 2021, a total of 726 persons benefitted from this measure.
iv. Branch/risk that is covered (including number of non-standard workers and self-employed covered)	Pensions, and people at risk of poverty.
v. Timeline for implementation	Measure is ongoing
vi. Financial resources allocated (covering both national funding sources and EU funding sources)	No EU sources are used. Financial resources are allocated as needed to eligible beneficiaries. Up till the second quarter of 2021 an additional expenditure of €89,903 was spent on this measure and beneficiaries awarded a pension as a result of this measure amounted to a total of 519 persons. ⁴⁸ Expenditure is expected to increase yearly as more applicants reach retirement age.
vii. Implementing bodies and cooperation with stakeholders	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
viii. Evaluation	A national research study on pensions is been carried out every five years.

D. Recognition as widow/widower for those in a civil union or cohabitation

⁴⁸ Internal data provided by the Department of Social Security.

i. Year of Implementation	2021
ii. Aim of the measure	<p>Further to changes in legislation with respect to civil unions (Chapter 530- Civil Unions Act) and Cohabitation Act (Chapter 571), social security legislation Chapter 318 was updated to reflect such changes and the definition of a widow.</p> <p>This amendment ensures that in the event of the death of one of the parties, persons who were in a civil union or in a registered cohabitation will be recognised as widows/widowers of their cohabitant or partner. The amendment also covers circumstances where due to the death of one of the parties outside marriage or civil union, the cohabitation was not contracted and registered in time whether under the first Act or the second Act.</p>
iii. Specific target (sub-)group (mentioning also the estimated number of people to be covered)	Survivors or civil union or cohabitation. Given that this measure was only implemented this year no data is as yet available.
iv. Branch/risk that is covered	Survivor's benefits - risk of poverty
v. Expected Results (Including number of non-standard workers and self-employed covered)	The provision of social security benefits to eligible partners, as recognised under the Civil Unions Act and Cohabitation Act.
vi. Timeline for implementation	This measure is ongoing.
vii. Financial resources allocated (covering both national funding sources and EU funding sources)	<p>No EU sources are used.</p> <p>Financial resources are allocated as needed to eligible beneficiaries.</p> <p>Given that this is a recent measure, data is not captured yet.</p>
viii. Implementing bodies and cooperation with stakeholders	The Department of Social Security within the Ministry for Social Justice and Solidarity, the Family and Children's Rights.
ix. Evaluation	The impact of this measure is expected to be measured in the upcoming national research study on pensions which is carried out every five years.

5. Way Forward

Whilst Malta is cognisant of the importance of ensuring that measures relating to social protection are adequate, this cannot be taken in isolation. In fact, a balancing act needs to be undertaken with a view to ensure the adequacy of social protection measures whilst at the same time ensuring the sustainability of public finances is safeguarded. Within this context, it is imperative to ensure that any recommendations being put forward are flexible enough to reflect the situation on the version of the individual Member State and refrain from adopting a one size fits all approach.

The implementation of the National Plan requires appropriate data sources and collection methodologies. In this regard, the EU's support may be considered in relation to data collection methodologies in this field; capacity building and sharing of best practices amongst Member States.