

Malta

Exchange rate: US\$1.00 = 0.73 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

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

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

Type of program: Social insurance and social assistance system.

Coverage

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

Exclusions: Married persons not gainfully employed and full-time students.

Source of Funds

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

The legal weekly minimum wage is €165.68.

The minimum weekly contribution is €16.57.

The maximum weekly contribution is €34.25 for persons born before January 1, 1962 and €41.21 for persons born on or after January 1, 1962.

The maximum annual earnings used to calculate contributions are €17,811 for persons born before January 1, 1962 and €21,431 for persons born on or after January 1, 1962.

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

Self-employed person: From €28.38 to €61.82 a week, depending on net income from self-employment.

The maximum annual net income used to calculate contributions is €17,811 for persons born before January 1, 1962 and €21,431 for persons born on or after January 1, 1962.

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

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

The legal weekly minimum wage is €165.68.

The minimum weekly contribution for each employee is €16.57.

The maximum weekly contribution is €41.21.

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

Government: 50% of the value of total contributions.

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

Qualifying Conditions

Contributory old-age pension (two-thirds pension):

Age 62 if born from 1952 to 1955; age 63 if born from 1956 to 1958; age 64 if born from 1959 to 1961; age 65 if born on or after January 1, 1962. Paid to all workers who were first insured on or after January 16, 1979.

Must have at least 156 weeks of paid contributions, including an annual average of at least 50 weeks of paid or credited contributions for 35 years; must have been gainfully employed for the 10 years immediately prior to retirement.

Partial pension: Must have an annual average of at least 15 weeks of contributions.

Child-raising credits: Two years of contributions toward old-age benefits are credited to an insured parent (including adoptive parents) for each child raised up to age six; four years of contributions, and up to age 10 if the child is disabled). The parents must have legal custody. The credited periods can be shared between the parents.

Early pension: Age 61, regardless of date of birth. Must have at least 2,080 weeks of paid or credited contributions since age 18 if born on or after January 1, 1962; 1,820 weeks since age 18 (age 19 if born before May 5, 1958) if born between 1952 and 1961.

Employment must cease.

Deferred pension: The insured may continue working past the retirement age up to age 65.

The old-age pension is payable abroad.

Contributory old-age pension (flat-rate pension):

Age 62 if born from 1952 to 1955; age 63 if born from 1956 to 1958; age 64 if born from 1959 to 1961; age 65 if born on or after January 1, 1962. The insured does not meet all the qualifying conditions for the contributory old-age pension (two-thirds pension); is either eligible for an occupational pension, or is a pensioner with low pension income. Must have an annual average of at least 20 weeks of contributions.

Child-raising credits: Two years of contributions toward old-age benefits are credited to an insured parent (including adoptive parents) for each child raised up to age six; four years of contributions, and up to age 10 if the child is disabled). The parents must have legal custody. The credited periods can be shared between the parents.

Early pension: Age 61, regardless of date of birth. Must have at least 2,080 weeks of paid or credited contributions since age 18 if born on or after January 1, 1962; 1,820 weeks since age 18 (age 19 if born before May 5, 1958) if born between 1952 and 1961.

Deferred pension: The insured may continue working past the retirement age up to age 65.

The old-age pension is payable abroad.

Noncontributory age pension (means tested): Paid if the insured does not meet the contribution conditions for the contributory old-age pensions.

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

The noncontributory age pension is not payable abroad.

Senior citizen grant: Paid to persons aged 75 or older if they reside on their own, or with relatives, in Malta or Gozo.

Contributory disability pension: Must be age 16 or older but younger than retirement age, assessed with a total and permanent incapacity for full-time or part-time work (at least a 90% disability), and have at least 250 weeks of paid contributions including an annual average of at least 50 weeks of paid or credited contributions. The insured must have been gainfully employed continuously for at least 12 months before the date of the claim.

Partial disability: Assessed with a 20% to 89% incapacity for work.

Partial pension: Must have an annual average of at least 20 weeks of contributions.

The disability pension is payable abroad.

Noncontributory disability pension (income tested): Must be age 16 or older but younger than retirement age, assessed as having a disability, and not entitled to the contributory disability pension.

Pension for visually impaired, persons with a disability or severe disability (noncontributory): Paid for visually impaired persons aged 14 or older with a disability or severe disability with earnings less than the legal minimum wage.

The legal minimum wage is €165.68 a week.

The noncontributory disability pension is not payable abroad.

Noncontributory carer's pension (means tested): Paid to a single person or a widow(er) who cares full-time for a disabled parent or parent-in-law, grand-parent, brother or brother-in-law, sister or sister-in-law, uncle, or aunt who lives in the same household. The carer's assets must not exceed €14,000.

Spouse's pension (two-thirds pension): Paid to a widow(er) whose deceased spouse was of retirement age or had at least 156 weeks of paid contributions at the time of

death, with an annual average of at least 50 weeks of paid or credited contributions from age 19.

Partial pension: The deceased had an annual average of at least 15 weeks of contributions.

The income test was abolished in 2014.

In case of remarriage, the widow(er)'s pension may continue at the flat-rate.

Spouse's pension (flat-rate pension): Paid to a widow(er) whose deceased spouse was of retirement age or had at least 156 weeks of paid contributions at the time of death, with an annual average of at least 50 weeks of paid or credited contributions from age 19.

Partial pension: The deceased had an annual average of at least 20 weeks of contributions.

The income test was abolished in 2014.

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

Survivor benefits are payable abroad.

Old-Age Benefits

Contributory old-age pension (two-thirds pension): Up to 66.7% of the insured's annual average earnings in the best three consecutive years in the last 11 years before retirement is paid to employed persons and an average of the best 10 consecutive years in the last 11 years to self-employed persons.

Partial pension: A percentage of the full pension is paid, according to the annual average of weeks of contributions.

Early pension: Calculated in the same way as the contributory old-age (two-thirds) pension. The benefit is not reduced.

Deferred pension: Calculated in the same way as the contributory old-age (two-thirds) pension. The benefit is not increased.

The minimum pension is €35.49 a week.

The maximum pension is €228.36 a week.

Contributory old-age pension (flat-rate pension): €94.71 to €137.57 a week is paid depending on the marital status of the insured.

Early pension: Calculated in the same way as the contributory old-age (flat-rate) pension. The benefit is not reduced.

Deferred pension: Calculated in the same way as the contributory old-age (flat-rate) pension. The benefit is not increased.

Noncontributory age pension (means tested): €104.56 is paid for a single person, and €132.79 is paid for a married couple. When only one member of a couple qualifies, €86.95 is paid.

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

Senior citizen grant: A lump sum of €300 a year is paid; for the first year the amount is pro-rata from the 75th birthday until the end of the year.

Permanent Disability Benefits

Contributory disability pension: The pension varies depending on whether an occupational service pension is paid, and whether the insured is married and has a dependent spouse.

The minimum flat-rate weekly pension for a single person is €94.71; €100.11 if married.

The maximum flat-rate weekly pension for a single person is €118.30; €137.57 if married.

Partial disability: €15.45 a week to €68.77 a week is paid depending on the degree of disability.

Partial pension: A percentage of the full or partial disability pension is paid, according to the annual average of weeks of contributions.

Noncontributory disability pension (income tested): €94.71 to €137.57 a week is paid depending on the marital status of the insured.

Pension for visually impaired, persons with a disability or severe disability (noncontributory): €99.40 a week is paid for a single person; €198.80 for a couple if both persons qualify.

Noncontributory carer's pension (means tested): €103.74 a week is paid; an additional €75.36 a week is paid if the disabled person requires constant attendance.

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

Survivor Benefits

Spouse's pension: (two-thirds pension): Up to 55.6% of annual average earnings in the best three consecutive years in the last 11 years before the spouse's death or retirement is paid if the insured was an employee; if self-employed, 55.6% of average annual earnings in the best 10 consecutive years in the last 11 years before the spouse's death or retirement.

Partial pension: A percentage of the full pension is paid, according to the annual average of weeks of contributions.

Spouse's supplement: €4.54 a week is paid for each child if the child is entitled to the child allowance (see Family Allowances). An additional €9.32 a week a child is paid if the child is younger than age 18 and the surviving spouse is not gainfully employed.

Upon remarriage, the widow(er) continues to receive a pension, which varies from €94.71 to €118.30 a week.

Spouse's pension (flat-rate pension): €94.71 to €118.30 a week is paid.

Spouse's supplement: €4.54 a week is paid for each child if the child is entitled to the child allowance (see Family Allowances). An additional €9.32 a week a child is paid if the child is younger than age 18 and the surviving spouse is not gainfully employed.

Orphan's pension: €57.04 a week is paid for each orphan younger than age 16; €99.39 for each orphan aged 16 to 21 who is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the legal minimum wage, the allowance is reduced so that the allowance and gross earnings combined are equal to the legal weekly minimum wage.

The legal weekly minimum wage is €165.68.

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

Administrative Organization

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

Department of Social Security (https://secure3.gov.mt/socialpolicy/social_benefits/ss_overview) administers the program.

Sickness and Maternity

Regulatory Framework

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

Current law: 1987 (social security).

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

Coverage

Cash sickness benefits: Employed and self-employed persons.

Cash maternity benefits: Resident citizens of Malta.

Medical benefits: Resident citizens of Malta.

Source of Funds

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

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

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

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

Qualifying Conditions

Cash sickness benefits: Must have at least 50 weeks of paid contributions, including at least 20 weeks of paid or credited contributions in the two years before the year in which the claim is made.

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

Medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit: €19.46 a day is paid for a married person or a person supporting a spouse who is not employed full time; €12.59 a day is paid for other persons. The benefit is paid from the fourth day of incapacity for up to 156 days a year; up to 312 days a year if the person undergoes major surgery, suffers a severe injury (not work related), or has a serious disease requiring long-term treatment before resuming work.

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

Maternity benefit: €86.77 is paid for 14 weeks (at least five weeks must be taken after childbirth). After 14 weeks, an additional benefit of €160 a week is paid for another four weeks.

Workers' Medical Benefits

Public hospitals and clinics provide benefits and health services. Public hospitals provide inpatient treatment, including medicine and medical devices, free of charge. Public primary care services and outpatient treatment are free of charge. Persons diagnosed with a chronic disease receive free medicine. Outpatients, except for low-income persons, pay for medicine and medical devices.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

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

Department of Social Security (https://secure3.gov.mt/socialpolicy/social_benefits/ss_overview) administers the program.

Ministry for Health (<https://ehealth.gov.mt/HealthPortal/default.aspx>) is responsible for in-kind and medical benefits.

Health Division administers the in-kind benefits.

Work Injury

Regulatory Framework

First law: 1929.

Current law: 1987 (social security).

Type of program: Social insurance system.

Coverage

Employed and self-employed persons.

Source of Funds

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

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

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

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

Qualifying Conditions

Work injury benefits: Must have at least one week of contributions.

Temporary Disability Benefits

€29.21 a day is paid for a single or married person supporting a spouse who is not in full-time employment; €21.97 a day is paid for other insured persons. The benefit is paid from the fourth day of disability for up to 12 months.

Permanent Disability Benefits

Permanent disability pension: For an assessed degree of disability of at least 90%, a full disability pension is paid regardless of the number of paid or credited contributions. Benefits vary depending on the insured's marital status and if an occupational service pension is paid. Benefits range from €67.17 to €128.04 a week.

For an assessed degree of disability from 20% to 89%, the pension ranges from €15.45 to €68.77 a week.

For an assessed degree of disability from 1% to 19%, a lump sum is paid ranging from €238.52 to €4,531.27.

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

Workers' Medical Benefits

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

Survivor Benefits

Spouse's pension: Up to 55.6% of annual average earnings in the best three consecutive years in the last 11 years before the spouse's death or retirement is paid if the insured was an employee; if self-employed, 55.6% of annual average earnings in the best 10 consecutive years in the last 11 years before the spouse's death or retirement.

The maximum flat-rate pension for the survivor of a deceased person who paid contributions only before January 22, 1979, is €118.30 a week.

Spouse's supplement: €4.54 a week is paid for each child if the child is entitled to the child allowance (see Family Allowances). An additional €9.32 a week a child is paid if the child is younger than age 18 and the surviving spouse is neither employed nor self-employed.

Upon remarriage, the widow(er) continues to receive a pension, which varies from a €94.71 to €118.30.

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

Orphan's pension: €57.04 a week is paid for each orphan younger than age 16; €99.39 for each orphan aged from 16 to 21 who is not gainfully employed. If the orphan is gainfully employed but gross earnings are less than the legal minimum wage, then the allowance is reduced so that the allowance and gross earnings combined are equal to the legal weekly minimum wage.

The legal weekly minimum wage is €165.68.

Dependent parent's pension: €132.80 is paid for a married, dependent father who is supporting a wife; €110.87 for all other cases.

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

Administrative Organization

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

Department of Social Security (https://secure3.gov.mt/socialpolicy/social_benefits/ss_overview) administers the program.

Unemployment

Regulatory Framework

First law: 1956.

Current law: 1987 (social security).

Type of program: Social insurance and social assistance system.

Coverage

Employed persons.

Exclusions: Self-employed persons.

Source of Funds

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

Self-employed person: Not applicable.

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

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

Qualifying Conditions

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

Special unemployment benefit (means tested): Paid instead of the unemployment benefit to the head of household who satisfies a means test.

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

Unemployment Benefits

Unemployment benefit: €11.80 a day is paid to a single parent or a married person whose spouse is not employed full time; €7.72 a day is paid for other insured persons. The benefit is paid for up to 156 days. The total number of days must not exceed the total number of contributions paid since the person first entered the system.

Special unemployment benefit (means tested): €19.83 a day is paid to a single parent or a married person whose spouse is not employed full time; €12.94 a day for other insured persons. The benefit is paid from the first day of unemployment for up to 156 days; thereafter, only if insured has worked for at least 13 weeks. The total number of benefit days must not exceed the total number of contributions paid since the person first entered the social security system.

Unemployment assistance (means tested): Up to €100.48 a week is paid. The benefit is reduced by all annual income derived from investments exceeding €100.48. If

weekly income exceeds the weekly benefit, no benefit is paid.

Administrative Organization

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

Department of Social Security (https://secure3.gov.mt/socialpolicy/social_benefits/ss_overview) administers the program.

Family Allowances

Regulatory Framework

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

Current law: 1987 (social security).

Type of program: Social insurance and social assistance system.

Coverage

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

Source of Funds

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

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

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

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

Qualifying Conditions

Child allowance (income tested): All households with children younger than age 21, if the income of both parents does not exceed €24,439. For children aged 16 to 21, the child must be a full-time student, not receive a stipend for studying, never have been in gainful employment, not be registered as unemployed, and not be entitled to any other social assistance benefits.

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

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

The allowance ceases at age 16 (14 for a child with a visual impairment) and may be replaced by the noncontributory pension for visually impaired, persons with a disability or severe disability.

Family Allowance Benefits

Child allowance: The benefit for one child is calculated as the difference between €24,620 and the couple's income multiplied by 6%. The benefit increases by another 6% for each child. If household income does exceed €17,114, a flat rate of €84.66 a week for each child is paid.

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

Disabled child allowance (no means test): €20 a week is paid.

Administrative Organization

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

Department of Social Security (https://secure3.gov.mt/socialpolicy/social_benefits/ss_overview) administers the program.