

Social Security Benefits Glossary

CONTRIBUTORY BENEFITS

The local contributory scheme is a system where an employee, self-occupied or self-employed person pays a weekly contribution as laid down in the Social Security Act, through a 'pay as you earn' system. All the pensions and other allowances payable under this scheme are subject to some form of contribution test depending on the type of benefit claimed.

The following is a list of benefits under the Contributory Benefits scheme:

Contributory Bonus is payable to persons receiving a pension for services rendered in Malta, or ex-British Service pensioners, or persons between 62 to 74 years of age who have paid a minimum of 50 social contributions but do not receive a contributory pension, or persons over 75 years of age who receive a service pension from any other source, or persons who were born before 1902.

Decreased National Minimum Pension is payable to a person who receives a Service Pension and a Retirement Pension or Increased Retirement Pension. If both pensions are less than the National Minimum Pension, such a person will be entitled to a National Minimum Pension reduced by the same Service Pension.

Decreased National Minimum Invalidity Pension / Increased Invalidity Pension / National Minimum Invalidity Pension: is payable to persons deemed permanently incapable for full-time or regular part-time employment but are recipients of a service pension.

Early Survivors' Pension is payable to a widow/er whose husband/wife would have been entitled to a pension had he/she reached retiring age at the time of his/her death.

Increased Retirement Pension applies to cases where the sum total of a person's Service Pension, together with the rate of Retirement Pension applicable, are lower than two-thirds of the person's pensionable income.

Injury Benefit: This benefit is payable for injury at work or contraction of industrial disease. Maximum entitlement is limited to 12 months.

Injury Gratuity is a lump sum payment payable to a person following injury at work. It is applicable when the degree of disability is estimated between 1% and 19%.

Injury Pension is payable if injury or disease caused or contracted whilst at work is considered to have caused a loss of physical or mental faculty calculated between 20% and 89%. Rates awarded vary according to the degree of disability. Where the degree of disablement is assessed at 90% and over, the person concerned is automatically awarded an Invalidity Pension at the full rate.

Invalidity Pension is payable to persons deemed permanently incapable for suitable full-time or regular part-time employment. There are various rates according to different conditions.

Marriage Grant is a one-time payment payable upon marriage to persons ordinarily resident in Malta. To be eligible a person must be employed, self-employed or self-occupied for at least six months at any time prior to his/her marriage.

Maternity Benefit is payable to locally resident pregnant citizens of Malta in respect of the last 8 weeks of pregnancy and the first 6 weeks after childbirth. This benefit is only payable if the female is not entitled to maternity leave from her employer, if employed.

National Minimum Pension / Increased National Minimum Pension is payable to a person who is not in receipt of a Service Pension from an employer. The rates applicable are four-fifths of the National Minimum Wage in the case of a married man maintaining his wife and two-thirds of the National Minimum Wage in the case of any other person.

Orphans' Allowance is a weekly allowance paid to a guardian of a child or children who are under 16 years of age.

Re-marriage Grant is payable to a widow who remarries and hence forfeits her right to a Widow's Pension. The payment is equivalent to one year's Widows' Pension.

Retirement Pension is payable on reaching pension age (62 for both males and females). The rates and types of categories vary according to a range of statutory conditions.

Sickness Benefit: Entitlement of 156 days but these may in certain cases be extended to 312 days. The first three days of each new claim for this benefit are not paid.

Special Unemployment Benefit: entitlement is also for a maximum of 156 days but at a higher rate than unemployment benefit. This benefit is applicable to persons who would qualify for non-contributory Social Assistance.

Survivors' Pension is payable to a widow/er whose husband/wife was entitled to a Two-Thirds Pension at the time of his/her death.

Two-Thirds Pension is a pension related to earnings, payable to persons who have retired after January 1979. This scheme provides for a pension equivalent to two-thirds of the insured person's pensionable income. Maximum and minimum rates are applicable.

Unemployment Benefit is payable to unemployed persons for a maximum period of 156 days. This benefit is considered as a short-term benefit. Subsequently unemployed persons may qualify for long-term benefits under 'Social Assistance'.

Widows' Pension/National Minimum Widows Pension/Pensions of Widows with Children is payable to widows, irrespective of age, who are not gainfully occupied, who are occupied but earning less than the national minimum wage, or who are carrying out gainful activities but have the care and custody of children under 16 years of age. Rates may vary according to conditions outlined in the Social Security Act (Social Security Act, Part IV, and subsequent amendments). Any reference to a widow also means a widower.

NON-CONTRIBUTORY BENEFITS

The non-contributory scheme was set up to act as a safety net by catering for those below the 'poverty line'. Unlike the contributory scheme, the benefits within the non-contributory scheme are not based on the contributions, but on a financial means-test of the person claiming the benefit.

The following is a list of benefits under the Non-Contributory Benefits scheme:

Age Pension: is payable to citizens of Malta over 60 years of age provided that his/her weekly means fall below the benchmark established by the Social Security Act.

Assistance for Visually Impaired: A person, aged 14 years or over and who may be gainfully occupied, who is certified by a Medical Panel as suffering from a visual impairment may be eligible to receive Assistance for the Visually Impaired. Such assistance is means-tested.

Carer's Allowance: A means-tested benefit payable to single persons under retirement age who are solely taking care of a relative living in the same household on a full-time basis. The relative in question must be a parent, sibling, grandparent, uncle, aunt, father/mother-in-law or brother/sister-in-law.

Carer's Pension: Payable to a person who is either single or a widow and who all by her/himself and on full-time basis, takes care of a sick relative who is bedridden or confined to a wheel-chair in the same household. Relatives referred to in this section can be the parents, grandparents, brothers, sisters, uncles, aunts, brothers or sisters-in-law and fathers/mothers-in-law.

Child Supplementary Benefit is payable to families whose annual income is below a stipulated amount, and who have children under the age of 23 living with them. To be eligible for the benefit, each child under the age of 16 needs to have attended school for not less than 95% of the previous scholastic year. On the other hand, children older than 16 need to either be attending school, registering for unemployment or be involved in the Youth Guarantee Scheme, training for employment.

Children's Allowance is payable to locally residing citizens of Malta who have the care of children under 16 years of age, or children over 16 but under 21 who are attending full-time education, or training in an educational institution recognised by the government according to the Education Act and who is not receiving any form of remuneration or allowance or is registered unemployed under the Part 1 register and has never been gainfully occupied. The allowance is also payable to citizens who have children between 16 and 21 years of age and who are registered as unemployed under Part 1 of the Register in accordance with Employment and Training Services Act and who have never been gainfully occupied, and who is not receiving any benefit, pension or assistance payable under the Social Security Act.

Disability Assistance: Means-tested assistance payable to persons, over the age of 16 and who may be also gainfully occupied, suffering from total paralysis or permanent total sever malfunction or permanent total disease whether through amputation or otherwise of one of the upper or lower limb.

Disability Pension / Severely Disability Pension: A person who is certified, by a Medical Panel appointed by the Minister for Social Policy, as suffering from a severe disability may be entitled to a Disability Pension.

Disability Child Allowance: May be granted to any child (under the age of 16) who is certified to be suffering from some kind of physical and/or mental disability. This allowance is over and above the Children's Allowance.

Drug Addicts Allowance: Given to a person following a drug or alcohol rehabilitation therapeutic programme who may become eligible to receive an allowance.

Foster Child Allowance: Payable to a person or married couple certified by the Director of Social Security, Appogg, that they are the official foster carer/s of a child.

In-Work Benefit: Payable to the following groups of people:

- (a) couples who are both in employment and whose annual combined earnings from a gainful occupation is between €10,000 and €24,000, and neither of their respective earnings are lower than €3,000 and they have children under the age of 23 living in the same address;
- (b) couples where only of the spouses/partners is in employment and whose annual earnings from a gainful occupation is between €6,600 and €16,500 and they have children under the age of 23 living in the same address; and
- (c) single parents whose annual earnings from a gainful occupation is between €6,600 and €15,000 and who have children under the age of 23 living in the same address.

Increased Carers' Allowance: A non means-tested benefit payable to single or married persons under retirement age who are solely taking care of a relative living in the same household on a full-time basis. The relative in question must be a spouse, parent, sibling, grandparent, uncle, aunt, father/mother-in-law or brother/sister-in-law.

Leprosy Assistance: Payable to any head of household, who suffers from Leprosy or Hansens Disease, or who has a member in his/her household suffering from one of these diseases.

Milk Grant: A head of household who is in receipt of Social or Tuberculosis Assistance may be entitled to Milk Grant.

Non-Contributory Bonus is payable to all persons receiving a pension, orphans' allowance / supplementary allowance, Social Assistance and Leprosy Assistance under the Social Security Act.

Severely Disability Assistance: Means-tested assistance payable to persons aged at least 16 years, who may also be gainfully occupied, suffering from a condition as outlined in the Social Security Act (Cap. 318).

Sickness Assistance: A person becomes entitled to if s/he proves to the satisfaction of the Director of Social Security that s/he or any member of his/her household is suffering from a disease that could only be cured or alleviated by a special diet or regimen, which incurs an exceptional expenditure.

Social Assistance: Given to head of households, who are incapable of work due to medical reasons, or are unemployed and seeking employment, given that they fulfill the means and capital resources tests.

Social Assistance Board: If the head of household, for some reason, is struck off from Part 1 of the ETC register and is registering under Part 2, the partner may apply for social assistance. A Social Assistance Board will review such claims.

Social Assistance for Carers: Given to a single or widowed male/female, whether registered or not as an unemployed person, and who is solely taking care of a sick or elderly relative on a full-time basis.

Social Assistance for Single Parents: Given to a single parent, who does not earn more than a certain amount of income, and who may be eligible for Social Assistance. His/her total income earned together with the Social Assistance entitlement for 2 persons does not exceed the National Minimum Wage.

Subsidiary Unemployment Assistance: Unemployment assistance paid to registered immigrants.

Supplementary Allowance: Payable to households where the total income of the members falls below the limits outlined by the Social Security Act.

Unemployment Assistance: Heads of household, who are registering under Part 1 of the Unemployment Register and are thus actively seeking employment may be entitled to Unemployment Assistance after the period for the Unemployment Benefit has elapsed.

Unemployment Assistance Taper: Unemployed single persons who commence employment, and earn at least the national minimum wage, will continue to receive 65% of their unemployment benefits in the first year of employment. The rate will be further reduced to 45% in the second year and to 25% in the third year. After three years of employment, the assistance will stop being paid.

Tuberculosis Assistance: Given to any head of household who proves to the satisfaction of the Director of Social Security that s/he or a member of his/her household suffers from Tuberculosis or Koch's Disease.