

## ***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 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.

**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 5 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.

**Orphans' Supplementary Allowance** is a further weekly allowance paid to a guardian of a child or children aged between 16 and 21 who are not following any gainful occupation and the gross earnings of which do not exceed the national income wage.

**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 (61 in the case of males and 60 for 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:

**Children's Allowance** is payable to locally resident female citizens of Malta who have the care of children under 16 years of age.

**Medical Assistance** is a benefit payable to persons suffering from a chronic disease or condition that requires a special diet.

**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.

**Old Age Pension** is payable to citizens of Malta over 60 years of age, provided that their income does exceed an established level.

**Pensions in respect of Disability** are payable to citizens of Malta over 16 years of age who are certified, by a Medical Panel appointed by the Minister for the Family and Social Solidarity, to be suffering from a severe disability.

**Social Assistance** is payable to heads of households who are either unemployed or seeking employment and whose relative financial means falls below that established by the Social Security Act. This benefit is also payable to single or widowed males/females who lack financial resources and who are caring for an elderly or physically/mentally handicapped relative on a full-time basis. Social Assistance includes also the payment made to people who prove to the satisfaction of DSS that due to a physical or mental condition, they are no longer capable of employment but do not have sufficient means to support their family. Also included under the social assistance category is the payments made to 'single parents'.

**Supplementary Assistance** is payable to households where the total income of the members falls below the limits established by the Social Security Act.