

03 November 2020 | 1100 hrs | 177/2020

Government outlay towards Social Security Benefits rose by €63.2 million between January and September 2020.

Government Expenditure on Social Security Benefits: January-September 2020

Social Security Benefits Expenditure

Spending on Social Security Benefits totalled €816.2 million during the first three quarters of 2020, 8.4 per cent higher than the corresponding period in 2019. Both Contributory and Non-Contributory benefits reported an increase, the former accounting for €59.3 million, or 93.9 per cent, of the total rise in social outlay (Table 1).

Government spending towards Contributory Benefits amounted to €670.5 million, €14.5 million of which covered the COVID-19 social benefits. Total Contributory spending rose by 9.7 per cent from the previous year. In addition to the COVID-19 social expenses, higher spending was reported under Pensions in respect of Retirement (€32.8 million), Widowhood (€4.8 million), Contributory Bonus (€4.7 million), Other Benefits (€2.1 million) and Pensions in respect of Invalidity (€0.6 million). In contrast, lower expenditure was reported under Benefits in respect of Industrial Injuries and Gratuities (€0.1 million) (Table 2).

By the end of September 2020, Non-Contributory expenditure reached €145.6 million, a 2.7 per cent increase from 2019. Disability Pensions/Allowance registered the highest rise at €1.9 million, followed by Old Age Pension (€1.7 million), Total In-Work Benefit (€1.2 million), Child Allowance (€1.1 million), Supplementary Allowance (€0.4 million) and Non-Contributory Bonus (€0.2 million). Conversely, spending towards Total Social Assistance and Medical Assistance declined by €2.6 million and €0.1 million, respectively (Table 3).

Between July and September 2020, social benefits expenditure was €19.9 million higher than the same period in 2019 and totalled €260.8 million. Contributory spending rose by €17.5 million, largely the result of €11.7 million in additional spending towards Pensions in respect of Retirement (Table 4). A €2.4 million increase was witnessed under Non-Contributory expenditure (Table 5).

Social Security Beneficiaries

During the first three quarters of 2020, the largest number of Contributory beneficiaries was reported under the Two-Thirds Pension (52,595). In comparison to 2019, the Unemployment and Sickness benefits reported the biggest increase (2,896) and decrease (1,851) in recipients, respectively. Furthermore, there were 8,813 individuals who benefitted from the COVID-19 social benefits (Table 2).

Children's Allowance reported the highest share of Non-Contributory recipients, with 44,404 families in receipt of the benefit. The same benefit recorded the largest increase (2,790) in beneficiaries, while the highest drop in recipients was witnessed under Supplementary Allowance (713).

Similar developments were recorded during the third quarter of 2020, with the Two-Thirds Pension (50,353) and Children's Allowance (40,994) reporting the largest number of Contributory and Non-Contributory beneficiaries, respectively (Tables 4 and 5) ■

Statistics in this News Release should be interpreted in the context of the COVID-19 situation.

Table 1. Comparative Social Security Benefits: January-September

Description	Jan-Sep 2018	Jan-Sep 2019	Jan-Sep 2020	Jan-Sep 2020 / Jan-Sep 2019	
				Change	% change
	€ 000				
Contributory Benefits	584,870	611,196	670,542	59,346	9.7
Non-Contributory Benefits	141,129	141,750	145,630	3,880	2.7
Total Social Security Benefits	725,999	752,947	816,173	63,226	8.4

Chart 1. Social Security Benefits Expenditure: January-September 2003-2020

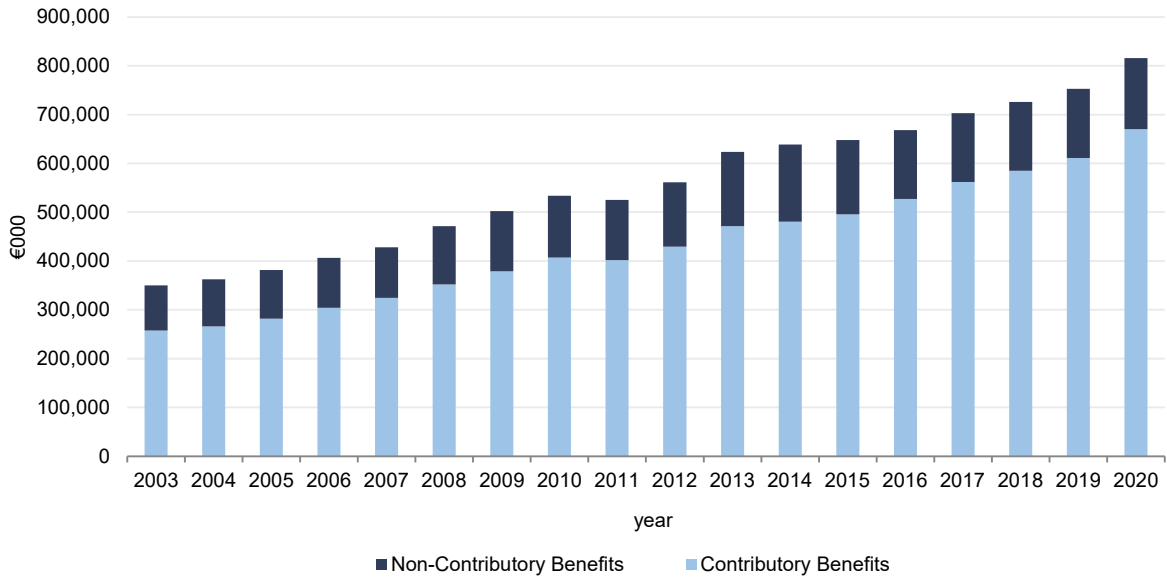


Chart 2. Social Security Benefits Expenditure by ESSPROS functions for January-September 2020

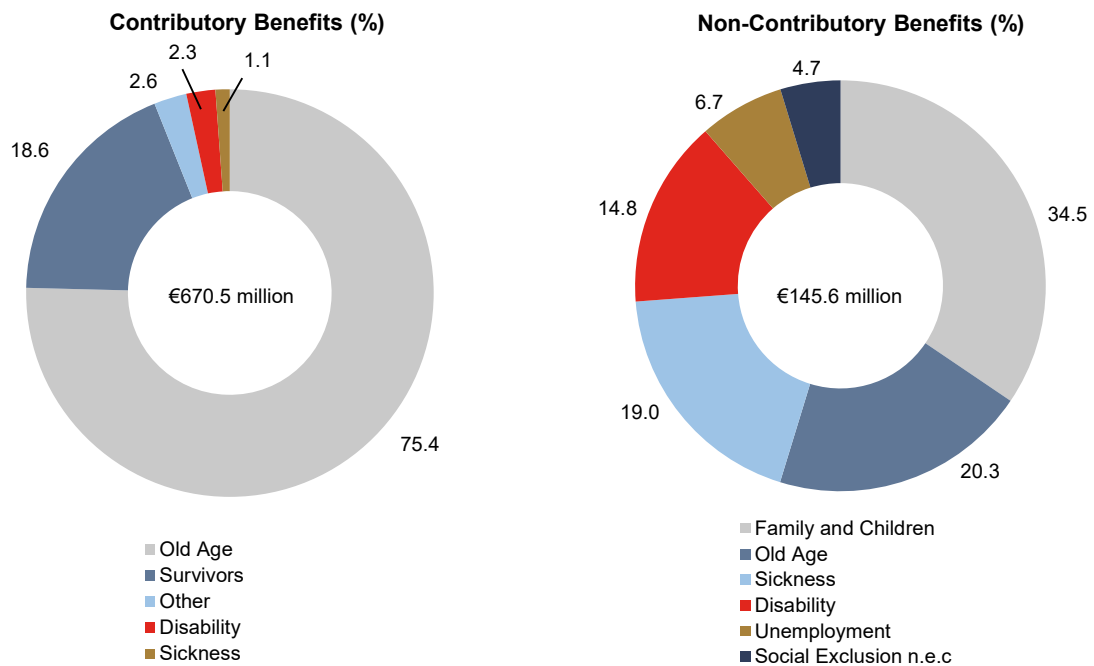


Table 2. Comparative Social Security Contributory Benefits: January-September

Description	Jan-Sep 2018		Jan-Sep 2019		Jan-Sep 2020	
	Beneficiaries	€ 000	Beneficiaries	€ 000	Beneficiaries	€ 000
Contributory Benefits	-	584,870	-	611,196	-	670,542
Pensions in respect of Retirement	-	404,223	-	424,976	-	457,763
Retirement Pension	6,266	24,410	5,971	22,195	5,711	24,206
National Minimum Pension	6,431	26,715	6,444	26,882	6,933	32,624
Increased Retirement Pension	719	4,914	653	4,591	1,140	6,453
Two-Thirds Pension	48,426	336,125	50,561	358,753	52,595	377,146
Increased National Minimum Pension	1,847	11,759	1,859	12,259	2,419	17,044
Decreased National Minimum Pension	60	299	63	296	69	290
Pensions in respect of Invalidity	-	15,186	-	14,665	-	15,242
Invalidity Pension	190	566	167	521	130	390
Increased Invalidity Pension	78	317	69	331	56	291
National Minimum Invalidity Pension	3,498	14,288	3,360	13,805	3,043	14,561
Decreased National Minimum Invalidity Pension ¹	3	16	3	7	2	-
Pensions in respect of Widowhood	-	105,384	-	109,170	-	113,990
Widows' Pension	213	1,233	204	1,264	202	811
Early Survivors' Pension	1,841	11,699	1,891	12,310	1,945	12,436
Survivors' Pension	8,553	54,331	8,778	58,936	9,519	65,479
National Minimum Widows' Pension	6,841	38,120	6,218	36,660	5,790	35,265
Benefits in respect of Industrial Injuries and Gratuities	-	1,251	-	1,286	-	1,146
Injury Benefit	1,550	984	1,449	1,034	1,182	891
Injury Pension	241	223	233	210	223	233
Injury Gratuity	16	44	18	42	10	21
Other Benefits	-	7,814	-	7,939	-	10,054
Unemployment Benefit ²	869	446	886	609	3,782	2,913
Special Unemployment Benefit	142	93	132	96	218	195
Maternity Benefit	2,611	2,413	2,647	2,464	2,523	2,455
Sickness Benefit	16,574	4,172	16,225	4,133	14,374	4,154
Orphans' Allowance	15	66	12	52	11	51
Marriage Grant	2,230	624	2,060	583	955	286
COVID-19 Benefits³	-	-	-	-	-	14,474
Additional Unemployment Benefit	-	-	-	-	2,163	2,134
Disability Benefit	-	-	-	-	380	524
Medical Benefit	-	-	-	-	1,691	2,488
Parent Benefit	-	-	-	-	4,579	9,327
Bonus	-	51,012	-	53,160	-	57,875

¹ For confidentiality reasons, 2020 outlay for Decreased National Minimum Invalidity Pension has been included under National Minimum Invalidity Pension.

² The increase in unemployment benefit beneficiaries is related to the introduction of the COVID-19 Additional Unemployment Benefit, with payments first made in April 2020.

³ Introduced to aid individuals working in the private sector who, as a result of the COVID-19 pandemic, became unemployed or unable to go to work due to medical or family reasons.

Table 3. Comparative Social Security Non-Contributory Benefits: January-September

Description	Jan-Sep 2018		Jan-Sep 2019		Jan-Sep 2020	
	Beneficiaries	€ 000	Beneficiaries	€ 000	Beneficiaries	€ 000
Non-Contributory Benefits	-	141,129	-	141,750	-	145,630
Child Allowance	-	29,898	-	29,944	-	31,084
Childrens Allowance	43,091	28,647	41,614	28,570	44,404	29,214
Foster Child Allowance	182	1,252	181	1,374	183	1,219
Child Benefit Bonus ¹	-	-	-	-	2,009	651
Old Age Pension	-	22,344	-	24,265	-	25,950
Age Pension	5,011	16,803	4,950	17,341	4,859	17,928
Increased Carers' Allowance	775	4,134	1,077	5,457	1,199	6,305
Assistance Visually Impaired	353	1,407	381	1,467	403	1,717
Disability Pensions/Allowance	-	16,559	-	18,732	-	20,637
Disability Child Allowance	1,437	1,203	1,589	1,636	1,658	1,687
Disability Assistance	116	344	160	476	185	549
Severe Disability Assistance	3,148	12,470	3,229	13,147	3,277	13,849
Increased Severe Disability Assistance	514	2,541	632	3,473	769	4,552
Total Social Assistance	-	43,018	-	38,802	-	36,242
Drug Addicts Allowance	51	27	46	36	56	40
Social Assistance	5,392	19,050	4,882	17,473	4,475	16,553
Carers' Allowance	249	781	255	766	331	1,073
Social Assistance for Single Parents	2,898	9,991	2,664	9,349	2,522	9,211
Unemployment Assistance	1,308	3,571	1,021	2,993	980	2,732
Social Assistance Board ²	1	-	4	4	3	5
Unemployment Assistance Taper	3,293	5,528	2,561	4,706	1,906	3,207
Subsidiary Unemployment Assistance	1,575	4,069	1,291	3,476	1,119	3,422
Medical Assistance	-	13,757	-	14,256	-	14,183
Sickness Assistance	12,366	13,671	12,069	14,189	11,667	14,127
Leprosy Assistance	24	42	23	42	21	40
Milk Grant	71	43	42	26	30	16
Tuberculosis Assistance	0	0	0	0	0	0
Supplementary Allowance	24,582	6,858	23,868	6,475	23,155	6,836
Total In-Work Benefit	-	2,625	-	3,136	-	4,364
In-Work Benefit	4,016	2,625	4,628	3,136	4,818	3,752
In-Work Supplement ³	-	-	-	-	2,589	612
Bonus	-	6,071	-	6,139	-	6,335

¹ Introduced in 2020.

² For confidentiality reasons, 2018 outlay for Social Assistance Board has been included under corresponding Unemployment Assistance expenditure.

³ One-time payment made in 2020 to In-Work Benefit beneficiaries.

Table 4. Comparative Social Security Contributory Benefits: July-September

Description	Jul-Sep 2018		Jul-Sep 2019		Jul-Sep 2020	
	Beneficiaries	€ 000	Beneficiaries	€ 000	Beneficiaries	€ 000
Contributory Benefits	-	184,809	-	195,907	-	213,395
Pensions in respect of Retirement	-	123,749	-	131,367	-	143,041
Retirement Pension	5,959	7,514	4,999	6,698	5,519	7,172
National Minimum Pension	6,199	8,951	6,202	9,192	6,710	12,806
Increased Retirement Pension	663	1,500	597	1,406	1,093	2,513
Two-Thirds Pension	47,327	101,725	49,482	109,740	50,353	113,200
Increased National Minimum Pension	1,734	3,973	1,772	4,237	2,351	7,265
Decreased National Minimum Pension	56	87	58	94	65	85
Pensions in respect of Invalidity	-	5,045	-	4,792	-	5,884
Invalidity Pension	168	190	150	170	106	143
Increased Invalidity Pension	75	114	66	107	49	105
National Minimum Invalidity Pension	3,274	4,737	3,085	4,515	2,789	5,635
Decreased National Minimum Invalidity Pension ¹	3	4	2	-	2	-
Pensions in respect of Widowhood	-	40,853	-	43,678	-	45,109
Widows' Pension	203	457	201	486	190	231
Early Survivors' Pension	1,760	4,614	1,841	4,977	1,756	4,791
Survivors' Pension	8,056	21,251	8,534	24,005	9,275	26,477
National Minimum Widows' Pension	6,351	14,530	5,776	14,209	5,502	13,611
Benefits in respect of Industrial Injuries and Gratuities	-	447	-	446	-	375
Injury Benefit	643	354	584	369	422	271
Injury Pension	239	77	225	70	220	90
Injury Gratuity	5	16	3	8	7	14
Other Benefits	-	2,469	-	2,707	-	3,662
Unemployment Benefit	345	126	397	201	2,465	1,292
Special Unemployment Benefit	48	26	51	23	121	84
Maternity Benefit	813	714	956	877	828	839
Sickness Benefit	5,411	1,276	5,249	1,292	4,631	1,330
Orphans' Allowance	13	26	11	21	11	19
Marriage Grant	1,081	301	1,032	293	299	98
COVID-19 Benefits²	-	-	-	-	-	825
Additional Unemployment Benefit	-	-	-	-	1,691	201
Disability Benefit ³	-	-	-	-	1	-
Medical Benefit	-	-	-	-	17	14
Parent Benefit	-	-	-	-	3,810	610
Bonus	-	12,247	-	12,917	-	14,499

¹ For confidentiality reasons, 2019 and 2020 outlays for Decreased National Minimum Invalidity Pension has been included under National Minimum Invalidity Pension.

² Introduced to aid individuals working in the private sector who, as a result of the COVID-19 pandemic, became unemployed or unable to go to work due to medical or family reasons.

³ For confidentiality reasons, 2020 outlay for Disability Benefit has been included under Parent Benefit.

Table 5. Comparative Social Security Non-Contributory Benefits: July-September

Description	Jul-Sep 2018		Jul-Sep 2019		Jul-Sep 2020	
	Beneficiaries	€ 000	Beneficiaries	€ 000	Beneficiaries	€ 000
Non-Contributory Benefits	-	44,167	-	45,014	-	47,447
Child Allowance	-	9,955	-	10,060	-	10,702
Childrens Allowance	41,450	9,535	40,004	9,575	40,994	9,947
Foster Child Allowance	166	420	171	485	177	459
Child Benefit Bonus ¹	-	-	-	-	836	296
Old Age Pension	-	6,743	-	7,384	-	7,911
Age Pension	4,749	5,081	4,681	5,211	4,644	5,439
Increased Carers' Allowance	698	1,244	990	1,699	1,114	1,957
Assistance Visually Impaired	345	418	374	474	394	515
Disability Pensions/Allowance	-	5,171	-	5,847	-	6,408
Disability Child Allowance	1,365	426	1,538	571	1,599	546
Disability Assistance	112	104	152	153	178	191
Severe Disability Assistance	2,953	3,782	3,139	4,000	3,176	4,184
Increased Severe Disability Assistance	507	859	625	1,123	751	1,487
Total Social Assistance	-	12,613	-	11,486	-	11,173
Drug Addicts Allowance	22	8	24	12	22	11
Social Assistance	4,762	5,568	4,334	5,141	4,062	4,933
Carers' Allowance	209	224	221	251	287	338
Social Assistance for Single Parents	2,577	2,936	2,370	2,756	2,336	2,806
Unemployment Assistance	952	1,090	755	938	785	1,000
Social Assistance Board ²	1	-	2	-	2	-
Unemployment Assistance Taper	2,380	1,556	1,882	1,267	1,331	856
Subsidiary Unemployment Assistance	1,208	1,231	1,002	1,121	993	1,230
Medical Assistance	-	5,267	-	5,655	-	5,352
Sickness Assistance	11,814	5,237	11,497	5,627	11,172	5,331
Leprosy Assistance	23	16	22	16	21	15
Milk Grant	27	14	33	12	9	7
Tuberculosis Assistance	0	0	0	0	0	0
Supplementary Allowance	23,873	2,191	23,201	2,154	22,550	2,265
Total In-Work Benefit	-	1,001	-	1,151	-	2,303
In-Work Benefit	2,893	1,001	3,160	1,151	2,507	1,691
In-Work Supplement ³	-	-	-	-	2,589	612
Bonus	-	1,227	-	1,277	-	1,332

¹ Introduced in 2020.

² For confidentiality reasons, Social Assistance Board outlays have been included under corresponding Unemployment Assistance expenditure.

³ One-time payment made in 2020 to In-Work Benefit beneficiaries.

Methodological Notes

1. Expenditure data provided in this news release is extracted from the administrative records of the Social Security Department, and is based on the Government's Consolidated Fund.
2. Beneficiaries data is obtained from the Department of Social Security's Unique Beneficiaries Report.
3. The number of beneficiaries may not be aggregated since persons obtaining two or more different benefits during the same period are listed once under each benefit. Furthermore, it should also be noted that the annual number of beneficiaries is not equal to the sum of the quarters since beneficiaries obtaining the same benefit in more than one quarter are only counted once.
4. The functions provided in chart 2 are in line with the European System of Integrated Social Protection Statistics (ESSPROS) Manual 2012 Edition (ISBN 978-92-79-24751-4). This methodology is mandatory for all EU Member States.
5. Expenditure data is not normally subject to revision, while beneficiaries data may be revised.
6. Figures may not add up exactly due to rounding.
7. More information relating to this news release may be accessed at:
Statistical Database: <https://nso.gov.mt/statdb/start>
Glossary: https://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Government-Expenditure-on-Social-Security-Benefits.aspx
8. References to this news release are to be cited appropriately.
9. A detailed news release calendar is available on:
https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx