



ESPN Thematic Report on minimum income schemes

Malta

2015

Mario Vassallo & Anna Borg
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European Social Policy Network (ESPN)

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minimum income schemes**

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Contents

SUMMARY.....	7
PART I – DESCRIPTION OF MAIN FEATURES OF MINIMUM INCOME SCHEME.....	9
1 GOVERNANCE ARRANGEMENTS	9
1.1 Levels of governance	9
1.2 Delivery arrangements.....	9
1.3 Rights-based versus discretionary benefits	9
2 DESIGN OF MINIMUM INCOME SCHEME.....	10
2.1 Level of benefit	10
2.2 Eligibility conditions	10
2.3 Conditionality rules.....	11
2.4 Duration.....	11
2.5 Transitions.....	11
3 LINKS WITH OTHER SOCIAL BENEFITS AND SERVICES.....	12
3.1 Components covered by minimum income schemes.....	12
3.2 Other means-tested benefits.....	12
3.3 Passport to other services and benefits	13
PART II - ANALYSIS OF MINIMUM INCOME SCHEMES.....	14
1 ASSESSMENT OF ADEQUACY, COVERAGE, TAKE-UP AND IMPACT	14
1.1 Adequacy	14
1.2 Take-up	20
1.3 Impact	20
2 LINKS TO THE OTHER TWO PILLARS OF ACTIVE INCLUSION	20
2.1 Inclusive labour markets	20
2.2 Access to quality services	21
REFERENCES	23
ANNEX I: ACTIVE LABOUR MARKET POLICIES 2014–2015	24
ANNEX II: NON-CONTRIBUTORY BENEFITS TABLES.....	28

Summary

Malta does *not* have a statutory minimum income (MI) scheme as such, but it does have a means-tested safety net, which provides grants in cash and in kind to those persons who are not eligible for social insurance benefits and to those whose entitlement may have expired. As such, Malta's means-tested social assistance benefit may be considered a basic form of minimum income scheme. The means-tested unemployment assistance (which kicks in when the contributory unemployment benefit expires) is a second type of minimum income scheme. Single unmarried parents assistance is a third type. Non-contributory grants are available to Maltese and EU citizens who possess a permanent residence permit. The social security system has evolved over time and hence is rather fragmented. This means that it has not been reviewed holistically; but irrespective of this, there have been incremental improvements over time to support those most in need.

Malta's means-tested system is, however, based not on the single individual, but on the household. Thus an individual may not qualify for assistance if the household to which he/she belongs does not pass the means test. A comparison of seven case study scenarios involving different families that got by on the minimum income (with no other income) (McKay, 2012) showed that the income of six of the families fell quite far short of the 60% median national income – even when supplementary allowances were added to the basic non-contributory assistance rate. The biggest shortfalls were found in households made up of parents (either two or a single parent) receiving social assistance, with two dependent children and living in a commercially rented dwelling. This suggests that the weekly rent allowance of EUR 1.16 for families is totally inadequate, given the commercial rents. Issues of adequacy are very obvious, and whenever an individual is in need but is living in a larger household which does not pass the means test, other issues arise – so that people have been known to register as the head of the household at a fake address, simply to be able to gain access to benefits.

The schemes target households by family type, and this raises certain issues: for example, a divorced single adult (without or without children) and a married couple (without or without children) still get the same basic rate of EUR 100.80 a week. The additional supplement of EUR 8.15 per week for each additional family member is rather low, considering the higher expenses incurred by bigger families, especially in relation to housing needs, food, medicine and transport. This raises clear issues of adequacy.

While acknowledging the many positive active labour market policies (ALMPs) that target various categories of people in order to help them transit from inactivity or benefit dependency to activity, it is essential to note that there will always be cohorts of people who cannot work for some reason. With a clear strategic move towards more in-work benefits, there is a risk that those persons who are left out of the labour market are going to become poorer. Out-of-work parents also stand to lose out on essential in-kind benefits, like the free childcare scheme for children under 3 or the free breakfast clubs in schools, which are limited to working parents.

Overall, the issue of adequacy for those on the minimum income is under-researched in Malta. More up-to-date and empirical data are required to enable consideration of new cohorts that, up until now, have hardly featured: for example, migrants, people with social, health and addiction problems, persons living on non-contributory pensions, etc. But if the different categories of household were to depend exclusively on social assistance, they would never be able to move out of the risk of poverty. Worst off are household consisting of two adults and two children aged 7 and 14. But the other groups are not much better off.

Take-up is quite extensive, and persons requiring support are assisted through an extensive network of welfare officers spread through the regional districts and covering both Malta and Gozo.

In summary, therefore, it can be stated that, although Malta does not have a minimum income scheme in the strict sense, the welfare net does provide some schemes that make up for this absence. Access to benefits is not difficult for those households that qualify through a means test, but it is practically impossible for individuals who physically live in a household where the other members do not have the same problems to be formally entitled to statutory benefits. Take-up is assisted through welfare officers spread across the two islands. Although there is room for some discretion, entitlement is generally considered and exercised as a right. But adequacy gaps are a matter of serious concern. These are at times mitigated by the support of the traditionally strong extended family network and by the work of charitable organisations, some of which are Church run.

Part I – Description of main features of minimum income scheme

1 Governance arrangements

1.1 Levels of governance

So far Malta does *not* have a statutory minimum income (MI) scheme as such that covers the country's working-age population. However, there are several schemes, grants and benefits in cash and in kind which provide a means-tested safety net for those who are not eligible for social insurance benefits and for those whose entitlement may have expired. Social security in Malta is divided into contributory and non-contributory benefits. In what follows, when any reference is made to a minimum income scheme, that reference is always to non-contributory benefits. In the Maltese context, then, it may be assumed that the provisions for some of the non-contributory benefits are the nearest to a minimum income scheme. This report focuses only on working-age benefits, and therefore excludes benefits such as old-age pensions. Some benefits under Maltese law are classified as 'pensions';¹ in these specific cases, the term pensions is retained in this report.

The main benefit in Malta's minimum income scheme is considered to be the means-tested social assistance benefit. The means-tested unemployment assistance, which kicks in when the contributory unemployment benefit expires, is a second type of minimum income scheme. The assistance provided to single unmarried parents is a third type. In addition, there are other complementary benefits, which include a milk grant, free medical aid (over and above what is provided under the National Health Service) and a means-tested housing subsidy.

All social policy decisions related to non-contributory benefits – which may be considered to be a form of income support for those living without an income – are taken at the national level.

1.2 Delivery arrangements

Over time, a set of complicated provisions related to non-contributory benefits has been developed. These are linked to social services through the Department of Social Security (DSS) and the public employment services organisation (PES) in Malta, which is the Employment and Training Corporation (ETC).² The services are not offered through a one-stop shop, although the DSS and the ETC share information on the employment status of clients when it changes.

1.3 Rights-based versus discretionary benefits

The basic benefits are paid on a rights basis, using set criteria, although in exceptional cases the system permits some administrative discretion outside the set parameters. These are decided on a case-by-case basis by the director in charge of non-contributory schemes. In order to ensure fairness in such cases, the authorities may involve social workers, and may request additional information, for example from the bank or from non-governmental organisations (NGOs).

One aspect of the Maltese system that complicates matters is the fact that in the majority of instances, the benefits are addressed at the *household* level and not at the level of the *individual*, with the consequence that an individual who lives in a larger household might find that he/she cannot benefit from the provisions, simply because other members of the same household are financially better off.

¹ See Annex Table A2-2, which follows the classification provided in the main Social Security Act.

² It has been very recently announced that important reforms in respect of ETC are going to be implemented. The way these are going to affect delivery arrangements of benefits is still unclear.

Students who follow a course at an institution of higher learning (university or the Malta College of Arts, Science and Technology (MCAST)) can also apply for supplementary benefits if they live on their own and have no income other than the student grant awarded to all tertiary-level students. The award of these benefits is discretionary.

2 Design of minimum income scheme

2.1 Level of benefit

As has already been stated, the Maltese system is structured on household and not on family type. The benefits are as follows:³

- a) divorced single adult without children: EUR 100.80 per week
- b) married couple without children: EUR 100.80 per week plus EUR 8.15 per week for spouse;
- c) married couple with children aged 7 and 14: EUR 100.80 per week plus EUR 8.15 per week for each additional family member;
- d) divorced single parent with one child (2 years old): EUR 100.80 per week plus EUR 8.15 per week for the child.

In a fifth case – that of a single parent living with her/his parents (i.e. not in a separate household) – the single parent gets 75% of (d) above.

2.2 Eligibility conditions

Nationality/residence

Non-contributory grants are available both to Maltese and to EU citizens who reside in Malta, possess a permanent residence permit and satisfy the means test.

Age requirements

The social assistance that is payable to unemployed persons whose rights to unemployment benefit based on their contributory rights have expired is age related up to retirement age. Some of the benefits (or 'pensions' as certain of the benefits are referred to in Maltese law) are age related: the pension for those who are visually impaired is payable to Maltese citizens over the age of 14; and the pension for persons with a disability is payable to citizens of Malta over the age of 16.

Employment status

In terms of current social security legislation in Malta, in order to be eligible to receive some of the non-contributory benefits, like social assistance, a person needs to be the head of the household, unemployed or seeking employment, and whose income and assets do not exceed the amounts established by the Social Security Act (Chapter 318). These benefits are also paid to people who are deemed incapable of employment on a permanent basis because of a mental or physical condition, but who do not have the means to support their family.

Income/asset status

Nearly all non-contributory benefits (including social assistance, disability-related pensions, sickness assistance, free medical aid, milk grant, supplementary allowance and other grants like the energy benefit grant) are subject to a financial means test in order to confirm that the income of the household falls below a certain level. Exemption from paying social security contributions in the case of low earners is also subject to a means test. The leprosy and tuberculosis assistance grants are an exception, in that they are not subject to a

³ All the rates in this report refer to the pre-2016 Budget. Even though the Budget for 2016 was presented in October 2015, the rates for 2016 are not available until the end of December because they are still being discussed, according to a personal communication from the Director of the Department of Social Security.

financial means test. Likewise, the children's allowance for non-contributory beneficiaries is not means or capital tested.

The means test is regulated by Schedule II of the Social Security Act, and has two basic components: the capital resources test and the income test. The test is carried out on the property and income of all members of the household, but for certain benefits or assistance working members of the family are excluded.

The capital resources test for social assistance and for medical assistance stipulates that in the case of a single person, capital should not exceed EUR 14,000. In the case of a household consisting of two or more persons, the capital should not exceed EUR 23,000, although the resident home, one private car, a garage for private use and one summer residence are all excluded for capital assessment purposes.

Once the amount of capital resources of unused property is established, the first EUR 585.00 are ignored and the remaining balance is converted into annual income at 5.5% per annum. If the property belongs not to the head of the household or the spouse, but to some other member of the household, only half of the value of the property is taken into consideration.

In the case of the income test, all the income of the head of the household and his/her spouse is taken into consideration; if there are other members of the household, the working members are excluded. Wages are taken net of social security contributions and an allowance is made for travelling expenses. Only 84.3% of the income arising from property belonging to other members of the household is taken into consideration. Once the total income of the household is established, the first EUR 95.00 are ignored. The remaining balance is then compared with the applicable scale rates.

The means test has been modified over the years to cover new situations that arise from time to time in a dynamic society – for example, during the price hike in utilities, when the price of oil went up and affected the cost of electricity.

2.3 Conditionality rules

Claimants of non-contributory benefits are assessed on a case-by-case basis and the claims are assessed on the basis of the eligibility criteria and conditions established under the Social Security Act. In order to ensure fairness and avoid fraud, information is sought from the claimants, so that they may have to produce evidence from their bank in relation to their capital resources. No conditions exist beyond satisfying a means test.

When claiming sickness-related benefits, a medical evaluation is performed in order to determine the medical condition of the applicant and to ensure that it is compliant

2.4 Duration

In general, non-contributory benefits are not time limited, so long as they satisfy the stipulated conditions. Some benefits are assumed to be of a temporary nature – such as when a person is participating in a drug rehabilitation programme before finding work.

2.5 Transitions

A number of *Flexicurity* incentives were implemented in 2014, in order to encourage the transition of people on unemployment benefits onto the labour market. These include the following schemes:

Tapering of benefits

The tapering of benefits caters for all social and unemployment assistance beneficiaries who have been in receipt of assistance for at least 2 years (during the last 3) and who enter the labour market and earn (at least) the national minimum wage. Beneficiaries who qualify are eligible for 65% of the benefit they had previously been receiving during the first year; 45% of the benefit during the second year; and 25% of the benefit for the third (and last) year. Employers who employ persons previously reliant on benefits are eligible for 25% of the benefit rate for the full 3 years.

During the 2015 budget, the tapering of benefits was extended to single parents with children under 23. The conditions for single parents are less stringent, in that they do not have to be reliant on benefits for at least 2 of the last 3 years, and they are not duty bound to earn at least the national minimum wage. However, single parents do need to work at least 10 hours a week and earn the hourly minimum wage.

This mechanism has had a very positive effect – to the extent that in his budget speech for 2016, the minister of finance reported: ‘From December 2014 until September 2015, the number of persons receiving social assistance, on unemployment benefits or assistance because they are single parents, decreased by more than 2,100. All these persons voluntarily opted for one of the schemes available. About a thousand of these, who had been previously receiving social assistance, have now shifted to the tapering system.’⁴

The benefit is paid every 4 weeks in arrears and goes directly into the beneficiaries’ bank account. It is non-taxable. The percentage of tapered benefit is calculated according to the rate of benefit applicable on the application date, and no bonuses are offered with the tapered benefit.

In-work benefit

The in-work benefit was introduced to cater for low-earning couples and single parents with children under the age of 23. The idea is to encourage such persons to enter, or to remain active in, the labour market, rather than switch to benefits, by enhancing their income. The maximum rate paid to couples is EUR 1,000 for each child per year, and EUR 1,200 for each child per year for single parents.

3 Links with other social benefits and services

3.1 Components covered by minimum income schemes

As explained above, MI schemes do not exist as such in Malta, and so it cannot be said that MI schemes cover any other component. As also stated above, however, there are complementary benefits, which are described below.

3.2 Other means-tested benefits

Over time, Malta’s non-contributory schemes have evolved into a comprehensive system, with a number of interlinked provisions. This allows beneficiaries to access various benefits simultaneously, thus providing them with wider coverage in those cases where more than one social or medical problem is present. These include social and medical assistance in cash or in kind for heads of household who are unemployed or searching for work. Likewise heads of household whose family income falls below a given threshold and who cannot work because of a specific disease, are also entitled to social and medical assistance beyond what is provided free under the National Health Service. Those who qualify for social assistance are also paid a rent allowance if the family home is rented. Furthermore, additional assistance is paid to specific target groups in the case of disability issues, single parenthood or if a person living alone as a single family unit.

Social assistance is also paid to single parents. Furthermore, whoever qualifies for social assistance is also paid a rent allowance if the head of the household pays rent for the place used as the family residence.

A medical aid grant is also available to those who suffer from certain chronic diseases, irrespective of their family’s financial resources. People with leprosy and tuberculosis are given a grant, while a sickness assistance grant is available for persons suffering from a chronic disease or condition that requires a special diet. A milk grant is also given to specific clients who suffer from certain ailments.

⁴ See Budget Speech 2016.
https://mfin.gov.mt/en/The-Budget/Documents/The_Budget_2016/Diskors_Bagit_2016.pdf p.2.

Emergency assistance is given to females who have been rendered destitute by the head of household and who have to be taken into an institution.

The system has not been modified since 2009; what has changed in some instances is the amount of benefit paid.

There are another five supplementary benefits provided by either the DSS or some other government body:

- 1) energy benefits – electricity, water and liquefied petroleum gas (LPG) vouchers;
- 2) DSS food aid scheme;
- 3) subsidised rent;
- 4) free medical care and medicines for ailments not on the Register (including dental care);
- 5) maternity leave benefit.

Recipients of social assistance are also entitled to free pharmaceutical products. Likewise, free food products are distributed through charitable organisations to deprived persons in the community, including the homeless, families in difficulty, the unemployed, single-parent families, the disabled and children at risk.

Beneficiaries of social assistance who pay rent are entitled to a rent allowance of EUR 1.16 per week and a weekly subsidy of EUR 0.84 on their telephone bills if they are aged over 60. Furthermore subsidised rented housing is available for those on a relatively low income (EUR 8,200 for a single person and EUR 10,500 for a married couple and an additional EUR 700 per dependent child; EUR 10,500 for a lone parent and an additional EUR 700 per dependent child).

In relation to the additional healthcare benefits referred to above, those with limited means (and persons suffering from tuberculosis, leprosy and poliomyelitis) are generally given the Pink Card under Schedule II; this entitles them to free medical care and medicines through the public health sector. The list of beneficiaries includes those who are unemployed and receiving welfare benefits, those receiving social assistance, single mothers, those who are not eligible to register for work, and those receiving a pension for disabled persons.

3.3 Passport to other services and benefits

As explained above, MI schemes do not exist in Malta, and as such it cannot be said that MI schemes per se cover any other component. The means-tested safety net, however, provides for very limited preferential access to other services under the Pink Card: holders are entitled to a limited number of medicinal products which are specifically marked 'Pink Card Positive' on the Government Formulary List. They are also entitled to some other ancillary services (dental services, ophthalmic services, Telecare, a telephone rebate and a handyman service).⁵

⁵ See <https://socialpolicy.gov.mt/en/Other-Information/Pages/Free%20Medical%20Aid%20Pink%20FormKarta%20Ro%C5%BCa.aspx>

Part II - Analysis of Minimum Income Schemes

1 Assessment of adequacy, coverage, take-up and impact

1.1 Adequacy

The issue of adequacy is very under-researched in Malta, and especially in view of the non-inclusion of Malta in the MIPI project to date,⁶ very limited precise empirical data exist. In effect, the only available study that has a modicum of analysis on adequacy is the European Minimum Income Network (EMIN) 2014 study, carried out on behalf of the Malta Anti-Poverty Forum by Leonid McKay, the current chief executive of Caritas Malta (McKay, 2014). It draws on an earlier study conducted by Caritas in 2012 (McKay et al., 2012). Although the data in the EMIN study are already somewhat dated, two tables are reproduced below to give an indication of the situation, which has remained largely unchanged since then. The limitations arise from the fact that the data on which the two tables are based reflect year 2012, while the income is based on year 2011. McKay (2014) also excludes special requirements like dietary needs, disabilities and chronic illness, which can push up costs. Tables 1 and 2, taken from that study, immediately highlight the problems that face Maltese individuals and families who have to survive exclusively on non-contributory benefits. At the time of the study (2014) adequacy was very low.

As can be seen from Tables 1 and 2 from the McKay report, individuals and households often benefit from other schemes, and the supplementary allowance of EUR 233.64 for a single person and EUR 422.76 for a married couple is often payable. But even so, the amounts fall quite short of 60% of the median national wage in Malta. The McKay tables reproduced below have each been expanded to include another column, which, in Table 1, represents the minimum essential budget (MEB) per annum as a percentage of the respective total income (TI); while in Table 2 it represents the at-risk-of-poverty threshold at 60% of the median equivalised income (AROP threshold) as a percentage of total income (TI). From the additional column in Table 1, it can be seen that persons in Category 7b (one adult (separated) and two dependent children receiving social assistance (SA) and living with parents) are the best-off (at 104.56%), while persons in Category 1 (two adults and two dependent children receiving social assistance (SA) and living in a commercially rented dwelling) are the worst-off (63.91%). In Table 2, this additional column points to the fact that the best-off are persons in Category 7a (one adult, separated, and two dependent children receiving social assistance (SA) and living independently in a commercially rented dwelling), while the worst-off are persons in Category 2 (two adults and two dependent children receiving social assistance (SA) and living on a social housing estate).

⁶ The Minimum Income Protection Indicators (MIPI) dataset, run by the Herman Deleeck Centre for Social Policy, University of Antwerp.

Table 1: Comparative test of two minimum income schemes for households with no other income against minimum budget for a decent living

Case scenario	Household type	Total income ¹ per annum ² (TI)	Minimum essential budget ³ per annum ⁴ (MEB)	Difference per annum	TI as a % of MEB
		EUR	EUR	EUR	%
1	Two adults and two dependent children ⁵ receiving social assistance (SA) living in a commercially rented dwelling ⁶	9,301	14,553	- 5,252	63.91
2	Two adults and two dependent children receiving social assistance (SA) living on a social housing estate	9,241	10,953	- 1,712	84.37
3	Two adults and two dependent children receiving social assistance (SA) living on a social housing estate; one member entitled to a medical allowance ⁷	10,531	10,953	- 422	96.15
4	Two adults and two dependent children receiving social assistance (SA) living in a commercially rented dwelling; one member entitled to a medical allowance	10,591	14,553	- 3,962	72.78
5	One adult (unmarried) and two dependent children receiving single unmarried parents assistance (SUP) living independently in a commercially rented dwelling	8,877	12,438	- 3,561	71.37
6	One adult (unmarried) and two dependent children receiving single unmarried parents assistance (SUP) living with parents	7,301	8,838	- 1,538	82.61
7a	One adult (separated) and two dependent children receiving social assistance (SA) living independently in a commercially rented dwelling	9,301	12,438	- 3,137	74.78
7b	One adult (separated) and two dependent children receiving social assistance (SA) living with parents	9,241	8,838	403	104.56

Notes:

¹ The seven different case scenarios were worked out in cooperation with a DSS official.

² March and September supplementary additional bonuses and June and December bonuses and children and rent allowance are taken into consideration.

³ This study assumes that the subject household types are entitled to a Pink Card, in receipt of free food provision under the food aid scheme, residing in Government owned premises at subsidised rent (€185 p.a), and in receipt of energy food. Energy Benefit is not being taken into consideration. ⁴ The update of the minimum essential budget per annum for the two household types takes into consideration a 3% inflation rate (measured by the Retail Price Index) over the past 2.5 years (end-year 2011 up to mid-2014).

⁵ Adults are assumed to be within the 30–45 age cohort, while children are of senior primary or of secondary school age (10–15 years of age).

⁶ A EUR 300 monthly commercial rent is taken into consideration and added to the minimum essential budget.

⁷ It is pertinent to note that the minimum essential budget does not take into consideration extra expenses for persons with specific dietary requirements, disabilities or chronic illness. Such conditions require hefty additional expenses besides those in the estimated minimum essential budget.

Table 2: Comparative test of two minimum income schemes for households with no other income against the at-risk-of-poverty threshold

Case scenario	Household type	Total income ¹ per annum ² (TI)	At-risk-of-poverty threshold at 60% of the median equivalised income ³ (AROP threshold)	Difference per annum	TI as a % of AROP threshold
		EUR	EUR	EUR	
1	Two adults and two dependent children receiving social assistance (SA) living in a commercially rented dwelling	9,301	14,361	-5,060	64.77
2	Two adults and two dependent children receiving social assistance (SA) living on a social housing estate	9,241	14,361	- 5,120	64.35
3	Two adults and two dependent children receiving social assistance (SA) living on a social housing estate; one member entitled to a medical allowance	10,531	14,361	- 3,830	73.33
4	Two adults and two dependent children receiving social assistance (SA) living in a commercially rented dwelling; one member entitled to a medical allowance	10,591	14,361	- 3,770	73.75
5	One adult (unmarried) and two dependent children receiving single unmarried parents assistance (SUP) living independently in a commercially rented dwelling	8,877	10,942	- 2,065	81.13
6	One adult (unmarried) and two dependent children receiving single unmarried parents assistance (SUP) living with parents	7,301	10,942	- 3,641	66.72
7a	One adult (separated) and two dependent children receiving social assistance (SA) living independently in a commercially rented dwelling	9,301	10,942	- 1,641	85.00
7b	One adult (separated) and two dependent children receiving social assistance (SA) living with parents	9,241	10,942	-1,701	84.45

Notes:

¹ The seven different case scenarios were worked out in cooperation with a DSS official.² March and September supplementary additional bonuses and June and December bonuses and children and rent allowance are taken into consideration.³ Source EU SILC Survey, Eurostat Year 2012 (income of year 2011).

In respect of Table 1, McKay argues that:

[Table 1] reveals that minimum income schemes are less than the minimum essential budget per annum, except for one particular case scenario. This study reveals that minimum income schemes, albeit they provide reasonably well resources against absolute poverty, it does not provide enough for a decent standard of living particularly where the household is living in a commercially rented dwelling. Only the *One adult (separated) and two dependent children receiving Social Assistance (SA) living with parents'* income is slightly higher than the minimum essential budget.

McKay further adds in respect of Table 2:

[Table 2] illustrates that the total income per annum for the seven different case scenarios of beneficiaries of the Social Assistance (SA) and Single Unmarried Persons (SUP) is consistently below the at-risk-of-poverty threshold. [Table 2] confirms the conclusion that the minimum income schemes investigated are effective tools against absolute poverty, but less so against relative poverty and material deprivation. All seven case scenarios earn an annual income which is below the poverty line estimated at €14,361 per annum for a couple with two children and at €10,942 per annum for a single parent with two children.

McKay consequently insists that 'minimum income schemes' in Malta, though they provide reasonably adequate resources against absolute poverty, do not provide enough for a dignified standard of living. Some changes have taken place since the McKay study was conducted in 2012, and the complicated study needs to be replicated in order to have up-to-date information. However, since then no dramatic improvements have been made. Consequently it can be assumed that issues of adequacy persist, especially when considering that the weekly rent allowance is a mere EUR 1.16, while, for example, rentals in the St Paul's Bay area (which are among the lowest) currently hover around EUR 400 monthly for a three-bedroom apartment (Remax, 2015).

According to the latest figures (which refer to the second quarter of 2015, on the basis of the Labour Force survey conducted by the National Statistics Office (NSO), the average annual basic salary of employees was estimated at EUR 16,406. The NSO clarifies that this amount 'refers to the annual basic salary and excludes extra payments such as overtime, bonuses and allowances'. In the same study, the highest average annual basic salary for employees was recorded in the information and communication sector, while average annual salaries actually varied from EUR 28,074 among managers to EUR 11,359 among elementary staff.⁷

On the basis of the 2014 SILC, household gross income and mean disposable income stood at EUR 29,948 and EUR 24,730, respectively. These figures were used to compute the latest median national equivalised income (NEI) and the monetary at-risk-of-poverty threshold. The latter rose by 5.7% compared to the previous year, reaching EUR 7,672.⁸

In 2015, the means-tested non-contributory assistance paid to heads of household who are either unemployed or seeking employment was EUR 100.87 per week or EUR 5,245.24 per annum. Two bonuses of EUR 135.10 per adult were also payable. In addition, the income of this group of households would be below the limits established

⁷ See NSO News Release 172/2015, 22 September 2015, available at https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Pages/Labour-Force-Survey.aspx Accessed 24 October 2015.

⁸ See NSO News Release 167/2015, 14 September 2015, available at https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C1/Living_Conditions_and_Culture_Statistics/Documents/2015/News2015_167.pdf Accessed 24 October 2015.

by the Social Security Act, and therefore a supplementary assistance of EUR 8,800 per annum for a single person and EUR 10,968 for a married couple is payable. Children's allowance is also due at a minimum of EUR 450 per annum per child (rates vary, but cannot fall under this minimum). Table 3 seeks to provide a rough estimate of the resulting conditions of the four types of household.

Table 3: Comparative analysis of four types of household

		Total social assistance in EUR	At-risk-of-poverty threshold at 60% of median equivalised income in EUR	TSA as % of AROP threshold
		TSA	AROP threshold	
1	Divorced single without children	5,753.08	7,672.00	74.99
2	Married couples without children	6,362.00	11,508.00	55.28
3	Married couples with two children aged 7 and 14	9,038.00	17,645.60	51.22
4	Divorced single parent with one child aged 2	6,909.08	9,973.60	69.27

Note: The figure for the median national equivalised income (MNEI) is derived from the data in the NSO News Release 167/2015, referred to in the footnote above. The social assistance figures represent: social assistance (at EUR 100.87 per week = social assistance for one person and EUR 8.15 payable to wife/partner, if applicable); supplementary allowance (at EUR 422.76 = supplementary allowance for married couples; EUR 237.64 = supplementary allowance for one person); children's benefits (at EUR 1,556 per child, applicable to means-tested households); and two bonuses per annum which are considered an essential component of social assistance in Malta (at EUR 135.10 each). Only the first two are means tested.

The above figures clearly indicate that if the non-contributory social assistance benefit is the only income stream, the amount received (TSA) is substantially lower than the respective unit requires as per AROP threshold. The percentages in the final column spell this out very clearly: adequacy is lowest in respect of Category 2 (married couple with two children aged 7 and 14), at a mere 51.22%. But even in respect of the other categories, the amount received (TSA) via the welfare net is very low: through social assistance alone, it is hard to conceive how any of these can move out of the risk of poverty. In real life, the existence of free childcare,⁹ a small housing subsidy of EUR 1.16 per week if rent is payable for one's habitation (self-owned houses are excluded in the means test), and the existence of quite generous social housing schemes (people allocated social housing are not assessed and can continue to live in the houses even if their economic conditions improve), together with a network of non-government (especially Church-run) organisations, mitigate what would otherwise be an impossible situation.

⁹ This is only available if both parents (or else the single parent) are at work or are studying full time. Hence this may not be relevant to those on non-contributory benefits.

1.2 Coverage

In theory, all Maltese nationals are covered by Malta's social security system. Information is provided through a network of social security offices spread across the two islands, and information is readily available. Issues arise, however, in respect of third-country nationals, most especially those who would not yet have been given refugee status. These groups consist of persons awarded subsidiary protection, asylum seekers, rejected asylum seekers, and those with a temporary humanitarian protection status. These are not eligible to register as unemployed, and cannot therefore claim unemployment benefits. Nor do they qualify for any activation measures (such as job training and job search, as provided to other unemployed people).¹⁰ This procedure risks the exclusion from the mainstream of those with temporary humanitarian protection and subsidiary protection.¹¹

Table 4: Social protection expenditure, gross: 2011–2013

Scheme	2011	2012	2013	2013/2012	
	€ 000			Change	% Change
Social security contributory benefits	561,161	604,939	624,928	19,989	3.3
Social security non-contributory benefits	166,834	177,620	189,529	11,909	6.7
Hospitals and other healthcare facilities	272,156	293,371	327,602	34,231	11.7
Social welfare standards	2,481	3,408	3,940	532	15.6
Non-profit institutions serving households	12,482	12,876	13,264	389	3.0
APPOĠĠ	3,852	4,244	4,515	271	6.4
SEDQA	1,612	1,509	1,774	265	17.5
Employment and Training Corporation	5,606	7,162	10,693	3,531	49.3
Sickness days – employers' expenditure	36,439	38,516	39,380	864	2.2
Subsidies on utilities	3,584	4,263	3,949	-314	-7.4
Energy benefit	8,363	5,121	5,016	-106	-2.1
Housing subsidies	77	79	352	273	343.9
Housing authority subsidies	12,159	5,400	6,907	1,507	27.9
Pensioners' route bus subsidy	1,654	2,904	3,429	524	18.0
Pensioners' Gozo ferry boat subsidy	1,211	1,273	1,373	100	7.9
Care of the elderly and the disabled	52,271	55,884	56,600	716	1.3
Treasury pensions	86,393	89,951	87,329	-2,622	-2.9
MDD/MSCL/MSY voluntary retirement scheme	3,691	3,423	3,573	150	4.4
Third-country nationals and refugees	8,738	6,932	6,241	-691	-10.0
Total	1,240,763	1,318,876	1,390,393	71,518	5.4
Social protection as a percentage of GDP	18.0	18.3	18.4	-	-

¹⁰ Effectively a joint study by Aditus and UNHCR, Aditus/UNHCR (2013) shows that some beneficiaries of subsidiary protection interviewed in that study expressed their concern that, despite paying social security contributions and taxes, they were not receiving contributory unemployment benefits. See <http://aditus.org.mt/Publications/nitkellmu.pdf> under 'Employment', page without number.

¹¹ Changes in this area appear to be in the offing. See 'GWU backs PM's plan to regularise employment of migrants.' <http://www.timesofmalta.com/articles/view/20150914/local/gwu-backs-pms-plan-to-regularise-employment-of-migrants.584424> During the 2016 budget debate, the prime minister mentioned the need to regularise the employment of migrant workers. A similar call was made by the social partners including the General Workers Union (GWU), The Chamber of Small and Medium Enterprises (CSME), the General Retailer and Traders Union (GRTU) and the Malta Developers Association (MDA). They are arguing that that 'shopping' for workers outside the Open Centre in Marsa should be eradicated. Instead they are claiming that employers should be able to legally tap into the pool of migrant workers through an official register and hence decrease their exploitation. A White Paper is due to be launched in November on this proposal (Caruana, 2015 personal communication – chairman ETC).

The latest figures published by Malta's National Statistics Office (2015) on social protection expenditure refer to 2013. Table 4 above gives comparative data for the period 2011–2013. It is to be noted that the highest percentage increase in 2013 over 2012 was in housing subsidies, in which an increase of 343.9% was registered.

1.2 Take-up

Take-up issues are slightly more problematic to assess. Persons originating from families which have long survived through welfare benefits tend to know the ropes extremely well and make sure that their legal entitlements are met. Persons who are dependent on welfare tend to congregate in specific locations, where housing and rent are cheap. This compounds the problem and unwittingly translates into a micro-culture of dependency and low expectations. In general, it can be observed that although the 2015 Eurofound study 'Access to social benefits: Reducing non-take-up' does not specifically cover Malta, the factors which are documented in the study for other countries apply generally.¹² These factors cover people who:

- experience social isolation;
- have migrated from another country;
- are 'new to need';
- are at risk of higher stigmatisation;
- lack a fixed address or bank account;
- experience financial strain while owning a home.

The time-gap between entitlement and actually receiving the benefit also creates problems for those in dire need of support. But once a person passes the means testing, he/she receives detailed guidance from welfare officers as to what entitlements are available, and these are applied for together.

1.3 Impact

The potential of the existing schemes, and the extent to which they alleviate poverty, have not been properly researched. The McKay tables quoted above, together with Table 3 give an indication that they are not adequate, but this aspect requires further and more focused research before any reliable conclusions can be drawn. In view of Malta's recent economic improvements, the gaps between persons who are actively engaged and those who are not is constantly increasing. Thus the relative impact of the schemes described above is decreasing, as those engaged profitably see their situations improve as a function of increased affluence.

2 Links to the other two pillars of active inclusion

2.1 Inclusive labour markets

Annex I lists the active labour market policies (ALMPs) currently available in Malta, which are promoted by the Employment and Training Corporation (ETC). The 20 schemes listed in the annex clearly offer opportunities to those dependent on non-contributory benefits who want to interrupt the cycle of dependence and move into the formal labour market.

However, it is pertinent to note that there are clusters of people who cannot work (or cannot do so on a regular basis). These include persons with mental health, addiction or social problems, or a combination of these. Hence these cohorts of people cannot benefit from the rather interesting list of ALMPs and in-work benefits currently on offer.

¹² See http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1536en.pdf p.17.

Parallel to this, one must note that recent policies have focused on making work pay through extensive incentives associated with training, special fiscal arrangements for persons who 'return to work' after a lapse of years, and through schemes that allow persons undergoing training to benefit from special benefits, such as free childcare.

What appears to require more focused attention in this sector is the continuing habit of some Maltese workers to operate in the shady economy. It is well known that the cleaning, caring and hospitality sectors are populated by people who work – sometimes even full time – and concurrently claim non-contributory benefits.

2.2 Access to quality services

The area that is most visible in this respect in Malta is the provision of free childcare services. In a national context of low female employment rates (51%), the free childcare scheme for children under the age of 3 was introduced in order to incentivise more parents (but especially inactive mothers) to return to, or remain in, the formal labour market (Ministry of Education and Employment, 2015). The scheme is available to parents (defined as both parents/guardians or single mother/father/guardian) who are employed and pay social security contributions, and to persons who register for work. It is also open to parents who are studying (defined as those in education that will lead to a recognised diploma or degree). This means that only parents who fall into these specific categories are allowed to send their children to a childcare centre of their choice, free of charge (Borg, 2015).

As a result, children who come from the most deprived or disadvantaged households, such as families afflicted by mental health, drug abuse or other social problems, risk being left out of the system. This is because in such households it is more difficult to have both parents (or the single parent) in the formal labour market or following an educational course at diploma or degree level. Hence, there is a high risk that they cannot meet the necessary criteria if they are afflicted by such problems.

Technically, these children can be allowed to attend one of the childcare centres around the island run by the Foundation for Educational Services (FES). However, these are not available in each locality and there are only 13 available to serve the whole country. This means that accessibility for the most vulnerable remains an issue and increases the gap between those in paid work and those who are out of work. This is especially worrying for Malta, since the percentage of households with dependent children and with very low work intensities has increased since the economic recession (Eurostat, 2015), as per Table 5. So, while government may have tried to address this trend via the free childcare scheme, in the process it may actually have excluded such households from being able to take part in the scheme (Borg, 2015).

Table 5: Distribution of population by work intensity of the household (population aged 0 to 59 years), by year

Work intensity	2005	2009	2013
Low work intensity	4.2%	5.8%	5.0%
Very low work intensity	5.7%	5.0%	5.7%

Source: Eurostat (2015).

On a more positive note, the free childcare scheme has been part of a larger package of schemes that have been implemented over the past two budgets. They include the breakfast club initiative, which also began in April 2014, whereby schools open at 07.00 (instead of 08.00–08.30) to the children of working parents and offer breakfast and supervision free of charge until lessons start (Government of Malta, 2014).

Summary table

In the summary table below in the 'Evolution over time' column, P = Positive evolution, SQ = Status Quo, N = Negative evolution.

Assessment of minimum income scheme(s)				
	Assessment			Evolution over time
Adequacy How adequate is the level of MI benefits?	Adequate	Somewhat inadequate	Very inadequate	
		X		P
Coverage How extensive is the coverage of people in need?	Fairly comprehensive	Partial	Very limited	
	X			P
Take-up How complete is the take-up of MI benefits by those entitled to them?	Fairly complete	Partial	Quite limited	
	X			P
Impact on Poverty Reduction (1) What is the impact of MI provision in reducing the at-risk-of-poverty rate?	Strong impact	Partial impact	Very limited impact	
		X		P
Impact on Poverty Reduction (2) What is the impact of MI provision in reducing the at-risk-of-poverty depth?	Strong impact	Partial impact	Very limited impact	
		X		P
Link to Active Labour Market Policy (ALMP) In practice, how effective are the links between MI scheme(s) and ALMP measures?	Very effective links	Mediumly effective	Very ineffective	
	X			P
Link to Adequate Services In practice, how effective are the links between MI scheme(s) and access to adequate services?	Very effective links	Mediumly effective	Very ineffective	
		X		P

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Annex I: Active Labour Market Policies 2014–2015

1. Training Subsidy Scheme (TSS)/Training Subsidy Scheme Academic (TSSA)

Eligibility criteria: Training Subsidy Scheme:

- Unemployed;
- Self-employed;
- Employed persons working in vulnerable sectors;
- Employed in non-public undertakings with 10 employees or fewer;
- Persons aged over 40 irrespective of their employment status;
- Persons earning less than EUR 10,000 gross wage per year;
- Employed in non-governmental organisations; or
- Local councils.

Eligibility criteria: Training Subsidy Scheme Academic:

- Be a Maltese citizen or otherwise permitted to work in Malta and has been residing in Malta for the past 5 years;
- Be employed or a jobseeker who has reached 21 years of age on the date of application;
- Be applying and accepted for a programme as specified in the selection criteria.

2. Community Work Scheme

Eligibility criteria:

- Initially, the scheme was intended for persons who had been registering for work on the Part 1 register for at least 5 years and who were in receipt of unemployment assistance.
- Following the Budget speech for the year 2010, it was decided that participation was to be extended to all registrants who were registering on Part 1 for 6 months and over.

3. Greener and Cleaner Gozo

Eligibility criteria:

- Unemployed persons registering with ETC.
- Inactive persons.

4. Greening the Economy

Eligibility criteria:

- Persons on the ETC unemployment register till the end of 2013.
- Persons out of the labour market (inactive).
- All those interested in embarking on their own economic activity as self-employed.
- Persons that qualify for tapering of benefits are not eligible to apply.

5. Bridging the Gap

Eligibility criteria:

- Registered unemployed who are either:
 - Persons with disability;
 - Former substance abusers;
 - Former offenders; and
- Correctional Facility inmates on prison leave and other social cases.

6. Job Bridge

Eligibility criteria:

- Persons aged between 16 and 30, registered disabled with ETC and with an intellectual disability.

7. Mature Workers' Rule

Eligibility criteria:

- Employers who have employed persons aged between 45 and 65 after at least 6 consecutive months of registration.

8. Sheltered Employment

Eligibility criteria:

- Persons with disability from the age of 16 who are in possession of either the ETC RPD (Registered Disabled Persons) Card and/or the KNPD (Kummissjoni Nazzjonali Persuni b'Dsabilita) Yellow Card.

9. Gozo Employment Aid Programme

Eligibility criteria:

- Any person who has not been in regular paid employment for the previous 6 months and does not have a job.
- Any person who wishes to enter or to re-enter working life and who has been absent both from work and from education for at least 2 years – particularly any person who gave up work on account of the difficulty of reconciling his or her working life and family life.
- Any person who lives as a single adult with one or more dependants. By dependants, ETC includes persons who are either under 18 years of age or bedridden or who are severely mentally/physically disabled because they need continuous care.
- Any person who has not attained an upper secondary educational or vocational qualification (ISCED 3).
- Any person older than 50 years.
- Any long-term, registered unemployed person, i.e. any person who has been unemployed for 12 of the previous 16 months, or for 6 of the previous 8 months in the case of persons under 25.
- Any person who is a registered disabled person and who has a recognised, serious, physical, mental or psychological impairment.

10. Traineeship Scheme

Eligibility criteria:

- Trainees: unemployed and inactive persons;
- Employers: entities/individuals (in case of self-employer) operating a legitimate business.

11. Average Wage Earners Scheme

Eligibility criteria:

- ETC course participants who were gainfully employed and whose weekly wage is within the national average wage threshold, that is below EUR 300 per week (gross), whether they work full or part time, including the self-employed.

12. Work Trial Scheme for Youths

Eligibility criteria:

- Jobseekers or inactive individuals between the ages of 16 and 24.

13. Work and Training Exposure Scheme for Gozitan Jobseekers registered as clerks

Eligibility criteria:

- Individuals from Gozo registering on Part 1 of ETC's unemployment register as clerks.

14. NEET Activation Scheme (Youth Guarantee)

Eligibility criteria:

- Beneficiaries belonging to the category of NEETs (not in education, employment or training).

15. Alternative Learning Programme (Youth Guarantee)

Eligibility criteria:

- Young people who were in their final year of compulsory education.

16. SEC Revision Classes (Youth Guarantee)

Eligibility criteria:

- Young people who had obtained a grade 6 or lower in their mathematics, physics, Maltese or English SEC examinations or who did not sit the SEC examinations.

17. MCAST Remedial Classes (Youth Guarantee)

Eligibility criteria:

- Students who failed the June assessment in a course at MCAST.

18. Tapering of Benefits:

Eligibility criteria:

- Beneficiaries who in the last 36 months benefited from unemployment assistance (UA), social assistance (SA) or single unmarried parents assistance (SUP) for a period of 24 months can have their benefit tapered down gradually over a period of 3 years, instead of having it stopped altogether. As of 1 January 2015, single parents are not tied to the requirement of satisfying the period of 24 in the last 36 months.
- If a beneficiary does not benefit for the full 36 months, then the beneficiary can continue benefiting from the remaining months if he/she restarts employment, if he/she has again been eligible for social assistance.

19. In-Work Benefits:

Eligibility criteria:

- For couples who are both in employment, whose combined annual earnings/net profit from a gainful occupation is between EUR 10,000 and EUR 20,400, where the earnings/net profit of one of them is not less than EUR 3,000 per year, and with children living at the same address who have not reached the age of 23.
- For single parents whose annual earnings/net profit from a gainful occupation is between EUR 6,600 and EUR 15,000, and with children living at the same address who have not reached the age of 23.

20. Access to Employment

*Note: In 2015, this scheme was launched for persons with a disability. **The remaining groups will benefit from 2016.***

Eligibility criteria:

Disadvantaged persons:

- Any person aged 24 and over who has been unemployed/inactive for the previous 6 months.
- Any person aged 24 and over and who has been unemployed for the previous 12 months, during which he/she participated in a traineeship.
- Any person who is living as a single adult who has one or more dependants and is not in full-time employment.
- Any person aged 24 and over who has not attained an upper secondary educational or vocational qualification (ISCED 3) and who does not have a job.
- Any person older than 50 years who does not have a job.

Severely disadvantaged persons:

- Any person who has been unemployed/inactive for the previous 12 months, during which he/she has not benefited from a traineeship and who belongs to one of the target groups (3) to (5).
- Any person aged 24 and over, who has been unemployed/inactive for the previous 24 months, during which he/she has not benefited from a traineeship.

Disabled persons:

- Any person who is a registered disabled person under national law and is not in full-time employment.

Annex II: Non-Contributory benefits tables

Note: The entries in Tables A2-1 and A2-2 include items which the European Commission has requested not to be considered as part of a minimum income scheme for this report. They are being included since, from the Maltese perspective, these are essential components of the welfare system, which provides for minimum incomes to allow the needy sectors of the population to survive, and they are grouped under the same legislation.

Table A2-1: Non-contributory pensions pre-budget 2016

(References to 'Schedules' refer to Schedules in the Social Security Act)

Type	Payable to	Not/means tested	Amount per annum	Provided indefinitely /limited
Age pension	Payable to citizens of Malta over 60 years of age Note: A cost of living bonus of €0.70 per week is paid to persons in receipt of a national minimum pension at the married rate	Persons who are not covered by NI contributions Capital & income tests Capital means not to exceed single €14,000 & married €23,300. Claimant must first satisfy capital means test. If amount is not exceeded, the income test must also be satisfied. Claimant must not exceed applicable rate sect. 66 part IV Schedule II	Highest rates: a) married couple where both qualify: €133.25 b) couple but only 1 qualifies: €87.34 c) Widowed/single: €104.95 +€1.16 per week if rent is paid for place of habitation	Indefinite
Pension for the visually impaired	Payable to a citizen of Malta over 14 years of age whose visual activity has been certified by an ophthalmologist to be so low so as to render such a person unable to perform any work for which eyesight is essential	NOT capital tested but income tested Not exceeding basic minimum wage sect. 27 part V Schedule II From 2015 there is no limit on income earned	Highest rate: €99.79 per week +€1.16 per week if rent is paid for place of habitation	Indefinite

Pensions for persons with disability	Payable to citizens of Malta over 16 years of age. Various types of disabilities are listed under the Social Security Act	NOT capital tested but income tested Not exceeding basic minimum wage sect. 27 part V Schedule II From 2015 there is no limit on income earned	Highest rate: €99.79 per week +€1.16 per week if rent is paid for place of habitation	Indefinite
Carer's pension	Payable to single or widowed citizens of Malta who are taking care on a full-time basis of a bed-ridden or wheel-chair bound near relative	Capital & income tested Capital means not to exceed single €14,000 & married €23,300. Claimant must first satisfy the capital means test. If the amount is not exceeded, the income test must also be satisfied. Income must not exceed applicable rate sect. 68 part IV Schedule II	Highest rate: €104.13 per week No rent allowance is paid as applicant should be living with same patient who normally is the owner	Indefinite
Social assistance	Payable to: a) heads of household who are either unemployed or are seeking employment and where the relative financial means fall below the level established by the Social Security Act. b) single or widowed females who lack financial resources and who are caring for an elderly or physically/mentally disabled relative on a full-time basis	Capital & income tested Capital means not to exceed single €14,000 & married €23,300. Claimant must first satisfy the capital means test. If the amount is not exceeded, the income test must also be satisfied. Claimant must not exceed applicable rate, as per sect. 30 parts II & VI of Schedule II	a) one person: €100.87 per week b) Additional: €8.15 per week +€1.16 per week if rent is paid for place of habitation	As long as both capital and income tests are applicable
Emergency assistance	Granted to a female who is or has been rendered destitute by the head of household to the extent that she becomes an inmate of any institute for the care and welfare of such persons. This benefit is payable by the Department of Welfare	This provision has never been used		

Sickness assistance	Payable to persons suffering from a chronic disease or condition that requires a special diet	Capital & income tested. Capital means not to exceed single €14,000 & married €23,300. Claimant must first satisfy the capital means test. If the amount is not exceeded, the income test must also be satisfied. Claimant must not exceed applicable rate Means test not to exceed below rate: One person: €24.93 per week + €118.69 as the national minimum pension	a) First member of family: €24.93 per week b) Others: €19.79 per week	Indefinite
Tuberculosis assistance	Payable to head of household or any member of the household suffering from or who has, within the last 5 years, suffered from tuberculosis	Not means tested At present there are no such cases	a) To household if one person is affected: €27.72 b) Each additional member: €17.48	Indefinite Payable till end of treatment
Leprosy assistance	Payable to head of household or any member of the household who is receiving treatment for leprosy	Not means tested	a) Head of household: €35.06 per week b) Others under 16: €20.74 c) Others over 16: €35.06 d) Others not gainfully occupied: €20.74	Indefinite

Milk grant	<p>Payable to a person who has the care or custody of a child under 40 weeks of age who:</p> <p>(a) either needs to be weaned, or</p> <p>(b) is losing weight in spite of being breast fed, or</p> <p>(c) is a member of a household receiving tuberculosis assistance</p>	Entitled only if in receipt of social assistance	€20.94 per week	40 weeks From birth of child
Free medical aid	Payable to a person who on account of disability, sickness or disease (and who is not hospitalised), is in need of medical, surgical or pharmaceutical aid	<p>Means tested except in cases where the person is suffering from tuberculosis, leprosy, poliomyelitis or diabetes mellitus or other chronic diseases outlined in the Social Security Act</p> <p>Means test if person is not in insurable employment or self-employed. Maximum income: one person €27.37 + €118.69 as national minimum pension; additional persons: €8.15</p>	As necessary	Indefinite

Table A2-2: Family allowances and maternity benefits pre-budget 2016
(Also 'non-contributory' benefits)

Type	Payable to	Means testing	Amount per annum	Provided indefinitely /limited
Children's allowance	Payable to locally residing females (citizens of Malta or married to citizens of Malta) who have the care of children under the age of 16	<p>Not means tested</p> <p>Households with income over €24,620 per year</p>	€8.66 per week for each child	Until children reach 16 years of age
Children's allowance	Payable to locally residing females (citizens of Malta or married to citizens of Malta) ⁷ who have the care of children under the age of 16	<p>Household with income less than €24,620</p> <p>Allowance paid is a percentage calculated on the difference</p>	Maximum rate paid up to €22.23 per week for income less than €5,355	Until children reach 16 years of age

		between €24,620 and €5,355		
Special allowance	Payable to locally residing females (citizens of Malta or married to a citizen of Malta) who have the care of a child who is 16 years of age or over and who is either still at school or registering for employment	Means tested: household income does not exceed a stipulated amount (presently €24,620)	Paid €8.66 per week	
Disabled child allowance	Payable to locally residing citizens of Malta who have the effective custody of a child suffering from cerebral palsy or severe mental sub-normality or is severely disabled or have a child under 14 years of age who is visually impaired	Not means tested	€20 per child per week	Indefinite
Child in care	Payable to recognised institutes for the care of children, and to foster parents. The children are to be resident at a recognised institute for young persons or living with foster parents	Not means tested	€70.00 per child per week. Allowance will continue to be paid until 18 years old if not gainfully occupied	Until children are 18 years old provided they are not in gainful occupation
Children living in a therapeutic community	An allowance of €23.29 per week is paid to persons over the age of 16 who are residents in a therapeutic community			
Maternity benefit	Payable to locally residing pregnant citizens of Malta	Not means tested	Weekly rate as maternity benefit: €87.35 for non-employed females and €166.26 for self-employed females as from January 2015	For the last 8 weeks of pregnancy and the first 6 weeks after childbirth. Only payable if the female is not entitled to maternity leave from her employer, if employed
Marriage grant			Marriage Grant: €232.94	

Bonus (1) Payable in June & December	Payable to all persons receiving a pension, orphan's allowance, social assistance and leprosy assistance under the Social Security Act.	Not means tested	€135.10 in June & December	Indefinite
Bonus (2) Payable in June & December	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	Not means tested	€216.22 €135.10 + €81.12 in June & December	Indefinite
Additional bonus payable on a weekly basis		Not means tested	€3.12 per week which is paid with corresponding pension or assistance	Indefinite
Supplementa ry allowance	Payable to households where the total income of the members falls below the limits outlined by the Social Security Act from time to time	At present the annual income limit for this type of allowance stands at €10,968 for a married person and €8,800 in the case of a single person	Married: €422.76; Single: €237.64	Indefinite
Energy benefit	Payable to households that do not consume specific amounts	Depending on energy use	As per applicable scales	Indefinite

