

Unemployment Benefit under the Social Security Act (Malta) Chapter 318

Unemployment Benefits fall independently under two Social Security schemes:-



Contributory Short Term Benefits

- Unemployment Benefit
 - *Contribution Tested*

Non-Contributory Benefits

- Unemployment Assistance
 - *Capital / Means Tested*



Insurability Criteria for all Maltese contributory benefits

In Malta there is only one occupational government Insurance Scheme, that covers all Contributory benefits, E.g.:

- Retirement and Widow/ers Pensions; and
- Short-Term benefits:
 - Sickness Benefit;
 - Occupational Injury Benefit;
 - Unemployment Benefit.
- **Employed persons pay Class 1 Contributions;**
- **Self-employed persons pay Class 2 Contributions.**
 - Class 1 – are paid by the employer on behalf of the employees at income related progressive rates;
 - Class 2 – are paid directly by the insured person at applicable income related progressive rates.



Qualifying Criteria for Unemployment Benefit - 1

No Distinction in eligibility criteria between:

- ✓ **Employed or Self-employed** persons;
- ✓ **Full-time or Part-time** employments.

Contributory Unemployment Benefit

- Paid not less than 50 contributions prior to date of Claim.
- Paid or credited not less than 20 contributions during the last 2 years prior to benefit claim year.

Non-contributory Unemployment Assistance

- Citizenship (EU) – Residence (MT)
- A Capital and Income means test is undertaken.
- Eligible applicant must form a household of his/her own.



Qualifying Criteria for Unemployment Benefit - 2

- ✓ **Common qualifier for Contributory and Non-Contributory Unemployment Benefits**

Registration for Employment with JOBSPLUS (Malta Employment Agency)

- Under Part 1 of the Unemployment Register
- Benefits and Assistance shall **STOP** if JOBSPLUS disqualifies a person from Part 1 Registration.
- **Reason of disqualification may be:**
 - Unjustified failure to register for work;
 - Unjustified refusal to take an offered job;
 - Unjustified partaking of job training or upskilling opportunity.



Duration of Unemployment Benefit Claims

- ✓ **No Distinction** in duration criteria between **Employed or Self-employed** persons

Contributory Unemployment Benefit

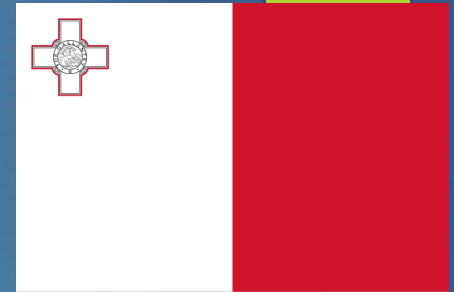
- Paid for a continuous period of maximum 156 days (6 months).
- Assuming having a pre-claim contribution history of 156 contributions and credits.

Non-contributory Unemployment Assistance

- Indefinite as long as Registering for work under Part 1 of the Jobsplus (Malta employment Agency); or
- As long as Capital/Mean Test conditions are satisfied.

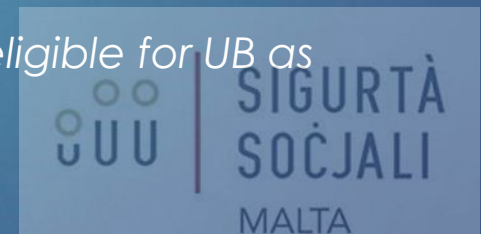


Unemployment Benefit Payments - History...



➤ A brief History of UB payments in Malta

- Unemployment Benefit was established in 1956 **but** only for insured Employees.
- Ex- Self-employed insured persons were not eligible for UB even if they paid social security contributions and registered for work.
- Ex- SE persons were eligible for non-contributory Social Assistance if they pass the required means test.
- Then in 1996, Self-employed persons became eligible for UB Credits if they pass contribution tests and registered for work under Part 1 of the national unemployment register – **BUT no benefit payment was due.**
- As from 2019, Self-employed persons became equally eligible for UB as employed persons, and with the same eligibility criteria.



Unemployment Benefit Payments



- **A brief History of UB payments in Malta (cont.)**
- Until 2023 Unemployment Benefit was paid as Flat Rates:

THIRD SCHEDULE (Articles 18, 28, 29, 30)

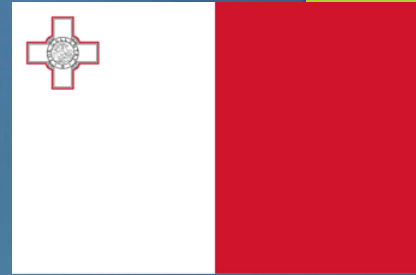
SECTION I

2023 *Rates for Sickness, Unemployment, Special Unemployment, Injury Benefit, Maternity Benefit, Maternity Leave Benefit, and Marriage Grant.*

Benefit	Daily Benefit Rate for a 6-day Week	
	Single Parent or Married Person maintaining a Spouse which spouse is not working full-time	Any other person
Unemployment Benefit	€ 13.97	€ 9.13
Special Unemployment Benefit	€ 23.45	€ 15.47

These rates were considered as inadequate with time and not comparable to salaries earned prior to unemployment.

Unemployment Benefit Payments after 2023 - 1

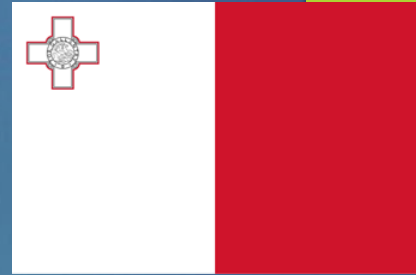


As from 2024, Unemployment Benefit was reformed:

- The Benefit rates became calculated in percentages related to claimants' pre-claim salaries as obtained from the Commissioner of Revenue:
- In the first 6 weeks of unemployment as registered with Jobsplus, the benefit rate starts at 60% of the individual's pre-claim salary* or earnings.
- In the following 10 weeks the rate will be that of 55% of the individual's pre-claim salary* or earnings; and
- In the last 10 weeks the rate drops to 50% of the individual's pre-claim salary* or earnings.

*** There is a minimum and maximum capped benefit rate tied to the insured person's insurable income** (i.e. not necessarily the pre-claim gross salary) as shall be seen in the following slide...

Unemployment Benefit Payments after 2023 - 2



2024, Unemployment Benefit reform (cont.):

- The lowest benefit rate is based on the National Minimum Wage, while the maximum rate is calculated on 175% of the National Minimum Wage.
- In 2025, the **National Minimum Weekly Wage** stands at : **€221.78**
- For the majority of claims the rate shall be proportional to the pre-claim basic weekly wage.
- The next slide shall present the increase UB rates between years 2023 and 2025.

There was no increase in social security contribution premiums as a consequence of this reform.



Unemployment Benefit Payments today.



➤ Percentage Increase from 2023 to 2025:

- In the first 6 weeks of claim, there is a minimum benefit rate increase of **42.8%** and a maximum benefit rate increase of **150%**.
- In the following 10 weeks of claim, there is a minimum benefit rate increase of **31%** and a maximum benefit rate increase of **129%**.
- In the last 10 weeks of claim, there is a minimum benefit rate increase of **19%** and a maximum benefit rate increase of **108.4%**.

MT Labour Force in Sept. 2024: 289,596 (NSO)

Unemployment Benefit Claims in 2024: 2,714

- ✓ **Unique Persons: 2,359**
- ✓ **Self-employed UB Claims: 122**
- ✓ **SE unique persons: 115**



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MALTA

Thank you

Adrian Sacco

Dept. Of Social Security.
38, Ordinance Street,
Valletta, MT

e-mail: adrian.sacco@gov.mt
<https://socialsecurity.gov.mt/en/>



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