EU PolicyWatch

<u>Database of national-level policy measures</u>

Eurofound's EU PolicyWatch collates information on the responses of government and social partners to the COVID-19 crisis, the war in Ukraine, rising inflation, as well as gathering examples of company practices aimed at mitigating the social and economic impacts.

Overview		Factsheet for measure MT-	-2020-11/272 – Updated – measures in Malta	
War in Ukraine				
<u>Countries</u>	~	Additional unemployed		
<u>Types</u>	~	benefit		
<u>Categories</u>	~	Beneficcju Addizzjonali ta' Dizimpjieg		
Target groups	~	Denenceja Addizzjonan ta Dizinipjieg		
Search database		Country	<u>Malta</u> , applies nationwide	
Related content Eurofound website		Time period	Temporary, 09 March 2020 – 03 July 2020	
		Context	COVID-19	
		Туре	<u>Legislations or other statutory regulations</u>	
Topic: Stand with Ukraine		Category	Income protection beyond short-time work – Income support for unemployed	
Topic: COVID-19		Author	Luke Anthony Fiorini (University of Malta) and Eurofound	
		Measure added	04 April 2020 (updated 15 November 2021)	

Background information

COVID-19 had a substantial impact upon the Maltese economy. The government rolled out several initiatives to save jobs, but it was clear early on that unemployment was rising. In view of this, an additional unemployment benefit for individuals who

due to the impact of COVID-19 lost their job in the private sector after the 8th March 2020 was introduced. This will be received in conjunction with the Contributory Unemployment Benefit.

Content of measure

This will be received by individuals who were working full-time or part-time in the private sector before becoming unemployed after the 8th March 2020. Additionally, individuals must be registering for work under Part 1 with Jobsplus (that national employment and training agency).

Such individuals who would qualify for the 'Contributory Unemployment Benefit' would also be eligible for this additional benefit. Between the two, individuals will receive a direct payment of €166.15 a week for those who were working full time, or €103.85 for those who were working part-time before they became unemployed.

Additionally, their Social Security Contribution will be paid, and their future contributory pension rights safeguarded. Children's allowance will continue to be received and increased to the maximum rate of €24.08 per week per child (depending on previous income, individuals may already have been in the maximum children's allowance bracket). Other benefits that the person may have been entitled to such as the 'In Work Benefit' and 'Supplementary Allowance' will also continue to be received.

Updates

The following updates to this measure have been made after it came into effect.

03 July 2020 This measure has ended.

Use of measure

In March 2020, unemployment increased by just over 300 individuals. The number of individuals who made use of this measure however was not released.

By the beginning of June, €13.2 million have been paid out to 8,360 beneficiaries for benefits related to parents, those with medical conditions, disability and those who applied for the additional unemployment benefit. A total of €17.5 million will be handed out by the end of June. A further breakdown is unavailable, however by the beginning of June, 234 individuals stopped applying for the additional employment benefit as they had found a job.

A 2021 prebudget document highlighted that in terms of the additional unemployment benefit, 2,140 specifically benefitted from this scheme, incurring a cost of €3.5 million.

Target groups

Workers	Businesses	Citizens
<u>Unemployed</u>	Does not apply to businesses	Does not apply to citizens

Actors and funding

Actors	Funding
National government Social insurance	National funds

Social partners

Social partners' role in **designing the measure** and form of involvement:

	Trade unions	Employers' organisations
Role	Consulted	Consulted
Form	Direct consultation outside a formal body	Direct consultation outside a formal body

Social partners' role in the **implementation**, **monitoring and assessment phase**:

- No involvement
- Main level of involvement: Unknown

Involvement

This measure was announced by the Government as part of a second package of measures in response to the COVID-19 pandemic. The announcement of such measures was precipitated by social partner pressure who aired their concerns publicly in the media and directly with Government. On the announcement of these measures, social partners stated that whilst the measures were beneficial, they were not sufficient. It was also stated that consultation was limited and insufficient. This changed a few days later when a third package was agreed between the social partners; the current measure was retained as part of that package too. The measure is administered by the social security department.

Views and reactions

In view of the COVID-19 pandemic's impact upon business, and following consultation with social partners, the government initially announced a package of measures which included the deferral of taxes and financial support to incentivise telework. Following this announcement, employer associations publicly announced that these were insufficient and would not protect their businesses or jobs, stating the government instead needed to subsidise wages. These calls continued when on

the 18th March, the government announced further measures including support for those who had lost their job (this measure), the disabled, and for employers to subsidise quarantine leave. The measures introduced by this package were appraised positively by the social partners, but were viewed as insufficient. On the 24th of March, the government announced a third package of measures which included support for wages and other measures previously announced. This third package of measures was announced by the government whilst flanked by union and employer association members. It was announced that this package was the result of tripartite consultation. Furthermore, following announcement of these further measures, employer associations announced their satisfaction with the package.

Sources

- 18 March 2020: COVID 19 Additional unemployment benefit
- 01 October 2020: Ministry for Finance Pre budget document 2021 (<u>finance.gov.mt</u>)

Citation

Eurofound (2020), *Additional unemployed benefit, measure MT-2020-11/272 (measures in Malta),* EU PolicyWatch, Dublin,

https://static.eurofound.europa.eu/covid19db/cases/MT-2020-11_272.html

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19 May 2022

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