12th International Review of Leave Policies and Related Research 2016

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Malta¹

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For comparisons with other countries in this review — on demographic, economic, employment and gender equality indicators and on leave provision and early childhood education and care services - go to <u>cross-country comparisons</u> page on website. To contact authors of country notes, go to <u>membership-list of members</u> page on website.

1. Current leave and other employment-related policies to support parents²

a. Maternity and special Maternity leave (responsibility of Ministry of Social Dialogue, Consumer Affairs, and Civil Liberties)

Length of leave

- Eighteen weeks: six weeks must be taken following the birth, while a further eight weeks can be taken before or after birth. A further period of up to four weeks may be taken, immediately after the take-up of 14 weeks. It is obligatory to take six weeks following the birth.
- Special Maternity leave is granted when suitable alternative work and/or work hours (in terms of health and safety during pregnancy or during the twenty-six weeks starting from the date of confinement) are not possible. In such instances, the mother is granted leave, up to the time-limit stipulated by the statutory Maternity leave.

Payment and funding

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• For Maternity leave, 100 per cent of earnings for 14 weeks with no ceiling on payments, followed by a flat-rate payment equivalent to the statutory minimum wage (€166,26 per week) for the final four weeks. During the special Maternity leave, an allowance is paid, equivalent to the rate of sickness benefit.

 Women on Maternity leave or special Maternity leave are entitled to all rights and benefits which may accrue to other employees of the same class or category of employment at the same place of work, including the right to apply for promotion. Furthermore, the mother is entitled to return to the same job. If for a valid reason, the position is no longer available, she is entitled to equivalent or similar work and conditions of employment.

¹ Please cite as: Camilleri-Cassar, F. (2016) 'Malta country note', in: Koslowski A., Blum S. and Moss P. (eds.) *International Review of Leave Policies and Research 2016*. Available at: http://www.leavenetwork.org/lp and r reports/

² There is a distinction between policies in the public sector and those pertaining to the private sector and which do not fall under the Wages Council Wage Regulation Orders (WRO). Policies under the WRO include employees engaged in a contract of service in the private sector, and are outside the scope of this report.

- With the exception of bonuses or allowances related to performance or production, all automatic or fixed allowances specifically incorporated in the pay package should not be deducted during such leave.
- Funded by employers (public or private), except for the final four weeks paid at minimum wage level, which is funded by the government, via the department of Social Security.
- The Maternity Leave Trust Fund was implemented in July 2015 with the aim of addressing discrimination against the employment of women in the private sector. Although employment law prohibits gender discrimination at the stage of recruitment, employers in the private sector are often wary of employing women, due to the possibility of pregnancy and payment for maternity leave. The Trust Fund will be financed through contributions by private companies.
- The premium contribution is calculated at 0.3 per cent of the basic wage of all employees, and the amount collected will go into the Trust Fund. Private employers will receive a refund from the Maternity Leave Trust Fund for wages paid to women during their 14 weeks maternity leave. The new policy will not change the system of payment to women on maternity leave (i.e. full wage for the first 14 weeks paid by the employer, and a flat rate paid by the government for the remaining 4 weeks of maternity leave).
- The computation of the 0.3 per cent is based on the number of women engaged in employment, the annual basic wage, probability of maternity, probability of women who exit the labour market before/during/after pregnancy, and the number of women working in private sector. The Trust Fund will be calculated on a 3-month, 6-month or 12-month reimbursement system (yet to be established) by the government to employers after their payment of maternity leave.

Flexibility in use

None, except for eight weeks of leave that can be taken before or after birth.

Eligibility

• All employees and self-employed women³.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent) or delegation of leave to person other than the mother

• In those cases where, owing to a pathological condition arising out of confinement, an employee is unable to resume duties at the end of the maternity leave, she will be entitled to a further period of absence of up to five weeks, which are deducted from her paid sick leave. Any period of absence in excess of the paid sick leave entitlement is considered sick leave without pay.

b. Paternity leave (public sector)

Length of leave

• Two days after birth.

Payment and funding

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³ A self-employed woman who has recently given birth is eligible for Maternity Leave Benefit; this benefit is paid for 4 weeks in addition to the first 14 weeks as maternity benefit entitlement.

- One hundred per cent of earnings with no ceiling on payments.
- Funded by the government (as employer).

Flexibility in use

• Must be taken up within fifteen days of the birth.

Eligibility

• All employees.

b. Paternity leave (private sector)

Length of leave

One working day.

Payment and funding.

- Hundred per cent of earnings with no ceiling on payments.
- Funded by the employer.

Flexibility in use

None.

Eligibility

All employees.

Variation in leave due to child or family reasons (e.g. multiple or premature births; poor health or disability of child or mother; lone parent) or delegation of leave to person other than the father.

Two days leave in the case of multiple births.

c. Parental leave (public sector) (responsibility of Ministry of Social Dialogue, Consumer Affairs and Civil Liberties)

Length of leave (before and after birth)

• Twelve months per family. If both parents work in the public sector, they only receive 12 months shared between them.

Payment

 None. However, child credits are awarded to parents who take a career break or terminate employment to care for their child/children under 6 years of age. Credits are due for the first three children, even if parent does not return to employment. Any credits for the fourth child and onwards (if required) will be awarded provided parent returns to employment for the same number of years of credits to be awarded.

Flexibility in use

- Parental leave may be taken in one continuous period of twelve months or in continuous periods of four, six, or nine months.
- Four months may be broken down in periods of one month at a time and taken until the child is eight years old, and may be granted on a full-time or a part-time basis.
- Leave may be shared between the parents if both are public sector employees.
- Parents cannot be on leave together.

Eligibility

• At least twelve months continuous service.

Variations in leave policy

 Public officers in the positions of head, director or assistant-director are eligible to four months unpaid parental leave instead of the twelve months.

c. Parental leave (private sector, unless covered by Wage Regulation Orders⁴) (responsibility of Ministry of Social Dialogue, Consumer Affairs and Civil Liberties)

Length of leave (before and after birth)

• Four months per parent. Leave is an individual entitlement.

Payment

 None. However, child credits are awarded to parents who take a career break or terminate employment to care for their child/children under 6 years of age. Credits are due for the first three children, even if parent does not return to employment. Any credits for the fourth child and onwards (if required) will be awarded provided parent returns to employment for the same number of years of credits to be awarded

Flexibility in use

- Leave may be taken in blocks of one month, up to the child's eighth birthday.
- Parents cannot be on leave together.

Eligibility

At least twelve months continuous service.

d. Childcare leave or career breaks (public sector)

• A one-off five-year career break can be taken until a child is eight years old.

⁴ 31 sectors in the private sector fall under WROs, including: hospitals and clinics, construction, private cleaning services, printing and publishing, seamen, hotels and clubs, etc. Workers covered by Wage Regulation Orders have their own legal entitlements which are amended regularly (e.g. hours of work). Reference to 'private sector' benefits in this report, cover only non-WRO workers. For more information see https://dier.gov.mt/en/Legislation/Pages/Wage-Regualtion-Orders.aspx; and also https://www.justiceservices.gov.mt/LOM.aspx?pageid=27&mode=chrono&gotolD=452

Payment

 None. However, child credits are awarded to parents who take a career break or terminate employment to care for their child/children under 6 years of age. Credits are due for the first three children, even if parent does not return to employment. Any credits for the fourth child and onwards (if required) will be awarded provided parent returns to employment for the same number of years of credits to be awarded.

Flexibility in use

- The five years must be taken in one continuous block, and may be reduced by multiples of three months.
- If the five years are not fully used, the outstanding leave may be taken up for the care of another child/children.
- The career break may be shared by both parents if both are employees in the public sector.

Eligibility

 All employees in the public sector. However, female employees must undertake six months employment either after Maternity or Parental leave, or else immediately after the career break.

d. Childcare leave or career break (private sector)

No statutory entitlement, any career break being at the discretion of the employer.

e. Other family-employment related measures (public sector)

Adoption leave and pay

• The same as Maternity leave.

Time off for the care of dependants

 Public sector workers may apply for up to one year of unpaid leave to care for elderly parents, disabled children or spouses.

Flexible working

- Employees in the public sector with one year of service may apply to work flexi-time for 12 months. This is renewable every year, with a full-time salary and other benefits. Employees may work different time schedules in winter and summer.
- Employees in the public sector may apply to work reduced hours (i.e. between 20 and 35 hours per week) until their children are 16 years old, with pro-rata payment.
- Employees in the public sector may apply to work on a teleworking arrangement for 12 months (renewable every year).

e. Other family-employment related measures (private sector)

Adoption leave

 Four months unpaid leave, until the child is eight years old, which may be used in one-month blocks.

Reduced hours

Pro-rata benefits must be based on existing full time working conditions.

Flexible working

None

2. Relationship between leave policy and early childhood education and care policy

The maximum period of post-natal leave available in Malta is 76 months for public sector workers who use Parental leave and career breaks; or just under one year for private sector workers. In both cases, most of the leave period is unpaid, with leave paid at a high rate for just over three months. There is an entitlement to free attendance at ECEC services for children from three months of age who have a parent in full-time education or employment. Consequently, there is no gap between the end of paid leave and an ECEC entitlement (for parents in full-time public sector employment or education). However, all children are entitled to attend ECEC from three years of age irrespective of whether the parent is economically active, or a stay-at-home parent. Levels of attendance at formal services are above the average for the countries included in this review and OECD countries, both for children under and over three years. For actual attendance levels, see 'relationship between leave and ECEC entitlements' on cross-country comparisons page.

3. Changes in policy since April 2015 (including proposals currently under discussion)

Statutory Maternity leave increased from 16 to 18 weeks in January 2013, with 14 weeks paid at 100 per cent of earnings. As of January 2015, payment for the remaining four weeks was introduced, at the level of the national minimum wage. As of August 2015, Maternity leave that includes August is to be treated as vacation leave and paid accordingly for all educators working in schools and/or under school-work conditions.

4. Take-up of leave (public sector)⁵

a. Maternity leave

In 2014, 600 women took up their entitlement to 14 weeks of paid maternity leave. However, the number fell substantially - to 431 women - for the remaining low-paid four weeks of Maternity leave.

b. Paternity leave

There is no information available.

c. Parental leave

⁵ https://opm.gov.mt/en/PAHRO/ERM/Pages/Reports/Reports.aspx

There is a clear gender gap in the take-up of unpaid Parental leave in 2014, with only 13 men taking leave compared with 473 women.

d. Childcare leave and Career breaks

Two hundred and fifty-three women took up their entitlement to an unpaid career break, of up to five years in 2014; only 7 men opted for the benefit.

A study of social policy in Malta finds that unpaid family leave is synonymous with career regression, and interruption in national insurance contributions. This in turn perpetuates women's financial dependence on men and increases the feminisation of poverty in old age (see Camilleri-Cassar, 2005). Until leave-to-care policies can offer financial compensation for loss of earnings, and are modified to allow time for the equal sharing of care between women and men, gender inequality will persist, both in the workplace and domestic sphere in Malta.

e. Other family-employment related measures

1,234 women opted to work reduced hours in 2014, compared with 82 men. However, reduced hours need not necessarily be for reasons of childcare.

4. Take-up of leave (Private sector)⁶

There is no information available.

5. Research and publications on leave and other employmentrelated policies since April 2015

a. General overview

Malta's leave schemes are based on a clear division between the public and private sectors, with employees in the public sector having more favourable conditions. They also assume and sustain a male breadwinner system. They are patchy, and have done little to change father practices. Leave policies couched by the state as family friendly, fall disproportionately on women, while men's employment is undisturbed by their transition into fatherhood. Most fathers in Malta are unable to shoulder the loss of income, and loss in retirement pension due to interrupted national insurance contributions during their unpaid leave. Admittedly, it makes economic sense that a clear majority of care-leave takers are women in a male breadwinner regime.

One of the most obvious of gender inequalities is the two day Paternity leave (one day in the private sector) compared with eighteen weeks Maternity leave. Such discriminatory practices supported by the State can only broaden the gender gap, and reinforce traditional family patterns of a male breadwinner ideal type in Malta. Typical of a male breadwinner model, unpaid leave schemes are taken up largely by women, which leaves the basic gendered structure of society untouched.

A study of social policy in Malta finds that unpaid family leave is synonymous with career regression, and interruption in national insurance contribution that in turn perpetuate women's financial dependence on men and increase the feminisation of poverty in old age

⁶ Personal communication with the Department of Industrial and Employment Relations, Malta. http://dier.gov.mt/en/Pages/home.aspx

(see Camilleri-Cassar, 2005 in section 5). Until leave policies can offer financial compensation for loss of earnings, and are modified to allow time for the equal sharing of care between women and men, gender inequality will persist, both in the workplace and domestic sphere in Malta.

Research and publications are patchy and consist largely of a few newspaper articles by employers' associations lamenting the (un)fairness to employers for having to pay for maternity leave. Other than that publications are mainly annual reports by government departments such as the Public Administration HR Office of the Prime Minister or short comments uploaded on line by law firms in Malta. Statistics that would provide a clear picture of the take-up of leave policies for drawing up leave policies that are effective in Malta are dated or not available.

b. Selected publications since April 2015

PAHRO (2014) Family Friendly Measures Report 2013, Public Administration HR Office, Malta.

The report provides data on the take-up of family-friendly measures in the public administration of Malta. Data is broken down by gender, and salary scale and presents some analysis of employee work-family needs.

Camilleri-Cassar, F. (2015) *Country fiches on gender equality and policy developments*, European Network of Experts on Gender Equality.

c. Ongoing research

The Public Administration HR Office of the Office of the Prime Minister is currently working on the 2015 Annual Report of Family-Friendly measures. Other than that, information on ongoing research is not available.