COVID-19 Corona Virus – Economic Mitigating Measures

Over the past week, Government has announced a series of assistance packages as part of its ‘war chest’ to mitigate the impact of the Corona Virus crisis on the Maltese economy. It is evident that practically all sectors are being affected, some to a much greater extent than others.

The packages are targeted measures to address different sectors, and also various segments of Maltese society. It was felt by the MEA and other bodies that the initial measures were going to have insufficient impact on businesses and over the past days we were involved with discussions to enhance the fiscal incentives. The result of these discussions was announced by the Prime Minister on Tuesday, 24th March.

The following list is the total measures that have been put into effect as of the 9th March:

   - Government will be covering the costs of up to 5 days wages based on €800 per month.
   - Employers will be adding up to €400 per month to this benefit. Employees earning less than €1200 per month will receive that portion of the wage between the €800 and the €1200.
   - Part-timers will receive €500 per month (it is not clear whether this is pro-rated or not – we are awaiting a clarification)

2. Companies who fall under NACE codes as per Annex B: https://covid19.maltaenterprise.com/wp-content/uploads/2020/03/Annex-B-Sectors.pdf will be entitled to benefits listed below. These companies include those whose closure was deemed mandatory by the Superintendent of Public Health, and others who have been most hit by the outbreak of the virus.
One day per week of employee wages will be covered by government, based on a maximum wage of €800 per month (€160 per week)

In the case of part-timers, the amount is of €100 per month

Gozo based enterprises will be eligible to 2 days wages per week (€320 monthly)

Part-timers working in Gozo based enterprises will benefit from €100 per month.

Self-employed persons will be entitled to 2 days wages per week (€320 per month)

Self-employed persons who employ staff will be entitled to 3 days per week (€480 monthly)

These measures will be administered by Malta Enterprise. The contact is: covid19@maltaenterprise.com

3. Fiscal Stimulus Package

There will be a two-month deferral to enterprises, including the self-employed, on payments of provisional tax, employee taxes, maternity fund payments and social security contributions and VAT falling due in March and April 2020. This incentive is primarily aimed, but not limited to, the tourism and hospitality, entertainment, transport and manufacturing sectors. Guidelines and the application form for this scheme are available on: https://covid19.maltaenterprise.com/further-liquidity-measures/

4. Quarantine Leave

Quarantine leave will be reimbursed to employers at the rate of €350 per employee. Details to be found at: https://covid19.maltaenterprise.com/quarantine-leave/

5. Parents who cannot Telework

Parents who choose to look after their children and cannot telework shall be entitled to 8 weeks unpaid leave and receive a benefit of €800 per month. Only one parent may apply for the benefit. It applies also for single parents.

6. Incentives for Teleworking

Malta Enterprise is offering incentives for employers to invest in teleworking technology. Details are available at: https://covid19.maltaenterprise.com/teleworking/

7. Disabled Persons

Disabled persons who work in the private sector and are registered with JobsPlus and chose to stay home during the outbreak because they are more vulnerable to COVID-19 due to their condition, will benefit from €800 monthly.

These incentives are effective as of the 9th March. Employers who have made redundancies can still benefit if they re-employ the redundant employees.

The above is subject to updating as the situation develops. We are conscious that the package announced on the 24th March has focused on particular sectors, and that there are other enterprises who are also in dire straits as a result of the outbreak of the virus. There is a chain reaction as the ripples are reaching other sectors such as importers. Manufacturing is also feeling the pinch. Other areas, such as independent schools are also being affected. We are monitoring the situation closely and will keep employers involved and informed of developments.

Important:

Employers who need to vary their employees conditions of employment ex: reducing working week or just putting employees on unpaid leave after forcing annual leave need to request authorization from DG DIER by contacting info.dier@gov.mt, or reach agreement with the union, in case of unionised companies.

In terms of law authorization is valid for a period of 4 weeks and employers would have to keep applying for an extension beyond this time.