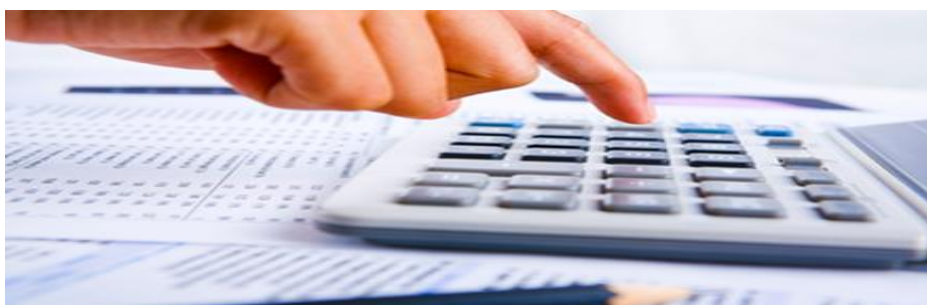


Update

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Payroll adjustments for 2015

Cost of Living Wage Adjustment (COLA) for the year 2015

The Cost of Living Wage Adjustment (COLA) for 2015 is **€ 0.58** per week.

Persons on the minimum wage who receive the COLA will be exempt from paying tax on the increase.

National Minimum Wage

The National Minimum Wage related to a normal working week shall consequently be increased as follows, with effect from 1st January 2015.

- Aged 18 years and over - **€ 166.26** per week
- Aged 17 years - **€ 159.49** per week
- Aged below 17 years - **€ 156.64** per week

Part-Time Employees

Part-time employees are to have their wages **increased pro-rata by an hourly rate not below one fortieth of the applicable weekly rate shown above.** Their **National Minimum Wage shall likewise be pro-rated at an hourly rate not below one-fortieth of the applicable weekly rate shown below.**

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CORPORATE SPONSOR



Public & National Holidays for the 2015

Thursday 1 st January	New Year's Day
Tuesday 10 th February	Shipwreck of St Paul
Thursday 19 th March	St Joseph
Tuesday 31 st March	Freedom Day
Friday 3 rd April	Good Friday
Friday 1 st May	Workers' Day
Sunday 7 th June	Sette Giugno
Monday 29 th June	St Peter and St Paul
Saturday 15 th August	The Assumption
Tuesday 8 th September	Victory Day
Monday 21 st September	Independence Day
Tuesday 8 th December	The Immaculate Conception
Sunday 13 th December	Republic Day
Friday 25 th December	Christmas Day

Whenever a Public Holiday falls on a weekend this is not added to the optional vacation leave. There are 3 such holidays during 2015 namely:

Sunday 7th June, Saturday 15th August, and Sunday 13th December

Income Tax Measures

Changes to the income tax brackets applicable to individuals

The highest personal income tax rate of 29% applicable to individuals who earn less than €60,000 will be further reduced to 25% under single, married and parent computations. Income over €60,000 will remain taxable at 35%.

The tax free income ceiling applicable to those opting for a single tax computation will be increased to €9,150. Hence those who earn only the minimum wage will not be taxable even when taking into consideration the statutory bonuses.

The married rates of tax shall also be applicable to those persons joined under a civil union.

Tax Rates for Basis Year 2015

Rates	Single Computation Tax Bands	Married Computation Tax Bands	Parent Computation Tax Bands
0%	Up to €8,500	Up to €11,900	Up to €9,800
15%	€8,501 - €14,500	€11,901 - €21,200	€9,801 - €15,800
25%	€14,501 - €19,500	€21,201 - €28,700	€15,801 - €21,200
25% ¹	€19,501 - €60,000	€28,701 - €60,000	€21,201 - €60,000
35%	Over €60,000	Over €60,000	Over €60,000

¹ Not applicable to dividend income which remains taxable at 35%.

Employment Measures

Maternity Leave

The additional four week period of maternity leave paid by the Government at €160 per week is being increased to €166.27 per week to reflect the increase in the minimum wage.

A maternity leave fund shall be set up whereby every employer will pay for every employee a contribution to the fund. The 14 week Maternity Leave will be paid from this fund.

As from 1st January 2015, maternity leave to self-employed women will be paid by the Government at the minimum wage of €166.27 per week for a total of 14 weeks.

Maternity leave benefits shall be extended to those parents who adopt a child.

Employment of disabled persons

Maltese Law currently provides that companies employing more than 20 people must have in their employment at least 2% of its workforce made up of people with disability. Those companies not abiding by such rule will now have to compensate by paying an annual amount of €2,400 for every disabled person that should have been employed, up to a maximum of €10,000. For 2015 the employer will pay one third of the amount due, two-thirds in 2016 and the full amount in 2017.

Furthermore, those employing a person with disability will be exempt from paying the respective social security contributions and shall also be entitled to an income tax credit equivalent to the wage paid up to a maximum of €4,500 for every disable person employed.

National Insurance Contributions

With effect from 1st January 2015, the National Insurance Contributions have been revised as follows:

Part I Rates of Class One Contributions (Employed Persons)

The following table has been issued by the Department for Social Security and includes the calculations for Social Security contributions for 2015 for all categories of employees. These rates have been adjusted to reflect the revised calculations as part of the pension reform.

Category	Type of Employed Persons	Weekly Rate of Contribution Payable by Employed Person	Weekly Rate of Contribution Payable by the Employer
A	Persons under 18 years of age whose basic weekly wage or the weekly equivalent of their basic monthly salary does not exceed €166.26	€6.62	€6.62
B	Persons over 18 years of age whose basic weekly wage or the weekly equivalent of their basic monthly salary does not exceed €166.26	€16.63, or if the insured person elects, 10% calculated to the nearest cent of such person's basic weekly wage or the weekly equivalent of such person's basic monthly salary (see note 1 below)	€16.63

C	Persons born on 31 December 1961 or before whose basic weekly wage or the weekly equivalent of their basic monthly salary exceeds €166.26 but does not exceed €343.11	10% calculated to the nearest cent of their basic weekly wage or the weekly equivalent of their basic monthly salary	10% calculated to the nearest cent of their basic weekly wage or the weekly equivalent of their basic monthly salary
	Persons born on 1 January 1962 or after whose basic weekly wage or the weekly equivalent of their basic monthly salary exceeds €166.26 but does not exceed €418.25 (see note 2 below)		
D	Persons born on 31 December 1961 or before whose basic weekly wage or the weekly equivalent of their basic monthly salary exceeds €343.11	€34.31	€34.31
	Persons born on 1 January 1962 or after whose basic weekly wage or the weekly equivalent of their basic monthly salary exceeds €418.25 (see note 2 below)	€41.83	€41.83
E	Persons under eighteen years of age who are following a full-time course of studies or instruction under the Student-Worker Scheme, or other similar schemes (including the Extended Skills Training Schemes, but excluding the Worker-Student Schemes) involving distinct work and study periods for which they are receiving remuneration	10% calculated to the nearest cent of the basic weekly remuneration or the weekly equivalent of their basic monthly remuneration up to a maximum rate of contribution of € 4.38	10% calculated to the nearest cent of the basic weekly remuneration or the weekly equivalent of their basic monthly remuneration up to a maximum rate of contribution of € 4.38
F	Persons over eighteen years of age who are following a full-time course of studies or instruction under the Student-Worker Scheme, or other similar schemes (including the Extended Skills Training Schemes, but excluding the Worker-Student Schemes) involving distinct work and study periods for which they are receiving remuneration	10% calculated to the nearest cent of the basic weekly remuneration or the weekly equivalent of their basic monthly remuneration up to a maximum rate of contribution of € 7.94	10% calculated to the nearest cent of the basic weekly remuneration or the weekly equivalent of their basic monthly remuneration up to a maximum rate of contribution of € 7.94

NOTE 1: If the insured person elects to pay a contribution of 10% of a basic wage or salary less than the weekly equivalent of the National Minimum Wage, such contribution may, if the person qualifies for a contributory benefit or a contributory pension, result in the payment of a reduced contributory benefit or contributory pension.

NOTE 2: As a result of the pension reform enacted by virtue of Act XIX of 2006 and Legal Notice 336 of 2006, the increase in the highest contribution rate payable with effect from January 2014, is related to a guaranteed maximum pensionable income of €21,749 for persons born on or after 1st January 1962.

Part II Rates of Class Two Contributions

Rates for Class 2 Social Security Contributions are based on the annual net profit or income for the year preceding the contribution payment year.

For Social Security Contribution purposes:

Self Occupied persons are persons who earn income from Trade, Business, Profession, Vocation or any other economic activity that exceeds € 910 per annum.

Self Employed persons are persons who receive income from rents, investments, capital gains or any other income.

Rates of Class Two Contributions (Self Occupied Persons)

Category	Type of Self Occupied Persons	Weekly Rate of Contributions payable by a self-occupied person
	Persons whose annual net earnings (excluding Maternity Benefit, Children's Allowance and any ex-gratia Benefit payable under article 88 of this Act) during the calendar year immediately preceding the contribution year in which the contribution is being paid:	
SA	is less than €9,869	€ 28.47 or 15% of the annual net earnings if the person is a part-time self-employed woman whose annual net earnings do not exceed € 9,869 (see NOTE 1 below) or €18.98 if the person is a full-time farmer or breeder whose annual net earnings do not exceed €9,869
SB	Persons born on 31 December 1961 or before whose annual net earnings exceeds €9,869 but does not exceed €17,842	The weekly equivalent of 15% of their annual earnings calculated to the nearest cent or
	Persons born on 1 January 1962 or after whose annual net earnings exceeds €9,869 but does not exceed €21,749	The weekly equivalent of 10% if a full-time farmer or breeder
SC	Persons born on 31 December 1961 or before whose annual net earnings exceeds €17,842	€ 51.48 or €34.31 if a <i>full-time</i> farmer or breeder
	Persons born on 1 January 1962 or after whose annual net earnings exceeds €21,749 (see NOTE 2 below)	€ 62.74 or €41.83 if a <i>full-time</i> farmer or breeder

Rates of Class Two Contributions (Self Employed Persons)

Category	Type of Self Employed Persons	Weekly Rate of Contributions payable by a self-employed person
	Persons whose annual net earnings (excluding Maternity Benefit, Children's Allowance and any ex-gratia Benefit payable under article 88 of this Act) during the calendar year immediately preceding the contribution year in which the contribution is being paid:	
SP	Persons who exceed €1,005 but does not exceed €8,409 (this category applies only to single persons who are not self-occupied)	€24.26
SA	is less than €9,869	€28.47
SB	Persons born on 31 December 1961 or before whose annual net income exceeds €9,869 but does not exceed €17,842	The weekly equivalent of 15% of their annual income calculated to the nearest cent.
	Persons born on 1 January 1962 or after whose annual net income exceeds €9,869 but does not exceed €21,749	
SC	Persons born on 31 December 1961 or before whose annual net income exceeds €17,842	€51.48
	Persons born on 1 January 1962 or after whose annual net income exceeds €21,749 (see NOTE 1 below)	€62.74

NOTE 1: If the insured person elects to pay a contribution that is less than €28.47, such contribution may, if the person qualifies for a contributory benefit or a contributory pension, result in the payment of a reduced contributory benefit or contributory pension.

NOTE 2: As a result of the pension reform enacted by virtue of Act XIX of 2006 and Legal Notice 336 of 2006, the increase in the highest contribution rate payable with effect from January 2014, is related to a guaranteed maximum pensionable income of €21,749 for persons born on or after 1st January 1962.

National Insurance: Sickness, Injury, Unemployment & Special Unemployment Benefits

The daily rates of benefit payable as from 1st January 2015:-

Type of Benefit	Daily Rate of Benefit (€)	
	A Single Parent or a Married Person maintaining a Spouse who is not employed on a full-time basis	Any other Person
Sickness Benefit	19.88	12.86
Injury Benefit	29.84	22.44
Unemployment Benefit	12.05	7.89
Special Unemployment Benefit	20.26	13.22

