

INKOMPLU  
NĦARSU  
L-IMPJEGI

2021

wage supplement scheme



MALTAENTERPRISE

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MINISTRY FOR ENERGY, ENTERPRISE  
AND SUSTAINABLE DEVELOPMENT

## Wage Supplement Scheme 2021

- **The Scheme covers replaced employees in Summer 2020 to be paid from October 2020**
- A **new** and fairer system to help **businesses and self-employed** who were hit worse by the Covid-19 economic fall-out
- **An increased investment in saving jobs, with 60% of applicants retaining current amount of Wage Supplement or higher**



# Consultation

## 4 rounds of consultation meetings with:

Chamber of Commerce

Chamber of SMEs

MHRA

Association of Catering Establishments (ACE)

Federation of English Language Teaching Organisations Malta (FELTOM)

Malta Employers' Association (MEA)

Malta Entertainment Industry

Arts Association (MEIA)




## Replacement of employees

Businesses who have engaged new employees to replace those who voluntary resign will become eligible for a wage supplement subject to the following:

- a. The number of employees receiving wage supplement should not increase beyond the number of employees on a wage supplement as of **29th of May 2020**;

## Replacement of employees

- b.** The wage supplement for those employees replaced **will be paid from October 2020** – in line with the budget announcement
  - c.** Applicant has to provide a **written declaration**, signed by the legal representative of Applicant, that termination was on a voluntary basis; and
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## Replacement of employees

- d. Legal representative of applicant declares that employment conditions for the **employee being replaced are not less favourable** than those of employees being replaced.

## Amended wage supplement scheme

As outlined in the 2021 Budget speech, the wage supplement scheme currently administered by Malta Enterprise **will undertake a significant change** to assist those businesses which were hit the most.



## Amended wage supplement scheme

For this reason, instead of providing assistance that corresponds to the respective NACE code, the businesses will now **be given assistance according to the losses incurred during the pandemic.**



## Amended wage supplement scheme

The wage supplement scheme

**will remain open for those  
who were eligible to date**

Wage supplements will be continued to be paid  
on a monthly basis.



## Amended wage supplement scheme

Businesses are **not required to re-apply** as Malta Enterprise will be using the same application originally submitted by the applicants.



## Amended wage supplement scheme

A data sharing agreement was reached between **Malta Enterprise** and the **VAT Department** that the latter will be providing all necessary data related to the applicant's VAT number.



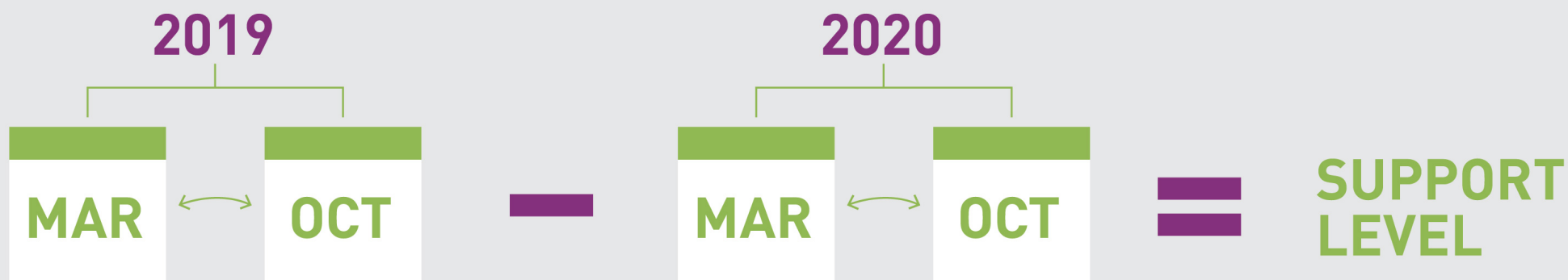
## Amended wage supplement scheme

The new system caters for 3 different types of VAT procedures:

- **Monthly VAT returns**
- **Quarterly VAT returns**
- **Yearly VAT returns**

## Quarterly VAT submissions

The support level will be calculated according to the difference in turnover declared over six months between March and October 2019, against turnover declared over six months between March and October 2020



## Supplement according to the % Drop in Sales

Percentage drop in sales	Wage supplement monthly rate (gross) – full timers	Wage supplement monthly rate (gross) – part timers & casuals
55% or greater	€800	€500
45% up to 54%	€640	€400
35% up to 44%	€480	€300
25% up to 34%	€320	€200
10% up to 24%	€160	€100
Increase in revenue up to 9% drop in sales	€0	€0

## VAT exempt and new VAT numbers

The level of support will be paid according to the current scheme (Annexes A, B & C) – which were determined according to the NACE code categorization.



## Closure of business due to Legal Notice

**Businesses which had to close down following the issuance of Legal Notices** by the Superintendent of Public Health will continue to receive the wage supplement at the **maximum rate** .



## Conclusion

- **Continued Assistance** to businesses, self-employed and employees
- **Safeguarding jobs** to rebuild the economy
- **A fairer system** that shall disburse more funds
- Compounded with other measures to **alleviate duress** such as the Rent & Electricity Refund Scheme
- Measures for **business rebound** such as the Business Re-Engineering and Transformation Scheme



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