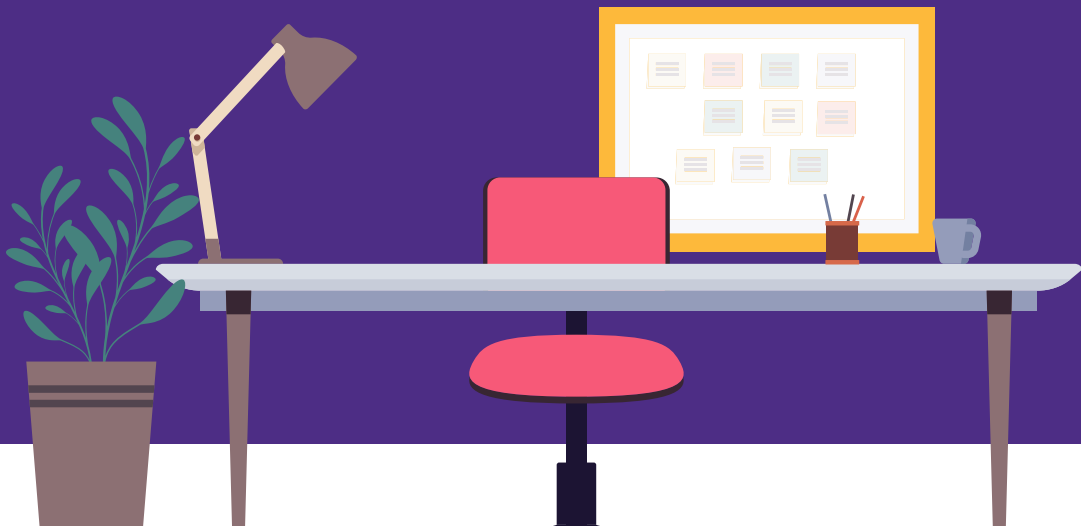


**Wage Supplement 2021**

# Basic Guidelines and FAQs



The Wage Supplement 2021 is characterised of **2 main amendments:**

- (i) including replaced employees, and
- (ii) taking into consideration the drop in sales, that your business experienced.

## **Section 1: Replacement of employees**

Employees are considered to be replaced if their recruitment process satisfies the below criteria:

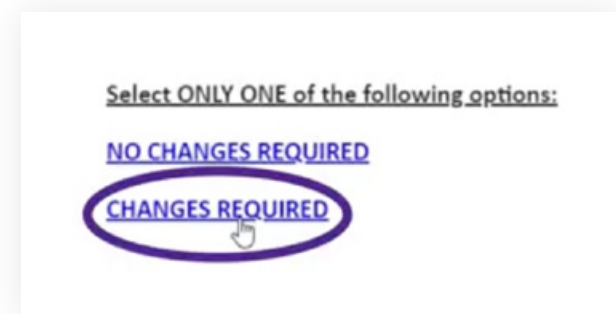
- An employee who had already been employed with your business, has resigned voluntarily after 1 st June 2020.
- A new employee has then been engaged so that your business could continue operations.
- The new employee enjoys same employment conditions as the employee who had resigned.
- The new employee is still employed by your business.

If the above criteria are all true for your business, therefore the new employee is eligible for a wage supplement.

The wage supplement is to be calculated retrospectively, from 1 st October, even if the date of engagement is prior 1 st October 2020.



When filling in the online form after clicking changes required, make sure that the number of employees your business is claiming at 1 st October 2020, when including replaced employees, do not exceed the amount of employees the same business had in May 2020.



## Practical example:

In March 2020 Business A employed 30 people, and started receiving wage supplement for 30 people.

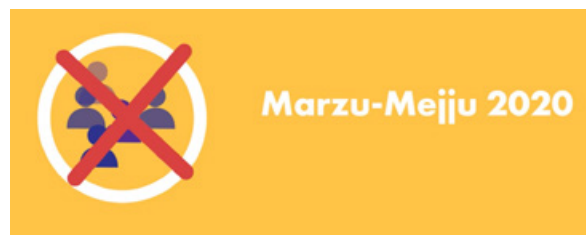
Between March and 29 th May the business lost 5 employees. Therefore in May 2020, Business A was receiving wage supplement for 25 employees.

The business lost another 2 employees in June 2020. So in June and July the business received Wage Supplement for 23 employees.

The business engaged 3 new employees in August 2020. The wage supplement received in August was still for 23 employees as at the time new employees were not being considered eligible.

The business remained in operation with 26 employees but receiving wage supplement for only 23 employees.

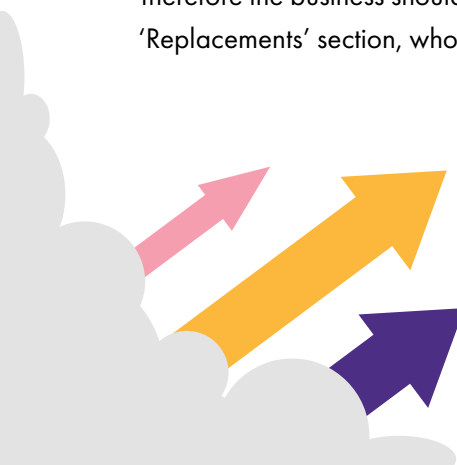
As from January 2021, Business A is now able to notify Malta Enterprise with 2 additional employees, who were engaged in August 2020, and are still employed. This is due to the fact that replacement of employees is to be considered only after 1 st June, and replacing employees who left the place of work after 1 st June 2020.



These 2 employees are eligible for wage supplement for the months of October 2020 onwards.

The amount of employees in October 2020, has to be the same as in May 2020. Therefore the maximum employees receiving wage supplement at Business A in January 2021, can only be at 25, given that the business was receiving wage supplement for 25 employees back in May 2020.

Therefore the business should click changes required in the monthly email, and insert 2 new additional employees in the 'Replacements' section, who have been employed since August 2020.



## Basic Guidelines and FAQs

### Extra Individual Details

Name	Surname	ID Number
<input type="text" value="Name"/>	<input type="text" value="Surname"/>	<input type="text" value="ID Number"/>

Where an employee has an ID card number, these should be entered as 'D', followed by 6 numbers and a letter (in capital) at the end Do not use any spacing. For example, an ID card number 123456M should be entered as 0123456M. ONLY in cases where an employee DOES NOT have an ID card number, enter Tax Number. This should be entered as 9 consecutive digits.

DOB
<input type="text" value="DOB ex. 01/01/2020"/>

Contract basis	Role in business
<input type="text" value="Select option"/>	<input type="text" value="Select option"/>

Place from where individual carries out activity:	Engagement Date
<input type="text" value="Select option"/>	<input type="text" value="01/01/2020"/>

## FAQs

### Part-time vs Full-time

If an employee part time resigns and is replaced by a full-time employee, do I receive the WS for the full-time employee?

- Yes. Through the new scheme regulations in effect between Jan – March 2021, replacements do not distinguish between the type of contract, i.e. a full-time employee can replace a part-time employee and vice versa. Obviously, assuming that the replacement itself is eligible under the regulations of the scheme.
- In all cases, replacement employees will be eligible for wage supplement as from 1 st October 2020 if the replacement employee engagement date happens prior to this date. In cases where the replacement employee engagement date happens on or after 1 st October 2020, then wage supplement for the replacement employee will be paid as form the engagement date.



## Section2: Drop in Sales

The Wage Supplement in 2021 is being worked out based on the drop in sales experienced by your business.

### Period considered by ME to calculate loss in sales:

- April to September 2020 compared to April to September 2019.

The applicant inserts the amount of sales registered for the months of April- June and July- September 2019, and the same for 2020.

It is normal practice that the employer notes down the monthly sales, which can be easily inputted in these fields.

The total number of sales for the months indicated above, should be inserted in the below fields, only in digit format and separated by a decimal point, as indicated:

### Self-Declaration Section

Following a revision of the Scheme terms and conditions coming into effect as from 1<sup>st</sup> January 2021, whereby assistance under the scheme will be dependent on the percentage drop in sales over a period of 6 months in 2020 as compared to sales made during the same period in 2019, as LEGAL REPRESENTATIVE of the Applicant, you are requested to provide Malta Enterprise with the following information:

Sales (in Euros) made between 1<sup>st</sup> April 2019 and 30<sup>th</sup> June 2019 (net, excluding VAT)

1234.56

Sales (in Euros) made between 1<sup>st</sup> July 2019 and 30<sup>th</sup> September 2019 (net, excluding VAT)

7890.11

Sales (in Euros) made between 1<sup>st</sup> April 2020 and 30<sup>th</sup> June 2020 (net, excluding VAT)

4280.20

Sales (in Euros) made between 1<sup>st</sup> July 2020 and 30<sup>th</sup> September 2020 (net, excluding VAT):

9730.88



## **FAQs In relation to VAT**

### **Different business locations operating under same VAT number should include total sales**

- If the business operates in different locations, for example different restaurants or retail outlets across Malta and Gozo, but under the same VAT number, then the applicant should insert the total sales of the outlets in the required periods.

### **VAT exempt operations**

- VAT exempt applicants are not expected to submit their sales figures. However, they can enter '1' as sales in each quarter. ME will review accordingly and adjustments will be made to retain on system based on NACE codes, i.e. Annex A, Annex C or Annex B.

### **Different VAT periods than those requested on the declaration form**

- Figures quoted in VAT returns are based on monthly sales figures, so it should not be an issue to come up with sales for periods being requested.

### **Are VAT vouchers to be included with the sales?**

- Sales made through the utilisation of Vouchers issued by Government to households and utilised during 2020 should be included in sales. In such cases, the Applicant would in any case get the value of the voucher from Government. Vouchers are not assistance given to households by the Applicant but by Government.



## Miscellaneous

### Change in economic activity?

- If an applicant has changed the economic activity between 2019 and 2020, the amounts inserted in the self-declaration form should be of '1' in each field. The applicant should then provide explanations in the comments section.
- If wage supplement from January 2021 onwards is being calculated on the basis of drop in sales, changing NACE code should not have any bearing of wage supplement rate as long as the revised NACE code was eligible for wage supplement in line with the regulations adopted for the scheme in 2020. If wage supplement from January onwards is being calculated on the basis of the NACE Code, then a revision of such may have a bearing on the wage supplement rate. In all instances, Malta Enterprise should be notified immediately should this be the case, i.e. NACE code is officially revised by CFR.

### Bar owners closed as per Legal Notice

- Bar owners are still requested to fill in the declaration form, unless the business is classified as VAT exempt, in which case proceed as per above. Once the **Legal Notice** enforcing closure of bars is terminated, wage supplement rate for such businesses will revert back to rates which are determined either according to NACE code or according to drop in sales.

