

AWARD IN PAYROLL FUNDAMENTALS

Lecture 02: Starting Payroll for Local & Foreign Employees

Antoine P. Portelli, CPA
Monday, 23 October 2023



Today's Agenda

- Social Security Contributions
- The Payslip
- Data and Engagement
- The FSS Documents
- Engagement of:
 - Maltese Nationals
 - EU / Expats
 - Third Country Nationals
- Practical Example



Social Security Contributions

- Calculated on the **basic weekly wage** of the employee
- Factors that affect Social Security deduction
 - Employed elsewhere
 - Age of Employee
- Two Categories

Class 1

<https://cfr.gov.mt/en/rates/Pages/SSC1/SSC1-2023.aspx>

Class 2

<https://cfr.gov.mt/en/rates/Pages/SSC2/SSC2-2023.aspx>



National Insurance Contributions (2023)

Class 1 Employed Persons		Basic Weekly Wage to €	Weekly NI Contributions (Employee)	Weekly NI Contributions (Employer)	Weekly Maternity Leave Contribution (Employer)
Category	Age				
A	< 18 years	192.73	€6.62	€6.62	€0.20
B	18+ years	192.73	€19.27 (or 10%)	€19.27	€0.58
C	Born <1962	392.76	10%	10%	0.3%
C2	Born 1962+	515.98	10%	10%	0.3%
D	Born <1962	>392.77	€39.28	€39.28	€1.18
D2	Born 1962+	>515.99	€51.60	€51.60	€1.55
E	< 18 years		10% (max. €4.38)	10% (max. €4.38)	0.3% (max. €0.13)
F	18+ years		10% (max. €7.94)	10% (max. €7.94)	0.3% (max. €0.24)



National Insurance Contributions (2023)

Class 2 Self-Employed Persons		Annual Net Income from €910 (€1,006 for SP) up to	Weekly NI Contribution payable by self- employed	Full-Time Farmers
Category	Age			
SP	Income from Rents, investments or capital gains	€9,901.80	€28.56	n/a
SA		€11,362.80	€32.78*	€21.85
SB	Born <1962	€20,423.72	15% of net weekly	10% of net weekly
SB2	Born 1962+	€26,831.00	15% of net weekly	10% of net weekly
SC	Born <1962	€392.77+	€58.91	€39.28
SC2	Born 1962+	€515.99+	€77.40	€51.60

* May choose to pay 15% of Net weekly income if:

- A part-time woman
- A full-time student <24 years working part-time
- A pensioner



National Insurance - Weeks

Month	No. of Mondays		Month	No. of Mondays
Jan	5		Jul	5
Feb	4		Aug	4
Mar	4		Sep	4
Apr	4		Oct	5
May	5		Nov	4
Jun	4		Dec	4

**52 weeks
in 2023**

- Self-Employed Persons pay their dues:
 - April – 17 weeks
 - August – 18 weeks
 - December – 17 weeks



Government Induced Bonuses

STATUTORY BONUS

- **€135.10** every 6 months
- Payable at:
 - End of June
 - Between 15 – 23 December
- €0.74 per calendar day pro rata (incl. Saturdays and Sundays)

WEEKLY ALLOWANCE

- **€121.16** every 6 months
- Payable at:
 - End of March
 - End of September
- €4.66 per working week pro rata



The Payslip



Payslip Details

Name of Employee	Address of Employee	Employee ID No.	Basic Salary	Other Pre-Tax Additions / Deductions	NI Contributions
Employee NI No.	Department / Section / Unit	Grade / Occupation	Tax (FSS)	Any Post-Tax Additions / Deductions	Net Pay for Period
Employer's Name	Employer's Address	Payroll Period	Gross Pay Totals to Date	NI Totals to Date	FSS Deducted to Date
	Pay Date			Overtime Tax Concession	

Payslip Format

The employer is bound to give the employees an itemised payslip either **before** or **on the date** when salaries are due.

The payslip should also contain:

- the number of **normal hours** worked
 - including those worked on Sunday or on a public holiday when this is part of the scheduled normal hours
- the number of **hours** entitled at **overtime** or special rate broken down into
 - those in excess of normal daily or weekly hours
 - hours worked on a Sunday or on a public holiday
- the number of **hours of annual leave** availed of and any remaining balance
- a **breakdown** of any bonuses, allowances or commissions received



Payslip considerations

- Should the employer **fail** to provide an employee with an itemised payslip
 - it shall be the employer who must present proof (which is beyond reasonable doubt)
 - not to be held liable in case of a contestation by the employee in front of a tribunal
- In the case where a **revised payslip** has been issued for the same period to the employee
 - If the employee accepts it (bonafide errors or omissions) – No issue
 - If the revision is contested by the employee, the DIER would consider the payslip which is **more favourable** to the employee as the one which should prevail.



Primary Data



Collation of Employee Information

Primary details to start a Payroll

- All the details required to complete an FS4
- Jobsplus registration form
- Validation of Tax Number and Social Security Number
- Employee's contract information pertaining to financial agreements



Collation of Employee Information

Primary details to start a Payroll

- Employee correct banking details
- Court Order (request this information from employee)
- FS3 for any previous employment during the current calendar year (for tax deduction purposes)
- Retention of information – hard copies or electronic copies
- Monthly or other changes to be considered



Engagement Checklist

Personal Details

- Name & Surname
- ID Card
- Address
- Date of Birth (verified)
- Tax No (for foreign nationals)
- Social Security No (for foreign nationals)
- Marital Status +Spouse ID if married
- Date of Birth of any children under the age of 8
- Jobs Plus Employment Form Signed



Engagement Checklist

Employment Details

- Date of Engagement
- Contract (or Employment Terms)
- Salary
- Benefits & Allowances
- FS3 from Previous Employment
- FS4 Filled & Signed by Employee
- Any Visa and/or Permit Expiry
- Notice Period Adjustments (if any)



FS4

- Complete and submit FS4 *PDF to fss.cfr@gov.mt*
- Used in case of:
 - New employee
 - change in tax status
 - marriage (include the spouse details)

OFFICE OF THE COMMISSIONER OF REVENUE **FS4 FINAL SETTLEMENT SYSTEM (FSS)**

1 To be completed by the Payer and given to the Payer

A GENERAL INFORMATION

2 To be completed by the Payer

A GENERAL INFORMATION

B MAIN SOURCE OF EMPLOYMENT INCOME

B PART-TIME TAX DEDUCTION

C PART-TIME EMPLOYMENT (QUALIFYING)

C FSS PART-TIME TAX DEDUCTION

D OTHER EMPLOYMENT INCOME

D FSS OTHER EMPLOYMENTS TAX DEDUCTION

E TAX ON OVERTIME

E TAX DEDUCTION ON OVERTIME

F PAYER'S DECLARATION

F PAYER'S NAME AND SIGNATURE

This copy of the completed FS4 is to be retained by the payer.



FS4

Section 1, Part A
To be filled in by
Employee

Section 1, Parts B,
C, D or E
Employee Tax
selection
FT – PT – Other
Emol - Overtime

The image shows the FS4 Final Settlement System (FSS) form, which is divided into two main sections: Section 1 (Employee) and Section 2 (Employer). Section 1 is further divided into parts A through F, and Section 2 is also divided into parts A through F. The form includes various fields for personal information, income, tax deductions, and declarations.

Section 1: To be completed by the Payee and given to the Payor

1 A GENERAL INFORMATION

1 B MAIN SOURCE OF EMPLOYMENT INCOME

1 C PART-TIME EMPLOYMENT EQUALITY

1 D OTHER EMPLOYMENT INCOME

1 E TAX ON OVERTIME

1 F PAYEE'S DECLARATION

Section 2: To be completed by the Payor

2 A GENERAL INFORMATION

2 B FIVE MAIN TAX DEDUCTION

2 C FIVE PART-TIME TAX DEDUCTION

2 D FIVE OTHER EMPLOYMENT TAX DEDUCTION

2 E TAX DEDUCTION ON OVERTIME

2 F PAYOR'S NAME AND SIGNATURE

Section 2, Part A
To be filled in by
Employer

Section 2, Part B,
C, D or E
Confirmation of
Tax deduction



FS4

B MAIN SOURCE OF EMOLUMENT INCOME		<small>(See notes opposite & tick the correct box)</small>	
"Single" rates of tax	B1		
"Married" rates of tax	B2		
"Parent" rates of tax	B3		
Overseas Employment rate of tax (15%)	B4		
Persons returning to Employment or total income less than €10,535 (basis year 2023)	B5		
Other Tax Schemes	B6		
Main income from a qualifying sport activity (7.5%)	B7		

C PART-TIME EMPLOYMENT (QUALIFYING)		<small>Tick the correct box</small>	
Pensioner	C1		
Full-time student/apprentice	C2		
Employed full-time elsewhere	C3		
If employed full-time elsewhere provide full-time employer PE No			
Married, not employed full-time elsewhere having a spouse being a full-time employee or pensioner	C4		

NIL Tax Rate	
Tick box C5 ONLY if your projected income from all sources for the year is expected to be below the taxable limits. Note: You may lose your right to benefit from the reduced rate if you tick this box incorrectly.	C5 <input type="checkbox"/>

Withhold Tax	
Tick box C6 if earning income from a qualifying sport activity and opting for final Withholding Tax at 7.5%	C6 <input type="checkbox"/>
Tick box C7 to instruct your employer to start deducting at 10%	C7 <input type="checkbox"/>
Effective Date	
C8	

D OTHER EMOLUMENT INCOME		<small>(Tick the applicable box)</small>	
Deduct at the prescribed rate (20%)	D1		
Deduct at a higher rate <small>(You may indicate rate or leave blank and payer will calculate)</small>	D2		
Deduct at a lower rate <input type="checkbox"/> If pensioner or full-time student, indicate rate	D3		
<input type="checkbox"/> If not a pensioner or full-time student, tick this box to request CFR's permission	D4		

E 15% TAX ON OVERTIME	
I opt not to be deducted 15% tax on my overtime income	E1 <input type="checkbox"/>

F PAYEE'S DECLARATION	
I, the undersigned, certify that the information given on this form is true and correct.	Date
FS4 Composition	<input type="checkbox"/>
Signature	<input type="checkbox"/>

This copy of the completed FS4 is to be retained by the payer

FS5

Monthly payroll summary

- Submitted to the CfR electronically and payments are to be processed via internet banking by the last working day of the following month
- The submission of the FS5 will generate a reference number which is to be included in the payment
- Any adjustments to the FS5 and/or payment may be settled via cheque payment at the post office, payable to the Commissioner for Revenue
- Can also be sent by post with a cheque to CfR

The image shows a form titled "FS5 FINAL SETTLEMENT SYSTEM (FSS) Employer's Monthly Payment Advice". The form is divided into several sections:

- A. PAYEE INFORMATION:** Includes fields for Business Name, Business Address, County, Postcode, Telephone Number, and PPS Number. There are also fields for Paper FSS No. and Payment for Month of.
- B. NUMBER OF PAYEES:** Includes fields for the number of payees for the month and the number of payees for the previous month.
- C. GROSS EMPLOYMENTS:** Includes fields for Gross Employment (M1), Gross Employment (M2), Gross Employment (M3), and Total Gross Employment and PPS Benefits.
- D. TAX DEDUCTIONS AND GSC DUE TO THE COMMISSIONER FOR REVENUE:** Includes fields for Tax Deductions (M1), Tax Deductions (M2), Tax Deductions (M3), Total Tax Deductions, and Total Due to the Commissioner for Revenue.
- E. PAYMENT DETAILS:** Includes fields for Date of Payment, Bank Name, Branch, and Account No. There are also fields for the name and signature of the person making the payment.

Award in Payroll
Fundamentals

Electronic FS5 submission

- <https://taxation.gov.mt/irdnet/fs5iform.aspx>

COMMISSIONER FOR REVENUE | FS5 - Payer's Monthly Payment Advice

A - PAYER INFORMATION

Employer (PE) Number

Income Tax Number

The screenshot shows a web form titled "FS5 - Payer's Monthly Payment Advice" from the Commissioner for Revenue. It includes a section for "A - PAYER INFORMATION" with two input fields: "Employer (PE) Number" and "Income Tax Number". At the bottom right of the form, there are two buttons labeled "Clear" and "Next".



FS3

Employee's Annual Reconciliation Statement

- Issued at the end of each calendar year
- For ALL employees who worked during that year
- On termination of employment
- Signed copy must be provided to the employee
- Required by the employee for correct tax deduction from new employment during a calendar year

The image shows Form FS3, titled 'FINAL SETTLEMENT SYSTEM (FSS) - Final Statement of Earnings'. It is a detailed form for recording an employee's earnings and deductions over a period. The form is divided into several sections:

- A. PAYEE INFORMATION:** Includes fields for Name, Street Name, Address, Postal Code, Telephone Number, and various identification numbers like the New Zealand ID Card, FSS, and Earnings Statement numbers.
- B. PERIOD:** A grid for recording earnings and deductions from January to December.
- C. GROSS EARNINGS:** A grid for recording various types of earnings such as Gross Earnings, Director's Fees, and Fringe Benefits.
- D. TOTAL DEDUCTIONS:** A grid for recording total deductions, including Tax Deductions, Social Security Deductions, and others.
- E. SOCIAL SECURITY AND MATERNITY FUND INFORMATION:** A table for recording Social Security contributions and Maternity Fund payments.
- F. PAYEE INFORMATION:** Includes fields for Business Name, Business Address, Postal Code, Telephone Number, and the Payee's Signature and Date.



FS3

Must show:

- Employer and employee details
- Gross emoluments from full-time / part- time qualifying employment
- Total taxable fringe benefits, directorship fees and share options
- Total tax deducted from all employment income, directorship fees and share options
- Any additional tax deducted in cases of outstanding employee tax liability
- Social security and maternity fund contributions paid throughout the year, both by the employee and employer
- Basic Weekly Salary, No. of NI Contributions and Class of NI

The image shows the FS3 Final Settlement System (FSS) Form for a Director of Earnings. The form is divided into several sections:

- Section A: PAYEE INFORMATION** - Fields for Name, First Name, Address, Phone Number, and Date of Birth.
- Section B: PERIOD** - Fields for Start Date and End Date.
- Section C: GROSS EMOLUMENTS** - Tables for Salary, Pension, Fringe Benefits, and other income.
- Section D: TOTAL DEDUCTIONS** - Tables for Tax, Social Security, and other deductions.
- Section E: SOCIAL SECURITY AND MATERNITY FUND INFORMATION** - Table for contributions.
- Section F: PAYEE INFORMATION** - Fields for Business Name, Address, and Signature.

Award in Payroll
Fundamentals

FS7

Employer's Annual Reconciliation Statement

- Issued on an annual basis
- Ideally submitted online via CfR portal using the E-filing sheet (Excel)
- Must be submitted online if ten (10) or more FS3s have been issued

The image shows a screenshot of the FS7 Final Settlement System (FSS) Employer's Annual Reconciliation Statement form. The form is titled "FS7 FINAL SETTLEMENT SYSTEM (FSS) Employer's Annual Reconciliation Statement" and includes the logo of the Department of the Commissioner of Revenue. The form is divided into several sections:

- A. PAYER INFORMATION:** Includes fields for Tax Year-End (31 December), Payer P.E. No., Payer No., and Date. It also has checkboxes for "Have you sold or otherwise disposed of the business?" and "Are you reporting any share options received under terms of an EMI in this tax year?".
- B. NUMBER OF FS3s ISSUED:** A field for the total number of FS3s issued.
- C. GROSS EMPLOYMENTS:** A table with columns for Gross Employment (FS3s), Gross Employment (FS3s), and Gross Employment (FS3s) for each month from January to December.
- D. PAY DEDUCTIONS DUE AS PER FS3s ATTACHED:** A table with columns for Tax Deductions (FS3s), Tax Deductions (FS3s), and Tax Deductions (FS3s) for each month from January to December.
- E. SOCIAL SECURITY CONTRIBUTIONS DUE TO CFR AS PER FS3s ATTACHED:** A field for the total amount.
- F. PATERNITY FUND CONTRIBUTIONS DUE TO CFR AS PER FS3s ATTACHED:** A field for the total amount.
- G. PAYMENTS MADE TO CFR DURING THE YEAR:** A table with columns for Month, Receipt No., Date, and Amount.

At the bottom of the form, there is a section for "Total Taxable Income" and "Total Taxable Income" with checkboxes for "Yes" and "No".

FS7

- Employer details
- Number of FS3s issued in respect to the reporting year
- The total amount of gross emoluments paid to payees in respect to full time and other emoluments arising from any other source
- The total gross emoluments paid to part-timers for such qualifying employment
- Total taxable fringe benefits, directorship fees and share options exercised
- Total tax deducted from employment income, directorship fees and share options
- Any additional tax deducted in cases of outstanding employee tax liability
- SSC (employee and employer share)
- Maternity fund contribution paid by the employer

FS7 FINAL SETTLEMENT SYSTEM (FSS)
Return for an individual
Directorship Statement

A PAYER INFORMATION

For Year-End on 31 December: 45

Payer P.E. No. 46

Payer No. 47

Date 48

B NUMBER OF FSS3 ISSUED 49

C GROSS EMOLUMENTS 50

Gross Emoluments (FSS3 and FSS3 other) 51

Gross Emoluments (FSS3 other) 52

Directorship Fees 53

Gross Emoluments (FSS3 other) 54

Gross Emoluments (FSS3 other) 55

Gross Emoluments (FSS3 other) 56

Total Gross Emoluments and Fringe Benefits 57

D TAX DEDUCTIONS DUE AS PER FSS3 ATTACHED 58

Tax Deductions (FSS3) 59

Tax Deductions (FSS3 other) 60

Tax Deductions (FSS3 other) 61

Total Tax Deductions 62

E SOCIAL SECURITY CONTRIBUTIONS DUE TO CPF AS PER FSS3 ATTACHED 63

F MATERNITY FUND CONTRIBUTIONS DUE TO CPF AS PER FSS3 ATTACHED 64

G PAYMENTS MADE TO CPF DURING THE YEAR

Month	Year-End	Date	Total Tax	SSC	Maternity Fund	Other	Total	Other	Total	Other	Total
Jan											
Feb											
Mar											
Apr											
May											
Jun											
Jul											
Aug											
Sep											
Oct											
Nov											
Dec											

Total Tax Deductions 65

Total Social Security Contributions Due to CPF 66

Total Maternity Fund Contributions Due to CPF 67

Total Payments Made to CPF During the Year 68

Total Tax Deductions 69

Total Social Security Contributions Due to CPF 70

Total Maternity Fund Contributions Due to CPF 71

Total Payments Made to CPF During the Year 72



FSS Online Validation & Submissions

The screenshot shows the 'Income Tax Services' page for the 'COMMISSIONER FOR REVENUE'. The page has a navigation bar with 'Logout' and 'CFR Website'. A 'Main Menu' is on the left, listing options like 'Submit FSS Files', 'PE De-Activation', 'View FSS Results', 'View FSS Payments', 'FSS', 'Validate IDs', 'Validate NITs', 'Change Client', 'Change Role', and 'Main Page'. The main content area is titled 'Please choose an option from the left' and lists several services with descriptions:

- Submit FSS Files**: This function is used to file end of year FSS Files. The FSS Files should meet the specifications issued by the Commissioner For Revenue.
- FSS Submission Results**: This function enables you to view file submission history and results. Any validation errors are also listed here.
- View FSS Payments**: This function allows viewing of FSS payments for a specific year.
- FSS Interactive Form**: Fill in the Payer's Monthly Payment Advice (FS5) and effect payment online.
- Change Client**: Allows you to service a different client.
- Change Role**: Allows you to change your working profile.

- <https://cfr.gov.mt/en/Pages/Home.aspx>
- Log in with E-ID
2-factor authentication





Employment – Maltese National

- ID Card – Tax No. and Social Security No.
- Jobsplus – Engagement Form
- Contract – Details
- FS3 from Previous Employer
- FS4 – to establish tax rate
 - Single
 - Parental
 - Married
- Any tax arrears to be paid ?



Employment – EU National / Expat

- Residency Card
- Apply for Social Security No.
- Tax No. – may be different from Residency No.
- Jobsplus – Engagement Form (copy of ID or Passport)
- Contract – Details
- FS4 – to establish tax rate
 - Single
 - Parental
 - Married
- Any tax arrears to be paid ?
- FS3 from Previous Employer



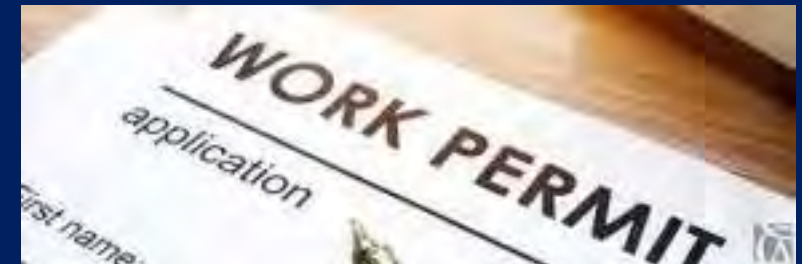
Employment – Third Country Nationals

- Identity - Employment Licence
- Single Work Permit issued for:
 - New Employment
 - Change in Employer
 - Change in Designation
 - Termination
- Social Security No.
- Tax No.
- Jobsplus – Engagement Form
- Contract – Details
- FS4 – to establish tax rate



Single Work Permit – Change of employer

- Application
- Valid Residency Card + Passport
- Original employment contract signed and dated (with a clause saying that it will take effect if permit is granted)
- Position Description (template)
- Proof of advertising (past 6 months – Facebook etc.)
- Declaration of Sustainability (Jobsplus)
- Rental agreement
- Approval letter from Housing Authority (that the property is registered)



Single Work Permit – New Application (In Malta or Still Abroad)

- All documents as per Change of Employer
- Full refund Insurance Policy
- Health Screening
- Copy of an official Identita` invitation letter
- Copy of Visa



Employment – Asylum Seekers

- Refugee Status
- Person can only work in the country in which they were granted status
- Jobsplus issues an Employment Licence
- Social Security No.
- Tax No.
- Contract – Details
- FS4 – to establish tax rate



Applying for a Social Security Number

- A valid and active eID
- https://www.servizz.gov.mt/en/Pages/Inclusion_-Equality-and-Social-Welfare/Social-Solidarity/Benefits-and-Services/WEB632/default.aspx



How to apply

Fill in and submit the application online.

Documentation required

General documentation:

- All Maltese Nationals (except for Minors)
 - Maltese Identity Card or Passport
- All Maltese Nationals (Minors)
 - Maltese Identity Card or Passport
 - A School Leaving Certificate and Profile or else a note signed by the Head of School confirming that student completed compulsory schooling
 - A School Exemption from the National School Support Services if the person has not yet finished the final year of compulsory schooling and has also not yet reached 16 years of age
- All EU Nationals Employed or Self-Occupied:
 - An official identification (with photo) issued from their country of origin and/or Passport
 - Copy of the JobPlus engagement form or 'Promise of Employment' letter or a similar document which shows that applicant will be carrying out an employed/self-occupied activity in Malta
- Citizens from Non-EU Countries (Employed):
 - Maltese Identity Card (if available) and Passport
 - Copy of the JobPlus engagement form or 'Promise of Employment' letter or a similar document which shows that applicant will be carrying out an employed/self-occupied activity in Malta
 - Copy of Employment License
- Citizens from Non-EU countries - invited to Maltese or EU Nationals (Employed/Self-Occupied):
 - Maltese Identity Card (if available) and Passport
 - Copy of letter from the Department of Citizenship and Expatriates showing proof that person can work or reside freely in Malta (Freedom of Movement)
 - Copy of JobPlus Engagement form or 'Promise of Employment' letter (in case of employed)
- Citizens from Non-EU Countries (Self-occupied):
 - Maltese Identity Card (if available) and Passport
 - Copy of Employment License and JobPlus Engagement form;
- Citizens from Non-EU Countries who hold a permit to work in Malta under one of the EU Directives:
 - Maltese Identity Card (if available) and Passport
 - Copy of JobPlus engagement form or 'Promise of Employment' (in case of employed)
 - Copy of relevant permit to work in Malta (under one of the EU Directives) which would be issued on the identification document of the applicant or its equivalent (certificates) which is issued by identity

Timeline



Submission of Application

Address	Telephone	Email
Department of Social Security 38 Ordinance Street VLT 1021 Malta	153	contactdss@gov.mt

apply >



Freephone 153



servizz@gov.mt



Calling from abroad?

+356 21255153



Social Security No.

Application for a Social Security Number

Have you ever applied for and obtained a Maltese Social Security number? *

Yes No

Applicant Details

Do you hold a Maltese ID Card? *

Yes No

Nationality * Date of Birth * Gender *

Name * Surname *

Address in Country of Residence

This refers to the address where you are currently residing.

House Number (Name) *

Street * Town *

Additional Information

Place of Employment - Is your work activity to be carried out within the territory of Malta? *

Yes No

Are you employed as a Mariner or Air Crew? *

Yes No

Are you a Maltese/EU National? *

Yes No

Employment Status *

Employed Self-Employed

Necessary Documents

[Read Requirements](#) (to view Maltese ID Card holder's)

<p>Upload ONLY if under the age of 16 - School Exemption from the Directorate of Educational Services Read Requirements</p> <p> Click to upload file Maximum file size: 2MB</p>	<p>Official identification document with photo *</p> <p> Click to upload file Maximum file size: 2MB</p>
--	---

Tick to confirm that all the details in this form are correct *

I confirm



Insurability of EU and Third Country Nationals who move to Malta to work

Country	Category	Required Attachment
ALL EU NATIONALS NAMELY CITIZENS OF: Citizens of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and Switzerland (who do not hold a Maltese I.D. Card)	Employed /Self-occupied	<ol style="list-style-type: none"> 1. An official identification (with photo) 2. Copy of the JOBSPLUS engagement form or 'Promise of Employment' letter or a similar document which shows that you will be carrying out an employed/self-occupied activity in Malta
Citizens from EU Countries	Self-occupied	<ol style="list-style-type: none"> 1. Attach a signed copy of the Declaration by a Foreigner
Citizens from Non-EU Countries	Employed	<ol style="list-style-type: none"> 1. An official identification (with photo) 2. Copy of the JOBSPLUS engagement form or 'Promise of Employment' letter or a similar document which shows that you will be carrying out an employed/self-occupied activity in Malta 3. Copy of Employment-License/Work Permit
Citizens from Non-EU countries, a family member of a Maltese/EU National	Employed/Self-Occupied	<ol style="list-style-type: none"> 1. An official identification (with photo) 2. Residence Card or Copy of Interim Receipt of Application from Identity Malta, showing proof that person can work or reside freely in Malta. (Freedom of Movement) 3. Copy of JOBSPLUS Engagement form or 'Promise of Employment' letter (in case of employed) 4. Attach a signed copy of the Declaration by a Foreigner (in case of self-occupied)
Citizens from Non-EU Countries	Self-occupied	<ol style="list-style-type: none"> 1. An official identification (with photo) 2. Copy of Employment-License/Work Permit
Citizens from Non-EU Countries who hold a permit to work in Malta under one of the EU Directives *	Employed/Self-Occupied	<ol style="list-style-type: none"> 1. An official identification (with photo) 2. Copy of JOBSPLUS engagement form or 'Promise of Employment' letter (in case of employed) 3. Copy of relevant permit or Residence Card issued by Identity Malta

Applying for a Tax Number

- A valid and active eID
- <https://cfr.gov.mt/en/eServices/Pages/Expatriates-taxpayer-registration.aspx>

The screenshot displays the 'Expatriates taxpayer registration' page on the cfr.gov.mt website. The page features a navigation menu with options: HOME, E-SERVICES, INCOME TAX, VAT, PROPERTY & SHARE TRANSFERS, and CUSTOMS. The main heading is 'Expatriates taxpayer registration'. Below the heading, there is a note: 'If you are an EU Citizen and have already applied for the Social Security Number there is no need to re-apply for the Income Tax number through this e-form.' A note below that states: 'The fields marked with an asterisk (*) are required'. The form section is titled 'DETAILS OF TAXPAYER' and includes the following fields: Name* (text input), Surname* (text input), Gender* (radio buttons for Male and Female), Date of Birth* (text input with a calendar icon), Country of Origin* (text input), Maltese ID No (if available): (text input), Passport No:* (text input), Father's Name:* (text input), and Local Address:* (text input).

Email:*

Mobile No:

Maltese Social Security No.*

(Social Security No. is required if applicant is an EU Citizen and the purpose of registration is Employment or Self Employment, otherwise insert 'N/A')

Citizenship:* EU Citizen
 Non-EU Citizen

TAX DETAILS

Date of Arrival in Malta:*

Date of Employment:*

(Date of Employment, in the format dd/mm/yyyy, is required if Purpose of Registration is 'Employment or Self Employment' or 'Marriage to Maltese', otherwise insert 'N/A')

Purpose of Registration:* Employment or Self Employment
 Marriage to Maltese
 Individual Investor Programme
 Settler - Retired
 Returned Migrant
 Self-Sufficient
 Seafarers (Registered for DSS purpose)
 Diplomat

SPOUSE DETAILS

(required only if applicant is married and both spouses are resident in Malta)

Name:

Surname:

Maiden Surname:

Date of Birth:

Date of Marriage:

Country of Origin:

Maltese ID No:

Maltese Social Security No:

Important:

Please upload a copy of the Marriage Certificate: No file chosen

Please upload declaration of residence signed by the other spouse (if married and both spouses are living in Malta): No file chosen

OTHER CONTACT DETAILS

(Insert employer or other representative's details if applicant is a Non-EU Citizen)

Name:

Surname:

Local Address:


I hereby undertake to inform the Office of the Commissioner for Revenue should there be any significant changes regarding the information in this form

Date:*

Please upload declaration form:* No file chosen

Declaration

- To be uploaded with the Application for a Tax Number
- In case of other spouse staying in Malta
- Both to sign

 DIRECTOR
THE COMMISSION
FOR REVENUE

DECLARATION OF RESIDENCE IN MALTA

Income Tax Ref No. of taxpayer										
Date of Birth										

I/We (as a couple)

Name & Surname										
Date of arrival in Malta										
Maltese Identity Card No. (where applicable)										
TU/SEA Retired	Yes					No				
Signature										

I/We (as a couple)

Name & Surname										
Date of arrival in Malta										
Maltese Identity Card No. (where applicable)										
TU/SEA Retired	Yes					No				
Signature										

I/We (as a couple)

Under the law of residence of the couple will be considered as a couple when both partners are married (and living together) or not.

Note
If you are an EU/SEA retired please note whether 90% of your world-wide income as a couple will be derived from Malta during this current year.

Yes No

See page 10 for more information on the declaration of a couple.

www.cra.gov.mt

Employment Form

- Non-Resident

To submit via email
taxpayerregister.cfr@gov.mt

UFFICJU TAL-KUMMISSARJU TAL-TAXXI
 Sezzjoni: Taxpayer Service
 Floriana - Malta

OFFICE OF COMMISSIONER FOR REVENUE
 Section: Taxpayer Service
 Floriana - Malta
 Freephone: 153

NON RESIDENT TAXPAYER REGISTRATION FORM

Taxpayer's Details

Name _____
 Surname _____
 Date of Birth _____
 Passport No. _____

Foreign Address

Door/Hse Name _____
 Street _____
 Locality _____
 Country _____
 Post Code _____

Administrator Details

Name/Surname _____
 Door/Hse Name _____
 Street _____
 Locality _____
 Country _____
 Post Code _____

Tax Details

Language Option English Maltese

Purpose for Registration _____

First Return Required (Year of Assessment) _____

Declaration:

I, _____, appearing on behalf of Dr./Mr./Mrs./Ms. (*)
 _____, declare that he/she has/has no other (*)
 income earning assets in Malta.

Signature: _____

(*) Delete where not applicable.

Employer Data

- Entity Name
- Address
- Company number (C-12345)
- Industry Sector – WRO
- VAT number (MT12345678)
- PE number (123456)
- Tax number (991234567)
- Owner / Director Name and Position

Jobsplus Schemes



Working out a Payslip



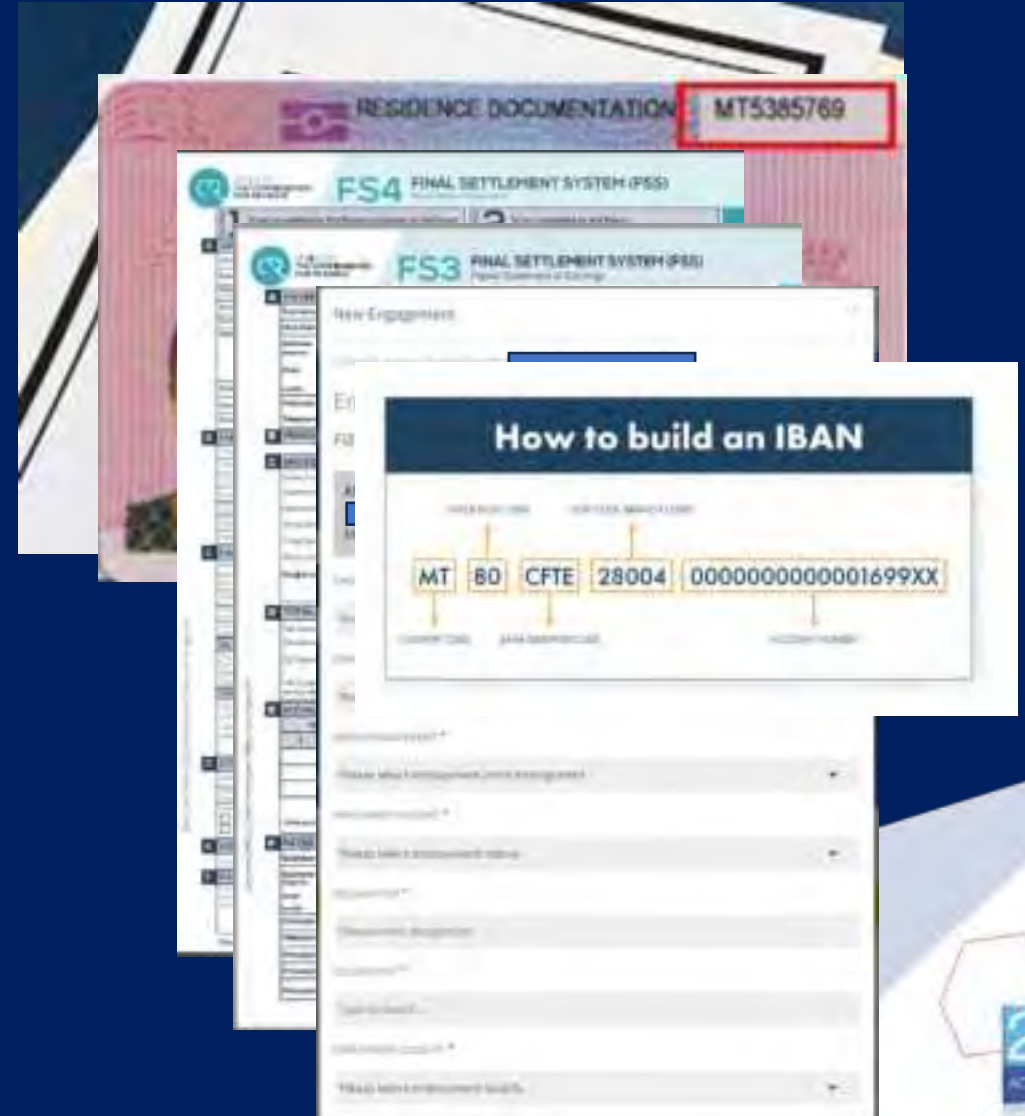
Calculating a Payroll - Data

- Jesmond Stivala
 - Born on 12 July 1987
 - ID No. 654387M
- } ID Card
- Single with no children
- } FS4
- Full-time Employment as from 1 September 2023
 - Annual basic gross salary of €30,000
 - No fixed allowances
- } Contract
- Was employed elsewhere up to 31 August 2023
- } Previous FS3



Engagement Process

- Signed Contract of Employment
- Copy of ID Card
- FS4
- FS3
- Register with Jobsplus online
- Send FS4 to CfR
- Validate Social Security Number
- IBAN Number



Monthly Gross Remuneration

- Basic Gross Monthly
 - € 30,000 per year
 - Divided by 12 months = €2,500.00 per month
- Basic Gross Weekly
 - € 30,000 per year
 - Divided by 52 weeks = €576.923 per week
- Monthly Hours worked
 - Full-time = 40 hours per week X 52 weeks = 2,080 hours
 - Monthly = 2,080 hours divided by 12 months = 173.33 hours



Social Security Category

- Basic Gross Weekly Salary = €576.92
- Jesmond was born in 1987 = 36 years
- NI Category is D (After 1962)
- NI Weekly rate is €51.60
- September 2023 had 4 Mondays
- Social Security for Sep 2023 –
 - €51.60 X 4 Mondays = €206.40

Class 1 Employed Persons		Basic Weekly Wage to €	Weekly NI Contributions (Employee)	Weekly NI Contributions (Employer)	Weekly Maternity Leave Contribution (Employer)
Category	Age				
A	< 18 years	192.73	€6.62	€6.62	€0.20
B	18+ years	192.73	€19.27 (or 10%)	€19.27	€0.58
C	Born <1962	392.76	10%	10%	0.3%
C2	Born 1962+	515.98	10%	10%	0.3%
D	Born <1962	>392.77	€39.28	€39.28	€1.18
D2	Born 1962+	>515.99	€51.60	€51.60	€1.55
E	< 18 years		10% (max. €4.38)	10% (max. €4.38)	0.3% (max. €0.13)
F	18+ years		10% (max. €7.94)	10% (max. €7.94)	0.3% (max. €0.24)



Statutory Weekly Allowance (Sep Bonus)

- €4.66 per working week pro rata
- September working days:
 - 1 Sep = 1 day (0.2 week)
 - 4 – 8 Sep = 1 week
 - 11 – 15 Sep = 1 week
 - 18 – 22 Sep = 1 week
 - 25 – 29 Sep = 1 week
 - Total = 4.2 weeks
- 4.2 weeks X €4.66 = **€19.57**

ERROR !! 1 month out of
6 months
= €121.16 / 6
= **€20.19**



Payslip Calculation for September 2023

Name	Jesmond Stivala	
ID No.	654387M	
NI No.	654387M	
Address	123, Main Street	
	Valletta VLT1234	
Occupation	Designer	
PAYSLIP FOR THE MONTH OF	Sep-23	
		€
Basic Monthly Gross	173.33 hrs	2,500.00
Weekly Allowance (Pro-Rata)		19.57
		2,519.57
Less: Social Security (D2)	4NI	- 206.40
Less: FSS	Single	???
		XXX

FSS Calculation

- Jesmond is taxed on SINGLE RATES
- Had a previous employment
 - Gross earned to 31 August 2023 = €17,902.89
 - Tax paid to 31 August 2023 = €2,659.00
- We will work it out during the next session !!



Questions we received:

- How do you work the FS5 for part-time workers?

Part-time Employees are taxed at a flat rate of 10% up to a maximum of €10,000

- When an employee works on a full-time basis and decides to work also on a part-time basis deducting 10% tax. I would like to know if there is any bracket on which this 10% is being deducted?

Does not feature in any of the brackets. It is a flat-rate. Any income over €10,000 is taxed at the higher brackets based on gross income from full-time.

- When there is a married couple who both work on a full-time basis. Can they both change their tax status to single or only one of them?

Both HAVE to change their tax status to SINGLE.



