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What is the minimum wage in Malta?

As of January 2024, the minimum wage is €213.54 per week for full-time employees.

Category	Per Week (€)	Per Hour (€)
< 17 years	203.92	5.10
17 years	206.76	5.17
18 years and over	213.54	5.34

Are there different minimum wage rates for different sectors in Malta?

Yes, there are different minimum wage rates for various sectors, such as retail, hospitality, and construction.

Look out for the **Resource Pack** published every year by the DIER (Department for Industrial and Employment Relations).

<https://dier.gov.mt/en/About-DIER/Publications-and-Archives/Other%20Publications/Documents/Resource%20Pack%202024.pdf>

Resource Pack 2024



Minimum Weekly Wages for 2024

Section 1: Minimum Weekly Wages 2024

MINIMUM WEEKLY WAGES FOR 2024

	16 years (weekly)	Hourly rate	17 years (weekly)	Hourly rate	18 years and over (weekly)	Hourly rate	Watchmen outdoors (weekly)	Watchmen indoors (weekly)	Part-Time Rates
National Minimum (in absence of an applicable WRO)	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€213.54	€213.54	Pro rata
Agriculture & Allied Industries	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€215.87	€213.54	Pro rata
Beverage Industries	See next pages for detailed wages								
Canning Industry	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€213.54	€213.54	Pro rata
Cargo Clearance & Forwarding Agents' (Burdnara) Employees	<i>Employment of not less than 4 hrs on any one day -- equivalent of a day's work.</i>				€222.51	€5.56			Pro rata
Cinemas & Theatres	See next pages for detailed wages								
Clay & Glass Products	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€213.54	€213.54	Pro rata
Construction	€204.81	€5.12	€207.39	€5.18	€218.20	€5.46	€220.53	€218.20	Pro rata
Domestic Service	See next pages for detailed wages								
Electronics Industry	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€213.54	€213.54	Pro rata
Food Manufacture Industries	€206.25	€5.16	€208.42	€5.21	€213.54	€5.34	€215.87	€213.54	Pro rata
Hire (Cars or Private Buses)	See next pages for detailed wages								
Hospitals & Clinics	See next pages for detailed wages								
Hotels & Clubs	See next pages for detailed wages								
Jewellery & Watches	See next pages for detailed wages								
Laundries	€204.81	€5.12	€207.39	€5.18	€213.54	€5.34	€217.62	€213.54	Pro rata
Leather Goods & Shoes Industries	€203.92	€5.10	€206.76	€5.17	€213.54	€5.34	€215.87	€213.54	Pro rata

What is the standard working week ?

The standard working week in Malta is 40 hours.

The highest number of hours per week allowed is 48 hours.

Employees may sign an Opt-Out Clause



Are there regulations regarding overtime pay ?

Yes, employees are entitled to overtime pay, usually at a rate of 1.5 times their normal hourly wage.

Overtime is paid over the standard hours, during weekends and on Public Holidays.



How is overtime calculated ?

Overtime is typically calculated based on the number of hours worked beyond the standard 40-hour workweek.

Where the working day is longer than six hours, an employee is entitled to not less than 15 minutes of rest, unless a longer period of rest is provided by any other regulation or agreement.

The employer is not obliged to pay the rest break since it is not considered as working time.



What is the Rest Period ?

Rest period from one working day to another

Every worker is entitled to a minimum daily rest period of 11 consecutive hours.

Weekly day of rest

Every worker is entitled to an uninterrupted weekly rest period of 24 hours in addition to the 11 hours daily rest within a 7-day period, or 48 consecutive hours in a period of fourteen days in addition to the 11 hours daily rest.



Are there any special considerations for public holidays ?

Yes, employees are entitled to extra pay or time off in lieu for working on public holidays.

Date	Day	Holiday
1 Jan	Mon	New Year's Day
10 Feb	Sat	Feast of St Paul's Shipwreck
19 Mar	Tue	Feast of St Joseph
29 Mar	Fri	Good Friday
31 Mar	Sun	Freedom Day (and Easter)
1 May	Wed	Workers' Day
7 Jun	Fri	Sette Giugno
29 Jun	Sat	Feast of St Peter and St Paul
15 Aug	Thu	Feast of the Assumption
8 Sep	Sun	Victory Day
21 Sep	Sat	Independence Day
8 Dec	Sun	Immaculate Conception
13 Dec	Fri	Republic Day
25 Dec	Wed	Christmas Day

Are there any special considerations for public holidays ?

- 6 Public Holidays falling on a weekend in 2024
- To be added to optional vacation leave
- Full-Time Employees are entitled to **192 hours** vacation leave per annum
- 24 Days per year (or pro-rata)

PLUS

- 8 hours of additional vacation leave for every Public Holiday falling on a weekend
- In 2024: 192 hrs + 48 hrs = **240 hours** (30 days)



How is income tax calculated on salaries ?

Income tax in Malta is calculated based on a progressive tax system, with rates ranging from 0% to 35% depending on income levels.



Income Tax rates for 2024

Tax Rate (Marginal)	SINGLE		PARENT		MARRIED	
	Chargeable Income up to €	Deduct from Income X Tax Rate	Chargeable Income up to €	Deduct from Income X Tax Rate	Chargeable Income up to €	Deduct from Income X Tax Rate
0%	9,100	0	10,500	0	12,700	0
15%	14,500	1,365	15,800	1,575	21,200	1,905
25%	19,500	2,815	21,200	3,155	28,700	4,025
25%	60,000	2,725	60,000	3,050	60,000	3,905
35%	60,001+	8,725	60,001+	9,050	60,001+	9,905

Tax Rates 2024

FULL-TIME EMPLOYMENT

- **SINGLE**

- Single Persons
- Married Persons whose spouse is in employment and have no dependent children (<18 years or <23 years full-time students)

- **PARENT**

- Married Persons both in employment with dependent children

- **MARRIED**

- Married Persons whose spouse is unemployed
- Single Parents with dependent children



Are there any tax deductions or allowances available for employees ?

Yes, there are various tax deductions and allowances available, such as for medical expenses and contributions to private pensions.



What is the social security contribution rate for employees ?

As of January 2024, the social security contribution rate for employees in Malta is 10%.



Are employers also required to contribute to social security ?

Employers are required to make social security contributions on behalf of their employees, at a rate of 10%.

Additionally, they are required to pay a Weekly Maternity Leave Contribution of 0.3% of Basic Salary.



Social Security Contributions 2024

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	213.54	€6.62	€6.62	€0.20
B	18+ years	213.54	€21.35 (or 10%)	€21.35	€0.64
C	Born <1962	423.07	10%	10%	0.3%
C2	Born 1962+	532.28	10%	10%	0.3%
D	Born <1962	>423.08	€42.31	€42.31	€1.27
D2	Born 1962+	>532.29	€53.23	€53.23	€1.60
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)

How are bonuses taxed

Bonuses are generally taxed as part of the employee's regular income, subject to the same income tax rates.

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



Is there a statutory notice period for terminating employment ?

Yes, there are statutory notice periods for terminating employment, which vary depending on the length of service.

- For more than one month but not more than six months: **1 week**
- For more than six months but not more than two years: **2 weeks**
- For more than two years but not more than four years: **4 weeks**
- For more than four years but not more than seven years: **8 weeks**
- For more than seven years: an additional **1 week** for every subsequent year of service or part thereof up to a maximum of **12 weeks**
- For such longer periods as may be agreed by the employer and employee in the case of technical, administrative, executive or managerial posts



Are there any regulations regarding maternity leave ?

Female employees are entitled to maternity leave of 14 weeks, with additional leave available in certain circumstances.

Equivalent second parents are entitled to paternity leave of 10 working days, taken immediately after the birth or adoption of a child.



Maternity Leave in Malta

A pregnant employee is entitled to maternity leave for an uninterrupted period of **18 weeks**

First 14 weeks paid by Employer

Last 4 weeks paid by Govt

Min. 4 weeks before



Min. 6 weeks after

The Employer must be informed in writing at least 4 weeks before the start of Maternity Leave
An employee is obliged to work for 6 months upon returning back to work

Are employers required to provide paid sick leave ?

Yes, employers are required to provide paid sick leave to employees, with the duration depending on the length of service.

- Sick Leave is available to all employees as per S.L. 452.101 – Minimum Special Leave Entitlement Regulations
- Sick Leave entitlement varies according to the relevant Wage Regulation Orders
- Where the work activity is not covered by the WRO, the sick leave entitlement amounts to **two working weeks** per year (80 hours; 10 days)



How are annual leave entitlements calculated for employees ?

Annual leave entitlements are typically calculated based on the number of days worked during the year, with a minimum entitlement set by law.

Shutdowns and Bridge Holidays

- A maximum of **96 hours** (12 days) may be utilised by Employer for Shutdowns and Bridge Holidays
- Employer must notify employees by 31 January of these dates



Are there any specific payroll requirements for part-time employees ?

Part-time employees are generally entitled to the same rights and benefits as full-time employees on a pro-rata basis.

Vacation Leave available pro-rata, based on average hours worked in the previous quarter (13 Weeks):

- January – March
- April – June
- July – September
- October - December



What is the process for registering employees with the Maltese tax authorities?

Employers are required to register their employees with the Inland Revenue Department and obtain a tax identification number for each employee.

Third Country Nationals – Single Permit from Identita`



Are there any payroll reporting requirements for employers ?

Yes, employers are required to submit regular payroll reports to the tax authorities, detailing employee earnings and deductions.

Monthly FS5s returns with settlement of all Social Security, Tax (FSS) and Maternity Fund dues.

Annual FS3s and FS7.



Can employers outsource payroll processing ?

Yes, employers can outsource payroll processing to third-party payroll providers or accounting firms.



Are there any penalties for non-compliance with payroll regulations ?

Employers who fail to comply with payroll regulations may face penalties, including fines and legal action.

Personal criminal liability of Owners or Company Directors for failing to submit returns and payments.



How are employee contributions to pension schemes handled ?

Employee contributions to pension schemes in Malta are typically deducted from their salary and remitted to the pension provider by the employer.



Can employees opt out of social security contributions ?

No, employees in Malta are not allowed to opt out of social security contributions.

Non-Maltese employees may obtain an exemption from paying Social Security if they can prove to the Department that they are paying their own private pension contributions.



Are there any regulations regarding the payment of travel allowances or expenses ?

Yes, travel allowances and expenses must be included in employees' taxable income unless specifically exempted by law.

Fixed Car Cash Use Allowances, with partial exemption on tax.



Are there any payroll considerations for foreign employees working ?

Yes, foreign employees working in Malta must comply with the same payroll regulations as Maltese employees, including tax and social security contributions.

There are specific Non-Resident Tax Rates.

Chargeable Income (€) From	Chargeable Income (€) To	Rate	Subtract (€)
0	700	0%	0
701	3,100	20%	140
3,101	7,800	30%	450
7,801	And over	35%	840

How are employee loans or advances treated for tax purposes ?

Loans or advances provided to employees are generally considered taxable income unless specifically exempted by law.



Are employers required to provide employees with pay slips ?

Yes, employers are required to provide employees with detailed pay slips showing earnings, deductions, and contributions.



Payslips Details

Name of Employee	Address of Employee	Employee ID No.
Employee NI No.	Department / Section / Unit	Grade / Occupation
Employer's Name	Employer's Address	PE Number
Pay Date	Payroll Period	

Basic Salary	Other Pre-Tax Additions / Deductions	NI Contributions
Tax (FSS)	Any Post-Tax Additions / Deductions	Net Pay for Period
Gross Pay Totals to Date	NI Totals to Date	FSS Deducted to Date
Overtime Tax Concession	Vacation Leave (Hrs) Taken	Available Vacation Leave Hrs

Are there any regulations regarding the payment of back wages or arrears ?

Yes, back wages or arrears must be included in employees' taxable income for the relevant tax year.

Collective Agreement provisions.



Are there any restrictions on the frequency of salary payments ?

Employers are generally free to determine the frequency of salary payments, as long as employees are paid at least once a month.





Can employers deduct money from employees' salaries without their consent ?

Employers are generally not allowed to make deductions from employees' salaries without their consent, except in specific circumstances allowed by law.

- Order by a Court of Law
- Collective Agreement provisions
- Prior permission from DIER to inflict fines

Are there any regulations regarding the payment of expenses incurred by employees for business purposes ?

Yes, employers are generally required to reimburse employees for legitimate business expenses, which are typically tax deductible.



Are employers required to provide employees with annual statements of earnings ?

Yes, employers are required to provide employees with annual statements of earnings for tax purposes.

FS3s – At end of year, or when an employee terminates their work relationship with employer.



Can employees request changes to their payroll information ?

Yes, employees can request changes to their payroll information, such as updating their bank account details or tax withholding status.

FS4 to be submitted.



Are there any regulations regarding the payment of termination or redundancy pay ?

Yes, employees may be entitled to termination or redundancy pay under certain circumstances, as specified by law.

Any lump sum payments not agreed upon in the employment contract should **not** be taxable as a rule. This treatment should always be verified with the Revenue (CfR)



What's it like being a Payroll Operator ?



Payroll Operators

Main issues faced by payroll operators are:

- **Complexity of Payroll Regulations:** Malta's payroll regulations can be complex and subject to frequent changes. Keeping up with these regulations and ensuring compliance can be challenging.
- **Legislative Changes:** Changes in tax laws, social security regulations, and employment legislation can significantly impact payroll operations. Do stay updated with these changes and ensure their correct implementation.
- **Calculating Overtime and Leave Entitlements:** Calculating overtime pay, annual leave entitlements, and other employee benefits accurately can be complex, especially considering the various factors involved such as different rates for different sectors and length of service.



Payroll Operators

- **Handling Employee Benefits and Deductions:** Managing employee benefits such as health insurance, retirement contributions, and deductions for taxes or loans requires careful attention to detail to ensure accuracy and compliance.
- **Data Management and Security:** Payroll operators need to handle sensitive employee data securely and ensure compliance with data protection regulations such as GDPR (General Data Protection Regulation). Maintaining data accuracy and confidentiality is crucial.
- **Integration with HR Systems:** Payroll operations often need to integrate with other HR systems for employee information management, time and attendance tracking, and benefits administration. Ensuring seamless integration and data consistency can be a challenge.
- **Employee Queries and Disputes:** Dealing with employee queries, grievances, and disputes related to payroll can be time-consuming and require effective communication and resolution skills.



Payroll Operators

- **Technology Issues:** Payroll systems and software may encounter technical issues, such as software glitches or system downtime, which can disrupt payroll processing and cause delays.
- **Compliance with Reporting Requirements:** Payroll operators are responsible for submitting accurate reports to tax authorities and other regulatory bodies. Meeting reporting deadlines and ensuring compliance with reporting requirements can be demanding.
- **Managing Multiple Client Accounts (for Payroll Service Providers):** Payroll service providers managing multiple client accounts need to juggle various payroll tasks simultaneously, requiring efficient time management and organizational skills.



Payroll Operators

- stay informed about regulatory changes
- invest in reliable payroll software
- maintain meticulous records
- cultivate strong communication and problem-solving skills
- seek assistance from legal or financial experts when needed



Calculation of FSS

Monthly Gross Basic Salary	2,500.00
Annualised Gross Salary	30,000.00
SINGLE TAX RATES	
Rate of 25%	7,500.00
Deduction of €2,725	- 2,725.00
Total Annual Tax Due	4,775.00
Tax Charged in January	4,775 / 12
Tax Due in January	398.00

Monthly Gross Basic Salary	2,500.00
Annualised Gross Salary	30,000.00
SINGLE TAX RATES	
Rate of 25%	7,500.00
Deduction of €2,725	- 2,725.00
Total Annual Tax Due	4,775.00
Tax Charged in January & February	4,775 / 12 * 2
	796.00
Less Tax deducted in January	- 398.00
Tax Due in February	398.00

Monthly Gross Basic Salary	2,500.00
March Bonus	121.13
Annualised Gross Salary	30,484.51
SINGLE TAX RATES	
Rate of 25%	7,621.13
Deduction of €2,725	- 2,725.00
Total Annual Tax Due	4,897.00
Tax Charged in January to March	4,897 / 12 * 3
	1,225.00
Less Tax deducted in January & February	- 796.00
Tax Due in March	429.00

Your Question

How many days per month should the company pay to an employee who is sick for one week or more?

Sick leave is not apportioned per month. If you do not fall within a WRO, then an employee is entitled to 10 working days sick leave full pay, calculated in hours (80 hours). Half pay sick leave varies per industry.



Your Question

We have an employee who took 5 days consecutive sick leave and submitted her resignation. Is sick leave calculated pro rata as well and paid back to the employer like vacation leave?

Legally the employee can use their sick leave for the year in the first days of January. Working notice has nothing to do with sickness. There are specific regulations on notice periods to be worked and who pays whom if these are not worked.

It is only vacation leave that is given pro rata in a year. And if the employee has unutilised vacation leave this can be used as part of notice.



Your Question

An employee resigned on the 19/02 and has 4 weeks of notice but decided to work 1 week of notice to terminate employment on the 25/02. The same employee has 1 week of leave accrued. How much is the employee required to pay ? for 0.5 or 1 week ? And in such a case when the employee decides not to work notice, the full notice period is leave accrued till the requested last working day or last day based on full notice period ?

If employee has 4 weeks' notice, of which he is working 1 week and has another 1 week accrued leave (presumably pro-rata), and he does not want to work the remaining 2 weeks, then he must reimburse the company HALF the remaining period. I.e. 1 week. Leave accrued is up to the date of termination, i.e. after 2 weeks from date of resignation.



Your Question

If an employee reaches pension age can we terminate his indefinite contract and re-engage on a definite contract of 12 months?

Keep in mind that when an employee reaches pensionable age, if he is retained on his existing employment, the employer will not be able to terminate the employment going forward. However, the employee can decide to just quit without giving notice.

Therefore, it is best to give a Letter of Understanding that the employer and employee agree for a working relationship of 12 months. Should after expiry another period is desirable, another letter is issued.

The Letter of Understanding has the same legal strength as a definite contract. The employee cannot just quit but must honour the agreement.



Your Question

Can a person work full time reduced (agreed with employer) and part time elsewhere? Also, if the part time is generating more income than the full-time employment, will the NI still be paid at the full-time employment?

NI is always paid from the primary employment. FSS is deducted at the particular rates. The part-time is taxed at part-time rates up to the levels, depending on whether the part-time activity is in employment or self-employed.



Your Question

In a scenario where an employee does not come back after maternity and after parental leave, she has to pay the employer back all the wages during maternity. But gross or net?

Gross, as the NI and the tax were incurred by the employer and already paid to Inland Revenue.

DIER replied as net not gross for no return after maternity reimbursement

DIER always takes the best advantageous position from an employee perspective. We look from the employer's perspective and financial impact.



Your Question

An employee that is on parent tax rate has her son graduating in June of this year, when do we change her tax rate back to single? As of July 24 or January 2025 ?

Once the son is over 23 years and has finished his first degree, then employee cannot remain on Parental Rates, subject to not having other children still studying.

Any change in tax category will be effective from 1 January of that year.

Also, to date, if the child earns more than Euro 3,400 per annum, the employee would be taxed at SINGLE RATES.



Your Question

If someone has a salary of more than 2100eur but it's split in a monthly gross 1300 and allowance of 800, if he has overtime, how do you calculate the hour, by all amount 2100 or on monthly gross 1300?

Overtime is payable at 1.5 rate or 2.0 rate on the gross basic salary. Any allowances do not form part of the hourly rate.



Your Question

Just to clarify something about the responsible spouse. When terminating on wedding day and re-employ for tax purposes is it done just through payroll system? And we do not tell Jobsplus? But fill out an FS 4 and send to CFR.

From an employer perspective, the employee remains on their existing contract terms, so no changes there. On payroll you would need to open a new profile for the non-responsible spouse. The responsible spouse remains exactly as is.



Your Question

Salary Increase for 2024 from 192.73 to 213.54 per week, leads me to calculation of 925.34 per month. But again they mention increase 12.81 which is less than difference between 213.54 and 192.73. So if I understand correct the both COLA and minimum salary are reflected. Did I calculate ok???

Cola is €12.81 per week. If, after you add this on 2023 basic for 2024, the weekly basic is less than new minimum wage of €213.54 per week, then the latter is taken.



Your Question

If an employee joined the company mid-year. How many sick leave is he entitled to? Let say 96 hrs per annum. Is he entitled pro rate or full entitlement?

He is entitled to a pro-rata amount till the end of the year.

If he is still on probation the first six months in employment will not qualify for sick leave.



Your Question

The Parental Leave rate is always paid at the Married Sickness Benefit Rate, irrelevant if single or married?

“Provided that parental leave shall be paid for a period of two (2) months, at the same rate established for the sickness benefit entitlement under the Social Security Act,”

LN 201 of 2022 - The Work-Life Balance for Parents and Carers Regulations, 2022

Government Gazette of Malta No. 20,890 – 12.07.2022



Your Question

Interns or MCAS apprenticeships

They are on casual part-time hour contract with us, while we know the end date and the hours during this time, they need to work to reach the MCAST requirements

In JobsPlus I mark them as full time – apprenticeships – as was told so by Jobsplus



NI is by the system automatically put on Student ones, so it's clear.



Now regards the tax: As the stipend is the main income similar like Pension, they do qualify as PT employees, but the 10% is just not fair as income is very small.

I did call 153 and wrote to them and they said that I can do PT and choose tax 0 or single tax, both ways are correct.

What is your experience, please? What is the correct way, please?

You would have to use the standard SINGLE tax rates.

Stipends are not to be calculated in arriving at the tax charge.



Your Question

Can an employee be enrolled as part-timer (twice, under 2 contracts with the same employer) and work as full-timer under the same PE number with the same employer?

Definitely NOT 😡

Your Question

When a full-time employee remains in employment when reaching retirement age, would like to confirm if I am doing the right thing by creating a profile with 10% Tax Deduction until the first 10,000 euro earned, after that another profile with progressive tax rate deduction?

If an employee is retained after reaching retirement age, and starts drawing a pension, he is to be taxed at the SINGLE or MARRIED, after adding the expected annual pensions as previous employment to ensure tax is progressive. There are deductions every year of the amount of tax to be considered.



