



Payroll 2021

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We made it through 2020!!

What next?

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How much leave do we have in 2021?

- It has now been cleared that as in 2020, 2021 will have 27 days of leave.
- 216 hours full time and pro rata for part timers
- The conversation about leave has reminded us that our basic leave is 24 days and the rest added according to the public holidays that fall in weekend
- 2021 will have 3 public holidays during the weekend and therefore $24 + 3 = 27$ (extra 24 hours for full time)
- 2022 will have 4 public holidays during the weekend and therefore $24 + 4 = 28$ (extra 32 hours for full time)



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DIER Vacation leave explained

<https://dier.gov.mt/en/Employment-Conditions/Leave/Pages/Vacation-Leave.aspx>



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Does sick leave change?

- No sick leave remains the same according to the basic law (10 days) or the pertinent wage regulation order that your industry belongs to.
- Any collective agreement supersedes everything



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What is the Cola in 2021?

- COLA in 2021 is €1.75 per week 0.04 cents an hour
- EVERYBODY is entitled to the wage increase unless a more favourable agreement is in place.
- If you use a payroll system please do make a check that this has taken place. Lack of giving COLA has resulted before and will result again in problems with DIER



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Tax

- There is no change in the tax brackets
- The major change was the 15% for overtime on the first 100 hours



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15% on overtime

- Full time
- Not in a managerial post
- Basic wage not more than €375 per week
- The first 100 hours
- A person can opt out of this if it is not of any advantage



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National Insurance

- These always change slightly according to the COLA for that year

For example

B for 2020 was up to €179.33 but for 2021 is €181.08

<https://cfr.gov.mt/en/rates/Pages/SSC1/SSC1-2021.aspx>



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Sickness Benefits

- Single Sickness Benefit for 2020 was €13.73 and now €14.01
- Married Sickness Benefit for 2020 was €21.21 and now €21.64



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Wage Supplement - End of year

- Remember that we need to do the FSS Submission by not later than 15th February
- You need to declare on the FS7 the 10% total (prepaid NI) from the wage supplement.
- Make sure that your system is up to date with the new FS3 and FS7 or if you are doing it manually that you are downloading the correct one
- Those doing submissions using the Excel sheet – this has also changed



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Wage Supplement - 2021

- The system will be different from that of 2020
- Those who have an activity that is does not charge VAT or have a new VAT number will be getting the same amount till March
- For other activities the VAT returns of March to October 2019 will be compared to VAT returns of March to October 2020
- The benefit will increase or decrease according to the losses incurred
- Anyone who made a loss of less than 9% or even made a profit will not be receiving the Wage Supplement any longer



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Wage Supplement - 2021

- Any employees who were employed to replaced people who left can now be added to the wage supplement as long as they do not be greater than the number applied for in May
- These will be backdated from October 2020 as per budget
- A written declaration signed by the legal representative needs to be sent confirming that the employee termination was on voluntary basis, and the new employee was not brought on board with less favourable conditions.



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What will 2021 bring?



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Questions?



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