

PAYROLL 2024

Antoine P. Portelli

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We will cover

- Changes in Salaries
- National Insurance Contributions
- Tax Rates
- Bonuses
- Overtime
- Vacation Leave
- Public Holidays
- Retirement Age
- Sickness and Injury Leave & Benefits
- Other Special Leave types
- Data collection
- New Year Payroll Software roll-over
- Housekeeping



Maltese Legislation Regulating Payroll



Main Legislation



Chapter 452 – Employment and Industrial Relations Act (EIRA)



Chapter 343 – Employment and Training Services Act



Chapter 267 – Employment Commission Act



Chapter 318 – Social Security Act

EMPLOYMENT AND INDUSTRIAL RELATIONS [CAP. 452. 1

CHAPTER 452

EMPLOYMENT AND INDUSTRIAL RELATIONS ACT

To consolidate, with amendments, the Conditions of Employment (Regulation) Act (Cap.135) and the Industrial Relations Act (Cap. 266).

2nd December, 2002
27th December, 2002

ACT XXII of 2002, as amended by Acts IX of 2003, III of 2004 and XIX of 2006; Legal Notice 427 of 2007; Acts V of 2009, V of 2011 and XVI of 2012; Legal Notice 426 of 2012; and Acts IV of 2015 and XXXIII of 2016.

ARRANGEMENT OF ACT

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Changes in Salaries – C.O.L.A.

- Cost of Living Adjustment rate for 2024 announced during Budget Speech on 30 October 2023
- LN 288 of 2023
- Full-timers: **Euro 12.81** per week
- Full-timers: Gross **Euro 666.12** per year
- Hourly Rate increase: **Euro 0.32**

(based on a standard 40-hour week)



Minimum Wage 2024

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

**LN 287 of
2023**

Minimum Wage increased by an **ADDITIONAL €8** per week over last year's Minimum Wage + COLA



National Insurance Contributions

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)



National Insurance Contributions

Class 2 Self-Occupied Persons 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	€10,567.92	€30.48	n/a
SA		€12,028.92	€34.70**	€23.13
SB	Born <1962	€22,000.00	15% of net weekly	10% of net weekly
SB2	Born 1962+	€27,679.35	15% of net weekly	10% of net weekly
SC	Born <1962	€22,000.01+	€63.46	€42.31
SC2	Born 1962+	€27,679.36+	€79.84	€53.23

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

- A part-time self-occupied woman
- A full-time student <24 years working part-time self-occupied
- A pensioner self-occupied with annual net earnings do not exceed €12,028.92



National Insurance - Weeks

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

**53 weeks
in 2024**

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



Tax Rates

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

NO CHANGE FROM PREVIOUS YEARS!!



Tax Rates Year Basis 2024 (Non-Resident 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



Tax Rates

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



Tax Rates

PART-TIME EMPLOYMENT

- EMPLOYMENT **NOT** MAIN EMPLOYMENT
 - 10% on first €10,000
- SELF-EMPLOYMENT **NOT** MAIN EMPLOYMENT
 - 10% on first €12,000

OVERTIME

- 15% on first €10,000
(provided annual basic wage is <€20,000)



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



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)



Vacation Leave

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

Part-Timers

- Vacation Leave available pro-rata, based on average hours worked in the previous quarter (13 Weeks):
 - January – March
 - April – June
 - July – September
 - October - December



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

- **6 Public Holidays** falling on a weekend
- To be added to optional vacation leave

SPOILER ALERT !!!

In 2025, there will be **4** PH falling on weekends.



Monthly Vacation Leave Allocation

MONTH	VL	PH ON WEND	TOTAL VL	PUBLIC HOLIDAYS ON WEEKEND
Jan-24	16.00		16.00	
Feb-24	16.00	8.00	24.00	10-Feb
Mar-24	16.00	8.00	24.00	31-Mar
Apr-24	16.00		16.00	
May-24	16.00		16.00	
Jun-24	16.00	8.00	24.00	29-Jun
Jul-24	16.00		16.00	
Aug-24	16.00		16.00	
Sep-24	16.00	16.00	32.00	8-Sep & 21-Sep
Oct-24	16.00		16.00	
Nov-24	16.00		16.00	
Dec-24	16.00	8.00	24.00	08-Dec
	192.00	48.00	240.00	



Retirement Age

- Persons born between 1959 and 1961
 - Retirement age = **64** years
- Persons born in 1962 or later
 - Retirement age = **65** years
- Persons reaching **61** years may retire earlier at a lower pension
(Must have the minimum number of fully paid NI Contributions)



Year of Birth	No. of Years Paid	No. of Weeks Paid
Before 1962	35	1,820
1962 – 1968	40	2,080
1969 and After	41	2,132

Sick Leave

- 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)
- Use the DIER Resource Pack
- Medical Certificate is ALWAYS required



Injury Leave

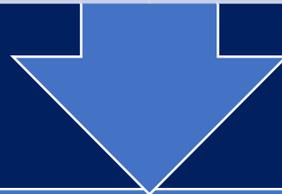
A maximum period of **one year** injury leave on full pay

less the full amount of any injury benefit received in terms of the Social Security Act

if employee is injured during the actual duty

and not due to contributory negligence on their part

or to any contravention of safety rules laid down by the employer



While being on Injury Leave, vacation leave and bonuses accrue whenever an employee is on paid status



Sickness & Injury Benefits

Daily Benefit	Single Parent Or Married with Spouse not in FT Employment	Any other Person
Sickness Benefit	€23.56	€15.91
Injury Benefit	€36.85	€27.73



Maternity Leave

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

Paternity Leave

- Paternity leave from work is allowed to all employees who are equivalent second parents, on the occasion of the birth or adoption of a child, for the purposes of providing care
- The paternity leave is of **10 working days**
- To be taken immediately after the birth or the adoption of the child
- No loss of wages
- The right to paternity leave shall not be subject to a period of work qualification or to a length of service qualification



Parental Leave

- All Employees have the individual right to be granted paid parental leave to enable them to take care of that child, upon:
 - Birth
 - Adoption
 - Child fostering
 - Legal custody of a child
- Parental leave entitlement is of a maximum of 4 months per parent until the child reaches the age of 8 years

(L.N. 201 of 2022)



Parental Leave

- Paid Parental leave per parent for a maximum period of 2 months (8 weeks) at the same rate established for the sickness benefit entitlement and availed of in established periods of at least 2 weeks each.
- The 8 weeks of parental leave shall be taken in accordance to the age of the child, where the child is:
 - < 4 years = 50% of entitlement (4 weeks) will be paid
 - 4 - 6 years = 25% of entitlement (2 weeks) will be paid
 - 6 - 8 years = 25% of entitlement (2 weeks) will be paid



Parental Leave

- For foster parents, the same rate of payment applies, on condition that payment will be given per parent not for each child fostered
- An employee must have at least 12 months continuous service with their employer to be eligible to apply for Parental Leave, unless a shorter period is agreed to
- Every employer shall be bound to keep parental leave records for every worker
- An employee may request such records in writing
- This request may be made even after termination of employment
- The employer should provide a written statement of such leave within 2 weeks of the request



Carers' Leave

- All employees have the right to unpaid carers' leave of **5 working days** per year, to provide personal care or support for a serious medical reason in the following scenarios:
 - to a relative
 - to a person who lives in the same household as the worker
- Medical proof is to be provided by the employee that the supported relative/person is suffering from an illness and is in need of care and support



Transparent & Predictable Working Conditions

- LN 267 of 2022 came into force on **21 October 2022**
- Applies to all employment relationships as from **1 August 2022**
- Sets **minimum** requirements to working conditions
- Information to be provided to Employees
 - Details of Employer
 - Place of Work
 - Description of work to be performed
 - Date of Commencement of Employment
 - Probationary period duration
 - Training entitlement, if any (free of charge and during working hours)
 - All different categories of Leave, and their remuneration



Transparent & Predictable Working Conditions

- Information provided either as part of **employment contract**, or in paper format (record of delivery required)
- Information to be provided by not later than **7th calendar day** from start of work
- Records to be kept by Employer – existing requirements **PLUS** record of **periods of leave** given to employee
- **Prohibition of zero-hour contract:**
 - Exception when employee is providing replacement work and does not constitute their whole-time employment; or
 - Employee is a full-time student



Transparent & Predictable Working Conditions

- **Parallel Employment:** May **not prohibit** employee from taking up employment outside of working schedule, even with competitors
- Employer may prohibit other work if it impacts business confidentiality, health and safety
- **Minimum predictability of work:** Employee entitled to know beforehand of work assignment and timeframe. After probation period, employee may seek **written** confirmation of secure working conditions
- **Remedies to Employee:** Seek redress from DIER
- If terminated due to refusal to comply with any requirement, may be considered as **unfair dismissal**



Payslip 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



Fast Track Scheme for specialist TCNs

- Identita` have launched a new 'Specialist Employee Initiative' Scheme
- Fast-track process for skilled foreign workers
- Promises to process applications within 15 working days
- Open to university graduates or with equivalent qualifications
- In a managerial or technical role
- Earning a minimum €25,000 per year
- Is an extension of the 'Key Employee Initiative' – Highly paid individuals (5 days)

NEW !



Closing off 2023....

Year-end rituals

- Ensuring all terminated employees have been so marked
- All employee data (especially ID No. / Tax No. / NI No.) have been correctly inputted
- Generation of FS3s and FS7 (by 15 February 2024)
- Updated list of unutilised Vacation Leave for 2023
- Generation of all Payroll Reports to be used for reconciliation and Accounting
- Record any Special Bonuses, or Overtime hours, not paid during 2023 to include in next pay run



... and opening of 2024 Payroll

After setting up the Payroll process for 2024

- Run the COLA Wage Increase for all existing employees as on 1 January 2024
- Ensure that COLA increase per week is applied to all Full-timers; whilst the hourly increase is applied to Part-Timers only
- Check the Payroll Software's updated National Insurance contributions tables
- Check the Software's Tax Rates
- Update Vacation Leave entitlements and Public Holidays
- Decide on 2023 unutilised Vacation Leave hours: to Write-off; Pay-off; or add to 2024
- Add new Departments / Sections
- Add new Employees
- Update Job Titles



Housekeeping during 2024

- New Employees – Obtain all the necessary documents required before their employment commences
- Update Jobsplus data
- Ensure that previous employer's FS3 is in hand, and Gross Income and Tax Paid are correctly included in your Payroll Employee details
- Keep track of any FS4s required during the year, especially when employees have a new-born; or other change in tax status
- Liaise with other departments, especially when an employee is terminated
- Procedures re: Third Country Nationals (Identita`)





Thank you

