

MALTA



Key policies to promote longer
working lives

Country note 2007 to 2017

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KEY POLICIES TO PROMOTE LONGER WORKING LIVES IN MALTA¹

(Situation 2007 to mid-2017)

Malta could do more to increase the employment rate of older workers. According to the Late Career Scoreboard at the end of this report (Table 1), despite recent increases the rate remains well below the EU average (in 2016, 35% among those aged 50-74, compared with 45.4%). Malta should consider raising the statutory retirement age further. In particular, as synthesised in Table 2, Malta should take action to restrict access to early retirement; encourage the social partners to implement better retention and hiring mechanisms targeted at older workers; and encourage good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce. That said, Malta has in fact done much to adapt teaching and learning methods and content to the needs of older workers and has developed mechanisms for recognising and validating skills. The country has also taken steps to provide effective employment assistance to older jobseekers and strengthen workplace safety and health.

1. Rewarding work and later retirement

1.1. Enhancing incentives to continue working at an older age

Introduction

The pension system in Malta consists of three pillars, as a result of the 2006 pension reform. The first pillar, providing two-thirds of pensions, is based on a pay-as-you-go (PAYG) public programme for employed people and the self-employed. Contributions for non-active persons are paid by other family members (e.g. by husbands for their housewives); contributions for the unemployed or social assistance beneficiaries are paid by the government. The country's social security system provides for i) a contributory scheme that covers pensions (old-age, survivor and disability pensions), unemployment, sickness, and injury on duty, and ii) a non-contributory scheme (social assistance, unemployment assistance, medical assistance, and an old-age pension) that acts as a safety net where the contributory scheme fails, as well as family benefits that include maternity benefits, children allowance, in-work benefits, supplementary allowance, and energy benefit.

To be eligible for a pension from the first pillar, a minimum of 156 weeks of contributions are required. The second pillar, the legislation for which has been in force since 13 September 2017 (LN 228 of 2017), consists of voluntary occupational retirement pensions. The third pillar, introduced in 2014, is a voluntary scheme based on a tax credit for investments in pension schemes (European Commission, 2015). Further, flat-rate pensions are awarded to people who contributed to social security but are in receipt of a service pension, and to claimants who have a low pensionable income or a poor contributory record, subject to the result of a means test.

1. This note has been produced by the Ageing and Employment Policy Team with a contribution from Nicola Duell.

Raising the statutory age of retirement

The 2006 pension reform (Amendments to the Social Security Act, Chapter 318) gradually increases the pension age, from 61 for men and 60 for women to 65 for both by 2027, for those born in and after 1962; the retirement age will be lower for those born between 1952 and 1962. In 2017, the pension age is 62. Malta thus belongs to the few countries in Europe with a statutory pension age that remains low. Although the planned increases in the retirement age are sizeable given that the ages are low to begin with, Malta could consider further raising the retirement age in the long term.

A full retirement pension requires a yearly average of at least 50 weekly contributions from 1956 or from age 19 (whichever occurs later) – or from age 18 if the person was born after 1958 – up to the last full year prior to the year of retirement. With effect from January 2014, the mandatory time frame for accumulating contributions for a full contribution-based “two-thirds pension” was increased from 35 to 40 years (Natali, Spasova and Vanhercke, 2016). Furthermore, in 2016 the contributory period has been increased to 41 years for persons born after 1968. There is also a legislative requirement that every five years, the minister responsible for pensions must submit a report to the House of Representatives with recommendations for achieving further adequacy, sustainability and social solidarity; the goal is to ensure that a stable proportion is kept between the contribution periods and the periods during which it is expected that the pension will be paid.

Facilitating phased retirement

No phased retirement scheme is in place and no recent action has been taken to introduce such a scheme, although the National Strategy for Active Ageing has recommended doing so.

Better combining of pensions and work income

Legislation to allow combining a full pension with work income was introduced and enacted in 2008 by amending the Social Security Act, Chapter 318. With this measure, the number of pensioners who continue working as salaried or self-employed has gradually increased to 11 000 (in total there are 188 000 persons employed in Malta, of whom 46 500 are aged 50-69).

As from 2015, widows receive a full widows’ pension regardless of their earnings from employment or self-employment, and also irrespective of their children’s age. This measure will mainly target a cohort that is at greater risk of poverty. Before 2014, if the survivor was earning an income through employment, this could not exceed the minimum wage unless the survivor was under the age of 60 and had children in full-time education (European Commission, 2015).

Rewarding longer careers

The 2006 pension reform introduced a person’s right to take full pensions at the age of 61 if they had contributed for 40 years for those born in and after 1962, and 35 years for those born between 1952 and end-1961. Those born after 1962, even after having paid 40 years of contributions and thus having earned an old-age pension after the age of 61, cannot work until reaching the statutory retirement age, but may work after that age. People with long careers can opt not to take up retirement at age 61, and continue to work and pay contributions to the social security scheme until they reach retirement (European Commission, 2015). However, there were few incentives to do so as they would not increase their pension level by working longer.

Therefore, the Maltese Government has launched an incentive mechanism intended to reward individuals deferring their retirement through more generous pensions in 2016 (LN 289 of 2016). The scheme is open

to workers in the private sector, who would have paid 35 years of social security contributions at the time they are eligible to retire at 61 years of age. Those who continue working until age 62 will later on receive an increase of 5% in their pension. The scale increases every year: a person who works until age 63 would receive an increase of 5.5% for the second year, over and above the 5% of the first year. The increase for the fourth year is 6% and the fifth year, 6.5%. With regard to recorded outcomes of this new initiative, latest figures show that 206 persons benefited from the reform. This initiative is thus a step in the right direction, as it most likely will increase the incentive to work longer.

1.2. Towards restricted use of early retirement schemes

Restricting access to publicly funded early retirement schemes

The 2016 pension reform allows retiring before reaching the statutory retirement age at age 61 for those who have 35 or 40 years of contributions (depending on their year of birth). The early exit route at the age of 61 for anyone who has a 40-year contribution history was an avenue for early retirement, left on purpose for labour-intensive occupations. While financial incentives have recently been introduced for the long-term insured to continue working after age 61, early retirement still remains popular for workers reaching that age. Early retirement schemes linked to privatisation and the downsizing of companies have played an important role over the past years. However, more recently there were very few if any such schemes open, especially in light of the fact that state-owned enterprises are now a much less important part of the country's economic landscape than in the past.

Also in 2016, there was an amendment to law whereby persons born on or after 1 January 1969 wishing to access the early exit option must have accumulated 35 years of paid contributions with a maximum of six years of credits (referring to periods of non-active contributions such as unemployment, maternity leave, etc.). Prior to this amendment there was no credit limit, however a minimum of ten years of paid contributions were and still are required of everyone as part of the minimum qualifying conditions.

Introducing specific provisions for arduous/hazardous work

There are no specific rules for taking account of arduous/hazardous work in the Maltese pension system. Early retirement routes for "manual workers" in some sectors (such as quarrying and construction) were proposed by the Pensions Working Group, but the recommendation was not taken up (Natali, Spasova and Vanhercke, 2016). Instead, the possibility of retiring before the statutory retirement age for workers with long careers has become the general opportunity to exit the labour market. It would be advisable to reconsider this linking of the possibility of early exit for those with long careers and painful working conditions, and to close the early exit route as a general rule for all long-term insured persons.

1.3. Preventing welfare benefits from being used as alternative pathways to early retirement

Unemployment (insurance and assistance) benefits

Unemployment benefits are provided for a maximum of six months with no age differentiation. All unemployed people who have contributed for at least 20 weeks over the preceding two years and 52 weeks over the entire working life are eligible. In addition, there is a means-tested non-contributory special unemployment benefit paid to heads of households over the age of 23 for a maximum of six months. After exhaustion of unemployment benefits, an unemployed person may receive means-tested unemployment assistance for an unlimited period of time. Among unemployment assistance beneficiaries there are considerably more men than women. Among beneficiaries aged 40-65, the age group 55-59 represents the largest subgroup (31% of middle-aged and older recipients), while those aged 60-65 comprise only a small

fraction (6%). There is thus a peak in social assistance receipt in the years preceding the statutory retirement age.

A couple without children would receive roughly two-thirds of the minimum wage. It has been argued that work incentives are therefore not high for the low skilled. Receipt of all three types of unemployment benefits is conditional on registering with Jobsplus (the Public Employment Service in Malta) and job-search (Vassallo and Azzopardi, 2015).

Social aid

The means-tested safety net provides grants in cash and in kind to those persons who are not eligible for social insurance benefits. Tapering of social assistance benefits was introduced in 2014 in order to promote transition towards employment (see Section 3.2 for more details). Undeclared work among social assistance benefit recipients has been a major issue in Malta that needs to be tackled (Vassallo and Borg, 2015).

Disability benefits

A person below retirement age who is certified as being incapable of “suitable” full-time or regular part-time employment due to a serious disease or a physical or mental impairment is entitled to a disability pension. To become eligible, the claimant needs to have been continuously in full-time or regular part-time employment or self-employment, or be registered as unemployed, for more than 12 months and have a minimum number of weeks of paid contributions. Rates vary with different conditions. The disability has to be certified by a medical panel appointed by the Ministry for the Family and Social Solidarity. In 2007, the medical review for disability pensions became more rigorous in order to limit the inflow (European Commission, 2015). Certification is for a period of one to three years and cases are reviewed periodically. Combining a disability pension with work is not possible.

Social assistance (means-tested) is paid to people who are deemed incapable of employment on a permanent basis because of a mental or physical condition, but who do not have the means to support their family. The medical board needs to confirm their incapacity.

Under the contributory scheme there is also an invalidity pension regime for persons in employment who, as a result of a medical condition, are declared by a medical board to be permanently incapable of any full-time and/or part-time employment. In particular, reforms are in place to tighten the medical conditions for eligibility and eliminate abuse.

The Disability Reform of 2015 introduced incentives for people with health problems satisfying the Social Security Act (Chapter 318) criteria to be employed. The income from employment would be ignored from the weekly means test. The number of persons with disabilities who subsequently entered the labour market increased significantly; from 323 in 2014 to 847 in 2016.

2. Encouraging employers to retain and hire older workers

2.1. Preventing discrimination in employment on the basis of age

Implementing current or new legislation

The Equality for Men and Women Act was enlarged in 2012 to include additional grounds of discrimination besides gender and family responsibilities, such as age. Age discrimination in employment, education and vocational guidance, and by banks and financial institutions, is thus prohibited.²

Prohibition of discrimination on the basis of age is further addressed in the Equal Treatment in Employment Regulations (Subsidiary Legislation 452.95). These regulations apply to all persons in both the public and private sectors. They concern all stages of employment life, ranging from the conditions for access to employment, such as the advertising of job opportunities, to the actual conditions of employment, including remuneration and dismissals.

With respect to discrimination by age, the law states that difference of treatment on the grounds of age shall not constitute discriminatory treatment. Exceptions are made if such differences are objectively and reasonably justified by a legitimate aim, including a legitimate employment policy, labour market or vocational training objectives, and if the means of achieving that aim are appropriate and necessary.

Since 2012, the National Commission for the Promotion of Equality (NCPE) has been empowered to safeguard equal treatment on the grounds of age in the areas covered by its remit. Hence, as part of its core work, the NCPE:

- i. investigates complaints of alleged discrimination in employment on the grounds of age
- ii. provides training on equality in employment for different groups of stakeholders
- iii. furnishes feedback on policy documents to ensure that equal treatment is safeguarded, including on the grounds of age
- iv. raises awareness of equal treatment and the work of the NCPE through participation in programmes on television and radio, publication of articles and press statements, and active utilisation of the commission's website and social media
- v. screens local newspapers for any discriminatory advertisements for vacant posts in employment, and contacts the respective companies
- vi. provides assistance to organisations to draft or update equality policies at the workplace
- vii. replies to requests for information from the general public and other stakeholders, thus disseminating further information on matters related to equal treatment
- viii. publishes a newsletter, including a special edition for employers, to pass on targeted messages on equality.

A person claiming to have been subjected to discriminatory treatment in relation to their employment, or claiming another person was discriminated against, may within four months of the alleged breach refer the matter to the Industrial Tribunal for redress. Besides proceedings before the tribunal and the Civil Court, the Department of Industrial and Employment Relations can institute criminal proceedings against an

2. http://ncpe.gov.mt/en/Documents/Home/Welcome/Chp.456_updated%202015.pdf (accessed 2 March 2018).

alleged perpetrator of any of the offences listed in these regulations. By mid-2017, there had been only one case held before the Industrial Tribunal, specifically dealing with discrimination on the basis of age.

Launching public awareness campaigns

The National Strategy for Active Ageing, launched in 2013, has identified the need to implement an awareness-raising campaign. It is advisable to eventually implement activities planned in this area.

2.2. Taking a balanced approach to employment protection by age

Implementing age-neutral measures

No specific action relevant to older workers has been taken.

2.3. Discouraging mandatory retirement by employers

By law in general, by sector/occupation, private/public sector, region

The country's Social Security Act (Chapter 318) states that a pension must be drawn by age 65. However, the act also states that pension and work may be combined even after 65.

2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers

For all older workers

The social partners do not seem to have specific activities or strategies in place with regard to promoting active ageing under appropriate conditions.

In line with its current Strategy and Work Programme, the Occupation Health and Safety Authority (OHSA) has prepared a project proposal entitled Ensuring Sustainable Work for Healthier and Longer Working Lives. The project aims to promote healthy ageing at work, focusing on health and safety issues that enable and motivate older workers to remain in the labour market longer. This will be achieved through an awareness-raising campaign for and prepared with relevant stakeholders, including the social partners. It is also planned to assist companies, including SMEs, in dealing with the challenges related to an ageing workforce, by developing and providing information and tools (Borg and Fries-Tersch, 2016). It is recommended that this proposal be implemented and the social partners are actively involved.

The National Strategy on Active Ageing, launched in 2013, advocates supporting work settings that ensure workers' lifelong employability, equal access to training, age-appropriate training systems, flexible and individual work designs, age-friendly working-time arrangements, and occupational support from well-informed management. Bad working conditions are identified as one of the barriers to lengthening working lives (Borg and Fries-Tersch, 2016). Unfortunately, the strategy does not contain specific preventive or remedial actions to support the labour market participation of older workers.

Review of the use of seniority wages

No specific action relevant to seniority wages has been indicated. It would be useful to scrutinise existing regulations and collective agreements to detect whether they contain rules that base wages on age or length of service where the criterion of increased performance does not apply.

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce

In general and tackling of specific issues

No specific action relevant to older workers has been taken by the government or social partners. Single employers may have implemented measures of this type.

3. Promoting the employability of workers throughout their working lives

3.1. Enhancing participation in training by workers in their mid- to late careers

Providing guidance services

Jobsplus offers guidance services as well as a number of training opportunities to assist people seeking employment in developing the skills they need to participate in the labour market. With regard to older workers, the Strategy for Active Ageing identifies a range of policy gaps in the area of guidance services – which currently are provided in a fragmented and sporadic manner – as well as a gap in the services available for persons above the statutory retirement age who wish to return to work or take up self-employment. The strategy also refers to the need to provide older workers with opportunities to update and extend both their skills and qualifications, so as to enable and encourage them to continue working. It mentions that older workers face various barriers when participating in skills development, such as negative employer attitudes, discrimination, a lack of information about options, financial issues, and negative personal attitudes (Borg and Fries-Tersch, 2016).

The Learning Support Unit and the Inclusive Education Unit within the Curriculum Department of Malta College of Arts, Science and Technology (MCAST) provide support to all learners during education and training. From October 2015, the University of Malta offers a master's in Lifelong Career Guidance and Development. The university also provides advice about its courses to “older” workers who decide to take up tertiary studies, and continues to provide support to these students once they enrol in a course. The Institute for Tourism Studies (ITS) offers guidance services for its students as well as for employed people.

In the summer and 2015 and 2016, the Directorate for Lifelong Learning and Early School Leavers (DLL and ESL) within the Ministry for Education and Employment (MEDE) organised a reception centre in the town of Floriana in order to provide guidance to adults wanting to apply for lifelong learning courses. Among those making use of the service were Maltese nationals who had been away from any learning opportunities for many years and who thus needed guidance to direct them to the best options, as well as third-country nationals who needed guidance because they did not have enough information about the different course levels and the certificates they led to.

Providing access to training adjusted to the experience and learning needs of older workers

Through the Work Programme Initiative, Jobsplus in collaboration with three private providers assists the long-term unemployed to reintegrate within the labour market through a three-phase approach: profiling, training, and job offer. The aim of this scheme is to engage its participants in sustainable employment. Although any long-term unemployed/inactive person above the age of 25 is eligible, the scheme is attracting a number of older individuals. This programme seems to have had a positive impact as regards the employment of older workers: the recorded number of employed persons over 50 increased from 42 000 to 49 100 between December 2011 and December 2016.³ Between 2015 and 2016, a total of

3. According to Jobsplus administrative data.

598 older individuals aged 50 and above were participating in the Work Programme Initiative. However, no thorough evaluation of the work programme has been conducted.

Adapting teaching and learning methods and content to the needs of older workers

MCAST embraces an inclusive education policy. It provides universally accessible vocational and professional education and training that treats all learners equally – including the registered unemployed, among whom are found the older unemployed. MCAST provides its vocational education and training teachers with initial and continuous professional development. Teacher training takes a holistic and inclusive approach and thus incorporates the different learning styles and needs of the diverse learner population. MCAST moreover offers a teacher training programme to members of its staff who do not have a formal teacher training qualification. The learners in MCAST are all adult, and the andragogical approach is a key aspect of teacher training. Pedagogical approaches include embedded learning, especially for the lower levels of study programmes; assessment of competencies; learning for employability; problem-based learning; curriculum development; and quality assurance.

Promoting lifelong learning and development of the adult vocational education and training system

DLL and ESL within MEDE is one of the leading providers of adult learning in Malta and Gozo. To launch Learning Year 2016, a communications strategy was implemented utilising a variety of media. The courses offered vary in levels, type and depth, as well as in the number of learners attending classes. So far in 2016-2017, adult learning courses have attracted 12 500 applicants. Applicants to lifelong learning courses aged 50 and older represented 30% of all accepted participants. The number of older women among participants in lifelong learning courses was twice as high as the number of older men.

MCAST, the country's leading vocational and education institution, promotes lifelong learning and develops adult vocational education and training by having it reflect the changing nature of jobs in terms of sectors, occupations and qualification levels. Full-time and part-time training courses are offered from Level 1 to Level 7 of the Malta and the European Qualification Framework (MQF and EQF). MCAST promotes certification using instruments that include the Europass, the European Credit System for Vocational Education and Training (ECVET) and the European Credit Transfer Scheme (ECTS) across all levels of the national qualification framework. Development and renewal of the curriculum is a constant process that also includes consultation with industry and employers' associations as well as learners. Particularly for the lower programme levels (MQF Level 1 and Level 2), the pedagogy used facilitates integration of key competencies (including language, numerical and technical skills) within the vocational aspects of the curriculum.

The MCAST Gateway to Industry (MG2I) offers a wide spectrum of part-time vocational training courses to adults who want to upgrade and their employability chances through up-skilling and/or to those who want to venture into a different career. Currently there are 300 CVET courses offered in the evening; training and preparation of personnel in both technical and non-technical disciplines. MG2I training courses also provide an up-skilling opportunity for employers and employees alike. A 75% discount on course fees is offered to senior citizens at least 60 years of age. An advertising campaign targets local newspapers, radio, TV, the Internet, Maltese news portals and billboards.

In 2015 a telephone survey was carried out among approximately 900 participants who had applied for courses in basic skills delivered by the DLL and ESL Directorate during the academic year 2014-2015. Courses were at basic entry Levels 1 and 2 of MFQ in Maltese, English, Mathematics, Computer Awareness and Internet Awareness (Grant Thornton Services, 2017). The largest cohort consisted of adult learners aged 45 to 64 (37.7%), followed by those aged 65+ years (24.1%). About 42% of participants were in employment while participating in lifelong learning courses. In terms of motivation, 82.3% of

participants stated that they joined the courses because they wanted to enhance their skills, while 52% wanted to have a second chance at education.

Setting up mechanisms for recognising and validating skills

Currently the National Commission for Further and Higher Education (NCFHE) within MEDE, established in 2012, is the main entity in charge of validating informal and non-formal learning. NCFHE ensures that validation mechanisms set up in subsidiary legislation are implemented. Validation of informal and non-formal learning in Malta took off in 2012 following enactment of legislation (Legal Notice 295 of 2012).⁴ These regulations also provide a framework for the validating of non-formal and informal learning and the granting of validation awards linked to the MQF.

NCFHE sets up benchmarks for the validation process, in order to make sure that validated learning corresponds to the learning outcomes in established occupational standards that are reviewed by Sector Skills Units. These units are currently drafting occupational standards for a number of occupations in relation to the following fields: educational support services; hospitality and tourism; printing and creative media; health and social care; automotive, building and construction; and hair and beauty. The output will serve as the basis for the validation of informal and non-formal learning.

The Sector Skills Units are made up of representatives of different stakeholders, and so their discussions consider the concerns of all stakeholders' in the sector. These units are to draft and review the occupational standards, propose validation mechanisms, and provide guidance to candidates among others. The National Occupational Standards are a classification and definition of the main jobs that people perform; they link qualifications to the requirements of the labour market. In fact, each Sector Skills Unit meets monthly at NCFHE, and an NCFHE officer is present at each unit as their secretary. Minutes and agendas are accordingly kept following each meeting, and the officer also ensures that the occupational standards correspond to the respective MQF Level, and that the learning outcomes are written properly.

MCAST works with local companies from different industry sectors in validating the prior learning of the workforce in those sectors. It has lately been accrediting the knowledge, skills and competence acquired in settings and situations outside the formal system of individuals within sectors. The ITS has set up a mechanism for recognising and validating skills for its own staff. ITS lecturing staff will be obtaining a higher qualification and will be able to lecture at higher levels. As of 2017, ITS will be collaborating with international entities to launch an initiative that will benefit workers in the tourism and hospitality industry by recognising their skills and knowledge. With Recognition for and Accreditation of Prior Learning (RPL), individuals seeking to further their education shall obtain an evaluation of their current state of knowledge and skills, making it possible for them to obtain credits and opening avenues to further their studies. The University of Malta Senate, for instance, has adopted RPL policy,⁵ consolidating its previous practices of admitting persons who do not hold formal qualifications for its courses while placing its evaluation of workers' experience and skills on a more robust and structured footing. The University of Malta currently does not offer up-skilling training courses as an adjunct to validation of prior learning.

The European Social Fund (ESF)-funded project "Increasing Accessibility, Flexibility and Innovation to MCAST Lifelong Learning Course Offer", begun in 2011, has been used to introduce an Accreditation of Prior Learning (APL) system and an Electronic Accreditation of Prior Learning (E-APEL) system.

4. www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=23720&l=1 (accessed 2 March 2018).

5. www.um.edu.mt/_data/assets/pdf_file/0009/321777/RPLPolicy.pdf (accessed 2 March 2018).

3.2. Providing effective employment assistance to older jobseekers

Promoting an all-age mainstreaming activation approach

Malta spends much less on active labour market programmes (ALMPs), measured as a percentage of GDP, than most other EU Member States. The main part of the ALMP budget is spent on employment services such as counselling and job placement activities; the second largest category is training incentives.

Targeting workers most at risk of long-term joblessness

In 2014 the Mature Workers Scheme was launched. Employers, including self-employed individuals, hiring jobseekers aged 45-65 who have been registering with Jobsplus over the previous six months will have their income tax deducted pro rata. The deduction offered by the government amounts to EUR 5 800 per annum. Moreover, employers who engage eligible employees may benefit from a further tax deduction of 50% of the cost of training, up to a maximum of EUR 400 per employee.

Providing employment/hiring subsidies to firms

The Employment Aid Programme launched in 2009 and co-financed through ESF (2007-2013) offered subsidies for a wide range of vulnerable groups, including the unemployed aged 50 and over and people with disabilities (Debono, 2014). The Access to Employment (A2E) Scheme (2015-2020), replacing the Employment Aid Programme, provides an employment subsidy targeted at hiring disadvantaged groups. The scope of this scheme is to assist those individuals in finding sustainable employment who are at risk of becoming detached from the labour market, including older workers. Employers receive a subsidy of EUR 85 per week per new recruit for 26 weeks, 52 weeks or 104 weeks, depending on the target group. About one-fifth of participants were older individuals.

Providing in-work benefits to workers

Tapering of social assistance benefits was introduced in 2014. Since then, all persons who have received social assistance for two years within the previous three and who have found employment have been eligible to receive 65% of their social assistance for the first year; 45% for the second year; and 25% for the third and last year. The employer is eligible to receive 25% of the social assistance rate. Periodic evaluations, carried out by the Economic Policy Department within the Ministry for Finance together with Jobsplus, show that an encouraging number of social assistance beneficiaries started employment and had tapered social assistance benefits.⁶

Providing other ALMPs, including incentives to promote self-employment

A Community Work Scheme is in place for people unemployed for more than five years. Over the years the scheme has encountered a number of problems and criticisms, including the difficulty in finding enough placements to accommodate the targeted numbers of participants (Attard, 2010).

The Employment in the Social Economy Project, running from 2012 to 2014, promoted the integration, retention and progression of disadvantaged and disabled people by giving financial assistance to eligible organisations working in the social economy to recruit them. The project also aimed to upgrade the skills of those who were furthest away from the labour market. People aged 50 and older were among the target group. It was planned to evaluate this measure through a tracer study (Debono, 2014).

6. Findings emanating from these evaluations are presented in national and European forums. The report of the evaluations is not publicly available.

Start-up incentives are in place but not specifically targeted at older workers. There are no specific measures for vocational rehabilitation in place, although these measures are highly relevant to older workers.

The University of Malta recently launched the Centre for Entrepreneurship and Business Incubator and the related TAKEOFF business incubator. Both the Centre and Incubator target start-ups in knowledge-based industry and do not discriminate against the older unemployed. However, at the University of Malta there are currently no programmes on offer that specifically target this market segment. The MCAST Entrepreneurship Centre provides incubation services to students interested in starting up a business. So far, entrepreneurship at MCAST is offered to MCAST students and alumni. The Malta Entrepreneurship and Start-Up Forum, composed of government agencies and private industry, brings together various players who operate incubation spaces and/or offer mechanism for start-up support.

3.3. Enhancing job quality for older workers

The National Strategy on Active Ageing also highlights that work-related stress is one of the most common factors behind ageing workers choosing early retirement after illness or disability rather than rehabilitation. The results of the 5th Survey on Working Conditions carried out by Eurofound also indicate that on average, working conditions for older workers are worse in Malta than in Europe.

Strengthening workplace safety and physical and mental health

OHSA has adopted a multiannual strategy running to 2020 to address issues relating to occupational health and safety (OHS) in general. It is stressing the need to proactively identify risks at workplaces, the need for meaningful participation of the social partners, and the need to strengthen the national systems in place. The ultimate objective of the strategy is to reduce workplace accidents and ill health.

The previous national OHS Strategy (2008-2012) indicated that there was a serious lack of available data on occupational ill health and morbidity. The strategy (which has now been superseded by another that covers the period 2014-2020) linked the workplace risk rating with inspections and interventions by the national inspectorate, so that the greatest risk receives the greatest attention from the inspectorate. That aim was achieved once the Enforcement Policy of the Occupational Health and Safety Authority in Malta (OHSA-MT) declared it as an underlying principle governing the enforcement strategies of OHSA. Such a measure is likely to improve the prevention of injury, as well as the rehabilitation of ageing workers after illness or injury at work. The rating will be based on four key dimensions: carrying out an adequate risk assessment, designation of a competent person or persons to monitor and ensure compliance with OHS at the workplace; the participation of employees on matters affecting their occupational health and safety; and control of risks at source. OHSA officers will assess the degree of compliance in these key dimensions during the workplace visit, based on objective criteria (Borg and Fries-Tersch, 2016). Furthermore, OHSA-MT mainstreams ageing – which it recognises as an emerging risk – into all its policies and promotional/information campaigns, highlighting the ageing workforce as a real risk that merits specific interventions at all workplaces.

OHSA also developed a set of guidelines for the “Framework for Action to Control Stress at Work”, targeted at all workers. These guidelines also may help employers deal with and support workers in need of rehabilitation and re-adaptation at the workplace after illness or disability. The document includes a template for an enterprise policy that can be adapted to take into account the particular characteristics of the enterprise and its workers.

ITS assists in the continuous professional development to its staff through courses on safety and physical and mental health. It also provides protective clothing and equipment for safety, and assists its employees in the eventuality of any mental health issues.

Reducing the incidence of arduous/hazardous work

No relevant action has been taken.

Balancing professional and family responsibilities

The National Strategic Policy for Active Ageing 2014-2020 is premised on three major themes: active participation in the labour market; participation in society; and independent living. It recommends promoting specific types of leave entitlement to enhance flexibility between employment and the caring duties of older workers. In this regard, the strategic policy states that other measures such as working-time adjustment, flexible working, teleworking and job-sharing should be encouraged across public and private sectors. It is important to implement these recommendations.

Table 1. Late Career Scoreboard, Malta, 2006 and 2016

	Malta		EU28 ^a		OECD ^a	
	2006	2016	2006	2016	2006	2016
Demographic situation						
-- Old-age dependency ratio ^b	0.22	0.32	0.28	0.32	0.23	0.28
-- Effective labour force exit age ^c (years) Men	59.8	62.2	62.0	63.4	63.6	65.1
Women	59.2	62.6	60.5	62.0	62.3	63.6
Employment						
-- Employment rate, 50-74 (% of the age group)	28.8	35.0	38.3	45.4	47.0	50.8
of which 50-54	54.3	72.3	73.1	77.9	73.8	75.7
55-64	30.7	44.7	43.3	55.3	52.7	59.2
65-69	3.9	6.4	9.1	12.1	20.3	25.5
70-74	1.3	-	4.4	5.5	12.0	14.6
-- Gender gap in employment, 55-64 ((men-women)/men)	0.78	0.58	0.34	0.21	0.32	0.25
Job characteristics						
-- Incidence of part-time work, 55-64 (% of total employment in the age group)	9.7	15.0	22.1	22.2	20.3	21.1
of which voluntary 55-64 (% of part-time work in the age group)	93.7	94.5	85.4	78.9	87.3	85.2
Average number of weekly hours worked	19.4	18.6	17.1	17.5	16.6	16.9
-- Incidence of temporary work, 55-64 (% of employees in the age group)	2.5	6.0	6.9	6.7	8.9	7.9
-- Incidence of self-employment, 55-64 (% of total employment in the age group)	19.6	22.2	24.1	19.7	38.0	32.8
-- Full-time earnings, 55-64 relative to 25-54 (ratio)	-	-	-	-	1.09	1.10
Dynamics						
-- Retention rate ^d after 60 (% of employees t-5)	25.0	35.5	37.1	48.8	40.3	50.3
-- Hiring rate, ^e 55-64 (% of employees in the age group)	3.0	5.8	6.1	5.8	9.2	9.1
Joblessness						
-- Unemployment rate ^f , 55-64 (% of the labour force aged 55-64)	2.6	4.8	6.1	6.4	4.3	4.6
-- Incidence of long-term ^g unemployment, 55-64 (% of total unemployment in the age group)	40.9	85.0	49.8	63.7	26.3	44.3
-- Marginally attached workers, ^h 55-64 (% of population in the age group)	0.4	0.5	2.4	1.9	1.2	1.2
Employability						
-- Share of 55-64 with tertiary education (% of population in the age group)	8.0	8.7	17.2	22.9	20.0	26.2
-- Participation in training, ⁱ 55-74 (% of employed in the age group)	4.4	5.3	-	8.5	-	-
Relative to employed persons aged 25-54 (ratio)	0.52	0.51	-	0.66	-	-

a) Weighted averages with the exception of the share with tertiary education.

b) The ratio of the population aged 65 and over to the population aged 20-64.

c) Effective exit age over the five-year periods 2001-2006 and 2011-2016. The effective exit age (also called the effective age of retirement) is calculated as a weighted average of the exit ages of each five-year age cohort, starting with the cohort aged 40-44 at the first year, using absolute changes in the labour force participation rate of each cohort as weights.

d) All employees currently aged 60-64 with job tenure of five years or more as a percentage of all employees aged 55-59 five years previously.

e) Employees aged 55-64 with job tenure of less than one year as a percentage of total employees.

f) Year 2016 refers to 2015.

g) Unemployed for more than one year.

h) Persons neither employed, nor actively looking for work, but willing to work and available for taking a job during the survey reference week. Year 2006 refers to 2007.

i) Participation in formal and non-formal training in the last four weeks.

Source: OECD estimations from the *OECD Employment Database*, the *OECD Earnings Distribution Database*, *OECD Education at a Glance* and the *Eurostat Database on Education and Training*.

Table 2. Implementing ageing and employment policies in Malta, 2007 to mid-2017

1. Rewarding work and later retirement	
1.1. Enhancing incentives to continue working at an older age	
<i>Raising the statutory age of retirement</i>	+
<i>Facilitating phased retirement</i>	/
<i>Better combining of pensions and work income</i>	+
<i>Rewarding longer careers</i>	+
1.2. Towards restricted use of early retirement schemes	
<i>Restricting access to publicly funded early retirement schemes</i>	?
<i>Introducing specific provisions for arduous/hazardous work</i>	/
1.3. Preventing welfare benefits from being used as alternative pathways to early retirement	
<i>Unemployment (insurance and assistance) benefits</i>	/
<i>Social aid</i>	+
<i>Disability benefits</i>	+
2. Encouraging employers to retain and hire older workers	
2.1. Preventing discrimination in employment on the basis of age	
<i>Implementing current or new legislation</i>	+
<i>Launching public-awareness campaigns</i>	/
2.2. Taking a balanced approach to employment protection by age	
<i>Implementing age-neutral measures</i>	/
2.3. Discouraging mandatory retirement by employers	
<i>By law in general, by sector/occupation, private/public sector, region</i>	/
2.4. Encouraging the social partners to implement better retention and hiring mechanisms targeted at older workers	
<i>For all older workers</i>	/
<i>Review of the use of seniority wages</i>	/

2.5. Encouraging good practice in collective labour agreements and/or by individual employers/industries in managing an age-diverse workforce	
<i>In general and tackling of specific issues</i>	/
3. Promoting the employability of workers throughout their working lives	
3.1. Enhancing participation in training by workers in their mid- to late careers	
<i>Providing guidance services</i>	+
<i>Providing access to training adjusted to the experience and learning needs of older workers</i>	+
<i>Adapting teaching and learning methods and content to the needs of older workers</i>	++
<i>Promoting lifelong learning and development of the adult vocational education and training system</i>	+
<i>Setting up mechanisms for recognising and validating skills</i>	++
3.2. Providing effective employment assistance to older jobseekers	
<i>Promoting an all-age mainstreaming activation approach</i>	/
<i>Targeting workers most at risk of long-term joblessness</i>	+
<i>Providing employment/hiring subsidies to firms</i>	+
<i>Providing in-work benefits to workers</i>	+
<i>Providing other active labour market policies, including incentives to promote self-employment</i>	/
3.3. Enhancing job quality for older workers	
<i>Strengthening workplace safety and physical and mental health</i>	+
<i>Reducing the incidence of arduous/hazardous work</i>	/
<i>Balancing professional and family responsibilities</i>	/
<p>++ = Substantial action taken. + = Some action taken, but more could be done. +? = Some action taken, but requires further assessment. ? = Some action taken with negative impact. / = No relevant action taken. ✓ = No action needed.</p> <p><i>Source:</i> Assessment based mainly on Malta's answers to the 2016-2017 OECD questionnaire.</p>	

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