
Department of Social Security

Annual Departmental Report for 2010

The Social Security Department is responsible for the administration of Social Security Legislation which provides for the payment of benefits under the contributory and the non-contributory schemes.

These schemes cover the entire population which is in some way recipient of such benefits. The Department is mainly involved in ensuring that financial support is given to those sections of the community which are mostly in need, namely those with a low-income, the sick, the elderly and the unemployed.

The total expenditure on Social Security benefits in 2010 reached €729,383,240. This expenditure reflects an increase of €67,546,688 over the previous year

LEGISLATION

Legal Notice 437 of 2010 provided for the increases in the rates of Social Security benefits and contributions as had previously been announced in the Budget Speech for 2010. These increases were proportionately tied to the €5.82 cost of living increase rise in wages as awarded by Government.

There was no increase in the capital resources means test of persons applying for Non-Contributory Benefits. Thus the capital limit for the entitlement of Age Pension, Social Assistance and Sickness Assistance remained €14,000 in the case of a single or a widowed person and €23,300 in the case of married persons. The Capital limit in the case of applications for Medical Aids Grant also remained the same, at €9,320 in the case of a single or a widowed person and €16,310 in the case of married persons

The Social Security contribution rate payable by employers and employees remained at 10% of the basic weekly wage, and the Social Security contribution rate payable by a self-occupied and a self-employed person remained at 15% of the income declared by the payer in the previous year.

NEW SOCIAL SECURITY MEASURES

Amongst the important measures that continued during the year under review one finds:

1. Pensioners in receipt of a social security pension were once again awarded the full cost of living as in the previous year with a $\frac{2}{3}$ increase in the pension weekly rate and the remaining $\frac{1}{3}$ paid as a

cost of living bonus at the start of the year. Approximately 80,000 pensioners were entitled to this cost of living bonus.

2. Persons registering for work under the Part I register held by the Employment & Training Corporation and in receipt of an unemployment assistance who become engaged in voluntary community work or in any public work under a scheme announced by Government continued to receive their unemployment assistance at an increased rate that is equal to 75% of the national minimum wage

CONTRIBUTORY SCHEME

The Department continued with its duty to determine questions of cases of insurability. It also continued to issue exemptions from payments of the social security contributions to those expatriates insured in their home countries and also paying their dues there.

The total revenue collected during 2010 in terms of the Social Security Act (Cap 318) amounted to €547,200,000 and this reflects an increase of €21,09,530 over the previous year.

These figures are broken down in the following table:

Contributions and Enforcement			
Type of Contributions	2009 ACTUAL	2010 ACTUAL	Difference + or -
	EUR	EUR	EUR
Class I Contributions in respect of Private Industry	239,554,908	247,150,000	7,595,092
Class I Contributions in respect of Government Employees	77,000,509	80,700,000	3,699,491
Class II Contributions by Self-Employed persons	34,039,849	36,500,000	2,460,151
FURTHER CONTRIBUTIONS	207,571	350,000	142,429
State Contribution	175,297,633	182,500,000	7,202,367
TOTAL	526,100,470	€547,200,000	21,099,530

Short-Term Benefits

During 2010, the Short Term Benefit Section in Gozo continued with the normal duties related to the issue of short-term benefits. All Stagers have been integrated into one unit. This development even fine tuned the services rendered by Stagers and Claims without affecting payments of Sickness and Unemployment Benefits. Even so, with less staff and through the concept of teleworking, seasonal backlogs of SB payments during April-June and also during December, were addressed and reduced to a minimum. Members of staff from Stagger A were assigned new duties to recover monies due to the Department and monitor arrears of revenue.

STB section reorganisation allowed former staff based in stagers who were previously involved in keying-in and verification of Ledger Sheets to be deployed to a new section. Call Centre Gozo has been created and staff trained to perform Call Centre information duties. Call Centre Gozo is currently teamed up with SPIC 159, but in the near future it will become an independent unit performing customer care and information duties for the Social Security Division.

As in the previous year, the Gozo Branch once again managed to issue the annual reviews of Supplementary Allowance claims on time. The difference from previous years was that for the first time, 7/12 staff performed their duties mostly via Telework. The total number of Supplementary Allowance claims reviewed amounted to 28,379 of which 26,356 were reviews to ascertain entitlement for year 2010/2011 and 2,023 claims pertained to late or change of status applications. Total number of Marriage Grant Applications process during 2010 was 1,473.

The Short Term Benefits Section also continued with the processing of Energy Benefit applications. A total of 2,896 new applications were assessed and the relative vouchers issued accordingly. The section also issued 253 vouchers for Charitable Institutions and took action on 271 Benefit Fraud cases.

Claims for short-term benefits dealt with during 2010, as compared with 2009, are as shown hereunder:

Type of Medical Certificate	2009	2010	+ or -	Type of Benefit	Number Of Claims		
					2009	2010	+ or -
First/Final (under 4 days)	75545	71,441	-4,104	Sickness Benefit	126597	116,363	-10,234
First/Final (4 to 6 days)	31859	26,464	-5,395	Unemployment Benefit	20158	18,173	-1,985
First (open)	19193	18,458	-735	Special Unemployment Benefit	1078	803	-275
Intermediate	96408	93,071	-3,337	Injury Benefit	3198	3,171	-27
Final	16780	16,167	-613	Marriage Grant	3177	3,517	340
TOTAL	239785	225,601	-14,184	TOTAL	154208	142,027	-12,181

Children's Allowances and other Family Benefits

Children's Allowance Benefit (CA)

During the year 2010 the Children's Allowance section reviewed all the Children's Allowance claims that were in payment with a view to establish the new Children's Allowance rates for the benefit year starting July 2010. The number of household in receipt of Children's Allowance benefit at 31st December 2010 was 45457.

Apart from the annual review as described above the Children's Allowance section received 1837 requests for an adjustment in the payment rate of the Children's Allowance benefit due to a change in the family's circumstances (additional children, termination of employment, students, etc.). These adjustments necessitate a review over and above the annual review indicated in the previous paragraph, due to the fact that these notifications of change in circumstance are normally received after the annual review has been effected. A further 983 claims were processed in connection with separation, marriage and deaths of one of the spouses.

During 2010 the Children's Allowance Section received 1086 new claims (1st time application). New claims fall under the Quality Service Charter (QSC). All claims received were processed within the time limit established by the QSC.

Maternity Benefit (MB)

2231 Maternity claims were received by the CA section in 2010. This benefit also falls under the QSC and all claims were processed and paid within the established time frame.

Disabled Child Allowance (DCA)

During the year the CA section received 143 new applications for this benefit. 127 of these claims were accepted while 16 claims were rejected by the Medical Panel. Thus the number of families who received DCA at 31st December 2010 stands at 874. During this year 47 claimants who were already in receipt of DCA had their claim reviewed by the Medical Panel.

Foster Care Allowance (FCA)

Due to the measures announced in the Budget speech for 2010 the FCA payment rate for 2010 was increased from €40 per week per child in 2009 to €0 per week per child. Also the eligibility age was extended to 21 years. This measure necessitated a review of all the FCA claims so that the families who foster children could benefit from the new payment rate. In all 129 claims involving 153 fostered children were processed and the necessary amendments effected. 28 of such cases, where the foster allowance was stopped as child reached 18 years of age, were processed and FCA claim restarted.

In all 18 homes/institutes, who together host 235 children, had the foster care allowance paid to them reviewed on the same lines mentioned above.

Foreign Correspondence

The CA section is also responsible for answering various queries sent by EU Member States (E Forms) regarding family benefits. A number of requests were generated from the CA section to establish competence/payment entitlement for family benefits

Children's Allowance Payments

The following tables provide some statistical data for Children's Allowance payments during 2010:

CA for household with income less than €23,923	Number of Families		
	2009	2010	+ or -
Child Allowance only:			
(i) One eligible child	14561	14,208	-353
(ii) Two eligible children	9059	8,693	-366
(iii) Three eligible children	2168	2,032	-136
(iv) Four or more eligible children	606	580	26
TOTAL	26394	25,513	-881

CA for household with income more than €23,923	Number of Families		
	2009	2010	+ or -
Child Allowance only:			
(i) One eligible child	9770	10,085	315
(ii) Two eligible children	7083	7,104	21
(iii) Three eligible children	1225	1,183	-42
(iv) Four or more eligible children	191	194	3
TOTAL	18269	18566	297

Type of Benefit	2009	2010	+ or -
Disabled Child Allowance	747	768	21
Maternity Benefit	2615	2,358	-257
TOTAL	3362	3126	-236

Contributory Pensions

The following table shows the number of persons in receipt of a Contributory Pension at the end of 2010. Here the upward trend in the number of pensioners, especially the new retirees continued with a net increase of 3.88% being recorded in the number of retirement pensioners over the previous year.

As a result of the budget speech for 2010 all pensioners were awarded the full cost of living increase. Thus two-thirds of the cost of living increase €3.88 was added to the weekly pension rate and the remaining one-third was given as a one time payment in advance for the whole year.

As in previous years the maximum pensionable income for Social Security purposes was once again increased by the cost of living allowance to reach the amount of €17,115

Type of Benefit	Number of Pensioners		
	2009	2010	+ or -
Retirement Pension	9,585	9,874	289
Increased Retirement Pension	1,918	2,576	658
National Minimum Retirement Pension	8,404	8,516	112
Decreased National Minimum Pension	122	119	-3
Increased National Minimum Ret. Pension	2,643	2,859	216
Two-Thirds Pension	29,744	32,144	2,400
Invalidity Pension	1,084	837	-247
Increased Invalidity Pension	270	230	-40
National Minimum Invalidity Pension	6,014	5,454	-560
Decreased National Minimum Pension	21	8	-13
Widow's Pension with Service Pension	544	500	-44
National Minimum Widow's Pension	8,359	8,223	-136
Early Survivor's Pension	1,957	1,978	21
Survivor's Pension	5,209	5,526	317
Disablement Pension	334	322	-12
Orphan's Allowance	13	16	3
TOTAL	76,221	79,182	2,961

Pension Reviews

During the period under review total of 11,013 contributory pension revisions (Retirement, Widows and Invalidity) were undertaken in connection with new collective agreements that came into effect during the said year. These collective agreements were of companies/organisations with which pensioners were employed with previously. Furthermore revisions were also carried out to contributory pensions (Retirement, Widows and Invalidity) governed by the Government Salary Structure.

Invalidity Pensions

The number of Invalidity Pension cases assessed and reviewed under the new system during 2010 amounted to 2159 up to the end of the year. From this amount there were 540 new claims, 1125 expired cases that had to be re-examined by the medical board while another 494 cases were reconsidered by the medical board. Furthermore fourteen (14) claimants who had their claim rejected by the medical board opted to lodge an appeal with the Umpire's office. The Umpire's office changed the medical board's decision and awarded an Invalidity Pension in three (3) appeal cases while it confirmed the decision of the medical board for the remaining eleven (11) appeal cases.

NON-CONTRIBUTORY SCHEME

The number of persons in receipt of non-contributory Age, Visually Impaired, Mentally/Severely Disabled, and Carer's Pension/Allowance paid under the Act. There was an increase of 1.09% when compared to the previous year in all the beneficiaries.

Type of Pension/Allowance	Beneficiaries		
	2009	2010	+ or -
Old Age	4874	4,913	39
Visually Impaired	173	190	17
Mentally/Severely Disabled	2249	2,274	25
Carer's	179	180	1
TOTAL	7475	7,557	82

Assistances

Non-Contributory Benefits are granted to heads of household who are incapable of work, persons registered as unemployed, to carers of a relative on a full time basis; single unmarried parents, to aged persons who could not qualify to a contributory pension, to drug addicts undergoing a rehabilitation programme, to disabled persons and to persons who suffer from a chronic illness. There are also benefits in kind such as the issue of free medical aid. All these assistances are subject to a means test.

During the period in review action was also taken to automate the social and unemployment assistances.

The following table shows the number of households benefiting from non-contributory Assistance paid under the Act. There was a marginal decrease in the number of beneficiaries of 2.56% as compared to the previous year. This decrease is mainly representative of beneficiaries in receipt of Sickness Assistance and Supplementary allowance.

Type of Assistance	Beneficiaries		
	2009	2010	+ or -
Unemployment assistance	5675	5,865	190
Social Assistance*	11,350	11,662	312
Sickness Assistance	14079	13,830	-249
Milk Grant	192	160	-32
Leprosy Assistance	47	43	-4
Tuberculosis Assistance	3	0	-3
Supplementary Allowance	28358	26,612	-1,746
TOTAL	59704	58,172	-1,532
*Social Assistance includes:- Social assistance; Social Assistance (Carers); Social Assistance for Single Parents; Drug Addicts allowance			

During 2010, the Division carried out 8393 financial investigations to determine the eligibility or otherwise to Free Medical Aid (another form of assistance in kind provided for under the Act).

Investigations

During the year under review, 494 cases, submitted by the Benefit Fraud Directorate were considered and decided upon by the Department.. 471 cases of this amount were new cases and 23 cases were reconsidered. From these cases 271 benefit payments were suspended, 140 cases reviewed, whilst another 31 required further investigations by the Department. All the necessary work to recoup the benefits overpaid was carried out.

Apart from the above cases, the Benefit Fraud and Investigation Directorate passed on to the department three exercises involving hundreds of cases where a possible fraud has occurred. These cases are still under consideration by the department.

As reported last year, apart from the cases reviewed following investigations carried out by the Benefit Fraud and Investigations Directorate of the Ministry for Education, Employment and the Family, the Department embarked upon an extensive and intensive exercise on the review of means-tested benefit cases. The objective was to increase the review of such cases to ensure that each case is reviewed at least annually. Although beneficiaries are duty bound to inform the department of any change in their circumstances, and that every effort is made by the Department to obtain as much information as possible to ensure the timely adjustment of benefit entitlements as a result of changes in circumstances, there are

still cases where clients fail to report changes of circumstances in time, either through carelessness or abusively.

Moreover as from this year, the department engaged a professional social worker. The service that is being rendered by said social worker is enabling the department to award benefits and/or assistances to those persons who are really in need. Further more through her background and work she is also liaising with the other entities that deal directly with the most vulnerable members of society. Since her engagement in at the beginning of April 2010 she had effected 216 home visits and also dealt with a whole array of agencies and entities such as Appogg, Fejda and Mount Carmel Hospital.

Appeals to the Umpire

The following table shows how the number of appeals that were up for one or more hearings during 2010 was dealt with as compared with the same figures for 2009.

Appeals	2009		2010	
A. No of Appeals for hearing:				
(i) Brought forward from previous years	641		781	
(ii) Lodged during the current year	1290	1931	1190	1971
B. No of Appeals settled:				
(i) Decided against appellant	469		449	
(ii) Decided in favour of appellant	27		31	
(iii) Withdrawn by appellant	216		155	
(iv) Cancelled	65		35	
(v) Revoked by Division	247		344	
(vi) <i>Sine Die</i>	8		4	
(vii) Awaiting reply from appellant/Division	118	1150	31	1049
Outstanding Appeals		781		922

Appeals re Invalidation Cases	2010	
A. No of Appeals for hearing:		
(i) Brought forward from previous years	0	
(ii) Lodged during the current year	85	85
B. No of Appeals settled:		
(i) Decided against appellant	13	
(ii) Decided in favour of appellant	3	
(iii) Withdrawn by appellant	0	
(iv) Cancelled	1	
(v) Revoked by Division	0	
(vi) <i>Sine Die</i>	0	
(vii) Awaiting reply from appellant/Division	0	17
Outstanding Appeals		68

STRATEGIC DEVELOPMENT AND INTERNATIONAL RELATIONS DIRECTORATE

This fairly new Directorate today forms an integral part of the Department's management and organisational set up. The Directorate consists of the Strategic Development Unit, the Customer Care Unit, the Department's District Offices and the International Relations Unit.

STRATEGIC DEVELOPMENT UNIT

After commencing its operations in mid-2009, the Strategic Development Unit (SDU) continued to expand its operations during 2010. The purpose of this unit is to regenerate the Department by amongst others devising its strategic direction. In the process it seeks to synergize the work of internal and external stakeholders in developing policy measures, restructuring and reengineering the Department's operations, securing the required funds for pre-planned policy and operational initiatives and monitoring the implementation and completion of such activities.

Strategic Objectives

The SDU has a statutory obligation to lead and deliver a range of projects, as well as providing a supporting role to other areas on key projects while monitoring projects which the Department undertakes. The key strategic objectives of this Unit (shared by the Department) include the continuous development of an effective legislative framework, the ongoing development of the Department's human resources primarily through training, the availability of information and tools to assist the employees of the Department, improving the quality of services and information provided and evaluating effectiveness of actions taken.

Business Plan

As part of its core operations, the SDU was again responsible for the preparation of the Department's business plan for 2011. This plan includes a number of projects, measures and initiatives which the Department aims at implementing during 2011. This plan continues to build on the achievements of 2010 in line with the Government's programme to invest more in social security, to contribute towards the fight against fraud and abuse of social benefits and pay benefits those who really deserve them, to continue to improve the business processes of the Department, to improve the working environment and the Department's corporate image, and to meet national and EU legal obligations. The Business Plan for 2011 was concluded in July 2010 and presented to the Ministry's Permanent Secretary.

Quality Service Audits

One of the most important tasks undertaken by the SDU in 2010 was the internal quality service audits of the Department's processes. The scope of these audits is mainly to improve the Department's service delivery to its clients (the general public) and also to improve the internal processes of the Department.

A total of 4 Quality Service Audit reports were submitted to the Department's senior management in 2010. These followed the very first report which was presented towards end of 2009. The Unit, through these reports, managed to extend its coverage to practically all of the Department's operations in the Contributory and Non-contributory sections, in all its back and front offices around Malta and Gozo.

These reports contain details of the specific exercises carried out, findings, conclusions and recommendations for improvement. They are proving to be a hugely valuable tool for management in its quest to continuously improve its operations and service delivery.

Business Process Analysis

After the SDU, in November 2009, managed to reach an agreement with the Management Efficiency Unit (MEU) within the Office of the Prime Minister for the implementation of a thorough Business Process Analysis, this was successfully carried out in 2010. The MEU in fact presented its report in June of last year.

The main aim of this analysis was to review the Department's current combined activities in the delivery of services and information to its customers and make recommendations for change. Through this analysis, the Department has taken stock of its strengths, weaknesses, opportunities and threats with the ultimate aim of building a more dynamic, efficient and effective business-like organisation. This should translate into better value service for its customers.

The MEU report is currently being actively analysed by the Department's senior management and a number of its recommendations are gradually being implemented.

Internal training

In 2010, the SDU continued with the organisation of its intensive internal training programme for most of the Department's employees. This training programme, which started in 2009, is focusing on a number of social security benefits and their respective operational and legal aspects. It is also providing hands on sessions on the Department's SABS information system.

Through this training programme, more than 1500 man hours of training were delivered in total to 114 employees. In addition a number of officers attended other training courses on various topics organized by the CDRT.

Evaluation of Telework

The Department of Social Security has been on the forefront in promoting telework for its employees. In fact, one out of six of its employees today are teleworkers. Although in theory telework seems to provide a win-win solution for employees (to help them balance their work and family life) and management (in not losing the services of its employees due to family commitments) managing telework and its impact on teleworkers, office workers and the Department's service delivery is in practice a difficult proposition,

With this in mind, the SDU had started an evaluation process of the impact of telework on the Department's operations in 2009 which was further intensified in 2010. The Unit evaluated the impact of telework, not only on the operations of the Department and its service delivery but also on the personal and working life of the teleworkers and the office workers. This was done through separate questionnaires handed to teleworkers and office workers and three focus groups composed of these categories of workers. The results of these questionnaires and focus groups were then analysed further during an internal seminar for senior and middle-management of the Department.

On the basis of these results and the conclusions of the above-mentioned seminar, the SDU has started to draft management guidelines for management to help it formalise the identification, application, evaluation, selection, granting, monitoring and termination processes for/of telework arrangements/teleworkers. Through these guidelines, the SDU aims at providing more transparency in the whole process for the employees of the Department of Social Security.

These guidelines purely based on the document entitled 'Telework Policy in the Public Administration' which sets up a formal framework for the administration of telework in the public administration of Malta. In fact, the guidelines being drawn up adapt the provisions of the above-mentioned policy document to the

particular realities and specific job demands of the Department of Social Security. These guidelines are in advanced stage and will be put in force in 2011.

Information and Data Protection office

The coming into force of the Freedom of Information Act brought with it new obligations on the Department towards its customers. To this effect, the officers at the Information and Data Protection Office (IDPO) attended all relevant training seminars organised by the Ministry for Justice and Home Affairs. Apart from this Act, the office is also responsible for the Department's obligations under the Data Protection Act.

During 2010, this office was very busy implementing a number of other projects. These include a new website with updated and more accurate information on social security matters which can be accessed at www.socialsecurity.gov.mt, the updating of all the Department's applications for social benefits to reflect changes in the Social Security Act and the Department's internal set up, and also to be in line with Directives 3 and 4 of the Public Administration Act, and the revamping of the Department's logo which while retaining its core value – that of providing social protection to the family – introduced its new corporate colours, blue and orange.



In line with the change in the Department's logo, the IDPO also oversaw the drawing up of new stationery which will be used when old stocks are exhausted by normal use.

This office was also responsible for preparation of an information pack about all social benefits paid by the Department. These packs contain very simple and easily understood information for everyone in 12 separate leaflets. It is hoped that the necessary funding is obtained to print these packs during 2011 for persons who do not have access to the internet. This same information pack has however been uploaded on our website together with an easy to read format, approved by the Kummissjoni Nazzjonali għall-Persuni b'Diżabilità. All versions (the one earmarked for printing, the one uploaded on the website and the easy to read version) have been prepared in two languages, Maltese and English. Work is also underway to have these leaflets in audio format and then recorded on a compact disc for visually impaired persons.

In order to help the Department meet its corporate environmental responsibility, the IDPO was also active in devising a system through which all Government Gazettes, Legal Notices, Bye Laws, Bills, Parliamentary Acts and Departmental Orders are being circulated electronically with all staff. This eco friendly system not only helping to reduce the usage of paper but also reducing costs in the process.

CUSTOMER CARE AND DISTRICT OFFICES

In order to reach the goals laid down in its mission statement, the Department of Social Security provides its services, apart from its Head Office in 38, Ordnance Street Valletta and another back office in St. Francis Square in Victoria Gozo, also from 24 District Offices spread around the Maltese Islands, 22 in Malta and 2 in Gozo. Through such an approach, the Department aims at reaching out to provide assistance and advice on social security matters in the community.

The district offices mentioned above are situated in the localities of Balzan, Birkirkara, Fgura, Hamrun, Luqa, Marsa, Mosta, Msida, Nadur (Gozo), Naxxar, Paola, Qormi, Rabat, Sliema, Qawra, San Gwann,

Siggiewi, Valletta, Victoria (Gozo), Vittoriosa, Zabbar, Zebbug, Zejtun, and Zurrieq. The work carried out at district office level mainly consists of dealing with customers' queries, filling in of applications for contributory and non-contributory benefits and pensions, and the registration under the Social Security Act of newly employed workers. The registration of unemployed persons is also carried out at district offices by means of finger reading machines except for Mosta and Vittoriosa where this service is available at the Employment & Training Corporation's premises within the same locality.

The District Offices of Qawra, Valletta and Vittoriosa are integrated in a complex under the name of ACCESS. The main aim of the Access Complex is to make it easier for the residents of that particular region to access a number of related services in an integrated manner (one-stop shop) comprising mainly of the Appogg Agency, the Social Security Division and the Employment & Training Corporation. This concept could expand to other regions in the future.

During 2010, the Department served an estimated total of 660,000 customers through its 24 front offices around Malta and Gozo and its customer care branch in Valletta. The majority of these, around 82%, were served face to face while the rest mainly by telephone. The figures obviously include returning customers which is quite common among our customers, especially since most of these are people benefitting from non-contributory benefits and hence are economically inactive. The above figures show that through all its front offices, the Department of Social Security in 2010 served, face to face or by telephone, an estimated average of 2,578 persons a day or 103 persons a day per office.

Corporate clothing was also introduced for the Department's employees at the Valletta Access. It is planned that such corporate clothing is extended to other front office employees in future.

Provision of customer care through Local Councils

In its quest to extend its services in the Community, the Department's long-term vision is to provide basic customer care service through Local Councils. To this effect, during 2010 the Department reached an agreement with the Gudja Local Council which led to the launching of a pilot project in August. Through this project, an officer from the District Offices of Zurrieq and Luqa is providing basic customer care service to the residents of Gudja through the latter's Local Council office twice a week. This project is proving to be a success and is expected to be continued during 2011.

The extension of this service to other Local Councils depends on a number of internal and external factors, one of which is the availability of human resources. However, the Department could be in a position to extend such service if resources are made available by interested Local Councils which could be trained by the Department to provide this service on part-time basis on its behalf.

New internal mail delivery system

In line with the Department's operational strategy, a new internal mail delivery system was launched in May 2010. The service is run on a daily basis where files and other correspondence from each District Office to the Head Office and vice-versa are collected and delivered in a hugely smooth and very efficient way by designated couriers. This system is also servicing the collection and delivery of files for the Department's teleworkers thus facilitating and enhancing the work flow of the latter.

Refurbishment of District Offices

The Department is committed to meeting the challenges of continuous development and working towards improving its offices. The refurbishment programme requires the involvement and commitment of all stakeholders. After the re-opening of the refurbished Valletta District Office housed in the Access Complex in 2009, the Department continued with its refurbishment programme in 2010.

The refurbished District Office of Zejtun re-opened its offices in 9, Our Lady of Mercy Street in November 2010. The new District Office of Msida in 174/175, Valley Road, also opened its doors late in November

2010. The Department immediately benefited from the professional standard of the refurbishment. Clients are now welcomed in offices that are impressive and the contentment levels of the employees is high.

These further two refurbished offices brought the total refurbished District Offices to more than a third of its total number of 24 - Birkirkara, Fgura, Msida, Naxxar, Qawra, Siggiewi, Valletta, Vittoriosa, and Zejtun. The Department hopes to be able to continue with its refurbishment programme also in 2011.

Training for District Officers

As indicated under the section 'Strategic Development Unit', during 2009 a training programme on social security benefits and hands on sessions on the SABS system were delivered, amongst others, to all District Managers. The training programmes on various social security benefits were extended to all District Officers in 2010. The aim of this training, from the customer care perspective, is to improve our service and information delivery to the public. In addition district officers attended other training courses on various topics organized by the CDRT.

It is the intention of the Strategic Development Unit to collaborate closely with the Centre for Research and Training (CDRT) to deliver specialised courses in customer service skills to all the District Office staff. Plans are underway for the delivery of training courses on telephone call handling techniques and data protection.

District Managers also participated in programmes aired on radio and television with the aim of promoting the services rendered by the Department in general and to make the general public more aware of the benefits paid under the Social Security Act.

INTERNATIONAL RELATIONS UNIT

The Department of Social Security (DSS), through the International Relations Unit (IRU) has continued to meet its international responsibilities evolving from its commitments arising primarily from Malta's membership in the EU and from a number of bilateral agreements it has with non-EU countries. During 2010 the IRU completed several important tasks, which are mentioned hereunder.

The TRESS National Conference and National Report

During the year the IRU organized the sixth annual Malta National TRESS (Training and Reporting on European Social Security) Seminar, which was attended by both local and foreign experts in the field of social security, legal practitioners and also academics. This seminar is conducted in conjunction with the University of Ghent in Belgium and is co-financed by the European Commission.



Welcome to the trESS Seminar

Malta

12th May 2010



Professor Yves Jorens from the University of Ghent Belgium and Ms. Maya Grzymkowska from the European Commission attended the seminar in Malta which was held on 12th May 2010 in Qawra. Following this seminar, the IRU compiled the 2010 TRESS Annual Malta National Report which was submitted in September 2010.

The Revised European Social Charter Annual Report (Council of Europe)

As a signatory of the European Social Charter and of the recently Revised European Social Charter, Malta was requested to submit a report on the situation of Maltese legislation and practice in relation to selected articles of the Revised European Social Charter. The IRU was entrusted with the task of coordinating the submissions to the report from among the various internal and external stakeholders. For the current year, the submissions were related mainly to Children, Families and Migrants. The report was submitted to the Committee in October 2010.

Participation in Meetings Abroad

The field of Social Security has a more concrete scope when seen in a wider perspective. IRU staff members have actively participated in several meetings held abroad, covering a wide spectrum of social security related issues. Thus, through its active participation, the issues and concerns of Malta, as a Member State of the EU were voiced. During the year under review, the IRU has continued to actively participate in the Administrative Commission on Social Security for Migrant Workers and the MISSOC network (both standing committees of the European Commission) and also participated in some meetings of the Social Questions Working Party.

The IRU also represented Malta amongst others in a conference organised by the Finnish Presidency in Helsinki entitled 'Closer View of New Title II Conference on Applicable Legislation', in Prague for the '50th Anniversary Conference of the European Coordination of Social Security' and another one in Leuven (Belgium) organised by the European Institute for Social Security. In preparation to the coming into force of the new EU Social Security Regulations, the IRU staff also attended 6 seminars or training sessions in Brussels organized by the European Commission.

The entry into force of new EU Social Security Regulations

During the year under review, the IRU experienced the transition from the 'old' to the new EU Social Security Regulations. As from the 1st May 2010, the previous Regulation (EEC) 1408/71 and its Implementing Regulation (EEC) 574/72 were replaced by Regulation (EC) 883/2004 and its Implementing Regulation (EC) 987/2009. The former Regulation remains applicable to EEA and EFTA countries. This was the first time that there was a change in the EU social security Regulations since Malta joined the European Union in 2004. The IRU was responsible for the smooth-running of the transition period and is responsible for the full implementation of the Regulations.

In view of the above, the Department entered into an agreement with a UK specialist in the EU social security coordination field, in order to train the IRU staff and provide advice about the new provisions of the Regulations and their applicability. We are very pleased to report that the transition is proceeding very smoothly thanks also to the cooperation and knowledge of the staff concerned.

Determination of Legislation Applicable

One of the main responsibilities of the IRU is the determination of the legislation applicable. Such duties emanate from Title II of the old Regulation (EEC) 1408/71 and now also from the new Regulation (EC) 883/2004.

During the year under review, the IRU received 505 requests for continued liability to the Maltese scheme, while performing duties in another Member State. These requests were analysed and vetted against Regulation (EEC) 1408/71 (for posting periods before 1st May 2010 and Regulation (EC) 883/2004 (for posting periods after 1st May 2010). Out of the 505 requests only 439 were accepted and an E101 (MT) (prior to 1st May 2010) or an A1 (after the 1st May 2010) was issued for each case as requested by the respective Regulations.

On the other hand, in 2010 the IRU received a total of 1,434 requests for exemption from the payment of Maltese social security contributions. All these requests were accepted and an individual exemption letter was issued by the IRU for each case.

Also in connection with the above-mentioned insurability duties carried out by the IRU, during the year 2010 this unit was involved in various meetings with foreign investors to discuss social security issues. The IRU staff carried the necessary research and case analysis and the appropriate advice was given to the respective Ministries involved regarding the insurability position of staff members engaged in the operations set up by these investors.

Issuance of E-forms

All benefits paid under Regulation (EC) 883/2004, fall under the responsibility of the IRU. These obligations imply the exchange of information with other Member States, in respect to various benefits. In this regard, during the year 2010, the IRU issued the following forms:

Form	Number
E301 (Certificate of Insurance for Unemployment Benefits)	196
E104 (Certificate of Insurance for Sickness Benefits)	89
E205 (Certificate of Insurance for Pension Purposes)	228
E001 (Requests and Provision of General Information)	437
E202, E203, E204 and E207 (Pension Applications)	306

New pension claims received by the IRU

The following table provides data about the number of incoming pensions claims received by Malta from other countries and the number of outgoing claims made by Maltese residents claiming a foreign pension from another EU Member State on the basis of past employment there:

2010	Incoming	Outgoing
EU	159	195
Australia	432	294
Canada	97	126
Other	24	0
Total	712	615

Number of queries dealt with by the IRU

During the year under review, the IRU front desk office received nearly 7,000 queries from the general public by letter, fax, in person or mostly by e-mail. Apart from pension claims, the IRU is also responsible for all the benefits which fall under EU social security coordination regulations. During 2010, the IRU received 35 claims from jobseekers coming from other EU Member States who come to Malta to look for employment, whereas 3 Maltese jobseekers transferred their Maltese Unemployment Benefits entitlement to other EU Member States.

The IRU also provided information to the continuous flow of requests emanating from EU institutions and social security institutions in other Member States, ranging from clients' personal information to requests for contribution records. The IRU continued strengthening its internal IT infrastructure and services in order to process claims and requests more efficiently thus offering a better service to our customers.

COMPUTERISATION PROGRAMMES

Regular meetings were held between officers from the Social Security Division and Malta Information Technology Agency (MITA) to continue and enhance software of SABS (Sistema għal Benefiċċji Soċjali). This enabled the Division to continue and improve its services to the general public. Obviously it is an ongoing process with input from each side.

STAFF

During 2010, the staff complement of the Social Security Division decreased by five persons when compared to the complement on 31st December 2009, including, those members of staff seconded from IPSL, as shown in the following table:

	31.12.2009	31.12.2010
General Service Grades	233	236
Industrial/Messengerial	58	56
IPSL	20	14
Total	311	306

The staff at the Administration Section, the Computer Section, and the Reconciliation Section is shown in the returns of the Ministry for Social Policy.

Of the staff referred to in the table above, 59 in the General Services Grade and 3 in the Industrial/Messengerial Grade, were performing duties at the Social Security Department in Gozo.

PAYMENTS

The following table shows the expenditure on Social Security Benefits payable under the Social Security Act, (Cap. 318) during 2010. This table comprises the contributory and the non-contributory benefits issued by the department.

Type of Benefit	2009 ACTUAL	2010	(+or-)
	EUR	EUR	
Pensions in respect of Retirement	319,506,964	368,390,000*	48,883,036
Pensions in respect of Invalidity	31,420,428	29,430,000	-1,990,428
Pensions in respect of Widowhood	97,690,588	102,335,000	4,644,412
Benefit in respect of Industrial Injuries	1,708,044	1,145,498	-562,546
Benefit in respect of Unemployment	3,480,086	2,851,091	1,161,337
Children's Allowance	39,061,093	38,234,000	-827,093
Maternity Benefit	2,171,237	2,100,967	-70,270
Sickness Benefit	6,368,311	6,400,052	31,741
Ophan's Allowance	51,891	75,000	23,109
Marriage Grant	709,030	789,162	80,132
Bonus	38,826,070	46,900,000	8,073,930
TOTAL (I)	540,993,742	598,650,770	57,657,028
Pensions in respect of Age/Visually Impaired	18,489,529	19,740,000	1,250,471
Pensions in respect of Disability	9,716,418	10,303,935	587,517
Social Assistance	60,545,858	67,170,000*	6,624,142
Handicapped Child Allowance	648,153	661,085	12,932
Medical Assistance	16,430,069	17,281,776	851,707
Bonus	9,035,768	9,770,000	734,232
Supplementary Allowance	5,977,015	5,805,674	-171,341
TOTAL (II)	120,842,810	130,732,470	9,889,660
GRAND TOTAL (I) + (II) EUR	661,836,552	729,383,240	67,546,688

*14 PAYMENTS WERE ISSUED DURING 2010 INSTEAD OF 13

JOSEPH CAMILLERI
Director General (Social Security)