

# Department of Social Security

## Overview

The Department of Social Security is responsible for the administration of Social Security Legislation which provides for the payments of benefits under the contributory and the non-contributory schemes. These sections 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 vulnerable and are mostly in need, namely those with a low-income, the sick, the elderly and the unemployed.

## Total Expenditure

The total expenditure on Social Security Benefits for 2014 reached €852.8m, reflecting an increase of €42.6m over the previous year.

The following table shows the expenditure on all Social Security benefits payable under the Social Security Act, (Cap 318) during 2014. This table comprises the contributory and non-contributory benefits issued by the Department.

Type of Benefit	2013	2014	(+ or -)
Pensions in respect of Retirement	409,538,262	424,427,439	14,889,177
Pensions in respect of Invalidity	25,634,606	25,846,396	211,790
Pensions in respect of Widowhood	113,843,454	116,748,275	2,904,821
Benefit in respect of Industrial Injuries	1,564,801	1,168,312	-396,489
Benefits in respect of Unemployment	2,673,559	2,308,149	-365,410
Children's Allowance	42,794,375	51,435,318	8,640,943
Maternity Benefit	2,163,862	3,006,472	842,610
Sickness Benefit	6,774,005	6,555,992	-218,013
Orphan's Allowance	84,050	89,258	5,208
Marriage Grant	774,810	849,047	74,237
Bonus	59,299,086	64,554,224	5,255,138
<b>Total</b>	<b>665,146,883</b>	<b>696,988,882</b>	<b>31,841,999</b>
Pensions in respect of Age/Visually Impaired	21,057,452	23,258,599	2,201,147
Pensions in respect of Disability	11,961,735	12,786,147	824,412
Social Assistance	75,127,686	79,647,590	4,519,904
Disabled Child Allowance	795,979	1,320,762	524,783
Medical Assistance	18,285,330	18,842,372	557,042
Bonus	11,004,927	11,110,315	105,388
Supplementary Allowance	6,811,331	8,879,048	2,067,717
<b>Total</b>	<b>145,044,440</b>	<b>155,844,833</b>	<b>10,800,393</b>
<b>Grand Total</b>	<b>810,191,323</b>	<b>852,833,715</b>	<b>42,642,392</b>

### New Social Security Measures

A measure introduced during the year 2014 is the Tapering of Benefits Scheme. This scheme is aimed to persons in receipt of Social/Unemployment Assistance for at least two years in the last three years and earning the weekly National Minimum Wage (€165.68). Eligible beneficiaries are entitled to 65% of the rate for the first year, 45% of the rate for the second year and 25% of the rate for the third year. The employer is also entitled to 25% of the rate for a maximum period of three years.

## Contributory Scheme

The total revenue collected during 2014, in terms of the Social Security Act (Cap 318) amounted to €699,191,297 which reflects an increase of €53,894,447 over the previous year.

These figures are broken down in the following table:

Type of Contribution	2013	2014	(+ or -)
Social Security Contributions	427,523,279	463,055,435	35532156
Further Contributions	4,010,521	4,608,144	597,623
State Contribution	213,761,639	231,527,718	17,766,079
<b>Total</b>	<b>645,296,850</b>	<b>699,191,297</b>	<b>53,894,447</b>

## Contributory Pensions

The following table shows the number of persons in receipt of a Contributory Pension at the end of 2014. For this year the upward trend in the increase in the number of pensioners slowed down drastically as a result of the gradual increase in the pension for men by one year and for women with two years. In fact the net increase for year 2014 over 2013 has decreased to 0.203%.

As a result of the budget speech for 2014 all pensioners were awarded the full cost of living increase. Thus two-thirds of the cost of living increase €2.33 was added to the weekly pension rate and the remaining one third amounting to €1.16 was paid on a weekly basis in addition to pension weekly rate. This new method adopted with effect from January 2014 replaced the method of one lump sum used up to 2013.

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 €17,810.48.

## Contributory Pensions

Type of Benefit	2013	2014	+ or -
Retirement Pension	7,440	7,266	-174
Increased Retirement Pension	2,017	1,166	-851
National Minimum Retirement Pension	8,720	8,560	-160
Decreased National Minimum Pension	108	99	-9
Increased National Minimum Ret. Pension	3,155	2,973	-182
Two-Thirds Pension	39,603	41,431	1,828
Invalidity Pension	427	371	-56
Increased Invalidity Pension	140	137	-3
National Minimum Invalidity Pension	4,516	4,553	37
Decreased National Minimum Invalidity Pension	6	6	0
Widow's Pension with Service Pension	321	300	-21
National Minimum Widow's Pension	8,087	7,724	-363
Widow's Special Allowance	-	-	-
Widow's Benefit	-	-	-
Widow's Allowance	-	-	-
Early Survivor's Pension	1,819	1,655	-164
Survivor's Pension	6,905	7,189	284
Disablement Pension	295	296	1
Orphan's Allowance	16	19	3
Parent's Allowance	-	-	-
<b>TOTAL</b>	<b>83,575</b>	<b>83,745</b>	<b>170</b>

## New Pension claims

During the period under review the pensions section within the Department of Social Security continued processing new claims for Retirement, Widows and Invalidity Pensions. The number of new claims for a Retirement Pension amounted to 3396 which represents an increase of 1689 new claims over 2013, 1078 new claims for a Widows Pension representing an increase of 169 new claims over 2013 and, 494 new claims for an Invalidity Pension representing a decrease of 30 new claims over the previous year.

## Pension reviews

During the same period, revisions were undertaken for Retirement, Widows and Invalidity Pensions in connection with new collective agreements for private sector employees that came into effect during 2013 and by virtue of the service pension budget measure announced in the budget for the year under review.

As a result of a new budget measure related to widows, reassessments were also carried out where a widow in receipt of a widows pension was also in employment given that through said measure, no abatement of the widow's pension was carried out and therefore such persons became eligible to a full widows pension.

Furthermore, through the service pensions measure of ignoring a further €200 from the service pension for reassessment purposes, another 5,260 pensioners benefitted from a higher weekly pension rate.

## Short Term Benefits

During 2014, the Short Term Benefit (STB) Section in Gozo continued with the normal duties of processing claims pertaining to sickness benefit, unemployment benefit and injury benefit where a decrease in the number of claims was recorded over the previous year as per table 2 further below. As per table 3, there was also a decrease in the submission of weekly medical certificates for sickness benefit purposes which had to be keyed in in order for such claims to be assessed and payed accordingly.

As in the previous years, the Gozo Branch once again managed to issue the annual reviews of Supplementary Allowance claims on time and as in previous years the whole staff compliment performed their duties mostly via Telework. The total number of Supplementary Allowance claims reviewed amounted to 27,333 of which 24,261 were reviews to ascertain entitlement for year 2014/2015 and 2,025 claims pertained to late or change of status applications. Total number of Marriage Grant applicants during 2014 were 3,072.

The Short Term Benefits Section also continued with the processing of Energy Benefit applications. A total of 2,197 new applications were assessed and the relative deductions were directly made from ARMS bills through the new system which eliminated EB vouchers. Another 92 payments were also issued to charitable institutions.

The section also re-issued 3,307 preceding system vouchers which had expired and also took action on 221 cases which were referred by the Benefit Fraud & Investigations Directorate.

The Call Centre in Gozo which is manned by staff trained to perform Customer Care & information duties by telephone on 25903000 answered 68,998 calls from various DSS enquiring clients during 2014.

**Short-Term Benefits**

<b>Type of Benefit</b>	<b>Number Of Claims</b>		
	<b>2013</b>	<b>2014</b>	<b>+ or -</b>
Sickness Benefit	125,837	123,921	-1,916
Unemployment Benefit	17,850	17,421	-429
Special Unemployment Benefit	1,137	810	-327
Injury Benefit	3,056	3,142	86
Marriage Grant	3,227	3,301	74
<b>TOTAL</b>	<b>151,107</b>	<b>148,595</b>	<b>-2,512</b>

Type of Medical Certificate	2013	2014	+ or -
First/Final (less than 4 days)	76,662	77,125	463
First/Final (from 4 to 6 days)	29,396	27,782	-1,614
First (open)	19,779	19,014	-765
Intermediate	96,908	90,714	-6,194
Final	17,985	17,161	-824
<b>TOTAL</b>	<b>240,730</b>	<b>231,796</b>	<b>-8,934</b>

### Children's Allowances and other Family Benefits

#### Children's Allowance Benefit (CA)

During the year 2014 the Children's Allowance Section in Gozo 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 2014.

In 2014, a total of 24,349 beneficiaries were paid through the process for Children's Allowance Flat Rate (CAFR), while 18,047 beneficiaries were paid through the Children Allowance Means Test (CAMS). The total of CA beneficiaries up to end 2014 amounted to 42,396.

During 2014 the Children's Allowance Section received and processed 1,977 New Claims (1<sup>st</sup> time application), 492 Separation claims, 302 Conversion claims, 15,435 claims CAMS 13 and 11,276 claims CAMS 12 which altogether amount to 29,482 claims.

Apart from the annual review as described above the Children's Allowance Section received 3,952 requests for an adjustment in the payment rate of the Children's benefit due to a change in the family's circumstances such as additional children and termination of employment. These adjustments necessitate a review over and above the annual review

indicated in the previous paragraph. A further 152 reports were also processed in connection with new marriages and deaths of one of the spouses.

#### Maternity Benefit (MB)

During the year under review a total of 2,002 Maternity Benefit (MB) claims were received by the CA Section. MB falls under the Quality Service Charter (QSC). All claims were processed and paid within the established time-frame.

#### Maternity Leave Benefit (MLB)

Maternity Leave Benefit (MLB) claims received and processed by the end of 2014 were 1,452.

#### Disabled Child Allowance (DCA)

During the year 2014, CA Section received 261 new applications for this benefit. 180 of these claims were accepted while 77 were rejected by the Medical Panel. At the end of 2014 the remaining 4 claims were still pending the Medical Panel examination. During this year, 420 claimants who were already in receipt of DCA had their claim reviewed by the Medical Panel. The total of DCA beneficiaries up to end 2014 amounted to 1,019.

#### Foster Care Allowance (FCA)

21 homes/institutes which together host an average of 120 children were paid the total amount of €436,170 in Foster Care Allowance. The total of FCA beneficiaries (institutes/homes/foster care families) for year 2014 amounts to 213



### Children's Allowances and other Family Benefits

<b>Number of Families in receipt of Means tested Child allowance</b>			
<b>Type of Allowance</b>	<b>2013</b>	<b>2014</b>	<b>+ or -</b>
(a) Child Allowance only:			
(i) One eligible child	11,252	10,218	-1,034
(ii) Two eligible children	6,377	5,841	-536
(iii) Three eligible children	1,625	1,541	-84
(iv) Four or more eligible children	468	447	-21
<b>TOTAL</b>	<b>19,722</b>	<b>18,047</b>	<b>-1,675</b>

**Number of families in receipt of the minimum rate of Child Allowance**

<b>Type of Allowance</b>	<b>2013</b>	<b>2014</b>	<b>+ or -</b>
Child Allowance only:			
(i) One eligible child	12,058	12,664	606
(ii) Two eligible children	9,404	9,746	342
(iii) Three eligible children	1,621	1,689	68
(iv) Four or more eligible children	255	250	-5
<b>TOTAL</b>	<b>23,338</b>	<b>24,349</b>	<b>1,011</b>

<b>Number of families in receipt of Disabled Child Allowance</b>			
<b>Type of Benefit</b>	<b>2013</b>	<b>2014</b>	<b>+ or -</b>
Disabled Child Allowance	939	1,019	80
<b>TOTAL</b>	939	1,019	80

<b>Number of claims for maternity leave and maternity leave benefits</b>			
<b>Type of Benefit</b>	<b>2013</b>	<b>2014</b>	<b>+ or -</b>
Maternity Leave Benefit	1,437	1,365	-72
Maternity Benefit	2,116	2,002	-114
<b>TOTAL</b>	<b>3,553</b>	<b>3,367</b>	<b>-186</b>

## Overpayments Section

The Overpayments Section gained further momentum in 2014. Its goals are to detect, follow-up, and recover outstanding non-performing overpayments by various debtors to DSS. It also performs necessary searches at the Public Registry to trace, wills and heirs of deceased debtors. Debtors who come to an agreement to pay debt by monthly instalments are also monitored periodically, and are intimated for repayment in case of default. A Legal Officer provides advice to the section and proceeds with legal action against individuals who deliberately fail to come to a repayment agreement with DSS.

During 2014 the Overpayments Section Sent 3,019 Intimation Letters, performed 349 searches with Public Registry and were almost entirely responsible for the recovery of €2,056,762.42. This is an increase in section performance of 47.9% in terms of Intimation Letters sent; 37,4% in terms of Searches; and 58% in recovered debts against results gained during year 2013. The Legal Officer also issued 199 Judicial Letters and another 94 Legal Intimation Letters in 2014. A percentage increase in Judicial and Legal Letters (65%) is also reflected against year 2013 by our Legal Officer.

## 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 increased by 3.87% when compared to the previous year as shown in the following table:

Type of Pension/Allowance	No of Beneficiaries as on 31.12.2013	No of Beneficiaries as on 31.12.2014	+ or -
Old Age	5,171	5,354	183
Visually Impaired	219	245	26
Mentally/Severely Disabled	2,445	2,550	105
Carer's OAA	151	146	-5
	-	-	-
<b>TOTAL</b>	<b>7,986</b>	<b>8,295</b>	<b>309</b>

## Social, Medical Assistance, Tapering of Benefits and Supplementary Allowance

There was a decrease of 3.40% in the number of Unemployment Assistance beneficiaries when compared to the previous year. The Budget 2014 measure referring to the Tapering of Benefits introduced 587 Social Assistance beneficiaries to this scheme.

Moreover, as from 2014, the persons having Subsidiary Protection status are being compiled separately and the statistics show that a total number of 1406 were paid Subsidiary Unemployment Assistance.

When we exclude the number of beneficiaries of Subsidiary Unemployment Assistance and the Tapered Social Assistance there was an increase of 0.2% in the Social and Medical Assistance Group.

<b>Type of Assistance</b>	<b>Number of Beneficiaries as on 31.12.2013</b>	<b>Number of Beneficiaries as on 31.12.2014</b>	<b>+or-</b>
Unemployment assistance	5,914	5,713	-201
Social Assistance*	13,131	13,950	819
Sickness Assistance	13,539	13,635	96
Milk Grant	107	108	1
Leprosy Assistance	33	34	1
Tuberculosis Assistance	1	1	0
Supplementary Allowance	26,424	25,816	-608
Subsidiary Unemployment Assistance	-	1,406	1,406
Social Assistance Tapered	-	587	587
<b>TOTAL</b>	<b>59,149</b>	<b>61,250</b>	<b>2,101</b>

\* Social Assistance means SA/SAF/SUP/DAD

### Customer Care and District Offices

In order to reach the goals laid down in its mission statement, the Department of Social Security (DSS) 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 Ħal Balzan, Birkirkara, Fgura, Ħamrun, Ħal Luqa, Marsa, Mosta, Msida, Nadur (Gozo), Naxxar, Paola, Qormi, Rabat, Sliema, Qawra, San Gwann, Siġġiewi, Valletta, Victoria (Gozo), Vittoriosa, Ħaż-Żabbar, Ħaż-Żebbug, Żejtun, and Żurrieq. 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, Msida and Vittoriosa are integrated in a complex under the name of LEAP! Centres. The main aim of the LEAP! Centre 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 Appoġġ Agency, the Department of Social Security (DSS) and the Employment & Training Corporation (ETC). This concept of the One-Stop shop could expand to other regions in the future.

During 2014, the Department served an estimated total of 750,000 customer visits through its 24 front offices around Malta and Gozo. The majority of these, around 83%, were served face to face while the rest mainly by telephone. The figures include returning customers with most of them 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 2014 served, face to face or by telephone, an estimated average of 2,877 persons a day or 125 persons a day per office.

### District Offices' Set-up

A major reform implemented in 2012 led to the restructuring of district offices and appointments of Regional Coordinators and District Managers. The continuing expansion of the Department has seen its business activities spread across the mainland. This naturally imposed entirely new demands on the Department's services and challenges to managing the operations staff. The most important feature of this reform was the Regionalization of the District Offices. While all District Offices remain an integral part of the Department, they are now operating on a regional basis, both in terms of management of resources as well as to the provision of service.

Full-time opening District Offices (called parent offices) in the mainland were downsized to 18 with the remaining 4 offices (called satellite offices) opening daily but on shorter schedules of 5 hours daily. Furthermore basic customer care service from the local councils, besides those of Gudja, Xagħra and Mellieħa and Sannat (Gozo), was extended to Xewkija (Gozo), Qala (Gozo), Ғal Kirkop, Ғal Safi, Birżebbuġa and Swieqi.

### 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. Following the agreement reached with the Gudja Local Council in 2010 which led to the successful launching of a pilot project in August of that year, the project was during 2012 extended to another seven Local Councils. In September 2013 customer service was terminated in five local councils due to the very low level of customer demand. Discussions were held with interested Local Councils (is-Sannat, Ғal Safi, Ғal Kirkop, is-Swieqi, Qala, Kerċem, Birżebbuġa and Wied il-Għajn). In 2014 agreements were reached with the Local Council of Ғal Kirkop, Ғal Safi, Birżebbuġa, Swieqi, Xewkija (Gozo) and Qala (Gozo) which led to provision of basic customer service from the administrative offices of same councils.

### Appointments of Regional Coordinators and District Managers

The District Offices' Reform saw the addition of a new grade – Regional Coordinator. In essence the five Regional Coordinators are now acting as the assistants to the Assistant Director (Customer Care) for their respective regions and will have to primarily address issues/problems in their regions themselves, e.g. staff needs and issues, rosters, providing a District Manager at the satellite offices twice a week, sending replacement staff, service from their respective Local Councils, etc.

The Regional Coordinators however have to work together as a team, with their respective District Managers and with management (primarily the Assistant Director Customer Care) to ensure that the service delivery at local council level, at satellite district office level, at parent

district office level and at regional level, hence at national level, is uniform and of the highest quality throughout.

The District Offices' Reform of 2012 saw also the appointment of new District Managers. As to be expected in such an important role, the area manager has a wide range of responsibilities. These include providing their teams with a stimulating and supportive environment, maintaining and increasing standards of customer service, driving team performance and training and development of the operations staff. District Managers will have a large measure of autonomy, working alongside with Regional Coordinators and the Assistance Director Customer Care.

### Refurbishment of District Offices

Minor maintenance works were carried out during 2014. The Department is also seeking to identify unallocated government premises or issue an expression of interest for alternative premises of a number of district offices.

### Training for District Officers

Training sessions to the regional coordinators, district managers and district office personnel on various types of contracts and insurability issues were held during 2014 in collaboration the Legal Office of the Department. Preparations got underway to deliver trainings sessions to all front line personnel on the e-Gov portal in anticipation of the release of the DSS online application forms. The sessions will be held from March to June 2015. Customer service training courses were also delivered to district managers to enhance their competence when dealing with staff and serving the public.

It is the intention of the Customer Care 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 got underway for the delivery of training programmes to address gaps in KSAs (knowledge, skills and attitudes) of members of staff in district offices.

### Web based applications

2014 saw the full implementation of the automated assessment of the Free Medical Aid (Pink Form). Another major application that was released in the end of 2014 was the Customer Service Management application. This is considered as a major step forward in significantly increasing overall operational efficiency and customer satisfaction. It is expected that front office users will make use of the application in June 2015. 2014 saw the launch of the online marriage grant application form. Other DSS online applications are expected to be deployed in 2015.

### Participation in media programmes, seminars and activities

Participation in various programmes aired on local radio and television stations continued to be the most dominant 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. Regional Coordinators and District Managers also attended and participated in seminars to improve and update their knowledge and expertise on customer care and to inform other participating entities on the provisions of social security legislation.

The district office staff of the Valletta, Qawra, Msida and Birgu branches in collaboration with other entities participated in various activities held at their respective Leap! Centres with the aim to promote the services of the Department in the community through information leaflets and first hand advice on social security matters.

## International Relations Unit

During the course of the current year 2014, the International Relations Unit (IRU) within the Department of Social Security (DSS) continued to act as the point of reference within DSS for international matters; both within the EU dimension and also with regards to the implementation of the bilateral agreements ratified by Malta along the years. The IRU is responsible both for the operational side of the implementation of such agreements and also from the policy aspect. In this context, 2014 was another productive year for the International Relations Unit (IRU) which continued to work on a number of important tasks listed hereunder.

### Pension Claims processed by the IRU

The majority of the cases dealt with by the IRU are pension cases (Retirement, Widow/ers and Invalidity). In the course of the last 6 years, the number of pensioners residing abroad saw an exponential increase of 18.26% totalising a number of 6671 pensioners. This amount is equivalent to 11.22% of the total DSS pension beneficiaries. It is thus evident that the international dimension of DSS is becoming even more relevant along the years which, fuelled by the right free movement enjoyed by EU accession. It is therefore most likely that this trend will continue in the future.

According to the latest statistics reported below, during the current year the IRU processed the following number of pension claims where

- Number of Incoming claims refer to claims received from persons residing abroad
- Number of Outgoing number refers to claims received from persons residing locally who are claiming a foreign pension
- 

2014	Incoming	Outgoing
EU	108	116
Australia	243	185
Canada	22	81
Other	77	42
<b>Total</b>	<b>380</b>	<b>424</b>

### Life Certification

In view of the ever-increasing number of pensioners residing abroad, in 2011 a Life Certification system was introduced as a safeguard against possible fraudulent cases. This system is providing the DSS with the necessary tools to maintain adequate contact with pensioners not living in Malta with whom the Department has not direct communication as well as maintain an updated record of next of kin details.



By means of this system, the International Relations Unit is in a position to know about significant changes in each pensioner's circumstances. A Life Certification form is mailed to the pensioner's address which s/he has to return with the necessary information about any change in address and/or status and with information details of the next of kin with whom the IRU can make contact in case of need. The Certificate also needs to be endorsed and stamped by an official witness. Such a system is proving useful in cases of unreported deaths of pensioners as it is minimizing the payment of undue pension payments.

The following are the number of Life Certificates issued by the IRU during 2014:

<b>Country</b>	<b>Amount</b>	<b>Suspended Cases</b>
Canada	857	N/A*
Australia	177	18
UK	851	62
EU (other)	239	29
Rest of the World	75	6

\* Non-Returned report had not yet been generated at the time this report was compiled.

Moreover, in view of the obligations arising out of the EU Regulations on the coordination of social security (883/2004 and 987/2009), the IRU had to widen its remit to cater for the payments of sickness benefits, unemployment benefits, insurability matters, accidents at work and occupational diseases which involve a cross-border element, whilst giving policy guidance to the Children's Allowance section within DSS when cases of family and maternity benefits are encountered.

In view of the responsibilities outlined above, during the current year the IRU processed the following requests:

<b>Form</b>	<b>Number</b>
<b>U1 (Certificate of Insurance for Unemployment Benefits)</b>	<b>616</b>
<b>U002 (Standard Electronic Document for Unemployment Benefits)</b>	<b>54</b>
<b>U004 (Standard Electronic Document for communication of Salary Info)</b>	<b>28</b>
<b>U009 (Standard Electronic Document for confirmation of registration)</b>	<b>113</b>
<b>U013(Standard Electronic Document for monthly confirmation of registration)</b>	<b>76</b>
<b>E104 (Certificate of Insurance for Sickness Benefits)</b>	<b>198</b>
<b>E205 (Certificate of Insurance for Pension Purposes)</b>	<b>560</b>

### Determination of the Legislation Applicable

One of the main responsibilities of the IRU is the determination of the legislation applicable.

Out of the requests forwarded to the IRU for continued insurability under the Maltese social security system, the Unit processed those of individuals performing duties in another EU Member State mostly on a posting assignment. The Unit received various applications in this regard. It then analysed and vetted all the requests in accordance with the applicable rules. Accordingly, the Unit issued 224 A1 forms (Certificate concerning the Social Security legislation which applies) for each accepted case as requested by the Regulation.

Also in connection with the abovementioned insurability duties carried out by the IRU, during the year 2014 this Unit was involved in various meetings with foreign and local companies and other individuals to discuss social security issues, emanating from the EU Regulations mentioned above. The IRU carried out the necessary research and analysed all cases presented. Having gone through this exercise, the appropriate advice was given to the respective stakeholders/entities involved, regarding the insurability position of employees/self-employed individuals to be engaged in employment activity in another EU Member State and EU nationals to be involved in employment activity in Malta.

## Number of queries dealt with by the IRU

The IRU is also responsible for dealing with queries from the public. During the year under review the IRU received nearly 6,000 queries from the general public by letter, fax, in person or mostly by e-mail (4,573).

## SEPA Changeover

With a view of improving service delivery to pensioners, during the current year an extensive exercise was carried out involving a total of 225 pensioners whose pension was previously, in the vast majority, paid through the various Maltese representations in Europe and a few were even paid by means of a payment voucher on a 6 monthly basis. With the introduction of the SEPA (Single Euro Payments Area) the IRU was involved in the adaptation of the DSS IT system to cater for such a system. Subsequently all 225 pensioners were asked to submit to the IRU their banking details which were inserted in the system. A cut-off date was also devised for each individual Embassy to stop their payments in conjunction of the coming into force of the SEPA system. This process involved a considerable effort but the IRU is glad to report that this system is now fully functional, that our pensioners are receiving their pension in a timelier and efficient manner whilst reducing expenses for the DSS in terms of better control of pension payments, less bank charges, fewer eventualities of overpayments, less errors by inexperienced non-DSS staff, reduction of LEPs, and less overtime to issue arrears following Budget COL increases.

Group	Mission	Retirement	Widows	Invalidity
0	Manual Payments	07/06/2014	14/06/2014	21/06/2014
1	Poland	05/07/2014	12/07/2014	19/07/2014
2	Netherlands (inc. Finland, Norway, Sweden)	02/08/2014	09/08/2014	16/08/2014
3	Ireland Greece Portugal Spain Switzerland	30/08/2014	06/09/2014	13/09/2014
4	Austria Belgium Denmark France	26/09/2014	03/10/2014	10/10/2014
5	Germany	24/10/2014	31/10/2014	07/11/2014
6	Italy	21/11/2014	28/11/2014	05/12/2014

## Transfer of Pension Rights

Another important task carried out by the IRU is the processing of claims from employees of EU institutions who had previously contributed in the Maltese social security system and who, as provided by Council Regulation 259/68 which lays down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities, are offered the possibility to transfer the pension rights accumulated in the Maltese scheme to the EU scheme. During the current year 2014 the following applications were processed:

	<b>Applications Received</b>	<b>Transferred Cases</b>	<b>Withdrawn Cases</b>	<b>Pending Cases</b>
<b>2014</b>	31	28	3	0

The transferred cases totalised a transferable amount of €€829,711.54 which were transferred to the EU scheme.

The IRU is always committed in improving its service delivery and will continue to do so in the future. An online application form for various E-forms is already available on the Ministry's web page. The introduction of an online application for the issuance of a social security number was fully embraced by the Unit who gave an active input in the design of this system which now caters for international cases as well. In the coming months the IRU will also be launching the online application for the A1 form (Certificate concerning the Social Security legislation which applies to the holder).

## Policy Work carried out in 2014

Apart from the operational commitments, the IRU is also actively involved from a policy point of view. Members of the IRU represented Malta in various meetings at EU level, namely the Administrative Commission for the Coordination of Social Security Systems, Council Working Parties, Working Groups, MISSOC meetings and as experts of the FRESSCO network.

The IRU has taken a leading role in the court case faced by Malta in the European Court of Justice (ECJ) concerning the practice of abatement of Service Pensions from Maltese pension entitlement. No formal judgement has yet been delivered by the ECJ. Through the IRU's efforts, Malta gained support on the case from other Member States (namely Austria and the UK) who also have an interest in the case. This support was also due to the positive working relationships that the IRU nurtured along the years.

In the course of this year, the DSS received a notification of a national court case filed against its mode of implementing the Transfer of Pension Rights prescribed under Council Regulation 259/68. The IRU has been assigned competency in this regard since such transfers fall under its remit as reported above. Following a meeting with the Attorney General's representative on the case, the IRU put forward its contending arguments which will now be debated in court during the course of next year.

Concurrently, the IRU is also carrying out an analysis of the whole Social Security Act in order to identify instances of conflicts with EU law such as on gender equality.

During the current year, the IRU recruited the services of a research analyst to focus on various reporting and legislative issues stemming mainly from EU legislation and legislative proposals. A manager responsible for all Insurability issues (both EU and non-EU) was also recruited in order to centralize queries related to the topic and also with the intent of nurturing a nucleus of expertise in the matter which is highly sensitive, particularly at EU level.

### Information Data & Protection Office

The Information and Data Protection Office continued to deal with queries related to the administration of the Data Protection and Freedom of Information Acts. The office dealt with 4 major requests for information or clarification on Data Protection issues besides innumerable verbal requests for advice. No requests for information under the Freedom of Information Act were received.

During 2014, the office continued to update the Department's website and also its internal intranet portal which contains substantial information which staff requires for the day to day delivery of its duties. As part of this Office's duties to coordinate the participation of staff in media programmes to disseminate information to the public, it oversaw the Department's participation in various programmes on local TV & Radio stations to provide the necessary information to the general public and create awareness on social security matters.

This office continued to take care of the Department's publications. Work commenced on the revamping of the Social Security Benefits information leaflets. They were revised, updated and given a new format and look. This time, they will be issued as cards rather than as leaflets. Hopefully, the print will occur next year ie, 2015.

The DSS Link, the Department's in-house magazine has been issued regularly with various continuously train and keep staff updated with social security developments.

The Information and Data Protection Office also carried out various other tasks within its scope such as the compiling of the Department's Annual Report, the continuous updating of the Department's overview, the dissemination of circulars, government publications such as issues of the Government Gazette, issue of Legal Notices, Acts and Bye-Laws. It also continued with the general maintaining of the Department's generic email.

The Information and Data Protection Office was also responsible for the graphical layout of all leaflets, posters and other printed material dealing with information and with the activities organized in the Department for training and social purposes, the organizing of seminars and conferences of the Department, besides the attending itself to seminars locally and abroad, the assisting in local fairs disseminating general information to the general public on social security matters.

### Data Audit Management and Processing

The Data Audit Management and Processing Unit within the Department of Social Security is responsible for all the payment processes of all the benefits, pensions and assistances paid. It is also responsible for the issuance of bulk correspondence related to payments effected.

Number of cheques issue: 540,411

Number of direct credits issued: 1,429,752

Number of correspondence issued: 545,566

Number of energy benefit files processed: 97

The count for the Awards generated from the 97 Energy Benefit voucher files amounts to 131,604.

### Appeals to the Umpire

The following table shows how the number of appeals that were up for one or more hearings during 2014 as dealt with as compared with the same figure of 2013.

<b>Appeals</b>	<b>2013</b>		<b>2014</b>	
A. No of Appeals for hearing:				
(i) Brought forward from previous years	699		676	
(ii) Lodged during the current year	856		965	
(iii) Differed	271	1826	285	1926
B. No of Appeals settled:				
(i) Decided against appellant	490		448	
(ii) Decided in favour of appellant	37		87	
(iii) Withdrawn by appellant	269		191	
(iv) Cancelled	32		48	
(v) Revoked by Department	309		195	
(vi) <i>Sine Die</i>	11		36	
(vii) Awaiting reply from appellant/Department	2	1150	24	1029
<b>Outstanding Appeals</b>		<b>676</b>		<b>897</b>
<b>Appeals re Invalidation Cases</b>	<b>2013</b>		<b>2014</b>	
A. No of Appeals for hearing:				
(i) Brought forward from previous years	88		92	
(ii) Lodged during the current year	177		92	

(iii) Differed	9	274	17	201
<b>B. No of Appeals settled:</b>				
(i) Decided against appellant	47		24	
(ii) Decided in favour of appellant	94		52	
(iii) Withdrawn by appellant	17		11	
(iv) Cancelled	20		6	
(v) Revoked by Department	0		0	
(vi) <i>Sine Die</i>	4		0	
(vii) Awaiting reply from appellant/Department	0	182	24	117
<b>Outstanding Appeals</b>		<b>92</b>		<b>84</b>

### Staff

During 2014, the staff complement of the Social Security Department remained more or less the same when compared to 2013, including those members of staff seconded from IPSL, as shown in the following table:

	<b>31.12.2013</b>	<b>31.12.2014</b>
General Service Grade	252	256
Industrial/Messengerial	41	39
IPSL	12	11
<b>Total</b>	<b>305</b>	<b>306</b>

Grazio Barbara  
 Director General  
 11.03.2015