

Social Security Contributions Credits

Social Security Contributions Credits are only awarded when:

- A person who is doing voluntary work in a foreign country may be awarded Social Security Contributions Credits for up to a maximum of 5 years (260 contributions) in a period of 10 years. This award is at the discretion of a special board and claimant must submit a request to the Director of Social Security and provide proof of such voluntary work
- A person who is under the age of 25 and is doing voluntary work in Malta or abroad and resumes employment after finishing the voluntary work, is also entitled to credits for up to a maximum of 5 years in a period of 10 years
- An unemployed person is in receipt of Unemployment Benefit; Special Unemployment Benefit or Unemployment Assistance
- A person is in receipt of Sickness Benefit or has a continued open Sickness Benefit Claim after payment exhaustion
- Parents who are absent from their employment because their children are undergoing treatment for rare diseases are given credits of Social Security contributions up to 8 years
- A Self-Occupied person is in receipt of Sickness Benefit (same as Sickness Benefit above)
- A person is in receipt of Injury Benefit (only in case of a Self-Occupied person)
- A person is in receipt of a Carers Assistance / Increased Carers Assistance and has resigned from employment or is on unpaid leave. Social Security Contributions Credits are only awarded if a person passes the Social Security Contribution Test (valid for contributory pension purposes only)
- A person is not entitled for a Carers Assistance / Increased Carers Assistance due to the fact that he did not pass the Capital Means Test. The Capital resources for a couple must not exceed €23,300 and €14,000 for a single person
- When a claim for Social Security Contributions Credits exceeds the Capital Means Test but is accepted by medical board, a claimant becomes entitled for credits if he passes the Social Security Contribution Test (valid for contributory pension purposes only)
- An ex-Police; ex-Army officer; ex-Correctional Facilities or ex-Civil Protection officer who has completed 25 years' service and is in receipt of a full Treasury Pension is eligible for credits when not in gainful occupation

- A person who submit proof of contributions paid in Libya will be credited for the same amount of contributions
- A person is registered under Social the Security Act (Cap. 318.) for the first time will be awarded pre-entry credits up to a maximum of 104 contribution weeks, depending on the date of the first entry
- A student following a full-time course of studies or instruction is eligible for Social Security Contributions Credits depending on the course level and date of birth as follows:

MQF Level	Born between 1952 – 1961 Contribution Credits	Born on 1962 or after Contribution Credits
Lifelong Learning	5 contributions for each year of study	5 contributions for each year of study
Level 5	9 contributions for each year of study	13 contributions for each year of study
Level 6	13 contributions for each year of study	26 contributions for each year of study
Level 7	13 contributions for each year of study	26 contributions for each year of study
Level 8	26 contributions for each year of study	52 contributions for each year of study

- With effect as from 1st January 2016, a person who is born between the 1st of January 1952 and 1961 and who reaches a social security pensionable age or whose contributory pension is re-assessed, may be awarded up to 2 years of Social Security Contributions Credits for each of the first 3 children even if the parent does not return to employment after the birth of child/children. A further 1 year of Social Security Contributions Credits for any child born after the 3rd child, may also be awarded provided that the parent returned to employment for a minimum number of years equal to the number of years that may be awarded from the 4th child upwards

Example:

- A family with 3 children (or less) may be awarded Social Security Contributions Credits (maximum 6 years in total) even if the parent is not employed/self-employed after birth
- A family with 4 children (or more) may be awarded Social Security Contributions Credits (maximum 6 years in total) for first 3 children, though no Social Security Contribution Credits are awarded from 4th child onwards if the parent is not employed/self-employed after birth
- A family with 4 children (or more) may be awarded Social Security Contributions Credits (maximum 6 years in total) for the first 3 children and up to one year per child from 4th child upwards if the parent returns to employment (employed/self-employed) after the birth for at least the same number of years as awarded from 4th child onwards

In the case of a family having a disabled child, Social Security Contributions Credits are doubled in the aforementioned scenarios.

- With effect as from 1st January 2016, a person who is born on or after the 1st of January 1962 and who reaches a social security pensionable age or whose pension is reassessed may be awarded up to 4 years credits for each of the first 3 children even if the parent does not return

to employment after the birth of child/children. A further 2 years Social Security Contributions Credits per child born after the 3rd child may also be awarded provided that the parent returned to employment for a minimum number of years equal to the number of years that may be due from the 4th child onwards

Example:

- A family with 3 children (or less) may be awarded Social Security Contributions Credits (maximum 12 years in total) even if the parent is not employed/self-employed after birth
- A family with 4 children (or more) may be awarded Social Security Contributions Credits (maximum 12 years in total) for first 3 children but no credits from 4th child upwards if the parent is not employed/self-employed after birth
- A family with 4 children (or more) may be awarded Social Security Contributions Credits (maximum 12 years in total) for the first 3 children and up to 2 years per child from 4th child onwards if the parent returns to employment (employed/self-employed) after the birth of 4th child for at least the same number of years as awarded from 4th child onwards

In the case of a family having a disabled child, Social Security Contributions Credits are doubled in the aforementioned scenarios.

KINDLY NOTE THAT THE SAME RE ABOVE APPLIES TO FOSTER CARE (ON MERITS OF CASE) AND ADOPTION CASES

- Employers, who employ a disabled person for 3 years or more, will be refunded his first 3 years share of Social Security Contributions by the Commissioner for Revenue
- An elder or disabled person who employs a carer may apply for an exemption for his share of Social Security Contributions. The employee would still have to pay his share of Social Security Contributions

Exemption of Social Security Contributions eligibility

- An employed person who is working less than 8 hours per week but earning more than €17.50 per week (exceeding €910 yearly) with the same employer, is obliged to pay Class II Social Security Contributions (self-occupied rate), in view that employment under 8 hours is not considered as an insurable employment and employer is not obliged to pay his share of contributions
- A single person who is not gainfully occupied and whose income is from other resources, such as Interests and whose yearly income does not exceed €1,005
- A person who is hosting students on a part-time basis has the option not to pay Social Security Contributions

Importantly, one must always request an exemption from the payment of Social Security Contributions except for those persons hosting students.