

How much do you know about the history of Social Security in Malta?

Compiled by the Department of Social Security

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MINISTRY FOR THE FAMILY
AND SOCIAL SOLIDARITY

A Word from the Minister

This year, we are celebrating the 60th anniversary since Malta started to lay the foundations of the Social Security system as we know it today. When we mention the year 1956 we must remember that these were difficult times, when our country was not self-reliant and the annual expenditure of the Local Government depended on the approval and the generosity of the British Government.

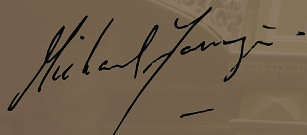


In 1948, it was already a difficult experience for the Maltese Government, where despite all the obstacles it had to face, it succeeded in initiating the Age Pension. It was 7th May 1956, when the Maltese Government introduced the legislation based on contributions, what we know today as the National Insurance paid by the employee, the employer and the State. Thus when a person retires from work, s/he will be able to enjoy a decent pension. May I take a moment to acknowledge the memory of Dr. Antonio Schembri Adami who was the first Minister of Social Services.

What is the significance of Social Services today in 2016? Everyone is aware of the expenditure and how much it increased throughout the years, and also of the myriad of benefits issued by this department. However we have to be vigilant while taking necessary measures to make sure that each person gets only the benefits that s/he is entitled for.

We also need to plan ahead not just for today's needs but also to ensure that the system adopted for pensions and social benefits remains a sustainable one. This system has to support those people who reach pensionable age, and be a safety net for vulnerable persons, the sick and other persons that might lose their jobs.

So while I take this opportunity to express my gratitude to all those Ministers who served before me and also all those officials who worked in this sector throughout these past 60 years, I appeal to all the citizens of the Maltese islands to make responsible use of those benefits that the State offers.



Michael Farrugia
Minister for the Family & Social Solidarity

How did the idea of a social security system evolve?

Malta's Social Security System as we know it today, owes its origin to a society of priests known as "*Veneranda Società dei Preti*" that was founded in May 1664 to provide spiritual and material assistance to its members when these were sick and unable to celebrate Holy Mass.

However, it was only 200 years later that the hardship experienced by Maltese workers was brought to the fore, when in 1863 Dr Nicola Zammit, from Siggiewi (director and editor of the periodical *L'Arte*) voiced his concerns in this regard. Dr Zammit believed that providing alms was only a temporary solution and thus proposed the setting up of a "*Mutual Help Society*" to help reduce poverty and enhance the prospect of the working class through the introduction of 3 key initiatives, namely:

1. The foundation of a trades' school, to improve the skills of the tradesmen.
2. The setting up of a fund to be financed through the contributions made by its members. Such a fund would be for the benefit of those contributors suffering from short or long term sickness or some form of disability.
3. The establishment of a bank, that would facilitate the issue of loans to enable members to expand their business.

Unfortunately, the realisation of this project failed since it required the support of 5,000 members. However the plan proposed by Dr Zammit served as a model and was eventually implemented by other societies that were founded thereafter.

Twenty years later, naval dockyard Eng. Angelo Caruana set up the “*Mutual Help Society for Maltese Artisans*” with the aim of enhancing the material conditions and morale of Maltese workers. In his first address to the Maltese workers, Eng. Caruana wrote:

“ I have been watching the progress of Mutual Help Societies, in all parts of the world, and the great benefit which I observed accruing to the working classes, made me propose to myself the idea of establishing a similar one here in Malta.”

Eng. Caruana was accused of promoting Protestantism. Due to such accusations, the name had to be changed to “*Società Operaia Cattolica*” and this Society remained active till August 1979, thus demonstrating the professionalism and dedication of its members and administration. Among its honorary presidents, one can mention Dr Fortunato Mizzi and Bishop Antonio M. Buhagiar.

This society promoted the importance that Maltese workers must have some sort of security when the breadwinner is unable to financially provide for his family. Moreover, it kindled enthusiasm for such an initiative since the prevailing trend to ransom the family valuables was not an everlasting solution. The need for such security, triggered the setting up of several “*Mutual Help Societies*” seeking to improve the social standards of their respective members. Such societies stemmed from various organisations, namely band clubs, the dockyard workmen etc.

However, it was not until 1929 that the first legislative measure about contributory pension came into effect with the introduction of the Workers Compensation Act. This Act covered those workers who got injured on duty and were rendered incapable of holding a permanent job. As a means of compensation, such workers used to be awarded the equivalent of €1.40 per week. Additionally, those widows whose husbands had died on duty, were awarded the equivalent of €1.16 weekly. The contributions paid were the equivalent of €0.03 for the Social Security Card, whereas the employer and the employee paid €0.01 per week each.

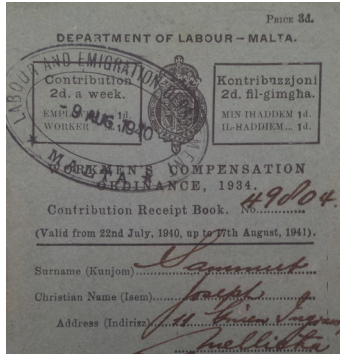
This booklet captures the various milestones which left a mark in the history of Malta’s Social Security System.

1929

This year marks the first law: the **Workers Compensation Act** which made insurance obligatory, in case any worker gets injured at the place of work.

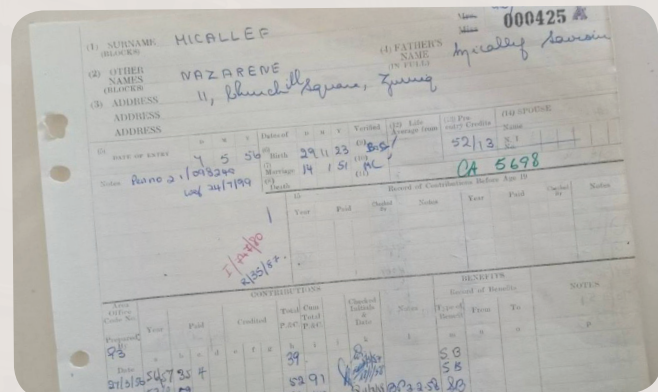
1942

The introduction of the **Relief Fund** was implemented through an administrative policy.



Did you know that...

In the past, all of the Social Security data of the Maltese population was painstakingly recorded and held in hundreds of ledgers such as this one.



1948

The **Old Age Pensions Act** was introduced by virtue of which those elderly persons who were never employed, started receiving a **non-contributory pension**.

1956

Introduction of the **National Assistance Act** which provided assistance for different categories of people in need without them being required of paying any contributions.

Moreover, a myriad of **social benefits** together with contributory pensions were also introduced by virtue of the National Insurance Act during this year.

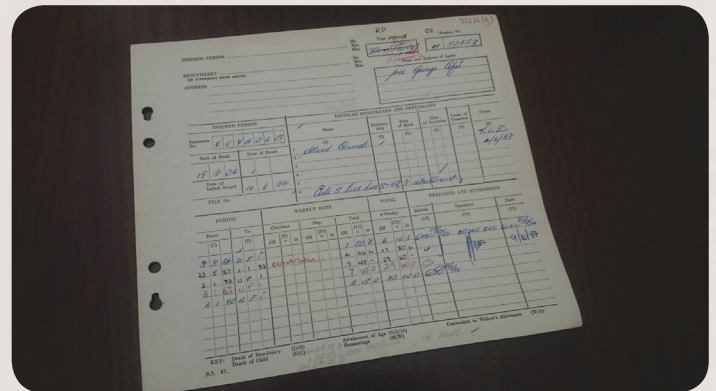
Malta and the **United Kingdom** signed a mutual agreement. As a result of this agreement, contributions paid in the UK, became valid in the Maltese system and vice-versa.

The Pension Act was extended to **visually impaired people**, aged over 40 years.



Did you know that...

These ledgers contained a two-sided page which used to hold all the necessary information of every Maltese pensioner including rates and periods of pension payments.



1962

Visually impaired persons became eligible to receive a pension at the age of 14 years.

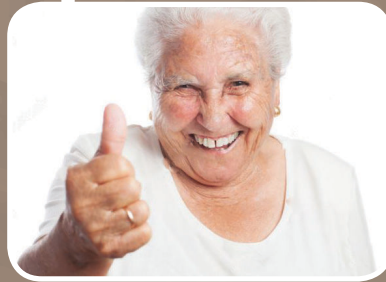
1963

The pensionable age was lowered from 65 to 63 years.

1965

The law was amended so that the National Insurance scheme, apart from employees, would also cover all self-employed citizens as well as unemployed persons besides employees.

Invalidity Pensions and Widows Special Allowance were introduced.



INSURED PERSON				ENTITLED BENEFICIARY AND DEPENDANTS						PREPARED AND AUTHORIZED	
Insurance No.	Date of Birth	Date of Death	Date of Initial Award	Name	Relationship	Date of Birth	Date of Cessation	Cause of Cessation	Signature	Date	
0094263	19 5 26		16 6 84	1. Edward Bennett	1						
				2. ...							
				3. ...							
				4. ...							
				5. ...							
				6. ...							
FILE No.				TOTAL						PREPARED AND AUTHORIZED	
PERIOD		WEEKLY RATE			TOTAL		4-Weekly		Signature		
From	To	Claimant	Dep.	Total	4-Weekly	Initials	Date				
(7)	(8)	EM (9) c m	EM (10) c m	EM (11) c m	EM (12) c m	(13)	(15)				
23 2 11 6 1	23 5 27 1 1	0	CONVICTION	1 52 4	6 12 8						
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1965 - 1971

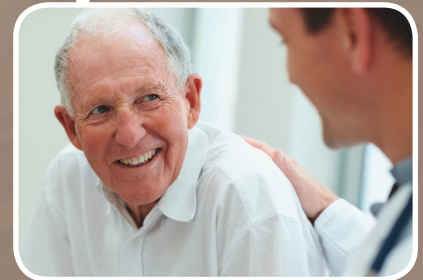
The **pensionable age** was gradually lowered from 63 years to **61 years**.

1971

The **distinction between men and women** regarding contributions and benefits, is eradicated.

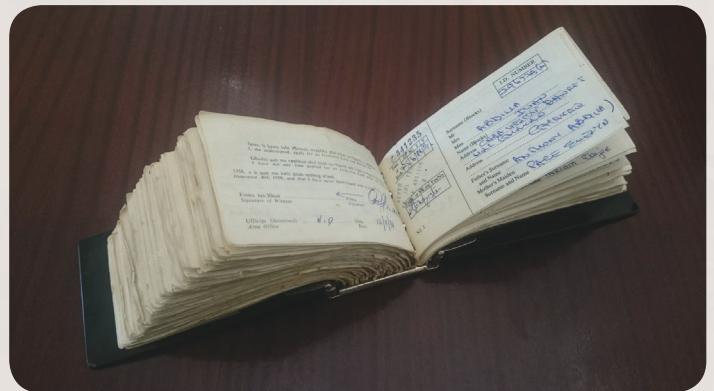
1972

An **Annual Bonus** was introduced for pensioners and those in receipt of social assistance.



Did you know that...

Similar to the Social Security ledgers, a person's National Insurance (N.I.) registration record was held in hundreds of small ledgers such as this one.



1974

Introduction of the **Children's Allowance Scheme** and the **Disability Pension**.

1978

National Insurance contributions were no longer credited to the National Insurance fund but to the **Government Consolidated Fund**.

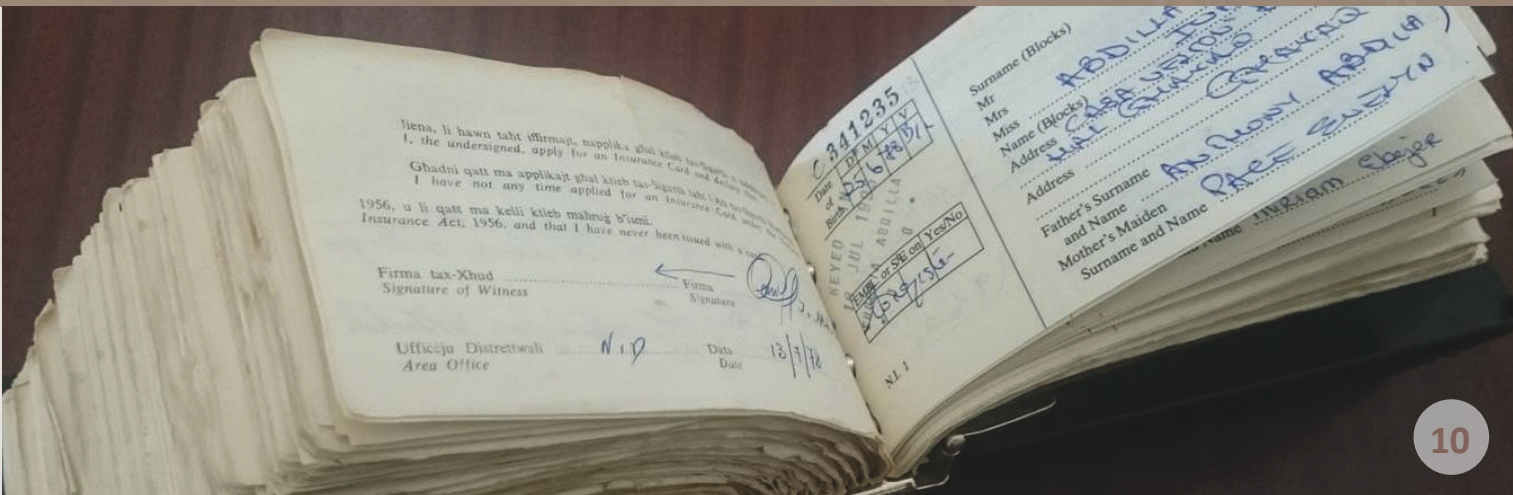
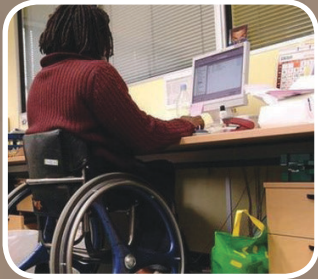
Similarly, **benefits** were paid out of the Consolidated Fund.

Change in the payment system of National Insurance Contributions: As from April of this year, payment of NI contributions in the form of a stamp was superseded by direct payment effected to the **Inland Revenue Department**.

1979

The **Two-Thirds Pension Scheme** and the **National Minimum Pension** were introduced.

The rate of **National Insurance contribution** started being calculated on the basis of income or salary.



1981

Introduction of the **Maternity Benefit**.

1986

The introduction of **Social Assistance for Females** whereby Social Assistance was extended to single or widowed women who were on their own and were regularly taking care of an elderly or a relative with a disability.

1987

Amalgamation of the Old Age Pensions Act, National Assistance Act, National Insurance Act and Director of Social Services Act in one law: **Social Security Act**.

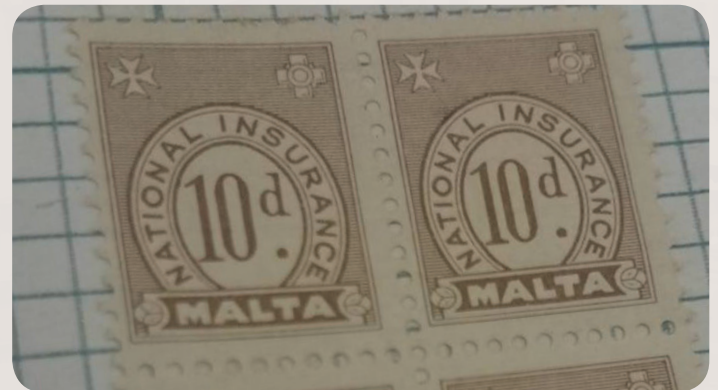
1988

The **Disability Children's Allowance** was introduced.



Did you know that...

The Maltese phrase “*thallas il-bolla*” literally referred to the old system where an actual ‘stamp’ was the means with which one would make his social contribution.



1989

The **Supplementary Allowance for Orphans** was introduced.

1992

Carer's Pension was introduced for those persons taking care of relatives who are bedridden or wheelchair bound.

1996

Supplementary Allowance was introduced for all Maltese citizens whose total income fell below a certain level.

Reform in Children's Allowance by virtue of which entitlement was determined by a **means test**.

1997

Reform in the assessment of the **Social Security Pension** for Service Pensioners.



1998

No more discrimination between men and women regarding **Widow's Pension and Sickness Benefit.**

The auditing and enforcement of Social Security contribution payments, started to fall under the remit of the **Inland Revenue Department.**

1999

Increase in Social Security Contribution Rate from 8.3% to 9.1%.

2000

Increase in Social Security Contribution Rate from 9.1% to 10%.

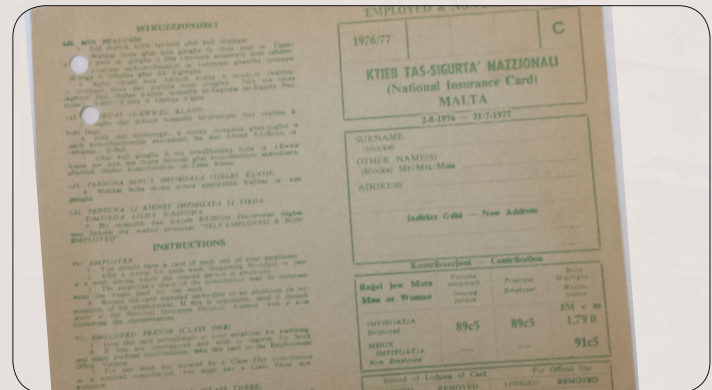
2001

Increase in **Fostering Child Allowance.**



Did you know that...

The stamp ("bolla") was actually affixed every week on this card.



2004

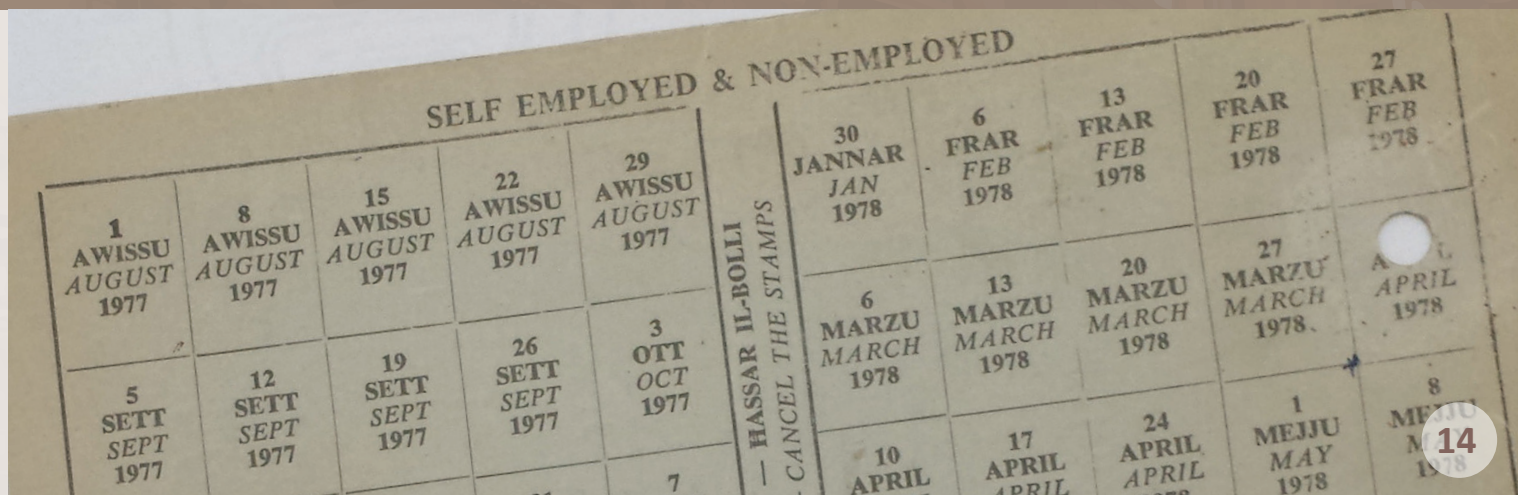
Upon Malta's accession to the European Union (EU), benefits no longer remained the sole right of Maltese people but citizens from all EU Member States, were also eligible. Similarly, Maltese citizens who were eligible to benefits from the other EU Member States started benefiting from them accordingly under EU regulations.

2006

The pensions reform is introduced with the aim of making the system more adequate and sustainable. **New ways of calculating the pension** are introduced for persons born after 1951. There was the introduction of a gradual rise in retirement age from 61 years for men and 60 years for women to 65 years for both men and women. The contributory period was also gradually increased from 30 to 40 years.

2007

Widows who remarry continue to receive pension at the minimum pension rate till 5 years after marriage.



2008

Retired pensioners can work irrespective of employment income.

Minimum Rate of Children's Allowance given to all children irrespective of income.

The **1997 reform** for Service Pensioners continued.

2012

The Senior Citizen Grant was introduced for those above 80 years of age and still living in the community.

People benefiting from a **Disability Pension** could work and earn as much as the **National Minimum Wage**.

2013

Child credits were introduced for pension purposes to those parents on unpaid career breaks to take care of their children.

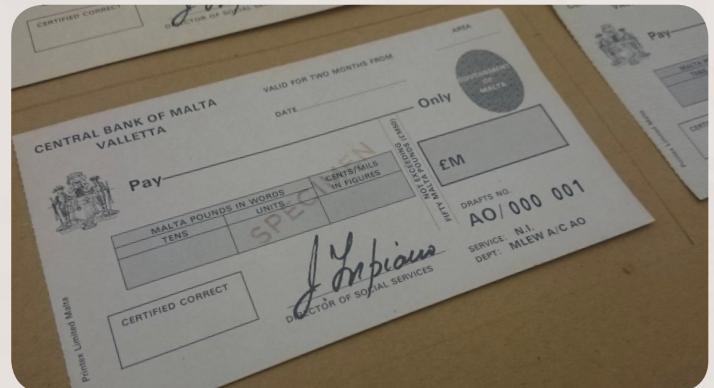
Contribution credits were awarded to those persons who failed the means test when they applied for the Carer's Pension.

The applicable age of the **Senior Citizen Grant** is reduced to 78 years.



Did you know that...

It was in 1975 that the Maltese Government passed legislation for benefits to be paid by cheque.



The Disability Pension started being paid in full even when the beneficiary starts working or earns more than the National Minimum Wage.

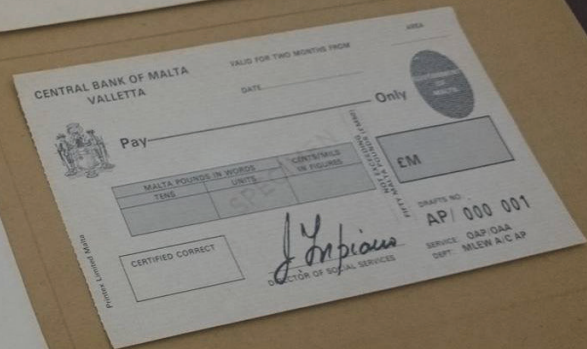
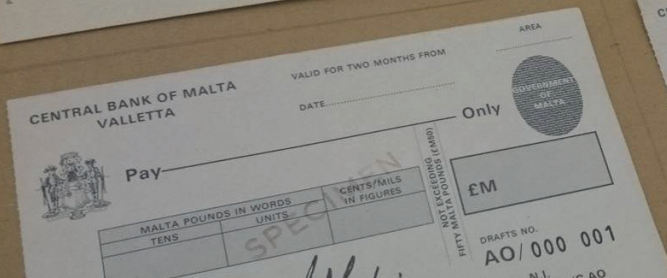
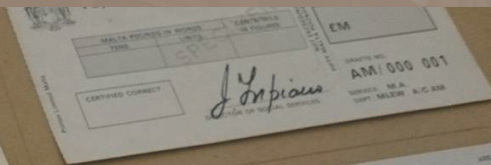
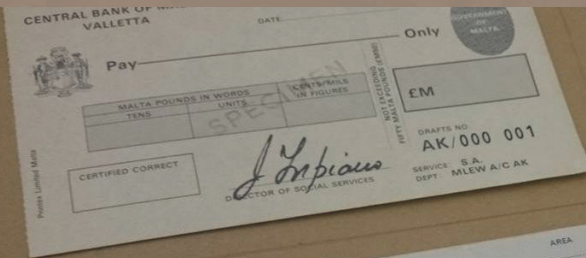
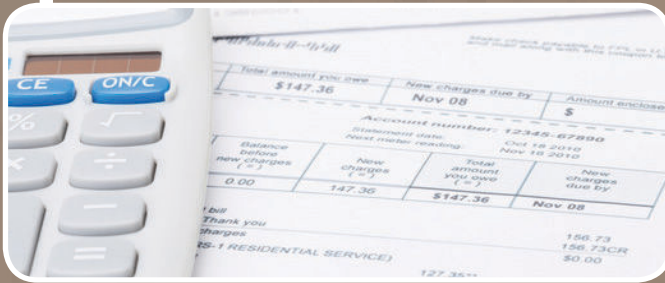
Elimination of the Energy Benefit voucher as entitlement started being directly deducted from the water and electricity bill.

Widow Pensioners are now allowed to work with no limit to income earned.

Increase in rate of the Disabled Child Allowance.

Tapering of benefits introduced for those Social Security Non-Contributory beneficiaries who entered the labour market, earning the National Minimum Wage.

Tapering of benefits extended with changes for single parents on social assistance and working part-time.



2015

In-Work Benefit introduced for low income couples and single parents who are in a gainful occupation and still have children who are below 23 years of age living in the same household.

Introduction of a bonus for persons who paid Social Security contributions but still did not qualify for the **Contributory Pension**.

Maternity benefit rate increased to the equivalent of the **National Minimum Wage** for self-occupied women.

The applicable age of the **Senior Citizen Grant**, lowered to 75 years.

Persons in employment aged between 59 and 65 years allowed the possibility to pay up to 5 years of social security missing contributions to qualify for a pension or better on their retirement pension.



Did you know that...

Cheques were printed all on one sheet. Each sheet would have to be individually filled in by hand with the person's details.

Interesting to note that a whole year's worth of cheques would be printed out and filled in all at once, only to be picked up month after month by the individual.

2016

A guaranteed **National Minimum Level of Pension** of €140 per week awarded to those who have a full record of contributions. Pro-rata levels for those with less contributions also introduced.

Full Widows Pension to widow/er who were eligible to the contributory pension in their own right but had to renounce it on partner's death.

In-Work Benefit scheme extended to families where only one of the parents is employed.

Doubling of Social Security Credited Contributions for those on unpaid career breaks to take care of their children.

Social Security Contribution credits to partly cover study periods for persons with MQF Level 5 to 8 qualifications are introduced.

Rate of Pension paid from **the day after** retiring or the day after the passing away of one's partner.

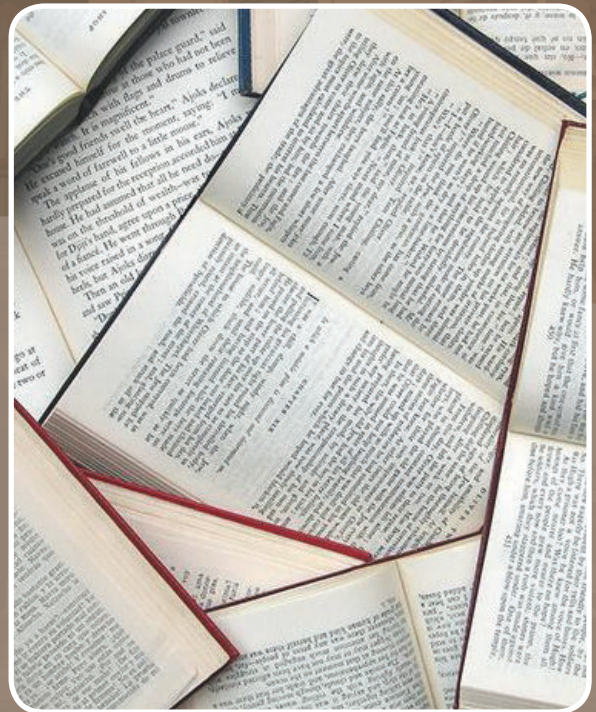
Full Widows' Pension paid to widows eligible to a retirement pension in their own right and forfeited on spouse's death.

Incentives introduced for people who opt to remain in employment instead of retiring by awarding them percentage increase in their future pensions subject to the number of years they remain in employment.

60 years of Social Security in Malta means 60 years of service towards thousands of beneficiaries. Four former officers of the Department of Social Security talk about their role in the history of the Department having spent many years working in it. With a nostalgic tone, they recount what they remember from their years of experience within this Department.

Bice Scerri spent 40 years serving within the Department of Social Security.

“ Illiteracy... When I started working, illiteracy was a reality I faced on a daily basis. There used to be people who needed our help to sign their name. However, signing for people was not the greatest challenge. The real challenge was in explaining to the Maltese people of that time the way a particular scheme works. After the Budget, there always used to be strong reactions from the public. For instance, there would be persons who, despite our effort to explain to them a particular concept, would insist ‘but my neighbour told me that she heard...’ ”



“ On pensions... before, there was everything under one roof: Retirement Pension, Widow’s Pension... all of them fell under the same section. Eventually they were separated into different sections so that work could be more specialised. ”

“ I remember in 1979... for one to benefit from a pension, one would have to work a minimum of 156 weeks of contributions. This new scheme triggered off an overhaul of reactions from the public: ‘but if I have worked this amount of years, don’t I still deserve to receive a pension?’ It’s not easy to communicate a new system to the public, especially when the system involves their private money. ”

“ In the eighties... I remember the National Insurance Pension used to be paid month by month. We used to write the cheque by hand every month. But eventually, in order to increase efficiency, the National Insurance Pension started being paid year by year. We used to have a sheet of 13 cheques which we used to fill in to cover a whole year at once. ”

DIPARTIMENT TAS-SERVIZZI SOĊJALI
Att. 1000 ta' 1965

CB 178 924

BANK CENTRALI TA' MALTA

10/15582

Mr. Lewis Fenech

1 Council Alley, High St.,
Zurrieq

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IRCEVEJTI MILL- BANK CENTRALI TA' MALTA

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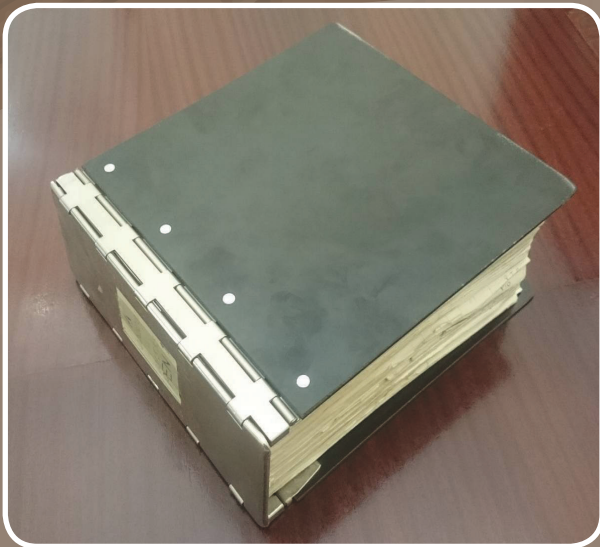
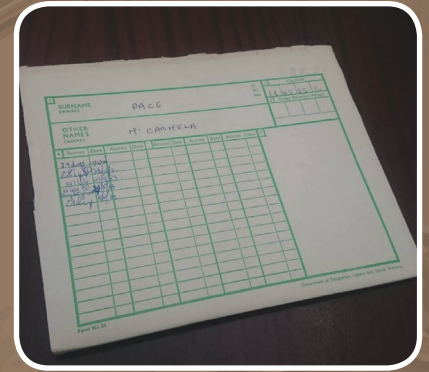
RENDIKONT

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17 MAY 1986	Lm 62.18.0		Lm 124.36.0
14 JUN 1986	Lm 120.18.0		Lm 244.54.0
12 JUL 1986	Lm 62.18.0		Lm 306.72.0
9 AUG 1986	Lm 62.18.0		Lm 368.90.0
6 SEP 1986	Lm 62.18.0		Lm 431.08.0
4 OCT 1986	Lm 62.18.0		Lm 493.26.0
1 NOV 1986	Lm 120.18.0		Lm 613.44.0
29 NOV 1986	Lm 62.18.0		Lm 675.62.0
27 DEC 1986	Lm 62.18.0		Lm 737.80.0
24 JAN 1987	Lm 62.18.0		Lm 800.00.0
21 FEB 1987	Lm 62.18.0		Lm 862.18.0
21 MAR 1987	Lm 62.18.0		Lm 924.36.0

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Dulcie Elsworth spent 37 years working within the Department of Social Security. She served in the Staggers, in the section of Pensions and also the Registry.

“ When I started working with the Civil Service... I was involved in the staggers, working on claims. There used to be incoming certificates which used to be administered to 5 clerks, a clerical officer and a stagger clerk. One of the clerks used to be assigned the role of a tracer – that’s what we used to call her ...



... The rest of us would have a desk with a binder assigned to each of us. Medical certificates used to come in. The tracer would register them and administer them to us according to our specific binder. We used to see certificates, check their number of contributions and see with which rate a particular individual must be paid: if it is with the full rate or less according to the rate of the time...

... And then, the tracer used to come up with GBUs (General Benefit Units). This used to be followed by a thorough check up from the clerical officer. We used to have postings – we used to post contributions of books with Social Security stamps onto ledger sheets. In the beginning, everything was done manually. We used to have binders in packs of 50. Then from manual, the system changed into a computerised one, which sped up the processes radically.”

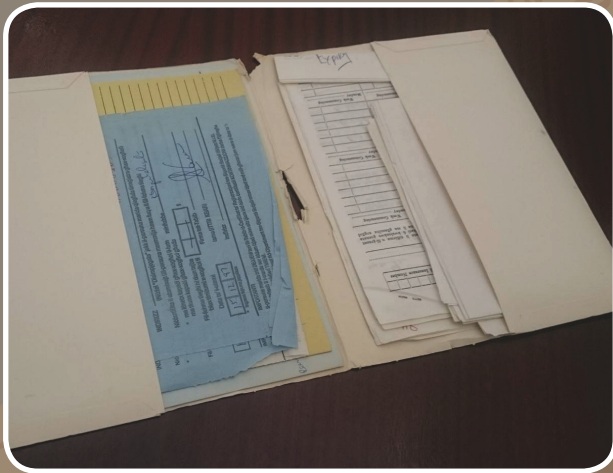
Carrie Farrugia used to work in the Staggers Section and has similar memories.

“ During the time when I used to work... everything used to be done manually. During that time, social security contributions used to be marked on books which we used to file in a room upstairs. ”

The image shows a Social Security ledger sheet with handwritten entries and stamps. The sheet is divided into several sections:

- PERSONAL INFORMATION:** (1) SURNAME: MICALLEE, (2) STREET NAMES: MAZAREME, (3) ADDRESS: 11, Church Square, Ziguinchor.
- DATE OF BIRTH:** 15 30, 29 11 23, 14 15 1951.
- DATE OF ENTRY:** 29 11 23, 14 15 1951.
- NUMBER OF CONTRIBUTION:** 22133, CA 5698.
- CONTRIBUTION:** A table with columns for Year, Paid, and Total. Handwritten entries include 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 00, 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50.
- REMARKS:** A section for notes, with handwritten entries like "1/10/1951" and "2/10/1951".

“ We used to contact other sections... namely Pensions. We also used to have verifiers and checkers who continually checked the work to make sure that the calculations included no errors. An error with the citizens’ money will surely not be taken with a pinch of salt! ”



“Regarding benefits... we used to go into issues of sickness, unemployment, marriage grants, etc. In order to start receiving a benefit, one had to have an amount of National Insurance contributions. You would not be able to benefit from money if you did not have an amount of National Insurance contributions paid in the past.”

Frankie Tedesco spent 31 years giving his service to the Department of Social Security.

“I started working for the Department in January 1970. I used to work in the sector of National Assistance. Our office used to be located at Merchants Street, Valletta. In the beginning there used to be the CRS - Catholic Relief Services. We used to give out flour, cheese and other food items to people who were in need.”



“There used to be two different laws at that time... the National Assistance and the National Insurance. Eventually, in the seventies we moved to Republic Street. After six months, I was sent to the National Assistance where we used to give out financial help, namely the Old Age Pension – now simply called Age Pension – a non-contributory benefit. We also used to administer a Social Assistance (Relief) and Sickness Assistance (SKA). ”

“The system was not as we know it today... with a computerised system. In order to make an assessment, we used to have a chart which helped us to calculate the person’s income. One of us used to make the assessment and the other used to check it and authorise payment. Even cheques used to be done by hand. The area offices used to fill them in by hand. We used to send documents with the amount to be paid, and they used to issue a cheque written by hand. ”



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Email: social.security@gov.mt

Website: www.socialsecurity.gov.mt

Facebook: Department of Social Security – Malta