
Department of Social Security

Annual Departmental Report for 2011

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 2011 reached €727,958,937. This expenditure reflects a decrease of €14,243,303 over the previous year. Although there appears to be a decrease, in reality there is an increase since the expenditure in 2010 included 14 payments of the major benefits Retirement and Social Assistance, whilst usually there are 13 payments per year.

Legislation

Legal Notice 455 of 2011 provided for the increases in the rates of Social Security benefits and contributions as had previously been announced in the Budget Speech for 2011. 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 €4,000 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. There was however an increase in the income limits of certain benefits to compensate on the cost of living increase.

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.

However two new rates were introduced with effect from January 2011 to cater for self-employed farmers and breeders and for self-employed part-time women. With the new rates a self-employed farmer or breeder is now liable to pay 12% instead of 15% of the income declared while a part-time self-employed woman whose declared income does not exceed €9,203 has the option to pay a pro-rata contribution of 15%.

New Social Security Measures

As a result of the various measures taken in the 2010 Budget, the expenditure in social benefits during 2011 rose by €67,546,688 million more than that for 2010. 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 2/3 increase in the pension weekly rate and the remaining 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 2011 in terms of the Social Security Act (Cap 318) amounted to €85,591,280 and this reflects an increase of €33,514,831 over the previous year.

These figures are broken down in the following table:

Type of Contributions	2010 (Actual)	2011 (Actual)	(+ or -)
Class I - Contributions in respect of Private Industry	251,775,094	271,614,551	19,839,457
Class I - Contributions in respect of Government Employees	80,688,662	82,883,590	2,194,928
Class II - Contributions by Self-Employed persons	35,344,696	34,893,949	-450,747
FURTHER CONTRIBUTIONS	363,771	1,503,145	1,139,374
State Contribution	183,904,226	194,696,045	10,791,819

TOTAL	552,076,449	585,591,280	33,514,831

Short-Term Benefits

During 2011, the Short Term Benefit (STB) 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 (due to SPA bulk) 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 a one whole independent unit performing customer care and information duties for the Social Security Department.

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 28,535 of which 26,005 were reviews to ascertain entitlement for year 2011/2012 and 2,530 claims pertained to late or change of status applications. Total number of Marriage Grant Applications processed during 2011 was 1,473.

The Short Term Benefits Section also continued with the processing of Energy Benefit applications. A total of 2,942 new applications were assessed and the relative vouchers issued accordingly and another 337 vouchers were also issued to charitable institutions. The section also re-issued 4,056 vouchers which had expired and took action on 434 Benefit Fraud cases.

Claims for short-term benefits dealt with during 2011, as compared with 2010, are as shown hereunder:

Type of Medical Certificate	2010	2011	+ or -
First/Final (less than 4 days)	71,441	73,051	1,610
First/Final (from 4 to 6 days)	26,464	28,428	1,964
First (open)	18,458	19,498	1,040
Intermediate	93,071	92,559	-512

Final	16,167	17,569	1,402
TOTAL	225,601	231,105	5,504

Type of Benefit	Number Of Claims		
	2010	2011	+ or -
Sickness Benefit	116,363	120,977	4,614
Unemployment Benefit	18,173	17,251	-922
Special Unemployment Benefit	803	985	182
Injury Benefit	3,171	2,899	-272
Marriage Grant	3,517	3,293	-224
TOTAL	142,027	145,405	3,378

Children's Allowances and other Family Benefits

Children's Allowance Benefit (CA)

During the year 2011 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 2011. The number of household in receipt of Children's Allowance benefit at 31st December 2011 was 43503.

Apart from the annual review as described above the Children's Allowance section received 1914 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 changes in circumstance are normally received after the annual review has been implemented. A further 874 claims were processed in connection with separation, marriage and deaths of one of the spouses.

During 2011 the Children's Allowance Section received 1612 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)

2276 Maternity claims were received by the CA section in 2011. 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 134 new applications for this benefit. 116 of these claims were accepted while 18 claims were rejected by the Medical Panel. Thus the number of families who received DCA at 31st December 2011 stands at 801. During this year 72 claimants who were already in receipt of DCA had their claim reviewed by the Medical Panel.

Foster Care Allowance (FCA)

21 homes/institutes, which together host 161 children, had the foster care allowance paid to them during 2011.

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		
	2010	2011	+ or -
Child Allowance only:			
(i) One eligible child	14,208	13,618	-590
(ii) Two eligible children	8,693	8,074	-619
(iii) Three eligible children	2,032	1,942	-90
(iv) Four or more eligible children	580	551	-29
TOTAL	25,513	24,185	-1,328

The total number of households in receipt of CAFR in year 2011 was 19,318 (total number of children was 29,505)

Type of Benefit	2010	2011	+ or -
Disabled Child Allowance	768	801	33
Maternity Benefit	2,358	2,480	122
TOTAL	3,126	3,281	155

CA for household with income more than €23,923	Number of Families		
	2010	2011	+ or -
Child Allowance only:			
(i) One eligible child	10,085	10,719	634
(ii) Two eligible children	7,104	7,239	135
(iii) Three eligible children	1,183	1,181	-2
(iv) Four or more eligible children	194	179	-15
TOTAL	18,566	19,318	752

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 2011 all pensioners were awarded the full cost of living increase. Thus two-thirds of the cost of living increase €0.77 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 €17,175.

Type of Benefit	2010	2011	+ or -
Retirement Pension	9,874	9,239	-635
Increased Retirement Pension	2,576	2,775	199
National Minimum Retirement Pension	8,516	8,793	277
Decreased National Minimum Pension	119	117	-2
Increased National Minimum Ret. Pension	2,859	3,040	181
Two-Thirds Pension	32,144	34,653	2,509
Invalidity Pension	837	658	-179
Increased Invalidity Pension	230	213	-17
National Minimum Invalidity Pension	5,454	4,973	-481
Decreased National Minimum Pension	8	9	1
Widow's Pension with Service Pension	500	400	-100
National Minimum Widow's Pension	8,223	8,169	-54
Widow's Special Allowance	-	-	-
Widow's Benefit	-	-	-
Widow's Allowance	-	-	-
Early Survivor's Pension	1,978	1,963	-15
Survivor's Pension	5,526	5,901	375
Disablement Pension	322	316	-6
Orphan's Allowance	16	15	-1
Parent's Allowance	-	-	-
TOTAL	79,182	81,234	2,052

Pension Reviews

During the period under review, contributory pension revisions (Retirement, Widows and Invalidity) were undertaken in connection with new collective agreements that came into effect during the said year and by virtue of the service pension budget measure announced in the budget for this year. The collective agreements were of companies/organisations with which pensioners were employed with prior to their retirement.

Invalidity Pensions

The number of Invalidity Pension cases assessed and reviewed under the new system during 2011 amounted to 1,811 up to the end of the year. From this amount there were 487 new claims, 1,112 expired cases that had to be re-examined by the medical board while another 179 cases re-applied after their claim or review was rejected by the medical board. Furthermore, 203 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 68 appeal cases, it confirmed the decision of the medical board for 74 appeal cases, 8 cases were withdrawn by appellant and another 16 cases were cancelled.

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	No of Beneficiaries as on 31.12.2010	No of Beneficiaries as on 31.12.2011	+ or -
Old Age	4,913	4,956	43
Visually Impaired	190	197	7
Mentally/Severely Disabled	2,274	2,313	39
Carer's	180	159	-21
OAA	-	-	-
TOTAL	7,557	7,625	68

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	Number of Beneficiaries as on 31.12.2010	Number of Beneficiaries as on 31.12.2011	+or-
Unemployment assistance	5,865	5,777	-88
Social Assistance*	11,662	11,795	133
Sickness Assistance	13,830	13,746	-84
Milk Grant	160	134	-26
Leprosy Assistance	43	42	-1
Tuberculosis Assistance	0	0	0
Supplementary Allowance	26,612	26,590	-22
TOTAL	58,172	58,084	-88

* Social Assistance means SA/SAF/SUP/DAD

During 2011, the Department carried out 3750 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, 361 new cases, submitted by the Benefit Fraud Directorate were considered and decided upon by the Management Committee. From these cases 189 benefit payments were suspended, 94 cases reviewed, another 38 required further investigations by the Department, whilst 40 were not in breach or it was deemed that the evidence provided was inconclusive and hence it was decided that benefits should not be suspended. Where applicable, 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 two exercises involving hundreds of cases where a possible fraud has occurred. At the time of the drawing up of this report, the 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, from April 2010, the department engaged a professional social worker. The role of the social worker is principally to assist the Department in assessing the social situation of families on social benefits. Furthermore through her background and work the social worker has strengthened the network and communication of the Department with the other entities that deal directly with the most vulnerable members of society. This enhances the value of our social welfare system.

During the year under review, the Department's social worker has carried out regular visits and also dealt with a whole array of agencies and entities such as Appogg, Fejda and Mount Carmel Hospital. Several families have benefitted from the work carried out in this field.

Appeals to the Umpire

The following table shows how the number of appeals that were up for one or more hearings during 2011 as dealt with as compared with the same figures for 2010

Appeals	2010		2011	
A. No of Appeals for hearing:				
(i) Brought forward from previous years	781		922	
(ii) Lodged during the current year	1,190	1,971	884	1,806
B. No of Appeals settled:				
(i) Decided against appellant	449		315	
(ii) Decided in favour of appellant	31		36	
(iii) Withdrawn by appellant	155		188	
(iv) Cancelled	35		34	
(v) Revoked by Department	344		241	
(vi) <i>Sine Die</i>	4		7	
(vii) Awaiting reply from appellant/ Department	31	1,049	3	824
Outstanding Appeals		922		982

Appeals re Invalidation Cases	2010		2011	
A. No of Appeals for hearing:				
(i) Brought forward from previous years	0		68	
(ii) Lodged during the current year	85	85	203	271
B. No of Appeals settled:				

(i) Decided against appellant	13		74	
(ii) Decided in favour of appellant	3		68	
(iii) Withdrawn by appellant	0		8	
(iv) Cancelled	1		16	
(v) Revoked by Department	0		0	
(vi) <i>Sine Die</i>	0		0	
(vii) Awaiting reply from appellant/Department	0	17	0	166
Outstanding Appeals		68		105

Strategic Development And International Relations Directorate

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

Strategic Development Unit

Strategic Objectives

The Strategic Development Unit (SDU) continued to meet its 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 of Social Security undertakes. The SDU, as the lynchpin of the Department, devises its strategic direction by synergizing 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.

The key strategic objectives of this Unit 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

The SDU was again responsible for the preparation of the Department's business plan for 2012. This plan includes a number of projects, measures and initiatives which the Department aims at implementing during 2012.

From an administrative perspective the initiatives in this business plan seek to strengthen the Department's human resources, enhance further its information systems and create a better environment for its staff and the Maltese society in general. The objective is to be closer to the client by providing information and services that ensure that benefit systems are clearly explained and benefit entitlements issued correctly and as early as possible.

From the policy perspective, the proposed plan outline the actions that are to be taken to continue with the review of the social security system with the underlining objective to steer our social security systems into a new era. We are not looking at a revolution but an evolution that safeguards the interests of the most vulnerable and ensure that social security measures encourage increased labour force participation and do not discriminate between genders.

Business Process Analysis

During 2011, the SDU engaged on an impact assessment of the recommendations put forward by the Management Efficiency Unit (MEU) within the Office of the Prime Minister as part of a Business Process Analysis of the Department of Social Security that it 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 translating into better value service for its customers.

The management of the Department of Social Security has in fact decided to start implementing this long-term vision by addressing first its front office services. Such strategy envisages the gradual shifting of part of its front office duties to various Local Councils thus extending the Department's reach at community level to areas where it does not currently have a presence. The Department aims at providing basic customer care through 27 Local Councils by the end of 2015, subject to the availability of the necessary resources and the approval of the Local Councils concerned.

Quality Service Audits

The SDU continued with its internal quality service audits of the Department's processes. The scope of these audits is to evaluate and improve the Department's service delivery and internal processes.

Two Quality Service Audit reports were submitted to the Department's senior management in March and September 2011 covering all 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. These were analysed by management and a number of recommendations were taken on board and others are in the process of being implemented.

Internal training

In 2011, the SDU continued with the organisation of its intensive internal training programme for most of the Department's employees. Training focused on a number of social security benefits and their respective operational and legal aspects. During 2011, the courses focused on Frequently Asked Questions about Pensions, Unemployment Assistance and Sickness Assistance for Malta based employees. Similar courses about Pensions and Sickness Assistance were held in Gozo for Gozitan employees as well.

Through this training programme, more than 1080 man hours of training were delivered in total to 119 employees (77 in Malta and 42 in Gozo). In addition a number of officers attended other training courses on various topics organized by the CDRT.

Towards the end of 2011, the Strategic Development Unit started to draw up a Training Plan for all staff of the Department in close collaboration with the Centre for Research and Training (CDRT) and the Human Resources Directorate within Ministry. Such courses will address the specific personal development needs of each employee and will cover 2012 and 2013.

Management guidelines on telework

The Department of Social Security has been on the forefront in promoting telework for its employees. In fact, today one out of five of its employees are teleworkers. A thorough evaluation was carried out by the SDU in 2009 and 2010, to study the impact of telework on the Department's operations 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.

On the basis of the results of this study, the SDU has drafted management guidelines to help the latter to formalise the identification, application, evaluation, selection, granting, monitoring and termination processes for/of telework arrangements/teleworkers. The aim of these guidelines is not only to help the Department to manage telework but also to provide more transparency in the whole process for the employees of the Department of Social Security.

These guidelines are 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 were adopted in 2011.

Information and Data Protection Office

The year 2011 has brought with it a number of projects which the Information and Data Protection Office (IDPO) was responsible for.

The office dealt with and solved at least 8 Data Protection issues during the year under review. Apart from this, this office continued to improve the website, by expanding the data offered to our clients and obviously keeping it more user-friendly whilst making it more informative. Various sections and pages containing additional information related to the Department together with the benefits that are issued directly by the Department were added.

This includes the continuous updates on *Infoshare* – an internal portal for the Department's employees containing information such as circulars, changes in internal procedures, updated applications (those internal and also external), events and other issues that concerns directly our staff. The office has also started to review newspaper articles concerning social security issues with a view to have them uploaded on the website.

This office was responsible for the organisation of all the events commemorating 55 years of social security in Malta (7th May 2011). The activities were spread over the month of May and these included a Holy Mass, a football match during which €1,500 were collected in aid of Puttinu Cares, blood donation, the launch of an informative pack of leaflets on all social security benefits and an audio CD (containing the same information of the leaflets) for the visually impaired, a public exhibition on 55 years of social security which was visited amongst others by the Hon. Prime Minister Dr. Lawrence Gonzi and HE the President Dr. George Abela, and a full day seminar for all the employees of the Department.

In order to address the Department's corporate environmental responsibility, the IDPO has been managing a system through which all Government Gazettes and Circulars, Legal Notices, Bye Laws, Bills, Parliamentary Acts and Departmental Orders as well as internal publications, Departmental circulars, and other updates are circulated electronically with all staff. This eco friendly system is not only helping to reduce the usage of paper but also reducing costs in the process.

The IDPO was also responsible for the drawing up of a booklet providing prospective pensioners with help how to fill in the application for the Retirement Pension. The booklet was completed towards the end of 2011 and will be included with all applications mailed in advance to all prospective pensioners.

Customer Care And District Offices

Continued service within the community

The Department of Social Security has a huge presence in the community through 24 District Offices spread around the Maltese Islands, 22 in Malta and 2 in Gozo. These 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.

Through these offices the Department is reaching out to provide assistance and advice on social security matters in the community by 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.

In 2011, more than 730,000 customers were served from the above-mentioned offices around Malta and Gozo as well as the customer care unit in Valletta. Most of the customers, around 82%, attended the district offices personally while around 8% attended the customer care unit. The rest of the clients were served mainly by telephone through the branches and our call centre and also by e-mails or letters.

The above figures show that through all its front offices and Call Centre, the Department of Social Security in 2011 served, face to face or by telephone or by email, an estimated average of 2,860 persons a day. The District Offices alone dealt with an average of almost 100 persons a day.

Integration of Customer Care Unit with District Offices

In October 2011 as part of the continuous restructuring of the customer care area within the Department, and due to human resources limitations, the Customer Care Unit has been integrated within the pool of District Offices. This meant that the Customer Care Unit ceased operations as a single identifiable unit and its service is now being delivered through all the Department's district offices.

Provision of customer care through Local Councils

The Department's long-term vision is to provide basic customer care service through Local Councils so that it reaches more customers in the community. 2011 saw the consolidation of the agreement it had reached with the Gudja Local Council to this effect and through which the Department is providing basic customer care service to the residents of Gudja. This project is proving to be a success and is expected to be continued during 2012. Plans are in store to continue to expand this service to other Local Councils in future.

Refurbishment of District Offices

The Department remains committed to continuously improve its offices in terms of working environment and accessibility. Unfortunately, in 2011 the refurbishment programme of the District Offices which was gathering a steady momentum had to limit itself to minor maintenance works in a number of District Offices. It is envisaged that refurbishment works will be undertaken in 2012 on two district offices to enhance and improve the quality of the work environment and accessibility to the public.

The Department is also planning to rent property from interested property holders to acquire new premises for the Hamrun District Office.

Training for District Officers

Information sessions on various social security benefits and issues were held during 2011 to upgrade the knowledge of the Customer Care and District Offices staff staff to achieve operational excellence. Customer service training courses were delivered to district managers to enhance their competence when dealing with staff and serving the public. It is envisaged that special information sessions will be held during 2012 regarding refugees' rights, legal terms and definitions and insurability issues.

Participation in media programmes

A number of District Managers participated in various programmes aired on local radio and television stations 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's international obligations

The Department of Social Security (DSS) has substantial international obligations to meet. Such obligations stem primarily from Malta's membership in the EU as well from a number of bilateral agreements it has with non-EU countries. In this context, 2011 was another busy year for the International Relations Unit (IRU) which has continued to work on a number of important tasks listed hereunder.

Life Certification

This year marked the initiation of the Life Certification system, which the IRU had been preparing the previous year in consultation with the relevant foreign institutions. This system is providing the DSS with the necessary tools to maintain adequate contact with pensioners living outside Malta who receive a Maltese pension, with whom hitherto the Department had had no direct communication.

By means of this system, we are now able to know about significant changes in each pensioner's circumstances. A Life Certification template is mailed to the pensioner's address which s/he have to return to us with the necessary information about change in address and/or status and with the identification of next of kin to whom we can resort to in case of need. The Certificate needs also be endorsed and stamped by an official witness. Such a system will prove useful in cases of unreported deaths of pensioners as it will minimize the payment of undue pension payments.

The following are the number of Life Certificates which the IRU despatched during 2011.

To Maltese pensioners living in	Amount
Canada	806
Australia	353
United Kingdom	763
Rest of Europe	225
Rest of the World	51

In the context of the above, it is pertinent to mention that the Department of Social Security has a data exchange agreement in place with the Australian authorities through which data concerning mutual customers of both countries is exchanged on a regular basis. The Life certificates issued to Maltese pensioners living in Australia are in fact to those who do not draw any pension from Australia and therefore not covered by this agreement. A similar agreement with the UK authorities is expected to come into force in 2012.

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 a number of meetings of the Social Questions Working Party. The Unit has also participated in other one-off meetings dealing with several social security issues within an international perspective.

The entry into force of new EU Social Security Regulations

2011 witnessed the IRU continuing its consolidation of knowledge in terms of acquaintance with the new Regulation (EC) 883/2004 and its Implementing Regulation (EC) 987/2009, which in 2010 had replaced the previous Regulation (EEC) 1408/71 and its Implementing Regulation (EEC) 574/72. The Department renewed an agreement with a UK specialist in the EU social security coordination field who had been contracted in 2010 to train the IRU staff and provide advice about the new provisions of the Regulations and their applicability.

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.

Out of the requests put forward to the IRU for a continued liability to the Maltese scheme, while performing duties in another Member State, the Unit accepted 318 cases, after having analysed and vetted all the requests against Regulation (EEC) 1408/71 (for posting periods before 1st May 2010 and Regulation (EC) 883/2004 (for posting periods after 1st May 2010), requests. Accordingly, the Unit issued 5 E101 forms (MT) (prior to 1st May 2010) and 313 A1 forms (after the 1st May 2010) for each accepted case as requested by the respective Regulations.

Also in connection with the above-mentioned insurability duties carried out by the IRU, during the year 2011 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 2011, the IRU issued the following forms:

FORM	AMOUNT
E301 (CERTIFICATE OF INSURANCE FOR UNEMPLOYMENT BENEFITS)	297
E104 (CERTIFICATE OF INSURANCE FOR SICKNESS BENEFITS)	64
E205 (CERTIFICATE OF INSURANCE FOR PENSION PURPOSES)	603
E001 (REQUESTS AND PROVISION OF GENERAL INFORMATION)	437
E210 (NOTIFICATION OF DECISION CONCERNING A CLAIM FOR PENSION)	48

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:

2011	Incoming	Outgoing
EU	137	124
Australia	544	274
Canada	51	128
Other	32	47
Total	764	573

Number of queries dealt with by the IRU

During the year under review, the IRU front desk office received about 8,000 queries from the general public, 6,160 of which were by email alone. Other queries reached the IRU by letter, fax, or in person.

Apart from pension claims, the Unit had 63 cases of persons transferring their Unemployment Benefits to Malta under Art 64 of Reg. (EC) 883/04. For each case the form U009 has been issued to the Member State of origin confirming the latter that the jobseeker in question has in effect registered as a jobseeker in Malta. For 19 out of these 63 cases, we were asked to provide monthly feedback on their jobseeking activities and a U013 form was issued for these 19 cases.

On the other hand, we only had 1 person who transferred the Maltese benefit to another Member State. Form U2 has been issued to this person.

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 Department and Malta Information Technology Agency (MITA) to continue and enhance software of SABS (Sistema ghal Beneficċji Socjali). Amongst others, substantial effort was allocated to the following:

Completion of Budget 2011 changes

Automated Assessments of UA and SA Benefits

Inclusion of LPG Gas Allowance in EB vouchers

The issue of 45,000 one time payments to Beneficiaries at poverty risk

Pension reform initiatives

Generation of Statistics and Reporting to OECD, NSO and EPD for PROST population

Staff

During 2011, the staff complement of the Social Security Department decreased by five persons when compared to the complement on 31st December 2010, including, those members of staff seconded from IPSL, as shown in the following table:

	31.12.2010	31.12.2011
General Service Grades	236	232
Industrial/Messengerial	56	55
IPSL	14	14
Total	306	301

The staff at the Administration Section, the Computer Section, and the Reconciliation Section is shown in the returns of the Ministry of Education, Employment and the Family.

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 2011. This table comprises the contributory and the non-contributory benefits issued by the department.

Expenditure on the Schemes administered by the Department

Table 1

Type of Benefit	2010 ACTUAL	2011 ACTUAL	(+or-)
	EUR	EUR	
Pensions in respect of Retirement	369,891,530*	367,721,401	-2,170,129
Pensions in respect of Invalidity	29,454,667	26,692,511	-2,762,156
Pensions in respect of Widowhood	102,482,602	104,891,402	2,408,800
Benefit in respect of Industrial Injuries	1,551,917	1,388,835	-163,082
Benefit in respect of Unemployment	2,850,657	2,204,170	-646,487
Children's Allowance	38,233,699	36,967,024	-1,266,675
Maternity Benefit	2,100,967	2,259,895	158,928
Sickness Benefit	6,399,713	6,444,522	44,809
Ophan's Allowance	75,743	72,852	-2,891
Marriage Grant	789,162	790,944	1,782
Bonus	46,839,614	48,694,470	1,854,856
TOTAL (I)	600,670,271	598,128,026	-2,542,245
Pensions in respect of Age/Visually Impaired	19,717,040	19,974,198	257,158
Pensions in respect of Disability	10,304,720	10,524,223	219,503
Social Assistance	67,193,774*	64,834,478	-2,359,296
Handicapped Child Allowance	661,085	727,931	66,846
Medical Assistance	17,280,373	17,296,361	15,988
Bonus	9,753,592	9,794,721	41,129
Supplementary Allowance	5,770,417	6,714,719	944,302
TOTAL (II)	130,681,001	129,866,631	-814,370
GRAND TOTAL (I) + (II)	EUR 731,351,272	727,994,657	-3,356,615

*14 PAYMENTS WERE ISSUED DURING 2010 INSTEAD OF 13

JOSEPH CAMILLERI
Director General (Social Security)