

Approved Resolution on Pensions Reform AGM 2011

Justification

Background

Pensions reform is a complex exercise. There is the need for convergence of the following:

- Integrating policies on economic growth and increase in employment rates, in particular through incentives in the case of working mothers and older citizens; reviewing widows' social security schemes, contributory and non-contributory pensions schemes
- Addressing the demographic deficit is an immediate priority – pensions system reforms to allow and further incentivise (tax incentives) people to remain in the labour market and also further develop employability skills (2010 - 4 people in active age to 1 pensioner;) (2030 – 3 people to 1 pensioner;) (2060 - 2 people to 1 pensioners)
- As a result of the recession and its aftermath the need to address the public deficit, not necessarily through budget cuts as much as through better use of public finances that reduce financial waste, waste of human resources and abuse of benefits (productivity)
- Over the last three years Malta National Budgets have moved from tax-based policies to active policies in a number of areas including the labour market, energy, environment and others to spur economic growth. There is the need to retain such policies in a wider range of areas

Recommendations

- There is an urgent need to understand and introduce the concept of gender budgeting, which NCW has been proposing for the last 5 years
- Reaching the EU 2020 targets including the 75% employment rate for women and men
- Keeping in line with Commission Consultation paper on the revision of working time: the work-life cycle; adapting to the Maltese labour market
- Adopting the Malta Qualifications Framework Programme
- Priority to be given to the development of Education and Lifelong learning for all and vocational training to facilitate job mobility
- Improving the business environment in particular in the context of SMEs – (current White Paper – A Small Business Act)
- The concept of Innovation to be the underlying theme of all policies
- Focus on Key Enabling Technologies, (KET), ICT and R&D to stimulate development and to support the commercial and industrial application of these technologies
- Adequate information for the citizens; clarifying information on social security schemes and private schemes, occupational schemes and individual schemes and voluntary and mandatory schemes
- MCESD and MCESD Civil Society to discuss pensions reform and submit a 'consensus' document

Adequate, Sustainable Pensions Systems

Reviewing the current system

Recommendations

- Making the necessary adjustments to ensure fair pension systems in the context of poverty and social exclusion – establishing a system to guarantee an adequate adjustable minimum pension
- Actuarial studies to assess current sustainability of pensions: is the current equation sustainable : 12.50% government, 12.50% employers and 10% employees. With increasing new forms of work organization, increase in part-time work (especially in the case of the female population) and family friendly measures, the model to be adopted today needs careful study to have a clear picture of government income in particular from NI contributions
- Separation of funds for social benefits systems: health care and

long term care , social benefits related to the labour market, pensions - the need for a separation of the contributory and non-contributory fund

- Separation of pensionable age and retirement age. The need to gradually increase the pensionable age taking into consideration types of work and workers. Further incentives for older workers to remain in employment (retirement) oth in the public and private sectors
- Part time work, reduced hours, teleworking, job sharing are counter-productive to full pension entitlement and therefore measures such as eg. a system where women will have the option to pay the difference in NI contributions in a staggered manner should be studied and introduced; (b) government to offer credits to ensure entitlement to adequate pension entitlement; .(c) these measures should also include the contribution of employers
- There is also the need of an exercise to review the minimum contributions for a full pension entitlement in particular in the case of women
- Statistics on contributory and non-contributory beneficiaries by gender show a higher % of women beneficiaries in the non-contributory than men (NSO 2008). Measures to address this situation need to be taken
- Statistics on working mothers (a) entry (b) exit (c) re-entry in the labour market are not provided by NSO. This data is necessary so that government can adopt the adequate policy to ensure the increase of female participation in the labour market
- A revision of social benefits for single parents through active labour market policies such as training for employment, childcare subsidies for single parents who opt for employment; and review the gap between minimum wage and social benefits which is currently acting as a disincentive to enter the labour market
- ETC schemes

Supplementary Pensions

Establishing the second, third pillar pension systems

Recommendations

- A sound basis to safeguard the functioning and accountability of the Second Pillar with access to individuals at all levels of society. The adequate involvement of all stakeholders to share the burden of the second pillar.
- Medium to long-term policy decisions
- Supplementing public and private systems with pension packages
- Statutory measures offer more security than market/commercial options
- Incentives for third pillar pensions system

Separated Women's entitlement to pensions presented by NCW Social Issues Committee

Justification

Many women who are separated from their husbands often face problems in receiving the pension cheque to which they are entitled, especially those who separate while in their 60's.

It is understood that when the separation occurs and the woman has been awarded maintenance from the husband who is also a pensioner the entitlement to the woman is not automatically sent to the woman by the government, but she is at the mercy of her separated husband to give her the amount in cheque or cash. This applies to both parties.

NCW **strongly recommends** that the necessary measures be taken so that the amount to which the woman is entitled will be immediately deducted at source from the salary or pension of the separated husband and sent to the separated wife on a regular monthly basis.

Thejjija Qabel Zwigijiet bic-Civil

Proposti / Rezoluzzjonijiet mill-Catholic Enquiry Centre f'Dar l-Emigrant

Gustifikazzjoni

Il-preparazzjoni qabel zwigijiet bic-civil hija mixtieqa hafna biex koppji bhal dawn ikunu megħjuna jippreparaw ruħhom aħjar għaz-Zwieg u b'hekk ikollhom għajruna halli jiformaw Zwieg b'saħtu u Familji magħqudin. Is-Socjeta' Maltija għandha bzonn hafna ta' familji aktar b'saħħithom

Rakkomandazzjoni tal-NCW

Li l-Gvern jibda joffri preparazzjoni xierqa qabel iz-Zwieg għal dawk il-koppji li huma residenti hawn Malta u jixtiequ jizzewgu bic-Civil u mhux bil-Knisja.

Il-Catholic Enquiry Centre lest li joffri għajruna f'din il-Preparazzjoni qabel iz-Zwieg.