

7 April 2020

## **Covid-19 Aid package**

We wish to inform you that on Monday 30 March 2020, Malta Enterprise starting receiving claims under the Covid-19 aid package. In case you need assistance with these applications, you are welcome to contact us.

Our experience is that although the applications are relatively simple, there are often questions based on certain individual scenarios. Our experience is that the authorities are very responsive but naturally not all questions have been answered yet. Some of the most typical questions relate to qualification for the aid, either because of doubt on the specific operational sector or whether the performance of some work may be regarded as excluded from the aid (in that case, how much work is sufficient).

Following our previous mailing, the below is an update on the subsidies and financial assistance applicable as at today.

### **Government assistance - update on subsidies and financial assistance being introduced in Malta**

The government of Malta, to date has introduced three financial aid packages, to assist both employed and self-employed people adversely affected by the situation and those who actually had their employment terminated or had to stop doing business due to the recent legal notices, concerning certain business segments.

The measures undertaken by the Maltese Government re: Covid-19, as at the end of March 2020, include the following:

#### **1. Wage Supplements - (Grants for employers and employees)**

**N.B** In order to simplify administrative processes funds will be forwarded to employers who will be obliged to guarantee that the Covid Wage Supplement as established above is forwarded to the employee.

Wage supplements have been divided into three tiers:

**(i) Tier One (sectors listed on Annex A)** - Enterprises which have suffered significant adverse consequences including the temporary suspension of operations. A list of operations has been published by the Superintendent of Public Health and includes all non-essential outlets. A comprehensive list can be found by [accessing this link](#).

- Full-time employees of enterprises operating in Tier One sectors shall be entitled to a salary capped at a monthly wage of 800 EUR. The same measures shall apply to the self-employed operating the same sector;
- Part-time employees of enterprises operating in Tier One sectors shall be eligible pro rata up to 500 EUR per month.

**(ii) Tier Two (sectors listed in Annex B)** - Enterprises operating in sectors affected by the pandemic. A comprehensive list which fall with this category can be found by [accessing this link](#).

- Full-time employees of enterprises operating in the Tier Two sectors including wholesale, manufacturing and warehousing are eligible to a salary grant capped at 160 EUR per month;
- Part-time employees operating in Tier Two sectors are eligible to salary grant capped at 100 EUR per month;
- Self-employed persons operating in Tier Two sectors are eligible to a salary grant capped at 320 EUR per month.

**(iii) Tier Three (sectors listed in Annex B in Gozo)** - Enterprises operating in sectors affected by the pandemic based in Gozo (due to double insularity). A comprehensive list which fall with this category can be found by [accessing this link](#).

- Full-time employees of enterprises operating in Tier Three including wholesale, manufacturing and warehousing are eligible to a salary grant capped at 320 EUR per month;
- Part-time employees operating in Tier Three sectors are eligible to salary grant capped at 200 EUR per month;
- Self-employed persons operating in Tier Three sectors are eligible to a salary grant capped at 320 EUR per month and capped at 480 EUR per month in cases where the self-employed has employees. The employees will be entitled to two days' salary per week (in line with aforesaid).

## **2. Unemployment Benefits**

Individuals whose full-time employment was terminated as of 9 March (in consequence of the pandemic) shall be eligible for an unemployment benefit of up to 800 EUR per month.

## **3. Parent Benefit**

Parents in the private sector who have to take care of children (up to the age of 16), who (i) cannot work from home; (ii) who due to the pandemic have exhausted their full-time leave entitlement and are availing themselves of unpaid leave, as of 8 March 2020 shall be entitled to 184.62 EUR per week (for full timers) and 115.38 EUR (for part timers).

## **4. Deferral of Tax Payment**

A deferral to enterprises, including the self-employed, to pay Provisional Tax, VAT and National Insurance Contribution on salaries, for the months of March and April 2020.

This measure shall be applicable to enterprises and self-employed persons who (i) have satisfied all their tax obligations as of 31/12/2019 and (ii) have suffered a significant downturn in turnover (i.e. a reduction of 25% or more in sales).



## 5. Further Liquidity Measures

900 million EUR in bank guarantees for companies requesting operational loans with low interest rates and longer repayment periods. These schemes will be financed by grants from the National Development and Social Fund and EU funds. Moreover, there is a three-month moratorium from banks for business or personal loans.

## 6. Quarantine Leave

A grant of 350 EUR per employee to businesses (including self-employed) that had full-time employees on mandatory quarantine leave. The grant is also available to full time self-employed persons who had to undergo mandatory quarantine. Employers who have or had a member of their staff (including themselves) on mandatory quarantine leave in accordance with the directives of the Superintendent of Public Health are entitled to a one-off lump sum grant of 350 EUR.

## 7. Facilitation of Teleworking Activities

This measure is intended to support employers and self-employed individuals to invest in technology that enables teleworking and to partially cover the costs of teleworking solutions. Support shall be limited up to 500 EUR per teleworking agreement and 4,000 EUR per undertaking. The grant shall be awarded against 45% of the eligible cost. This call is eligible for costs incurred between 15 February and 8 May 2020. In order to be eligible, the employee should not have had an active teleworking agreement prior to 15 February 2020. All costs must be incurred after this date.

## 8. Employment of Third Country Nationals

Third Country Nationals residing in Malta, whose employment has been terminated as a consequence of the pandemic, can apply to government agency, Jobsplus, to seek alternative employment; no new third country nationals (non-EU/EEA) employment applications shall be considered until further notice, with the sole exception being highly-qualified persons.

If you wish to discuss how the above measures will impact you or your business, please feel free to contact Sheltons Malta as outlined below.

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