



Jobsplus

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DEDUCTION (MATURE WORKERS) RULES (L.N. 180 / 2014) GUIDELINES

1.0 Introduction

1.1 Legal basis of Deduction (Mature Workers) Rules

This Scheme emerges from Legal Notice 180 of 2014, Subsidiary Legislation 123.159 Deduction (Mature Workers) Rules.

1.2 Designated Authority for this Scheme

Jobsplus is the authority designated to administer this Scheme by processing applications from employers who employ mature workers aged 45 to 65, issuing a Certificate of Approval and submitting to the Commissioner for Revenue the details of approved applications.

1.3 Commencement of this Scheme

These rules shall come into force as from the year of assessment 2015, in respect of employees engaged on or after 1st January 2014.

2.0 Eligibility

2.1 Mature Worker

Mature worker is an employee whose age is between 45 and 65 years and whose name appears on the unemployment register (Parts 1 and 2) and has been on the register for at least the preceding 6 months, as established by the Jobsplus.

2.2 Employer

Employer is any company / individual who provide employment to an eligible employee, as approved by the Jobsplus.

2.3 Training

Training shall refer to a training programme attended outside the place of work or performed at the place of work but outsourced to third parties, after due monitoring and approval by the Jobsplus.

3.0 The Rules

3.1 Where an eligible employer provides employment to an eligible employee in the year preceding the year of assessment, a deduction equivalent to €5,800 per annum shall be allowed against the chargeable income of the said employer, during the first two years of employment.

3.2 If the eligible employee is not employed for a full year during the year of assessment, the deduction is allowable *pro rata*.

3.3 The two years' deduction commence on the first day of employment and the eligible employer benefits from a total deduction of €11,600 even if these have to be spread on three consecutive years. This providing that the eligible employee remains in the relative employment.

3.4 If the deduction cannot be wholly set off against the income of the eligible employer, for the year during which the deduction is entitled, it shall be carried forward and set off against the income of subsequent years in succession.

3.5 If the eligible employer is an individual and the deduction cannot be wholly set off against his or his spouse's income, for the year during which the deduction is entitled, it shall be carried forward and set off against the income of subsequent years in succession.

3.6 The deduction shall only be allowed where the eligible employer does not benefit from any deduction, tax credit or any other form of assistance in relation to the said employment by the Government or any Government entity.

3.7 If an eligible employer provides employment to an eligible employee in the year preceding the year of assessment and enrol him/her to an eligible training programme, a deduction equivalent to 50% of the expense incurred (up to a maximum of €400) shall be allowed against the chargeable income of the said employer.

4.0 How to Apply

4.1 The Application process

Applications should be submitted to Jobsplus.

Applicants should submit an official application which can be downloaded from Jobsplus website www.jobsplus.gov.mt or collected from Job Centres. Applications can be posted to Jobsplus, Hal Far or handed in any Job Centre.

Applications should be submitted as soon as possible after employment. In any case the deadline for submitting applications is the 10th January of the year following that in which the employment has occurred.

4.2 The Verification Process

The Jobsplus will carry out checks to verify the eligibility of the employee.

If the application also involves a Training Programme, Jobsplus will check whether the training is related to the occupation declared, the training provider and the cost of the training. At the end of the Training Programme, the training provider will need to submit a signed declaration that the programme was concluded successfully.

Once Jobsplus is satisfied with the eligibility of the application, it will send an Acknowledgement Letter to the employer and copied to the Inland Revenue Department.

4.3 The Certification Process

At the end of the year and in any case not later than mid February of the following year, Jobsplus will send a detailed list of all the applications accepted during the year to the Income Tax Department.

The Income Tax Department shall check the list and its workings and verify the amounts applicable for tax deduction.

Once it has been confirmed that everything is in order, according to the provisions of Legal Notice 180 of 2014 and these Guidelines, the Jobsplus will

issue a Certificate of Approval that will enable the applicant to benefit from the tax deduction.

4.4 Claim in the Tax Return

Employers in possession of the Certificate of Approval issued by the Jobsplus have to claim the deduction in their Tax Return. If the eligible employer is an individual the deduction has to be claimed in the profit and loss account. In the case of companies the deduction is to be claimed in the relative tax return attachment.

Jobsplus and the Inland Revenue Department reserve the right to revoke the Certificate of Acceptance and recover any tax deduction, the employer may have benefited from, in terms of these Guidelines in the case of double assistance in relation to the said employment and / or training, by the Government or any Government entity.