

**SUBSIDIARY LEGISLATION 452.65****WAGE INCREASE NATIONAL STANDARD ORDER**

*LEGAL NOTICES 169 of 1989, 210 of 1990 (as amended by Legal Notice 192 of 1991), 192 of 1991 (as amended by Legal Notice 127 of 1992), 127 of 1992, 179 of 1993, 185 of 1994 (as amended by Legal Notice 117 of 1995), 188 of 1995 (as amended by Legal Notice 15 of 1996); Government Notice 62 of 1997; and Legal Notices 6 and 223 of 1997, 271 of 1998, 219 of 1999, 266 of 2000, 308 of 2001, 377 of 2002, 419 of 2003, 507 of 2004, 411 of 2005, 332 of 2006 (consolidated and as amended by Legal Notice 427 of 2007) and Legal Notices 428 of 2007, 340 of 2008, 377 of 2009, 526 of 2010, 501 of 2011, 492 of 2012, 442 of 2013, 485 of 2014, 430 of 2015, 417 of 2016 and 366 of 2017, consolidated.*

1. The title of this Order is Wage Increase National Standard Order. Title.
2. In this Order - Interpretation.
  - "Act" means the Employment and Industrial Relations Act; Cap. 452.
  - "Agreement" means the National Agreement on Industrial Relations signed on the 10th December, 1990 between the Government, Trade Unions and Organisations of Employers, represented on the Malta Council for Economic Development, which agreement was entered into in the Maltese language and the English text is a translation thereof;
  - "ordinary increment" means an annual or periodic addition to wages to which an employee is entitled by way of an advance from one point to another of a pre-determined wage scale;
  - "whole-time employee" shall have the same meaning as is assigned to it in any recognised conditions of employment in accordance with article 10 of the Act.
3. The amount of increase in wages for cost of living determined in accordance with the provisions of paragraphs 1.2 and 1.3 of the Agreement, titles 1 to 6 of which are being reproduced as Schedule A to this Order, is established under Schedule B to this Order as provided under titles 1, 2 and 3 of the Agreement and it shall be implemented as stipulated in the said Agreement. Cost of living adjustments.
4. The amount of increases as detailed in Schedule B to this Order shall apply, as stipulated in title 3 of the Agreement, to whole-time employees who are not covered by a collective agreement. Employees not covered by collective agreement.
5. With effect from 1st January, 1992, the national minimum per week related to a normal working week shall be as follows - National minimum wage. Amended by: L.N. 427 of 2007.
  - Age 18 and over ..... €83.00 per week
  - Age 17 years ..... €76.22 per week
  - Under 17 years ..... €73.35 per week.
6. Part-time employees shall be paid *pro rata* at an hourly rate not below the national minimum wage, determined in accordance Part time employees.

with article 5 of this Order, divided by forty.

Cost of living  
increase to be paid  
once.

7. Notwithstanding the provisions of the preceding articles, no employer shall be required to pay the cost of living increase or any part thereof contemplated by this Order more than once during the calendar year to which the increase refers.

Interpretation.

8. For the purposes of this Order, a "whole-time employee" is an employee as defined in article 29(2) of the Act, and a "part-time employee" is an employee who is not a whole-time employee.

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## SCHEDULES

### SCHEDULE A

(Article 3)

### AGREEMENT

(Translation)

#### A. National Wage Regulation Policy

##### 1. Cost-of-living increases

1.0 Cost-of-living increases will be calculated by the Government Statistician according to the Retail Price Index statistics calculated under the direction of an independent tripartite committee set up to ensure the equitable workings of this statistic.

1.1 Every six months throughout the duration of this Agreement, the Malta Council for Economic Development will inform all the parties of the forecast movements of the Retail Price Index for the forthcoming three years. Such forecasts will serve as an indication during negotiations for new collective agreements and will not be published.

1.2 For the purposes of the present Agreement, the percentage increase in the cost-of-living that has to be taken into account in calculating the cost-of-living adjustment (C.O.L.A.) for each year, will be determined by the change in the price index (annual average) during the twelve months ending on 30th June of the preceding year.

1.3 The amount of cost-of-living wage increase (C.O.L.A.) shall be established as follows:

- 1.3.1 The percentage figure established in paragraph 1.2 will be applied on a (weekly) wage base rate of ninety-three euro and seventeen cents (93.17), which amount shall be increased on 1st January of each year by the amount of C.O.L.A. established.
- 1.3.2 The result will be rounded up or down to the nearest one euro and sixteen cents (1.16).
- 1.3.3 This figure will be reduced by the amount of social benefits which the State may grant during the year commencing on the effective date of the cost-of

Amended by:  
L.N. 427 of 2007.

living increase. Appendix 1 gives details of the social wage.

1.4 The cost-of-living increase will be effective on increases falling due after the 1st of January following the date on which it was established.

1.5 All the parties to this Agreement reaffirm their commitment to control the cost-of-living in the interest of the competitiveness of our enterprises.

## 2. Collective Agreements

2.0 Every collective agreement shall be binding for a period of not less than three years.

2.1 Except as otherwise provided under this article, the wages as agreed in a collective agreement shall be those in effect throughout the entire duration of the agreement.

2.2 Collective agreements must indicate the cost-of-living forecast figures communicated in accordance with paragraph 1.1 and taken as a basis in negotiating wage increases.

2.3 When during any one year the increase stipulated by a collective agreement is less than the C.O.L.A., a supplementary increase shall hence be granted so as to ensure that the effective increase is equivalent to the C.O.L.A.

2.4 At the beginning of the last six months of a collective agreement, there shall be established:

2.4.1 The total amount of increases actually paid during the period of the agreement.

2.4.2 The increase which would have been paid had the excess (if any) of the increase provided in the collective agreement over and above the forecast C.O.L.A. been added to the actual C.O.L.A. throughout the term of the collective agreement.

2.5 The difference between these two amounts, whether in favour of the employee or the employer, shall be compensated as agreed between the two parties, in the next Collective Agreement.

2.6 It is understood that the provisions in paragraphs 2.4 and 2.5, although applicable to every collective agreement reached during the term of the present Agreement, are considered as transitional in the development process leading to freer negotiations.

## 3. Employees not covered by a Collective Agreement

3.0 In cases where employees are not covered by a collective agreement, the government is to take such measures as may be required so as to ensure that each C.O.L.A. is added to their wages with effect from the 1st January of each year.

## 4. Financial Arbitration Tribunal

4.0 In the event that a firm, at any stage of the collective agreement, declares that for a reason or reasons which it considers valid, it will not be in a position to pay the agreed increases or any

part thereof, it should seek a revision of its collective agreement with workers' representatives. In the event that no agreed revision is reached, either of the parties or both together shall have the right to submit the case before an independent tribunal established beforehand for this purpose.

4.1 The tribunal shall be composed of a Chairperson and two members.

4.1.1 For this purpose, in agreement between the three social partners, two lists shall be compiled: one consisting of not less than five persons suitable to serve as chairpersons and another list of not less than ten persons to serve as members of the tribunal.

4.1.2 Prior to each case, the names of the Chairperson and of the two members shall be drawn by lot in the presence of the parties concerned. For this purpose, the date, time and place shall be notified to the parties by the responsible authority.

4.2 Every member of the tribunal shall, on assuming his office, make a sworn declaration before the Attorney General of the Republic, in the form prescribed for this purpose, in which he declares that he has no personal interest whatsoever, whether directly or indirectly, in the case before him and which may conflict with his function as a member of the tribunal.

4.3 The tribunal must investigate the case and within a period of not more than three months from the day when the case was referred to it, shall decide what increase or increases of those agreed upon can be paid by the firm.

4.4 The tribunal shall be empowered to summon before it any other person to testify by affidavit and/or give evidence and/or produce books and/or all other relevant documents.

4.5 The tribunal shall be empowered to administer the oath to any person appearing before it when and if it considers it necessary.

4.6 Every member of the tribunal shall receive a just remuneration for every case heard by him.

4.7 Every decision of the tribunal shall be final and binding upon the parties. It is understood that the circumstances examined by the tribunal shall be deemed to remain in force for one year. Consequently a decision of the tribunal will only be binding for one year or until such time as another wage increase in the Collective Agreement and as a result of this Agreement.

## 5. **Extraordinary Circumstances**

5.0 It is agreed that where and when extraordinary circumstances occur as a result of which the national economy, in the unanimous opinion of the Malta Council for Economic Development, is not able to sustain any one or all of the agreed increases, the Council may then authorise changes in the agreement concerned under such terms and for such period as the same Council may determine. Examples of such extraordinary

circumstances are furnished in Appendix II.

5.1 For the purposes of paragraph 5.0, the Malta Council for Economic Development shall, not later than three months from the end of every trimester, provide to all the parties brought together under its aegis, a report with relevant figures.

#### 6. Duration of this Agreement

6.0 This Agreement is binding for three years from the date of signature.

6.1 Every award by the Financial Arbitration Tribunal shall remain applicable throughout the entire year as stipulated by subparagraph 4.7 of this Agreement - even if during such period this agreement expires.

### SCHEDULE B

(Articles 3 and 4)

#### Cost of living increases for whole-time employees

Column 1	Column 2
Effective date	increase in wage
1st January, 1990	€6.99 per week
1st January, 1991	€2.91 per week
1st January 1992	€3.49 per week
1st January 1993	€2.33 per week
1st January 1994	€3.49 per week
1st January 1995	€5.24 per week
1st January 1996	€4.66 per week
1st January, 1997	€3.49 per week
1st April, 1997	€0.58 per week
1st January, 1998	€3.49 per week
1st January, 1999	€4.08 per week
1st January, 2000	€2.33 per week
1st January, 2001	€3.49 per week
1st January, 2002	€3.49 per week
1st January, 2003	€4.08 per week
1st January, 2004	€1.75 per week
1st January, 2005	€4.08 per week
1st January, 2006	€5.24 per week
1st January, 2007	€4.08 per week
1st January, 2008	€3.49 per week

*Substituted by:*  
*L.N. 427 of 2007.*  
*Amended by:*  
*L.N. 340 of 2008;*  
*L.N. 377 of 2009;*  
*L.N. 526 of 2010;*  
*L.N. 501 of 2011;*  
*L.N. 492 of 2012;*  
*L.N. 442 of 2013;*  
*L.N. 485 of 2014;*  
*L.N. 430 of 2015;*  
*L.N. 417 of 2016;*  
*L.N. 366 of 2017.*

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1st January, 2009	€4.08 per week
1st January, 2010	€5.82 per week
1st January, 2011	€1.16 per week
1st January, 2012	€4.66 per week
1st January, 2013	€4.08 per week
1st January, 2014	€3.49 per week
1st January, 2015	€0.58 per week
1st January, 2016	€1.75 per week
1st January, 2017	€1.75 per week
1st January, 2018	€1.75 per week

(there shall also be a further increase of € 1 per week as a mandatory supplement:

Provided that the €1 mandatory supplement for 2018 shall not be an additional increase in cases of a collective agreement where the cost of living allowance is part of the overall agreed wage increase set in that collective agreement:

Provided further that in cases where the overall agreed wage increase for 2018 in that collective agreement is less than €2.75, a pro rata increase of the mandatory supplement be added to reach the aggregate of €2.75.):

Provided that where the conditions of employment of whole-time employees are covered by an agreement, which provides for the cost of living adjustments, the increase for cost of living shall be paid in accordance with such agreement, but in no case shall the increase be less than the amount specified in the Column 2 above.

With effect from the year 1995, an amount of €30.28, equivalent to €1.16 per week for six months, shall be paid by employers in one lump sum at the end of March to all whole-time employees who are on their books as on that date. This sum shall be recoverable out of funds due to Government by way of income tax and social security contributions.

Furthermore, an amount of €60.56, equivalent to €2.33 per week for six months, shall also be paid by employees in one lump sum at the end of September, to all whole-time employees who are on their books as on that date. This sum shall be recoverable out of funds due to Government by way of income tax and social security contributions:

#### **Hourly rate and cost of living increases for part-time employees**

The hourly rate of part-time employees shall be increased by the same amount as the increase in the hourly rate of a comparable whole-time employee, calculated after including the weekly increase in the Table above, or in cases where there is no comparable category of whole-time employees at the workplace, by the hourly rate of a comparable whole-time employee in an applicable Wage Regulation Order, or in the absence of an

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applicable Wage Regulation Order, by one-fortieth of the rate of increase specified in the Table above.

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