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## PENSIONS' REFORM – FOR.U.M.'S REACTIONS AND PROPOSALS

The Forum of Maltese Unions fully agrees that the present pension structure is in dire need of reform if the sustainability of pensions within ten to fifteen years is to be safe guarded.

On the other hand today's pensioners are finding it extremely hard to make both ends meet in the light of the ever increasing cost of living particularly the exuberant water and electricity bills and fuel prices.

Unemployment is down and the number of gainfully occupied increases each passing year. Unfortunately, however, we still have a very low female labour participation and there is much room for improvement. Family friendly measures need to be strengthened. Malta will always lag behind most of Europe. First due to our culture, which although is changing, nonetheless has its effect on housewives staying strictly at home taking care of the house, children or elderly relatives. The second is due to the relatively high fees for childcare and serious lack of child centers. A good incentive to assist families in balancing careers and family constraints was the proposal at EU level, to increase parental leave but this was not supported by Government.

The forty years contributory period is discriminatory against women, as these are, at times, constrained to abandon their work for a period of time on unpaid leave to take on a caring role. While it is positive that mothers are given credit for each child they have, the same should be allotted to those who participated in non-compulsory education, sixth-form, undergraduate university as well as post-graduate studies. This category should also be given credit by reducing the minimum number of NI contributions. Similarly, years spent as an apprentice where NI was not paid by the employer should also qualify for credits. FOR.U.M is also in favour of early retirement in certain cases such as professions which require mental and physical strength throughout. Workers should be given the opportunity for early retirement if they opt so and are ready to give up part of their pension.

Proposals to increase further the retirement age is totally unacceptable. FOR.U.M is adamantly against the life-expectancy principle.

Every effort must be made to continue to strength the first pillar pension. The second pillar must not be mandatory at this stage. As for the third pillar pension, every effort

must be made to minimise risks. Efforts must also be made to increase tax incentives for the third pillar pension. The use of schemes where individuals save for their pensions must be encouraged.

Finally, the Home Reversion plans, as proposed, could be feasible but only in theory. We are living in an era where the only possible assets of an individual or family consist in property, achieved after many years of hard work, personal sacrifice and a home loan which would have been terminated a few years before the retirement age. This proposal would adversely affect the individual psychologically, added to consequences brought about by old age and inactivity.

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