

MEMO FOR CABINET
BY THE HONOURABLE MINISTER OF LABOUR & SOCIAL WELFARE

AMENDMENTS TO NATIONAL INSURANCE ACT

The National Insurance Act provides for unemployment and/or sickness benefit up to a maximum of 78 days which form part of a period of interruption of employment provided contribution conditions are satisfied.

In view of the run-down of the Service Departments and of the difficulty encountered by discharged men in finding suitable alternative employment it is proposed to extend the benefit period for unemployment to 156 days (26 weeks). This would be a progressive step and one which would bring our legislation more in line with International Labour Convention No.44 whereof Article 11 reads as follows:-

"The right to receive benefit or an allowance may be limited in duration to a period which shall not normally be less than 156 working days per year, and shall in no case be less than 78 working days per year."

Advice was sought from the Actuaries as regards the financial implications. The Department proposed that the measure should be for a limited period of about two years by which time it was hoped the employment position would have improved. In view of the temporary nature of the arrangement and as the next quinquennial review is due in March 1966, the Department suggested that it would be unnecessary to disturb the present rates of contribution.

The Actuaries agreed in view of the above considerations that the temporary extension could be faced without an immediate increase in contributions.

In the National Insurance Act, sickness and unemployment go hand in hand and it would be very awkward and administratively cumbersome and expensive to have two different periods one for sickness (78 days) and one for unemployment (156 days). In view of this, as also of the fact that claims for sickness in excess of 13 weeks are not relevant in comparison with claims for unemployment it is suggested that the temporary extension of the benefit period to 156 days would also include sickness benefit.

Again such a step would bring our legislation to conform with International Labour Conventions 24, 25 and 56 which all lay down 26 weeks as the minimum period during which sickness insurance should be paid.

Another proposal is that the suggested extension of the benefit period be made with effect from 1st February, 1965, the date of the last amendment i.e. claims of persons where benefit was in payment on 1st February or after but was stopped because of the 78 days limit would be revived and benefit paid up to 156 days provided as many contributions were paid.

Ministers are therefore requested to approve the extension of sickness and/or unemployment benefit to 156 working days effective from 1st February, 1965, subject to existing contribution conditions.

15.3.65.

L-Arkivji Nazzjonali ta' Malta