

MEMORANDUM FOR THE CABINET
BY THE HON. PRIME MINISTER

Pensions of Medical Officers

As you are aware, the Medical Officers Union (now Medical Association of Malta) have for some time been making representations to Government for an amelioration of the pension situation of Medical Officers in Government service.

2. Originally, the Union claimed that the "added pension years", which they used to enjoy under the old Pensions Regulations, and which were abolished in 1939, should be restored.

3. They based their claim on the fact that a high percentage (80%) of Medical Officers, owing to the long qualifying period that they undergo before they become eligible for Government service, do not have time to render the necessary 33 1/3 years service which would entitle them to earn the maximum pension on superannuation.

4. The main arguments on the strength of which the Union's claim was resisted were the following:-

- (a) A pension is related to service actually rendered.
- (b) The earning of the maximum pension is not of right.
- (c) The award of the Special Medical Conciliation Board, which was accepted by the Medical Officers Union, took account of the shorter earning period of a doctor, as regards pensionable service.

5. Besides these objections on points of principle, there was also great concern about the serious repercussions that a more favourable treatment of Medical Officers in this question of pensionability would naturally have on all other professional officers, as well as on all graduate employees in the service.

6. Recently, however, the Medical Association of Malta have submitted a memorandum which gives statistical data to prove that as much as 80% of the Medical Officers at present in Government service will not become entitled to a full pension on retirement; and they have come out with the suggestion that a more favourable method of computation of pension should be introduced in respect of Medical Officers. They propose that the factor of 1/600 in the computation of pensions should, in the case of Doctors, be changed to 1/450.

7. In practice, this proposal means that Medical Officers would qualify for the maximum pension after 25 years service as against the present requirement of 33 1/3 years service for all other Government employees, with the exception of Judges and Police Officers. This, it is observed, is even more favourable than their original request for the restoration of the "added years" concession, which they enjoyed prior to 1939. In fact, the Association in their latest memorandum themselves state that the average age at which Medical Officers join Government service is 30 years. This means that, in the average, a Medical Officer requires only another 3 1/3 years service to qualify for a maximum pension; while the computation they now suggest is equivalent to a bonus of 8 1/3 years.

8. In support of their claim for a more favourable method of computation, the Doctors submit that a precedent exists in the case of H.M.'s Judges, in whose respect a special computation factor is laid down in the Pensions Ordinance. This analogy with the Judges is hard to sustain, as the factors involved are not the same in both cases. Lawyers who, like Medical Officers, have to spend 7 years at the University, must not only have 12 years of practice before they can be considered for Judges, but they are in fact generally so appointed much later in their career (because of the maturity and experience factors) than is the case with doctors entering Government service. The latter can, and do, enter Government service quite young.

9. A closer approximation to the case of Judges could, perhaps, be pleaded by Magistrates (though these have less years of practice stipulated, and less experience is required of them). Magistrates have in fact raised such a plea, which Government so far has not countenanced.

10. The initial reaction to the Medical Officers' pension claim was that the claim appeared to include officers with private practice (who obviously could not plead insufficiency of pension); that it would be difficult to justify a discriminatory computation in favour of administrative medical posts; and that, in any event, the claim had to be seen against the background of the Association's new claim for enhanced medical salaries. The element of private practice, which the majority of pensionable doctors have (77 out of 135) is completely absent in the case of Judges, who have a special pension computation.

11. Whether to concede a more favourable method of computation of pension on the lines suggested by the Medical Association is a matter of policy.

12. It is the Establishments and Finance view that, if such a concession were to be made, it would at least seem to be advisable that the factor of computation should be fixed at a ratio which would allow Medical Officers to earn the maximum pension after 30 years service in lieu of 33 1/3 years and this on the basis of the information supplied by

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them that the average age at which doctors join Government service is 30 years. Such a ratio works out at 1/540.

13. It is emphasised that such a move by Government would, undoubtedly, attract claims for similar treatment from other professional employees (e.g. Magistrates and Crown Counsel. None of the serving Magistrates and Crown Counsel will in fact have $33 \frac{1}{5}$ years service at age 60), which it would hardly be possible to resist. It is probable that each case would then have to be treated on its own merits, and that different coefficients of pension computation might have to be negotiated and established. (Incidentally, it is understood that this is the answer which the Doctors themselves have for the plea of repercussions).

14. In normal circumstances the stage would now have been reached when there ought to be the views of the Hon. Minister of Health on this. The Minister, in turn, would have wished to seek the advice of the Advisory and Executive Board, which, in terms of the Medical and Health Department (Constitution) Ordinance, (Cap. 148) is charged with the giving of advice on matters relating to the conditions of service of Medical Officers. It is understood, however, that the doctors, who, in the meantime, have been informed that note is being taken of the points raised by them, and that the examination of this matter is being pursued with all possible haste, are not prepared to wait for a definite reply except until today, the 14th September. In the circumstances the Cabinet is requested to consider the position and to decide what policy should be followed.

14th September, 1965.