

MEMORANDUM FOR THE CABINET  
BY THE PRIME MINISTER

Reckoning of Military Service under U.K. Government  
for pension purposes under Malta Government

In September 1970 a number of military personnel at present serving in U.K. Government military Units, are due to be taken over by the Malta Government as members of the Malta Land Force. The Crown Advocate General has advised that the existing Pensions Ordinance will not apply to any military personnel taken over by the Government, as the Ordinance defines "Public Service" as "service in a Civil capacity". The Pensions Ordinance will, therefore, have to be amended to provide for the grant of pensionable status to military employees. In drafting this amendment consideration will have to be given to the advisability of allowing service in U.K. Government Military Units to be reckoned for pension purposes, when these officers and soldiers eventually retire from Malta Government Service.

2. The General Workers' Union has already claimed, on behalf of civilian staff, both industrial and non-industrial, taken over from U.K. territorial units for service in the Malta Land Force in April, 1965, that service with the U.K. Government should be reckonable for pension purposes when these eventually retire from Malta Government Service. This claim has been rejected on the grounds that under Regulation 6 of the Pensions Regulations "service shall be deemed to commence at the date on which an officer commences to draw salary or half salary from Malta funds." However, if the concession is granted to Military personnel, it will no longer be possible to resist this claim and Regulation 6 of the Pensions Regulations may have to be amended. The concession will also have to be extended to all Government employees with previous service either in U.K. Government Military Units or in a civilian capacity in U.K. Government Departments in Malta not excluding officers already retired from the service. In considering the implications of this matter, the above has to be taken into consideration.

3. No employer gives credit to service rendered to another employer. The point that has to be considered here, is, therefore, whether the U.K. Government and the Malta Government are one and the same employer. There is no doubt that, since independence, (September, 1964), the Malta Government and the U.K. Government are two different employers.

4. The Pensions Ordinance was enacted in 1937 under Crown Colony Administration. Yet Regulation 28, limits the liability of the Malta Government in respect of the

pension of Colonial Civil Servants who were liable to serve in different colonies, to the period of pensionable service in Malta. The Ordinance did not provide for the reckoning of service with U.K. Government departments in Malta for pension purposes in cases where an employee in a U.K. Government Department was given pensionable appointment under the Malta Government or vice-versa. This shows that even under crown colony administration two Governments were considered as two different employers and service with one Government was not reckonable as service with the other.

5. When the R.M.A. is disbanded in September, 1970, the military personnel will have their service terminated, and will be given terminal benefits including the reckoning of additional years' service and the payment of pensions and gratuities. They will not be transferred to Malta Government service but will be engaged by the Malta Government. It is not considered advisable that service in respect of which a pension and a gratuity has been paid should be made to count towards the earning of another pension and gratuity from the Malta Government.

6. The benefits payable under the local pensions ordinance are higher than the benefits payable under the pensions ordinance in the U.K. Thus, for instance, full pension is earned after 30 years service in Malta, but only after 40 years service in the U.K. On the other hand, in some cases as for instance, in the case of the Widows and Orphans Pensions Scheme, benefits payable in the U.K. are higher than in Malta. If U.K. Government service is allowed to count towards a Malta Government pension, the Malta Government will be assuming a higher liability towards that same U.K. Service than the U.K. Government itself.

7. As no other local employer is likely to grant such a concession, the reckoning of U.K. Government Service towards a Malta Government pension will induce all military personnel to opt to serve under the Malta Government in order to qualify for the higher benefits of the Malta Government pension scheme. In the case of civilian employees it will produce the anomaly that those who have become redundant in U.K. Departments and have been taken over by the Malta Government, either outright or through some competition, will be far better off than those who, being their seniors, have remained in the service of U.K. Government Departments.

8. It is not considered advisable that Military Personnel in Malta Government Service should be allowed to serve under the same conditions applicable to them under the U.K. Government. Otherwise Government would have two different categories of employees entitled to different pension benefits and each will eventually claim the higher benefits of the other.

9. If the Malta Government assumes liability for continuity of service there seems to be no reason why it

should not also assume responsibility for continuity in employment. If it does not it will be treating differently those who obtain Government employment and those who are employed elsewhere. The concession, in any case, is likely to give rise to a claim that all redundant service personnel, both military and civilian, should be taken over by the Government. Indeed those who obtain private employment will be far worse off through loss of service than those who obtain Malta Government employment.

10. Hon. Ministers are asked to state whether they agree that service in U.K. Government Military Units should not be reckoned for pension purposes when military personnel are taken over by the Malta Government.

12th July, 1969.

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