

# Voluntary Occupational Pension Scheme Rules

The Voluntary Occupational Pension Scheme Rules, which have just been introduced by virtue of Legal Notice 228 of 2017 (the 'Rules'), set out the fiscal measures announced in the 2017 Budget Speech relating to voluntary occupational pension schemes. They are the first set of tax measures introduced to incentivise an occupational pension system in Malta.

These Rules are effective as from 1 January 2017 and apply to certain types of employers as defined, including self-occupied persons as well as associations representing employers and self-occupied person. Furthermore, qualifying retirement schemes for the purposes of these Rules may take the form of a retirement scheme registered under the Retirement Pensions Act (Chapter 514 of the Laws of Malta) or a long-term contract of insurance satisfying certain prescribed criteria.

Broadly, the fiscal measures (benefitting both employers and employees) introduced by the Rules can be summarised as comprising:

An annual tax credit available to the employer amounting to the lower of 15% of the amount of contributions paid and €150 for each employee in respect of whom the contributions are paid

## Tax benefits for employers

Tax deductibility for the employer in respect of the contributions paid, up to a maximum of €2,000 per employee per annum

## Tax benefits for employees

Non-taxation for the employee under the Fringe Benefits Rules in respect of contributions made by the employer for the employee's benefit

An annual tax credit available to employees who voluntarily make additional contributions into the employer's scheme, amounting to the lower of 15% of the amount contributed during a year and €150 per annum



Our Tax and Advisory teams are well placed to assist your organisation in analysing possible advantages and implications of such an Occupational Pension Scheme, and also to provide you with specific advice taking into consideration the particular setup and needs of your own business.



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