



THE MALTA CHAMBER

PRESS RELEASE

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Implementation of Directive shouldn't be administratively cumbersome

Missed opportunity for promoting equal burden sharing between genders

Malta has an obligation to implement this EU Directive by the end of this month. This Directive was agreed to at EU level at a time when employers were not facing the inflationary pressures that are being felt today. So a prudent implementation of this Directive is called for given the prevailing economic climate to avoid fuelling further inflation.

The Malta Chamber of Commerce, Enterprise and Industry has the following concerns regarding its implementation:

1. Parental leave entitlement is spread over the first 8 years of every child for both parents. It will be very difficult for employers to trace how much parental leave has actually been utilized by an employee, particularly since people may change job several times over the course of 8 years. The Malta Chamber insists on having a centralized system for keeping a record of parental leave utilization, administered by Jobsplus, DIER or the Maternity Leave Fund. This will ensure that there is no abuse of the benefit and ease the administrative burden of implementation on employers.
2. The Malta Chamber believes that in the interest of facilitating the administration of parental leave, and more importantly, of ensuring equal burden sharing between parents, irrespective of gender, no portion of parental leave entitlement should be transferable. This recommendation has been made by all employer bodies jointly in writing, but was not taken up by Government. This is a missed opportunity to do something tangible to address both the gender employment gap and the gender pay gap and runs counter to promoting female participation in the labour market.
3. Government will be funding the additional benefits in the first year but will place the onus on employers thereafter, through substantial increases in the Maternity Leave Fund contributions. This will have a negative impact on businesses, many of them are still trying to recuperate from the pandemic and struggling with several challenges such as labour and skills shortages and the resultant wage inflation, high costs of raw materials and transportation, and uncertainty surrounding the sustainability of the current energy prices. The current situation calls for greater sensitivity and a reassessment of the situation after the first year of implementation.

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