

EAP UPDATE

17th November 2010

Proposed new changes

***Aid – Scheme: Employment Aid Programme
Priority Axis 3 – Promoting an equal and inclusive labour market***



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As at 31st October 2010

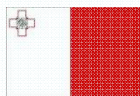
Applications received – 2144

- Total Grants signed – 896

- Malta 620
- Gozo 276

- Of which

- Male 522
- Female 374



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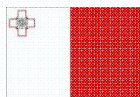


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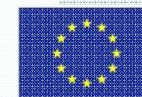
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Funds committed to-date

Total funds available	€ 8,200,000
Funds committed	€ 4,152,413
Gozo	€ 1,661,494 (40%)



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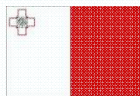


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Proposed Changes

ETC is proposing the following changes to the EAP eligibility criteria.

- 1. Removal of capping for certain categories of client groups*
- 2. Increase the aid intensity*
- 3. Modification to client group four*
- 4. Modification to client group seven*



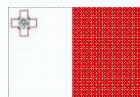
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State Aid Monitoring Board approval received on 23 rd August 2010

- *Approval from the State Aid Monitoring Board received on the 23 rd August following our communication sent few days before. SAMB had no particular reservation to our suggested proposals from a purely State aid point of view.*
- **Approval from the Intermediate Body Steering Committee (IBSC) was also obtained.**



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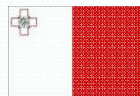
Proposed Changes

1. Removal of Capping

- **Whilst the capping is currently 50 participants per calendar year, with the exception of individuals who have been made redundant six (6) months prior to the application and with the exception of Gozitan based employers;**

it is being suggested that capping should be also removed in respect of:

- **Participants over 50 years of age (todate only 15% are over 50)**
- **Registered Disabled Persons (todate only 5% are persons with disability)**



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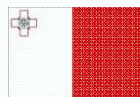
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Proposed Changes

Moreover the request to remove the capping is based on concrete information. Out of the 217 employees who completed the scheme, 199 are still in employment.

This clearly shows that subsidised workers are not being replaced by other subsidised workers after the year of the Grant Agreement.

Of the 217 employees who completed the scheme:		
Employed	195	90%
Self Employed	4	2%
Registering - 1	1	0.46%
Registering - 2	1	0.46%
Unknown	16	7%
Grand Total	217	100%



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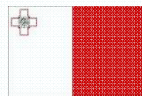
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Proposed Changes

2. Aid Intensity

According to article 40 (3) of the Commission regulation (EC) no 800 of 2008:

Eligible costs shall be the wage costs over a maximum period of 12 months following recruitment.



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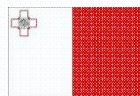
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Proposed Changes

Considering the encouraging uptake of the EAP in Gozo, (grants in Gozo currently make up 40% of the total Project funds committed) the 52 week subsidy period will be adopted also for the Maltese potential beneficiaries.

This will encourage more potential participants to apply for EAP.

This amendment will not alter the disbursement schedule as agreed to in the Covenant because the payment will remain to be effected after twelve months from the issue of the grant agreement.



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3. End of work contract

One of the EAP client groups includes persons who have been made redundant in the past 6 months (or has been served with a redundancy notice) and who has not attained upper secondary level qualifications or equivalent (ISCED 3).



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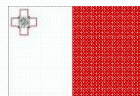
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It is being proposed that:

When an employee's contract has been terminated due to the insolvency of the company, the ended contract (end of work contract) may be also considered as a form of redundancy.

Such interpretations will however need to be determined on a case by case basis.



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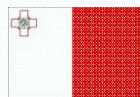
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Proposed Changes

4. Eligibility of Registered Disabled Persons (RDPs) who have reached pensionable age

According to the current EAP criteria, clients who would have reached pensionable age by the end of the Grant Agreement are ineligible to participate in the scheme.

It is suggested that in cases where the client is a RDP, the age of eligibility should be put up to 65.



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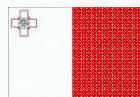


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Proposed Changes

Such measure aims to increase the employment rate of older workers. It is also in line with the new legislation introduced in 2008 where persons of pensionable age under the age of 65 were given the possibility to work without losing their pension entitlements, irrespective of the amounts of earnings and irrespective of their age.

It is believed that this inclusion should help the most disadvantaged.



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THANK YOU

Raphael Scerri

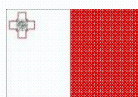
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