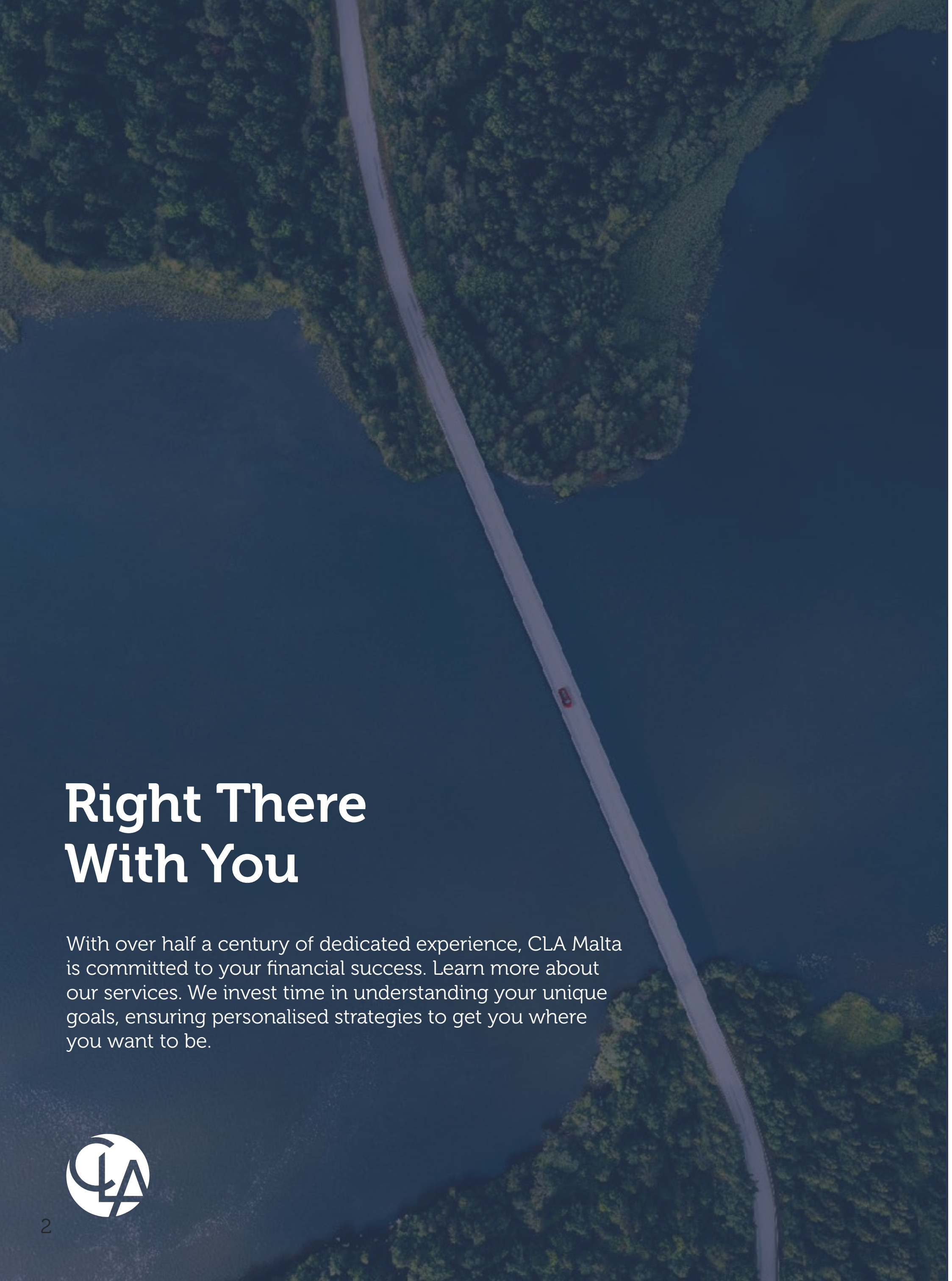
CLA Malta

Payroll



Right There With You

With over half a century of dedicated experience, CLA Malta is committed to your financial success. Learn more about our services. We invest time in understanding your unique goals, ensuring personalised strategies to get you where you want to be.

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CLA Malta

CLA Malta stands out from the rest. We are built differently and structured to provide innovative and client-first services in taxation, legal advisory, and corporate support to various industries.

Our philosophy is rooted in creating a collaborative environment where our team and clients prosper, guided by our core values of flexibility, engagement, and dedication.

With half a century of expertise, CLA Malta is dedicated to providing top-tier service, ensuring efficiency, and driving businesses towards success.

Passion | **Trust** | **Innovation** | **History**

We're passionate about staying adaptable and ensuring active participation from everyone to accomplish all goals.

Drawing from our extensive knowledge, we support local businesses' growth and assist international companies in establishing and succeeding in Malta.

At CLA Malta, building your success is not just our priority. **It's our passion.**

CLA Global

CLA Global Limited (CLA Global) was founded by CliftonLarsonAllen LLP and S&W.

The organisation offers one of the largest financial outsourcing services and private client and wealth advisory platforms of any global accounting organisation. Moreover, it hosts a culture of diversity and inclusion that uses combined strengths as its greatest competitive advantage.

Professionals in its member firms support clients by speaking their language and serving as their eyes and ears from a business, regulatory, and tax perspective — so they can help them cross borders confidently and efficiently.

Payroll is becoming more complex given the continuously evolving income tax, social security and labour law provisions. CLA Malta offers an efficient and effective means by which a business' payroll needs are fulfilled.

Payroll in Malta

Payroll in Malta involves employers withholding income tax and social security contributions from employees' salaries monthly before reporting these amounts to the Malta Tax and Customs Administration department.

New Employees in Malta

All new employees in Malta must be registered with the Malta Tax and Customs Administration, Social Security Department and Jobsplus. Employees must be registered within 4 days of the employment commencement date. All third-country nationals must obtain a work permit with their prospective employer before starting work in Malta. Meanwhile, EU Nationals are to apply for the Maltese Residence Card if they spend more than three months in Malta.

Foreign Employees

In addition to the payroll services outlined above, we assist foreign employees in relocating to Malta. Our services mainly relate to registration with the Social Security Department in Malta, the Malta Tax and Customs Administration, registration for residence permits (and, in the case of non-EU individuals, also assistance in obtaining the necessary work permit to work in Malta) and registration with Jobsplus (the employment authority) in Malta.

Payroll Services

Payroll is a critical function for any organisation, regardless of size. Inaccuracies can jeopardise your most valuable asset: your workforce. Given the complexities of everchanging labour laws, accurate and timely payroll management is essential. At CLA Malta, we provide comprehensive payroll services, managing everything from sensitive employee data and precise salary calculations to tax submissions and social security payments.

Whether you operate a startup or a large corporation, outsourcing your payroll to CLA Malta ensures GDPRcompliant data collection, seamless payroll processing, and timely updates on employment law. Additionally, our services eliminate the need to invest in specialised payroll software. With CLA Malta, your payroll is handled by experienced professionals, ensuring accuracy and compliance at every step.

Our Package

The payroll service package provides for the complete payroll processing of both full-time and part-time employees, starting with the maintenance of employee details through to the management of leave, payroll calculation, and issuance of payroll reports and payslips as required by the current legislation.

The following features and functions are all available within our payroll service package:

- **Employee data collection** in compliance with GDPR;
- **Timekeeping records and attendance** by tracking and recording employees' work hours, including regular hours, overtime, Vacation and Sick Leave taken, as applicable.
- **Salary Calculation** for your employees based on the data provided.
- **Payroll processing** includes:
  - Inputting data into the payroll system.
  - Generating and publishing employees' payslips.
  - Crediting employees' salaries to the designated bank accounts paid according to applicable pay frequency requirements.
- Submit payroll-related taxes and social security information to the Malta Tax and Customs on your behalf, including filing and submitting the FSS end-ofyear documents within the stipulated deadline.
- Record-keeping and maintenance of accurate payroll data, alongside the performance of reconciliations, to verify the accuracy of payroll records. This helps with audits, tax compliance and year-end reporting.

Stay updated through our regular communications via our social media portals and website, including updates on relevant employment laws to ensure ongoing compliance, as well as information regarding upcoming deadlines.

Ancillary to our payroll services, our attendance service package provides;

- staff rostering and scheduling
- labour cost management
- attendance tracking

From the creation of shifts to rosters and automatic updates to payroll, we can help simplify your entire Payroll workflow.

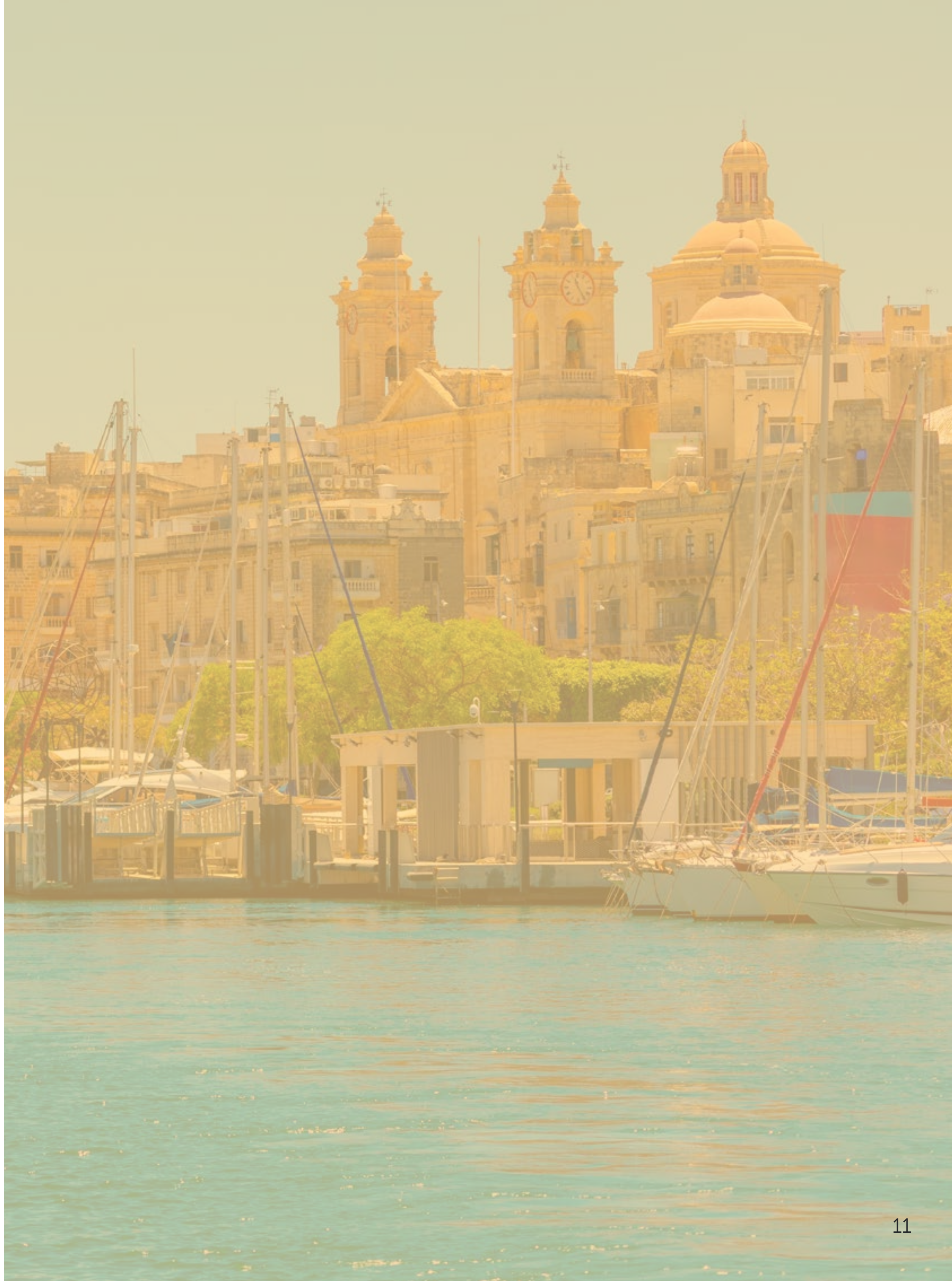
Immigration and Residency in Malta

Immigration to Malta is managed by Identità, with residency requirements varying depending on an individual's nationality and circumstances.

Citizens of EU and EEA Member States benefit from the right to freedom of movement, allowing them to live, work, and reside in Malta with a relatively straightforward registration process.

For Third-Country Nationals (non-EU/EEA citizens), relocating to Malta generally requires obtaining the appropriate residence permit. The most common route is through a Single Work Permit for individuals who have secured employment in Malta. Fast-track schemes, such as the Key Employee Initiative, are also available for highly skilled professionals who meet specific eligibility criteria.

Malta also offers other residence pathways based on factors such as employment, financial means, self-sufficiency, or investment. The most suitable option depends on the applicant's personal circumstances and eligibility requirements. Many residence permits also allow visa-free travel within the Schengen Area for up to 90 days within any 180-day period, subject to applicable Schengen rules.



EU/EEA Nationals and Their Families in Malta

EU/EEA nationals have the right to live, work, study, and establish a business in Malta. Eligible family members—including spouses, children or grandchildren under 21 or who are financially dependent, and dependent parents or grandparents—may also accompany or join them. Unmarried partners may qualify if they can provide evidence of a durable relationship of at least two years. For students, only spouses and dependent children are eligible to accompany them.

After five years of continuous legal residence in Malta, EU/EEA nationals and their eligible family members may acquire the right to permanent residence. Depending on an individual's tax residency status, permanent residence may also result in worldwide income and capital gains becoming subject to Maltese taxation.

Third-Country Nationals (Non-EU/EEA Nationals)

Third-Country Nationals (TCNs) who wish to live and work in Malta generally require a **Single Permit**, which combines both a residence and work permit and may be issued for a definite or indefinite period, subject to renewal. The application is based on a valid employment offer from a Maltese employer and remains valid as long as the approved employment conditions, including the employer, position, and duration of employment, remain unchanged. The Identità fee for a new **Single Permit** application is €600.

Highly skilled professionals may qualify for accelerated schemes -

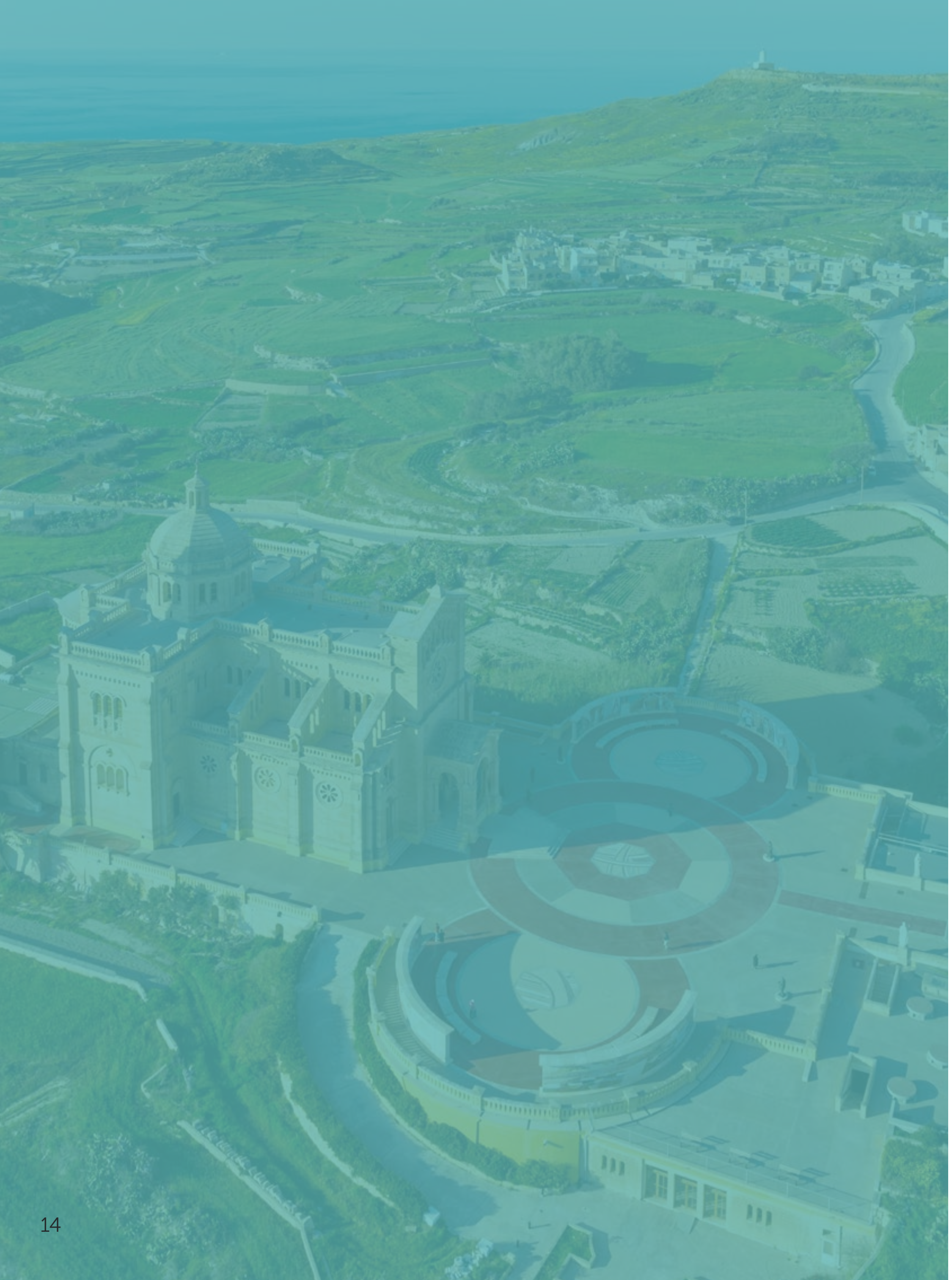
The **Key Employee Initiative** is available for individuals in managerial or highly technical roles earning a minimum annual basic salary of €45,000 under a definite or indefinite employment contract.

The **Specialist Employee Initiative** is designed for professionals earning at least €35,000 per year who hold qualifications at Malta Qualifications Framework (MQF) Level 6 or equivalent, or alternatively have at least three years of relevant professional experience.

TCNs who are shareholders or ultimate beneficial owners of a Maltese company may also qualify for employment if they meet specific investment requirements, such as contributing at least €500,000 in share capital or business assets, or leading a project approved by Malta Enterprise. Similar investment or innovation criteria apply to TCNs seeking self-employment, including significant capital investment, an approved business project, or the creation of employment opportunities for local or EU nationals.

Malta also offers residence programmes for financially self-sufficient individuals, including the **Malta Permanent Residence Programme (MPRP)**, the **Global Residence Programme (GRP)**, and the **Malta Retirement Programme**. These schemes generally require applicants to purchase or rent qualifying property, meet financial and investment thresholds, and satisfy programme-specific conditions. Benefits may include permanent residence, favourable tax treatment, and visa-free travel within the Schengen Area for up to 90 days in any 180-day period.

Eligible TCNs holding a residence or work permit valid for at least one year may apply for family reunification. To sponsor family members, applicants must generally demonstrate stable and sufficient income, suitable accommodation, and reasonable prospects of obtaining permanent residence in Malta.



Other Residence and Employment Options for Third-Country Nationals

Third-Country Nationals (TCNs) who have legally and continuously resided in Malta for at least five years may apply for Long-Term Residence, provided they have stable and regular financial resources, suitable accommodation, and have fulfilled the required integration measures. Successful applicants benefit from treatment similar to Maltese nationals in areas such as employment, education, vocational training, social security, and the recognition of professional qualifications. Applications must also include a personal history outlining the applicant's residence and employment in Malta. Depending on their tax residency status, long-term residents may become liable to Maltese tax on their worldwide income and capital gains.

The Nomad Residence Permit allows eligible non-EU nationals to reside in Malta while working remotely for employers, businesses, or clients based outside Malta. The permit is issued for one year and may be renewed if the eligibility criteria continue to be met. Applicants must demonstrate a minimum gross monthly income of €3,500, hold valid health insurance and accommodation in Malta, and work remotely using telecommunications. Depending on the duration of residence and the applicable tax rules, income derived from authorised work may benefit from preferential tax treatment.

Posted Workers are employees temporarily assigned to Malta by a foreign employer while remaining employed by that undertaking. They are entitled to the same employment rights, working conditions, and health and safety protections as comparable employees in Malta. Their tax obligations depend on factors such as the length of their stay, their employer's presence in Malta, and whether a double taxation agreement applies between Malta and their home country.

Income Tax for Individuals Ordinarily Resident but Not Domiciled in Malta

Individuals who are ordinarily resident but not domiciled in Malta are generally taxed on income and capital gains arising in Malta, as well as foreign income that is received in Malta. Foreign capital gains are not subject to Maltese tax, even if they are remitted to Malta.

Individuals taxed under the remittance basis of taxation may be subject to a minimum annual tax liability of €5,000 where their annual foreign income not received in Malta is at least €35,000. This minimum tax applies to both individuals and married couples who opt for joint taxation and includes Maltese income tax already paid, but excludes final tax paid on transfers of Maltese immovable property.

Industry Expert

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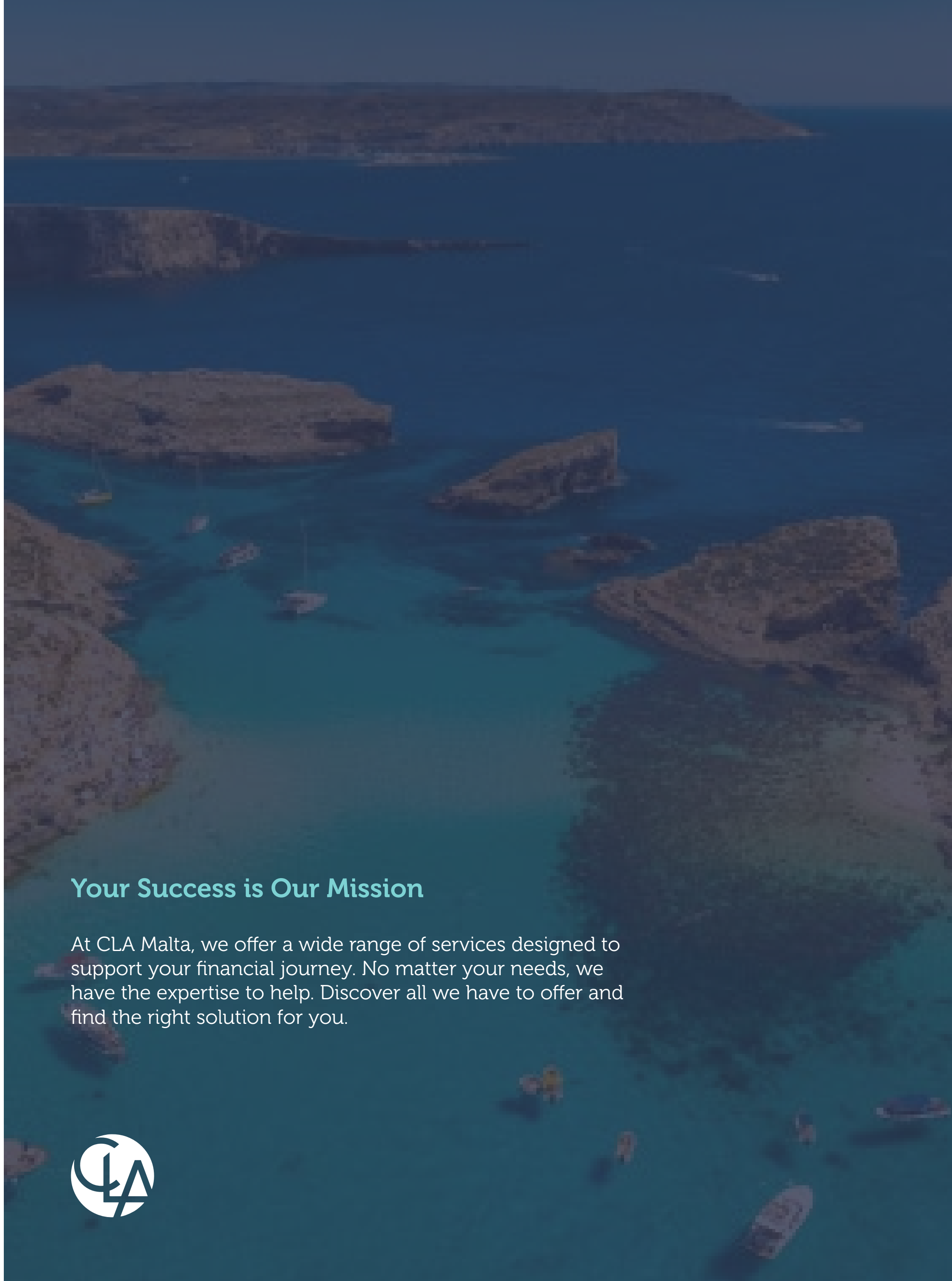

Your Success is Our Mission

At CLA Malta, we offer a wide range of services designed to support your financial journey. No matter your needs, we have the expertise to help. Discover all we have to offer and find the right solution for you.

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Malta