



MINISTRY FOR GOZO

ST. FRANCIS SQUARE,
IR-RABAT, GOZO, MALTA



Guidance Notes

1. Introduction

1.1 Scope of the Guidance Notes

These Guidance Notes are to assist Employers when applying for grants under the **Gozo Employment Refund Scheme**. Through this scheme, aid is to be granted to Employers in the form of partial reimbursement of salaries of newly employed staff, based in Gozo.

All applicants must abide by the Guidance Notes and Terms and Conditions valid at the time of application, which may be periodically reviewed, updated and amended.

1.2 Objective of the Scheme

The **Gozo Employment Refund Scheme** will provide aid to employers, located and with a registered address in Gozo, to promote the transition from high levels of part-time employment as primary employment into full-time employment. The scheme also aims to contribute towards the reduction of the disparity between gross annual basic salaries in Gozo when compared to Malta, and finally it is also envisaged that the scheme will assist in addressing the issue of a higher dependency on the public sector for full time employment in Gozo.

1.3 Legal Basis for the Scheme

The administrative basis for this scheme is Budget Measure 7.16, Incentives for the creation of jobs in Gozo, Budget Speech 2019 and Budget Measure 3.18, Incentives for job creation in Gozo, Budget Speech 2021.

1.4 Available Budget and Duration of the Scheme

The Scheme is demand driven. Aid will be awarded on a first-come, first-served basis, subject to the annual ceiling and total budget. The total budget available for the **Gozo Employment Refund Scheme** for 2021 contains a ceiling of €900,000. Complete applications must be submitted by the 30th of November 2023 and recruitment must take place between 1st November 2020 and 30th November 2023.

1.5 Main Parties involved in the Implementation of the Gozo Employment Refund Scheme

A – Ministry for Gozo

The overall responsibility for the management and implementation of the **Gozo Employment Refund Scheme** is the Ministry for Gozo.

B – The Beneficiary

The beneficiary hereinafter is referred to as the Employer:

- i. In the case of the **Gozo Employment Refund Scheme**, the beneficiary is the Employer benefitting from the partial wage reimbursement of newly employed staff when recruiting an eligible participant based on a signed Grant Agreement.
- ii. The beneficiary is responsible to implement the employment activity in line with these Guidance Notes and the Terms and Conditions of the Scheme. The beneficiary should always be guided by the principles of good governance, sound financial management, fairness and transparency.

2. Eligibility

2.1 Eligibility of Applications

Complete applications will be evaluated against the eligibility criteria listed in this Section (2. Eligibility). Incomplete or incorrect applications will be rejected.

2.1.1 The Scheme will be implemented in line with the provisions of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 18.12.2013, p.1), as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (OJ L 215, 7.7.2020, p.3).

Undertakings active in all economic sectors may be eligible, with the exception of:

- (a) aid granted to undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products (OJ L 17, 21.1.2000, p. 22).
- (b) aid granted to undertakings active in the primary production of agricultural products;
- (c) aid granted to undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
 - (i) where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
 - (ii) where the aid is conditional on being partly or entirely passed on to primary producers;
- (d) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
- (e) aid contingent upon the use of domestic over imported goods.

2.2 Eligibility of the Employer

Eligibility is subject to availability of funds and subject to the overall scheme's eligibility period. The latest version of the documentation, as published on the Ministry for Gozo website must be submitted.

- 2.2.1 To be eligible, the Employer must certify that he/she has neither exceeded, nor will exceed with the aid granted through this scheme, the threshold of €200,000 per single undertakings or €100,000 in the case of single undertaking performing road freight transport for hire or reward, cumulatively from this scheme and any other *De Minimis* scheme over the applicable three-year reference period received in line with the De Minimis Regulation.
- 2.2.2 Further to point 2.2.1, the Employer must duly fill in the State Aid (De Minimis) Declaration found at Section D of the Scheme Application.
- 2.2.3 The Employer's business concern must be located and have a registered address in Gozo.

- 2.2.4 A participant can only apply once under the **Gozo Employment Refund Scheme** with the same Undertaking.

2.3 Eligibility of the Employee

- 2.3.1 Any individual who is resident in Gozo is eligible.
- 2.3.2 Employees must not have been employed full-time with the Undertaking within the previous 12 months.
- 2.3.3 Shareholders and Directors of the Undertaking will not be eligible to benefit from the **Gozo Employment Refund Scheme** if they take up employment within the same private Undertaking.
- 2.3.4 Persons occupying official positions with Non-Governmental Organizations (NGOs) will not be eligible to benefit from the **Gozo Employment Refund Scheme** if they take up employment with the same NGO.

3. Financial Management, Eligible Amount and Payments

3.1 Payment Procedures and Reimbursement

As part of the Payment and Reimbursement Procedures, the Tourism and Economic Development Directorate within the Ministry for Gozo will be responsible to ensure that the:

- a. Claims for reimbursement made by the Employer are correct; and
- b. Employment has been effected;

3.2 Eligible Costs

The **Gozo Employment Refund Scheme** will consist of a partial reimbursement to employers, for the wage of each eligible employee given a minimum of a three-year contract. The reimbursement will be up to 30% of wage costs, with a maximum threshold of €6,000, as per clause 7 of the Terms and Conditions of this Scheme.

Example of Calculation Method:

A new employee is employed on a minimum of a three-year contract and will be paid an annual net salary* of €15,000.00 in the first year, €15,300.00 in the second year and €15,606.00 in the third year.

Net Salary Year 1	€15,000.00	
Net Salary Year 2	€15,300.00	
Net Salary Year 3	€15,606.00	
Total	€45,906.00	
30% of total:	€13,771.80	(€6,000.00) threshold exceeded.

As the eligible amount of 30% of the total exceeds the threshold of €6,000.00, the scheme will reimburse the employer the maximum amount of **€6,000.00**.

Amount to be reimbursed

End of Year 1	20% of eligible amount (€6,000.00)	€1,200.00	is reimbursed to employer.
End of Year 2	30% of eligible amount (€6,000.00)	€1,800.00	is reimbursed to employer.
End of Year 3	50% of eligible amount (€6,000.00)	<u>€3,000.00</u>	is reimbursed to employer.
		<u>€6,000.00</u>	in total is reimbursed

***Annual Net Salary - Reimbursements are calculated against Annual Net Salaries. This means: Gross Annual Salary plus overtime minus National Insurance (N.I), statutory bonuses and allowances. Employers will be asked to present employees' FS3 forms and a statement of earnings when claims for reimbursements are being processed.**

Notwithstanding, aid shall be capped at the amount of €6,000.00 per employee with no single undertaking being allowed to exceed the permissible *De Minimis* threshold of €200,000, or €100,000 in the case of a single undertaking performing road freight transport for hire or reward, cumulatively from this scheme and any other *De Minimis* scheme during the applicable three-year reference period.

4. Information & Data Protection

4.1 Publicity

In order to enhance transparency regarding the use of the Scheme's funds, general details of the operation such as the name of the Employers; the title of the operations and the amount of public funding allocation to each Undertaking may be published.

4.2 Data Protection

All data is collected and held by the Ministry for Gozo and/or transferred to third parties in order to fulfil reporting functions, publicity, research and other Community obligations according to Law and in line with the provisions of the Data Protection Act¹ and the General Data Protection Regulation².

¹ Data Protection Act, Cap 440 of the Laws of Malta

² General Data Protection Regulation (GDPR) EU 2016/679

5. Definition of Terms Used

Beneficiary refers to the entity legally responsible for the application submitted and the recipient of the aid.

Single Undertaking – Means all entities which are controlled by a single entity on a legal or de facto basis. A ‘single undertaking’ includes, for the purposes of this scheme, all enterprises having at least one of the following relationships with each other:

- a) one enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d) one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.