

MINISTERU GHALL-AFFARIJIET
EWROPEJ U UGWALJANZA

SEGRETARJAT PARLAMENTARI
GHALL-FONDI EWROPEJ U
DJALOGU SOCJALI



MALTA

MINISTRY FOR EUROPEAN AFFAIRS
AND EQUALITY

PARLIAMENTARY SECRETARIAT
FOR EUROPEAN FUNDS AND
SOCIAL DIALOGUE

Divizjoni għall-Ippjanar u Koordinazzjoni tal-Prijoritajiet

Planning and Priorities Co-ordination Division

23rd February 2018

MA Circular 01/2018

Attn: All stakeholders

Re: Reimbursement Request form: Staff Costs - all Beneficiaries

Reference is made to MA Circular 02/2017 containing guidance and templates on how to claim staff costs in line with Article 68(2) of (EU) 1303/2013. The aim of this circular was to simplify the procedure of claiming staff costs and respective checks for all stakeholders involved in line with the simplification tools provided by the European Commission through the Common Provision Regulation (EU) 1303/2013.

Since the publication of the earlier circular, the MA has been testing the impact of this new methodology as applied by the first operations approved under the 2014-2020 Programming Period. After initial testing, the MA is hereby providing a simpler approach as further explained hereunder.

In the case of full-time (incl. reduced) or fixed part-time¹ staff working exclusively on the project, the latest documented annual employment cost for the position will be required. This consists of the basic wage, statutory bonuses, social security contributions paid by the employer; and any allowances associated to the position for which the person is being employed and specifically approved by the MA. No other allowances are to be included in the calculation. Using this data, beneficiaries would need to determine the value (unit cost) to be claimed for every pay period or for every set of pay periods. In the case of entities outside the public service and where no collective agreement exists or when a full 12 consecutive months are not available for the said position, the unit cost is to be determined using as a reference the public service collective agreement for similar posts. The determination of similar posts would need to be approved by the MA. Each Beneficiary will need to provide the workings used in order to calculate this unit cost using latest available data using methodology template attached (Annex 1). In order to simplify and avoid requiring pro-rata calculation of costs claimed including entitlements for the above type of staff costs, the first and last pay period is not to be claimed.

In the case of staff working partially on a project a further simplification will be applied using Article 68(2) of (EU) 1303/2013, i.e. the 1720hours equation using methodology template attached (Annex 1). To this end, the beneficiary would establish a standard hourly rate for a given position. For administrative purposes it is recommended that each claim covers multiple pay periods e.g. quarterly basis.

In both cases, latest documented annual staff costs recorded in the methodology template, need to be documented through accounts, payroll reports, etc and made available during on the spot checks and audits in order to verify the established rate.

Refer to Annex 2: SFD guidelines for details on the information to be inserted at the different levels.

¹ With specific hours set within the employment contract

Claiming costs associated to full-time employment or fixed part-time employment

As already indicated above, staff costs are to include:

- The basic wage and statutory bonuses; and
- Social Security Contributions paid by the employer;
- Allowances, as defined in a collective agreement associated to the position for which the person is being employed. No other allowances are to be included in the calculation.

Documents that should be uploaded on the Structural Funds Database 2014-2020 include:

At Contract level

- Contract (including any extensions and/or renewal)²
- Method calculating the amount to be claimed for each pay period showing endorsement by the MA

At Payment Claim level

- No documentation is to be uploaded in this section except the payslip in case of abnormal³ deductions to show the adjustment to the amount being claimed for the pay period concerned

Claiming costs associated to staff working on a funded project for dedicated number of hours

The hourly rate in this case is to be identified using the basis established in Article 68(2) of (EU) 1303/2013. No other calculation method will be accepted by the Managing Authority:

Latest documented annual gross employment cost for the positions concerned⁴

1720 hrs

The amount to be claimed will be determined by multiplying the identified Hourly Rate x Number of hours worked.

Beneficiaries using the 1720hrs will need to keep in mind the following:

- The latest documented annual gross employment costs consists of the basic wage, statutory bonuses, social security contributions paid by the employer; and any allowances, as defined in a collective agreement associated to the position for which the person is being employed. No other allowances are to be included in the calculation.
- The 1720 hrs equation already takes into account any pro rata normal V/L and S/L. The number of hours worked should include ONLY the actual number of hours spent working on the operation and are not to exceed the 1720 hrs in a full calendar year.
- Beneficiaries must keep time records for the number of hours declared. The time records must be in writing and approved by the person/s working on the action and their supervisors, on the basis of the pay periods established for the organisation concerned. In the absence of reliable

² The Beneficiary should immediately inform the MA should the contracted employee change the number of hours worked effecting the unit cost established.

³ In the case of absences affecting the full pay

⁴ This cost will follow the same parameters had the position been on a full-time basis

time records of the hours worked on the action, the Managing Authority may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

Documents that should be uploaded on the Structural Funds Database 2014-2020 include:

At Contract level

- Contract of employment
- Method calculating the amount to be claimed for each hour worked endorsed by the MA (using 1720hrs equation)

At Payment level

- Time records (such as reliable punch records or timesheets) certified correct by the PL – to check the number of hours claimed

Overtime

- Reimbursement of overtime is eligible in limited and pre-defined cases and has to be specifically endorsed by the MA;
- The necessary internal approvals would need to be in place including the need for the overtime sheets to be endorsed by the employee's superior;
- Overtime is to be reimbursed according to the Beneficiary's collective agreement.

No documents are to be forwarded to the EU Funds Management Directorate within the Treasury Department for payment since these will be verified via SFD 14-20. Beneficiaries are required to ensure that any documentation uploaded should be readable and clearly labelled at all times. This circular is to be used for claims to be processed as from 01/01/2018.

We thank you for your cooperation.

Jonathan Vassallo
Head – Managing Authority