

The Malta Retirement Programme - Now Available to EU and Non-EU Nationals

The Malta Retirement Programme is now available to EU and non-EU nationals who are in receipt of a pension as their regular source of income.

By **Jonathan Vassallo**, 20th July 2020

Background

Until recently, the Malta Retirement Programme was only available to applicants from EU, EEA, or Switzerland. It is now available to EU **and** non-EU nationals and is designed to attract individuals who are not in employment but instead are in receipt of a pension as their regular source of income.

Individuals taking advantage of the Malta Retirement Programme, can hold a non-executive position on the board of a company, resident in Malta. They would, however, be prohibited from being employed by the company in any capacity. Such individuals can also be engaged in activities related to an institution, trust or foundation of a public nature, that is involved in philanthropic, educational, or research and development activities in Malta.

Benefits of the Malta Retirement Programme

In addition to the lifestyle benefits of living on a Mediterranean island, which enjoys more than 300 days of sunshine per year, individuals benefiting from the Malta Retirement Programme are granted a special tax status.

- An attractive flat rate of 15% tax is charged on a pension remitted to Malta. The minimum amount of tax payable is €7,500 per annum for the beneficiary and €500 per annum for each dependant.

- Income that arises in Malta is taxed at a flat rate of 35%.

Who May Apply?

Applicants who meet the following criteria are eligible to apply for the Malta Retirement Programme:

- Non-Maltese nationals.
- Own or rent a property in Malta as his/her principal place of residence in the world. The minimum value of the property must be €275,000 in Malta or €220,000 in Gozo or south Malta; alternatively, property must be rented for a minimum of €9,600 annually in Malta or €8,750 annually in Gozo or south Malta. Applicants renting the property must take out the lease for a minimum period of 12 months, and a copy of the lease contract needs to be submitted with the application.
- The pension which is received in Malta must constitute at least 75% of the beneficiary's chargeable income. This means that the beneficiary can only earn up to 25% of his/her total chargeable income from any non-executive post(s), as referred to above.
- Applicants must have Global Health Insurance and provide evidence that they can maintain this for an indefinite period.
- The applicant must not be domiciled in Malta and should have no intention of becoming domiciled in Malta, within the next 5 years.
Domicile means the country where you officially have a permanent home or have a substantial connection with. You can have more than one residence, but only one domicile.
- Applicants must reside in Malta for a minimum of 90 days in each calendar year, averaged over any five-year period.
- The applicant must not reside in another jurisdiction for more than 183 days in any one calendar year during the period that they benefit from the Malta Retirement Programme.

Household Staff

A 'household staff' is an individual who has been providing substantial and regular, curative or rehabilitative health care services to the beneficiary or his/her dependants, for at least two years prior to an application for special tax status, under the Malta Retirement Programme.

A household staff may reside in Malta with the beneficiary, in the qualifying property.

Where the care has not been provided for a minimum period of two years, but has been provided on a regular basis for a long and established period, the Commissioner in Malta may assess that this criteria has been met. It is important that the provision of such services is formalised by a contract of service.

A household staff would be subject to tax in Malta, at the standard progressive rates and is precluded from benefiting from the 15% tax rate. The household staff must register with the relevant tax authorities in Malta.

Applying to the Malta Retirement Programme

An Authorised Registered Mandatory in Malta must apply to the Commissioner of the Inland Revenue on behalf of an applicant. This is to ensure that the individual enjoys the special tax status as provided in the programme. A non-refundable administrative fee of €2,500 is payable to the Government on application.

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Individuals with special tax status are required to submit an annual return to the Commissioner of the Inland Revenue, with evidence that they have met the specified criteria.

Additional Information

If you would like further information regarding retirement in Malta, please speak to [Jonathan Vassallo: advice.malta@dixcart.com](mailto:advice.malta@dixcart.com) at the [Dixcart office in Malta](#) or your usual Dixcart contact.

