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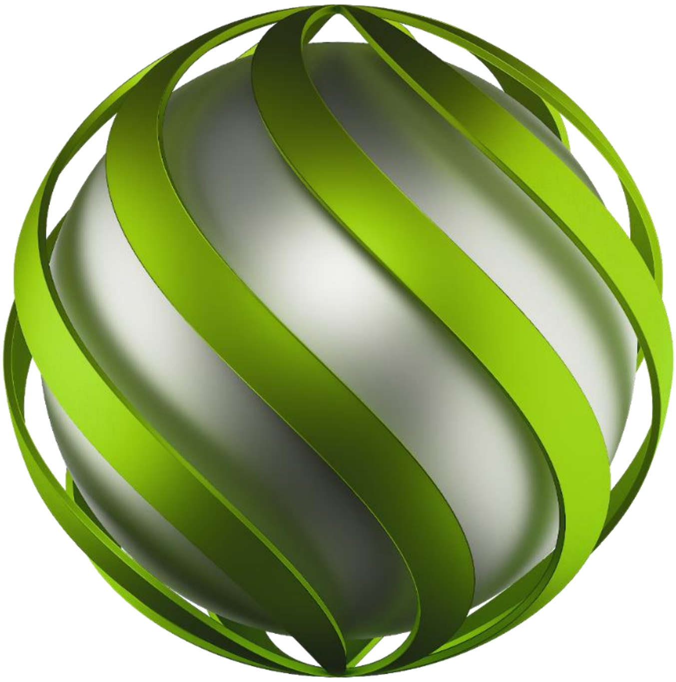

Protection of Salaries (Amending) Law of 2022

Introduction

On 16 December 2022, the Protection of Salaries (Amending) Law of 2022 (**Salaries Law**) was published in the Official Gazette of the Republic.

The Salaries Law amends the existing law, which regulates the way salaries are paid and protects the employees from any salary deductions.

We set out below the basic characteristics of the different employees' rights and employers' obligations, as well as the most important issues and actions that employers must have in mind.

Salaries Law

Payment methods
The Salaries Law introduces the acceptable ways for salaries payment as follows:

(a) Bank account or payment account chosen by the employee, or
(b) Bank cheque in the name of the employee.

Cash (bills and/or coins) can also be an acceptable way, only under specific circumstances as set out below:

(a) Pending a bank account opening (only for four months, with the possibility of extension in cases of rejection)
(b) For employees who are being paid on a weekly basis having in place a collective agreement or other fully executed agreement.

Payslip

It is now mandatory for employers to issue a payslip to the employee, which needs to include the following minimum categories of information:

(a) Identity of employer and employee
(b) Payment date
(c) Payment period
(d) Payment particulars
(e) Employee contributions
(f) Employer contributions
(g) Other information, such as COLA, 13^{th} and/or 14^{th} salary (where relevant).

The payslip must be provided within **five days** from the salary payment date, either in hard copy or electronically.

The employer must keep a registry with all payroll/payslips for a period not exceeding six years.

Salary deductions

The possibility of deductions provided in a collective agreement or a general agreement between employment organisations and representatives of employees (for the employees to which it applies), was added to the Salaries Law.

The right of deduction with the consent of the employee has been amended so that such consent is only valid when it is:

(a) Written,
(b) Duly signed,
(c) In the form issued by the Director of the Department of Labour (*this has not been issued yet*).

Such consents must be kept by the employer in a registry for a period not exceeding six years.

Criminal responsibility

The Salaries Law introduces an additional provision, according to which where a breach of the Salaries Law has been committed by a legal person with the consent and/or assistance of a natural person who at the time of commitment of the offence was a director, chairperson, secretary, or held a similar position or appeared to act with such authority, then such natural person will itself, if convicted, be respectively criminally liable as the legal person.

Actions and next steps

In response to the amendments introduced by the Salaries Law, employers should consider taking the following actions and next steps:

(a) Review and confirm that all employee salary payments are made in accordance with the provisions of the Salaries Law
(b) Review and confirm that the payroll/payslips include the minimum information required by the Salaries Law. If not, ensuring its compliance as soon as possible
(c) Ensuring that the payslip is delivered to the employees within the statutory deadline

(d) Avoid making any deductions based on consent until the form of consent is issued by the Director of the Department of Labour
(e) Create a registry for rejection certificate for bank openings, payroll/payslips, salary deduction consents and ensuring that it will be kept for only 6 years from the creation of the relevant document.

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