

Financing adult learning database

Name of the instrument - Local language	Payback clause
Name of the instrument - English translation	Payback clause
Scheme ID	360
Country	 Malta
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible with no explicit limitations
Type of entry	Single instrument

Short description	<p>In Malta, the applicable laws set no explicit limitations to a payback clause, that is an agreement between employer and employee on the payback of training costs covered by the employer in case of voluntary termination of the employment by the employee. The parties can freely agree on any component of the payback clause. Agreements deemed unfair, however, can be challenged in the Labour Courts. Overall, the application of payback clauses for training costs is perceived as of limited importance within the overall co-funding arrangements for CVT. As suggested by the national VET experts, employers would normally include a payback agreement when training expenses exceed EUR 1 000.</p>
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Not applicable

Objective(s) and target(s)	Not applicable (use of payback clauses are not limited by law)
Operation/management	Not applicable (use of payback clauses are not limited by law)
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Not applicable (use of payback clauses are not limited by law)
Source of financing and collection mechanism	Employers can recapture a part of training costs in case an employees premature leave - no limitations are set for the free agreement of the payback clause by law.
Financing formula and allocation mechanisms	Employees need to repay a part of the training costs after voluntary termination - no limitiations are set for the details of the payback clause. As suggested by the national VET experts, employers would normally include a payback agreement when training expenses exceed EUR 1 000.
Eligible costs	Not applicable (use of payback clauses are not limited by law)
Volumes of funding	There are no studies available, however, the topic plays no role on the policy agenda
Beneficiaries/take up	Not applicable
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	Not available
Recent changes	<p>Not applicable (use of payback clauses are not limited by law)</p> <p>Recent changes in response to COVID-19</p> <p>Not applicable (use of payback clauses are not limited by law)</p>