

SOCIAL WELFARE

Social Welfare

All employers and entrepreneurs, their employees, self-employed workers, production cooperatives' members, domestic employees, military personnel, civil servants who live or exercise in Spain, must register and they are obliged to contribute to the Spanish Social Welfare system. Contributions remain for workers who are unemployed.

Spanish Social Welfare distinguishes between two types of regimes:

- **General regime** includes all workers, as well as situations that require special treatment such as artists, professional football players, sales representatives, domestic employees (special system), agricultural workers, railway workers or bullfighters.
- **Special regimes** for: sea workers, self-employed workers, public workers (civil workers and military personnel), coalminers and students.

Social Welfare's **contributions** are partially made by the employer and partially by the employee, according to the job category and occupational group. Employers' total contribution is increased by contingencies for work accidents and occupational diseases, depending on the degree of danger of the employee's job.

For 2018, common contingencies for employers' contributions stand at 30.9% and for employees' stand at 6.35%. These percentages are applied on minimum and maximum bases (depending on the employee's occupational group), considering that the maximum base stands in 3,751.26 euros per month.





Incentives for employment promotion

There are different benefits in terms of Social Welfare, mainly reductions and/or bonuses in contributions in order to improve the employability for specific groups of employees.

Among others, the following contracts allow the employer to benefit from Social Welfare's **incentives** (if the requirements for each established case are met and, generally, for a fixed duration):

- Work contract for an indefinite period of support for entrepreneurs, which is concluded indefinitely and full time. This scenario is applicable to companies with less than 50 workers.
- Permanent full-time or part-time contract in companies with less than 10 workers.
- Part-time contract with training for unemployed people under 30 years-old or under 35 years-old with a disability degree equal or greater than 33%.
- Training contract with workers under the age of 30, or 35, if they have recognized a degree of disability equal or greater than 33%.

INCENTIVES FOR
EMPLOYMENT
PROMOTION

Labour Costs

The **minimum inter-professional salary** is set annually by the Government. For 2018 and for workers over 18 years-old, it has been stated in 735.9 per month or 10,302.6 euros per year (including 12 monthly payments and two extra payments).

However, minimum wages for each professional category are normally negotiated in collective wage agreements.

Hereunder, we include a table of average salaries in Spain for certain specific positions that can serve as a guidance:

JOB POSITION	SALARY (€)
Managing Director	95,000
Sales Director	75,000
Factory Manager	56,000
Director's Secretary	33,000
Administrative Assistant	22,000

LABOUR COSTS





SENIOR MANAGEMENT CONTRACTS

Senior Management Contracts

The special senior managers' employment relationship is separately regulated and there is ample room for maneuver to define their contractual relationship.

The relationship with senior managers can be extinguished by the will of the company (corporate withdrawal), with a 3-month notice. In such cases, managers will be entitled to compensation of seven days of salary per year of services with a maximum of six months. Likewise, the executive director can freely withdraw from the contract, with a minimum notice of three months.

CONTRACTS WITH TERMPORARY EMPLOYMENT AGENCIES

Contracts with temporary employment agencies

Law regulates the activities of the temporary employment agencies (ETT) and their purpose is to make workers available to user companies in the same cases in which temporary or fixed-term contracts can be signed, including internship contracts or contracts for apprenticeship and training for work. Likewise, they can operate as placement agencies, as long as they comply with the legally established requirements for them.

http://www.empleo.gob.es/es/sec_trabajo/debes_saber/ett-OIA/

BUSINESS ACQUISITION

Business acquisition

If a company is transmitted, both the seller and the buyer will be jointly and severally liable for work obligations born before the transmission and for the following three years. The new employer acquires the labor and Social Welfare rights and obligations of the seller businessperson, including the pension commitments, and all those obligations that the seller has acquired in terms of complementary social protection.

