

Development in Labour and Social Security Matter of Law 3/2017, of 27 June, of the General State Budgets for 2017

July 2017

Last Wednesday, 28 June 2017, the Official State Gazette (“**BOE**”) published Law 3/2017, of 27 June, of the General State Budgets (“**LPGE**”) for 2017, in force as of 29 June 2017, although most of its provisions shall come into effect as of 1 July 2017.

Generally speaking, the main objective for this year is to continue working to reduce the public deficit and fulfil the fiscal consolidation commitments reached with the European Union.

The full text of the Law can be read by clicking on the following [link](#)

The following are the main legislative developments that have been incorporated with regards to labour and social security aspects.

A.- Social Security Contribution (Title VIII LPGE)

Title VIII – articles 106 and 107 – contemplates and updates the regulation relating to bases and types of contributions of the different Social Security regimes.

A.1.- Maximum and minimum limits of the contribution bases

The maximum and minimum limits of the contribution bases for all contingencies of the different Social Security regimes will be as follows:

- > The **maximum limit**, in each of the Social Security regimes that have established it, amounts to 3,751.20 Euros per month.
- > The **minimum limit**, unless expressly provided otherwise, is the amount of the minimum inter-professional salary established for 2017, increased by one sixth, i.e. 825.60 Euros per month.

A.2.- Bases and types of Social Security contributions

A. General Social Security Regime:

The monthly contribution bases for all contingencies and situations protected by the General Social Security Regime, except for occupational accidents and diseases, will be limited, for each professional category group, by the following maximum and minimum bases:

- > **Minimum bases:** Increased in the same percentage as the increases applied to the minimum inter-professional salary.
- > **Maximum bases:** regardless of the professional category and contribution group, during 2017, these will be **3,751.20 Euros per month** or **125.04 Euros per day**.

The types of contribution within the General Social Security Regime for 2017 will be as follows:

- > **Type of common contingencies:** 28.30 %, where 23.60 % will be paid by the company and 4.70 % by the worker.
- > **Type of contingencies for occupational accidents and diseases:** applying the percentages of the premium tariff included in additional provision four of Law 42/2006, of 28 December, of the General State Budgets for 2007, and the resulting premiums will be charged exclusively to the company.
- > **Types for additional contribution through overtime** established in article 149 LGSS:
 - o **Overtime due to force majeure:** 14.00 %, of which 12.00 %, will be paid by the company and 2.00 % by the worker.
 - o **All other overtime:** 28.30 %, of which 23.60 %, will be paid by the company and 4.70 % by the worker.

Annexe I includes the contribution bases for Common Contingencies by contribution groups and professional categories.

B. Special Regime for Self-employed Workers (RETA):

In general, the maximum and minimum bases and the types of contribution will be the following:

- > **Minimum base:** 919.80 Euros/month.
- > **Maximum base:** 3,751.20 Euros/month.

Paragraph Five of article 106 of the LGPE additionally establishes a series of special aspects based on **(i)** the age of the self-employed worker, **(ii)** his/her family situation, **(iii)** his/her contribution bases for 2016 and **(iv)** the activity performed.

Lastly, the **type of contribution** also varies based on the level of protection of each worker, ranging from 26.50 % to 29.80 %.

The particularities regarding bases and types of contribution of this Special Regime can be found in the following [link](#).

A.3.- Contribution for Unemployment, Wage Guarantee Fund, Vocational Training and Termination of Activity of Self-employed workers

The contribution for the contingencies of Unemployment, Wage Guarantee Fund ("**FOGASA**"), Vocational Training and Termination of Activity will be carried out in accordance with the rules listed below:

- > The **contribution base** in all Social Security Regimes which cover said contingencies will correspond to those for **occupational accidents and diseases**.
- > The **contribution base for unemployment of training and apprenticeship contracts** will be the **minimum base** corresponding to the contingencies for occupational accidents and diseases.
- > The contribution base corresponding to the protection for **termination of activity** of workers included in the **Special Regime for Self-employed Workers** will be that chosen by the workers included in said Regime.

The **types of contribution** for these contingencies, as of 1 July 2017, are reflected in the following table:

CONTINGENCY		TYPES OF CONTRIBUTION		
		Paid by the company	Paid by the worker	Total
Unemployment	Indefinite duration contracts	5.50%	1.55%	7.05%
	Fixed duration contracts	6.70%	1.60%	8.30%
FOGASA		0.20%	-	0.20%
Vocational training		0.60%	0.10%	0.70%
Termination of Activity		-	2.20%	2.20%

On the other hand, the terms foreseen in previous years are maintained for the 50% bonus in company contribution for **cases involving a change of job due to pregnancy or while breastfeeding**, as well as in the cases involving **occupational disease**.

B.- Public Pensions (Title IV LPGE)

In 2017, contributory Social Security pensions, as well as State Passive Class pensions, see an increase equal to the previous year, of **0.25%**, without prejudice of the exceptions provided for and the amounts of guarantee regarding pensions acknowledged under the special Civil War legislation.

While also limiting the amount of the revaluation due to not being able to assume a full annual value in excess of **36,031.80 Euros**

For its part, **article 40 of the LGPE** provides for a series of **pensions**, corresponding to certain collectives, **while will not be updated in 2017**.

Lastly, **Annexe II** includes the **minimum and maximum amounts** for pensions in 2017.

C.- Other provisions of interest

C.1.- Public Indicator of Multiple Effect Income ("IPREM") for 2017 (Additional Provision 107)

For the first time in six years, as of 29 June 2017 this is increased by 1%, increasing the current amounts to the following figures:

- > Daily IPREM: 17.93 Euros.
- > Monthly IPREM: 537.84 Euros.
- > Annual IPREM: 6,454.03 Euros.

In the cases in which the reference to the SMI (Minimum Inter-Professional Salary) has been replaced by the reference to the IPREM, the annual amount of this last one will be **7,519.59 Euros** when the rules refer to the SMI on an annual basis, except when expressly excluding bonus pays, the amount of which in this case would be **6,454.03 Euros**.

C.2.- Legal interest and interest on arrears (Additional Provision 44)

For 2017, the same percentages have been maintained as during the previous year:

- > Legal interest on money: 3.00%
- > Interest on arrears: 3.75%

C.3.- Recovery of the bonus pay in the public sector (Additional Provision 18)

Authorisation is granted to the Administrations and all other entities comprising the public sector which have not yet paid all the amounts effectively pending payment as a consequence of the discontinuation of the bonus pay and the additional specific complement pay or equivalent additional pays, for the month of December of 2012, owed to public sector employees.

C.4.- Financing of vocational training for employment (Additional Provision 109)

It is determined that the funds originating from the vocational training contribution will be destined to finance the vocational training system for employment regulated by Law 30/2015, of 9

September, including public programmes for employment and training. Also indicating the percentages of said funds that should be allocated to the different initiatives and concepts.

C.5.- Impossibility of self-employed workers working part-time (Additional Provision 17)

The possibility of self-employed workers working part-time established in Law 20/2007, which modified the Statute of the Self-Employed Worker, is once again postponed until 1 January 2019.

C.6.- Consideration as effective contribution period of periods comprising reduced working hours due to caring for a child or disabled person (Additional Provision 31.4)

The calculation up to 100% of the amount that would have corresponded in the event of not working less hours, during the first year of said reduction due to caring for a family member who cannot care for him/herself, for the purpose of benefits, will also apply to those who are the legal guardians and directly care for a disabled person who does not perform a remunerated activity (art. 237.3 LGSS).

If the reduction is due to being the legal guardian of a child below the age of 12 years, the benefit

is maintained for two years. C.7.- Modifications applied to legislative provisions within the labour

scope

Lastly, the Law ends with a series of final provisions that modify the following laws applicable to the Labour and Social Security scope:

- > Consolidated text of the Law of State Passive Classes, approved by Royal Legislative Decree 670/1987, of 30 April.
- > Consolidated text of the current legal provisions regarding the Special Social Security Regime for personnel working for the justice administration approved by Royal Legislative Decree 3/2000, of 23 June.
- > Consolidated text of the Law on Social Security of State Officials, approved by Royal Legislative Decree 4/2000, of 23 June.
- > Law 3/2012, of 6 July, on urgent measures for the reform of the labour market.
- > Law 18/2014, of 15 October, approving the urgent measures for growth, competitiveness and efficiency; of Law 36/2015, of 26 December, of General State Budgets for the year 2015.
- > Consolidated text of the Law on General Social Security, approved by Royal Legislative Decree 8/2015, of 30 October.

Annexe I: Contribution bases for common contingencies of the General SS Regime

CONTRIBUTION BASES FOR COMMON CONTINGENCIES			
Contribution Group	Professional Categories	Minimum bases Euros/month	Maximum bases Euros/month
1	Engineers and University Graduates. Higher management personnel not included in article 1.3.c) of the Workers' Statute	1,152.90	3,751.20
2	Technical engineers, experts and graduate assistants	956.10	3,751.20
3	Administrative and workshop managers	831.60	3,751.20
4	Non-graduate assistants	825.60	3,751.20
5	Administrative officials	825.60	3,751.20
6	Juniors	825.60	3,751.20
7	Administrative Assistants	825.60	3,751.20
		Minimum bases Euros/day	Maximum bases Euros/day
8	First and second-rate officers	27.52	125.04
9	Third-rate officers and Specialists	27.52	125.04
10	Labourers	27.52	125.04
11	Workers below the age of eighteen years, regardless of their professional category	27.52	125.04

TYPES OF CONTRIBUTION (%)			
CONTINGENCIES	COMPANY	WORKERS	TOTAL
Common	23.60	4.70	28.30
Overtime Force Majeure	12.00	2.00	14.00
Remaining Overtime	23.60	4.70	28.30

(1) Type of common contingencies (IT): Workers aged 65 years and 0 to 4 months and 36 years and 3 months or more contributed or 65 years and 5 or more months of age and 35 years and 6 months or more contributed: 1.50 per 100 (1.25 per 100 -company- and 0.25 per 100 -worker-).

(2) For temporary contracts of effective duration of less than seven days, the company contribution for common contingencies is increased by 36%. Not applied to provisional contracts, or to the Special Self-employed Agricultural Workers System, included in the General Regime.

UNEMPLOYMENT	COMPANY	WORKERS	TOTAL
General Type	5.50	1.55	7.05
Fixed-term contract Full-time	6.70	1.60	8.30
Fixed-term contract Part-time	6.70	1.60	8.30

	COMPAN Y	WORKERS	TOTAL
FOGASA	0.20		0.20
	COMPAN Y	WORKERS	TOTAL
VOCATIONAL TRAINING	0.60	0.10	0.70

CONTRIBUTION LIMITS FOR OCCUPATIONAL ACCIDENTS AND DISEASES	
MAXIMUM	MINIMUM
3,751.20	825.60

PART-TIME WORK CONTRACT	
CONTRIBUTION GROUP	MINIMUM HOURLY BASE
1	6.95
2	5.76
3	5.01
4 to 11	4.97

MINIMUM INTER-PROFESSIONAL WAGE (SMI)			
AMOUNTS	DAILY	MONTHL Y	ANNUAL
		23.59	707.70

PUBLIC INDICATOR OF MULTIPLE EFFECTS INCOME (IPREM)			
AMOUNTS	DAILY	MONTHL Y	ANNUAL
		17.75	532.51

Annexe II: Minimum and maximum amounts of the pensions of the Social Security System

TABLE OF MINIMUM AMOUNTS OF PENSIONS OF THE SOCIAL SECURITY SYSTEM IN ITS CONTRIBUTORY MODALITY FOR 2017			
Type of pension	Holders		
	With dependent spouse Euros/year	Without spouse: single-person economic unit Euros/year	With dependent spouse Euros/year
Retirement			
Holder aged 65 years	11,016.60	8,927.80	8,471.40
Holder younger than 65 years	10,326.40	8,351.00	7,893.20
Holder aged 65 years with severe disability	16,525.60	13,392.40	12,707.80
Permanent disability			
Severe disability	16,525.60	13,392.40	12,707.80
Absolute	11,016.60	8,927.80	8,471.40
Total: Holder aged 65 years	11,016.60	8,927.80	8,471.40
Total: Holder aged 60 to 64 years	10,326.40	8,351.00	7,893.20
Total: Derived from common illness younger than 60 years	5,552.40	5,552.40	5,448.94
Partial of the occupational accidents regime: Holder aged 65 years	11,016.60	8,927.80	8,471.40
Widowed			
Holder with family responsibilities		10,326.40	
Holder aged 65 years or with disability equal to or above 65%		8,927.80	
Holder aged 60 to 64 years		8,351.00	
Holder younger than 60 years		6,760.60	

Type of pension			Euros/year
Orphanhood			
Per beneficiary			2,727.20
For disabled beneficiary, younger than 18 years with disability equal to or above 65% In absolute orphanhood the minimum will increase by 6,760.60 Euros/year distributed, where applicable, among the beneficiaries			5,367.60
In favour of family members			
Per beneficiary			2,727.20
If there is no widow or orphan pensioners:			
- A single beneficiary aged 65 years			6,592.60
- A single beneficiary younger than 65 years Several beneficiaries: The minimum assigned to each one of them will increase in the amount resulting from apportioning 4,033.40 Euros/year among the number of beneficiaries			6,211.80

TABLE OF MINIMUM AMOUNTS OF PASSIVE CLASS PENSIONS			
Type of pension	Amount		
	With dependent spouse Euros/year	Without spouse: single-person economic unit Euros/year	With non-dependent spouse Euros/year
Retirement pension or withdrawal	11,016.60	8,927.80	8,471.40
Widow's pension		8,927.80	
Family pension other than widow's pension, where N is the number of beneficiaries of the pension or pensions		8,702.40/N	

For further information, please contact

[Alfredo Aspra](#)

alfredo.aspra@AndersenTaxLegal.es

[José Antonio Sanfulgencio](#)

jantonio.sanfulgencio@AndersenTaxLegal.es