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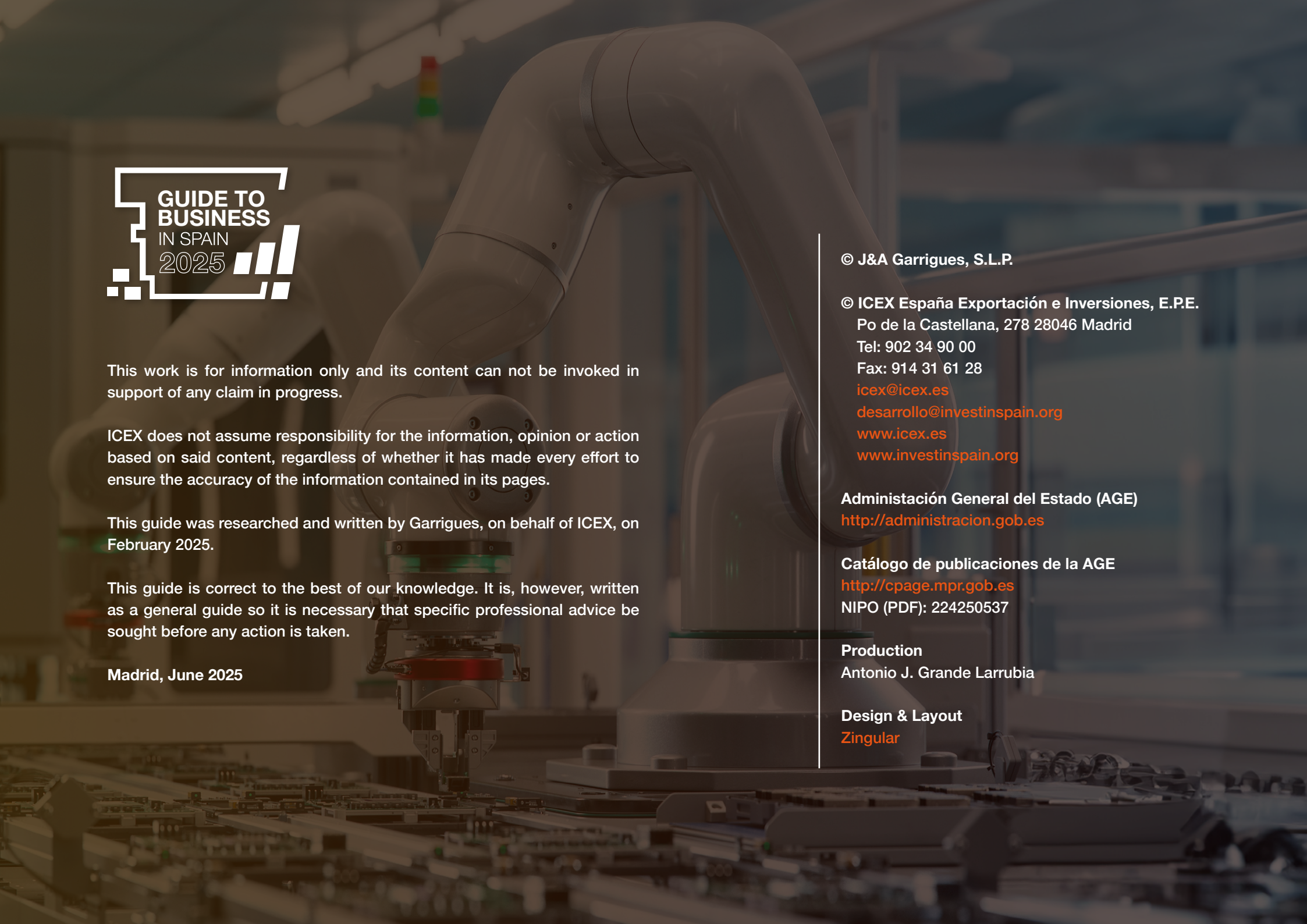
GUIDE TO BUSINESS IN SPAIN 2025

Labor and social security regulations



GUIDE TO BUSINESS IN SPAIN 2025

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This guide was researched and written by Garrigues, on behalf of ICEX, on February 2025.

This guide is correct to the best of our knowledge. It is, however, written as a general guide so it is necessary that specific professional advice be sought before any action is taken.

Madrid, June 2025

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In recent years, Spanish labor legislation has been evolving to become more flexible and modern. The main legislative changes have been designed to establish a labor law framework that contributes to the effective management of labor relations and facilitates job creation, as well as promoting job stability and entrepreneurial activity.

Also, a constant in recent years has been the approval of measures aimed at promoting the entry of foreign investment and talent into Spain and the modernization of legislation on cross-border posting of workers, bringing it into line with EU law.

On the other hand, the labor reform modified the regime of fixed-term contracts (to simplify the variety of contracts and reduce the temporality rate) and training contracts (to provide an ideal framework for the incorporation of young people into the labor market) and has enhanced the use of the discontinuous permanent contracts.

Meanwhile, the Spanish labor and employment legislation has been included significant progress regarding social rights, equal treatment and opportunities in the labor market, and remote work. Specifically, the framework agreement on social security applicable to regular cross-border teleworking should be highlighted.

Lastly, legislation relating to foreign enterprise and investment has also moved with the times, as shown by regulations governing work permits for digital nomads.

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1. Introduction

Employment contracts are generally regulated by the provisions of Legislative Royal Decree 2/2015, of October 23, approving the Workers' Statute (WS).

A major characteristic of Spanish labor legislation is that important employment issues can be regulated through collective bargaining, by means of collective labor agreements, that is, agreements signed between workers' representatives and employer representatives that regulate the employment conditions in the chosen sphere (areas within a company, company-wide or industry-wide).

In the last years, Spanish Labor legislation has adapted and been updated through legislative modifications in order to be more flexible and to increase the labor market in terms of employability and investment. The latest labor reform modified the regime of fixed-term contracts (to simplify the variety contracts and reduce the temporality rate) and training contracts (to provide an ideal framework for the incorporation of the youth into the labor market) and has enhanced the use of the discontinuous permanent contracts. Likewise, the legislation has been including significant progress regarding social rights and equal treatment and opportunities in the labor market. In this regard, it is worth highlighting the requirement that companies with more than 50 employees must have an LGTBI protocol, in accordance with the provisions of Article 15 of Law 4/2023 of 28 February for the real and effective equality of trans people and for the guarantee of the rights of LGTBI people.

Moreover, legislation relating to foreign enterprise and investment has also moved with the times, as shown by recent regulations governing work permits for digital nomads or the framework agreement on social security applicable to regular cross-border teleworking.

2. Contracts

2.1 GENERAL ASPECTS

This section deals with the main aspects to be considered when hiring workers in Spain.

In general, discrimination in hiring or in the workplace on the grounds of gender, marital status, age, race, social status, religion or political ideology, membership of a labor union or otherwise, or on the basis of different official languages in Spain is prohibited.

The minimum employment age is 16 years old and there are certain special rules applicable to the employment of persons under the age of 18 (who, for example, cannot work overtime or at night).

2.2 TYPES OF CONTRACT

Contracts can be made verbally or in writing, unless there are express provisions that require a written contract (for example, temporary contracts, part-time contracts and training contracts). If this formal requirement is not met, the contract is understood to be permanent and full-time, unless evidence is provided to the contrary.

Companies must provide the workers' statutory representatives (if any) with a basic copy of all contracts to be made in writing (except for senior management contracts). The hiring of workers must be notified to the Public Employment Service within ten days of the contracts being made.

There are various different types of contract, including indefinite-term, fixed-term, training, distance work and part-time contracts.

On the website of the National Public Employment Service[1] anyone can access a virtual assistant for employment contracts which, based on four basic types of employment contracts (indefinite-term, temporary, training and work-experience contracts), suggests and prepares the type of employment contract that best suits the characteristics of each new hire.

The principal features of these types of contracts are explained below.

2.2.1 FIXED-TERM CONTRACTS

Spanish legislation sets out specific grounds for the execution of fixed-term or temporary contracts. There are two types of contracts: contracts due to circumstances of production and contracts for the substitution of employees.

The employment contract is presumed to be entered into for an indefinite term. All temporary contracts must be made in writing and must specify the reason for their temporary nature in sufficient detail, the specific circumstances justifying it and its connection with the foreseen term (additionally, as per contracts for the substitution of employees, the name of the person substituted must be specified). Otherwise, or if the ground for the temporary contract does not truly correspond to one of the legally-established grounds, the contract will be deemed to be made for an indefinite term, unless evidence of its temporary nature is provided.

1 https://www.sepe.es/HomeSepe/en/empresas/Contratos-de-trabajo/modelos-contrato.html

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TYPE	GROUND	TERM	OBSERVATIONS
Contract due to circumstances of production	To cover production circumstances due to occasional and unforeseeable increase of the activity.	May not exceed a maximum of 6 months (extendable to 12 months by collective bargaining agreement for the industry).	Its termination entitles the employee to receive a severance equal to 12 days' salary per year worked. When the maximum periods established for any temporary contract have elapsed, workers will acquire the status of indefinite-term employees of the company. When workers have been hired for more than 18 months within a 24-month period, with or without interruption, for the same or different position at the same company or group of companies, under two or more contracts due to circumstances of production, whether directly or through temporary employment agencies, using the same or different types of fixed-term contract, the contract will be automatically converted into an indefinite-term contract. Likewise, the status of permanent employee shall be acquired by a person who occupies a position which has been occupied with or without solution of continuity for more than 18 months in a period of 24 months through contracts due to circumstances of production, including contracts made available through temporary employment agencies. The performance of work under contracts, subcontracts or administrative concessions that constitute the usual/ordinary activity of the company may not be identified as a cause of this contract.
	To cover oscillations that (even though within normal activity) generates a temporary mismatch between the permanent staff available and the one required (the oscillations include those derived from annual vacations).		
	To cover production circumstances due to occasional and predictable situation and for a reduced and limited term.	Maximum duration of 90 days per calendar year, regardless of the number of workers required on each of these days to meet the specific situations that justify the hiring, which must be duly identified in the contract.	
Fixed-term contracts for the substitution of employees	To substitute workers entitled to return to their job due to a statutory provision, or the provisions of a collective labor agreement or individual agreement.	From the beginning of the period (or up to 15 days before the beginning of the period) until the return of the substituted worker or expiry of the term established for the substitution.	The contract must state the name of the substituted worker and the grounds for the substitution.
	To complete the reduced working day of another worker, when such reduction is covered by legally or conventionally established causes.	For the entire duration of the reduced working day of the worker whose working day is to be completed.	The contract must state the name of the person whose working day is to be completed and the cause of the substitution must be identified.
	Temporary coverage of a job position during a selection or promotion process to be covered by a permanent contract.	Maximum of 3 months.	

2.2.2 TRAINING CONTRACTS

CONTRACT	PURPOSE	TERM	OTHER INFORMATION OF INTEREST
Training contract for obtaining professional practice	Hiring of university graduates or workers with higher or advanced vocational training qualifications (first degree, master's degree or doctorate) or officially recognized equivalent qualifications of artistic or sports education, or workers holding a vocational qualification certificate (*certificado de profesionalidad*) entitling them to work in their profession.	Minimum of 6 months and maximum of 1 year. Sick leave, birth leave, leave for adoption or custody for adoption or fostering, leave due to risk during pregnancy and during breastfeeding and gender violence all toll the duration of the contract.	As a general rule, no more than 3 years may have elapsed since completion of the relevant studies, or 5 years if the contract is made with a disabled worker. The job must allow for adequate professional practice according to the level of studies or training that is the subject of the contract. An individual training plan shall be drawn up and a mentor shall be assigned. No employee may be hired in the same or different companies for longer than the maximum period of time by virtue of the same professional qualification or certificate. The employee may not work overtime (except to prevent or repair extraordinary and urgent damage). The employee shall have the right to obtain certification of the content of the internship performed. The compensation shall be the one established in the collective bargaining agreement applicable to the company for these contracts or, if none, the one applicable to the professional group and compensation level corresponding to the functions performed, which can never be less than the established for training contract in alternation or the minimum wage.
Training contract in alternation	The purpose of this type of contract is making compatible paid work activity with the corresponding training processes (vocational training, university studies and the National Employment System's Catalog of Training Specialties). To be entered into by those who lack the occupational qualifications recognized by the vocational training system or education system required for a work experience contract for the position or occupation for which the contract is made.	Minimum of 3 months and maximum of 2 years. Sick leave, birth leave, leave for adoption or custody for adoption or fostering, leave due to risk during pregnancy and during breastfeeding and gender violence all toll the duration of the contract.	The theoretical training provided by the training center or workplace or the company itself, when so established, as well as the corresponding practical training provided by the company and workplace, are a substantial element of this contract. There must be a tutor both in the training entity and in the company, as well as the elaboration of individual training plans. Generally, only one contract may be concluded for each training cycle. The effective working time (compatible with training) is subject to limits 65% on the first year and 85% on the second year. Workers cannot work overtime (except to prevent or repair extraordinary and urgent damage), at night or in shifts. This contract may not be entered into when the activity or position has been previously performed by that employee in the same company for a period of more than 6 months. A trial period cannot be established. Where it does not regulate this, the compensation may not be less than 60% (during first year) or 75% (during second year) of the fixed salary corresponding professional group or level, never being under the minimum wage.

2.2.3 PART-TIME CONTRACTS

An employment contract will be a part-time contract when a number of hours of work has been agreed with the worker per day, week, month or year, which is less than the working hours of a "comparable full-time worker", that is, a full-time worker at the same company and workplace who performs identical or similar work.

Part-time workers have the same rights as full-time workers, although at times, according to their nature, such rights will be recognized proportionally, according to the time worked, having to guarantee, in any case, that there is no direct nor indirect discrimination between women and men.

Part-time workers cannot work overtime, except to prevent or repair losses and other urgent and extraordinary damages.

However, supplementary hours (hours worked in addition to those agreed in the contract, the performance of which is agreed beforehand) can be carried out. Supplementary hours may not exceed 30% of ordinary working hours (except where they are increased up to 60% in a collective labor agreement).

The employer is allowed to offer the employee hired indefinitely on a part-time basis no less than 10 weekly hours (on an annual basis), supplementary hours which are voluntary, which may not exceed 15% of the ordinary hours of the employment contract (30% if agreed in the applicable collective labor agreement).

The total ordinary hours and supplementary hours may not exceed the statutory limit for part-time work.

2.2.4 INDEFINITE-TERM CONTRACTS FOR SEASONAL OR INTERMITTENT WORK

This type of contract may be used for the performance of work of a seasonal nature or linked to seasonal activities and for the performance of work that is not of a seasonal nature but which, being of an intermittent nature, has certain, determined or undetermined periods of performance.

It may be used to carry out work in the context of commercial or administrative contracts which, being foreseeable, are part of the ordinary activity. In this case, periods of inactivity may only occur as waiting periods between reassignments between subcontracting. The maximum period of inactivity shall be three months, unless otherwise provided for in the collective bargaining agreement. Once this period has expired, the company must adopt the appropriate temporary or definitive measures.

Indefinite-term contracts for seasonal or intermittent work must be formalized in writing and reflect the essential elements of the work activity (among others, the duration of the period of activity, the working hours and its hourly distribution, although the latter may be stated on an estimated basis, to be specified at the time of the call).

Collective bargaining agreements (or company agreements) will establish the criteria to call the employee. Likewise, the legal representatives of the workers must be informed sufficiently in advance, at the beginning of the calendar year, of the forecasts of the calls.

2.2.5 DISTANCE WORK (TELEWORK)

Law 10/2021 defines regular remote work where, within a reference period of 3 months, accounts for at least 30% of the working day, or the equivalent proportional percentage depending on the duration of the employment contract. The remote working agreement shall be in writing, voluntary and reversible for the employee and the company, and may be signed at the beginning of the employment relationship or later on.

Workers' statutory representative must receive a copy of each remote working agreement within 10 days since its signing, which must be subsequently sent to the corresponding Public Employment Service office.

Mandatory minimum required content of each remote working agreement is:

a. Inventory of means, equipment and tools provided.
b. Expenses that remote working may cause, as well as monetary compensation, timing and method in which the Company shall pay for them.
c. Working hours and availability periods.
d. Percentage and distribution between on site and remote working hours.
e. Corresponding workplace.
f. Designated remote working place.
g. Reversibility advance notice period.
h. Means of exercising corporate control.
i. Procedure to be followed in the event of technical difficulties preventing remote working.
j. Company instructions (participated by workers representatives) on data protection.
k. Company instructions (after informing workers representatives) on information security.
l. Length of the remote working agreement.

Any modification of the above must be subject of a new written agreement.

2.3 TRIAL PERIOD

Employers can assess a worker's abilities by agreeing on a trial period during which the employer or the worker can freely terminate the contract without having to allege or prove any cause, without prior notice and with no right to any indemnity in favor of the worker or the employer.

However, the termination by the employer will be null in where terminating the contract of a pregnant employee, from the start date of the pregnancy until the beginning of the suspension for birth, unless there are grounds not related to pregnancy or maternity.

Where a trial period is agreed (provided that the worker has not performed the same functions before at the company under any type of employment contract, in which case the trial period would be null and void), it must be put in writing. Collective labor agreements may establish time limits for trial periods which, as a general rule and in the absence of any provision in the collective labor agreement, cannot exceed:

- Six months for college and junior college graduate specialists.
- Two months for all other employees. At companies with fewer than twenty-five employees, the trial period for employees who are not college or junior college graduate specialists cannot exceed three months.
- One month in the case of temporary fixed-term employment contracts agreed for a time-period of less than six months.

Training contracts and special employment contracts (domestic workers, senior managers, among others) have their own specific trial periods.

2.4 WORKING HOURS

The following table summarizes the fundamental legislation governing working hours:

ITEM	REGULATION
Maximum working hours	The maximum working hours are those agreed in collective bargaining agreements or individual employment contracts (within the limits of the applicable collective bargaining agreements). In general, the maximum working week is 40 hours of time actually worked, calculated on an annualized average basis, and the irregular distribution of working hours throughout the year may be agreed. In the absence of any agreement, the company may distribute 10% of the working hours on an uneven basis. The company must guarantee the daily registration of the working day, without prejudice of the working time flexibility established, which must include the specific start and end time of each employee's working day, and these records must be kept for four years (they must be available to the workers, their legal representatives and the Inspection of Work and Social Security). In addition, employees have the right to digital disconnection to guarantee the respect of their rest time, permits and vacations, as well as their personal and family privacy outside of the legal or conventionally established work time.
Overtime	Overtime is time worked in excess of the maximum ordinary working hours. By collective bargaining agreement or, in the absence thereof, by individual contract, there shall be a choice between paying overtime at the amount established, which in no case may be less than the value of the ordinary hour, or compensating them with equivalent paid time off periods. Paid overtime may not exceed 80 hours per year. The compensation with time off must be given within four months of the date on which the overtime was worked, unless otherwise agreed. Overtime is generally voluntary.
Rest periods / public holidays / vacation / paid leave	A minimum of one and a half days off per week is mandatory, which may be accumulated by periods of up to 14 days. Official public holidays may not exceed 14 days per year. Workers are entitled to a minimum vacation period of 30 calendar days, and cannot be paid in lieu of that period, save in case of termination of the contract with accrued and unused vacation. Workers are entitled to paid leave in certain circumstances, such as marriage, performance of union duties, performance of unavoidable public or personal duties, breastfeeding, relocation of main residence, serious illness or accident, hospitalization or death of relatives up to the second degree of kinship o affinity, prenatal exams and birth preparation, etc.
Reduction in working hours and right to adapt the duration and distribution of the working hours	Workers may be entitled to a reduction in their working hours in certain cases, for example: to directly care for children under 12 or family members by consanguinity or affinity up to the second degree, who cannot take care of themselves, and during the hospitalization and continuing treatment of a child in their care with cancer or any other serious illness that entails a long hospital stay and who requires direct, continuing and full-time care, until the individual reaches 23 years. In addition, employees have the right to request adaptations of the duration and distribution of the working day, in the organization of working time and in the way they render their services, including the possibility of remote working, to make effective their rights to conciliation of family and work life. In the case that they have children, the right will exist until they reach 12 years.

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2.5 WAGES AND SALARIES

The official minimum wage is established by the Government each year and in 2025[2] it amounts to €39.47 per day or €1,184 per month (€16,576 per year), depending on if the salary is fixed on a daily or monthly basis. However, the minimum wages for each professional group are usually regulated in collective labor agreements.

Salaries cannot be paid at intervals of more than one month.

At least two extra payroll payments must be paid each year: one at Christmas and the other on the date stipulated in the relevant collective labor agreement (generally before the summer vacation period). Thus, an employee's gross annual salary is usually spread over 14 payroll payments; however, the prorating of the extra payroll payments within the 12 ordinary monthly installments can be agreed on in a collective labor agreement.

2 | Royal Decree 87/2025 of 11 February, fixing the minimum interprofessional wage

3. Material modifications to working conditions

Employers may make material modifications to the working conditions of their employees (working hours, timetable, salary, functions, among others) provided that there are proven economic, technical, organizational or production-related grounds and that the legally provided procedure is followed (15 days' advance notice where individual workers are affected or a consultation period with the workers' representatives in the case of collective modifications).

There is also a specific procedure to opt out of the working conditions established in the applicable collective labor agreement (whether at industry or company level) on economic, technical, organizational or production-related grounds. In this case, since the conditions were established by collective bargaining, a consultation period must be followed, and only if an agreement is reached or the legally established procedures are fulfilled (arbitration, or the National Commission of Consultation of Collective Bargaining Agreements), the conditions can be left with no application. The agreement must establish the new working conditions applicable at the company and their duration, which may not extend beyond the moment at which a new collective labor agreement applies at the company.

4. Termination of employment contracts

4.1 DISMISSALS

An employment contract may be terminated for a number of reasons which normally do not give rise to any dispute, such as mutual agreement, expiration of the contractual term, death or retirement of the employee or of the employer, and so on.

In the event of termination by the employer, there are three main grounds for dismissal of an employee:

- Collective layoff
- Objective grounds
- Disciplinary action

The following table summarizes the grounds and main features of the various types of dismissal:

DISMISSAL	LEGAL GROUNDS	OBSERVATIONS
Collective layoff	**Grounds:** Economic, technical, organizational or production-related grounds, whenever these affect, in a 90-day period, at least: • The entire payroll, if more than 5 workers are affected and the activity of the company ceases entirely. • 10 workers at companies with less than 100 employees. • 10% of the employees at companies with between 100 and 300 workers. • 30 workers, at companies with 300 or more employees. According to the interpretation made by the Supreme Court, following the doctrine of the Court of Justice of the Europe Union, the above thresholds refer to the company as a whole and to each work center with more than 20 employees, being the 90-day period a mobile/dynamic timeframe. **Definition of legal grounds:** • **Economic:** where a negative economic situation transpires from the results of the company, in cases such as current or expected losses, or a persistent decline in ordinary revenues or sales. In all cases, the decline will be deemed persistent if for three consecutive quarters the level of ordinary revenues or sales in each quarter is lower than the figure recorded in the same quarter of the preceding year. • **Technical:** where there are changes in the methods or instruments of production, among others. • **Organizational:** where there are changes in the personnel working methods and systems or in the manner of organizing production, among others. • **Production-related:** where there are changes in the demand for the products or services that the company intends to place on the market, among others.	• Collective layoffs must follow the legal procedure established under article 51 of the Workers' Statute. This procedure involves a period of negotiation with the workers' representatives of no more than 30 calendar days, or 15 days at companies with less than fifty employees, and the outcome and final decision must be notified to the labor authorities. • The employer must give 7 or 15 days' prior notice of its intention to start a collective layoff procedure, depending if the communication is issued to the workers' representatives or the own employees (in case there are no workers' representatives). • After notifying the decision to the workers' representatives, the employer would be entitled to individually notify the workers concerned of the layoffs. At least 30 days must elapse between the date on which the commencement of the consultation period is notified to the authorities and the effective date of dismissal. • If the collective layoff affects more than 50 workers (except at companies subject to insolvency proceedings), the company must offer the workers concerned an outplacement plan through an authorized outplacement company, of at least six months' duration, which must include professional guidance and training measures, personalized assistance and an active job search. • The statutory severance consists of 20 days' salary per year worked, up to a maximum of 12 months' salary, or more if so agreed, the same notification requirements for individual objective dismissals must be complied with. • In general (except at companies subject to insolvency proceedings), when workers aged 55 or over are affected, special agreements must be signed with the social security authorities. • In some cases, if workers affected in the collective layoff are aged 50 or over, an economic contribution must be made to the Public Treasury.

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DISMISSAL	LEGAL GROUNDS	OBSERVATIONS
Objective grounds	• Ineptitude of the worker coming to light or not foreseen until after being hired by the company. • Inability of the worker to adapt to changes made to his job. Before dismissing the worker, employers must offer the worker a training course to facilitate adaptation to such changes. Workers cannot be dismissed until a minimum period of two months has elapsed since the changes were made or the training was completed. • In case of economic, technical, organizational or production-related reasons (see definition of the reasons under collective layoff). • In indefinite-term contracts arranged directly by not-for-profit entities to implement determined public plans and programs, without stable economic endowment and financed by the Public Administrations through annual budgetary or extra-budgetary appropriations as a result of external income of a final nature, for the insufficiency of the appropriate allocation of funds to enable the contracts to continue.	• The employer must serve at least 15 days' advance notice in writing on the worker (or pay the corresponding salary). • Severance (20 days' salary per year worked, up to a maximum of 12 months' salary) must be made available to the worker at the same time the written notice of dismissal is served.
Disciplinary action	Serious and culpable breach by the worker: • Repeated and unjustified absenteeism. • Insubordination or disobedience. • Physical or verbal abuse towards the employer. • Breach of contractual good faith or abuse of trust. • Willful reduction in job performance. • Habitual drug or alcohol abuse which adversely affects job performance. • Harassment by reason of race or ethnic origin, religion or beliefs, disability, age or sexual orientation, and sexual or gender harassment towards the employer or persons working at the company.	• The employer must serve written notice of disciplinary dismissal, stating the grounds and the effective date of dismissal. • If a workers' representative or labor union delegate is dismissed, a disciplinary procedure in which all parties are heard (*expediente contradictorio*) must be followed. If the worker is a labor union member, the union delegates should be granted a hearing. These safeguards may be increased by collective agreement. • If these formalities are not met, a further dismissal may be made in a period of 20 days by paying the employee the salary accrued in the meantime, with effect as of the date of the new notice.

In the case of disciplinary dismissals, it should be noted that, in its ruling dated 18 November 2024, the Supreme Court has changed its doctrine on the procedure for executing disciplinary dismissals. As of that date, the new doctrine states that companies must comply with a hearing of the employee before notifying him/her of the disciplinary dismissal, except in cases where this cannot reasonably be required of the company.

4.2 CLASSIFICATION OF THE DISMISSAL

A worker dismissed on any objective or disciplinary ground may appeal the decision made by the employer before the labor courts, although a conciliation hearing must first be held between the worker and the employer to attempt to reach an agreement. This conciliation hearing is held before an administrative mediation, arbitration and conciliation body.

The dismissal will be classified in one of the three following categories: justified, unjustified or null.

CLASSIFICATION	EVENTS	EFFECTS
Justified	Conforming to law.	Disciplinary dismissal: validation of the dismissal, meaning the worker is not entitled to severance pay. Objective dismissal: payment of 20 days' salary per year worked, up to a limit of 12 months' salary.
Unjustified	No legal ground exists for the dismissal or the procedure followed is incorrect.	The employer may choose between: • Reinstating the worker, in which case the worker will be entitled to back pay accrued from the date of dismissal until the notification of the decision or until the worker found a new job, if this occurred prior to the decision. • Terminating the contract, by paying severance of 33 days' salary per year worked, up to a maximum of 24 months' salary (for contracts formalized before February 12, 2012, severance will be calculated at 45 days' salary per year of service for the time worked up to such date and at 33 days' salary per year of service for time worked thereafter, case in which the severance can be no more than 720 days of salary, unless the severance corresponding to the period prior to February 12, 2012 results in an amount of days above, case in which this shall be the maximum severance, notwithstanding the 42 monthly installments cap. If the dismissed worker is a workers' representative or a union delegate, the choice will rest with the worker and back pay will accrue in all cases.
Null	• The alleged ground is a form of discrimination. • It implies a violation of fundamental rights. • It affects pregnant workers, during the period of holding in abeyance of the contract due to maternity or paternity, request for adaptation of working hours, risk during pregnancy, adoption, custody for adoption or fostering, reduction in working hours to care for children or relatives or for breastfeeding, and, in certain circumstances, female workers who have been the victims of gender violence. It also affects workers who have gone back to work after the period of holding in abeyance of the contract due to birth, adoption or custody for adoption or fostering has ended, provided that no more than twelve months have elapsed since the date of birth, adoption, custody for adoption or fostering of the child. • Collective dismissals may also be considered null and void if the company has not carried out the consultation period or provided the legally required documentation.	• Immediate reinstatement of the worker. • Payment of salaries not received.

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5. Senior management contracts

Special rules apply to certain types of employee, including most notably the special senior management labor relationship governed by Royal Decree 1382/1985, of August 1, 1985.

A senior manager is an employee who has broad management authority in relation to the company's general objectives and exercises that authority independently and with full responsibility, reporting only to the company's supreme governing and managing body.

The working conditions of senior managers are subject to fewer constraints than those for ordinary employees and, as a general rule, the parties (employer and senior manager) have ample room for maneuver in defining their contractual relationship.

The following provisions are established in relation to the termination of senior management employment contracts:

- Senior managers' contracts can be terminated without cause by serving notice at least 3 months in advance, in which case they are entitled to severance pay of seven days' pay per year worked, up to a maximum of six months' pay, unless different terms of severance have been agreed on.
- Alternatively, a senior manager can be dismissed on any of the grounds stipulated in general labor legislation (objective grounds, disciplinary action). If the dismissal is held to be unjustified, the senior manager is entitled to 20 days' pay in cash per year worked, up to a maximum of 12 months' pay, unless different terms of severance have been agreed on.
- In addition, the law establishes certain grounds on which the senior manager can terminate his or her contract and receive the agreed-upon severance pay and, failing that, the severance pay established for termination due to employer withdrawal.
- Senior manager may freely withdraw from their contracts by serving at least 3 months' advance notice.

Although the statutory severance for senior managers is currently lower than that for ordinary employees, in practice, senior management contracts usually provide for severance payments that are higher than the statutory minimum.

6. Contracts with temporary employment agencies

Under Spanish law, the hiring of workers in order to lend them temporarily to another company (the user company) may only be carried out by duly-authorized temporary employment agencies (ETT) and in the same scenarios in which temporary or fixed-term contracts can be made, including training contracts for obtaining professional practice and training contract in alternation.

Therefore, the hiring of workers through ETTs can only be used in specific cases and is expressly prohibited in the following cases:

- To replace workers on strike at the user company.
- To perform work and activities subject to regulation because they pose a particular hazard to health or safety (such as jobs which involve exposure to ionizing radiation, carcinogenic, mutagenic or reprotoxic chemicals, or to biological agents).
- Where the company has abolished the job positions it intends to fill by unjustified dismissal or on the grounds provided for termination of the contract unilaterally by the worker, collective dismissal or dismissal on objective grounds in the 12 months immediately preceding the hiring date.
- To lend workers to other temporary employment agencies.

Workers hired in order to be loaned to user companies will be entitled, during the period they provide services at the user company, to the basic working conditions and terms of employment (remuneration, working hours, overtime, rest periods, nighttime work, vacation and public holidays, among others) they would have enjoyed, had they been hired directly by the user company for the same position. The remuneration of the loaned workers must include all economic components, fixed and variable, linked to the position to be filled in the collective labor agreement applicable at the user company.

In addition to temporarily loaning workers to other companies, ETTs can also act as placement agencies where they meet the legal requirements to do so.

7. Worker representation and collective bargaining

Workers are represented by labor unions. At company level, workers are represented by directly-elected representatives (workers' delegates or works committees, which may or may not belong to a union) and by labor union representatives (workplace union branches and union delegates representing a labor union at the company).

Employers are not obliged to have workers' representatives if workers have not requested union elections. However, if requested by the workers, employers are obliged to allow union elections and appoint such representatives on the terms provided by law.

In general, the function of directly-elected workers' and labor union representatives is to receive certain information specified in the Workers' Statute in order to monitor compliance with labor legislation. They are entitled to participate in negotiations prior to the execution of collective procedures (such as material changes to working conditions, collective layoffs, etc.) and to request the issue of reports prior to full or partial relocation of facilities, mergers or any other modification to the legal status of the company, among others.

In addition, unions (within a company) or directly-elected workers' or labor union representatives can negotiate collective labor agreements with the employers' association (in the first case) or with the company (in the second case).

Collective labor agreements are agreements executed between the workers' representatives and the employers' representatives to regulate working conditions and terms of employment and are binding on the parties.

8. Non-employment relationships

8.1 ECONOMICALLY DEPENDENT SELF-EMPLOYED WORKERS

Although this is not strictly an employment matter, brief reference should be made to Law 20/2007, of July 11, 2007, on the Self-Employed Workers' Statute, which regulates the concept of economically dependent self-employed workers.

This concept defines independent professionals (self-employed workers) who pursue an economic or professional activity for profit, habitually, personally, directly and predominantly for one individual or legal entity, known as the client, on which they depend economically because they receive from that client at least 75% of their income from work performed and from economic or professional activities. Certain requirements must be met simultaneously by self-employed workers if they are to be treated as economically dependent self-employed workers.

The above law establishes specific regulations on the terms on which self-employed workers provide services to their clients.

8.2 INTERNSHIPS WITHOUT THE STATUTORY EMPLOYMENT RIGHTS AT COMPANIES

There are a number of cases in which a person can carry on activities at a company without such activities being treated as employed work:

- External academic placements for university students, defined as training completed by university students and supervised by their universities, with a view to enabling students to apply and supplement the knowledge acquired in their academic training.
- Internships without the statutory employment rights at companies or business groups that enter into agreements with the Public Employment Service, aimed at young people (between 18 and 25 years of age) who, due to their lack of work experience, have difficulty finding employment. These internships can be taken by people in the above age group who have not had an employment relationship or other type of work experience of more than three months in the same activity, and may last between three and nine months. Interns will receive a grant from the company of at least 80% of the monthly Public Multi-Purpose Income Indicator (IPREM) in force at any given time (in 2025 the monthly IPREM amounts to €600[3] per month).

A new Scholarship Statute is to be drawn up in relation to the internships envisaged in official study plans.

3 As the General State Budget for the year 2024 and 2025 has not been approved, the amount corresponding to the year 2023 is maintained.

9. Acquisition of a Spanish business

Certain labor law provisions are particularly relevant when acquiring or selling a going concern in Spain. For example, if a business is transferred, both the seller and the buyer are jointly and severally liable in the three years following the transfer for any labor obligations arising prior to the transfer.

When a business is transferred, the new employer is subrogated to the previous employer's labor and social security rights and obligations, including pension commitments on the terms provided in the specific legislation and, in general, to as many supplementary employee welfare obligations as may have been entered into by the previous employer.

The seller and buyer must inform their respective workers' representatives in advance of certain aspects of the upcoming transfer. Specifically, the information provided must comprise at least the following:

- Proposed date of transfer.
- Reasons for the transfer.
- Legal, economic and social consequences of the transfer for the workers.
- Envisaged measures with respect to the workers.

If there are no workers' statutory representatives at the affected companies, the information must be supplied directly to the workers affected by the transfer.

There is also a binding obligation to hold a consultation period with the workers' statutory representatives where, as a result of the transfer, labor measures are adopted for the personnel affected. The consultation period will address the envisaged measures and their consequences for the workers and must be arranged sufficiently in advance of the date on which such measures are to be implemented.

In the case of business succession or a significant change in ownership, which results in the renewal of the governing bodies or changes to the content and purpose of its core activity, senior management personnel will be entitled to terminate their employment contract within the 3 months following the occurrence of such changes and to receive severance equal to 7 days' pay in cash per year worked, up to a maximum of 6 months' pay, or such severance as may have been agreed on.

10. Practical aspects to be considered when setting up a company in Spain

In general, from a labor and social security standpoint, the following essential formalities must be performed in order to open a company or workplace in Spain.

FORMALITY	BASIC ASPECTS
Registration of the company with the Spanish social security authorities (obtainment of a social security contribution account code)	Registration must take place prior to commencement of activities. In general, companies register with the Social Security General Treasury by submitting the relevant official form[4] and documentation identifying the company (deed of formation, document issued by the Ministry of Finance assigning the tax identification number and stating the economic activity of the company, powers of legal representation of the company, document of affiliation to the collaborator mutual insurance company, among others).
Notification of hiring of employees	The hiring of employees must be notified for social security purposes once the company has been registered with the social security authorities and before the workers start work. Notifications are generally made electronically, using the RED electronic document submission system.
Notification of opening of workplace	The commencement of activities at the workplace must be notified to the labor authorities within 30 days of its opening using the official form provided for such purpose in each Autonomous Community. An occupational risk prevention plan must usually also be attached.

4 https://www.seg-social.es/wps/portal/wss/internet/Empresarios/Inscripcion/10929/31193/48532?changeLanguage=en

11. Relocation of workers under a cross-border working arrangement within the EU and the EEA (impatriates)

11.1 TEMPORARY CROSS-BORDER WORKING OF LOCAL HIRING

As a general rule, employees temporarily posted to Spain under cross-border working arrangements can maintain the employment contract signed in their country of origin.

Both Regulation 593/2008 of the European Parliament and of the Council of June 17, 2008, on the law applicable to contractual obligations (Rome I) and Article 10.6 of the Civil Code, allows the parties to choose the applicable law, save for any mandatory matters under Spanish law.

The Law 45/1999, of November 29, 1999 establishes that in certain temporary secondments a number of minimum working conditions must be observed.

This Law applies to workers relocated by employers from the European Union, and from the European Economic Area (the EU plus Norway, Iceland and Liechtenstein) in a cross-border working agreement for a limited time period in the following cases:

- Within the same company or within a group of companies.
- Under international services contracts.
- When the workers of a temporary employment agency are posted to a client company in Spain.

The only exceptions to the above are in the case of employee relocations during training periods and postings lasting less than eight days, unless they involve workers employed by temporary employment agencies.

The minimum working conditions to be guaranteed by employers in the above countries in accordance with Spanish labor legislation and, regardless of the law applicable to the employment contract, are essentially: (i) working time, (ii) salary (which must be at least the amount provided for the same position under a statutory or regulatory provision or collective labor agreement), (iii) equality of treatment, (iv) the rules on underage work, (v) prevention of occupational risks, (vi) nondiscrimination against temporary and part-time workers, (vii) respect for privacy, dignity, and the freedom to join a union, and (viii) rights of strike and assembly, (ix) accommodation terms and (x) allowances to cover travel, accommodation and meals expenses

When the effective duration of the assignment exceeds 12 months, companies included in the scope of application of the referred Law 45/1999, in addition to the above conditions, must guarantee the rest of the working conditions provided by the Spanish employment law, with the exception of (i) the procedures, formalities and conditions of conclusion and termination of the employment contract, including the non-competition clauses and (ii) the complementary retirement regimes.

Notwithstanding, more favorable conditions applied in their country of origin, will still apply to employees assigned in Spain.

Employers in such cases must also notify postings to the Spanish Labor Authorities before the worker starts work and regardless of the duration of the posting (except for those lasting less than eight days), designating a representative in Spain. The notice must be served by the foreign company that posts the worker on the authorities of the Autonomous Community in which the posted worker is to work[5] (a central electronic register of notices is still to be created). The basic contents of this notice are: identification of the company that posts the worker, as well

5 https://www.mites.gob.es/es/sec_trabajo/debes_saber/desplazamiento-trabajadores/datoscontacto-autlaborales/index.htm

as the company that hosts him; identification of the worker; commencement date and projected duration; and identification of the specific case of posting.

There is also an obligation to make the following documentation available (translated into Spanish or the co-official language of the place where the workplace is located) at the workplace to which the worker has been posted: employment contracts or essential elements of the contract; pay statements and evidence that workers have been paid; any records of hours kept, indicating the beginning, end and duration of the working day; work permit of third-country nationals in compliance with the legislation of the State of establishment.

Lastly, employers are under the obligation to notify the Spanish Labor Authorities of any damage to the health of posted workers occasioned upon or as a result of work performed in Spain.

The legislation on labor infringements and penalties classifies a series of infringements in this connection. Formal defects in notifying the relocation of workers to Spain or failing to serve notice of minor occupational accidents and professional diseases of those workers constitute a minor infringement, while notification of the relocation after it has taken place, or without designating a representative or giving false or inaccurate reasons for extension of the assignment, not having the aforesaid documents available during the relocation or failing to serve notice on the Labor Authorities of serious, very serious or mortal accidents of the posted workers are classed as a serious infringement as well as not complying with the request of the Inspection of filing documentation or filing it with no translation. Failing to notify the relocation or any misrepresentation or concealment of the data contained in the notification are considered very serious infringements and the fraudulent transfer of workers that do not carry out substantive activities in their State of establishment, as well as the fraudulent transfer of workers who do not usually carry out their work in the Member State of origin.

Failing to meet the minimum working conditions mentioned above, which are classified according to the penalties applicable to Spanish employers, are considered administrative infringements.

We will be under situations of local hiring instead of temporary transfers when companies without establishment in Spain hire workers in the country.

If it is not a temporary secondment, but rather, the provision of services in Spain has a vocation of permanence, the employer will sign an employment contract with the employee in accordance with Spanish regulation (local hiring). Foreign companies without an establishment in Spain hire locally without the need to establish a Spanish company. The foreign company, however, will have to follow the steps set out in section 10 above, but referred to the foreign company.

11.2 APPLICABLE SOCIAL SECURITY

Council Regulations (EC) 883/2004 and 987/2009 on the coordination of social security schemes apply within the European Union, the Economic European Area, and Switzerland and ensure that the workers to whom they are applicable are not adversely affected from a social security standpoint by moving from one Member State to another.

There are a number of bilateral social security agreements between Spain and other countries, which regulate the effects on Spanish public benefits of periods of contribution to the social security systems of other States. These agreements also determine the State in which social security contributions are to be paid in cases of relocation and temporary or permanent assignments abroad.

The following bilateral agreements[6] are currently in force:

BILATERAL AGREEMENTS WITH SPAIN	PERSONS TO WHOM IT APPLIES
Andorra	Any nationality
Argentina	Any nationality
Australia	Any nationality
Brazil	Any nationality
Canada	Any nationality
Cape Verde	Any nationality
Chile	Spaniards and Chileans
China	Any nationality
Colombia	Spaniards and Colombians
Dominican Republic	Spaniards and Dominicans
Ecuador	Any nationality
Japan	Any nationality
Morocco	Spaniards and Moroccans
Mexico	Spaniards and Mexicans
Moldova	Any nationality
Paraguay	Any nationality
Peru	Any nationality
Philippines	Spaniards and Philippines
Republic of Korea	Any nationality
Russia	Spaniards and Russians
Senegal	Any nationality
Tunisia	Spaniards and Tunisians
Ukraine	Spaniards and Ukrainians
Uruguay	Any nationality
USA	Any nationality
Venezuela	Spaniards and Venezuelans

6 https://www.seg-social.es/wps/portal/wss/internet/InformacionUtil/32078/32253?changeLanguage=en

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Finally, the Multilateral Latin American Social Security Agreement is also applicable in Spain, an instrument coordinating the different social security legislation on pensions of the different Latin American States that have ratified it and signed the Implementation Agreement (currently Bolivia, Brazil, Colombia, Chile, Ecuador, El Salvador Paraguay, Portugal, Uruguay, Dominican Republic, as well as Spain).

There is also a protocol on social security coordination following the UK's exit from the European Union.

Workers posted to Spain under the relevant social security agreements or regulations who continue to be subject to the legislation of their country of origin and evidence this by way of the relevant certificate, generally will not be registered with the Spanish social security system for the period envisaged in same, according to the terms of the agreement.

On the contrary, when a worker is employed in Spain to carry out services in this country on a permanent basis, the general rule of registration into the Spanish Social Security System shall apply irrespective of the worker's nationality.

Finally, it should be noted that several Member States have signed the framework agreement on the application of Article 16 of Regulation (EC) No 883/2004 in cases of regular cross-border teleworking, which makes the social security treatment of Community cross-border teleworkers the same as that of posted workers, subject to certain conditions.

12. Visas and work and residence permits[7, 8]

EU nationals and their family members may live and work (as employees or self-employed workers) in Spain without needing to obtain a work permit. However, in general they must obtain the relevant EU citizen registration certificate or EU citizen family member residence card.

Non-EU nationals must obtain prior administrative authorization to be able to live and work in Spain.

Law 14/2013, of September 27, 2013, to support entrepreneurs and their internationalization, provides for the following types of visas and residence and work permits, among others:

- Residence for entrepreneurs: in order to pursue an entrepreneurial activity or to commence, pursue or manage an economic activity as an entrepreneur in Spain.
  - An entrepreneurial activity will be deemed to be any activity that is innovative and/or of special economic interest to Spain and with respect to which a favorable report has been issued by Empresa Nacional de Innovación, S.A. (ENISA).
  - The following will be taken into account when assessing the entrepreneurial and business activity: (i) the professional background of the applicant and their involvement in the project, (ii) the business plan, which will include a description of the project, the product or service to be developed, and its financing, including the required investment and potential sources of financing, and (iii) the elements that generate added value for the Spanish economy, innovation or investment opportunities.
- Highly qualified professionals: for companies that need to hire foreign professionals in Spain who are graduates or postgraduates of renowned universities and business schools, holders of intermediate or advanced vocational training qualifications, or experts with at least three years of comparable professional experience.
- For training, research, development and innovation activities: for foreigners looking to pursue training, research, development and innovation activities at public entities in the following cases:
  - The research personnel referred to in Article 13 and Additional Provision no. 1 of Science, Technology and Innovation Law 14/2011, of June 1, 2011.
  - Scientific and technical personnel performing scientific, development and technological innovation work at Spanish businesses or R&D&I centers established in Spain.
  - Researchers taken on under an agreement by public or private research bodies.
  - Lecturers hired by universities or higher education and research centers, or business schools established in Spain.
- For intra-company transfers: for foreigners who transfer to Spain under a labor or professional relationship or for professional training reasons, within a company or group of companies established in Spain or in another country.

7 https://prie.comercio.gob.es/es-es/Paginas/index.aspx

8 *** We refer to chapter 2, section 3 on the Tax Identification Number (NIF) and Foreigner Identity Number (NIE) regarding the procedure for obtaining a NIF for directors not resident in Spain***).

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- For digital nomads: in the case of international teleworkers.
  - Allows holders to stay in Spain to work or provide professional services remotely for companies located outside of the country, solely through the use of IT, electronic and telecommunications systems and means.
  - Where the holder is an employee, they may only work for companies located outside of Spain.
  - Where the holder provides professional services, they may work for a company located in Spain, provided such work does not exceed 20% of their total professional activity.

13. Social security system[9]

13.1 INTRODUCTION

As a general rule, all employers, their employees, self-employed workers, members of manufacturing cooperatives, domestic personnel, military personnel and civil servants who reside and/or perform their duties in Spain are required to be registered with, and pay contributions to, the Spanish social security system (except in specific cases of temporary secondments of employees, as indicated in section 11.2 above).

There are different contribution programs under the Spanish social security system:

a) General social security program.

b) There are other situations included within the general social security program that qualify for special treatment, namely:

- Artists.
- Railroad workers.
- Sales representatives.
- Bullfighting professionals.
- Professional soccer players and other professional sportsmen and women.
- Agricultural workers.
- Domestic personnel.

c) Special social security programs for:

- Seamen.
- Self-employed workers.
- Civil servants and military personnel.
- Coal miners.
- Students.

Classification under these programs depends on the nature, conditions and characteristics of the activities carried on in Spain.

As a general rule, employers and their employees will be subject to the general social security program.

13.2 BASIC ASPECTS OF THE GENERAL SOCIAL SECURITY PROGRAM

In those cases in which the employees or employers are subjected to the General Social Security program, social security contributions are paid partly by the employer and partly by the employee. Personnel are classified under a number of professional and job categories for the purposes of determining their social security contributions. Each category has a maximum and minimum contribution base, which are generally reviewed on a yearly basis. Employees whose total compensation exceeds the maximum base, or does not reach the minimum base, must bring their contributions into line with the contribution base for their respective category.

For 2025, the maximum contribution base will be €4,909.50 per month for all professional categories and groups. Therefore, the situation for 2024 under the general social security program (applicable to the great majority of workers) is as follows:

CATEGORY	MINIMUM BASE (€/DAY)	MAXIMUM BASE (€/DAY)
Engineers and graduates	1,929.00	4,909.50
Technical engineers and assistants	1,599.60	4,909.50
Clerical and workshop supervisors	1,391.70	4,909.50
Unqualified assistants	1,381.20	4,909.50
Clerical officers	1,381.20	4,909.50
Messengers	1,381.20	4,909.50
Clerical assistants	1,381.20	4,909.50

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9 | https://www.seg-social.es/wps/portal/wss/internet/Inicio?changeLanguage=en

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CATEGORY	MINIMUM BASE (€/DAY)	MAXIMUM BASE (€/DAY)
Class 1 and class 2 skilled workers	46.04	163.65
Class 3 skilled workers and specialists	46.04	163.65
Laborers	46.04	163.65
Workers under 18 years of age	46.04	163.65

The contribution rates applicable to employers and employees under the general social security program in 2025 are as follows:

	EMPLOYER (%)	EMPLOYEE (%)	TOTAL (%)
General contingencies	23.6	4.7	28.3
Unemployment			
• General rule	5.50	1.55	7.05
• Fixed-term contracts (full-time and part-time)	6.7	1.6	8.3
Professional training	0.6	0.1	0.7
Wage Guarantee Fund	0.2	-	0.2
Intergenerational fairness mechanism (MEI)	0.67	0.13	0.8
Total general rule	30.57	6.48	37.05
Total fixed-term contracts	31.77	6.53	38.3

In addition to the above, the amount corresponding to the solidarity quota must be taken into account. The solidarity quota is a new contribution applicable only to salaries above the maximum base. Therefore, it is applied above €4,909.51 progressively. The contribution rates are as follows:

- 0.92% to the part of the remuneration between €4,909.51 and €5,400.45, with 0.77% being paid by the company and 0.15% being paid by the worker.
- 1% to the part of the remuneration between €5,400.46 and €7,364.25, with 0.83% being paid by the company and 0.17% being paid by the worker.
- 1.17% to the part of the remuneration that exceeds €7,364.25, with 0.98% being borne by the company and 0.19% by the worker.

The total employer contribution rate is increased by additional percentages relating to the occupational accident and disease contingencies provided for in the State Budget Law which will depend, as a general rule, on the activity of the company, although a common percentage will be applied across the board in the case of some occupations or situations.

Employers deduct the employees' portion of contributions from their paychecks and pay them over, together with the employer's portion of contributions, to the social security authorities. Similarly, following the above-mentioned Royal Decree-Law 16/2013 of December 2013, employers must notify the Social Security General Treasury in each settlement period of the amount of all the remuneration items paid to their employees, irrespective of whether or not they are included in the social security contribution base and even if single bases are applicable.

Included below are three practical examples for calculating the social security contribution for general contingencies payable by employers for workers subject to the general social security program.

Case 1: A person works as a technical engineer for a company under a full-time indefinite-term contract and receives a salary of €16,576 per year.

- Data used to calculate the contribution amount:
  - i. The contribution base to be used will be the minimum for technical engineers, i.e., €1,599.60 per month, given that the monthly salary received by the worker is lower than this amount.
  - ii. The contribution rate applicable to the above amount will be 30.57% for the employer and 6.48% for the worker, bearing in mind that the contract is indefinite-term.
- Monthly contribution (nonoccupational contingencies):

	BASE (€)	CONTRIBUTION RATE (%)	MONTHLY CONTRIBUTION (€)
Employer	1,599.60	30.57	489
Worker	1,599.60	6.48	103.65
			592.65

Case 2: A person works as a technical engineer for a company under a full-time fixed-term contract and receives a salary of €24,996 per year.

- Data used to calculate the contribution amount:
  - i. The contribution base to be used will be the monthly salary received by the worker, i.e., €2,083.
  - ii. The contribution rate applicable to the aforesaid amount will be 31.77% for the employer and 6.53% for the worker, bearing in mind that the contract is fixed-term.
- Monthly contribution (nonoccupational contingencies):

	BASE (€)	CONTRIBUTION RATE (%)	MONTHLY CONTRIBUTION (€)
Employer	2,083.00	31.77	661.77
Worker	2,083.00	6.53	136.02
			797.79

Case 3: A person with the job category "graduate" (*licenciado*) works for a company under a part-time indefinite-term contract and receives a salary of €61,543.80 per year.

- Data used to calculate the contribution amount:

  i. The contribution base to be used will be the maximum for graduates, i.e., €4,909.50 per month, given that the monthly salary of the worker is higher than this amount.

  ii. The contribution rate applicable to the aforesaid amount will be 30.57% for the employer 6.48% for the employee, bearing mind that the contract is indefinite-term.

- Monthly contribution (nonoccupational contingencies):

	BASE (€)	CONTRIBUTION RATE (%)	MONTHLY CONTRIBUTION (€)
Employer	4,909.50	30.57	1,500.83
Worker	4,909.50	6.48	318.41
			1,818.97

- In addition, the solidarity quota would be applied because the remuneration is higher than the maximum base, which would be as follows:

	BASE (€)	CONTRIBUTION RATE (%)	MONTHLY SOLIDARITY QUOTA (€)
Employer	219.08 (5,128.58-4,909.50)	0.77	1.69
Worker	219.08 (5,128.58-4,909.50)	0.15	0.33
			2.02

In all cases, the employer must also contribute for professional contingencies at the premium rates stipulated in additional provision four of Law 42/2006, of December 28, 2007. The resulting amounts are borne exclusively by the employer.

13.3 APPLICABLE PROGRAM TO ADMINISTRATORS OR MEMBERS OF THE BOARD OF DIRECTORS

The administrators or members of the Board of Directors of a company could be included in the General Program (RGSS), in the General Program as "assimilated" or in the Special Program for Self-Employed Workers (RETA).

The following table explains the different scenarios:

COLLECTIVE	CONDITIONS AND CHARACTERISTICS		CONTRIBUTION SCHEME	OBSERVATIONS
Administrators or members of the Board of Directors who receive compensation	If the worker has the effective control of the company.		RETA.	It is presumed, unless there is proof to the contrary, that the worker has the effective control of the company when any of the following circumstances exists: i. At least half the company capital for which they render their services is distributed amongst partners in the company with whom they live and with whom they are linked by marriage or by blood, affinity or adoption family ties of up to a second degree. ii. Their participation in the company capital is equal to or greater than one third. iii. Their participation in the company capital is equal to or greater than one fourth, if they have been attributed with functions of direction and management of the company.
	If the worker has not the effective control of the company.	They are employees of the company and the administrator post does mean carrying out the functions of direction and management.	RGSS.	
		The post as administrator means carrying out the functions of direction and management.	RGSS as assimilated to employees (excluding unemployment protection and that of the Salary Guarantee Fund.	
		The post as administrator does not mean carrying out the functions of direction and management.	Non-affiliation in the Social Security system.	

These rules apply as long as the administrator or member of the Board of Directors resides in Spain. In case the administrator resides abroad, the Spanish Social Security would not be applicable.

14. Equality in the workplace

Companies are obliged to respect equal treatment and opportunities in the workplace, for which they must adopt measures aimed at avoiding any type of labor discrimination between women and men.

Companies with 50 or more workers need to implement and apply an equality plan, with the scope and content established by law, which must be negotiated with the legal representation of the workers.

Equality plans must contain an ordered set of evaluable measures aimed at removing obstacles that impede or hinder the effective equality of women and men. Before establishing the plan, a negotiated diagnosis should be drawn up, where appropriate, with the legal representation of the workers, which will contain at least the following subjects:

- Selection and contracting process.
- Professional classification.
- Training.
- Professional promotion.
- Working conditions, including the salary audit between women and men.
- Co-responsible exercise of the rights of personal, family and work life.
- Underrepresentation of women.
- Remuneration.
- Prevention of sexual harassment and because of sex.

In addition, companies must keep a record with the average values of salaries, salary supplements and extra-salary perceptions, disaggregated by sex, professional groups, professional categories or positions of equal value. Employees have the right to access, through the legal representation of workers in the company, the salary record of their company. Where there are no workers' representatives, the employees can only have access to the percentage differences that exist between the averaged remunerations of men and women.

When in a company with at least fifty workers, the average remuneration for workers of one sex is higher than the other by 25% or more, taking the whole of the payroll or the average of the salaries paid, the employer must include in the salary record a justification that said difference responds to reasons not related to the sex of the workers. The wage registry has certain specialties in companies that have an equality plan and, thus, carry out a pay audit (that requires the evaluation of positions and the establishment of a plan to correct the remuneration differences).

The validity period of equality plans may not exceed four years and they are subject to compulsory registration in the Public Register of Collective Agreements and Collective Bargaining Agreements.

Equally, Spain has passed Law 15/2022, of July 12, 2022, the comprehensive law for equal treatment and non-discrimination, which recognizes the right to equal treatment and non-discrimination of individuals regardless of their nationality, whether they are minors or of age, or whether or not they have legal residence. It stipulates that nobody may be discriminated against on the basis of birth, racial or ethnic origin, sex, religion, beliefs or opinions, age, disability, sexual orientation or identity, gender expression, ill health or a medical condition, serological status and/or genetic predisposition towards health problems and disorders, language, socioeconomic status, or any other personal or social condition.

Law 4/2023, of February 28, 2023, for real and actual equality of transgender people and to guarantee the rights of LGBTI people

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has also recently been published, which contains the obligation to have a planned set of measures and resources to achieve real and effective equality for LGTBI people, including a protocol for dealing with harassment or violence against LGTBI people.

The obligation has been regulated by Royal Decree 1026/2024, of 8 October, which develops the planned set of measures for equality and non-discrimination of LGTBI people in companies, which frames the negotiation of the protocol and the set of measures in collective bargaining (company or sectoral agreement).

15. Occupational risk prevention

Employers must guarantee the health and safety of their employees but without merely complying with legislation and remedying risk situations, meaning that they have an obligation to perform risk assessments, adopt measures in emergency situations, provide protective equipment and to guarantee the health of employees, including pregnant or breastfeeding women (ensuring they do not perform tasks which could put them or their unborn child/baby at risk).

All employers must have a risk prevention service to provide advice and assistance in prevention tasks and employers must appoint one or more workers to take charge of these activities. At companies with less than 10 workers, this service may be provided directly by the employer, provided that it habitually pursues its business at the workplace and has the necessary capacity to do so. An external risk prevention service may also be used in certain cases.

Failure to comply with occupational risk prevention obligations may give rise administrative, labor, criminal and civil liability.

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