

Summary

Royal Decree 4/2013, February 22nd, approving measures for the entrepreneur and growing economic help and for the employment.

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On February 24th, 2013 entered into force this new regulation aimed to help the employment and self-employment in favor of the under 30 years old people.

This regulation uses three ways to aim the employment: Social Security measures, tax measures and labour measures. We summarize the most remarkable measures below.

1.- Social Security measures

- ***Initial reduced quota.***

Alternatively to the 30% bonus already established for the 15 first months of under 30 years old self-employers (35 for women), it is now established a new possibility to the following bonus:

- 80% of quota reduction for the 6 first months.
- 50% of quota reduction for the 6 next months.
- 30% of quota reduction for the 3 next months mentioned in point before.

- A 30% bonus of the quota for the 15 next months after the reduction period.

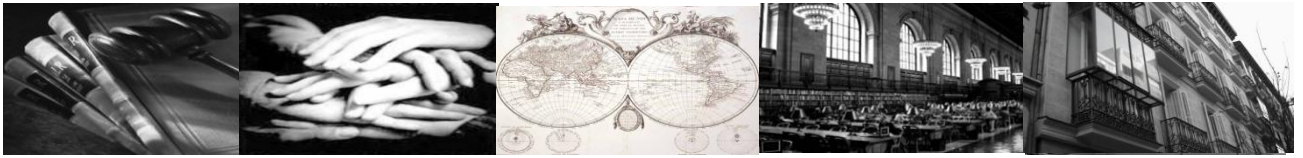
A maximum of 30 months bonus period is established.

The people fulfilling the following requirements shall be benefited with the abovementioned bonus:

- Under 30 self employers.
- Initially registered in the Social Security, as long as they have not a prior registration as self employer within the last 5 years.
- ***Compatibility of unemployment aids with the initiation of a self-employment activity.***

Beneficiaries of a contributive unemployment aid shall be entitled to make compatible such aid with the initiation of a self-employment activity when:

- They are under 30 years old.
- They have not further employees.
- It is expressly requested within the 15 days term since the initiation of the self employment activity.



The unemployment aid shall be maintained for the pendant period with a maximum of nine months period.

- ***Extension of the unemployment aid capitalization assumptions***

Under 30 who request for the unemployment aid capitalization shall be now entitled to allocate such amount as a contribution to the share capital of a new incorporated company, as well as to the payment of advisement services, education activity and it will waived the existing limitations when:

- Beneficiaries are under 30.
- The unemployment aid capitalization amount is allocated to as a contribution of a new incorporated company o it is already incorporated within the prior 12 months.
- That the professional activity to carry out shall maintained for a minimum period of 18 months.

- ***Voluntary increase of Social Security protection***

Spite of the obligatory coverage for professional contingencies for self employers will be in full force on January 1st, 2014, under 30 shall be entitled to waive such coverage.

2.- Tax measures

- ***Personal Income Tax***

Since January 1st, 2013:

- The €15,500 limit established as exemption for the unemployment aid capitalization.
- 20% reduction of the net revenues derived from economic activities during the first positive result period and the following, for those who has initiated the self employment activity since January 1st, 2013.

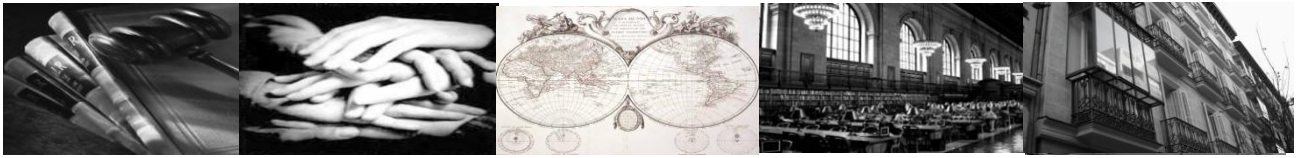
- ***Corporate income tax***

Since January 1st, 2013 it is established a 15% rate for the first €300,000 tax base and the 20% applicable for the excess of the first positive result period and the following.

3.- Labour measures

- ***Incentive for formative temporary contracts.***

A 100% bonus applicable to the employer Social Security quota of common contingencies or the 75% bonus, depending the number of workers is under or superior to 250 respectively, shall be applicable.



Companies and self-employer that contract under 30 who suit with the following requirement, could be beneficiary of the abovementioned bonus:

- Labour experience less than 3 months.
- To came from another activity sector.
- To be a registered unemployed for a 12 months period during the last 18 months.

Education activity shall be evidenced. Education not need to be connected with the contract.

Companies and self employees wanted to be beneficiary of such bonus shall fulfill with the following requirements:

- No labour contracts have been resolved inappropriately in the previous 6 months.
- To maintain the level of employment reached with this contracts for a minimum period equal to the contract duration.
- ***Incentives for indefinite recruitment for under 30 people by very small companies and self employers***

A 100% bonus applicable to the employer Social Security quota of common contingencies during his/her first year of work.

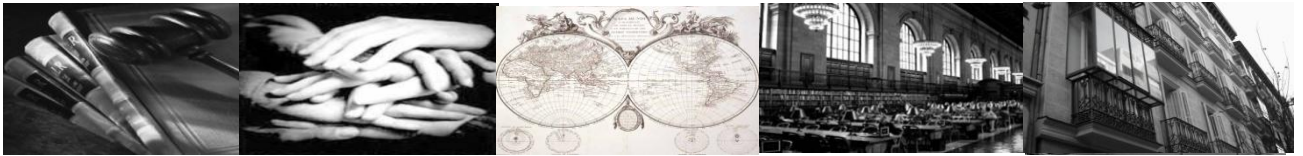
Small companies and self employers shall be benefited with the above-mentioned bonus as long as they recruit under 30, whether for full or partial time, that fulfill with the following requirements:

- To have nine or less workers.
- To have had not any other kind of labour connection with the worker, previously.
- No labour contracts have been resolved inappropriately in the previous 6 months.
- To agree this kind of contracts for first time.

Additionally this bonus will require:

- That the worker is preserved in his/her work for a minimum period of 18 months.
- To maintain the level of employment reached with this contract for a minimum period of one year.
- ***Incentives for young entrepreneur projects.***

A 100% reduction of the Social Security employer quota during the first year since the employee is recruited shall be applicable for under 30 employers, without workers, that recruit as indefinite, unemployed people who have been unemployed during 12 months within the last 18 months.



Following points are required:

- Preservation of the worker for a 18 months period.
- In the event of termination not attributable to the employer or during the trial period, employer shall be entitled to agree another contract with these benefits as long as the total period of benefits does not reach 12 months.
- These benefits shall not be commutative to any other.

- ***First young job.***

Benefits shall be applicable to those temporary contracts agreed with under 30 unemployed without experience or with a 3 months experience, as long as these contracts become indefinite.

Benefits shall be generated when the contracts become indefinite.

These contracts shall be benefited with a employer Social Security quota of €41.67 per months (€58.33 per months in case of women), during a 3 years period, as long as the working days is more than 50% of a full time worker.

- ***Incentives for training contracts as the first work.***

It is a new kind of training contract which will exist jointly with the current training contract. This new training contracts shall be benefited in the Social Security quotas.

This contract could be agreed with under 30 people, in spite of a five year or more as already expired since the finalization of his/her education.

These contracts shall be benefited with a reduction in the employer Social Security quota during all the time of the contract amounting to the following:

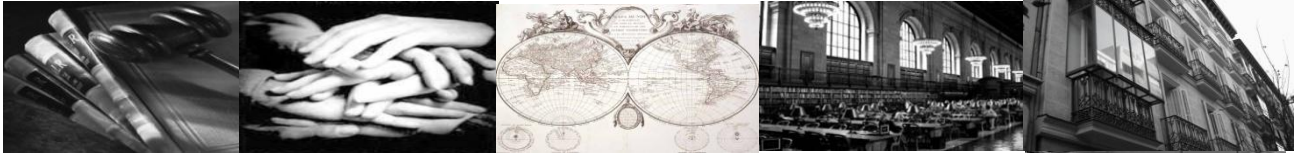
- 50%, as general rule.
- 75% when the workers where doing no labour training at his/her recruitment.

- ***Incentives for the recruitment of young people by social economy entities.***

This measure is focused in favour of cooperatives and labour companies which recruit under 30 employers as labour partners.

Benefits will consist in a employer Social Security quota amounting to €66.67 per months during 3 years.

The integration companies will enjoy a bonus of €137.50 per month for the duration of the contract or for three years, in case of permanent contracts.



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