

### NATIONAL PLAN ON ACCESS TO SOCIAL PROTECTION FOR WORKERS AND THE SELF-EMPLOYED.

COUNCIL RECOMMENDATION OF 8 NOVEMBER 2019



## NATIONAL PLAN WITHIN THE FRAMEWORK OF THE COUNCIL RECOMMENDATION ON ACCESS TO SOCIAL PROTECTION FOR WORKERS AND THE SELF-EMPLOYED

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#### I. CHALLENGES.

Spain is currently among the countries with the highest level of social protection for employed and self-employed workers. Although the social protection system in Spain was designed mainly for employed persons, in recent years the scheme has been extended to cover self-employed workers. Consequently, the same risks are covered for both employed and self-employed workers and, in both cases, coverage is compulsory. In 2019, a major reform of the coverage of occupational contingencies (work accidents and occupational diseases, including "in itinere" accidents) was launched, affecting sickness benefits and coverage for termination of activity. In both cases, coverage was changed from voluntary to compulsory since 1 January 2019. The change in sickness benefits mainly affected the coverage of occupational contingencies (work accidents and occupational diseases, including accidents "in itinere").

Within the framework of the process of progressive expansion of the coverage of self-employed workers, the already announced reform is pending to start, which will gradually introduce a new system of contributions under the Special Regime for Self-employed Workers (RETA), based on the returns from the economic activity carried out. Version 0 of the follow-up framework approved by the Social Protection Committee on 30 October (Table 3.5) states that the coverage of temporary disability benefits due to occupational contingency (work accidents and occupational diseases) is voluntary for self-employed agricultural workers with opt-in clauses. This is a typographical error, since the scheme is voluntary with "exclusion clauses"; these clauses are only used by 10 % of workers in this group 18.261, as shown on page 39 of the monitoring framework. This regime is expected to be extinguished in the coming years.

#### Unemployment protection system.

The unemployment protection system in Spain is one of the broadest and most beneficial for those affected by this contingency, both in the case of employed persons and in the case of self-employed persons.

The General Social Security Act (LGSS), approved by Royal Decree-legislative 8/2015 of 30 October, incorporates in Title III the regulation of unemployment protection for employed persons (arts. 262 to 304) and Title V of the Act on the cessation of activity of self-employed workers (arts. 327 to 350), which implies significant coverage in the event of unemployment or cessation of activity. It is the regulation in force prior to the Covid and of application.

In the specific case of unemployment protection, there are two levels of protection, contributory and welfare, both of a public and compulsory nature (Article 263):

- The contribution level (unemployment benefit) is intended to provide substitutional benefits for wage incomes that have ceased to be paid as a result of loss of previous employment or suspension of contract or reduction of working hours.
- The level of assistance (unemployment allowance), which is complementary to the previous one, guarantees the protection of unemployed workers in any of the situations provided for (art. 274).

The **Public Employment Service (SEPE)** is the managing body responsible for the protection from unemployment contingency of employed persons, which can be considered appropriate in accordance with the previous considerations 21 and 22 of the recommendation, as it is a stable and permanent protection framework, in addition to the extraordinary and important measures



that have been taken to address the lack or reduction of activity and employment resulting from the Covid-19.

This protection framework sufficiently protects **atypical workers**, guaranteeing income support in periods of inactivity. In particular, mention should be made of the following groups:

1. Workers with a **temporary contract** are already **protected on a structural basis**, in accordance with articles 267, 269 and 274.3 of the General Social Security Act, approved by Royal Decree-legislative 8/2015 of 30 October.

#### • Contributory benefit:

- The worker shall be in a **legal situation of unemployment** (art. 267.1. 6°):
  - Due to expiration of the agreed time or performance of the work or service subject to the contract, provided that such causes have not acted upon the worker's complaint
- A minimum of 360 days of employment paid in the six years preceding the legal unemployment situation, cumulative through various contracts, is required for access to the contributory unemployment benefit, without requiring a minimum duration of any of them (Article 269). In the case of a part-time contract, the entire duration of the contract from date to date is taken into account. (Article 270 TRLGSS). This would result in unemployment protection at least 4 months, which will be extended if longer periods of contributions are credited.
- The **amount** of the benefit is determined in accordance with Article 270 of the same legal text, calculated in proportion to the contribution base of the last 180 days paid prior to the legal unemployment situation, thus keeping adequate proportion to the worker's loss of income.

#### Assistance benefit (unemployment allowance):

- To access to unemployment benefit, if the person has family responsibilities (art. 274), it is sufficient to prove six months of contribution (180 days), without requiring that the contract giving the legal unemployment status have any minimum duration. In this case, you will be entitled to a -month allowance (if you have family responsibilities).
- If they have paid for the unemployment contingency for less than 180 days, but have **dependants**, it is enough for them to accumulate **90 days of contributions** to the unemployment benefit. (Articles 270 and 274 TRLGSS).
- Those workers with family responsibilities who exhaust a contributory benefit are
  entitled to an allowance whose duration varies between 18 and 30 months, in view
  of the age of the beneficiary and the duration of the exhausted benefit. (Article 274
  TRLGSS).
- The right to benefit or allowance (art. 271) is suspended for the performance of work as an employed person and may be resumed at the end of the service. The benefit or allowance for self-employment may also be suspended and resumed at the end of this activity. For the purposes of access and resumption of the right, the end of the



duration of the temporary contract constitutes a legal situation of unemployment. (Article 267(1)(a) TRLGSS 6).

- In this way, a worker who only provides servics on Saturdays and Sundays in a hotel business could receive a benefit from Monday to Friday of each week, until the maximum duration of his entitlement is exhausted. And, after exhaustion, make use of the contributions that it would have been able to make in the successive temporary contracts.
- At the end of the validity of the unemployment benefits derived from ERTE (Temporary Employment Regulation File) by COVID-19 these workers may make use of the contributions they have and have not been consumed by an unemployment benefit they have received.
- As a result, temporary workers are considered to have significant unemployment coverage, and if the person has not generated the right to contributory benefit because his or her contracts have been of very short duration and have not been able to have 360 days paid during the last 6 years, he or she may be covered by unemployment status, with a180-day contribution, if he/she has family charges, or 90 days if he/she has dependants.
- 2. As for workers in the cultural sector, who have many short-term temporary contracts, they have also been protected structurally since 1986, in the terms regulated by Royal Decree 2622/1986 of 24 December, which regulates the unemployment protection of professional football players, trade representatives, artists and bullfighters, integrated into the General Social Security System.
- 3. During the COVID-19 pandemic, exceptional measures have been taken to facilitate access to unemployment benefits, but when these measures are completed, they will continue to have the structural protection they have and mentioned above.
- 4. On the other hand, the only group of employed persons currently excluded from unemployment protection is domestic workers because, due to the peculiarities of the sector, they are excluded from unemployment contributions by article 251 of the General Social Security Act.
  - On the other hand, it is pending that Spain ratifies ILO Convention 189, which would mean that this group would have to have unemployment protection covered.
  - The possible inclusion of this group in unemployment protection would require the amendment of Article 251, as well as the 16th Transitional Provision of the LGSS, which contains special rules for the contribution of domestic workers, in order to make them homologable to those of other employed workers and to ensure adequate proportionality between the loss of income caused by the unemployment situation and the benefit received by this contingency.

#### **II. LESSONS LEARNED FROM THE COVID-19 CRISIS**

During the situation caused by the Covid-19 pandemic, from March 2020 to the present time, and in view of the exceptional circumstances that had never occurred before, a number of measures have been taken to strengthen the protection of various groups of workers particularly affected by



the impossibility of carrying out their activities in the manner in which they have been doing so, as well as persons whose health has been affected by COVID.

The measures taken with regard to self-employed workers are summarised in the following table:

PHASES	STANDARD	EFFECTIVE MEASURE	MEASURED CONTENT
	RDL6/2020	March 2020	Consideration as a situation assimilated to work accidents of isolation and contagion periods by COVID-19.
			It entails higher benefits, freeing workers and companies from the cost
	RDL 8/2020	March - May 2020	ERTE (File of Temporary Employment Regulation) by Force Majeure associated with the COVID. Almost total exemptions for all workers with suspended activity
DAMP	RDL 8/2020	March- June 2020	Special benefit for self-employed persons forced to close down by State of Alarm or with a 75 % drop in turnover (minimum economic benefit of almost EUR 1,000 per month).
	RDL 11/2020	April-June 2020	Liquidity measures. Moratory in Social Quotes for some sectors and deferral at very low cost for all companies and self-employed
	RDL 19/2020, RDL 28/2020 RDL 6/2020	As of April 2020	More protection for health professionals and health care professionals infected by COVID (work accident)
	RDL 18/2020 RDL 24/2020	June- September 2020	<b>ERTE extension</b> with focus on workers reactivation, with greater exonerations for workers activated and suspended
DAMP AND RECOVER	RDL 24/2020	July- September 2020	Harvest support measures for self- employed workers: contribution exemptions, service compatibility with activity and termination benefit for seasonal self-employed persons



	RDL 30/2020	October 2020- January 2021	New ERTE for sectors particularly affected and flexibility in the face of restrictions, with exemptions from the quotation
	RDL 30/2020	October 2020- January 2021	New features for Self-employed with focus on sectors affected by restrictions
ADAPT	RDL 2/2021	February - May 2021	ERTE extension: Maintenance of modalities and exemptions also for activated workers
	RDL 2/2021	February- May 2021	Extension of self-performance:  Maximum flexibility to adapt to the evolution of administrative restrictions
	Act No. 11/2020 (PGE 2021)	January- April 2021	<b>Liquidity measures: Displacements</b> at very low cost for businesses and self-employed
PROTECT AND	RDL 11/2021	May- September 2021	<b>ERTE:</b> Maintenance of protection for sectors with difficulties to return to activity and economic reactivation with incentives to companies that activate workers in ERTE
REACTIVATE	RDL 11/2021	May- September 2021	Self-Employed: continuity of extraordinary benefits in force for those who cannot carry out their activity normally. Support for the reactivation of the activity with exemptions in the quotation.

#### **BENEFITS OF MEASURES**

 $3.8 \ million$  people have acceded to the assimilated consideration as an accident at work due to isolation or contagion by COVID

Up to 3.5 million workers have been protected by ERTE

Up to 1,5 self-employed workers have benefited from cessation of activities benefits

51,000 beneficiaries of moratoriums and quota shifts



 Royal Decree-Law 6/2020, of 10 March, adopting certain urgent measures in the economic field and for the protection of public health.

Purpose of the measure: Exceptional consideration of periods of isolation or contagion of workers as a result of COVID-19 is established as a situation treated as an accident at work.

• Royal Decree-Law 7/2020, of 12 March, adopting urgent measures to respond to the economic impact of COVID-19.

Purpose of the measure: Exceptional consideration is established as a situation treated as an accident at work of periods of isolation or contagion of personnel under the Special Regulations for Civil Servants as a result of COVID-19.

Group to which it is addressed: Civil Servants

• Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to address the economic and social impact of COVID-19.

Purpose of the measure: An extraordinary termination benefit is provided for selfemployed workers, as well as other extraordinary measures for unemployment protection in the event of suspension or reduction of working hours by force majeure or for economic, technical, organisational and production reasons SEPE. In addition, social security contributions are exempted.

Group to which it is addressed: self-employed workers included in the RETA, as well as in the special systems for self-employed workers and self-employed workers included in the Special Seafarers Scheme, in the case of extraordinary termination benefit; employed persons, including permanent, non-continuous and periodic workers, whose activity is repeated on certain dates, in the case of extraordinary measures in the area of unemployment protection, and exemption from contributions.

 Order SND/266/2020 of 19 March establishing certain measures to ensure access to the pharmaceutical benefit of the National Health System to the special social security schemes.

Purpose of the measure: ensure access to the pharmaceutical benefit of the National Health System to certain groups.

Group to which it is addressed: officials included in the special regimes of the General Mutuality of Civil Servants of the State, the Social Institute of the Armed Forces and the General Mutuality of the Judiciary.

 Royal Decree-Law 24/2020, of 26 June, on social measures for the reactivation of employment and the protection of self-employment and the competitiveness of the industrial sector.

Purpose of the measure: It provides for the extension and extension of the extraordinary measures adopted in the field of unemployment protection in Royal Decree-Law 8/2020 of 17 March.

It contains extraordinary measures relating to contributions linked to temporary employment regulations based on the cases referred to in Royal Decree-Law 8/2020 of 17 March.



As support measures for self-employed workers, exemption from the contribution is provided for those who have received the extraordinary termination benefit during the state of alarm and the possibility of access by such workers to the ordinary termination benefit when they have received the extraordinary termination benefit and meet the requirements laid down for this situation.

An extraordinary termination benefit is provided for seasonal workers.

Group to which it is addressed: employed and self-employed.

• Royal Decree-Law 30/2020, of 29 September, social measures in defence of employment.

Purpose of the measure: It provides for the exemption of contributions for companies with temporary employment regulations due to impediment or limitation of activity.

As measures to protect self-employed workers, the extraordinary provision of cessation of activity is regulated for self-employed workers affected by a temporary suspension of all activity as a result of the decision of the competent authority, as a measure of containment of the spread of the SARS-CoV2 virus and for self-employed workers who are unable to cause the right to regular cessation of activity benefit.

The extraordinary termination benefit for seasonal workers is regulated.

It also regulates the right to termination benefit compatible with self-employment and the extension of benefits already caused under Royal Decree-Law 24/2020 of 26 June.

Group to which it is addressed: employed and self-employed.

• Royal Decree-Law 2/2021 of 26 January to strengthen and consolidate social measures in defence of employment.

Purpose of the measure: Extension of cases relating to temporary regulation of force majeure based on cases relating to the pandemic situation and extraordinary measures relating to exemption from contributions until 31 May 2021.

Measures to support self-employed persons: extraordinary termination benefit for self-employed workers affected by a temporary suspension of all activity as a result of the resolution of the competent authority, as a measure to contain the spread of COVID-19; extraordinary termination benefit for self-employed workers who are unable to qualify for ordinary termination benefit; compatibility of the provision of cessation of activity with self-employment; Regulation of the extraordinary termination benefit for seasonal workers; and suspension, on a transitional basis, of the application of the corresponding rate of contribution for occupational contingencies and for the cessation of activity of self-employed workers and in the Special Regime for Seafarers.

Group to which it is addressed: employed and self-employed.

 Royal Decree-Law 11/2021, of May 27, on urgent measures for the defence of employment, economic reactivation and the protection of self-employed workers.

Purpose of the measure: maintenance of measures for the protection of workers and economic reactivation in order to guarantee a sustainable and inclusive economic recovery.



The temporary employment regulation files are extended in the different modalities included in RDL 2/2021, but with a new design of the exemptions to companies, in which a balance is sought between guaranteeing a very high protection for companies with problems and to support the reactivation of the economy, taking into account that there are an increasing number of sectors where the conditions for recovery are being met.

The reactivation of the activity of the self-employed is supported with the introduction of important exemptions in the contribution from June to September. At the same time, its protection is maintained with the extension, until September 30, of economic benefits of an extraordinary nature both for self-employed workers affected by a temporary suspension of all activity as a result of administrative resolution, and for those self-employed who do not may cause the right to the ordinary benefit of cessation of activity and for seasonal workers. The possibility of combining the termination benefit with self-employment continues.

Target group: employed and self-employed workers.

In all these cases, the risk covered is the total or partial reduction in the economic activity of workers. The coverage includes both the worker's salary/revenue and an exemption from the Social Security contribution.

The agencies that implement the benefit by cessation of the activity are the mutual collaborators of the Social Security or, where appropriate, the Social Institute of the Navy. In the case of exemption from contributions, it is the General Treasury of Social Security.

The source of funding comes from an extraordinary State contribution to the Social Security budget. To this end EU SURE funds are applied.

#### Unemployment protection system.

The **Ministry of Labour and Social Economy,** through SEPE, is responsible for dealing with one of the most serious problems that the Coronavirus poses, its **impact on employment and the need to provide social protection** to those who have lost their jobs and those who are affected by an ERTE.

For this reason, since the declaration of a state of alarm for the management of the health crisis situation caused by COVID-19 (Royal Decree 463/2020 of 14 March), given the exceptional circumstances impeding access to employment, measures have been taken to strengthen the protection of various groups, in cases where they are unable to access ordinary unemployment protection, which has remained fully in force:

- Temporary employment regulation dossiers, in order to encourage the maintenance of jobs and to guarantee incomes to the workers concerned during periods of inactivity:
  - Basic regulations:
    - Royal Decree-Law 8/2020 of 17 March; Royal Decree-Law 9/2020 of 27 March; Royal Decree-Law 15/2020, of 21 April; Royal Decree-Law 18/2020 of 12 May; Royal Decree-Law 24/2020, of 26 June; Royal Decree-Law 30/2020, of 29 September; Royal Decree-Law 2/2021. Royal Decree-Law 11/2021, of 27 May.



#### Purpose of the measures:

- Easing the temporary adjustment mechanisms of enterprises in order to avoid redundancies (temporary employment regulation files, ERTE) by force majeure, for the purpose of suspension of contracts or the reduction of working hours, or for economic, technical, organisational or production reasons
- These are two procedures, on the one hand, concerning the authorisation of the ERTE, which is the responsibility of the Labour Authority (Ministry of Labour and Social Economy and Autonomous Communities, depending on its scope), and on the other, the procedure relating to the recognition of unemployment benefits for workers which is the responsibility of the State Public Employment Service, the Autonomous Agency of the Ministry of Labour and Social Economy.

#### o Basic data of the measures:

- Aid to enterprises and workers is maintained for the duration of the ERTE Covid-19. Its duration has been subject to successive extensions, currently in force until 30 September 2021.
- The coverage of workers affected by an ERTE is strengthened, allowing them to have access to the contributory unemployment benefit, even if the minimum period is not paid for it and, until 30 September 2020, these unemployment benefits were not taken into account in order to reduce future unemployment benefits. This measure has been particularly important in protecting all workers and, in particular, those who might have been unprotected as temporary workers, who would have had short-term contracts, who would not have been entitled to such unemployment protection, many of whom may be young.
- The contribution benefit for unemployment shall have the following specialities in respect of the amount and duration:
  - The regulatory basis for the benefit shall be that of computing the average of the bases of the last 180 days paid or, failing that, the shorter period of time, immediately prior to the cessation of the activity, worked under the employment relationship affected by the extraordinary circumstances that have directly led to the suspension of the contract or the reduction of the working day. Workers affected by an ERTE receive an unemployment benefit equivalent to 70 % of their basic social security contribution
  - The duration of the benefit shall be extended until the end of the period of suspension of the employment contract or of temporary reduction of the working day for which it brings cause.
- Companies affected by ERTE are exempted from paying a very large part of the social security contributions of workers to whom an ERTE applies. As a result, they have to maintain employment for at least six months after the resumption of activity.



- In addition to adequate social protection under Royal Decree-Law 30/2020, it is stipulated that workers who are in a situation of suspension of contract or reduction of working hours as a result of a temporary employment regulation file shall be considered as a priority group for access to training initiatives. This provides for adequate access to one of the most important active employment policies, such as training.
- These measures are applied in parallel to the extraordinary termination benefit for self-employed persons (as amended Royal Decree-Law 15/2020), thereby ensuring adequate social protection for this group.
- In this way, the measures taken are essential to support economic recovery and social cohesion.
- Adoption of specific measures to protect permanent **discontinuous workers** who were unable to carry out their activity campaign due to COVID-19.
  - Basic regulations:
    - Royal Decree-Law 8/2020 on extraordinary urgent measures to address the economic and social impact of COVID-19. Royal Decree-Law 15/2020, of 21 April, on additional urgent measures to support the economy and employment. Royal Decree-Law 30/2020, of 29 September, on social measures in defence of employment. Royal Decree-Law 11/2021 of 27 May on urgent measures for the defence of employment, economic recovery and the protection of self-employed workers.

#### Purpose of the measures:

Protect workers with this contractual modality, whose activity is concentrated in certain periods of the year, in cases where the company has not been able to resume the activity on the scheduled date or has been forced to interrupt it prematurely due to the incidence of the COVID-19 pandemic.

#### Basic data of the measures:

- As provided for in Article 25(6) of Royal Decree-Law 8/2020, permanent discontinuous workers who are unable to start the activity on the scheduled date may be incorporated by the undertaking into an ERTE under the terms of the preceding paragraph. Otherwise, they may continue to receive the benefit to which they are entitled.
- Similarly, if the undertaking completes the activity before the originally planned date, workers may have access to the unemployment protection to which they are entitled.
- In the two preceding cases, workers shall be entitled to replenishment of up to 90 days of benefit, in their next legal unemployment situation.
- If they are not entitled to unemployment benefits, they shall be granted an extraordinary benefit of up to 90 days, in an amount identical to that of the last benefit they have received.



Following the entry into force of Royal Decree-Law 30/2020, a new protection measure, consisting of an unemployment benefit similar in content to that regulated for ERTE, is introduced in Article 9 to protect these workers during periods which, under normal conditions, would have been inactive. This measure is established by the fact that these workers have been unable to accumulate the periods of contributions necessary to obtain protection from ordinary unemployment.

#### - Workers with temporary contracts of less than 2 months duration.

- Basic regulation:
  - Royal Decree-Law 11/2020 adopting complementary measures in the social and economic field to deal with COVID-19.
- Purpose of the measures:
  - They shall be entitled to the exceptional unemployment benefit for which a fixed-term contract of at least two months duration would have been terminated, after the entry into force of Royal Decree 463/2020, of 14 March, declaring a state of alarm for the management of the health crisis situation caused by COVID-19; they do not have the necessary contributions to obtain another benefit or allowance if they lack income in accordance with the terms set out in article 275 of the General Law on Social Security.
- Basic data of the measures:
  - This exceptional unemployment benefit shall be incompatible with the receipt of any minimum income, inclusion income, social salary or similar assistance granted by any public administration, as well as any of the unemployment benefits provided for in article 274 of the consolidated text of the General Social Security Act, approved by Royal Legislative Decree 8/2015 of 30 October.
  - The exceptional grant will consist of a monthly grant of 80 per cent of the current monthly Multi-Effect Public Income Indicator.
  - The duration of this exceptional allowance shall be one month, which may be extended if so determined by Royal Decree-Law.

#### - Household employees.

- Basic regulation:
  - Royal Decree-Law 11/2020 adopting complementary measures in the social and economic field to deal with COVID-19.
- Purpose of the measures:
  - The special allowance for non-activity is established for persons included in the Special System for Household Employees (SEEH).



This allowance presents a unique regulation with respect to the rest of unemployment benefits, which is designed to protect a group, mostly of women, who do not pay for unemployment and who, during the state of alarm, lost the chances of carrying out their work.

#### o Basic data of the measures:

- Persons who, being discharged from the Special System of Employees of the Home of the General Social Security System before the entry into force of Royal Decree 463/2020 of 14 March, shall be entitled to an extraordinary allowance for the management of the situation of health crisis caused by the COVID-19, who have ceased to provide services, wholly or partially, on a temporary basis, in order to reduce the risk of contagion, due to causes beyond their control, or in the case of the VOC.
- Amount: percentage of 70 % of the regulatory base
- This extraordinary allowance for non-activity shall be paid for monthly periods, from the date of birth of the right

#### - Artists, bullfighting professionals and technical and auxiliary staff of culture.

#### Basic regulations:

Royal Decree-Law 17/2020, of 5 May, approving measures to support the cultural and tax sector to address the economic and social impact of COVID-19. Royal Decree-Law 32/2020, of 3 November, approving supplementary social measures for unemployment protection and support for the cultural sector. Royal Decree-Law 2/2021 of 26 January to strengthen and consolidate social measures in defence of employment. Royal Decree-Law 11/2021 of 27 May on urgent measures for the defence of employment, economic recovery and the protection of self-employed workers.

#### Purpose of the measures:

Facilitate access to unemployment benefit for these groups, which have been particularly severely affected by the restrictions imposed to minimise the impact of the pandemic.

#### Basic data of the measures

Artists in public performances are permitted exceptionally to have access to the contributory unemployment benefit, attesting to only 20 performances in the year prior to March 14, 2020, since the entry into force of Royal Decree-Law 17/2020. The benefit to which they access has been extended until 30 September 2020 following the entry into force of Royal Decree-Law 11/2021 of 27 May, which also reduces to five the number of proceedings to be accredited for access to the law.



Bullfighters are also allowed, from the entry into force of Royal Decree-Law 32/2020, extraordinary access to the unemployment benefit until 30 September 2021, if they were discharged from the specific census of these professionals on 31 December 2019.

An exceptional allowance is granted for technical and cultural assistants who have accredited 35 working days in these activities, between 1 August 2019 and 5 November 2020.

- Exceptional consideration of certain cases of voluntary cessation as a legal situation of unemployment.
  - Basic regulation:
    - Royal Decree-Law 15/2020, of 21 April, on additional urgent measures to support the economy and employment.
  - o Purpose of the measures:
    - Establish two new legal unemployment situations arising from the situation created by the Covid-19.
  - Basic data of the measures
    - **Terminations** of the employment relationship during the **probationary period** at the request of the company, produced as of March **9**, 2020, shall be considered as a legal situation of unemployment irrespective of the reason for the termination of the previous employment relationship.
    - Workers who had voluntarily resolved their last employment relationship as of March 1, 2020, due to having a firm commitment to sign an employment contract by another company, if that company had withdrawn from it as a result of the crisis resulting from COVID-19. The legal situation of unemployment shall be established by written communication by the company to the worker desisting from the signing of the promised employment contract as a result of the crisis derived from COVID 19.
    - Consequently, their legal unemployment status can be protected through the recognition of the benefit.

The number of persons benefiting from each of these measures, except in the first case, has been reduced, so that fewer people have accessed them than expected. Among the fundamental reasons to be highlighted is the fact that potential beneficiaries accredit sufficient periods of occupation for access to ordinary protection.

Below is a table showing the **breakdown of the various measures taken, other than those resulting from** the **Temporary Employment Regulation Records,** and the number of beneficiaries:



## NEW MEASURES COVID-19 Data as at 31 March 2021

	CONTRIBUTORY BENEFIT OR ALLOWANCE WITH A REPLENISHMENT  RDL 8/2020 AND RDL 15/2020	29.695			
FIXED WORKER BENEFITS	CONTRIBUTION BENEFIT 90 DAYS	9.921			
DISCONTINUOUS	RDL 8/2020 AND RDL 15/2020				
	EXTRAORDINARY CONTRIBUTORY BENEFIT	119.377			
	RDL 30/2020				
BENEFITS FOR TERMINATION OF I	PROBATIONARY EMPLOYMENT	(*)			
RDL 15/2020					
EXCEPTIONAL GRANT FOR THE EN	7.992				
RDL 11/2020		7.332			
	CONTRIBUTORY BENEFIT	373			
BENEFITS AFTER EESC FOR VOLUNTARY LEAVE WITHOUT	RDL 15/2020				
INCORPORATION	NON-CONTRIBUTORY ALLOWANCE	41			
	RDL 15/2020				
COMPATIBILITY OF AGRICULTURA	AL WORK WITH UNEMPLOYMENT BENEFITS	1.548			
RDL 13/2020	1.546				
EXTRAORDINARY ALLOWANCE HO	44.062				
RDL 11/2020					
EXTRAORDINARY ACCESS TO COL ARTISTS	3.133				
RDL 17/2020, RDL 32/2020 AND					
COLLECTIVE ALLOWANCE TECHNIC SECTOR	174				
RDL 32/2020 AND RDL 2/2021					
EXTRAORDINARY ACCESS TO COL BULLFIGHTING	LECTIVE TAX BENEFIT PROFESSIONAL	267			
RDL 32/2020 AND RDL 2/2021					



# SPECIAL BENEFIT FOR EXHAUSTION OF BENEFITS BETWEEN 14/03/2020 AND 30/06/2020 80/06/2020 80/06/2020 AND RDL 35/2020

(\*) It is not possible to provide accurate information on the number of persons who benefited from the measure regulated in Royal Decree-Law 15/2020, since it is not possible to differentiate which persons who were granted unemployment protection by termination of probation did so under this rule, from those who had also agreed to leave voluntarily in the previous three months.

The temporary measures taken during the pandemic, the ERTE protection scheme, have been instrumental in preventing the fall in activity caused by the pandemic from moving to further job destruction. In this way, these measures have been very important in preserving employment since they have prevented more than 550,000 companies and more than 3.6 million workers from losing their jobs, taking into account, moreover, in Spain the significant weight of employment in small and medium-sized enterprises (SMEs), and the importance of sectors that are being particularly affected by the crisis such as tourism and the retail sector, and the high rate of temporary contracts between workers. For this reason, these temporary measures adopted during the pandemic have contributed to the social protection of the most vulnerable groups.

During this period, there has also been the entry into force of **Royal Decree-Law** No. 20/2020 establishing **minimum vital income**, a measure which has been adopted on a structural basis.

This is a benefit aimed at preventing the risk of poverty and social exclusion of people who live alone or are integrated into a living unit and lack basic economic resources to meet their basic needs.

It is configured as a subjective right to an economic benefit, which is part of the protection of social security, and guarantees a minimum level of income for those in a situation of economic vulnerability. It aims to ensure a real improvement in opportunities for social inclusion and employment for beneficiaries.

It operates as a protection network aimed at allowing the transition from exclusion to participation in society, with the long-term unemployed being one of the main target groups. It will provide incentives for employment and inclusion in its design, articulated through different forms of cooperation between administrations.

#### III. POLITICAL OBJECTIVES AND FUTURE ACTIONS TO BE TAKEN.

The second political measure of the Spanish Plan aims to improve the <u>adequacy of social protection</u> for self-employed workers. The aim of this measure is to change the current system of social security contributions for self-employed workers to a scheme based on their actual income. Under the current system, self-employed workers can choose the contribution tranche. This has resulted in a large group of them making contributions according to the lowest tranche and receiving pensions well below their pre-retirement income. This reform, already announced to the public, is in line with the recommendations of the Toledo Pact Commission (Commission to ensure the sustainability and adequacy of the Spanish pension system), and is included in the Recovery, Transformation and Resilience Plan that the Spanish Government has recently sent to the European Commission. The new system is expected to be adopted in Parliament in the second quarter of 2022 (see the timetable set out in the table below), although it may be subject to some change, as details of the new system are currently being negotiated with the social partners.



Measure	Self-account contributions based on actual income
Objective of the measure	Improving the adequacy of social protection
Specific target groups	Self-employed
Covered risk	The full range of risks generally covered by social protection
Expected results	Improvement of comprehensive social protection, especially oldage benefits
Timeline	2nd quarter of 2022: approved by Parliament
Implementing agencies:	Ministry of Inclusion, Social Security and Migration, Tax Agency (Mº Hacienda)

#### Unemployment protection system.

In view of that it is stated in the previous sections, it is considered that the unemployment protection framework in Spain is adequate and sufficient, especially as it is complemented by the Minimum Vital Income, which is why it will continue along this line.

As indicated in the previous paragraphs of this report, unemployment protection provides sufficient coverage for atypical workers who continue to be linked to the labour market, guaranteeing them income in the periods in which they are in a situation of transition between jobs.

The improvement of welfare protection in Spain must therefore put the focus on long-term unemployed and collectives at risk of social exclusion.

In this sense, it is also important to highlight that article 265 of Royal Legislative Decree No. 8/2015 of 30 October, approving the consolidated text of the General Social Security Act, states that the protection of unemployment benefits also includes "specific training, training, guidance, retraining and vocational integration measures for unemployed workers and others aimed at promoting stable employment. All this without prejudice, where appropriate, to the powers of management of active employment policies to be developed by the General Administration of the State or by the corresponding Autonomous Administration, in accordance with the implementing regulations".



For this reason, during the crisis resulting from the pandemic, the conditions for the implementation of Active Employment Policies were relaxed to allow the provision of training during the state of alarm and with the necessary subsequent conditions that were established to preserve people's health. In addition, the regulations set out as a priority group for access to training initiatives of the vocational training system for employment in the workplace, of people who were in a situation of suspension of contract or reduction of working hours as a result of an ERTE (Royal Decree-Law 30/2020 of 29 September, on social measures in defence of employment).

Thus, within the political objectives of Spain is the improvement of the employability of these groups, through active employment policies.

On the other hand, the reform of the level of unemployment protection assistance is being analysed in order to rationalise its configuration and eliminate specific programmes for specific groups, while the duration of structural subsidies will be extended.

At the same time, Vital Minimum Income is being analysed for technical improvement and for the expansion of the number of people who can access it and will become an essential tool for eliminating the risk.

#### IV. WAY FORWARD

Another challenge in social protection systems that has not been addressed in the Council's Recommendations is how to bridge the gap between men and women. Although the reasons for this disparity are closely related to the structural characteristics of labour markets (women's working life is usually shorter and more irregular than for men, there is a gender pay gap), the social safety net can help cushion some particularly harmful consequences, especially for old-age pensions. In Spain, a supplement was recently established and adapted to compensate parents (usually women) for the period of childcare. Adaptation is part of the Spanish Recovery and Resilience Plan.

#### Unemployment protection system.

Having regard to the existing structural social protection measures (LGSS) and the short-term and temporary measures adopted during the pandemic, **Spain is considered** to have a social security system with significant social protection against unemployment, contributory and welfare.

**However**, understanding that there are **ways of improvement**, work will be done on on simplifying **and improving the level of care**. At present, the healthcare level is made up of different types of subsidies. Other forms of protection are added to the main one (unemployment allowance which is linked to the exhaustion of a contributory benefit), that protect specific situations along with ways of dealing with exceptional situations.

The creation of the Minimum Vital Income in 2020 aims to provide a minimum safety net for all citizens in situations of economic and social vulnerability, including the long-term unemployed who have exhausted their contributory and welfare benefits. The full development of the IMV in the coming years will also contribute to the rationalisation of the care level system. The aim would be to integrate into the ordinary exhaustion allowance the extraordinary modalities that have been created at different times (RAI, SED, SACO, SET...). This integration will be carried out in a coordinated manner with the development of the IMV, which includes the increase of its beneficiaries and the development of inclusion pathways.



#### The **purpose** of the measure is

- extending unemployment protection, improving coverage by extending the duration of subsidies and eliminating gaps in the lack of protection in current programmes;
- simplifying the operation of the system, reducing the number of figures to provide clarity, legal certainty and ease of management;
- link this protection with the commitment to follow up and carry out a Personalised Employment Itinerary;
- allowing this benefit to serve as a transition to social protection, where the beneficiary does not return to the labour market and is in a situation of vulnerability.

This is an ambitious and complex reform that will have to be addressed within the framework of social dialogue.

In addition, it **is important** to highlight the improvement of the employability of job seekers who may be receiving an unemployment benefit or allowance or benefiting from the IMV, and work is being done along this line.