

**Disclaimer:** This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case **ES-2020-12/551**

## Exemption from payment of social contributions by companies in case of temporary collective dismissal or use of reduced working time schemes

Factsheet generated on 28 April 2020, 15:25

Country	Spain, applies nationwide
Time period	Open ended, started on 18 March 2020
Type	Legislation or other statutory regulation
Category	Income protection beyond short-time work – Income support for people in employment (e.g. short-time work)
Case created	13 April 2020 (updated 28 April 2020)

### Background Information

In order to help companies to maintain their activities and stay afloat, the government approved in those cases where the company is under a temporary collective dismissal procedure or applies reduced working time schemes, a tax exemption from social security contributions of employees.

This exemption will not have effects for the worker, that will maintain the consideration of this period as effectively worked for all purposes, and therefore all social contributions will be considered as paid.

### Content of measure

In the cases of suspension of contracts and reduction of working hours authorized based on temporary force majeure linked to COVID-19 defined in article 22, the General Treasury of Social Security will exempt the company from the payment of the business contribution provided in article 273.2 of the Consolidated Text of the General Law of Social Security, approved by Royal Legislative Decree 8/2015, of October 30, as well as

the one regarding quotas for joint collection concepts, while the period of suspension of contracts or reduction of authorized working hours based on said cause when the company, on February 29, 2020, had fewer than 50 workers registered with Social Security. If the company had 50 workers or more, registered with Social Security, the exemption from the obligation to contribute will reach 75% of the business contribution.

## Use of measure

At the moment, there is no estimate as to the total number of companies / workers affected by temporary collective dismissals procedures or reduced working time procedures

## Actors, target groups and funding

Actors	Target groups	Funding
National government Company / Companies Social insurance	All companies	National funds

## Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

Social partners were consulted before the approval of the Royal Decree on this particular measure

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 18 March 2020: Royal Decree-Law 8/2020, of March 17, on extraordinary and urgent measures to face the economic and social impact of COVID-19. ([www.boe.es](http://www.boe.es))