

## **UNIT 3**

### **WORKING TIME AND SALARY**

# 1

# WORKING TIME AND WORK TIMETABLE NIGHT WORK AND SHIFT WORK

## WORKING TIME

Working time is the period while the worker is working at the employer's disposal and carrying out their tasks and duties, in accordance with the Spanish national legislation.

Standard working hours refers to the legislation to limit the working hours per day (working day), per week (working week) or per year (working year).

The maximum weekly working time is 40 hours on average throughout the year (working week).

That is to say, the average will be calculated dividing the number of annual working hours by the number of working weeks of the year.

$$\text{WORKING HOURS LEGAL RATE} = \frac{\text{NUMBER OF ANNUAL WORKING HOURS}}{\text{NUMBER OF WORKING WEEKS OF THE YEAR}} \leq 40 \text{ hours}$$

The distribution of the working hours can be:

- **irregular**

There are weeks in which the working hours are longer than 40 hours per week, and others with fewer hours per week. The average in annual terms must be 40 hours or less than 40 hours. The distribution of the irregular working hours must be agreed upon in a collective agreement or in an employment contract

- **Regular**

The working hours are the same every week. This cannot exceed 9 hours a day (8 hours for workers under eighteen years of age).

When an employee works 8 or 9 hours a day (working day) we say they have a **full-time job**.

If the worker works less than 8 or 9 hours a day we say they have a **part-time job**.

Special working hours are stated by law. It makes reference to economic sectors in which the working time is:

- **Longer** than the minimum (overtime extension of working hours), such as hotel and catering, shops, security guards, work at sea, agriculture...

- **Shorter** than the average, (low working times) such as working in cold rooms, working inside mines, work exposed to environmental hazards...

## Video: Working time in USA

<https://www.youtube.com/watch?v=P67UNYUop0M>

Every worker is entitled to:

- A minimum **daily rest** period of 12 consecutive hours within a 24 hour period.
- A **rest break** no less than 15 minutes, where the continuous working day is longer than six hours. Workers under 18 years of age are entitled to at least half an hour break when the continuous working day exceeds 4 and a half hours.  
Breaks during a continuous working day are not considered working time; therefore they will not be paid, except if the collective agreement or the work contract states they will be already paid.
- A minimum uninterrupted **weekly rest time** of one and a half interrupted days (2 days for workers under eighteen years of age). It is generally Sunday, and Saturday evening or Monday morning.

It is possible to work 2 weeks (14 days), working 11 days and 3 days of rest.

## WORK TIMETABLE OR WORK SCHEDULE

Do not confuse working time with work timetable.

**Work timetable** or **work schedule** refers to the distribution of the working hours, the moment work starts, the rest breaks and the end of work.

A worker may have:

- |                                      |   |
|--------------------------------------|---|
| <b>SET OR RIGID</b><br>work schedule | The employee has to enter and leave his/her job according to a fixed time.  |
| <b>FLEXIBLE</b><br>work schedule     | A flexible schedule allows the employer and the employee to agree upon a time to start and leave work depending on the needs of the worker. For example, it could be agreed that the worker starts work between 8 a.m. and 9 a.m. and may leave work between 5 p.m. and 6 p.m. Having flexible options allows the worker to keep a balance between their personal and family life, and the responsibilities of their job. |

The work timetable or schedule can be:

- |                 |  |
|-----------------|--|
| <b>STRAIGHT</b> | e.g. from 7 a.m. to 4 p.m. with a break of no more than one hour.                      |
| <b>SPLIT</b>    | e.g. from 8 a.m. to 1 p.m. and from 4 p.m. to 7 p.m. with, at least, a one hour break. |

## NIGHT WORK

The work is carried out between 22:00 and 6:00 hours (night period).

- A night worker works part of their working day (no less than 3 hours) during the night period or at least 1/3 of the annual working hours in night periods.
- Night workers will receive a night rate, agreed in the collective agreement, except when the salary is specifically stated to reward night shifts or when the night work hours are compensated with rest periods.

- Workers under 18 years of age are not permitted to do night work.
- Night workers **cannot do overtime** (except for circumstances out of our control).
- Working day will not be more than 8 hours per day on average, fortnightly calculated.

## EXAMPLE



A company employs a worker for one year to work from 18 hours to 1 hour in the morning.

- a. Is this worker a night worker?
- b. What are the protective measures for a night worker?

**Solution:**

- a. Yes, he is, because the worker does his job more than 3 hours between 22 hours and 6 hours in the morning.
- b. The worker cannot do overtime and the working day will not be more than 8 hours on average, fortnightly calculated.

Furthermore, if the worker has health problems and there is a vacant position during the day he/she has to be transferred to that position.

## SHIFT WORK

This is performed in different hours in a period of days or weeks (hospitals, the State Meteorology Agency, hospitality...).

- Shift workers will receive a specific payment.
- When the productive process lasts 24 hours, no worker will be on a night shift more than 2 weeks consecutively, unless they voluntarily ask for it.
- Workers, who are studying to get a professional or academic diploma, will have priority to choose their work shift.

## 2

## OVERTIME

It is quite often that the boss asks you to work another hour after finishing your working day. In this case we are talking about overtime.

Overtime includes all hours which exceed the working day that is set in the work contract or in the collective agreement.

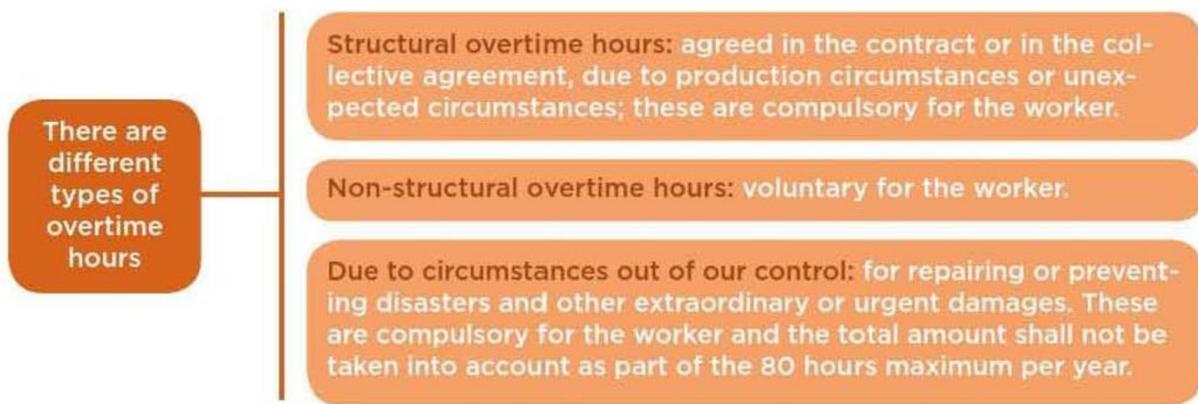
By means of the collective agreement or the contract, overtime will be paid according to the stated rate (which cannot be less than an ordinary hourly rate) or will be compensated

### Video: Sleep Deprivation – Shift Work & Long Work Hours Put Nurses at Risk

<https://www.cdc.gov/niosh/topics/workschedules/default.html>

with equivalent periods of rest. Failing an agreement, it will be **compensated within the 4 months following the overtime work**.

The law states the employee can work a **maximum of 80 hours overtime per year**. People under 18 years old are not allowed to work overtime.



## 3) WORKING CALENDAR DAYS AND REST DAYS

Working calendar or work schedule is drawn up by the employer after consulting with the workers' representatives. Bank holidays must appear according to the annual regulation of the Employment and Social Security Ministry, and according to the regulations of the Autonomous Communities.

The work schedule must be in full view of everyone in the company and, apart from holidays, it must contain the working hours, working days, shifts, rest periods and bank holidays.

There are **twelve bank holidays** and **two local holidays** per year.

In these periods of time the worker's obligation to work stops but not the employer's obligation to pay.

The Government approves them annually.  
The Autonomous Communities can substitute eight of them according to their tradition.

- Festivities laid down by the Workers' Statute: stated on New Year's Day, the first May and Christmas Day (December the 25<sup>th</sup>)
- Civic festivities are: 12<sup>th</sup> October, 6<sup>th</sup> December. These are compulsory.
- Feasts with a religious character (agreed with the Vatican):
  - 6<sup>th</sup> January
  - 19<sup>th</sup> March, (San José) or, 25<sup>th</sup> July (Santiago Apostol)
  - 15<sup>th</sup> August
  - 1<sup>st</sup> November
  - 8<sup>th</sup> December
  - Holy Thursday
  - Good Friday

### Average Working Hours (Statistical Data 2020)

<https://clockify.me/working-hours>

Each Autonomous Community can substitute the 19<sup>th</sup> March, 25<sup>th</sup> July and Holy Thursday, with other traditional festivities.

The Government and the Autonomous Community can change a bank holiday celebrated during the week to the following Monday.

**Annual holidays** are at least 30 calendar days, or a number of days proportionate to the worked period.

They cannot be substituted by any payment. There are two exceptions to this rule:

A

When the worker leaves the company without taken the proportional days of holiday. In this case, the employer will pay the corresponding days.

B

When the contract duration is less than a year and the worker does not take the proportional days of holiday.

The moment of taking holidays will be stated in the collective agreement.

Workers will be informed about the dates of their annual holidays at least 2 months in advance. Holidays must be taken within the calendar year.

Claims against holiday dates must be made in the labour court. In this specific case it is not possible to appeal against the judicial decision.

## 4

## LEAVE

The worker will have the right to leave work while still getting paid in the following situations:

- **Marriage** or registered unmarried cohabiting partner: 15 calendar days.
- **Birth of a child, bereavement, injury or serious illness, hospitalization...:** 2 days, 4 days if travel is required.
- **Change of habitual residence:** 1 day.
- To fulfill an inexcusable **public and personal duty (jury service, witness in a court of law...):** the amount of time needed to fulfill the duty.
- **Prenatal care:** the time required (the time that is absolutely necessary).
- To fulfill obligations related to **representation of personnel:** according to the collective agreement (CA).
- To do **official exams** to pursue an academic or professional diploma: the time required (the time that is absolutely necessary).
- Workers with one year seniority in the company: 20 hours' time off per year for **professional training** related to the position (accumulated up to 3 years).
- **Displacement of the worker:** 4 days of paid holiday every three months.
- **Notice for objective dismissal:** 6 hours per week to find a job.

The worker has to give notice to the company and they have to justify the time taken off work.

### Video: Holidays in UK

<https://www.youtube.com/watch?v=3hbhVcl48q4>

# 5

## REDUCTION OF WORKING HOURS

According to law the worker can apply for a reduction of working hours with proportional reduction of salary in the following situations:

A

**Reductions of at least 1/8 and a maximum of 1/2 of the working hours for:**

- **Legal guardianship of a minor up to 12 years**
- **Being in charge of marital or blood family members** up to second degree of disabled kinship (physically or psychologically), if they do not work.
- **Workers who have a minor patients, with cancer or with serious illness** that need long term medical hospital care (minimum: 1/2 of the working hours).

B

**Breastfeeding**, less than 9 months. Workers are allowed to leave work for one hour, distributed over two periods of half an hour within the working day, or the working day can be reduced by half an hour. To do one thing or the other is up to the worker.

C

**Victims of domestic violence** may ask for a reduction in their hours, with a proportional deduction of salary, or either ask for flexible work hours.

D

The company can reduce the working day between 10% and 70% due to **economic, technical, organisational and/or production reasons**. The worker will be on the dole for the part of the reduced working day. It is Known as "Working Day Reduction Employment Regulation Plan" (Expediente de Regulación de Empleo - ERE por Reducción de Jornada).

### EXAMPLE



John and Mary have a 4 year old son and Mary has given birth to twins. When paternity and maternity leave is finished the parents decide to balance between working life and family life, reducing 2 hours in their 8 hour working day and add the time for breastfeeding to increase maternity leave.

The companies where they work tell them that the two of them cannot ask for a reduction of the working day and that it is not possible to add the time for breastfeeding to increase maternity leave.

Are both companies right?

**Solution:**

No, they are not right because they both can ask for a reduction of at least 1/8 and a maximum of 1/2 of the working day for taking care of children under 12 years old. Regarding to adding the time for breastfeeding to increase maternity leave, they must refer to the collective agreement.

**Video: Flexible Working and Your Right to Request (UK)**

[https://www.youtube.com/watch?v=pFsFnASzfFE&feature=emb\\_logo](https://www.youtube.com/watch?v=pFsFnASzfFE&feature=emb_logo)

## 6 SALARY

Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed.

Salary can be on an hourly, daily, weekly, monthly, or yearly basis. Salary may also include overtime pay, bonuses, and commissions.

Depending on the means of payment, the employee's remuneration may be:

- **In cash** (cheques, bank transfer, money).
- **Perks** (lodging, car, private medical care...) or in rest time, computable as job performance.  
Perks cannot, by no means, be higher than 30% of the total salary payments.  
Payments in cash must be no less than the national minimum wage.

## 7 NATIONAL MINIMUM WAGE SALARIO MÍNIMO INTERPROFESIONAL (SMI)

The National Minimum Wage is the minimum pay per week (40 hours per week), per day or per year, all workers are entitled to by law.

When the working day is less than 40 hours/week, the SMI will be proportional to the amount of hours.

The rates are usually updated based on the cost of living and inflation every December by the government and they are related to fourteen payments.

The national minimum wage rates for 2015 are set at € 21.62 per day or € 648.60 per month, and never less than € 9,080.40 per year, including 12 monthly and 2 extra monthly payments ( $648.60 \times 14$  months). It must be fully paid in cash not in perks.

The national minimum wage can be improved by means of the collective agreement and the work contracts.

The SMI is used by the government as a reference to fix:

- The salary of the "Work experience contract".
- The guarantee of the salary.
- The limits of the responsibility of the Wage Guarantee Fund (FOGASA).
- The unemployment benefit.
- The minimum Social Security payments.

In general, the SMI is used as a reference in labour matters.

Italy, Finland, Austria, Denmark, Sweden and Cyprus do not have a national minimum wage.

### Video: The minimum wage in a minute

<https://www.youtube.com/watch?v=ZvuujSUYamc>

## 8

## PUBLIC INCOME INDEX / INDICADOR PÚBLICO DE RENTA DE EFECTOS MÚLTIPLES (IPREM)

The IPREM was created in 2004 as a wage indicator or reference aimed at assisting in the determination of amounts of certain benefits or in accessing certain benefits or public services (grants, access to social housing...).

The IPREM for 2015 is set at € 17.75 per day or € 532.51 per month and, € 6,390.13 per year (12 pay wages) or € 7,455.14 (including 12 monthly and 2 extra payroll payments).

Like the SMI it is annually fixed by the government.

## 9

## SALARY GUARANTEES

Law protects the weakest party (the employee) of the labour relationship.

- If the employer does not pay the employee on time, the employee is entitled to ask for an interest rate of 10% per year of the salary, which is called "in arrears".
- In case of the employer bankruptcy or stoppage of payment, workers have priority to be paid, within certain limits.
- The national minimum wage cannot be seized to pay workers debts; the exception is the lack of payment of family support (children's allowance).

2015	SEIZED SALARY	REMAINED EMPLOYEE'S SALARY
Up to the 1 <sup>st</sup> Minimum Wage (MW)	<b>0%</b> of the 1 <sup>st</sup> MW € 648.60 = 0	€ 648.60
From the 1 <sup>st</sup> to the 2 <sup>nd</sup> MW	<b>30%</b> 648.60 = 194.58	648.60 - 194.58 = 454.02
From the 2 <sup>nd</sup> to the 3 <sup>rd</sup> MW	<b>50%</b> 648.60 = 324.30	648.60 - 324.30 = 324.30
From the 3 <sup>rd</sup> to the 4 <sup>th</sup> MW	<b>60%</b> 648.60 = 389.16	648.60 - 389.16 = 259.44
From the 4 <sup>th</sup> to the 5 <sup>th</sup> MW	<b>75%</b> 648.60 = 486.45	648.60 - 486.45 = 162.15
Up from the 5 <sup>th</sup> MW	<b>90%</b> 648.60 = 583.74	648.60 - 583.74 = 64.86
<b>TOTAL</b>		

## EXAMPLE



Peter owes 500 euro and has not paid his debts, so he is being sued in court. The sentence states that his salary will be seized according to the limits stated by law. His salary is € 1,500 a month. What is the amount of money that will be seized?

**Solution:**

	SEIZED SALARY	REMAINED EMPLOYEE'S SALARY
Up to the 1 <sup>st</sup> Minimum Wage (MW)	0% of the 1 <sup>st</sup> MW € 648.60 = € 0	<b>€ 648.60</b>
From the 1 <sup>st</sup> to the 2 <sup>nd</sup> MW	<b>30%</b> 648.60 = € 194.58	648.60 - 194.58 = <b>€ 454.02</b>
From the 2 <sup>nd</sup> to the 3 <sup>rd</sup> MW	<b>50%</b> 202.80 = € 101.40	<b>€ 101.40</b>
From the 3 <sup>rd</sup> to the 4 <sup>th</sup> MW	<b>60%</b>	
From the 4 <sup>th</sup> to the 5 <sup>th</sup> MW	<b>75%</b>	
Up from the 5 <sup>th</sup> MW	<b>90%</b>	
<b>TOTAL</b>	<b>€ 295.98</b>	<b>€ 1,204.02</b>

During the 1st month Peter will not finish paying his debt and he will still owe 500 - 295.98 = 204.02 euros. The following month all his debt will be paid.

## 10

## WAGE GUARANTEE FUND FONDO DE GARANTÍA SALARIAL (FOGASA)

The FOGASA is an autonomous organism of the Employment and Social Security Ministry.

Its aim is to guarantee **part of** the workers' salaries and compensations owed by the employer.

In case of insolvency or bankruptcy proceedings (the employer cannot meet his debts) the FOGASA will pay:

- **Non paid salaries:** the maximum amount to be paid by FOGASA is the **double of the**

**daily national minimum wage**, with the apportionment of the extra salary payments, multiplied by the number of days in accrued, and no more than **120 days**.

- **Compensation payments:** it is the same as for salaries, but the maximum is **30 days per year for unfair dismissal** and **20 days per year for fair dismissal**, and no more than **360 days**.

In case of employment regulation plans (ERE), the labour authority, in events of force majeure, is able to decide that all or a part of the compensation will be paid by the FOGASA without prejudice to its right of recovery from the company.

## EXAMPLE



Susan and Philip have been made redundant because the company they are working for has become bankrupt. The company owes them 5 months' salary and a severance pay of 20 days for each year worked in the company. Their salary was € 1,200 a month (€ 40 a day) and they have been working in the company for 5 years. When the company was sold they had only been paid one month's salary.

What is the amount of money they can claim from FOGASA?

- Related to the non-paid salaries: maximum 120 days of salary (max: minimum wage (SMI) x 2 extra monthly payments included)

Maximum day salary:  $2 \times (648.60 \times 14 \text{ monthly payment} / 360)$

$$2 \times (25.22) = € 50.44 \text{ maximum}$$

As the company owes them 120 days of salary (salary days) and their day salary (€ 40) is less than the maximum (€ 50.44), each one will receive:

$$120 \text{ days} \times € 40 \text{ per day} = € 4,800$$

- Related to the severance pay: maximum 360 days of salary (max: minimum wage (SMI) x 2 extra monthly payments included) = € 50.10 per day

As the company owes them 20 days per year worked (maximum 30 days per year worked and no more than 360 salary days) x 5 years in the company = 100 salary days of severance pay, they will receive:

$$100 \text{ days} \times € 40 \text{ per day} = € 4,000$$

### Video: New York City Workers' Bill of Rights (working time and salary)

[https://www.youtube.com/watch?v=WA0JpyQjQcl&feature=emb\\_logo](https://www.youtube.com/watch?v=WA0JpyQjQcl&feature=emb_logo)

# 1

## PAYSLIP: CONCEPT



The payslip is the salary receipt.

It's filled out by the employer and then a copy is given to the employee.

### PAYSLIP

- There is a standard payslip template.
  - Other templates accepted:
    - collective agreement
    - worker representation and the employer
- Condition: all items should appear separately and be made clear.*
- It's filled out monthly
  - When employee receives their payment before finishing the month it is call "Advance on salary".

# 2

## STRUCTURE OF THE PAYSLIP

The payslip is divided into three different parts:

### FIRST PART

This identifies the company and the employee.

### MIDDLE PART

This shows the earnings and deductions.

### LAST PART

This shows the definition of the base rate, from which the contribution to Social Security and Income Tax withheld are calculated.

**RECIBO INDIVIDUAL JUSTIFICATIVO DEL PAGO DE SALARIOS**

Empresa:
Domicilio:
NIF:
CCC:

Trabajador:
NIF:
Núm. Afil. Seguridad Social:
Grupo profesional:
Grupo de Cotización:

Periodo de liquidación: del ..... de ..... al ..... de ..... de 20....	Total días <input type="checkbox"/>
<b>I. DEVENGOS</b>	
1. Percepciones salariales	IMPORTE
Salario base .....	.....
Complementos salariales ..... ..... .....	..... ..... .....
Horas extraordinarias .....	.....
Horas complementarias (contratos a tiempo parcial).....	.....
Gratificaciones extraordinarias.....	.....
Salario en especie.....	.....
2. Percepciones no salariales	.....
Indemnizaciones o suplidos .....	.....
Prestaciones e indemnizaciones de la Seguridad Social .....	.....
Indemnizaciones por traslados, suspensiones o despidos .....	.....
Otras percepciones no salariales .....	.....
<b>A. TOTAL DEVENGADO</b> .....	.....
<b>I. DEDUCCIONES</b>	
1. Aportación del trabajador a las cotizaciones a la Seguridad Social y conceptos de recaudación conjunta	%
Contingencias comunes .....	.....
Desempleo.....	.....
Formación Profesional.....	.....
Horas extraordinarias.....	.....
<b>TOTAL APORTACIONES</b> .....	.....
2. Impuesto sobre la renta de las personas físicas.....	.....
3. Anticipos.....	.....
4. Valor de los productos recibidos en especie .....	.....
5. Otras deducciones.....	.....
<b>B. TOTAL A DEDUCIR</b> .....	.....
<b>LÍQUIDO TOTAL A PERCIBIR (A - B)</b> .....	..... de ..... de 20....
Firma y sello de la empresa	RECIBÍ

<b>DETERMINACIÓN DE LAS BASES DE COTIZACIÓN A LA SEGURIDAD SOCIAL Y CONCEPTOS DE RECAUDACIÓN CONJUNTA Y DE LA BASE SUJETA A RETENCIÓN DEL IRPF Y APORTACIÓN DE LA EMPRESA</b>			
<b>CONCEPTO</b>	<b>BASE</b>	<b>TIPO</b>	<b>APORTACIÓN EMPRESA</b>
1. Contingencias comunes Importe remuneración mensual.....	.....		
Importe prorrata pagas extraordinarias.....	.....	TOTAL.....	.....
AT y EP.....	.....		
2. Contingencias profesionales y conceptos de recaudación conjunta.....	Desempleo.....	Formación Profesional.....	.....
		Fondo Garantía Salarial.....	.....
3. Cotización adicional horas extraordinarias.....	.....		
4. Base sujeta a retención del IRPF .....	.....		

**SPANISH PAYSILP TEMPLATE**

Employer/Company: Address: Tax code: Social Security number:	Employee: Tax code: Social Security registration number: Occupational classification: Contribution group:																																																			
Period covered: From the _____ to the _____ 20XX    Total days <input type="text"/>																																																				
<b>I. INCOME</b> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: right;">AMOUNT</th> <th style="width: 15%; text-align: right;">TOTAL AMOUNT</th> </tr> </thead> <tbody> <tr> <td>1. Salary income</td> <td colspan="2"></td> </tr> <tr> <td>    Basic salary</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Additional payments</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    -----</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    -----</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Overtime out of our control</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Structural / non-structural overtime pay</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Additional hours (part-time contracts)</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Annual bonuses</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Perks</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>2. Non-salary payments</td> <td colspan="2"></td> </tr> <tr> <td>    Compensations</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Benefits from the Social Security</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Redundancy, transfer or suspension allowances</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td>    Other non-salary payments</td> <td style="text-align: right;">-----</td> <td></td> </tr> <tr> <td align="right" style="padding-right: 20px;">A. GROSS PAY</td> <td colspan="2" style="text-align: right;">-----</td> </tr> </tbody> </table>			AMOUNT	TOTAL AMOUNT	1. Salary income			Basic salary	-----		Additional payments	-----		-----	-----		-----	-----		Overtime out of our control	-----		Structural / non-structural overtime pay	-----		Additional hours (part-time contracts)	-----		Annual bonuses	-----		Perks	-----		2. Non-salary payments			Compensations	-----		Benefits from the Social Security	-----		Redundancy, transfer or suspension allowances	-----		Other non-salary payments	-----		A. GROSS PAY	-----	
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CALCULATION OF SOCIAL SECURITY CONTRIBUTION BASES AND COMBINED COLLECTIVES, AND WITHHELD TAX BASE

CONCEPT	BASE	RATE	COMPANY CONTRIBUTION
<b>1. Common contingencies</b>			
Monthly payments	-----		
Extra monthly payments pro rata	-----		
TOTAL	-----	-----	-----
<b>2. Professional contingencies and combined collectives</b>			
Work-related accident and occupational illness			
Unemployment			
Occupational training			
Wage Found Guarantee			
1. Overtime	-----	-----	-----
2. Income tax withheld	-----		

## FIRST PART OF THE PAYSPLIT

### On the left hand side

#### COMPANY INFORMATION:

- Employer
- Address
- Company ID (Tax code)
- Social security number (national insurance)

### On the right hand side

#### EMPLOYEE INFORMATION:

- Employee's name
- Employee ID (Tax code)  
**Employee registration number:** this is the number assigned to the employee in the company employee register. All companies must maintain an employee register.
- Social Security number
- Professional degree or occupational classification: the classifications or categories are defined taking into account the functions of the position and the skills acquired by the worker.
- Contribution group (Pay grade): this comes from eleven groups within the professional degree for the employee and establishes the minimum and the maximum base to be used when calculating deductions.

## MIDDLE PART OF THE PAYSPLIT

Period covered

Total days worked:

- Monthly salary: 30 days (360 days per year).
- Daily wage: the exact number of days worked in the month (28, 29, 30, 31).

## 2.1 SALARY INCOME: PAYMENTS THAT REWARDS WORK

### SALARY INCOME

+ **Basic salary:** it's fixed and its amount depends on the professional category (contract of employment and/or collective agreement).

+ **Additional payments:**

#### Personal perquisites:

- seniority
- languages
- courses

#### Performance:

- performance-related pay
- punctuality
- attendance

#### Work characteristics:

- |               |                    |
|---------------|--------------------|
| • hard work   | • work at altitude |
| • toxicity    | • work at night    |
| • danger work |                    |
| • shift work  |                    |

## SALARY INCOME

- + Overtime out of our control
- + Structural overtime
- + Non-structural overtime
- + Annual bonuses (extra monthly payments): These are at least two, one of them at Christmas and the other is normally in the summer.
- + Benefit bonus
- + Perks: rent a house, car, health insurance, etc.

## 2.2 NON-SALARY PAYMENTS: TO COVER COMPANY COSTS

## NON-SALARY INCOME

### + Compensations

Payments to compensate expenses as:

- transport expenses
- travelling expenses
- transport and distance bonus
- indemnities for worn-out tools
- indemnities for work-clothes
- cashing up unbalanced accounts

### + Benefits from the Social Security

- Temporary impairment (common or occupational illness, accident)
- Maternity
- Paternity
- Partially employed

### + Redundancy, transfer or suspension allowances

### + Other non-salary payments:

- Additional payments made by the company in addition to the standard payments of the SS
- Christmas hampers
- Perks granted voluntarily by the company

## SALARY INCOME



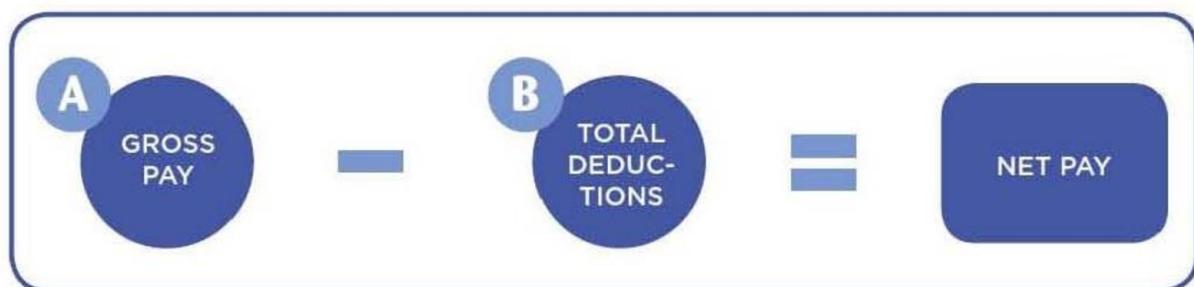
## NON-SALARY PAYMENTS



A

## GROSS PAY

## 2.3 DEDUCTIONS



### LAST PART OF THE PAYLIST

Calculation of social security contribution bases and income tax base withheld

1

Common contingencies contribution base

Monthly payments + Extra monthly payments pro rata

2

Professional contingencies contribution base

**3**

### Overtime contribution base

**4**

### Income tax base withheld

## 2.4 CONTRIBUTION BASES FOR SOCIAL SECURITY AND FOR INCOME TAX WITHHELD

All salary income and most of the non-salary payments are taken into account while calculating the contributions to the Social Security.

In the following chart it shows the non-salary concepts that are exempt from contributing to the Social Security system within certain limits (the excess of these limits will be included).

**NON-SALARY PAYMENTS LIMITS (2015)**

	with invoice	the total amount
Transport expenses	without invoice	€ 0.19 per km
Travelling expenses	food expenses	maximum € 53.34 per day minimum € 26.67 per day
	hotel expenses	according to the tax income regulations
Redundancy allowances	the legal amount for unfair dismissal according to the Workers' Statute	
Death, transfer and suspension allowances	the legal amount according to the collective agreement	
Benefits or payments from the Social Security	the legal sum of money	

1

### Common contingencies contribution base

#### Common contingencies contribution base (monthly salary, groups 1 to 7)

$$\text{Salary income of that month} - \text{Overtime pay} + \text{Non-salary payments} = \text{Monthly payments}$$



$$\text{The extra monthly payments per year} \div 12 \text{ months} = \text{Extra monthly payments pro rata}$$



**TOTAL AMOUNT** (see limits in the contribution bases table)

#### Common contingencies contribution base (daily wage, groups 8 to 11)

Daily wage



$$\text{The extra monthly payments per year} \div 365 \text{ days} = \text{Extra monthly payments pro rata}$$



**DAILY AMOUNT** (see limits in the contribution bases table)

**TOTAL AMOUNT** = Daily amount x number of days of that month

**2**

## Professional contingencies contribution base

**Common contingencies contribution base** + **Overtime pay** = **TOTAL AMOUNT (see contribution bases table)**

PROFESSIONAL SICKNESS AND ACCIDENTS WITHIN WORK CONTRIBUTION BASES LIMITS (2015)	Minimum base	Maximum base
	€ 756.60	€ 3,606.00

**3**

## Overtime contribution base

Total overtime payments ("due to circumstances out of our control" and "structural" and "non-structural" overtime).

**4**

## Income tax base withheld

The calculation of this takes into account all the employee's income except:

- ✖ Redundancy payments (except for structural temporary contracts), relocation or suspension allowances (within the legal limits).
- ✖ Transport expenses (within legal limits)
- ✖ Social Security benefits (within the legal limits)
- ✖ Travelling expenses (within legal limits)

CONTRIBUTION RATES (%)			
CONTINGENCIES	Company	Worker	Total
<b>Common Contingencies</b>	23.60	4.70	28.30
<b>Overtime out of our control</b>	12.00	2.00	14.00
<b>Other Overtime</b>	23.60	4.70	28.30

CONTRIBUTION RATES (%)			
UNEMPLOYMENT	Company	Worker	Total
General Rate	5.50	1.55	7.05
Temporary contract	6.70	1.60	8.30
<b>WAGE GUARANTEE FUND (FOGASA)</b>	0.20		0.20
<b>OCCUPATIONAL TRAINING</b>	0.60	0.10	0.70

In addition, **the employer** has to pay for IT (Temporal Incapacity) & IMS (Disability, Death and Survival) rates, which are based on the CNAE code (Economic Activity Code) of the employer or the occupation code of the employee.