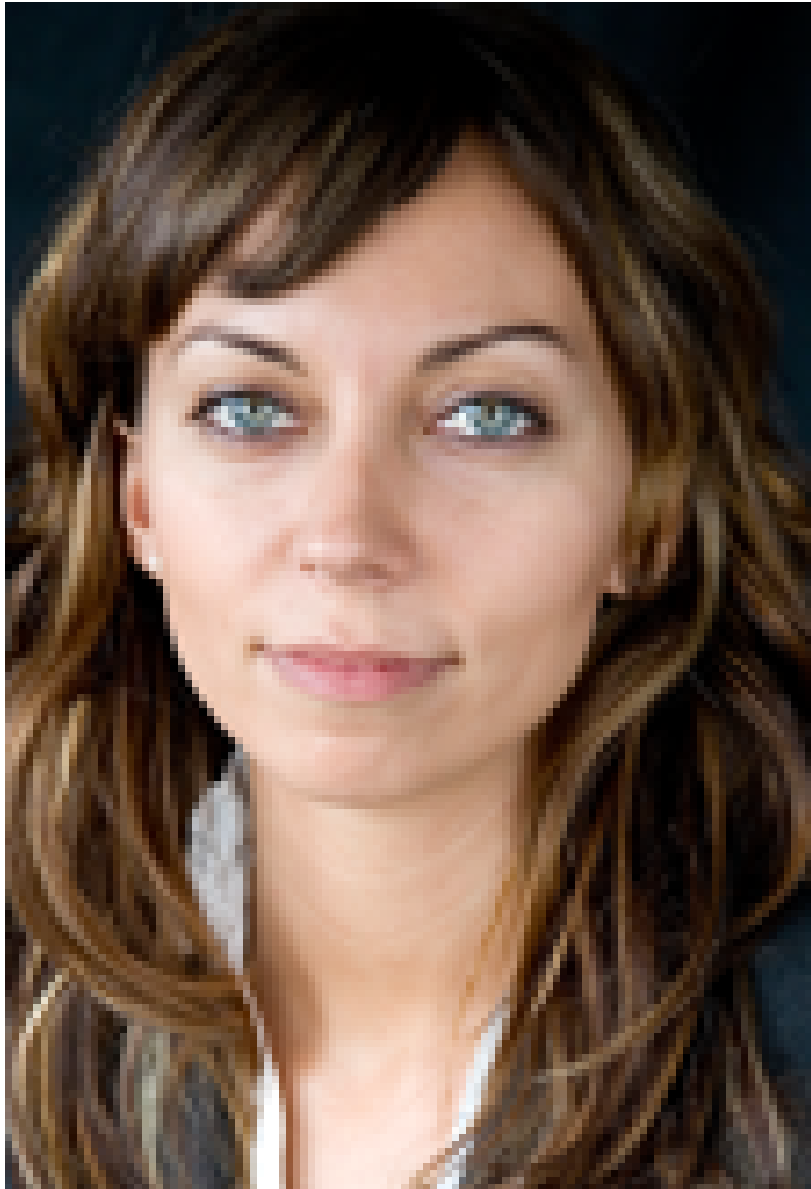


NEW FLAT CONTRIBUTION RATE FOR BUSINESS FEES FOR INDEFINITE CONTRACTS - RIVERO & GUSTAFSON

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A flat rate for business fees relating to indefinite contracts has been established by Royal Legislative Decree 3/2014 of February 28, which aims to promote employment and indefinite hiring. The decree was published in the Official State Gazette on 1 March, and becomes effective

from 2 March, 2014.

The decree reduces business fees for common contingencies of workers hired in writing for an indefinite time. The flat fees are: €100 Euros monthly in relation to a full-time contract; €75 monthly in relation to a part-time contract with a working day equivalent to at least 75 per cent of that of a full-time worker; €50 monthly in the case of a part-time contract with a working day equivalent to at least 50% of that of a full-time worker.

Therefore, the following are not affected by the reduction: the contribution in the case of temporary contracts; the contribution in the case of non-written indefinite contracts; the worker contribution in the case of common contingencies; the owner and worker contribution in the case of professional contingencies; the owner and worker contribution in the case of unemployment contingency; the owner and worker contribution in the case of professional training; the business contribution to the Salary Guarantee Fund; the contribution for supplementary hours (of any type) in part time contracts.

The reductions apply solely to contracts executed between 25 February, 2014 and 31 December 2014. Thus, the measure has a temporary duration although it is applied retroactively to contracts signed five days prior to the date of effectiveness of the Royal Decree-Law, that is to say between 25 February and 2 March .

The reduction shall have a duration of 24 months calculated from the "effective date of the contract". Once the 24 month period has ended, during the following twelve months, companies that have at least 10 workers at the moment of the execution of the agreement shall have the right to a reduction equivalent to 50% of the business contribution to common contingency contribution for said employer. When the enrollment and un-enrollment dates in the corresponding Social Security Regime do not coincide with the first or the last day of the natural month, the amount of the business contribution shall be reduced in a manner proportional to the number of days enrolled in that month. In conclusion, the reduction of the fee shall last a maximum of two years except for the additional reduction for companies with fewer than 10 workers.

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