

NEWSLETTER II / March 2019

Royal Decree Law 8/2019, of March 8, on social protection urgent measures and fight against precarious terms of employment on working time.

The past 12th of March 2019, the “Royal Decree Law 8/2019 of March 8, on social protection urgent measures and fight against precarious terms of employment on working time” was published on the Spanish Official Gazette.

The most significant novelties are summarized below:

1. PERMANENT EMPLOYMENT PROMOTION MEASURES

Chapter II of Royal Decree Law includes different measures aimed at enhancing permanent employment within certain sectors of activity and long-term unemployed people.

Article 8, in particular, introduces a rebate for the employment of long-term unemployed people.

Thus, from April 1, 2019, companies hiring on permanent contracts unemployed people registered at the Employment Public Agency for at least 12 months within the 18 months preceding the recruitment, will be entitled to a monthly rebate on the employer Social Security quota or its daily equivalent of 108.33 euros/month (1,300 euros/year) for three years, for each worker employed and from the date of entering into the contract.

When these contracts are entered into with woman, the aforementioned rebates will be of 125 euros/month (1,500 euros/year) for three years.

For this incentive to be applied, the employer will have to keep the worker employed for at least 3 years from the date of the beginning of the employment relationship. Furthermore, the employee is required to maintain the same level of employment achieved, considering the new hiring, for at least two years.

In case of failing to comply with such obligations, the rebate will have to be reimbursed.

2. MEASURES FOR FIGHTING AGAINST PRECARIOUS TERMS OF EMPLOYMENT ON WORKING TIME. TIME SCHEDULE REGISTRY

By means of article 10 of this Royal Decree, article 34 of the Spanish Workers’ Statute is amended in order to set the rules for working schedule registry. In particular, it is stated that:

- The company will guarantee the daily time schedule registry, that will have to include the concrete time of commencement and concrete termination of working schedule, without prejudice of flexible working.
- By means of collective negotiation or agreement at a company level, or in the absence thereof, by employer’s decision with previous consultation process with employees’ legal representatives in the company, this working schedule registry will be organised and documented.

- The company will keep records of the referred registry under this section during a four year' period and will be available to the employees, their legal representative bodies and the Labour Inspection.

As a complement, article 11 modifies Law governing labour sanctions, approved by Royal Decree 5/2000, of August 4, to establish as a serious sanction all infringements related to working schedule registry, as the case might be.

3. AMENDMENTS TO THE REFUNDED TEXT OF LAW OF SOCIAL SECURITY MATTERS, IN RELATION TO THE SOCIAL SECURITY CONTRIBUTIONS PAID WHILE WORKING SCHEDULE REDUCTION FOR CARE OF CHILDREN

It is established that the social security contributions made during the first 2 years of the working reduction time to care for children will be considered as being increased up to the 100% of the amount that would have corresponded if the working schedule had been kept without such reduction, for the purposes of retirement allowances, permanent disability, widow orphaned people allowances, maternity and paternity.

4. DATE OF ENTRY INTO FORCE

The referred Royal Decree Law came into force on the 13th of March 2019, with some exception. Specifically, the working schedule registry will apply as from the two months following to its publication at the Spanish Official Gazette, that is to say, as from May 13, 2019.

It is important to highlight that, despite its entering into force, this Royal Decree Law is pending to be validated by the Chamber of Deputies.