December 2021 VOL.52

BIPO TIMES



Understanding Spain's Labour Law & Employment Regulations

Spain

Spain is the fourth-largest economy in the European Union and he fourteenth largest in the world.

In 2020, 74.10% of the country's GDP was accounted by the service sector, the largest contributor, followed by the industrial sector at 16.30%. The construction and agriculture and fishery account for 6.16% and 3.44% respectively.

Overview

1. Hiring in Spain

The hiring process in Spain is straightforward.

- All employment contracts are to be registered with the authorities at least 1 day before the employment start.
- Background check is not customary and may be illegal.
- The required documents are as follows:
  - Signed employment contract
  - Copy of ID/NIE (for foreigners)
  - Valid Social Security number
  - Local bank account
  - Form 145 filed by the employee for income tax filing

Capital	Population
Madrid	47.35 million (as of 2020)
Spain	
Currency	**GDP Per Capita**
Euro (EUR)	USD27,057 (PPP, as of 2020)

2. Employment Contract

There are four types of contracts. The most common type of working contract is the Indefinite Employment Contract. New employees go through a probation period of 6 months.

Employment Contract Type	Specifications
Fixed-term Employment Contract	• Contract for a specific service. If it is proven that the specific service has ended, the contract automatically converts to an indefinite employment contract. • Can be full or part-time. • End date must be indicated in the initial contract. • Maximum duration: 3 years
	• Contract due to production contingency. • The reason of the contract must be very well explained. • Can be full or part-time. • End date must be indicated in the initial contract. • Maximum duration: 3 years
Indefinite Employment Contract	• Contract has no specific ending term. • Can be full or part-time.
Employment Contracts for trainees	• For employees who the company wishes to train to carry out the activities that will be required of them in the future. • Maximum duration of the contract: 3 years
Internship Employment Contract	• Open to recent graduates. The job must be related to their recent studies (no more than 5 years after studies have ended). • Maximum duration of the contract: 2 years

3. Minimum Wage

The government establishes a new minimum wage yearly. The new minimum wage rate is released either in December the previous year or the first months of the new year.

Amount	Per day/Per month	Effective date
31.66 EUR	Daily	1st January 2021
950 EUR* (Based on 14 salaries through the year)	Monthly	1st January 2021

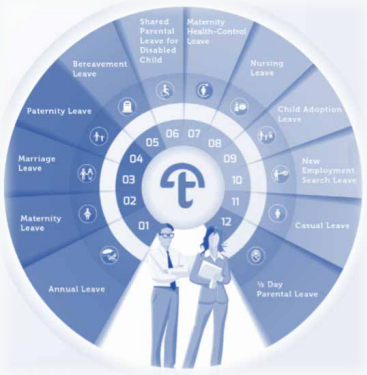
4. Working Hours

Type	Definition
Working Hours Daily	Maximum of 9 hours daily
Working Hours Weekly	Maximum of 40 hours weekly
Rest Break	Up to 6 hours: 15 minutes of break
Days Off	• Employees shall have a minimum of 12 hours of rest between working days. • Employees have the right to an uninterrupted minimum weekly break of one and a half days.

5. Overtime

Such pay applies to employees who work beyond 9 hours daily or 40 hours weekly. The hours for overtime are limited to 80 hours yearly and have to be voluntary. The employee can be compensated either monetarily or be given time off in return within 4 months. Since 2019, it has been mandatory to track an employee's working hour as the government wants to control employees' overtime hours.

6. Types of Leave



- Numbers of leaves entitlement in a company depends on the agreed Collective Bargaining Agreement (CBA). However, a general practice is 30 calendar days or 22 working days.
- Employees are entitled to 14 or 15 days of bank holiday in Spain. The government decides 10 days of the national bank holiday while regional authorities decide the 4, 5 days.

a. Paid and Unpaid Time Off

Type of Leave	Length of Leave	Payment by Social Security (SS)
Accident or sickness not work-related	Depending on the severity, it can last up to 18 months	60% of the salary (Day 3-20) / 75% of the salary (from day 21st onwards)
		First 3 days are not paid
Accident or sickness related to work or in transit to work	Depending on the severity, it can last up to 18 months	75% of the salary for the length of the inability to work
Maternity	16 weeks, starting from the day of birth/ adoption (6 weeks are mandatory after the birth)	100% of the salary
Breastfeeding	1 hour daily until the baby is 9 months or 15 days old	100% of the salary
Paternity	16 weeks (4 weeks mandatory after birth)	100% of the salary
Marriage	15 calendar days	100% of the salary
Death of a family member	2-5 days*	100% of the salary
Sickness/hospitalisation of a family member	2-5 days*	100% of the salary
Moving of houses	1 day	100% of the salary
Medical appointments	As required*	100% of the salary
Public or personal obligations	As required	100% of the salary
Medical checkup and prenatal classes before childbirth	As required	100% of the salary

*Depending on the agreed CBA

b. Bank Holidays in 2022

1st Jan	New Year's Day
6th Jan	Epiphany
15th Apr	Good Friday

1st May	Labour Day
15th Aug	Assumption of Mary
12th Oct	Hispanic Day
1st Nov	All Saints Day
6th Dec	Constitution Day
8th Dec	Immaculate Conception
25th Dec	Christmas Day

7. Healthcare

All employees are entitled to public healthcare that is funded by the Social Security System (SS). Both the employer and employees contribute a percentage to the SS monthly based on the employees' pay. The monthly contributions to the SS also include a contribution to the public pension fund, sickness and accident, and training.

Employer Payroll Contributions	Employee Payroll Contributions
29.90%	6.35%

8. Termination and Severance

a. Fixed Term Contract

Type of Termination (Fixed term contract)	Notice Period	Severance Pay	Unemployment Benefits
Fixed-term contract	No notice period	12 days for each year worked	Yes

b. Indefinite Contract

Type of Termination (Indefinite contract)	Notice Period	Severance Pay	Definition	Unemployment Benefits
Disciplinary	Specific procedure outlined in Article 54 of the worker's statute			Yes
Objective	15 days	20 days for each year worked	Due to economic, organisation, or technical reasons	Yes
Without cause	No notice period	33 days for each year worked	Employer does not need to justify the dismissal	Yes

Article contributed by

Michael Shelley, Head of Sales EMEA (BIPO Spain)

Corina Pitiliga Caimac, HR Service Delivery Manager (BIPO Spain)

Around the World with BIPO

Shanghai, China – 23 October 2021

Over a perfect autumn day, team BIPO Shanghai held its annual team-building day with a trip to the outskirts of the city, complete with outdoor sports, archery, and lots of other fun-filled activities!



Hong Kong – 28 Oct 2021



Congratulations to team BIPO Hong Kong who bagged five awards, including the grand prize – **Best Consultancy of the Year** at the annual HR Vendors of the Year (Hong Kong) awards.

- Best HR Outsourcing Service Provider (Gold)
- Best Payroll Outsourcing Partner (Silver)
- Best Payroll Software (Silver)
- Best HR Management System (Bronze)

Organised by Human Resources Online, the awards aim to showcase that recognises the contributions of the HR community and HR service providers.

Spain – 18 November



Our webinar series continues with Spain's Labour Law and Employment Regulations.

Bringing their perspectives and expertise were Michael Shelley, Head of Sales EMEA and Corina Pitiliga Caimac, HR Service Delivery Manager from BIPO Spain in the hour-long session with live Q&A session.

Singapore – 30 November 2021



In yet another milestone for BIPO, our team in Singapore makes a clean sweep in 5 categories at the recent HR Vendors of the Year 2021 (Singapore), clinching the coveted gold award for Best Payroll Software, in addition to:

- Best HRMS (Enterprise) *Silver
- Best HRMS (SMB) *Silver
- Best Employer of Record Service Provider *Silver
- Best Attendance Automation *Bronze

Held at the Shangri-La Hotel, Singapore, the 7th edition of the awards organised by Human Resources Online highlights trail blazers that have enabled and empowered HR in powering the business.

About us

At BIPO, we help businesses transform and digitalise, enabling them to thrive and realise their growth ambitions. Around the world, we support over 2,800 client in more than 100 countries and regions with a new generation of HR solutions. Our comprehensive suite of service products from our award-winning cloud and mobile-based HR Management System (HRMS), multi-country payroll calculation, overseas landing services, Business Process Outsourcing (BPO) to attendance automation provide clients with a multi-regional, integrated and seamless user experience.

Our global R&D Centres are the foundation of BIPO's HRMS and Workio platforms, providing cutting-edge, agile, and innovative technology solutions to meet the needs of Industry 4.0. We are also ISO-27001 certified with multi-country compliance, providing clients with the trust and confidence to champion their international growth plans.

Founded in 2004, BIPO is a leading one-stop global HR and Payroll service provider with a vast network of offices in 23 cities across Asia Pacific, Americas, Europe, Middle East & Africa supported by four R&D Centres in Singapore,Mainland China,Indonesia and Malaysia.Our APAC Headquarters in Singapore serves as our hub for the region.

hello@biposervice.com
www.biposervice.com
bipo-svc biposvc

©2021 BIPO Service · All right reserved