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Spanish Social Security Contributions for the Self Employed

Since the beginning of 2023 a change has been in force with regard to how Social Security Contributions for the self employed (Autonomos) are to be calculated.

The previous system involved the payment of contributions at a fixed monthly rate irrespective of income being generated. This new system, however, will be income related, a much fairer system.

The changes will be gradually introduced from 2023 through to 2032, when the full effect of the changes will be in place.

How contributions are calculated

Contributions will be either calculated on the previous year's income or can be calculated monthly on an actual basis.

If the previous year's figures are used as a basis for contributions, a tallying up of the actual income received will be carried out by the 31 May of the following year. If excess contributions have been made, these will be repaid by the Social Security office and, similarly, if contributions are lower than they should be, a top up payment will be necessary.

It is important, therefore, to keep track of income declared for social security contributions and remember that an adjustment may become payable each May.

When paying according to actual monthly income there is a slight catch as only six changes to monthly contributions are allowable throughout the year. Why only six? Who knows.

Company Directors/Shareholders

Shareholders with a large % of a company who work for a company either as directors or employees are treated as a kind of self employed person and are referred to by the system as Autonomos Societarios. Whilst their contributions are similar to ordinary autonomos, they have a different basis for calculating their contributions with a minimum monthly contribution base of 1,000 €. Please see our separate guide for more details.

How contributions are calculated

As explained, social security monthly contributions are based on the net monthly income, but contributors are given the option to choose between minimum and maximum base levels of contribution.

The contribution base is very important because this determines the amount of pension entitlement as well as other benefits, such as Social Security sickness pay. The Spanish state pension system is potentially attractive and so contributors should not necessarily just pay the minimum amount.

EXPECTED MONTHLY INCOME BAND	AT CHOICE OF CONTRIBUTOR		AT CHOICE OF CONTRIBUTOR	
	Minimum contribution base	Maximum contribution base	Minimum payment at 31,3% for 2024	Maximum payment at 31,3% for 2024
<670€	735,29€	816,98€	230,14 €	255,71€
671-900€	816,99€	900€	255,72 €	281,70 €
901-1.166,70€	872,55€	1.166,70€	273,11 €	365,18€
1.166,70-1.300€	950,98€	1.300€	297,66 €	406,90 €
1.301-1.500€	960,78€	1.500€	300,72 €	469,50 €
1.501-1.700€	960,78€	1.700€	300,72 €	532,10 €
1.701-1.850€	1.045,75€	1.850€	327,31 €	579,05 €
1.851-2.030€	1.062,09€	2.030€	332,43 €	635,39 €
2.031-2.330€	1.078,43€	2.330€	337,55 €	729,29 €
2.331-2.760€	1.111,11€	2.760€	347,77 €	863,88 €
2.761-3.190€	1.176,47€	3.190€	368,23 €	998,47 €
3.191-3.620€	1.241,83€	3.620€	388,69 €	1.133,06 €
3.621-4.050€	1.307,19€	4.050€	409,15 €	1.267,65 €
4.051-6.000€	1.454,25€	4.720,50€	455,18 €	1.477,51 €
>6.000€	1.732,03€	4.720,50€	542,12 €	1.477,51 €

You will note from the above table that the Expected monthly income band (ie what you expect to earn monthly) does not tie in, at all, with the Minimum and Maximum contribution bases. This is because between 2023 and 2032, the system is transitioning from the old simple fixed rate system to the new income related system. As the years progress the anomalous bands will gradually relate more closely to actual income earned. Do note, contributors will continue to have the option to make contributions between the minimum and the maximum levels.

Further thing to note

As from 1 January 2024, all new registration in the Social Security system will be able to elect for the new business scheme, whereby there is a flat monthly rate of 85€ for the first 12 months. This new business flat rate system is known in Spain as the Tarifa Plana and the following conditions apply:

- You cannot have been registered as self employed during the previous 2 years, which becomes 3 years, if you have previously been in the Tarifa Plana.
- You cannot be an Autonomo Collaborador, i.e. a family member starting work for another Autonomo/self employed person. Such persons have their own reduced contribution system. Please see our separate guide for Autonomos Collaboradores.
- You must be up to date with paying tax and social security. If you have any debts with either of these entities, you will not be able to use the reduced rate system. Before applying for this application, you need to obtain a certificate from both entities showing that you are clear of debts.