



COVID-19 SELF-EMPLOYED HELP

UNEMPLOYMENT BENEFIT FOR THE SELF EMPLOYED

In order to assist the self employed of Spain the Government has enhanced the possibility for the self-employed to claim unemployment benefit.

Who is entitled to make this claim?

- A self-employed person whose business activity was suspended due to the declaration of the state of alarm (See activities listed <https://www.spenceclarke.com/articles/covid-19-labour-update-20-3-2020/>),
or
A self-employed person who can demonstrate that their total sales for the previous month is 75% less than the monthly average for the preceding six months. *(See note below)*
- And is registered in the social security system as self employed in the RETA (Régimen especial de trabajadores autónomos) or the REM (Régimen especial del mar). Shareholder/workers of cooperatives may also claim.
- And is up to date on 14/03/2020 with their social security contributions. Those who are not up to date may still apply but must pay any arrears within 30 days of being asked to do so.

Those who had their businesses closed by the regulations and those seriously affected can claim

The benefit that will be provided

Unemployment benefit calculated at 70% of the "base reguladora", i.e. the base income upon which monthly social security contributions are paid. Most people pay the minimum contribution of approximately 286€ per month, which is calculated on the minimum "base reguladora" of 944,40€. At the minimum level the Benefit would be 661,08€

Minimum benefit of 661,08€/month

For those that have elected to pay contributions on a higher base, then the saving will be higher and the base for this purpose will be taken as the average base of the contributions for the preceding 12 months.

Duration

Initially, the benefit is for one month only but it will be extended to the last day of the last month of the declared "State of Alarm".

Benefits for 1 month, but could be more

Miembro de



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Apply to your
'Mutua'

How to make the application

Applications should be made to the mutual company that collaborates with the social security office. These are not for profit companies similar to insurance companies that look after work accidents and sickness administration, in partnership with the social security department. All self-employed persons select their "mutua" when they originally register in the social security system.

Note: The text of the regulations is particularly unfair in relation to how a self employed person is able to claim benefit having lost more than 75% of income.

The best way to understand the problem is to illustrate with an example :

An individual sells services solely to restaurants, a sector that closed down on 16th March due to the State of Alarm. His income for March is 50% of the average of the previous six months and his income for April is nil. The State of Alarm is extended another 15 days to 27 April. On 1 May he is able to restart his business and invoice as usual.

He cannot claim unemployment benefit on the basis that his business ceased operating on 16 March because his business is not listed in the regulations as one of those that had to close. He therefore has to claim based on the reduction of his income by 75%.

- ◇ *He cannot claim unemployment benefit for March because his income for February was normal.*
- ◇ *He cannot claim unemployment benefit for April because his income for March was 50% of the average of the preceding six months, i.e. he did not suffer the required reduction of 75%.*
- ◇ *He cannot claim unemployment benefit for May because it no longer applies as the right expired in April when the "State of Alarm" came to an end.*

This anomaly has not been properly exposed by press coverage and has been lost in the 'noise' of complaints being made by all the vested interests in Spain. We can only hope that at some point Government will correct the error in a revised text of the regulations.

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