

# **EUROMOD**

## **COUNTRY REPORT**



### **SPAIN (ES)**

### **2016 – 2019**

**María Navas Román, Borja Gambau-Suelves, Noemí Villazán Pellejero**

**November 2019**

**EUROMOD version I2.0**



EUROMOD is a tax-benefit microsimulation model for the European Union (EU) that enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole.

EUROMOD covers the 28 Member States and is updated to recent policy systems using data from the European Union Statistics on Income and Living Conditions (EU-SILC) as the input database, supported by DG-EMPL of the European Commission.

The European Commission is in the process of taking over responsibility for carrying out the annual update and release of EUROMOD. The transfer of responsibility is expected to be complete by the end of 2020 and the transition is being facilitated by close cooperation between the University of Essex and the Joint Research Centre (JRC) of the European Commission as well as Eurostat.

This report documents the work done in one annual update for Spain. This work was carried out by the EUROMOD core developer team, based in ISER at the University of Essex, in collaboration with a national team.

EUROMOD director: Matteo Richiardi

EUROMOD executive director: Jack Kneeshaw

EUROMOD coordination assistant: Cara McGenn

EUROMOD developers responsible for Spain: Andrea Papini and Adrian Hernández Martín (JRC)

National team for Spain: Instituto de Estudios Fiscales - María Navas Román, Nuria Badenes, Borja Gambau-Suelves and Noemí Villazán

The results presented in this report are derived using EUROMOD version I2.0. EUROMOD is continually being improved and the results presented here may not match those that would be obtained with later versions of EUROMOD.

For more information, see: <https://www.euromod.ac.uk>

This document is supported by the European Union Programme for Employment and Social Innovation “Easi” (2014-2020). For further information please consult <http://ec.europa.eu/social/easi>. The information contained within this document does not necessarily reflect the position or opinion of the European Commission.

CONTENTS

<b>1</b>	<b>BASIC INFORMATION</b>	<b>5</b>
1.1	Basic information about the tax-benefit system	5
1.2	Social Benefits	7
1.3	Contributory Benefits	7
1.4	Non-contributory Benefits	9
1.5	Social contributions	11
1.6	Taxes	12
<b>2</b>	<b>SIMULATION OF TAXES AND BENEFITS IN EUROMOD</b>	<b>14</b>
2.1	Scope of simulation	14
2.2	Order of simulation and interdependencies	18
2.3	Policy extensions	20
2.4	Social benefits	21
2.4.1	Unemployment benefits	21
2.4.2	Pension benefits	29
2.4.3	Child and family benefits: National level	34
2.4.4	Child and family benefits: Regional level	41
2.4.5	Minimum Income Guarantee	51
2.5	Social contributions	71
2.5.1	Employee social contributions	71
2.5.2	Employer social contributions	74
2.5.3	Health insurance contributions	78
2.5.4	Other social contributions	78
2.6	Personal income tax	78
2.6.1	Tax unit	78
2.6.2	Exemptions	78
2.6.3	Tax allowances	79
2.6.4	Tax base	81
2.6.5	Tax schedule 2016-2019	83
2.6.6	Tax credits	89
<b>3</b>	<b>DATA</b>	<b>103</b>
3.1	General description	103
3.2	Imputations and assumptions	106

3.2.1	Time period	106
3.2.2	Gross incomes	106
3.2.3	Disaggregation of harmonized variables	107
<b>3.3</b>	<b>Updating</b>	<b>108</b>
<b>4</b>	<b>VALIDATION</b>	<b>108</b>
<b>4.1</b>	<b>Aggregate Validation</b>	<b>108</b>
<b>4.2</b>	<b>Components of disposable income</b>	<b>108</b>
<b>4.3</b>	<b>Validation of incomes imputed into the simulation</b>	<b>110</b>
<b>4.4</b>	<b>Validation of outputted (simulated) incomes</b>	<b>111</b>
<b>4.5</b>	<b>Income Distribution</b>	<b>112</b>
<b>4.6</b>	<b>Income inequality and poverty</b>	<b>112</b>
<b>4.7</b>	<b>Validation of minimum wage</b>	<b>113</b>
<b>4.8</b>	<b>Summary of “health warnings”</b>	<b>113</b>
<b>5</b>	<b>REFERENCES</b>	<b>115</b>
	<b>ANNEX 1: UPDATING FACTORS</b>	<b>116</b>
	<b>ANNEX 2: POLICY EFFECTS IN 2018-2019</b>	<b>118</b>
	<b>ANNEX 3: VALIDATION STATISTICS</b>	<b>120</b>

## 1 BASIC INFORMATION

### 1.1 Basic information about the tax-benefit system

- Spain is administratively divided into 19 regions (17 *Comunidades Autónomas* and 2 *Ciudades Autónomas*, Ceuta and Melilla).
- The tax-benefit system is evolving towards a decentralized system. There are national, regional and local taxes. Regional and local taxes can't overlap national taxes. Additionally certain normative aspects of some national taxes are partly regulated by the regions (*Comunidades Autónomas*). Most taxes are partly claimed by regions and partly claimed by the national government (*Estado*). No separate capital gains tax exists, capital gains are included in taxable income. The regions may levy a net wealth tax. Companies are subject to corporate income tax, local business tax and other taxes related to the municipality. The Basque Country and Navarra have their own tax systems. The taxable period for personal income tax in Spain is the calendar year (1<sup>st</sup> of January to the 31<sup>st</sup> of December). Regarding companies, as a general rule, the tax year is usually from 25<sup>th</sup> of July to next year's 25<sup>th</sup> of July. The tax year may not exceed 12 months. Income tax liability is based on annual income and allowances and thresholds are generally referred to in annual terms.
- The Spanish income tax is an individual system. However, taxpayers may choose to file either a single or a joint tax return. Joint tax returns do not allow for income splitting. The rules and amounts of most elements of the Spanish income tax are the same under individual and joint taxation.
- For income tax purposes a family unit consists of both spouses –in the case of legal separation or *de facto* unions, only one of them–, and their children under 18 years of age who cohabit (any age of the child if disabled).
- Income tax withholdings are collected on a cumulative basis, i.e., the system tries to ensure withholding the exact amount due in the financial year. Income from employment, self-employment, investment and capital gains derived by resident individuals in the Spanish territory may be subject to withholding of income tax. The tax withheld is generally treated as an advance payment and credited against the taxpayer's final tax liability. As a general rule, self-assessment of the tax is mandatory by the end of the financial year. Tax payers who need to fill a tax return should do it between the 1<sup>st</sup> of May and 30<sup>th</sup> of June of the year following the receipt of the income. If the sum of the amounts withheld and any prepayments exceed the taxpayer's final liability for the current year, the excess is refunded. There is no statutory indexing regime for taxes.
- Benefits are more centralized than taxes and are generally claimed by national authorities. The main exception to this rule is the Guarantee Minimum Income Benefit or *Rentas Mínimas de Inserción* which is handled by regional governments. Benefit eligibility conditions, benefit amounts and benefit durations differ among regions.
- Main benefit changes may be implemented at any moment of the year.
- Social contributions, benefits and pensions are usually assessed and delivered on a monthly basis.
- The means-tested benefit system assesses entitlement according to the family unit income. However, note that some non-contributory benefits, such as non-contributory old-age pensions, consider other cohabiting individuals within the family unit.

- For benefit purposes:
  - “Large Families” (*familias numerosas*) are defined as a one or two-parent cohabiting family with three or more dependent children (or two if a parent or one of the children is disabled). A further distinction is made within them, those with 5 or more dependent children are identified as “special large families” (*familias numerosas de categoría especial*).
- Dependent children are individuals who economically depend on adults’ incomes (their income is below the IPREM<sup>1</sup> indicator) and are under 21 years of age (or under 26 if in full-time education). There is no age limit for disabled children (Law 40/2003).
- Since 2004 most benefits are indexed using the IPREM and not the minimum wage as it was usual in previous years (see table below with monthly and annual rates for 2016 to 2019). In Catalonia there is another indexing indicator: the IRSC (*Indicador de Renta de Suficiencia de Catalunya*). Its value in 2016-2019 is €7,967.73 per year, corresponding to €569.12 per month.

	2016	2017	2018	2019
IPREM				
• Monthly	532.51	537.84	537.84	537.84
• Annual (12 payments)	6,390.13	6,454.08	6,454.08	6,454.08
• Annual (14 payments)	7,455.14	7,729.76	7,729.76	7,729.76

- Spain has a minimum wage. Monthly rates (€) for 2016 to 2019 are shown in the table below.

	2016	2017	2018	2019 <sup>2</sup>
Minimum Wage				
• Monthly	655.2	707.60	735.90	900

- State retirement age changed and, since 2013, it is 67 (or 65 if a person has made social security contributions for 38 years and 6 months)<sup>3</sup>. The increase of the retirement age from 65 to 67 and the extension of the social contributions period from 35 years to 38 years and 6 months will be made progressively from 2013 to 2027. The schedule from 2016 to 2019 will be the following:

Years	Periods of social security contributions	Age required
2016	36 years or over	65 years
	Less than 36 years	65 years and 4 months
2017	36 years and 3 months or more	65 years
	Less than 36 years and 3 months	65 years and 5 months
2018	36 years and 6 months or over	65 years
	Less than 36 years and 6 months	65 years and 6 months

<sup>2</sup> Real Decreto 1462/2018, de 21 de diciembre, por el que se fija el salario mínimo interprofesional para 2019.

<sup>3</sup> Ley 27/2011, de 1 agosto, sobre actualización, adecuación y modernización del sistema de Seguridad Social. It took effect on 1 January 2013.

2019	36 years and 9 months or over	65 years
	Less than 36 years and 9 months	65 years and 8 months

Source: <http://www.seg-social.es/wps/portal/wss/internet/Trabajadores/PrestacionesPensionesTrabajadores/10963/28393/28396/28472>

- Minimum school leaving age is 16; dependent children in general are defined as aged under 18 or disabled regardless of age. In the case of legally separated spouses or *de facto* unions, dependent children belong to the family unit of the parent they live with.
- Different levels of disability are defined in the Law<sup>4</sup>.

## 1.2 Social Benefits

Social benefits can be divided into two main groups: (1) Contributory Benefits (CB) for which eligibility depends on having met certain conditions regarding social insurance contributions and certain contingencies such as old-age, widowhood, disability or unemployment. The amounts received depend on contributions and, in some cases, on a range of personal circumstances. (2) Non-contributory benefits (NCB) for which eligibility depends on certain contingencies such as old-age, widowhood, disability or unemployment and, generally, on an income test. Eligibility in this case does not require a minimum amount of contributions and most non-contributory benefits are income-tested. The income test is usually related to a range of personal and family circumstances and to total individual or family income.

## 1.3 Contributory Benefits

### *Sickness benefits*

**Contributory sickness cash benefit (*Incapacidad temporal*):** Compulsory social insurance scheme payable through employers that covers workers who are temporarily unable to work due to common or professional illnesses or accidents. Incapacity for work must be certified by a doctor and the worker must have paid the required contributions.

### *Family and child benefits*

**Contributory maternity leave benefit (*Prestación por maternidad*):** Compulsory social insurance scheme payable through employers that covers the following situations: maternity, adoption and permanent or simple fosterage (according to the Civil Code or to the Autonomous Communities that regulate it), provided that in this last case, the duration is not below a year. The benefits amount to 100% of the worker's contributory base for maternity leave. The duration is, in general, 16 weeks.

**Contributory paternity leave benefit (*Prestación por paternidad*):** Since 2007 the compulsory social insurance scheme payable through employers that covers paternity, adoption and permanent or simple fosterage, increased its duration (available for fathers and compatible with that of mothers) up to 5 weeks. Additional 2 days may be added for each extra child in case of multiple births. The benefit amount is 100% of the worker's contributory base for maternity leave.

**Contributory risk during pregnancy benefit (*Prestación por riesgo durante el embarazo*):** paid to expectant working mothers who are unable to continue with their normal task during their pregnancy. The benefit is payable through employers. In order to be entitled to receive the benefit

<sup>4</sup> *Real Decreto Legislativo 8/2015, de 30 de octubre, por el que se aprueba el texto refundido de la Ley General de la Seguridad Social*

the worker must have a minimum period of paid contributions. The benefit amount is 100% of the worker's contributory base.

**Contributory risk during lactation benefit** (*Prestación por riesgo durante la lactancia*): paid to expectant working mothers who are unable to continue with their normal task during their lactation.

### *Disability benefits*

**Contributory disability pension** (*Pensión contributiva por incapacidad permanente*): Compulsory social insurance scheme for employees with contribution-related benefits in case of permanent incapacity (*incapacidad permanente*). The degrees of disability are the following: permanent and partial disability for the usual profession (*incapacidad permanente parcial para la profesión habitual*), permanent and complete disability for the usual profession (*incapacidad permanente total para la profesión habitual*), permanent and total disability for any type of working activity (*incapacidad permanente absoluta*) and severe disability (*gran invalidez*). In order to be entitled to receive the benefits the worker must have paid the required contributions. The amount of the benefit depends both on the degree of disability and on the contributory base.

### *Old-age benefits*

**Contributory old-age pension** (*Pensión contributiva por jubilación total o por jubilación parcial*): Compulsory social insurance scheme for employees that have, either completely stopped working and are entitled to receive old-age benefits, or workers that have decided to reduce their working hours and to combine partial old-age benefits with salaries from work. In order to be entitled to receive the benefits the worker must have paid the required contributions. The retirement pension benefit amount is determined by the amount and number of social contributions (with a minimum of 15 years).

**Statutory insurance for old age and disability** (*Pensión del seguro obligatorio de vejez e Invalidez, SOVI*): This is a particularly old social scheme that covers workers who have paid 1800 days of contributions to the SOVI between 1940 and 1966 or were registered prior to 1940. These benefits are to disappear soon.

### *Survivor's benefits*

**Contributory survivor's pension** (*Pensión de viudedad u orfandad a favor de familiares*): Compulsory social insurance scheme for employees. Benefits are paid in case of death of the contributing worker to widows or widowers (*pensión de viudedad*), orphans (*pensión de orfandad*) or relatives (*pensión en favor de familiares*) depending on the total contributions of the deceased person. The deceased person should be affiliated to social security scheme, must be an active contributor or have equivalent status or must have complied with the required period of paid contributions. Widows, widowers, orphans and relatives must fulfil some further requirements in order to receive the benefits. The amount of the benefit depends on the contributions paid by the deceased person and on personal circumstances of the beneficiaries.

### *Unemployment benefits*

**Contributory unemployment insurance** (*Prestación por desempleo contributiva*): Compulsory social insurance scheme for employees able and available to work who have lost their job. In order to be entitled to the benefits workers must have contributed to social insurance covering unemployment and must have paid the required period of contributions. The benefit amount depends on the average daily contributory base. Duration depends on the total contribution period over the preceding 6 years.



**Contributory new self-employed unemployment insurance benefit** (*Prestación económica cese de actividad de trabajadores autónomos*): Unemployment insurance scheme available to self-employed people who reach a minimum time of contribution to the Social Security system and who have stopped the activity and finished their activities due to economic reasons. This “Special protection system for the self-employed” for business interruption took effect in November 6<sup>th</sup> 2010<sup>5</sup>.

## 1.4 Non-contributory Benefits

### *Family and child benefits*

**Non-contributory child benefit** (*Prestación por hijo a cargo no contributiva*): Tax financed scheme for families with children under 18 years of age or any age if disabled. It is a non-contributory, income-tested benefit (not income-tested in the case of disability). The amount depends on the degree of the disability and the age of the children.

**Non-contributory means-tested lump-sum child benefits for large families, lone parents and disabled mothers** (*Prestaciones por nacimiento o adopción de hijos en los supuestos de familia numerosa, monoparentales o madres discapacitadas*). Lump-sum benefit granted for the birth or adoption of a child into large families, lone parents and cases in which the mother has a degree of disability greater than or equal to 65%. It's a mean-tested benefit.

**Non contributory multiple birth/adoption benefit** (*Prestación no contributiva por parto o adopción múltiples*): this is a lump-sum payment at birth or adoption of third, fourth or higher older child. Not taxable. The benefit amount depends on the number of children and the minimum wage.

**Non-contributory maternity leave benefit** (*Prestación por maternidad no contributiva*): This benefit is aimed at covering the maternity of those females who do not reach the minimum contributions to Social Security to receive a contributory maternity leave benefit. The benefit amount is the value of the daily IPREM for that year during 42 days. Benefit duration will be extended by 14 days more if a baby is born in a large family or lone-parent family, in case of multiple births or if a mother or a child are disabled. The benefit is not means-tested.

**Regional child benefits:** Regional benefits in which each Autonomous community establishes the eligibility conditions.

### *Disability benefits*

**Non-contributory disability pension** (*Prestación no contributiva por invalidez*): Social insurance scheme for people who suffer from physical or mental deficiencies, likely to be of a permanent nature, either physical or mental, whether or not they may be congenital, which nullify or modify their capacity and lack sufficient income. This is a family unit income-tested benefit. The amount of the benefit is fixed but increases by 50 per cent, when the degree of disability is equal to or higher than 75 per cent and the assistance of another person is required to carry out the most essential life actions.

**Disability pension complement benefit** (*Complemento a mínimos*): Like old-age pension complement benefit it is a supplement for those contributory disability benefits that do not reach a minimum.

---

<sup>5</sup> Real Decreto Legislativo 8/2015, de 30 de octubre, por el que se aprueba el texto refundido de la Ley General de la Seguridad Social.

**Disability assistance pensions** (*Pensiones Asistenciales*): pensions prior to the current non-contributory pensions system that were extinguished in 1992 and may continue to be received by the beneficiaries, but incompatible with the current non-contributory benefits. They ceased to exist in 1992 when the system of non-contributory benefits arose.

### *Old-age benefits*

**Non-contributory old-age pension** (*Prestación no contributiva por jubilación*): Social insurance scheme for people over 65 years of age, who find themselves in a state of need and lack the necessary means for subsistence. This is a family unit income-tested benefit. The amount of the benefit depends on the number of beneficiaries within the family unit. The family unit here consists of any cohabiting individuals who can be married to the beneficiary or to be his/her parent, son or daughter or brother or sister. There are some complementary benefits to these pensions for individuals living in rented housing and who do not have a house of their own elsewhere. Further, there are some regional complementary benefits.

**Old-age pension complement benefit** (*Complemento a mínimos*): Pensions are automatically updated every year, generally at a rate equal to the Consumer Price Index, CPI. However, pension benefits cannot exceed a maximum; neither can they be below a minimum. Subject to an income test, contributory pensions that are below the official minimum pension are increased up to the minimum by this non-contributory benefit.

**Old-age assistance Pensions** (*Pensiones Asistenciales*): It refers to the pensions prior to the current non-contributory pensions that were extinguished in 1992 and may continue to be received by some beneficiaries but incompatible with the current non-contributory benefits. They ceased to exist in 1992 when the System of non-contributory benefits arose.

### *Survivor's benefits*

**Survivor's pension complement benefit** (*Complemento a mínimos*): Like old-age pension complement benefit it is a supplement for those contributory benefits for survivors that do not reach a minimum.

### *Unemployment benefits*

**Unemployment assistance** (*Subsidio por desempleo*): If the worker is not entitled to receive contributory benefits a non-contributory benefit is available. There are different types of unemployment assistance depending on the personnel situation:

- Unemployment benefit with family responsibilities (*Subsidio por desempleo con cargas familiares*)
- Unemployment benefit for 45 years and over with no family responsibilities (*Subsidio por desempleo mayor de 45 años y sin cargas familiares*)
- Unemployment benefit for 52 years and over (*Subsidio por desempleo mayor de 52 años: Si se tiene 52 años o más*).

**Active insertion allowance** (*Renta Activa de Inserción*): If the worker is neither entitled to contributory unemployment benefit nor to unemployment assistance the worker may claim this benefit. The benefit is income-tested, family unit income must be below 75% of the minimum wage. Other requirements are: being below 65 and long-term unemployed (over 12 months). The duration of the benefit is 11 months maximum and the amount of benefit is 80% of the IPREM.

**Extraordinary unemployment allowance** (*Subsidio extraordinario por desempleo*): People in total unemployment who are in one of the following situations may be allowed: any unemployment allowance or long-term unemployed who have finished benefits for unemployment

or long-term unemployed persons who have finished benefits for unemployment unemployment, PREPARA, or RAI.

**Temporary unemployment protection program** (*Programa de Activación para el Empleo, PAE*). This benefit was introduced in January 2015 to substitute the former one, *Programa de recualificación personal de las personas que agoten su protección por desempleo*, PREPARA. PAE is a benefit for long-term unemployed people with family responsibilities. Beneficiaries cannot be eligible to receive *Renta Activa de Inserción*. Its duration is six months and the benefit amount is equal to 80% of the IPREM. This program ended in april 2018.

### *Non contributory dependency benefits (Prestaciones no contributivas para la dependencia)*

**Long-term care protection system** (*Sistema para la Autonomía y Atención a la Dependencia, SAAD*): Since 2007 a new system for the protection of disabilities was created in Spain. The system provides in-kind and monetary benefits for handicapped individuals. Benefits are paid in order to cover the cost of services, for providing care within the family and towards the cost of external personal assistance help. The evaluation of the person in need is undertaken by regional governments using the limits imposed by the central government.

**Benefits of the general dependency law (Prestaciones de la Ley General de la Dependencia):** benefits of the Ministry of Health for the protection of persons with disabilities who do not contribute to the Social Security Scheme. This benefits include the minimum income guarantee allowance, third-person support allowance, transportation and health care allowance, and pharmaceutical benefits.

### *Social assistance benefits*

**Regional minimum income support schemes** (*Rentas Mínimas de Inserción*): this is a non-contributory benefit to fight poverty by means of cash benefits. The benefit is income-tested. All Autonomous Communities in Spain provide this benefit, although eligibility conditions, benefit amounts and duration differ across regions.

### *Education and housing benefits*

**Education allowances** (*becas y ayudas para estudiar*): There is a system of education allowances. These benefits are distributed within a group of students that comply with the requisites of income and academic performances. This system is nationally managed in general, only Basque Country has its own completely independent system, but there are similar conditions to receive the benefit.

**Complementary benefit to non-contributory pensions** (*Complemento por alquiler*): for pensioners living in rented housing who do not own other housing elsewhere and are not family related to the house owner.

**Regional housing benefits** (*ayudas al alquiler de vivienda habitual*): Some regions have their own housing benefit systems and help households with the cost of the rent of the house.

## 1.5 Social contributions

Social insurance contributions (*cotizaciones a la Seguridad Social*) finance pensions and other contributory benefits in Spain.

Social Security revenue is made up of all employees and employers contributions in various regimes. In addition people receiving certain benefits, for example unemployed receiving

unemployment insurance<sup>6</sup>, must pay social security contributions<sup>7</sup>. Conditions regarding contributions made in the past determine eligibility and amount of contributory benefits.

Currently there are two types of Social Security Regimes<sup>8</sup>: General Regime and Special Regime.

**General regime** (*Régimen General*): includes employed workers. There are special rules for particular groups such as part-time workers, artists, bullfighting professionals etc.

Within this regime there are special systems that should be taken into account, among which the following are included since 2012:

- Agrarian employees Special System (*Sistema especial para trabajadores por cuenta ajena agrarios*): since before 2012 they contributed to the Agrarian Regime
- Housemaids Special System (*Sistema Especial para los Empleados de Hogar*): since 2012 all domestic workers contribute to this system. Before 2012 they contributed to the Housemaids Regime.

**Special regime (Regimen especial)**: includes the workers who carry out activities with special characteristics that make it necessary to establish a particular conditions of contribution and application of the benefits of the Social Security.

- **Self-employed regime** (*Régimen Especial de los Trabajadores Autónomos*): The social insurance contribution for self-employed workers has some degree of flexibility: the contributory base is flexible, there are two different contributory rates (either including or not including temporary sickness or invalidity benefits) and the worker can choose his/her particular amount of contribution within a limited range. There are some special systems within this regime; the following is worth mentioning:
  - Agrarian self-employed special system (*Sistema especial Trabajadores Cuenta Propia Agrarios*) included since 2008.
- **Coal-mining special regime** (*Régimen Especial para la Minería del Carbón*).
- **Sea workers special regime** (*Régimen Especial de los Trabajadores del Mar*).
- **Student's special regime** (*Régimen Especial de los Estudiantes*).
- **Civil servants special regime**. This regime is divided into three: a main civil servants regime (MUFACE) and special regimes for military forces (ISFAS) and judges (MUGEJU). However we should note that public sector employees holding private contracts and many regional civil servants contribute to the General Regime.

## 1.6 Taxes

### *Direct taxes:*

**Personal income tax** (*Impuesto sobre la renta de las personas físicas, IRPF*): progressive tax levied on the worldwide income of resident individuals. The base of the income tax is relatively broad. The main exceptions are social security pensions for disabled individuals (*gran*

---

<sup>6</sup> Or people receiving maternity benefits.

<sup>7</sup> The contributory base is the individual's previous earnings just before the unemployment spell. The rate of contribution is flat. The social security system complements the individual's contribution to the social insurance system during the period of unemployment insurance payments.

<sup>8</sup> The current social security system (*Sistema de la Seguridad Social*) is regulated by *Real Decreto Legislativo 8/2015, de 30 de octubre, por el que se aprueba el texto refundido de la Ley General de la Seguridad Social*. The previous system (*SOVI, Seguro Obligatorio de Vejez e Invalidez*) is still in force for those people who contributed before 1967

*incapacidad, incapacidad permanente and incapacidad absoluta*), child benefit and child support (the parent who pays the support must pay income tax for it). It is levied on behalf of the State and the autonomous regions. It is generally charged at the individual level, but family units (single parents or couples and children under 18) can choose to be taxed jointly.

**Personal income tax for Non-Residents** (*Impuesto sobre la renta de las personas físicas de no residentes, IRPNR*): progressive tax levied on the income gained in Spanish territories by non-resident individuals.

**Corporate income tax** (*Impuesto de Sociedades, IS*): fixed rate tax levied on the worldwide benefits of corporations whose main business is obtained in Spanish territories or whose headquarters are located in Spain.

**Net wealth tax** (*Impuesto sobre el patrimonio, IP*): this tax is levied on the worldwide assets of resident individuals and charged through a progressive tax schedule. The taxable base (net wealth) is calculated by aggregating all his/her assets and deducting the appropriate liabilities. The aggregate burden of income tax and net wealth tax due by a resident taxpayer cannot exceed 60% of his/her total taxable income for income tax purposes. Net wealth below a certain limit is exempt; this limit is larger if asset is main residence. The Wealth Tax is transferred to the Autonomous Communities. They have legislative power to levy or not this tax. In fact, some regions have very high tax credits to the final liability (e.g. Madrid provides a 100% tax credit).

**Inheritance tax** (*Impuesto sobre sucesiones y donaciones, ISD*): this tax is levied on behalf of the 17 autonomous regions on property passing to individuals by way of gift or on death. It is charged using a progressive tax schedule. There are many exemptions and tax credits related to the type of relationship the individual has/had with the previous owner and the nature of the donation or bequest.

### **Indirect taxes:**

**Value Added Tax** (*Impuesto sobre el valor añadido, IVA*): Spanish value added tax taxes supplies of goods and services in mainland Spain and the Balearic Islands, thus excluding the Canary Islands and the Spanish cities in Northern Africa: Ceuta and Melilla, as well as the import of goods into any of these territories. There are basically, three different rates: 4% for basic necessities; 10% for food, dwellings, transport, tourism, etc.; and the 21% standard rate for other goods and services. The Canary Islands levy a different value added tax (IGIC) on taxable supplies of goods and services within the Canary Islands.

**Excise duties** (*Impuestos especiales, IE*): These are charged on alcohol, tobacco, fuel, gas, and electrical energy, coal. Excise duties are detailed in Law 38/1992 of 28 December 1992 and comprise: (common) excises on manufacture (*Impuestos Especiales de Fabricación, IEF*) and an excise on certain means of transport (*Impuesto Especial sobre determinados Medios de Transporte, IEMT*).

-**IEFs** are levied at lump-sum rates. In general on a single stage with respect to the manufacture in, and importation to, Spain of alcoholic drinks and products; hydrocarbons and manufactured tobacco products (combined for cigarettes with ad valorem rates).

-**IEMT** is levied at ad valorem rates (in addition to VAT) on a single stage with respect to the first final registration in Spain of (new or used) means of transport, domestically manufactured or imported.

At regional level, the following taxes can be highlighted:

**Regional or local Direct taxes:**

**Real Estate Tax** (*Impuesto sobre bienes inmuebles, IBI*): this tax is levied on an annual basis by local authorities on the possession of property in the local territory. The taxable base is the cadastral value, which is usually well below properties’ market price even if its value is usually adjusted every 8 years. The general tax rates are 0.4% for urban property and 0.3% for rural property.

**Urban Real Estate Value Tax** (*Impuesto sobre el incremento del valor de los terrenos de naturaleza urbana, IVTNU*): this tax is levied by local authorities on the increase in the value of urban properties in the local territory when transaction of the property is made between individuals or firms.

**Local Business Tax** (*Impuesto sobre actividades económicas, IAE*): this tax is levied on a quarterly basis by local authorities on all individuals that have a business activity in the local territory.

**Vehicles Tax** (*Impuesto sobre vehículos de tracción mecánica, IVTM*): this tax is levied on an annual basis by local authorities on the possession of vehicles.

**Regional or local Indirect taxes:**

**Property Transaction Tax** (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados, ITPAJD*): this tax is levied by regional authorities (*Comunidades Autónomas*) on the transaction of properties between individuals or firms and also on any juridical act.

**Constructions, Instalments and Reforms Tax** (*Impuesto sobre Construcciones, Instalaciones y Obras, ICIO*): this tax is levied by local authorities on any construction, reform or work undertaken within the local territory.

## 2 SIMULATION OF TAXES AND BENEFITS IN EUROMOD

### 2.1 Scope of simulation

The table 2.1 shows the treatment of benefits in the simulation. Complete simulation is possible in the case of benefits for children without disability, birth and adoption benefits and other child benefits. Complements to non-contributory old-age pensions and widow’s pension, unemployment insurance, unemployment assistance, non-contributory old-age pensions, complements to pensions, child benefits for children with disabilities and regional minimum income support schemes are partially simulated. The simulation of regional minimum income support schemes is switched off in the baseline.

Table 2.1 Simulation of benefits in EUROMOD

	Variable name(s)	2016	2017	2018	2019	Why not fully simulated (EU_SILC variable)?
<i>Sickness benefits</i>						
Sickness benefits	bh100	I	I	I	I	Due to lack of data on contribution history and sickness. EU-SILC variable PY122G.
Other sickness benefits	bh1ot	I	I	I	I	Minor benefits. EU-SILC variable PY123G.



<b>Education benefits</b>						
Education allowances	bed	I	I	I	I	Minor benefits. EU-SILC variable PY140G.
<b>Old-age benefits</b>						
Old-age pension	poa00	I	I	I	I	Due to lack of data on contribution history. EU-SILC variable PY102G.
NC Old-age pension	poanc_s	PS	PS	PS	PS	Eligibility taken from data due to (apparently) non take up.
NC complement to old-age pensions	poacm_s	PS	PS	PS	PS	Eligibility taken from data.
<b>Disability benefits</b>						
Disability pension	pdi00	I	I	I	I	Due to lack of data on contribution history. EU-SILC variable PY132G.
NC Disability benefit	pdinc	I	I	I	I	Due to lack of data on disability degree. EU-SILC variable PY133G.
NC complement to disability benefit	pdicm	I	I	I	I	Due to lack of data on disability degree. EU-SILC variable PY131G.
<b>Survivor's benefits</b>						
Widow's pension	psuwd00	I	I	I	I	Due to lack of data on contribution history. Taken as part of EU-SILC variable PY112G.
Orphan's pension	psuwd00	I	I	I	I	Due to lack of data on contribution history. Taken as part of EU-SILC variable PY112G.
Relative's pension	psuwd00	I	I	I	I	Due to lack of data on contribution history. Taken as part of EU-SILC variable PY112G.
NC complement to widow's pension	psuwdc_m_s	PS	PS	PS	PS	Eligibility taken from data.
NC Orphan's pension	psuot	I	I	I	I	Taken as part of EU-SILC variable PY112G.
NC Relative's pension	psuot	I	I	I	I	Taken as part of EU-SILC variable PY112G.
<b>Unemployment benefits</b>						
Unemployment insurance	bunct_s	PS	PS	PS	PS	Eligibility taken from data due to lack of data on contribution history and unemployment spell.
Unemployment assistance	bunnc_s	PS	PS	PS	PS	Eligibility taken from data due to lack of data on contribution history and unemployment spell.
Active Insertion Allowance	bunnc_s	PS	PS	PS	PS	Due to lack of data on contribution history and unemployment spell. EU-SILC data doesn't distinguish this benefit from other unemployment benefits. Since the benefit amount is the same, the simulation assumes that recipients receive unemployment assistance instead.
Temporary unemployment protection programs ( <i>PRODI, PREPARA, PAE &amp; Subsidio Extraordinario por Desempleo</i> )	bunnc_s	PS	PS	PS	PS	Due to lack of data on contribution history and unemployment spell. EU-SILC data doesn't distinguish these benefits from other unemployment benefits. Since the benefit amounts are similar, the simulation assumes that recipients receive unemployment assistance instead.
Self-employed unemployment insurance benefit	bunct02_s	(S)	(S)	(S)	(S)	Switched off in the baseline. Can be used for simulating unemployment benefits for new unemployed only.
Other unemployment benefits	bunot	I	I	I	I	Minor benefits that can't be simulated. Taken as part of EU-SILC variable PY093G.

**Family and child benefits**

Contributory Maternity benefit	bma/bmact_s	I/S	I/S	I/S	I/S	Due to lack of data on contribution history and maternity. EU-SILC variable HY052G. Its simulation can be switched on by using PBE extension. The default for the baseline is off, i.e. the non-simulated component is being used (bma).
Contributory Paternity benefit	bma/bpact_s	I/S	I/S	I/S	I/S	Due to lack of data on contribution history and maternity and other kind of information. Taken as part of EU-SILC variable HY052G. Its simulation can be switched on by using PBE extension. The default for the baseline is off, i.e. the non-simulated component is being used (bma).
Non contributory Child benefit						
Without disability	bch00_s	S	S	S	S	
With disability	bchdi_s	PS	PS	PS	PS	There is no information on disability for individuals below 16 years of age in the data.
Non contributory Multiple birth/adoption benefit	bchbaucna02_s	S	S	S	S	
Means-tested large families, lone parents, disabled mothers	bchbamtna_s	S	S	S	S	
Regional child benefits	bch*rg_s	S	S	S	S	
Non contributory maternity leave benefit	bma/bmanc_s	I/S	I/S	I/S	I/S	Its simulation can be switched on by using PBE extension. The default for the baseline is off, i.e. the non-simulated component is being used (bma).
Other child benefits (including risk during pregnancy and lactation benefit)	bchot	I	I	I	I	Due to lack of data on contribution history and maternity. Taken as part EU-SILC variable HY053G.
<b>Social assistance</b>						
Regional Minimum Income Support schemes	bsa/bsa_s	(PS)	(PS)	(PS)	(PS)	Policies are implemented but “switched off” as the simulated number of recipients is much higher (almost 4 times as high the number effectively reported in official statistics). EU-SILC variable HY060G.
<b>Housing allowance</b>						
Housing benefit	bho	I	I	I	I	Can’t be simulated due to difficult rules. EU-SILC variable HY070G.

Notes: “-”: policy did not exist in that year; “E”: *excluded* from the model as it is neither included in the micro-data nor simulated; “I”: *included* in the micro-data but not simulated; “PS” *partially simulated* as some of its relevant rules are not simulated; “S” *simulated* although some minor or very specific rules may not be simulated.

Table 2.2 shows the treatment of taxes and social contributions variables. Complete simulation, with some little exemptions is possible in the case of the social contributions for employees included in the general system. It is possible to simulate partially the social contributions of employees of other systems. The personal income tax is almost fully simulated, but we do not simulate small differences of the Basque Country and Navarra tax systems. We do not have data to simulate other taxes.



Table 2.2 Simulation of taxes and social contributions in EUROMOD

	Variable name(s)	2016	2017	2018	2019	Why not fully simulated (EU_SILC variable)?
<b>Social Contributions</b>						
General Regime (employee)	tscee_s	S	S	S	S	Part-time specific contributions are taken into account.
General Regime (employer)	tscer_s	S	S	S	S	Part-time specific contributions are taken into account.
Agrarian employees Special System (employee)	tscee_s	S	S	S	S	
Agrarian employees Special System (employer)	tscer_s	S	S	S	S	
Housemaids Special System (employee)	tscee_s					Due to lack of data this regime is taken as part of the general regime.
Housemaids Special System (employer)	tscer_s					Due to lack of data this regime is taken as part of the general regime.
Self-employed Agrarian Self-employed special system	tscse_s	S	S	S	S	
Coal-miner Special Regime, sea worker Special Regime (employee)	tscee_s	PS	PS	PS	PS	Due to lack of data this regime is taken as part of the general regime.
Coal-miner Special Regime, sea worker Special Regime (employer)	tscer_s	PS	PS	PS	PS	Due to lack of data this regime is taken as part of the general regime.
Student's regime		E	E	E	E	Due to lack of data this regime is taken as part of the general regime.
Unemployed workers	tscunee_s	S	S	S	S	
Civil servants, military forces and judges regime	tscee_s	PS	PS	PS	PS	Civil servants may have a contract contributing to the General Regime. Due to lack of data this regime is taken as part of the general regime.
<b>Direct Taxes</b>						
Personal Income Tax	tinit_s/tinjt_s	S	S	S	S	Some exemptions, small allowances and special treatment of some capital and self-employment incomes are ignored. Income rules of Basque country and Navarra are assumed to be the same as in the other regions.
Corporate Income Tax		E	E	E	E	No information available.
Net Wealth Tax		E	E	E	E	No information available.
Inheritance Tax		E	E	E	E	No information available.
Other direct taxes		E	E	E	E	No information available.

<i>Indirect Taxes</i>					
Value Added Tax	E	E	E	E	No information available.
Excise Duties	E	E	E	E	No information available.
Other Indirect Taxes	E	E	E	E	No information available.

Notes: “-” policy did not exist in that year; “E” policy is excluded from the model’s scope as it is neither included in the microdata nor simulated by EUROMOD; “PS” policy is partially simulated as some of its relevant rules are not simulated; “S” policy is simulated although some minor or very specific rules may not be simulated.

### 2.1.1 Part simulated tax-benefit components

The unemployment insurance and unemployment assistance are part-simulated because of the lack of contributory history. Thus, the simulation is restricted only to those individuals who have reported the unemployment benefit in the micro-data. Non-contributory old-age pension benefit (poanc\_s), old-age pension complement (poacm\_s) and the widow/er pension complement (psuwcm\_s) are also part-simulated in the baseline, because it has been estimated that around 40 percent of the eligible individuals do not claim the benefit (Matsaganis et al., 2010). The simulation is then restricted only to the actual benefit recipients.

Due to lack of data, special social insurance contribution regimes (coal miners, civil servants, sea worker regime, housemaid, military forces and judges) are taken as part of the general regime.

## 2.2 Order of simulation and interdependencies

The following table shows the order in which the main elements of the Spanish system in 2016-2019 are simulated.

We first simulate employee, self-employed and employer social contributions. Right after parental leave benefits<sup>9</sup>, unemployment benefits and social insurance contributions on unemployment beneficiaries are simulated. After that we simulate non-contributory old-age pensions, pension complements, and child benefits (except the regional child benefits). Finally we simulate the personal income tax. Individual and joint taxation are simulated, and the more favourable for the individual is chosen. Differences across regions regarding the personal income tax rules are taken into account. However, Basque Country and Navarra are simulated as the rest of the State. The last two policies are the regional child benefits and the regional social assistance benefits.

Table 2.3 Order of simulation

Policy	ES_2016	ES_2017	ES_2018	ES_2019	Comment
Setdefault_es	ON	ON	ON	ON	Def: Set default values
uprate_es	ON	ON	ON	ON	DEF: UPRATING FACTORS
uprate_bands_es	ON	ON	ON	ON	DEF: uprating in bands
ilsdef_es	ON	ON	ON	ON	DEF: STANDARD INCOME CONCEPTS
ilsUDBDef_es	ON	ON	ON	ON	DEF: STANDARD UDB INCOME CONCEPTS

<sup>9</sup> Even though their simulation is switched off in the baseline. See section 2.3 and the corresponding policies’ descriptions for more information.

ildef_es	ON	ON	ON	ON	DEF: OTHER INCOME CONCEPTS
ConstDef_es	ON	ON	ON	ON	DEF: CONSTANTS
tundef_es	ON	ON	ON	ON	DEF: ASSESSMENT UNITS
yem_es	SWITCH	SWITCH	SWITCH	SWITCH	DEF: Minimum wage
neg_es	ON	ON	ON	ON	DEF: recode negative self-employment income to zero
prelim_es	ON	ON	ON	ON	DEF: Preliminary definitions
tscft_es	ON	ON	ON	ON	SIC: General regime: full-time workers
tscpt_es	ON	ON	ON	ON	SIC: General regime: part-time workers
tscag_es	ON	ON	ON	ON	SIC: Agrarian regime
tscse_es	ON	ON	ON	ON	SIC: Self-employment
tscseag_es	ON	ON	ON	ON	SIC: Agrarian self-employment
bmact_es	SWITCH	SWITCH	SWITCH	SWITCH	BEN: Maternity leave benefit
bmanc_es	SWITCH	SWITCH	SWITCH	SWITCH	BEN: Non-contributory maternity leave benefit
bpact_es	SWITCH	SWITCH	SWITCH	SWITCH	BEN: Contributory paternity leave benefit
bunct_es	ON	ON	ON	ON	BEN: Unemployment insurance
bunct02_es	TOOGLE	TOOGLE	TOOGLE	TOOGLE	BEN: Unemployment insurance for self-employed (Simulated only for new unemployed)
bunnc_es	ON	ON	ON	ON	BEN: Unemployment assistant benefit
bunmt_es*	ON	ON	ON	ON	BEN: Temporary unemployment Protection Program
tscun_es	ON	ON	ON	ON	SIC: Unemployed persons social insurance contributions
poanc_es	ON	ON	ON	ON	BEN: Non-contributory old-age pension
poacm_es	ON	ON	ON	ON	BEN: Old-age pension complement
psuwcm_es	ON	ON	ON	ON	BEN: Widow-widower's pension complement
bch00_es	ON	ON	ON	ON	BEN: Child benefit

bchbamtna_es	ON	ON	ON	ON	BEN: Means-tested birth/adoption benefit
bchbaucna02_es	ON	ON	ON	ON	BEN: Universal multiple birth benefit
tin_cons_es	ON	ON	ON	ON	TAX: Income Tax - constants
tinit_es	ON	ON	ON	ON	TAX: Income Tax - Individual taxation
tintcrgit_es	ON	ON	ON	ON	TAX: Regional Income Tax Credits, individual taxation
tinjt_es	ON	ON	ON	ON	TAX: Income Tax - joint taxation
tintcrgjt_es	ON	ON	ON	ON	TAX: Regional Income Tax Credits, joint taxation
tinopt_es	ON	ON	ON	ON	TAX: Income Tax - optimisation
tinoptrg_es	ON	ON	ON	ON	TAX: Regional Income Tax – optimisation
tintrch_es	ON	ON	ON	ON	TAX: Working mother refundable tax credit
tintrchlg_es	ON	ON	ON	ON	TAX: Large families tax credit
tintrchlp_es	ON	ON	ON	ON	TAX: Lone parents tax credit
bchrg_es	ON	ON	ON	ON	BEN: Regional Child Benefits
bsarg_es	TOGGLE	TOGGLE	TOGGLE	TOGGLE	BEN: Regional Minimum Income
output_std_es	ON	ON	ON	ON	Def: Standard Output Individual Level
output_std_hh_es	OFF	OFF	OFF	OFF	Def: Standard Output Household Level

Notes: \* Policy bunmt\_s is not active if run with the input data based on SILC 2010 or any later datasets. In such case Temporary unemployment Protection Program is simulated as part of Unemployment assistant benefit (bunnc\_es).

### 2.3 Policy extensions

There are three standard extensions included into the Spanish spine:

- **Minimum Wage Adjustment (MWA)**, allowing the user to switch on/off the minimum wage simulation. The default for the baselines is off. The minimum wage policy substitutes all employment income (*yem*) below the minimum wage by the statutory minimum wage (taking into account the number of month and hours in work). In the baseline this policy is not used because there are reasons to believe that wages below the minimum are valid observations. Such low wages may be undeclared wages earned in the informal sector or they may result from misreporting number of hours/months in work. The policy may be used for estimating the effect of minimum wages on income distribution.

- **Parental Benefits Extension (PBE)**, allowing the user to choose between the observed (non-simulated) parental leave benefits (extension off) or the simulated ones (extension on). The default for the baselines is off.
- **Uprating Average Adjustment (UAA)**, allowing the user to choose between uprating (non-simulated) public pensions based on the growth in average amounts (if extension is on) or by using statutory indexation rules (if extension is off). The default for the baselines is off. Uprating by average also takes into account changes in the characteristics of pensioners (e.g. an inflow of new retirees with higher average pensions). This type of uprating may be used in EUROMOD applications where it is important to take into account not only policy but also compositional changes (e.g. nowcasting).

Apart from policy switches, the Spanish model also has two policies that are switched OFF in the baseline, but can be used for specific purposes: (1) the regional Minimum Income Support schemes, and (2) the Unemployment benefit for the self-employed.

- The Minimum Income Guarantee is switched off because all the rules can't be simulated, there is a high degree of discretionary power by municipalities and potential non-take up. Therefore, the policy substantially overestimates the number of recipients and the benefit amounts. The policy can be used as an 'upper bound' of the simulated benefit.
- The unemployment benefit for self-employed can't be simulated in the baseline because there is no information on the previous activity of those currently unemployed. However, this policy can be used for simulating unemployment benefits for new unemployed (e.g. in nowcasting) or for estimating replacement rates for self-employed who lose their jobs.

## 2.4 Social benefits

### 2.4.1 Unemployment benefits

#### 2.4.1.1 Contributory unemployment insurance benefit (*Prestación por desempleo contributiva*)

The contributory unemployment insurance benefit is available to all employees who have lost their job and reached a minimum time of contribution to the Social Security system.

- **Definitions**

**Dependent children:** cohabiting children below 26 years of age (or older if disabled) whose incomes are below the minimum wage (*Salario Mínimo Interprofesional, SMI*) considering 12 monthly payments. In 2019: (12 x 900 euro per month) = **10,800 euro** a year.

- **Eligibility conditions**

In order to be entitled to receive the benefits the individuals must be over 16 years of age and below 65 and be registered at the employment office as actively seeking employment. The minimum period of contributions to be eligible for the benefit is 360 days during the 6 years immediately before unemployment.

- **Income assessment**

There is no income assessment.

• **Benefit amount and duration**

The benefit amount depends on the average daily contributory base (*base reguladora, contingencias comunes*), strongly related to the individual wage level. The average is calculated on contributions made during the 180 days that precede the legal situation of unemployment. All payments for overtime work are excluded. The amount to be received will be:

During the first 180 days, 70% of the average daily contributory base. From 2013 onwards the percentage from 181<sup>st</sup> day is 50%.

The benefit cannot be below a minimum:

- If the worker has no dependent children, the minimum benefit is 80% of the monthly IPREM, increased by 1/6. In 2019  $(1+1/6) \times (0.8 \times 537.84 \text{ euro}) = 501.98$  euro per month.
- If the worker has at least one dependent child, the minimum benefit is 107% of monthly IPREM, increased by 1/6. In 2019:  $(1+1/6) \times (1.07 \times 537.84 \text{ euro}) = 671.40$  euro per month.

The benefit cannot be over a maximum:

- If the worker has no dependent children, the maximum benefit is 175% of the monthly IPREM, increased by 1/6. In 2019:  $(1+1/6) \times (1.75 \times 537.84 \text{ euro}) = 1,098.09$  euro per month.
- If the worker has dependent children:
  - One child, the maximum benefit is 200% of monthly IPREM, increased by 1/6. In 2019:  $(1+1/6) \times (2 \times 537.84 \text{ euro}) = 1,254.96$  euro per month.
  - Two or more children, the maximum benefit is 225% of the monthly IPREM, increased by 1/6. In 2019:  $(1+1/6) \times (2.25 \times 537.84 \text{ euro}) = 1,411.83$  euro per month.

In the case of becoming unemployed while at a part-time job, the maximum and minimum limits of the benefit will be calculated as a proportion of the full-time working day.

Benefit duration depends on the total contribution period over the preceding 6 years:

Period of work for which contributions have been made during the last 6 years	Duration of the benefit being paid
Between 360 days and 539 days	120 days
Between 540 days and 719 days	180 days
Between 720 days and 899 days	240 days
Between 900 days and 1,079 days	300 days
Between 1,080 days and 1,259 days	360 days
Between 1,260 days and 1,439 days	420 days
Between 1,440 days and 1,619 days	480 days
Between 1,620 days and 1,799 days	540 days
Between 1,800 days and 1,979 days	600 days
Between 1,980 days and 2,159 days	660 days
2,160 days or more	720 days

• **Compatibilities**

Benefits are not compatible with any full-time employment except some particular cases. However, they are compatible with carrying out a part-time activity as an employee.

Accumulation with social security pensions or cash benefits is not possible unless these had been compatible with the professional activity from which the unemployment benefit is derived. Accumulation is possible with pensions which are compatible with work.

- **Taxation and income testing**

Taxable. Subject to social insurance contributions. Benefits are included in the income test of other social benefits.

- **Evolution and characteristics of the unemployment benefit**

Table 2.4. Characteristics of the unemployment insurance benefit

		2016	2017	2018	2019
<b>Eligibility</b>	Contribution period	>=12 months in 6 years	>=12 months in 6 years	>=12 months in 6 years	>=12 months in 6 years
	Eligibility of self-employed	Specific scheme (see 2.4.1.2)	Specific scheme (see 2.4.1.2)	Specific scheme (see 2.4.1.2)	Specific scheme (see 2.4.1.2)
<b>Payment</b>	Contribution base	Last 180 days of wage <sup>(1)</sup> + some extras	Last 180 days of wage+ some extras	Last 180 days of wage+ some extras	Last 180 days of wage+ some extras
<b>Basic amount:</b>					
	First 180 days	70% of daily contributory base	70% of daily contributory base	70% of daily contributory base	70% of daily contributory base
	From 181 <sup>st</sup> day	50% of daily contributory base	50% of daily contributory base	50% of daily contributory base	50% of daily contributory base
<b>Floor:</b>					
	If the worker has no dependent child	497.01	497.01	501.98	501.98
	If the worker has at least one dependent child	664.75	664.75	671.40	671.40
<b>Ceiling:</b>					
	If the worker has no dependent child	1,087.21	1,087.21	1,098.09	1,098.09
	If the worker has at least one dependent child:				
	1 child	1,242.52	1,242.52	1,254.96	1,254.96
	>=2 children	1,397.84	1,397.84	1,411.83	1,411.83
<b>Duration</b>	Standard (in months)	4+4 for each year of contr., Max 24	4+4 for each year of contr., Max 24	4+4 for each year of contr., Max 24	4+4 for each year of contr., Max 24
<b>Subject to</b>	Taxes	Yes	Yes	Yes	Yes
	SIC	Yes	Yes	Yes	Yes

Notes: <sup>(1)</sup> Average daily contributory base (*base reguladora, contingencias comunes*).

- **EUROMOD notes**

Due to lack of data on contribution history it's partially simulated. The contributory base is calculated reversing the rules of the benefit.

**2.4.1.2 Self-employed unemployment insurance benefit (*Prestación económica cese de actividad de trabajadores autónomos*):**

Unemployment insurance scheme is available to self-employed people who reached a minimum time of contribution to the Social Security system and terminated their self-employment activity due to economic reasons.

- **Definitions**

**Dependent children:** cohabiting children below 26 years of age (or older if disabled) whose incomes are below the minimum wage (*Salario Mínimo Interprofesional, SMI*) considering 12 monthly payments. In 2019: (12 x 900 euro per month) = 10,800 euro a year.

- **Eligibility conditions**

In order to be entitled to receive the benefits the individuals must be over 16 years of age and below 65 and registered at the employment office as actively seeking employment. The minimum period of contributions to be eligible for the benefit is of, at least, 12 consecutive months during the 2 years immediately before unemployment.

- **Income assessment**

There is no income assessment.

- **Benefit amount and duration**

The benefit amount depends on the average contributory base of the self-employed regime chosen by the self-employed (*base reguladora, Régimen Especial de los Trabajadores Autónomos*). The average is calculated on contributions made during the 12 months that precede the legal situation of unemployment.

The amount to be received will be 70% of the average contributory base.

The minimum amount will be 107% of IPREM if the self-employed had at least one dependent child or 80% if the self-employed had no dependent children.

The maximum amount will be 200% of IPREM if the self-employed had at least one dependent child, 225% of IPREM if more than one dependent child or 175% if the self-employed had no dependent children.

Benefit duration depends on the total contribution period over the preceding 2 years. The duration of the benefit since 2019 are the following:

Period of work for which contributions have been made during the last 2 years	Duration of the benefit being paid
Between 12 and 17 months	4 months
Between 18 and 23 months	6 months
Between 24 and 29 months	8 months
Between 30 and 35 months	10 months
Between 36 and 42 months	12 months
Between 43 and 47 months	16 months
48 months	24 months

- **EUROMOD notes**

This special protection system for the self-employed came into force on November 6<sup>th</sup> 2010. In the model it is implemented from 2011. The simulation is switched OFF in the baseline.



### 2.4.1.3 Unemployment assistance benefit (*Subsidio por desempleo*)

This is a means-tested benefit which is generally available to workers whose unemployment insurance benefit has expired or they are not eligible to receive the unemployment insurance benefit.

- **Definitions**

**Dependent individual:** spouse of any age or child under twenty-six years of age (older if disabled) whose personal income does not exceed 75 per cent of the minimum wage considering 12 monthly payments. In 2019:  $0.75 \times (12 \times 900 \text{ euro per month}) = 8,100 \text{ euro a year}$ .

- **Eligibility conditions**

Unemployed individuals are eligible if having exhausted their contributory unemployment benefit, their family unit income is below the income test and they are over 45 years old or have dependants. Workers with dependants who were not entitled to contributory unemployment benefit due to shortage of contributions but have, at least, 3 months of contributions to the Social Security system are also eligible. Furthermore, workers without dependants who were not entitled to contributory unemployment benefit due to shortage of contributions but have, at least, 6 months of contributions are also eligible.

- **Income assessment**

Family level: Household income per capita from all sources<sup>10</sup> must be below 75% of the minimum wage (*Salario Mínimo Interprofesional, SMI*) considering 12 monthly. In 2019:  $0.75 \times (12 \times 900 \text{ euro per month}) = 8,100 \text{ euro per capita a year}$ .

- **Benefit amount**

The benefit amount is 80% of the IPREM. In 2019:  $(0.8 \times 537.84 \text{ euro}) = 430.272 \text{ euro per month}$ .

The duration of the benefit is normally 6 months with the possibility of extension up to a maximum of 30 months for individuals with dependent spouse or child and less than 55 years old and who have exhausted the contributory benefit.

- **Compatibilities**

Benefits are not compatible with any full-time employment except some particular cases.

- **Taxation and income testing**

Taxable. Benefits included in the income test of other social benefits.

---

<sup>10</sup> There are a few exemptions, including child benefit and refundable working mother tax credit (*deducción por maternidad*).

• **Evolution and characteristics of the unemployment assistance benefit**

Table 2. Characteristics of the unemployment assistance benefit

		2016	2017	2018	2019
<b>Eligibility</b>	Contribution period	-	-	-	-
	Other conditions	Annual Per capita household income < 5,896.8 euro & { (exhausted bunct_s & (>= 45 years old OR have dependants) ) OR (not entitled to bunct_s & >=3 months of contributions & have dependants) OR (not entitled to bunct_s & >=6 months of contributions & no dependants) }	Annual Per capita household income < 6,368.4 euro & { (exhausted bunct_s & (>= 45 years old OR have dependants) ) OR (not entitled to bunct_s & >=3 months of contributions & have dependants) OR (not entitled to bunct_s & >=6 months of contributions & no dependants) }	Annual Per capita household income < 6,623.1 euro & { (exhausted bunct_s & (>= 45 years old OR have dependants) ) OR (not entitled to bunct_s & >=3 months of contributions & have dependants) OR (not entitled to bunct_s & >=6 months of contributions & no dependants) }	Annual Per capita household income < 8,100euro & { (exhausted bunct_s & (>= 45 years old OR have dependants) ) OR (not entitled to bunct_s & >=3 months of contributions & have dependants) OR (not entitled to bunct_s & >=6 months of contributions & no dependants) }
	Eligibility of self-employed				
<b>Payment</b>	Contribution base	-	-	-	-
	Basic amount	426.01 monthly	430.28 monthly	430.28 monthly	430.28 monthly
	Additional amount	-	-	-	-
	Floor	-	-	-	-
	Ceiling				
<b>Duration</b>	Standard (in months)	6	6	6	6
	Special cases (in month)	Up to 18 for individuals with dependent spouse or child and less than 55 years old	Up to 18 for individuals with dependent spouse or child and less than 55 years old	Up to 18 for individuals with dependent spouse or child and less than 55 years old	Up to 18 for individuals with dependent spouse or child and less than 55 years old
<b>Subject to</b>	Taxes	Yes	Yes	Yes	Yes
	SIC	No	No	No	No

- **EUROMOD notes**

It's partially simulated due to lack of data on contribution history. The contributory base is calculated reversing the rules of the benefit.

### 2.4.1.4 Unemployment income guarantee benefit (*Renta Activa de Inserción*)

This means-tested benefit aims to cover unemployed individuals with dependants and particularly large difficulties to find a job. The worker must follow a “back to work” scheme aimed at improving his/her possibilities of finding a job.

- **Definitions**

**Dependent individual:** The same definition as in previous benefits (see unemployment insurance and unemployment assistance).

- **Eligibility conditions**

Unemployed individuals over 45 years of age with dependants who are not eligible or have exhausted contributory and non-contributory unemployment benefit while family unit income is below the income test.

- **Income assessment**

Per capita household income from all sources<sup>11</sup> must be below 75% of the minimum wage (Salario Mínimo Interprofesional, SMI) considering 12 monthly payments. SMI is 735.90 euro per month in 2018, so the actual limit is 551.925 euro per capita a month (6,623.1 euro a year) in 2018.

- **Benefit amount**

Benefits amount is 80% of the IPREM ( $0.8 \times 537.84 \text{ euro} = 430.272 \text{ euro per month}$ ). The duration of the benefit is 11 months.

- **Compatibilities**

Benefits are compatible with full-time employment if individuals qualify for the program. In this case the benefit will only be 1/4 of that which would be obtained if not in full-time work. Duration in this case will drop to 6 months.

- **Taxation and income testing**

Taxable. Benefits included in the income test of other social benefits.

- **EUROMOD notes**

EU-SILC data doesn't distinguish this benefit from other unemployment benefits. Since the benefit amount is the same, the simulation assumes that recipients receive unemployment assistance instead.

---

<sup>11</sup> There are a few exemptions, including child benefit and refundable working mother tax credit (*deducción por maternidad*).

#### 2.4.1.5 Program of professional requalification for people that have exhausted their rights to other unemployment benefits

This program (*Programa de recualificación personal de las personas que agoten su protección por desempleo, PREPARA*) substitutes the former program PRODI (*Programa Temporal de Protección por Desempleo e Inserción*). In order to protect vulnerable people the Spanish government sets up this new non-contributory unemployment protection for workers that have exhausted their contributory benefit and are not eligible for the unemployment non-contributory benefit. The program consists in a benefit paid to the unemployed of 75% of IPREM (537.84 euro/month) = 403.38 euro/month during 6 months (*Real Decreto-ley 1/2011, de 11 de febrero, de medidas urgentes para promover la transición al empleo estable y la recualificación profesional de las personas desempleadas*). Eligibility is restricted to individuals:

- a) Who are unemployed and are registered as demanding employment in the Public Service for Employment (INEM);
- b) Who do not have the right to receive any unemployment benefit: contributory insurance benefit, assistance, or income guarantee benefit;
- c) Who have not received PRODI or PREPARA before;
- d) Whose per capita household income is below 75% of Minimum wage (735.90 euro/month) = 551.925 euro/month;
- e) Whose per capita family income is below 483.98 euro/month;
- f) Who are long-term unemployed or have dependants.

- **EUROMOD notes**

EU-SILC data doesn't distinguish this benefit from other unemployment benefits. Since the benefit amount is the same, the simulation assumes that recipients receive unemployment assistance instead.

#### 2.4.1.6 Employment Activation Program (PAE)

This program (*Programa de Activación para el Empleo, PAE*) is used when the former program PREPARA (*Programa de recualificación personal de las personas que agoten su protección por desempleo*) is exhausted.

PAE has the same aim as PREPARA and PRODI had in the previous years: to protect people who cannot obtain contributory benefit and are not eligible for the unemployment non-contributory benefit.

The program consists in a benefit paid to the unemployed of 80% of IPREM (537.84 euro/month) = 430.272 euro/month during 6 months (*Real Decreto-Ley 16/2014 de 19 de diciembre, por el que se regula el Programa de Activación para el Empleo*).

Eligibility is restricted to unemployed individuals:

- a) Who have worked previously at any time and have not left their last job voluntarily.
- b) Who have exhausted PREPARA (or PRODI program), or the third Active Insertion Income (*Renta Activa de Inserción*) more than six months ago, and do not have the right to

receive any unemployment benefit: contributory insurance benefit, assistance, or income guarantee benefit.

- c) Who have family responsibilities (at least one member; spouse or descendant less than 26 under their responsibility).
- d) Who are not receiving any social income, integration minimum income (RMI-Renta Mínima de Inserción) or any other social assistance granted by regions (Autonomous Communities or local entities).
- e) Who are unemployed and are registered as demanding employment in the Public Service for Employment (INEM) on 1th December 2014 and have been registered continuously for, at least, 12 months out of previous 18 months of application.
- f) Whose per capita or average household income is below 75% of SMI
- g) Who are long-term unemployed.
- h) Who accept to participate in a social program to increase the possibility to find an appropriate job supported by the Public Service for Employment (INEM).

- **EUROMOD notes**

EU-SILC data doesn't distinguish this benefit from other unemployment benefits. Since the benefit amount is the same, the simulation assumes that recipients receive unemployment assistance instead.

## 2.4.2 Pension benefits

### 2.4.2.1 Non-contributory old-age pension (*Prestaciones no contributivas por jubilación*)

This means-tested old-age benefit is aimed at all Spanish citizens and nationals from other countries, with legal residence in Spain, over 65 years of age, who find themselves in a state of need and lack the necessary means for subsistence, even when they have never contributed to the Social Security scheme.

- **Definitions**

Family unit: spouse and up to second-degree relatives (i.e., grandparents, siblings, grandchildren).

- **Eligibility conditions**

The age required to non-contributory old-age pension is 65 or more.

- **Income assessment**

The personal income of the individuals must be below of the amount of the Non-contributory old age pension.

Family unit total yearly income, except child benefits, must be below the following amounts:

One member family unit:

Year:	2016	2017	2018	2019
(euro per year):	5,150.60	5,164.60	5,178.60	5,488.00

More than one member family unit:

- No children or parents of the recipient: the annual amount of the benefit plus 70 percent more for each additional member. Thus the limit is  $(1 + 0.7 \times (\text{number of members} - 1)) \times 5,488.00$  euro in 2019.

Two members:

Year:	2016	2017	2018	2019
(euro per year):	8,756.02	8,779.82	8,803.62	9,329.6

Three members:

Year:	2016	2017	2018	2019
(euro per year):	12,361.44	12,395.04	12,428.64	13,171.20

- Some are children or parents of the recipient: the previous limit is multiplied by 2.5:  $2.5 \times (1 + 0.7 \times (\text{number of members} - 1)) \times 5,488.00$  euro in 2019.

Two members:

Year:	2016	2017	2018	2019
(euro per year):	21,890.05	21,949.55	22,009.05	23,324.00

Three members:

Year:	2016	2017	2018	2019
(euro per year):	30,903.60	30,987.60	31,071.60	32,928.00

- **Benefit amount**

The annual amount for the year 2019 is 5,488.00 euro. The total amount will be divided into 14 payments corresponding to each month of the year and two extra payment in the months of June and November.

In case more than one person in the economic unit is entitled to the benefit, the amount increases by 70 percent for each additional beneficiary and the resulting amount is equally shared across claimants.

In case the pensioner earns other incomes that are over 35 percent of the total annual pension (in 2019 this amounts to  $0.35 \times 5,488.00$  euro = 1,920.80 euro), the non-contributory pension will be reduced in the amount over which other incomes exceed this limit. The table below shows the annual amount of the non-contributory old-age pension for the former years:

Year:	2016	2017	2018	2019
Benefit amount	5,150.60	5,164.60	5,178.60	5,488.00
(euro per year):				

- **Taxation and income testing**

Taxable. Benefits included in the income test of other social benefits.

- **Regional complementary benefits**

Most regions increase non-contributory old-age pension benefits with a further complementary benefit. Details by regions:

Region	2016	2017	2018	2019
Andalucía	120.56 euro/year	123 euro/year	125,50 euro/year	130,50 euro/year
Catalonia <sup>12</sup>	Income <25% annual non-contributory pension amount  Amount <=107.30 euro/month  12 payments a year	Income <25% annual non-contributory pension amount  Amount <=107.60 euro/month  12 payments a year	Income <25% annual non-contributory pension amount  Amount <=107.88 euro/month  12 payments a year	Income <25% annual non-contributory pension amount  Amount <=114.33 euro/month  12 payments a year
Extremadura	225 euro/year	230 euro/year	230 euro/year	235 euro/year
Galicia	206 euro paid this year from 2015 budget  Paid in 2016	206 euro paid this year from 2016 budget  Paid in 2017	206 euro paid this year from 2017 budget  Paid in 2018	206 euro paid this year from 2018 budget  Paid in 2019

- **EUROMOD notes**

The benefit is partially simulated in the baseline, i.e. the eligibility is conditioned to being a recipient in EU-SILC ( $poanc > 0$ ). This is due to a high non-take up which has been estimated of around 40% (Matsaganis et al., 2010).

#### 2.4.2.2 Old-age pension complement (*Complemento de mínimos por jubilación*):

This means-tested benefit is a complementary benefit paid to all contributory pensions that are below the official minimum pension (*pension mínima*) yearly fixed by the government.

- **Definitions**

**Dependent spouse (*cónyuge a cargo*):** the pensioner has a dependent spouse if cohabiting with an adult individual who does not receive any pension and the total net earnings of both for the previous year are below 8.829,00 euro in 2019 (see table below for following years);

Year:	2016	2017	2018	2019
(euro per year):	8,301.10	8,301.10	8,321.85	8,829.00

- **Eligibility conditions**

All contributory pension benefits receivers must pass the income test.

- **Income assessment**

Total individual net earnings for the previous year must be below the amount of the contributory pension benefit plus 7,569.00 euro in 2019 (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	7,116.18	7,116.18	7,133.97	7,569.00

<sup>12</sup> The calculated amount is a result of: (non-contributory old-age pension\*0.25)/12

- **Benefit amount**

If the beneficiary only receives one pension, the amount of the non-contributory complement will be the difference between the amount of the pension officially acknowledged and the minimum pension that year. In 2016-2019 the minimum pension was: 2019

Without a spouse:

If 65 years of age or over: In 2019, 9483.60 **euro/year** (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	8,905.40	8,927.80	8,950.20	9483.60

following  
If below 65 years of age: In 2019: 8,871.80 **euro/year** (see table below for years):

Year:	2016	2017	2018	2019
(euro per year):	8,330.00	8,351.00	8,372.00	8,871.80

With a spouse (non-dependant):

If 65 years of age or over: In 2019: 9,000.60 **euro/year** (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	8,449.00	8,471.40	8,493.80	9,000.60

If below 65 years of age: In 2019: 8,386.00 **euro/year** (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	7,872.20	7,893.20	7,914.20	8,386.00

With a dependant spouse:

If 65 years of age or over: In 2019: 11,701.20 **euro/year** (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	10,988.60	11,016.60	11,044.60	11,701.20

If below 65 years of age: In 2019: 10,970.40 **euro/year** (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	10,299.80	10,326.40	10,353.00	10,970.40

If the beneficiary has more than one pension, the amount of the non-contributory complement to make up the minimum will only be acknowledged if the sum of all pensions is below the highest minimum pension, according to the annual computation.

- **Taxation and income testing**

Taxable. Benefits included in the income test of other social benefits.

- **EUROMOD notes**

The benefit is partially simulated in the baseline, i.e. the eligibility is conditioned to being a recipient in EU-SILC ( $poacm > 0$  &  $poa00 > 0$ ).



### 2.4.2.3 Complementary benefit to non-contributory pensions due to housing rent (*Complemento por alquiler*):

All pensioners living in rented housing who do not own other housing elsewhere and are not family related to the house owner will receive a complementary benefit if they pay housing rent. The annual quantity of this benefit is 525 euro/year.

Year:	2016	2017	2018	2019
(euro per year):	525	525	525	525

See for detailed references:

*Real Decreto 1107/2014, 26 de diciembre, sobre revalorización de las pensiones del sistema de la Seguridad Social y de otras prestaciones sociales públicas para el ejercicio 2015*

*Real Decreto-ley 20/2011, de 30 de diciembre, de medidas urgentes en materia presupuestaria, tributaria y financiera para la corrección del déficit público.*

*Real Decreto 1371/2009, de 13 de agosto, por el que se modifica el Real Decreto 1400/2007, de 29 de octubre, por el que se establecen normas para el reconocimiento del complemento a los titulares de pensión de jubilación e invalidez de la Seguridad Social, en su modalidad no contributiva, que residen en una vivienda alquilada, prorrogando su vigencia para el año 2009.*

*Real Decreto 1400/2007, de 29 de octubre, por el que se establecen normas para el reconocimiento del complemento a los titulares de pensión de jubilación e invalidez de la Seguridad Social, en su modalidad no contributiva, que residen en una vivienda alquilada.*

### 2.4.2.4 Widow-widower's pension complement (*Complemento de mínimos por viudedad*):

This means-tested benefit is paid to widows or widowers receiving a contributory pension from deceased partner that are below the official minimum pension (*pension de viudedad mínima*) yearly fixed by the government.

- **Definitions**

**Dependant relatives** (*cargas familiares*): individuals under 26 years of age (or older if disabled) are considered dependant relatives if per capita household income does not exceed 75 per cent of the minimum wage considering 12 monthly payments. In 2019:  $0.75 \times (12 \times 900\text{euro per month}) = 8,100\text{euro a year}$  (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	5,896.80	6,368.40	6,623.1	8,100

- **Eligibility conditions**

All contributory pension benefits receivers who comply the income test.

- **Income assessment**

Total individual yearly earnings for the previous year must be below the amount of the contributory pension 7.569,00 euro in 2019 (see table below for following years):

Year:	2016	2017	2018	2019
(euro per year):	7,116.18	7,116.18	7.133,97	7.569,00

**Benefit amount**

If the beneficiary only receives one pension, the amount of the non-contributory complement will be the difference between the amount of the pension officially acknowledged and the following amounts:

Year:	2016	2017	2018	2019
With dependant relatives	10,299.80	10,326.40	10,353.00	10,970.40
With disability (65% or more)	8,905.40	8,927.80	8,950.20	9,483.60
65 or over	8,905.40	8,927.80	8,950.20	9,483.60
Between 60-64	8,330.00	8,351.00	8,372.00	8,871.80
Below 60	6,742.40	6,760.60	6,778.80	7,183.40

- **Taxation and income testing**

Taxable. Benefits included in the income test of other social benefits.

- **EUROMOD notes**

The benefit is partially simulated in the baseline, i.e. the eligibility is conditioned to being a recipient in EU-SILC ( $psuwdcm > 0$  &  $psuwd00 > 0$ ).

### 2.4.3 Child and family benefits: National level

These benefits aim either for the general maintenance of families welfare or, in some cases, for the alleviation of the poverty situation of households with children.

#### 2.4.3.1 Child benefit (*Prestación no contributiva por hijo a cargo*):

- **Definitions**

**Dependent child:** individual under 18 (or older if affected by a disability of a degree equal to or higher than 65 percent). In Spain individuals may work if between 16 and 18 years of age, they continue to qualify as dependent children if their annual earnings are below the minimum wage.

**Eligibility conditions**

The benefit is received by an adult individual cohabiting with the dependent child. In case of nullity, legal separation or divorce of the parents the beneficiary should be the parent that is in charge of the child. All benefit receivers must pass the income test.

- **Income assessment**

Family unit yearly income must be below 12,313.00 euro in 2019, see table below for following years:

Year:	2016	2017	2018	2019
(euro per year):	11,576.83	11,576.83	11,605.77	12,313.00

This amount was increased by 15% for each extra dependent child.

In the case of belonging to a large family<sup>13</sup> with three dependent children the income test is 18,532.00 euro in 2019, see table below for following years:

Year:	2016	2017	2018	2019
(euro per year):	17,423.84	17,423.84	17,467.40	18,532.00

This amount will increase for other large families by 3002.00 euro in 2019 (for each dependent child from the fourth onwards).

Year:	2016	2017	2018	2019
(euro per year):	2,815.14	2,822.18	2,829.24	3,002.00

The benefit is not income tested when children are disabled.

- **Benefit amount**

For children under 18 without disabilities:

Year:	2016	2017	2018	2019
(euro per year):				
<5	291	291	291	341
5-18	291	291	291	341

From **April 2019**, poor households are entitled to a higher benefit amount of €88 per year. Poor households are defined as those meeting the following income test:

$$\frac{3.599,99 + [(3.599,99 \times 0,5 \times (M-1)) + (3.599,99 \times 0,3 \times N)]}{\text{or less income}}$$

Where *M* is the number of individuals over 13 years old and *N* those of 13 years old or below. The income assessed is the same as for the main benefit.

For children under 18 with a degree of disability of 33% or more: 1,000 euro per year in 2019 (see below table for following years):

Year:	2016	2017	2018	2019
(euro per year):	1,000	1,000	1,000	1,000

For children over 18 with a degree of disability of 65% or more: 4704.00 euro per year in 2019 (see below table for following years):

Year:	2016	2017	2018	2019
(euro per year):	4,414.80	4,426.80	4,438.80	4,704.00

For children over 18 with a degree of disability of 75% or more: 7,056.00 euro in 2019 (see below table for following years):

<sup>13</sup>In Spain, a large family was integrated by one or two ascendants with three or more children. There are some especial situations: families with two children and, at least, one of them with a disability; families with two children and the two ascendants have a disability or, at least, one ascendant with a 65% or more of disability; a divorced mother or father with three or more children, joint children or not, although they are in different family unit, as long as the children depend on him/her economically.

There are two categories of large families: the special large family in which there are five or more children or with four children when, at least, three of them come from multiple childbirth or multiple adoptions and the general large families that are the rest of the cases.

Year:	2016	2017	2018	2019
(euro per year):	6,622.80	6,640.80	6,658.80	7,056.00

- **Compatibilities**

This benefit is compatible with national or regional lump-sum child benefits.

- **Taxation and income testing**

Not taxable and not included in the income test of other benefits.

### 2.4.3.2 National lump-sum Child benefits

#### 2.4.3.2.1 Lump-sum Child benefits for multiple birth or adoption (*Prestación por parto o adopción múltiple*)

These benefits are payable once at multiple birth or adoption.

- **Benefit amount**

The benefit amount is different according to the number of children born and is a number of times the minimum salary:

Year:		2016	2017	2018	2019
2 Children	4 times SMI	2,620.80	2,830.80	2943.60	3600.60
3 Children	8 times SMI	5,241.60	5,661.60	5887.20	7200.00
4 Children or more	12 times SMI	7,862.40	8,492.40	8830.80	10800.00

### Compatibilities

No taxable. This benefit is compatible with any other child benefits. It is not compatible with other universal lump-sum benefits under the same conditions of other public regimes (regional universal lump-sum benefits for multiple birth or adoption).

#### 2.4.3.2.2 Means-tested lump-sum child benefit for large families, lone parents and disabled mothers (*Prestación por nacimiento o adopción de hijos en los casos de familia numerosa, monoparentales o madres discapacitadas igual o más del 65%*)

The benefit (since 2008) is payable to some household types (large households, lone-parents and disabled mothers) at a child's birth if net household income is below the income test.

- **Eligibility conditions**

The benefit is received by a cohabiting parent of these household types at child's birth.

- **Income assessment**

Family unit yearly income must be below 12,313.00 euro in 2019 in case of one child. In case of multiple children the minimum is calculated in the following way: 12,313.00 + (number of children) x 15% of 12,313.00 euro. The maximum is the result of adding 1,000 euro to the minimum and subtracting the monthly benefit amount of the child benefit (in 2019; 291/12=24.25 euro) per child. In case of being lone parent or disabled parent the income test is 12,313.00 euro in 2019:

Year:	2016	2017	2018	2019
(euro per year):	11,576.83	11,576.83	11,605.77	12,313.00

Lone parents and disabled parents:

	2018 (Minimum)	2018 (Maximum)	2019 (Minimum)	2019 (Maximum)
Year:				
One child	11,605.77	12,581.52	12313.00	13,288.75
Two children	13,346.64	14,298.14	14,159.95	15,111.45
>Two Children	...	...	...	...

In case of belonging to a large family with three dependent children, the income test is 18,532.00 euro in 2019:

Year:	2016	2017	2018	2019
(euro per year):	17,380.39	17,423.84	17,467.40	18,532.00

Large families:

	2018 (Minimum)	2018(Maximum)	2019 (Minimum)	2019 (Maximum)
Year:				
Three children	17,467.40	18,340.40	18,532.00	19,459.25
Four children	20,296.64	21,460.64	21,534.00	22,437.00

This amount will increase for other large families in 3,002.00 euro in 2019 (for each dependent child from the fourth onwards).

Year:	2016	2017	2018	2019
(euro per year):	2,822.18	2,822.18	2,829.24	3,002.00

- **Benefit amount**

Year:	2016	2017	2018	2019
(lump-sum payment in euro):	1,000	1,000	1,000	1,000

If household income is above the corresponding limit but below the maximum limit, the benefit will be the difference between the maximum value that year and yearly household income.

- **Compatibilities**

This benefit is not compatible with any other regional or local benefits of the same type.

- **Taxation and income testing**

Not taxable and not included in the income test of other benefits.

### 2.4.3.3 Maternity leave contributory benefit (*prestación contributiva por maternidad*) – *bmact\_s*

- **Brief description and definitions:**

It is a subsidy for the substitution of the remunerations that are not received during the period you are leaved. The possible situations may be:

1. Biological maternity
2. Adoption
3. Guard for adoption purposes
4. Foster care lasting no less than one year
5. Guardianship by family member who cannot adopt due to their degree of kinship
6. Pregnancy by substitution (surrogate motherhood)

In cases 2, 3, 4, 5 the children must be less than 6 years old. In case of children with disabilities the age requirement is extended up to 18 years old.

- **Eligibility conditions and income test:**

It requires affiliation and registration in the Social Security, and a minimum contribution period:

- ✓ If you are younger than 21 years old: any contribution period is required
- ✓ If you are  $\geq 21$  y  $< 26$  years old: a minimum contribution period of 90 days in the 7 years prior to the beginning of the permission (alternatively, 180 days throughout his/her working life).
- ✓ If you are  $\geq 26$  years old: a minimum contribution period of 180 days in the 7 years prior to the beginning of the permission (alternatively, 360 days throughout his/her working life).

If the requirements (minimum contribution period) are not fulfilled the individual might be entitled to the “Maternity leave non-contributory benefit”.

- **Duration and benefit amount**

**The benefit amount** it's obtained through the following operation:  $BR * 100\%$

- $BR$  (regulatory base) =  $BC$  (contribution base) for CC (common contingencies) of the month before the start of the break / Number of days to which this contribution corresponds

In case of multiple birth the amount is an extra lump sum to the one that you receive each month for each child from the second (this included), equal to what should be received during the first 6 weeks after birth. For instance if you have a multiple birth of two children you will receive:  $BR$  each month and an extra lump sum of  $BR * (42 \text{ days})$ .

**The duration** of the rest it's 16 weeks as a general rule to be optionally shared between both parents:

- **In case of natural birth:** The mother has 6 mandatory weeks after the delivery and the other 10 weeks can be shared as they want between the parents successively or simultaneously but always uninterrupted
- **In case of adoption, guardianship, fostering, etc.:** The 16 weeks are shared between the parents at their choice, successively or simultaneously, but always uninterrupted

Anyway, there are some extensions (accumulative) of the leave due to the following situations:

- **Multiple delivery:** 2 more weeks, after the 16 weeks, for each child starting from the second.
- **Disability of the child above 33%:** 2 more weeks, after the 16 weeks, for each disabled child.
- **Hospitalization of the newborn:** as many days as the child stays in hospital, with a maximum of 13 weeks.

There are another particular cases in which those the duration of the policy could be modified:

- **Death of the child:** does not generate changes in the duration or amount of the benefit
  - **Death of another parent:** if the mother had given part of the rest, she will recover what has not been enjoyed by the other parent.
  - **Death of the mother:** the other parent acquires the part that the mother did not enjoy (without subtracting what she had enjoyed before the birth).
  - **The mother revokes the assignment** (for gender violence, abandonment and other casuistry), recover the part not enjoyed by the other parent.
  - If the enjoyment is done on a part-time basis, the rest will be extended in proportion to the working day.
- **Subject to taxes/SIC**
    - Subject to taxes: *No (since October 2018).*
    - Subject to SIC: *Yes.* The obligation to pay SIC remains throughout the leave. The contribution base is the one corresponding to the month prior the leave.
    - Compatibility with other benefits: included in other benefits' income tests (e.g. non-contributory old age pension, old-age pension complement, widower's pension complement, child benefits, etc.)

- **EUROMOD notes:**

In the EUROMOD Public Release of 2020 (I2.0) this benefit is only simulated from 2015 to 2019. The simulation is, however, switched off as part of the baselines, i.e., non-simulated components (*bma*) are being used.

As the benefit amount depends on the previous earnings, we assume those to be equal to the imputed wage (*yivwg*) or the current wage, whichever is higher. The imputed wage is recorded in hourly terms, hence we assume a country-specific standard number of hours worked per week (40 hours) and we recalculate *yivwg* in monthly terms ( $yivwg * 40 * (52/12)$ ).

#### 2.4.3.4 Maternity leave non-contributory benefit (*prestación no contributiva por maternidad*) – *bmanc\_s*

- **Brief description and definitions:**

Only for the cases of a natural childbirth of a woman employed as an employee affiliated and/or registered as a member of the Social Security system.

- **Eligibility conditions and income test**

You need to be an employee affiliated to the Social security system but you don't need the minimum contribution period (as it happens in the contributory benefit).

- **Duration and benefit amount**

**The benefit amount** is 100% of the daily IPREM

**The duration** of the permission leave is 42 days and there is a possibility of 14 extra days in case of multiple birth, single parent family, large family, mother or child with disabilities equal to or greater than 65% (for one conditions or all together a maximum of the 14 days).

- **Subject to taxes/SIC**

- Subject to taxes: *No (since October 2018).*

- Subject to SIC: *Yes*. The obligation to pay SIC remains throughout the leave. The contribution base is the one corresponding to the month prior the leave.
- Compatibility with other benefits: included in other benefits' income tests (e.g. non-contributory old age pension, old-age pension complement, widower's pension complement, child benefits, etc.)

- **EUROMOD notes:**

In the EUROMOD Public Release of 2020 (I2.0) this benefit is only simulated from 2015 to 2019. The simulation is, however, switched off as part of the baselines, i.e., non-simulated components (*bma*) are being used.

#### 2.4.3.5 Paternity leave contributory benefit (*prestación contributiva por paternidad*) – *bpact\_s*

- **Brief description and definitions:**

It is a subsidy for the substitution of the remunerations that are not received during the period you are leaved. The possible situations may be:

1. Biological maternity
2. Adoption
3. Guard for adoption purposes
4. Foster care lasting no less than one year

In cases 2, 3, & 4 the children must be less than 6 years old. In case of children with disabilities the age requirement is extended up to 18 years old.

- **Eligibility conditions and income test:**

It requires affiliation and registration to the social security system and a minimum contribution period of 180 days in the 7 years prior to the beginning of the permission (alternatively, 360 days throughout his / her working life).

Only one of the parents can be a beneficiary (there is no possibility of being transferred or shared like in the Maternity leave contributory benefit)

- **Duration and benefit amount**

As in the maternity leave contributory benefit, **the benefit amount** it's obtained through the following operation:  $BR * 100\%$

- $BR$  (regulatory base) =  $BC$  (contribution base) for  $CC$  (common contingencies) of the month before the start of the break / Number of days to which this contribution corresponds

**The duration** of the paternity leave with no possibility of being transferred is 8 weeks (2019) as a general rule.

**In case of multiple birth**, the paternity leave only give you an extra duration of 2 days for each child from the second, but you don't have any extra lump sum benefit (like in the maternity leave contributory benefit).



- **Subject to taxes/SIC**
  - Subject to taxes: *No (since October 2018)*.
  - Subject to SIC: *Yes*. The obligation to pay SIC remains throughout the leave. The contribution base is the one corresponding to the month prior the leave.
  - Compatibility with other benefits: included in other benefits' income tests (e.g. non-contributory old age pension, old-age pension complement, widower's pension complement, child benefits, etc.)

- **EUROMOD notes:**

In the EUROMOD Public Release of 2020 (I2.0) this benefit is only simulated from 2015 to 2019. The simulation is, however, switched off as part of the baselines, i.e., non-simulated components (*bma*) are being used.

As the benefit amount depends on the previous earnings, we assume those to be equal to the imputed wage (*yivwg*) or the current wage, whichever is higher. The imputed wage is recorded in hourly terms, hence we assume a country-specific standard number of hours worked per week (40 hours) and we recalculate *yivwg* in monthly terms ( $yivwg * 40 * (52/12)$ ).

#### 2.4.4 Child and family benefits: Regional level

These benefits aim either for the general maintenance of families welfare or, in some cases, for the alleviation of the poverty situation of households with children. In general regions aim to cover what is missing at a national level or complement national level policies.

##### 2.4.4.1 Andalucía

**Means-tested child benefit for families when a third child is born they accumulate two children under 3** (*Ayuda económica por tercer hijo*). From 2013. Payable until third birthday per child under 3 (given that two children are under three and household has three or more children). The income assessment is that net yearly family income is below the following:

Income	Benefit
=< IPREM	120% * annual amount
Between 1 and 2 IPREM	110% * annual amount
Between 2 and 4 IPREM	100% * annual amount
Between 4 and 6 IPREM	50% * annual amount
> 6 IPREM	0

Annual amount:

Year:	2016	2017	2018	2019
Child under 3	600	600	600	600

**Means-tested child benefit for multiple birth** (*Ayuda económica por parto múltiple*). From 2013. Payable until the third birthday in case of multiple birth. The income assessment is that net yearly family income is below the following:

Income	Benefit
=< IPREM	120% * annual amount
Between 1 and 2 IPREM	110% * annual amount
Between 2 and 4 IPREM	100% * annual amount
Between 4 and 6 IPREM	50% * annual amount
> 6 IPREM	0

Lump-sum payment at birth in case of multiple birth:

	2016-2019
Number of new-borns	Amount
2 children	1,200
3 children	2,400
4 children	3,600
5 children	4,800

Legal reference:

*BOJA 3 de Mayo de 2013, Decreto-Ley 7/2013, de 30 de abril, de medidas extraordinarias y urgentes para la lucha contra la exclusión social en Andalucía, que modifica los tramos de renta a aplicar para tener derecho a las Ayudas económicas por hijos/as menores de tres años y por partos múltiples, reguladas por la Orden de 6 de mayo de 2002, por la que se regulan ayudas económicas por menores y partos múltiples.*

*BOJA 11 de mayo de 2002, ORDEN de 6 de mayo de 2002, por la que se regulan ayudas económicas por menores y partos múltiples.*

#### 2.4.4.2 Aragon

**Means-tested child benefit for multiple birth** (*Ayuda económica por parto múltiple*). This benefit is available since 2010. Payable until the twelve birthday in case of multiple birth with an initial annual amount of 1200 euros.

Income	Benefit 2016-2019
< 4,570 euros	100%* amount
From 4,570.01 to 6,280.00 euros	85%* amount
From 6,280.01 to 7,425.00 euros	70%* amount
From 7,425.01 to 9,140.00 euros	55%* amount
From 9,140,01 to 10.280,00 euros	40%* amount
From 10,280.00 to 11,400,00 euros	25%* amount
From 11,401,00 euros onwards	0

Number of new-borns	Amount
2 children	2*annual amount
3 children	3*annual amount
4 children	4*annual amount+0.15*4*annual amount
5 children	5*annual amount + 0.35*5*annual amount
6 children or more	6*annual amount + 0.65*5*annual amount

Legal reference:

*ORDEN CDS/625/2018, de 4 de abril, por la que se convocan ayudas para familias con hijos e hijas que han nacido de partos múltiples o procedentes de adopción múltiple, para el año 2018*

*ORDEN CDS/868/2017, de 8 de junio, por la que se convocan ayudas para familias con hijos e hijas nacidos de partos múltiples o procedentes de adopción múltiple, para el año 2017.*

*BOA 29 de julio, ORDEN de 18 de julio de 2016, del Consejero de Sanidad, Bienestar Social y Familia, por la que se convocan ayudas para familias con hijos e hijas nacidos de partos múltiples o procedentes de adopción múltiple, para el año 2016.*

*BOA 6 de marzo, ORDEN de 7 de febrero de 2015, del Consejero de Sanidad, Bienestar Social y Familia, por la que se convocan ayudas para familias con hijos e hijas nacidos de partos múltiples o procedentes de adopción múltiple, para el año 2015.*

*BOA 7 de febrero, ORDEN de 7 de febrero de 2014 del Consejero de Sanidad, Bienestar Social y Familia, por la que se convocan ayudas para familias con hijos e hijas nacidos de partos múltiples o procedentes de adopción múltiple para el año 2014.*

*BOA 12 de abril ORDEN de 2 de abril de 2013, del Consejero de Sanidad, Bienestar Social y Familia, por la que se convocan ayudas para familias con hijos e hijas nacidos de partos múltiples o procedentes de adopción múltiple, para el año 2013.*

#### **2.4.4.3 Asturias:**

No benefit

#### **2.4.4.4 Illes Balears**

No benefit

#### **2.4.4.5 Canarias**

No benefit

#### **2.4.4.6 Cantabria**

In **2015**: *CAPITULO II, ART. 7 y ART. 8 del Decreto 23/2015, de 23 de abril, por el que se establece y regula la concesión de subvenciones para el fomento de la natalidad mediante el apoyo a la maternidad por hijos nacidos o adoptados en Cantabria desde el 1 de enero de 2015.*

- 1- Means-tested child benefit for mothers in large families for birth or adoption second or successive child** (*Subvención para las madres integrantes de familia numerosa por nacimiento o adopción de segundo o sucesivo hijo*).

This benefit is applied in the cases of adoption or birth of a second or successive child for mothers in large families or that they obtain this large family condition by this childbirth or adoption, in the terms of the large family law establishes. (Ley 40/2003, de 18 de noviembre, de Protección de Familias Numerosas).

The benefit amount is **1,500 euro** for birth or adoption. The income assessment is that both parents general tax base is below **42,000 euro** (both individual and joint scheme).

- 2- Means-tested child benefit for multiple birth or adoption** (*Subvención por nacimiento o adopción múltiple*)

The benefit amount is **2,000 euro** per double birth or adoption and **3,000 euro** in the case of triple birth or adoption. The income assessment is that both parents general tax base is below **42,000 euro** (both individual and joint scheme).

In **2016-2019**:

*Decreto 26/2016, de 5 de mayo, por el que se modifica el Decreto 23/2015, de 23 de abril, por el que se establece y regula la concesión de subvenciones para el fomento de la natalidad mediante el apoyo a la maternidad por hijos nacidos o adoptados en Cantabria desde el 1 de enero de 2015.*

Subsidy Promotion Natality of the Government of Cantabria (*Decreto 23/2015 de 23 de abril, modificado por Decreto 26/2016, de 5 de mayo*)

Mothers resident in Cantabria, with children born in Cantabria since January 1- 2015, who meet the conditions established in *Decreto 23/2015 de 23 de abril, modificado por Decreto 26/2016, de 5 de mayo*, which regulates the subsidy.

The rent limit to access any of the modalities of subsidy is 42,000 euros

The purpose of this subsidy is to promote the birth rate by supporting the exercise of maternity in situations of special difficulty within the territory.

**1. Means-tested child benefit for birth or adoption second child:**

- INCOME 30.001 - 42,000 euros → BENEFIT 400 euros.
- INCOME 18.001 – 30,000 euros → BENEFIT 600 euros.
- INCOME < 18,001 euros → BENEFIT 900 euros.
- LARGE FAMILIES → BENEFIT 1,500 euros.

**2. Means-tested child benefit for birth or adoption third or successive child: 1.500 euros.**

**3- Means-tested child benefit for multiple birth or adoption (*Subvención por nacimiento o adopción multiple*)**

The benefit amount is 2,000 euro per double birth or adoption and 3,000 euro in the case of triple birth or adoption. The income assessment is that both parents general tax base is below 42,000 euro (both individual and joint scheme).

Legal references:

*Decreto 26/2016, de 5 de mayo, por el que se modifica el Decreto 23/2015, de 23 de abril, por el que se establece y regula la concesión de subvenciones para el fomento de la natalidad mediante el apoyo a la maternidad por hijos nacidos o adoptados en Cantabria desde el 1 de enero de 2015.*

*Decreto 23/2015, de 23 de abril, por el que se establece y regula la concesión de subvenciones para el fomento de la natalidad mediante el apoyo a la maternidad por hijos nacidos o adoptados en Cantabria desde el 1 de enero de 2015.*

**2.4.4.7 Castilla-La Mancha**

**Means-tested child benefit for children under 18 in large-families (*Ayuda económica a familias numerosas con hijos menores de edad y partos múltiples*).**

The income assessment is that both gross yearly family income (tax base minus personal and family allowance) and wealth are below the following limits:<sup>14</sup>

2015-2018	Net income Times the IPREM
1 or 2 children under 18	3
3 children under 18 (or 2 if 1 disabled)	4
4 children under <18 (or 3 if 1 disabled)	5

<sup>14</sup> Wealth test is not applied in simulation due to lack of data on assets.

5 children under <18 (or 4 if 1 disabled)	6
6 children under <18 (or 5 if 1 disabled)	7
>6 children under (or 6 if 1 disabled)	8

Benefit amount per month:

Year:	2016	2017	2018	2019
3 children under 18	41.22	41.22	41.22	41.22
4 children under 18	54.96	54.96	54.96	54.96
5 children under 18	68.70	68.70	68.70	68.70
6 children under 18	82.44	82.44	82.44	82.44
7 children under 18	96.18	96.18	96.18	96.18
8 children under 18	109.92	109.92	109.92	109.92
9 children under 18	123.66	123.66	123.66	123.66
10 children under 18	137.40	137.40	137.40	137.40

In general this benefit is paid for two years. The annual benefit (monthly benefit \* 12) will be paid in two instalments, in June and December, 50% per instalments.

If the large-family condition has been acquired by multiple birth then the quantities will be incremented by 10% during two years in case of three children birth or 3 years in case of four children birth.

Legal references:

*Decreto 108/2014, de 23/10/2014, por el que se modifica el Decreto 80/2012, de 26 de abril, por el que se regulan ayudas económicas a familias numerosas y familias acogedoras de Castilla-La Mancha.*

*Decreto 80/2012, de 26/04/2012, por el que se regulan ayudas económicas a familias numerosas y familias acogedoras de Castilla-La Mancha.*

#### 2.4.4.8 Castilla y León

No benefit

#### 2.4.4.9 Catalonia

**Universal lump-sum child benefit in case of multiple birth** (*Prestación económica de carácter universal per part, adopció o acolliment múltiple*). This benefit is received at child's birth.

Year/Quantities per family:	2013
Double birth	663
Three births	1,020
Four or more births	1,224

In cases of multiple births and of adoption or foster care of more than one minor at the same time, a special grant that is the same as that for the first child will be awarded for each child after the second for a period of six weeks immediately after the birth, or in cases of adoption or foster care, after the administrative or legal decision granting foster care or the legal decision on adoption.

No benefit since 2014.

Legal references:

*LEY 1/2015, de 27 de enero, de presupuestos de la Generalidad de Cataluña para 2015, en su disposición adicional vigesimosexta "Prestaciones y ayudas para las familias con hijos a cargo" establece quedurante el ejercicio 2015 se dejan sin efecto las prestaciones económicas por niño a cargo y por parto, adopción o acogida preadoptiva de dos, tres o más hijos, de carácter universal, establecidas por los artículos 9.1.a y b, 10 y 11 de la Ley 18/2003, de 4 de julio, de apoyo a las familias. En este período no pueden devengarse derechos derivados de esta prestación.*

**Means-tested lump-sum benefit at birth** (*Ayuda económica para familias en que se haya producido un nacimiento, adopción, tutela o acogida, sometido al nivel de ingresos de la unidad familiar/ Ajut a famílies per naixement, adopció, tutela o acolliment, sotmès al nivell d'ingressos de la unitat familiar*). This is a means-tested benefit for vulnerable households in case of birth or adoption. Eligibility is defined using total annual household income. The income limit will be calculated by multiplying the amounts showed in the table by the correspondent coefficient:

Limit amount	2016	2017	2018	2019
	16,000	16,000	16,000	16,000

2016-2019	
	Coefficient
3 members	1
4 members	1.3
5 members	1.6
6 members	1.9
7 members	2.2
8 members	2.5
9 members	2.8
10 members	3.1

Each additional member will increase the coefficient by 0.3

Amount per year:	2016	2017	2018	2019
Basic amount	650	650	650	650
Lone parent families	750	750	750	750

*Legal references:*

*RESOLUCIÓN TSF/2264/2018, de 2 de octubre, por la que se abre la convocatoria para la concesión de la ayuda económica sometida al nivel de ingresos de la unidad familiar para familias en las que haya tenido lugar un nacimiento, adopción, tutela o acogimiento, para los periodos comprendidos entre el 1 de julio y el 31 de diciembre de 2018 y el 1 de enero y el 31 de agosto de 2019*

*ORDEN TSF/251/2016, de 19 de septiembre, por la que se aprueban las bases que deben regir la concesión de la ayuda económica sometida al nivel de ingresos de la unidad familiar para familias en las que haya tenido lugar un nacimiento, adopción, tutela o acogimiento.*

*RESOLUCIÓN TSF/2184/2016, de 20 de septiembre, por la que se abre la convocatoria para la concesión de la ayuda económica sometida al nivel de ingresos de la unidad familiar para familias en las que haya tenido lugar un nacimiento, adopción, tutela o acogimiento, para los periodos comprendidos entre el 1 de julio y el 31 de diciembre de 2016 y el 1 de enero y el 30 de junio de 2017.*

*ORDEN BSF/289/2015, de 16 de septiembre, por la que se aprueban las bases para la concesión de la ayuda económica, sometida al nivel de ingresos de la unidad familiar, para familias en las que haya tenido lugar un nacimiento, adopción, tutela o acogimiento, y se abre la convocatoria para los periodos comprendidos entre el 1 de julio y el 31 de diciembre de 2015 y el 1 de enero y el 30 de junio de 2016.*

*ORDEN BSF/382/2014, de 15 de diciembre, por la que se aprueban las bases para la concesión de la ayuda económica para familias en las que se haya producido un nacimiento, adopción, tutelas o acogida sometida al nivel de ingresos de la unidad familiar y se abre convocatoria para el periodo comprendido entre el 1 de enero y el 31 de diciembre de 2014 y entre el 1 de enero y el 30 de junio de 2015.*

*ORDEN BSF/62/2014, de 7 de marzo, por la que se aprueban las bases para la concesión de la ayuda económica para familias en las que haya tenido lugar un nacimiento, adopción, tutela o acogimiento*

sometida al nivel de ingresos de la unidad familiar, y se abre convocatoria para el periodo comprendido entre el 1 de enero y el 31 de agosto de 2014.

#### 2.4.4.10 Extremadura

**Means-tested lump-sum benefit at birth** (*Ayudas económicas a las familias residentes en Extremadura como medida para el fomento de la natalidad*).

The income assessment is that total household income (the sum of both parents' gross income) must be below the following limits in IPREM 12 month payments:

Families up to:	IPREM
2 children	<3 times
3 children	< 3.5 times
4 children	< 4 times
5 children	< 4.5 times
6 children	<5 times

Amount of the benefit:

Year <sup>15</sup> :	2015	2016	2017	2018
Population < 3,000 inhabitants.				
1 <sup>st</sup> child and other children	1,400	1,400	1,400	1,400
Population ≥ 3,000 inhabitants.				
1 <sup>st</sup> or 2 <sup>nd</sup> child	500	500	500	500
3 <sup>rd</sup> child	1,000	1,000	1,000	1,000

In case of multiple birth the benefit quantity per child change to:

Year:	2015	2016	2017	2018
2 children	1,000	1,000	1,000	1,000
3 children or more	1,000	1,000	1,000	1,000

Legal references:

*ORDEN de 14 de diciembre de 2016 por la que se convocan las subvenciones a las familias residentes en la Comunidad Autónoma de Extremadura para el fomento de la natalidad para el año 2017*

*D.O.E. 249, 29 de diciembre 2014, DECRETO 277/2014, de 22 de diciembre, por el que se establecen las bases reguladoras de las subvenciones a las familias residentes en la Comunidad Autónoma de Extremadura para el fomento de la natalidad y se aprueba la convocatoria para 2015*

*D.O.E. 52, 17 de marzo 2014, DECRETO 35/2014, de 11 de marzo, por el que se establecen las bases reguladoras de las subvenciones a otorgar por la Consejería de Salud y Política Social, a las familias residentes en la Comunidad Autónoma de Extremadura para el fomento de la natalidad, y se aprueba la convocatoria para 2014*

<sup>15</sup>

Issue	Partially simulated. There is no detailed information about population size
Assumption	We consider every population ≥ 3000 hab.
Impact	Unknown

#### 2.4.4.11 Galicia

**Means-tested lump-sum benefit for children under 3 years (new-borns).** (*Prestación económica de pago único por fillas e fillos menores de tres anos*). The income assessment is that gross family income before family allowances is below the amount that determines compulsory declaration of annual income tax two years earlier<sup>16</sup>, thus in 2019 the income reference is 2017.

Annual limits are:

Year:	2016	2017	2018	2019
(euro per year):	22,000	22,000	22,000	22,000

Benefit amounts are:

Year:	2016	2017	2018	2019
first child < 3	360	360	360	360
second child < 3	1,200	1,200	1,200	1,200
third child < 3	2,400	2,400	2,400	2,400

Legal references:

*ORDEN de 20 de marzo de 2019 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2019 (código de procedimiento BS410A).*

*ORDEN de 29 de diciembre de 2017 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2018 (código de procedimiento BS410A).*

*ORDEN de 24 de marzo de 2017 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2017*

*DOGA de 27 de enero de 2016, ORDEN de 31 de diciembre de 2015 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2016.*

*DOGA de 2 de febrero de 2015, ORDEN de 30 de diciembre de 2014 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2015.*

*DOGA de 17 de marzo de 2014, ORDEN de 11 de marzo de 2014 por la que se establecen las bases por las que se regirá la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2014.*

*DOGA de 1 de abril de 2013, ORDEN de 26 de marzo de 2013 por la que se establecen las bases que regirán la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2013.*

*DOGA 15 de febrero de 2011, Orden de 30 de diciembre de 2010 por la que se establecen las bases que regirán la concesión de la prestación económica de pago único por hijas e hijos menores de tres años para el año 2011.*

<sup>16</sup> As income from two years before the child's birth is not observable in the data, the income test is applied on "current" (observed) income.



**2.4.4.12 La Rioja**

No benefit

**2.4.4.13 Madrid**

No benefit

**2.4.4.14 Murcia**

No benefit

**2.4.4.15 Navarra**

No benefit

**2.4.4.16 Valencia**

No benefit

**2.4.4.17 País Vasco**

**Means-tested lump-sum benefit for child birth** (*Ayudas a familias con hijos e hijas nacidos, adoptados o en acogimiento preadoptivo*). The benefit is available since 2006. The benefit amount depends on the family income level (ordinary tax base before family allowances) two years earlier and the number of children in the family unit.

Income is calculated as ordinary tax base before family allowances divided by equivalence scale. The scale is as follows: 1 point for the recipient (in two parents' household) or 1.3 if lone-parent; 0.5 points for the partner or spouse; 0.3 points for each child. If any of the household's members suffers from a disability then 0.3 extra points are added to the total sum.

Benefit amounts by income level:

Year:	2016	2017	2018	2019
<b>1<sup>st</sup> child</b>				
- Amount:				
<= 20,000 €	900	900	900	900
Between 20,000 and 30,000 €	500	500	500	500
over 30,000 €	400	400	400	400
<b>2<sup>nd</sup> child</b>				
- Amount:				
<= 20,000 €	900	900	900	900
Between 20,000 and 30,000 €	500	500	500	500
over 30,000 €	400	400	400	400
-Duration (age span)	2 <sup>17</sup>	2 <sup>18</sup>	2 <sup>19</sup>	2 <sup>20</sup>
<b>3<sup>rd</sup> and following children</b>				

<sup>17</sup> Two lump sums, one at birth and another one the second year.

<sup>18</sup> Two lump sums, one at birth and another one the second year.

<sup>19</sup> Two lump sums, one at birth and another one the second year.

<sup>20</sup> Two lump sums, one at birth and another one the second year.

- Amount:

<= 20,000 €	900	900	900	900
Between 20,000 and 30,000 €	500	500	500	500
Over 30,000 €	400	400	400	400
Duration (age span)	3 a 7 <sup>21</sup>	3 a 7 <sup>22</sup>	3 a 7 <sup>23</sup>	3 a 7 <sup>24</sup>

Legal references:

*BOPV 30 de marzo de 2015, DECRETO 30/2015, de 30 de marzo, de las ayudas económicas de apoyo a las familias con hijos e hijas a cargo.*

*BOPV 30 de marzo de 2015, DECRETO 32/2015, de 17 de marzo, de modificación del Decreto sobre el sistema de estandarización de la renta familiar en el marco de las políticas de familia.*

*BOPV 27 de diciembre de 2006, DECRETO 255/2006, de 19 de diciembre, por el que se regulan las ayudas económicas a las familias con hijos e hijas. Derogado por DECRETO 30/2015, de 30 de marzo.*

*BOPV 7 de junio de 2006, DECRETO 109/2006, de 30 de mayo, por el que se regulan las ayudas económicas a las familias con hijos e hijas.*

- **EUROMOD notes**

Partially simulated. EUROMOD only simulates the first payment of each child.

**Means-tested lump-sum payment at birth in case of multiple birth** (*Ayudas por parto o adopción nacional múltiple y adopción internacional*).

Benefit amounts are by number (*ncb: number of children born*) of children and income level.

Year:	2016	2017	2018	2019
Income limits:				
<= 20,000 €	2,000*ncb*2	2,000*ncb*2	2,000*ncb*2	2,000*ncb*2
Between 20,000 and 30,000 €	2,000*ncb*1.5	2,000*ncb*1.5	2,000*ncb*1.5	2,000*ncb*1.5
Over 30,000 €	2,000*ncb*1	2,000*ncb*1	2,000*ncb*1	2,000*ncb*1

Legal reference:

*BOPV 30 de marzo de 2015, DECRETO 30/2015, de 30 de marzo, de las ayudas económicas de apoyo a las familias con hijos e hijas a cargo.*

*BOPV 30 de marzo de 2015, DECRETO 32/2015, de 17 de marzo, de modificación del Decreto sobre el sistema de estandarización de la renta familiar en el marco de las políticas de familia.*

*BOPV 27 de diciembre de 2006, DECRETO 255/2006, de 19 de diciembre, por el que se regulan las ayudas económicas a las familias con hijos e hijas. Derogado por DECRETO 30/2015, de 30 de marzo.*

- **EUROMOD notes**

Partially simulated. There is no detailed information about adoptions, only multiple birth.

<sup>21</sup> One payment at birth, and one each year until the child is 6 years old

<sup>22</sup> One payment at birth, and one each year until the child is 6 years old

<sup>23</sup> One payment at birth, and one each year until the child is 6 years old

<sup>24</sup> One payment at birth, and one each year until the child is 6 years old

We consider all similar situations multiple birth.

## 2.4.5 Minimum Income Guarantee

Minimum Income Guarantee (*Ingreso mínimo de inserción o Renta mínima*)<sup>25</sup> is a non-contributory means-tested benefit to combat poverty. There are different schemes in the 17 Spanish Autonomous Communities (*Comunidades Autónomas*).

### 2.4.5.1 Andalusian Minimum Income Guarantee (*Renta Mínima de Inserción Social*)

This is the Andalusian version of minimum income guarantee. In Andalusia there are two benefits: *Ingreso Mínimo de Solidaridad* from 1999 until 2017 and *Renta Mínima de Inserción Social* since 2018.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her residence in Andalucía for, at least, a year. Eligible individuals must have total family unit income below the income test.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

Since 2018 the benefit amount is 78% of IPREM plus 10% of IPREM for each additional member. The maximum amount is the minimum wage. Before 2018 the benefit amount was 62% of minimum wage plus 8% of minimum wage for each additional member. The maximum amount is the minimum wage

The benefit has a different amount depending on the number of members in the family unit. The amount of the benefit for six members or more is the maximum amount, corresponding to the national minimum salary in the corresponding year. See below table for following years:

Year:	2016	2017	2018	2019
One member	402.13	406.22	419.52	419.52
Two members	454.02	458.64	473.30	473.30
Three members	505.91	511.06	527.08	527.08
Four members	557.80	563.48	580.60	580.60
Five members	609.69	615.90	634.64	634.64
Six members or more	648.60	655.20	672.30	672.30

Since 2018 the minimum benefit is 20% of IPREM and the maximum benefit is 125% of IPREM:

Max benefit	2016	2017	2018	2019
-------------	------	------	------	------

---

<sup>25</sup>At the time of writing this report there is no information on 2016 rules available, the amounts are fixed as in 2015.

SMI	648.60	707.60	735.90	
IPREM			672.30	672.30
Min benefit	2016	2017	2018	2019
IPREM			107.66	107.66

Benefit amounts in euro per month.

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Renta Mínima de Inserción Social: Decreto-ley 3/2017, de 19 de diciembre, por el que se regula la Renta Mínima de Inserción Social en Andalucía*

*Ingreso Mínimo de Solidaridad: DECRETO 2/1999, de 12 de enero, por el que se regula el Programa de Solidaridad de los Andaluces para la Erradicación de la Marginación y la Desigualdad en Andalucía*

#### 2.4.5.2 Aragon Minimum Income Guarantee (*Ingreso Aragonés de Inserción*)

This benefit is the Aragon’s version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 18 and below 65 years of age and has had her legal residence in Aragon, at least for a year.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit.

Year:	2016	2017	2018	2019
One member	441.00	441.00	491.00	491.00
Two members	573.30	573.30	638.30	638.30
Three members	661.50	661.50	736.50	736.50
Four members	749.70	749.70	834.70	834.70
Five members	793.80	793.80	876.60	876.60
Six members & more	837.90	837.90	925.70	925.70

Benefit in euro per month.

The maximum amount is 621.26 €(117% IPREM).

Max benefit	2016	2017	2018	2019
	621.26 €	621.26 €	629.27	629.27

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*DECRETO 57/1994, de 23 de mayo, de la Diputación General de Aragón, por el que se regula el Ingreso Aragonés de Inserción en desarrollo de Ley 1/1993, de 19 de febrero, de Medidas Básicas de Inserción y Normalización Social.*

*DECRETO 125/2009, de 7 de julio, del Gobierno de Aragón, por el que se modifica parcialmente el Decreto 57/1994, de 23 de marzo, por el que se regula el Ingreso Aragonés de Inserción en desarrollo de la Ley 1/1993, de Medidas Básicas de Inserción y Normalización Social*

*LEY 2/2018, de 28 de febrero, de Presupuestos de la Comunidad Autónoma de Aragón para el ejercicio 2018 (Presupuestos 2019 not available yet).*

### 2.4.5.3 Asturias Minimum Income Guarantee (*Salario Social Básico Asturiano*)

This benefit is the Asturias version of a minimum income guarantee benefit. In 2005 the Ingreso Mínimo de Inserción (IMI) was changed to the Salario Social Básico (SSB). The IMI continued to be paid to those that claimed the benefit before November 2005 for 6 months. The difference between the IMI and SSB is that the latter included those over 65 as benefit recipients.

- **Definitions**

**Family unit:** individuals living together, and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and has had her legal residence in Asturias, at least for two years. Eligible individuals must have total family unit income below the income test.

- **Income assessment**

In both benefits family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

Salario Social Básico: The benefit has a different amount depending on the number of members of the family unit.

Year:	2016	2017	2018	2019
One member	442.96	442.96	442.96	442.96
Two members	540.41	540.41	540.41	540.41
Three members	611.28	611.28	611.28	611.28
Four members	682.14	682.14	682.14	682.14
Five members	713.16	713.16	713.16	713.16
Six members or more	730.88	730.88	730.88	730.88
Minimum benefit	44.30	44.30	44.30	44.30

Benefit amounts in euro per month.

When two family units cohabit the SSB is 1.75 times that for one of them.

The maximum amount is 730.88 €/per month.

Max benefit	2016	2017	2018	2019
	730.88	730.88	730.88	730.88

Quantities will be increased by 5 percent in case if any family member between 25 and 64 years of age has more than 45% disability (*Ley 39/2006, de 14 de diciembre, de Promoción de la Autonomía Personal y Atención a las Personas en Situación de Dependencia*).

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Presupuestos Generales del Principado de Asturias para 2015* (2014 budget was extended).

*Decreto 29/2011, de 13 de abril, por el que se aprueba el Reglamento General de la Ley 4/2005.*

*Ley del Principado De Asturias 1/2003, de 24 de febrero, de Servicios Sociales. bopa 08 de marzo de 2003*

#### 2.4.5.4 Illes Balears Minimum Income Guarantee (*Renta social Garantizada*)

This benefit is the Illes Balears version of a minimum income guarantee benefit. In the Illes Balears there are two benefits: Renta Mínima de Inserción<sup>26</sup> until 2015 and Renta Social Garantizada since 2016.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2<sup>nd</sup> and 4<sup>th</sup> degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 years of age and has had her legal residence in Illes Balears, at least for six months.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit amount of the Minimum Income Guarantee must be updated as other non-contributory pensions.

The benefit has a different amount depending on the number of members of the family unit (extra 30% for the first additional member, 20% for the second one and 10% for the rest of family members).

Year:	2016	2017	2018	2019
One member	429.20	430.36	431.53	431.53
Two members	557.96	559.47	560.99	594.50
Three members	643.80	645.54	647.30	685.97

<sup>26</sup> *Ministerio de Trabajo y Asuntos Sociales*. Information for Illes Balears in particular comes from: *Decreto 117/2001, de 28 de septiembre, por el que se regula la renta mínima de inserción (BOCAIB n.º.120 de 06/10/2001)*.

Four members	686.72	688.58	690.45	731,70
Five members	729.64	731.61	733.60	777,43
Six members	772.56	774.65	776.58	823,16
Seven members	776.58	776.58	776.58	823,16

The minimum benefit is 25% the minimum wage (benefit amounts in euro per month)

Minimum benefit	2016	2017	2018	2019
	108.00	108.00	108.00	114.00

The benefit will be never over 125% the minimum wage. The maximum amount in 2018-2019 is 1,312.50 euro per month.

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Resolució de la consellera de Serveis Socials i Cooperació de 9 de gener de 2019 per la quals'actualitzen les quanties corresponents a la prestació econòmica bàsica, les prestacions addicionals per altres membres del nucli familiar, el còmput total màxim i la prestació econòmica mínima de la renda social garantida de l'exercici 2019*

*Ley 5/2016, de 13 de abril, de la renta social garantizada*

#### **2.4.5.5 Canarias Minimum Income Guarantee (*Ayuda Económica Básica o Prestación Canaria de Inserción*)**

This benefit is the Canarias' version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in Canarias, at least for one years.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit.

Year:	2016	2017	2018	2019
One member	472.16	472.16	472.16	486.90
Two members	534.29	534.29	534.29	550.96
Three members	583.29	583.29	583.29	602.22
Four	615.05	615.05	615.05	634.26
Five	639.90	639.90	639.90	659.88
Six members or more	658.54	658.54	658.54	679.10

The maximum benefit and minimum benefit are: is 135 of IPREM. The minimum benefit is 100 euros. Benefit amounts in euro per month

Max benefit	2016	2017	2018	2019
	658.54	658.54	658.54	679.10
Min benefit	2016	2017	2018	2019
	472.16	472.16	472.16	486.90

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Ley 1/2007, de 17 de enero, por la que se regula la Prestación Canaria de Inserción*

*Decreto 136/2007, de 24 de mayo, por el que se aprueba el Reglamento de la Ley 1/2007*

*Ley 2/2015, de 9 de febrero, de modificación de la Ley 1/2007, de 17 de enero, por la que se regula la Prestación Canaria de Inserción*

*La Ley de Presupuestos Generales de la Comunidad Autónoma de Canarias establecerá anualmente la cuantía básica mensual y el complemento mensual variable. Para 2019 Ley 7/2018, De 28 De Diciembre, De Presupuestos Generales De La Comunidad Autónoma De Canarias Para 2019*

#### 2.4.5.6 Cantabria Minimum Income Guarantee (*Renta Social Básica*)

This benefit is the Cantabria's version of a minimum income guarantee benefit. In Cantabria there are two benefits: The *Ingreso Mínimo de Inserción* (IMI) until 2006 and the *Renta Social Básica* (RSB) since 2007.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 23 and below 65 years of age and has had her legal residence in Cantabria, at least for a year.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

*Renta Social Básica:* The benefit has a different amount depending on the number of members in the family unit (there is a basic amount of 80% of IPREM and an extra 20% for the first additional member, 10% for the rest of family members). The benefit quantity is received in full if household has no income, otherwise the benefit complements household disposable income up to the following quantities:



Year:	2016	2017	2018	2019
One member	426.01	430.272	430.272	430.272
Two members	532.51	537.84	537.84	537.84
Three members	585.76	591.62	591.62	591.62
Four members	644.34	650.79	645.40	645.40
Fiver members or more	665.64	672.3	672.3	672.3

The benefit will never be below 125% of the IPREM. Benefit amounts in euro per month

	2016	2017	2018	2019
Max benefit				
125% IPREM	665.54	672.3	672.3	672.3

The quantity of the benefit will be updated by the *Ley de Presupuestos Generales de la Comunidad Autónoma de Cantabria*. This updating will be, at least, as high as the CPI index.

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*LEY DE CANTABRIA 2/2007 DE 27 DE MARZO, DE DERECHOS Y SERVICIOS SOCIALES (Actualizada a fecha 1 de enero de 2018)*

*Ley de Cantabria 10/2013, de 2 de diciembre, de Medidas Fiscales y Administrativas (BOC Extraordinario nº 62, DE 30/12/2013). El artículo 29 de dicha norma modifica diversos artículos de la Ley de Cantabria 2/2007, de 27 de marzo, de derechos y servicios sociales.*

*Ley de Cantabria 2/2012, de 30 mayo de Medidas administrativas económicas y financieras para la ejecución del Plan de sostenibilidad de los Servicios Públicos de la Comunidad (BOC extraordinario nº 20 de 1/6/12) Título III “Medidas en el ámbito de los servicios Sociales”, en su artículo 18, modifica diversos artículos de la Ley de Cantabria 2/2007, de 27 de marzo, de Derechos y Servicios Sociales*

*Ministerio de Trabajo y Asuntos Sociales. Information for Cantabria in particular comes from: Decreto 75/1996, de 7 de agosto, por el que se establece el Plan Cántabro de Ingresos Mínimos de Inserción. Decreto 21/2004 de 11 de marzo, por el que se modifica el Decreto 75/1995, de 7 de agosto (BOC nº 55 de 19/03/04. LEY DE CANTABRIA 2/2007, de 27 de marzo, de Derechos y Servicios Sociales, que establece en el capítulo IV, sección 2ª, la Renta Social Básica y la Prestación económica de emergencia social.*

#### 2.4.5.7 Castilla-La Mancha Minimum Income Guarantee (*Ingreso Mínimo de Solidaridad*)

This benefit is the Castilla-La Mancha version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 18 years of age and with legal residence in *Castilla-La Mancha* at least for the two previous years. The family unit must have been established at least during one year before claiming the benefit.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit. Family unit gross yearly income includes the value of owned assets (excluded owner-occupied housing) valued at fiscal value (*valor catastral*) minus debts on valued assets and minus a 35 percent of the monthly minimum salary if housing is rented or owned but still paying a mortgage on it. This last quantity is also deducted if some household member has non-shared dependants (children below 18 years of age).

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit (the basic benefit is 52% of MW, and then 6,6% of MW is added for each additional member of the family)

Year:	2016	2017	2018	2019
One member	372.76	389.18	404.745	468
Two members	413.76	414.87	431.46	527.4
Three members	454.76	442.25	459.93	586.8
Four members	495.77	471.44	490.3	646.2
Five members or more	536.77	506.55	522.66	705.6

The minimum benefit is 10% the minimum wage (benefit amounts in euro per month)

Minimum benefit	2016	2017	2018	2019
	65.52	70.76	73.59	90.00

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Resolución de 16/11/2018, de la Dirección General de Acción Social y Cooperación, por la que se convocan para el año 2019 las ayudas del Ingreso Mínimo de Solidaridad (Esta orden se convoca anualmente).*

*Decreto 179/2002, de 17 de diciembre, de Desarrollo del Ingreso Mínimo de Solidaridad, Ayudas de Emergencia Social y Prestaciones Económicas en favor de colectivos desfavorecidos, y de la colaboración y cooperación en materia de Servicios Sociales,*

*Orden de 29 de diciembre de 2009, de la Consejería de Salud y Bienestar Social*

*Ministerio de Trabajo y Asuntos Sociales. Information for Castilla-La Mancha in particular comes from: Ley 5/1995, de 23 de marzo, de Solidaridad. Decreto 179/02, de 17 de diciembre de 2002, de desarrollo del Ingreso Mínimo de Solidaridad. Orden de 29 de diciembre de 2009 referente al IMS.*

#### 2.4.5.1 Castilla y León Minimum Income Guarantee (*Renta Garantizada de Ciudadanía*)

This benefit is the Castilla y Leon version of a minimum income guarantee benefit. In Castilla y León there are two benefits: Ingreso Mínimo de Inserción until 2007 and Renta Garantizada de Ciudadanía since 2007.

#### 2.4.5.2 Definitions

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in Castilla y León region at least for a year.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit (there is a basic amount of 80% of IPREM and an extra 25% for the first additionally member, 15% for the second additionally member and 10% for the rest of family members).

Year:	2016	2017	2018	2019
One member	426.01	430.272	430.272	430.272
Two members	532.51	537.84	564.73	564.73
Three members	596.41	602.38	645.40	645.40
Four members	639.01	645.4	699.12	699.12
Five members	681.61	645.4	699.12	699.12
Six members or more members	692.26	645.4	699.12	699.12

Benefit amounts in euro per month.

Maximun 130% IPREM

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*DECRETO LEGISLATIVO 1/2019, de 10 de enero, por el que se aprueba el texto refundido de las normas legales vigentes en materia de condiciones de acceso y disfrute de la prestación de renta garantizada de ciudadanía de Castilla y León*

*Decreto Legislativo 1/2015, de 27 de febrero, por el que se aprueba el texto refundido de las normas legales vigentes en materia de condiciones de acceso y disfrute de la prestación esencial de la renta garantizada de ciudadanía de Castilla y León*

*LEY 7/2010, de 30 de agosto, por la que se regula la renta garantizada de ciudadanía de Castilla y León.*

*Decreto 126/2004, de 30 de diciembre, por el que se aprueba el Reglamento de la prestación de Ingresos Mínimos de Inserción de la Comunidad de Castilla y León.*

### 2.4.5.3 Cataluña Minimum Income Guarantee (*Renda Garantida de Ciutadania*)

This benefit is the Catalanian version of a minimum income guarantee benefit. In Cataluña are two benefits: Renta Mínima de Inserción until 2017 september and Renta Garantizada de Ciutadania since 2017 september.

- **Definitions**

**Family unit:** individuals living together, and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in *Cataluña*, at least for a year. Eligible individuals must have total family unit income below the income test.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit is the difference between the following amounts (depending on the number of members of the family unit) and household monthly income:

Year:	2016	2017	2018	2019
Basic amount (1 member)	423.70	423.70	604	644
Two members	478.99	478.99	896	956
Three members	534.28	534.28	969	1029
Four members	589.57	589.57	1042	1102
Five members	624.96	624.96	1122	1181
Six members or more	648.60	648.60	1122	1181

Additional quantities:

Year:	2016	2017	2018	2019
Minimum benefit	105.93	105.93	604	644
Maximum benefit	645.30	648.60	1122	1122
Lone-parenthood	82.94	82.94		
Below 16 years of age	41.47	41.47		
Disabled	82.94	82.94		
Individuals living alone	35.31	35.31		
In hospital per day:	14.12	14.12		

In 2018 the maximum benefit is 169% of the IRSC (Indicador de Renta de suficiencia) and the minimum benefit is 91% of the IRSC.

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Renta Garantizada de Ciudadanía: LLEI 14/2017, del 20 de juliol, de la renda garantida de ciutadania*

*Renta Mínima de Inserción:: TRE/419/2010, de 21 de enero, por la que se fija el importe de la prestación económica básica de la renta mínima de inserción para el año 2010, así como el de los complementos por miembro adicional de la unidad familiar y el de las ayudas complementarias.*

*Ministerio de Trabajo y Asuntos Sociales. Information for Cataluña in particular comes from: Ley 10/97 Decretos: 306/1998, 118/2001, 316/2001, Orden Empresas de Inserción: 25/9/2001; Diario de la Generalitat 3487 de 5-10-01.*

#### 2.4.5.4 Extremadura Minimum Income Guarantee (*Renta Básica Extremeña de Inserción*)

This benefit is the Extremadura’s version of a minimum income guarantee benefit. In Extremadura are two benefits: Renta Básica Extremeña de Inserción until 2019 June 20 and Renta Básica Garantizada since 2019 June 20.

- **Definitions**

**Family unit:** individuals living together, and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 18 years of age and has had her legal residence in Extremadura, at least for a year. The family unit must be established at least six months before claiming the benefit.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

A. “Ayudas para la integración en situaciones de emergencia social”. It vanishes in 2013.

B. “Renta básica de inserción”

The benefit has a different amount depending on the number of members of the family unit (there is a basic amount of 80% of IPREM and an extra 20% for the first additionally member, 10% for the second and third additionally member and 5% for the rest of family members).

Year:	2016	2017	2018	2019
One member	426.00	426.00	430.272	430.272
Two members	532.51	532.51	516.33	537.84
Three members	585.76	585.76	567.96	591.624
Four members	639.01	639.01	567.96	645.40
Five members or more	665.64	665.64	596.36	672.30

The maximum benefit is 135 of IPREM. The minimum benefit is 100 euros. Benefit amounts in euro per month

	2016	2017	2018	2019
Max benefit	718.89	718.89	726.084	726.084
Min benefit	2016	2017	2018	2019
				100

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Renta Extremeña Garantizada: Ley 5/2019, de 20 de febrero de Renta Básica Garantizada (enter into force in 2019 June 20)*

*Renta Básica Extremeña de Inserción : LEY 9/2014, de 1 de octubre, por la que se regula la Renta Básica Extremeña de Inserción*

*Ministerio de Trabajo y Asuntos Sociales. Information for Extremadura in particular comes from: Ley 5/1987, de 23 de abril, de Servicios Sociales. Decreto de 23 de febrero nº 28/ 1999 de la Consejería de Bienestar Social. Por el que se regulan las ayudas para la integración en situaciones de emergencia social (A.I.S.E.S.).*

*Note in the web: Consejería de Igualdad y Empleo on the Decreto de 23 de febrero nº 28/ 1999 de la Consejería de Bienestar Social, por el que se regulan las ayudas para la integración en situaciones de emergencia social (A.I.S.E.S) where quantities are referenced to IPREM, when the first regulation (Decreto nº 28/1999) initially referenced them to the SMI.*

#### 2.4.5.5 Galicia Minimum Income Guarantee (Renda de Integración Social de Galicia, RISGA)

This benefit is the Galician’s version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in *Galicia*, at least for a year. Eligible individuals must have total family unit income below the income test.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit is the difference between the following amounts (depending on the number of members of the family unit) and household monthly income. (there is a basic amount of 75% of IPREM and an extra 14% for the first additionally member, 12% for the second additionally member and 10% for the rest of family members).

Year:	2016	2017	2018	2019
One member	399.38	403.38	403.38	403.38
Two members	473.93	478.68	478.68	478.67
Three members	537.83	543.22	543.22	543.22
Four members	591.08	597.00	597.00	597.00
Five members	644.33	597.00	650.78	650.78
Six members	697.58	597.00	704.57	704.57

The maximum benefit is 120% of IPREM if no dependent children and 135% of IPREM if there are dependent children. Benefit amounts in euro per month

	2016	2017	2018	2019
Max benefit				
No dependant children			645.41	645.41
Dependent children			726.08	726.08

- **Taxation and income testing**

Minimum income benefits are subject to taxation. These benefits do not generate contributions to the Social Security scheme.

- **Source**

*Ley 10/2013, de 27 de noviembre, de inclusión social. DOG n° 249.*

*Ley 16/2004, de 29 de diciembre, por la que se modifica la Ley 9/1991. DOG n° 254.*

*Ministerio de Trabajo y Asuntos Sociales.* Information for Galicia in particular comes from: *Ley 9/1991, de 2 de octubre, gallega de medidas básicas para la inserción social (DOG n° 191, de 3 de Octubre de 1991), parcialmente modificada por la Ley 1/1999, de 5 de febrero (DOG n° 36, de 22 de Febrero de 1999), y por la Ley 16/2004, de 29 de Diciembre (DOG n° 254, de 31 de Diciembre de 2004).*

#### 2.4.5.6 La Rioja Minimum Income Guarantee (*Renta de Ciudadanía*)

This benefit is La Rioja's version of a minimum income guarantee benefit. In La Rioja, there are two different benefits, Ingreso Mínimo de Inserción (I.M.I., is limited to individuals below 65 years of age) and Ayudas de Inclusión Social (A.I.S, this benefit includes all individuals over 25 years of age) until 2017 and Renta de Ciudadanía since 2017.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

- Until 2017. I.M.I.: An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in La Rioja, at least for a year. The benefit is linked to an activity compromise in order to try to favour the individual's transition to employment.
- Until 2017. A.I.S.: An individual (benefit recipient) is eligible for the benefit if over 25 years of age and has had her legal residence in La Rioja, at least for a year and is not eligible for the I.M.I.
- Since 2017. Renta de ciudadanía. An individual (benefit recipient) is eligible for the benefit if over 23 years of age and has had her legal residence in La Rioja, at least for a year. Lack of economic resources and do not live in a residence for the elderly, in centers for people with disabilities or mental illness or in prisons.

- **Income assessment**

Until 2017 family unit gross yearly income net of social contributions must be below the 70% IPREM

Since 2017 family unit gross yearly income net of social contributions must be below the 80% IPREM.

- **Benefit amount**

- Until 2017. I.M.I.: The benefit does not depend on the number of members of the family unit.

Year:	2014	2015	2016
	399.38	399.38	399.38

Benefit amounts in euro per month.

- B) Until 2017 A.I.S.: The amount is that of the non-contributory pension in 2016: 367.90 euro + and 10% for each additional member; maximum benefit in 2016: 372.76 euro per month.

Year:	2014	2015	2016
One member	364.90	367.90	367.90
Max benefit	372.76	372.76	372.76

- C) Since 2017 Renta de Ciudadanía. There is a basic amount of 80% of IPREM and an extra 20% for the first additionally member, 15% for the second additionally member and 10% for the rest of family members).

Year:	2017	2018	2019
One member	430.27	430.27	430.27
Two members	537.84	537.84	537.84
Three members or more	484.05	484.05	484.05

Since 2017 the maximum benefit is 125% of IPREM

Max benefit	2017	2018	2019
	672.3	672.3	672.3

- **Taxation**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Ley 04/2017, de 28 de abril, por la que se regula la Renta de Ciudadanía de La Rioja*

*Decreto 16/2012, de 11 de mayo, que se modifica el Decreto 24/2001, de 20 de abril, por el que se regulan las prestaciones de inserción social.*

*Decreto 31/2011, de 29 de abril, por el que se aprueba la Cartera de Servicios y Prestaciones del Sistema Público de Servicios Sociales.*

*Ministerio de Trabajo y Asuntos Sociales. Information for La Rioja in particular comes from: Decreto 24/2001, de 20 de abril. Decreto 3/2005, de 28 de enero.*

#### 2.4.5.7 Madrid Minimum Income Guarantee (*Renta Mínima de Inserción*)

This benefit was Madrid's version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together, and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in the *Comunidad de Madrid*, at least for a year. Eligible individuals



must have total family unit income below the income test. There are some exceptions to this due to dependants, orphans, etc.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit.

Year:	2016	2017	2018	2019
One member	375.55	375.55	400	400
Two members	488.22	488.22	512,67	512,67
Three members or more	532.51	532.51	587,78	587,78

The monthly quantity of the benefit is the result of adding to the basic quantity for one member household the complements for additional members. These quantities will be fixed annually by the *Ley de Presupuestos Generales de la Comunidad de Madrid*.

In 2018 and 2019. There is a basic amount of 400 euro. 112.67 euro for the first additionally member and 75.11 for the rest of family members.

The maximum quantity of the benefit is the SMI (monthly)

	2016	2017	2018	2019
Max benefit				
SMI	655.2	707.60	735.90	900

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Decreto 126/2014, de 20 de noviembre, por el que se aprueba el nuevo Reglamento de la Renta Mínima de Inserción de la Comunidad de Madrid (BOCM nº 277, de 21 de noviembre)*

*2019: Ley 9/2018, De 26 De Diciembre, De Presupuestos Generales De La Comunidad De Madrid Para El Año 2019*

*2017: Ley 12/2017, de 29 de diciembre, de Presupuestos Generales de la Comunidad de Madrid para 2018 (BOCM núm. 308, de 28 de diciembre de 2017)*

*Ministerio de Trabajo y Asuntos Sociales. Information for Comunidad de Madrid in particular comes from: Ley 15/2001 de 27 de diciembre de Renta Mínima de Inserción. BOCM de 31 de diciembre, Decreto 147/2002, de 1 de agosto, por el que se aprueba el Reglamento de la Renta Mínima de Inserción, Ley 4/04, de 28 de Diciembre, de Presupuestos, Artículo 60.*

#### 2.4.5.8 Región de Murcia Minimum Income Guarantee (*Ingreso Mínimo de Inserción*)

This benefit is the Murcia's version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in Murcia, at least for a year. The recipient should not receive any other benefits such as unemployment benefits, pensions or the like.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit. There is a basic amount of 80% of IPREM and an extra 20% for the first additionally member, 10% for the second and third additionally member and 8% for the rest of family members).

Year:	2016	2017	2018	2019
One member	300.00	300.00	300.00	430.27
Two members	386.00	386.00	386.00	537.84
Three members	442.00	442.00	442.00	591.62
Four members	498.00	498.00	498.00	645.41
Five members	544.00	544.00	544.00	688.43
Six members	590.00	590.00	590.00	731.46
Seven members e	636.00	636.00	636.00	774.48
Eight members or more	682.00	682.00	682.00	806.76

The increase by member is only added if corresponding member is below 18 years of age. For households with dependants over that age the amount added is half of that.

Benefit amounts in euro per month. Until 2019 the minimum benefit is 300 € and the maximum 682 € during 2015-2018. Since 2019 the maximum quantity of the benefit is the 150% of IPREM and the Minimum benefit is 13% of IPREM

Max benefit	2016	2017	2018	2019
	682	682	682	806.76
Min benefit	2016	2017	2018	2019
	300	300	300	69.92

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Ley 3/2007, de 16 de marzo, de Renta Básica de Inserción de la Comunidad Autónoma de la Región de Murcia.*

*Decreto n.º 163/2017, de 31 de mayo, por el que se aprueba el Reglamento de la Ley 3/2007, de 16 de marzo, de Renta Básica de Inserción de la Comunidad Autónoma de la Región de Murcia.*

*Ministerio de Trabajo y Asuntos Sociales. Information for Murcia in particular comes from: Orden de 16 de septiembre de 1994, sobre Ingreso Mínimo de Inserción. Decreto n.º 65/1998, de 5 de noviembre por el que se regulan las ayudas, prestaciones y medidas de inserción y protección social. Orden de 20 de*

octubre del año 2006, sobre actualización del importe de la prestación del Ingreso Mínimo de Inserción. Ley 3/2007, de 16 de marzo, de Renta Básica de Inserción.

#### 2.4.5.9 Navarra Minimum Income Guarantee (*Renta de Inclusión Social – Renta Garantizada*)

This benefit is the Navarra’s version of a minimum income guarantee benefit.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in Navarra, at least for two years.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

The benefit has a different amount depending on the number of members of the family unit. There is a basic amount (600 euro, updated in 2019 to 623,63 euro) an extra 35% for the first additionally member, 25% for the second and 15% for the rest of family members.

Year:	2016	2017	2018	2019
One member	648.60	600	600	623.63
Two members	778.32	810	810	841.90
Three members	843.18	960	960	997.81
Four members	908.04	1,050	1,050	1,091.35
Five members or more	972.90	1,140	1,140	1,184.89

Benefit amounts in euro per month. The maximum quantity of the benefit is the 200% of basic amount and the Minimum benefit is 10% of basic amount

	2016	2017	2018	2019
Max benefit	1,200	1,200	1,200	1,247.26
Min benefit	60	60	60	62.63

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

*Legislación:*

*LEY FORAL 15/2016, de 11 de noviembre, por la que se regulan los derechos a la Inclusión Social y a la Renta Garantizada.*

*Decreto Foral 26/2018, De 25 De Abril, De Desarrollo De Los Derechos a la Inclusión Social y a lLa Renta Garantizada.*

*2019: ORDEN FORAL 10/2019, de 16 de enero, del Consejero de Derechos Sociales, por la que se actualiza la cuantía de la Renta Garantizada para el año 2019.*

*Ministerio de Trabajo y Asuntos Sociales. Information for Navarra in particular comes from: Ley 9/1999, de 6 de abril, para una Carta de Derechos Socia-les. Decreto Foral 120/ 1999, de 19 de abril, por el que se regula la Renta Básica.Ley Foral 8/03,de 24 de febrero.Art.4ª elevación cuantías de RB. RD Ley 3/2004, de 25 de junio: Implantación IPREM. Orden Foral 9/2006, de 13 de marzo, de actualización de cuantías para 2006.Orden Foral 18/2007, de 26 de enero, de actualización de cuantías para 2007 (BON 36 de 14/03/07). Ley Foral 13/2008, de 2 de julio, de modificación de la Ley Foral 9/1999, de 6 de abril, para una Carta de Derechos Sociales. Decreto Foral 69/2008, de 17 de junio, por el que se aprueba la Cartera de Servicios Sociales de Ámbito General.*

#### **2.4.5.10 Comunidad Valenciana Minimum Income Guarantee (Renta Valenciana de Inclusión y Renta Garantizada de la Ciudadanía)**

This benefit is the Comunidad Valenciana’s version of a minimum income guarantee benefit. In Comunidad Valenciana there are two different benefits, until 31/03/2008 the *Prestaciones Económicas Regladas* (PER) and from 1/04/2008 the *Renta Garantizada de la Ciudadanía* (RGC). Since 2018 there is a new income guarantee the *Renta Valenciana de Inclusión*.

- **Definitions**

**Family unit:** individuals living together and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

PER: An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age and has had her legal residence in *Comunidad Valenciana*, at least for the previous year.

RGC: An individual (benefit recipient) is eligible for the benefit if over 25 and below 65 years of age, and has had her legal residence in *Comunidad Valenciana* at least for the two previous years (new in 2008).

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the amount of the corresponding benefit.

- **Benefit amount**

Until 2017. Renta Garantizada de la ciudadanía: The benefit is the difference between the following amounts (depending on the number of members of the family unit) and household monthly income. There is a basic amount of 62% of IPREM and an extra 5% for the first additionally member, 3% for the rest of family members.

Year:	2013	2014	2015	2016	2017
One member	385.18	385.18	385.18	385.18	385.18
Two members	416.24	416.24	416.24	416.24	416.24
Three members	434.88	434.88	434.88	434.88	434.88
Four members	453.52	453.52	453.52	453.52	453.52
Five members	472.16	472.16	472.16	472.16	472.16
Six members	490.80	490.80	490.80	490.80	490.80
Seven members	509.43	509.43	509.43	509.43	509.43

Eight members	528.07	528.07	528.07	528.07	528.07
---------------	--------	--------	--------	--------	--------

Since 2018 there is a new benefit, the Social Inclusion Income (*Renta Valenciana de Inclusión*). The benefit amount is 80% SMI for one member, 88% SMI for two members, 96% SMI for three members, 104% SMI for four members, 112% for five members and 120% SMI for six or more members.

Year:	2018	2019
One member	588.72	720
Two members	647.592	792
Three members	706.464	864
Four members	765.336	936
Five members	824.208	1008
Six members	883.08	1080
Seven members	883.08	1080
Eight members	883.08	1080

Maximum benefit:

Year:	2014	2015	2016	2017	2018	2018
Maximum benefit	621.28	621.28	621.28	621.28	883.08	1080
Minimum benefit	385.18	385.18	385.18	385.18	588.72	720

- **Taxation and income testing**

Minimum income benefits do not generate contributions to the Social Security scheme.

- **Source**

Since 2018 *Renta Valenciana de Inclusión*.

*Ley 19/2017, de 20 de noviembre, de la Generalitat, de Renta Valenciana de Inclusión*

*Decreto 60/2018, de 11 de mayo, del Consell, por el que se desarrolla la Ley 19/2017, de 20 de diciembre, de la Generalitat, de Renta Valenciana de Inclusión*

Until 2018. *Renta Garantizada de ciudadanía*:

*Ley 9/2007, de 12 de marzo, de Renta Garantizada de Ciudadanía.*

*Decreto 93/2008, de 4 de julio, por el que se desarrolla la Ley de Renta Garantizada de Ciudadanía.*

Ministerio de Trabajo y Asuntos Sociales. Information for Comunidad Valenciana in particular comes from: *Decreto 132/1990, de 23 de julio, por el que se aprueba el Plan de Medidas de Inserción Social. Orden anual de la convocatoria de las ayudas (en 2007).*

#### 2.4.5.11 País Vasco Minimum Income Guarantee (*Renta Básica o de Garantía de Ingresos*)

This benefit was the first to appear in Spain (in 1989) with the aim of covering the needs of the extreme poor households living in the Basque country.

- **Definitions**

**Family unit:** individuals living together, at least for months, and related by marriage or an analogous relationship, adoption, blood relationship (between the 2nd and 4th degree).

**Benefit recipient:** an adult living in the family unit which is the official recipient of the benefit.

- **Eligibility conditions**

An individual (benefit recipient) is eligible for the benefit if over 23 years of age and has had her residence in the País Vasco for, at least, a year. This minimum age limit is not applicable to orphans or adults with dependent children or those married to someone over that age for, at least, 6 months. There is no maximum age limit to receive the benefit, i.e. individuals over 65 may receive this benefit instead of a non-contributory pension. Eligible individuals must have family unit incomes below the income test.

- **Income assessment**

Income test is a family unit level of income (gross yearly income net of social contributions) below “basic needs”. Basic needs are identified as the annual amount of the benefit for the corresponding household type.

- **Benefit amount**

The benefit amount depends on the number of members of the family unit and, in general, its quantity is revised every year. The benefit amount is 88% SMI for one member, 113% SMI for two members, and 125% SMI for three or more members.

Year:	2015	2016	2017	2018	2019
One member	665.90	665.90	665.90	644.49	792
Two members	855.07	855.07	855.07	827.59	1,017
Three members	945.88	945.88	945.88	915.47	1,125

For *Renta Básica* receivers within lone-parent households the benefit will be complemented by a 6.4% of minimum wage (households with one adult and children).

Benefit amounts in euro per month. The maximum quantity of the benefit is the 125% of SMI

Max benefit	2016	2017	2018	2019
	945.88	945.88	915.47	1,125

- **Taxation and income testing**

Minimum income benefits are not included in the means-test of other social benefits (benefits of last resort). These benefits do not generate contributions to the Social Security scheme.

- **Source**

*Renta de Garantía de Ingresos: LEY 4/2011, de 24 de noviembre, de modificación de la Ley para la Garantía de Ingresos y para la Inclusión Social*

*Ministerio de Trabajo y Asuntos Sociales. Information for the Vasque country in particular comes from: Ley 10/2000, de 27 de diciembre, de Carta de Derechos Sociales. Ley 12/1998, de 22 de mayo, Contra la Exclusión Social (Modificada en la Ley 4/2003, de 25 de junio). Decreto 198/1999, de 20 de abril, por el que se regula el Ingreso Mínimo de Inserción. Decreto 199/1999, de 20 de abril, por el que se regulan las Ayudas de Emergencia Social (AES). Orden de 14 de febrero de 2001, por la que se establecen los estímulos al empleo de los titulares de la Renta Básica y de los beneficiarios de las Ayudas de Emergencia Social. Ley 9/2006, de 28 de diciembre por la que se aprueban los presupuestos generales del País Vasco. Ley 18/2008, de 23 de diciembre, para la Garantía de Ingresos y para la Inclusión Social. Decreto 147/2010, de 25 de mayo, de la Renta de Garantía de Ingresos.*

## 2.5 Social contributions

Social Security revenue is made up of all workers and employers contributions in various regimes.

The amounts paid as contributions depend on the workers' wage and also on the workers' employment status, industry and occupation.

Contributions are calculated by multiplying the contributory base by a contributory rate<sup>27</sup>. There are different types of contributions depending on workers being employees or self-employed.

### 2.5.1 Employee social contributions

- *General liability to social contributions*

Employees should contribute to the Social Security during all the time the activity takes place (sickness, maternity, unemployment and other special situations).

Unemployed people contribute to Common contingencies (illness, old-age pensions, etc.) but do not contribute for unemployment and occupational training.

#### 2.5.1.1 The Social Security General Scheme

To this Scheme should contribute employees that work in industry and services and people that could be assimilated in this Scheme.

- *Liability to contributions*

Employees contribute to the Social Security Scheme for common illnesses and old-age pensions, unemployment and occupational training through their contributions to common contingencies (*contingencias comunes*) at a rate of 4.7 percent of the contributory base (2.0 percent if for compulsory extra time of work). Also the worker contributes 1.55 percent for unemployment contingencies and 0.1 percent of the contributory base for covering occupational training.

- *Income base used to calculate contributions*

The contributory bases have a minimum and a maximum depending on the workers occupation's classification.

The table below shows contribution bases for the general scheme each corresponding year:

---

<sup>27</sup>A great part of that rate is paid by the employer and the rest is the employee's liability, although withheld by their employer.

<b>Contributory Groups</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Minimum base</b>				
1 (€per month)	1,067.40	1,152.90	1,199.10	1,466.40
2 (€per month)	885.30	956.10	994.20	1,215.90
3 (€per month)	770.10	831.60	864.90	1,057.80
4 to 7 (€per month)	764.40	825.60	858.60	1.050
8 to 11 (€per day)	25.48	27.52	28.62	35
<b>Maximum Base</b>				
1 to 7 (€per month)	3,642.00	3,751.20	3,751.20	4.070
8 to 11 (€per day)	121.40	125.04	125.04	125.04
Maximum LIMIT (€per month)	3,642.00	3,751.20	3,751.20	4.070.10
Minimum contributory bases for part-time workers				
<b>Contributory Groups</b>				
1 (€per hour)	6.43	6.95	7.22	8.83
2 (€per hour)	5.33	5.76	5.99	7.32
3 (€per hour)	4.64	5.01	5.21	6.37
4 to 11 (€per hour)	4.60	4.97	5.17	6.33

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

• **Contribution rates**

General scheme contribution rates for workers:

<b>GENERAL SCHEME EMPLOYEES CONTRIBUTION RATES</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Common Contingencies</b>	4.70	4.70	4.70	4.70
Overtime				
- Force majeure	2.00	2.00	2.00	2.00
- Non-force-majeure	4.70	4.70	4.70	4.70
<b>Work-related Injury and Occupational Illness**:</b>				
<b>Other Contributions:</b>				
Unemployment ***	1.55	1.55	1.55	1.55
Occupational Training.	0.10	0.10	0.10	0.10

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

Notes: \*\* These contingencies are assumed by the employer (see table section 2.5.2.1) even though the employees benefit from it, therefore no value appears on this table. In this line, only those with an indefinite contract are included (which are those simulated in EUROMOD). In the case of a fixed-term contract (which is not simulated), a full-time distinction should be made (6.7 the employers and 1.6 the employees) and part-time (6.7 the employer and 1.6 the employee)



### 2.5.1.2 The Agrarian employees Special System

- *Liability to contributions*

Since 2012 January, employees who work in the agricultural sector are included under a special regime in the General social Security Regime, the *Agrarian Employess Special System*

- *Income base used to calculate contributions*

The contributory bases have a minimum and a maximum depending on the workers occupation's classification.

Contribution bases for the general scheme each corresponding year:

<b>CONTRIBUTION BASES FOR THE AGRARIAN SPECIAL SYSTEM EMPLOYEES</b>				
<b>Contributory Groups</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<u>Minimum base</u>				
1 (€per month)	1,067.40	1,152.90	1,199.10	1,466.40
2 (€per month)	885.30	956.10	994.20	1,215.90
3 (€per month)	770.10	831.60	864.90	1,057.80
4 to 11 (€per month)	764.40	825.60	858.60	1,050
1 (€daily)	46.41	46.41	52.13	63.76
2 (€daily)	38.49	38.49	43.23	52.87
3 (€daily)	33.48	33.48	37.60	45.99
4 to 11 (€daily)	33.23	33.23	37.33	45.65
<u>Maximum Base</u>				
1 (€per month)	3,642.00	3,751.20	3,751.20	4,070.10
2 to 11 (€per month)	3,642.00	3,751.20	3,751.20	4,070.10
1 (€daily)	158.35	163.10	163.10	176.96
2 (€daily)	158.35	163.10	163.10	176.96
3 (€daily)	158.35	163.10	163.10	176.96
4 to 11 (€daily)	158.35	163.10	163.10	176.96

Source: *Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.*

- *Contribution rates*

In activity periods, contribution rates are the same as the ones in General Social Security Scheme employees, except occupational training. The contribution rate for employers and for employees is the same for all groups.

**SCHEME FOR AGRARIAN SPECIAL SYSTEM EMPLOYEES  
CONTRIBUTION RATES**

	2016	2017	2018	2019
Common Contingencies	4.70	4.70	4.70	4.70
<b>Work-related Injury and Occupational Illness:</b>				
Other Contributions:				
Unemployment **	1.55	1.55	1.55	1.55
Occupational Training	0.03	0.03	0.03	0.03

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

- **EUROMOD notes**

We can't distinguish between activity and inactivity periods in the data. We assume all periods are activity ones. We do not have information about daily work, therefore monthly bases are used.

As mentioned in the case of unemployment, only indefinite contracts are simulated. If there were information regarding contracts of a specific duration, it could be more precise in terms of contributions related to unemployment.

## 2.5.2 Employer social contributions

### 2.5.2.1 The Social Security General Scheme

- **Liability to contributions**

Employers contribute to the Social Security Scheme for common illnesses and old-age pensions, unemployment and occupational training and wage guarantee fund.

- **Contribution rates**

The contributions rates are the same during the period 2016-2019.

General scheme contribution rates for employers:

**GENERAL SCHEME EMPLOYER CONTRIBUTION RATES**

	2016	2017	2018	2019
<b>Common Contingencies:</b>	23.60	23.60	23.60	23.60
Overtime:				
- Force majeure	12.00	12.00	12.00	12.00
- Non-force-majeure	23.60	23.60	23.60	23.60
<b>Work-related Injury and Occupational Illness**</b>				
<b>Other Contributions:</b>				
Unemployment ***	5.50	5.50	5.50	5.50

Wage Guarantee Fund (Fogasa)	0.20	0.20	0.20	0.20
Occupational Training.	0.60	0.60	0.60	0.60

Source: *Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.*

Notes: \*\* Employer’s contributions due to work-related injury and occupational illnesses depend on the firm’s activity and the worker’s occupation. We have calculated mean contributions for workers in different activities (Agriculture, Industry, Building, Commerce, Transport, Other services, other activities) \*\*\* In this line, only those with an indefinite contract are included (which are those simulated in EUROMOD). In the case of a fixed-term contract (which are not simulated), a distinction should be made between full-time (6.7 the employers and 1.6 the employees) and part-time (6.7 the employer and 1.6 the employee).

### 2.5.2.2 The Agrarian Special System

- *Liability to contributions*

Employers in the Agrarian Scheme contribute to the Agrarian Special Scheme for common illnesses and old-age pensions, unemployment and occupational training and wage guarantee fund.

- *Contribution rates*

**SCHEME FOR AGRARIAN SPECIAL SYSTEM EMPLOYER CONTRIBUTION RATES**

	2016	2017	2018	2019
<b>Common Contingencies</b>	17.75	18.20	18.75	19.10
<b>Work-related Injury and Occupational Illness*</b>				
<b>Other Contributions:</b>				
Unemployment	5.50	5.50	5.50	5.50
Wage Guarantee Fund (Fogasa)	0.10	0.10	0.10	0.10
Occupational Training.	0.15	0.15	0.15	0.15

Source: *Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.*

\* Employer’s contributions due to work-related injury and occupational illnesses depend on the firm’s activity and the worker’s occupation. We have calculated mean contributions for workers in different activities (Agriculture, Industry, Building, Commerce, Transport, Other services, other activities)

- *EUROMOD notes*

We do not make distinctions between contributory groups in the contributory rates. We assume all workers are second group (2-11).

### 2.5.2.3 The Self-employed Special Regime

- *Liability to contributions*

The social insurance contribution for self-employed workers has some degree of flexibility. The worker can choose between two different contributory rates (either including or not including temporary sickness or invalidity benefits).

- **Income base used to calculate contributions and contribution rates**

The contributory base is also flexible. The worker can choose his/her particular amount of contribution within a limited range, never below a certain minimum and never over a certain maximum.

**CONTRIBUTION BASES FOR THE SELF-EMPLOYED SPECIAL REGIME (€per month)**

	2016	2017	2018	2019
<b>Characteristics</b>				
Maximum contributory base	3,642.0	3,751.20	3,751.20	4,070.10
Minimum contributory base	893.1	893.1	919.8	944.40
<b>If over 48 years old:</b>				
Maximum contributory base	1,945.8	1,964.7	2,023.507	2,077.80
Minimum contributory base	953.7	963.3	992.10	1,018.50

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

- **Contribution rates**

The contributory rate is 29.8 percent of the contributory base if including temporary sickness or invalidity benefits and 26.5 otherwise. A further rate is paid for work-related injury and occupational illness benefits. The rate depends on the contributory base chosen by the worker.

**THE SELF-EMPLOYED SPECIAL REGIME CONTRIBUTION RATES**

	2016	2017	2018	2019
<b>Common Contingencies</b>				
Contributory rate	26.5	26.5	26.5	26.5
Additional contributory rate (sickness)	3.3	3.3	3.3	3.3
Total contributory rate (with sickness)	29.8	29.8	29.8	29.8

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

- **EUROMOD notes**

We assume in the program that the worker always decides to pay the minimum quantity although the worker actually sometimes decides to pay more, but this information is not available. Therefore, we use in the model the minimum possible contributory base.

#### 2.5.2.4 The Agrarian self-employed Special System

- *Liability to contributions*

In 2008 the agricultural self-employed social insurance contribution regime changed and is included within the self-employment regime.

- *Income base used to calculate contributions*

The agricultural self-employed social insurance contribution, in practice, works as a lump-sum contribution, since the rate is flat and the base is fixed.

#### CONTRIBUTION BASES FOR THE AGRARIAN SELF-EMPLOYED SPECIAL SYSTEM (€per month)

Characteristics	2016	2017	2018	2019
Maximum contributory base	3,642.0	3,751.20	3,751.20	4,070.10
Minimum contributory base	893.1	893.1	919.8	944.40

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

- *Contribution rates*

Contribution rates depend of contributory base:

#### THE AGRARIAN SELF-EMPLOYED SPECIAL SYSTEM CONTRIBUTION RATES

	2016	2017	2018	2019
Minimum contributory base	893.10	893.10	919.8	944.40
<b>If contributory base &gt;</b>	1,061.40	1,071.60	1,103.70	1,133.40
Contributory rate	26.5	26.5	26.5	26.50
<b>If contributory base &lt;</b>	1,061.40	1,071.30	1,103.70	1,133.40
Contributory rate	18,75	18,75	18,75	18.75
Protection due to termination of activity	-	-	-	-
<b>Additional contributory rate (sickness)</b>				
- Without protection due to the termination of activity	3.30	3.30	3.30	3.30
- With protection due to the termination of activity	-	-	-	-
Other protection (work accident and professional sickness)	1	1	1	

Source: Orden TSM/83/2019, de 31 de enero, por la que se desarrollan las normas legales de cotización a la Seguridad Social, desempleo, protección por cese de actividad, Fondo de Garantía Salarial y formación profesional para el ejercicio 2019.

- **EUROMOD notes**

In EUROMOD we assume that the worker always decides to pay the minimum quantity although the worker actually sometimes decides to pay more, but this information is not available.

### 2.5.3 Health insurance contributions

Spanish workers don't pay health insurance contributions because the Health National System is covered with taxes.

### 2.5.4 Other social contributions

Coal-miners Special Regime, Sea workers Special Regime, Student's Special Regime, Civil Servant, Military Forces and Judge Special Regimes and Housemaids Special System are not simulated due to lack of data to distinguish these collectives. We assume that these collectives contribute through the General Regime.

## 2.6 Personal income tax

The Spanish Personal Income Tax has a dual structure in order to tax differently the labour and the saving returns. For this reason there are two different tax schedule: the one for the "ordinary base" (tax the income or labour returns) and another one for the "savings base" (tax the capital gains or saving returns).

### 2.6.1 Tax unit

Residents of Spanish territories are liable to income tax on individuals (IRPF) on their worldwide income. Non-residents are liable to income tax on non-residents (IRNR) only on the incomes obtained in Spain.

The Spanish personal income tax is individual but taxpayers who are members of the same family unit have the option to file a joint tax return. A **family unit** consists of both spouses –in the case of legal separation or *de facto* unions, only one of them–, and their children under 18 years of age who cohabit (any age of the child if disabled). The rules and amounts of most elements of the Spanish income tax are the same under individual and joint taxation. The only major difference between these schemes is the amount of personal and family tax allowances. Under joint taxation the personal tax deduction is greater. Under the individual scheme, each married taxpayer gets half the amount of the family tax allowance.

Various reforms of the personal income tax were undertaken in 2015. The main changes focused on redefining the tax schedules for both general and savings tax bases. These modifications have been carried out by the State and the regions.

### 2.6.2 Exemptions

Individuals who are only taxed on income from work and who earn less than 22,000 euro<sup>28</sup> and do not have more than one employer do not need to fill in a tax return. If individual earnings come from more than one employer this limit drops to 12,000 euro

The most important income exemptions are (all amounts are annual):

- indemnities paid for physical or mental damages, a court order or an insurance contract;
- severance payments (new in 2015) 2015-2019;
- mandatory compensation received as severance pay or for the termination of employment contracts, up to maximum legal amounts ( 2015- 2019 there is a limit of 180,000 euro for this exemption);
- pensions paid by the social security system to severely disabled taxpayers (*Incapacidad Absoluta o Gran Invalidez*);
- child benefits (including those paid by regional governments) and all orphan's benefits;
- all public benefits due to new-born children, twin new-borns or adoption;
- grants for high level sportsmen and sports women with the limit of 60,100 euro 2015-2019;
- all maternity benefits paid by regional or local governments;
- unemployment benefits obtained as a lump sum with the limit of 5,500 euro from 2015 to 2019;
- public education and research grants;
- court-ordered child support payments;
- literary, art or scientific prizes;
- lottery prizes;
- wages obtained from activities performed in a foreign country with a similar personal income tax to that in Spain up to a limit of 60,100 € in 2015-2019;
- The earnings from long-term savings plans (“Planes de ahorro a Largo Plazo”), if leaving the savings untouched for 5 years;
- Dividends and shares in profits less than 1,500 euro were not taxable before 2015. From 2015 onwards they are taxable, no limit;
- Minimum Income Guarantee up to limit of 1.5\*IPREM from 2015-2019.

### 2.6.3 Tax allowances

In the period **2016-2019**, the Spanish Personal Income Tax includes three main groups of tax allowances: joint scheme allowance, work related allowances and contributions to pension schemes tax allowances.

**Joint scheme allowance** (*Reducción por tributación conjunta*)

#### 2016-2019

The ordinary tax base and the savings tax base may be reduced if taxpayer chooses a joint scheme:

- For two member family units: 3,400 euro.
- For lone-parent households when not cohabiting with dependants' other parent: 2,150 euro.

**Work-related allowances** (*Reducción por rendimientos del trabajo, prolongación de la actividad laboral y movilidad geográfica y personas con discapacidad que obtengan rendimientos del trabajo como trabajadores activos*)

**In 2016-2019**, the ordinary tax base is further reduced by an employment net income allowance, an income related non-refundable tax allowance for taxpayers who receive “employment income” which are employment earnings or social benefits while “other income” is below a limit. The amount of the allowance diminishes as the level of net employment income increases, varying between **2,000 euro** and **5,700 euro**.

Taxpayers with net employment income equal or below **11,250 euro** may reduce the tax base in **3,700 euro**. Taxpayers with net income between **11,250** and **14,450 euro** will reduce their tax base in **3,700 euro** minus the result of multiplying the difference between net income and **11,250 euro** by 1.15625.

This previous **2,652-euro** allowance disappeared and a new **2000-euro** deductible expense was passed as “other expenses”. This deductible expense will be increased by **2,000 euro** more for employees who accept an employment in a different city. Moreover, this deductible expense disappears for employees older than 65 years old.

Further all disabled taxpayers may apply a reduction of **3,500 euro** if at work when disabled (more than 33% and less than 65% disability). This reduction will increase to **7,750 euro** if taxpayer is at work and disabled with reduced mobility or more than 65% disability.

In the case of joint taxation, and even if both partners have incomes from work, this allowance is only applicable once.

### **Contributions to mutual insurance societies and private pension schemes allowances**

The ordinary taxable base, as reduced by the personal and family allowances, is further reduced by the following:

- Contributions to a variety of insurances and approved Mutual, Superannuation Funds and Mutual Insured Plans;
- Contributions to insurances covering death, widowhood, orphanhood, retirement, accidents, work related illnesses or disability, or granting benefits for marriage, maternity, birth or death if such contributions are made by:
  - a. Professionals (i.e. lawyers, doctors, engineers, etc.) who did not choose to be covered by the social security regime for self-employed;
  - b. Employees, including their contributions for unemployment benefits; and
  - c. Self-employed individuals, as long as their contributions relate to the above-mentioned contingencies or benefits.

This tax relief includes taxpayer’s contributions to private pension schemes. Contributions made by an employer (which are attributed to the taxpayer as employment income) are also to be included.

**In 2016-2019**, the limits have changed to 30% of work earnings or 8.000 euro, regardless of age.

The total contributions that allow taxpayers to apply this tax allowance cannot exceed the amount of 8,000 euro annually.

Contributions in favour of spouse: when a person is contributing to his/her spouse private pensions and the spouse has not any kind of employment or self-employment incomes or these incomes are



below 8,000 euro annually, this person can apply an allowance for these amounts, in favour of the spouse, with a maximum of 2,500 euro annually. The net base cannot be negative.

These total limits also have to be applied when there are several people making contributions to the same private pension, including contributions made by the own holder. The total sum of all allowances applied (owner/holder + other people in favour of the same private pension) cannot exceed, 8,000 euro (2016-2017) and 8,000 euro (2018-2019) annually.

From January 1<sup>st</sup> 2013, the total allowance, due to contributions to dependency group insurances (*primas a seguros colectivos de dependencia*) by the employer, cannot exceed 5,000 euro annually.

As a result of the application of reductions of tax base due to social security contributions and due to tax allowances, the tax base (*base liquidable*) may not become negative.

### 2.6.4 Tax base

The Spanish Personal Income Tax has a dual structure in order to tax differently the labour and the saving returns. For this reason there are two different tax schedule: the one for the “ordinary base” (tax the income or labour returns) and another one for the “savings base” (tax the capital gains or saving returns).

**Taxable income** in the Spanish Personal Income Tax is classified into four categories according to the income source, namely:

- (a) employment income, which includes income from earnings, employment-related benefits in kind, unemployment and pensions income;
- (b) property income, which includes income gained from real-estate properties or from any movable assets (such as dividends, interest payments and royalties);
- (c) self-employment income, which includes income from business and professional activities and
- (d) capital gains.

For tax calculation purposes, the taxpayer’s income from the various sources is divided into (i) the savings tax base and (ii) the ordinary tax base.

(ii) The **ordinary tax base** (*base imponible general*) comprises the net amount of ordinary income, i.e. the balance resulting from the computation of the positive minus negative amounts of income under the various categories (employment income, investment income, business income, capital gains and imputed income), plus the positive balance of capital gains minus losses on assets. The ordinary tax base is reduced by applicable social security contributions and allowances.

$$OTB = Y - C - A = (E+SE) - C - A$$

Where, Y is taxable labour income, C are social insurance contributions and A are tax allowances.

Ordinary taxable income includes dependent employment (E) and self-employment (SE) incomes

(i) The **savings tax base** (*base imponible del ahorro*) comprises capital gains and losses from assets.

The ordinary tax base (OTB) is defined as taxable income minus social insurance contributions and tax allowances. The savings tax base (STB) comprises capital gains and losses from assets.

$$OTB = Y - C - A = (E+SE) - C - A$$

$$STB = P + K$$

Where, Y is taxable labour income, C are social insurance contributions and A are tax allowances. Ordinary taxable income includes dependent employment (E) and self-employment (SE) incomes, and Savings taxable income includes property income (P) and capital gains (K),

Amounts subtracted from the general tax base as allowances include the following variables:

$$A = A_{Emp} + A_{Pen} + A_{Joint}$$

Where, A<sub>Emp</sub> is work-related tax allowance, A<sub>Pen</sub> is private pensions tax allowance and A<sub>Joint</sub> is joint scheme tax allowance, which applies if the taxpayer chooses to file under joint taxation scheme.

As general rule, income is taxable and related expenses are deductible in the year of accrual of the income and the year in which expenses are incurred, regardless of the time of cash receipt and payment. Income spreading is, in general, not allowed.

If spouses file separate returns, the determination of income and deductible expenses attributable to each taxpayer takes into account the category or source of that income. Accordingly:

- employment income (other than pensions) and related reductions are attributed exclusively to the earner; pensions are generally attributed to the individual beneficiary;
- investment income and capital gains are attributed to the individual owners of the underlying items, according to the type of marital property regime as follows:
  - o if the spouses are married under a community property regime, to both spouses on a 50/50 basis unless another method of apportionment can be substantiated;
  - o if they are married under a separate property regime, entirely to the owner (or registered holder) of the underlying property;
- Self-employment income is attributed to the individual who regularly and directly conducts the business or exercises the independent professional or artistic activities in question.

“The tax base is subject to the tax schedule **without** deducting the tax allowances. This operation results in an amount to pay that does not consider personal and family circumstances. From this quota, the amount resulting from applying the tax schedule to the tax allowances must be discounted. The way of operating tax allowances is really as if they were tax credits. The amounts of such tax credits/allowances are presented on subsection **2.6.6.1 Personal and family tax credits**”

2.6.5 Tax schedule 2016-2019

Income Tax Schedule for residents in Andalucía.

Upper Limit	State (a)	Autonomous Community (b) - ANDALUCÍA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	10.00%	10.00%	10.00%	9.75%	19.50%	19.50%	19.50%	19.25%
20,200	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
28,000	15.00%	15.00%	15.00%	15.00%	15.00%	30.00%	30.00%	30.00%	30.00%
35,200	15.00%	16.50%	16.50%	16.50%	16.20%	31.50%	31.50%	31.50%	31.20%
50,000	18.50%	19.00%	19.00%	19.00%	18.90%	37.50%	37.50%	37.50%	37.40%
60,000	18.50%	19.50%	19.50%	19.50%	19.30%	38.00%	38.00%	38.00%	37.80%
120,000	22.50%	23.50%	23.50%	23.50%	23.30%	46.00%	46.00%	46.00%	45.80%
over	22.50%	25.50%	25.50%	25.50%	24.90%	48.00%	48.00%	48.00%	47.40%

Income Tax Schedule for residents in Aragón.

Upper Limit	State (a)	Autonomous Community (b) - ARAGÓN				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	10.00%	10.00%	10.00%	10.00%	19.50%	19.50%	19.50%	19.50%
20,200	12.00%	12.50%	12.50%	12.50%	12.50%	24.50%	24.50%	24.50%	24.50%
34,000	15.00%	15.50%	15.50%	15.50%	15.50%	30.50%	30.50%	30.50%	30.50%
35,200	15.00%	19.00%	19.00%	19.00%	19.00%	34.00%	34.00%	34.00%	34.00%
50,000	15.00%	19.00%	19.00%	19.00%	19.00%	34.00%	34.00%	34.00%	34.00%
60,000	18.50%	21.00%	21.00%	21.00%	21.00%	39.50%	39.50%	39.50%	39.50%
70,000	22.50%	22.00%	22.00%	22.00%	22.00%	44.50%	44.50%	44.50%	44.50%
90,000	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%
130,000	22.50%	23.50%	23.50%	23.50%	23.50%	46.00%	46.00%	46.00%	46.00%
150,000	22.50%	24.50%	24.50%	24.50%	24.50%	47.00%	47.00%	47.00%	47.00%
over	22.50%	25.00%	25.00%	25.00%	25.00%	47.50%	47.50%	47.50%	47.50%

Income Tax Schedule for residents in Asturias

Upper Limit	State (a)	Autonomous Community (b) - ASTURIAS				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	9.50%	10.00%	10.00%	10.00%	10.00%	19.50%	19.50%	19.50%	19.50%
17,707.20	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
20,200.00	12.00%	14.00%	14.00%	14.00%	14.00%	26.00%	26.00%	26.00%	26.00%
33,007.20	15.00%	14.00%	14.00%	14.00%	14.00%	29.00%	29.00%	29.00%	29.00%
35,200.00	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
53,407.20	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%

## EUROMOD Country Report – SPAIN

60,000.00	18.50%	21.50%	21.50%	21.50%	21.50%	40.00%	40.00%	40.00%	40.00%
70,000.00	22.50%	21.50%	21.50%	21.50%	21.50%	44.00%	44.00%	44.00%	44.00%
90,000.00	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%
175,000.00	22.50%	25.00%	25.00%	25.00%	25.00%	47.50%	47.50%	47.50%	47.50%
over	22.50%	25.50%	25.50%	25.50%	25.50%	48.00%	48.00%	48.00%	48.00%

### Income Tax Schedule for residents in Islas Baleares

Upper Limit	State (a)	Autonomous Community (b) – ISLAS BALEARES				Total Rate (a+b)			
		2016	2017	2018	2019	2016	2017	2018	2019
euro per year	2016-2019								
10,000.00	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
12,450.00	9.50%	11.75%	11.75%	11.75%	11.75%	21.25%	21.25%	21.25%	21.25%
18,000.00	12.00%	11.75%	11.75%	11.75%	11.75%	23.75%	23.75%	23.75%	23.75%
20,200.00	12.00%	14.75%	14.75%	14.75%	14.75%	26.75%	26.75%	26.75%	26.75%
30,000.00	15.00%	14.75%	14.75%	14.75%	14.75%	29.75%	29.75%	29.75%	29.75%
35,200.00	15.00%	17.75%	17.75%	17.75%	17.75%	32.75%	32.75%	32.75%	32.75%
48,000.00	18.50%	17.75%	17.75%	17.75%	17.75%	36.25%	36.25%	36.25%	36.25%
60,000.00	18.50%	19.25%	19.25%	19.25%	19.25%	37.75%	37.75%	37.75%	37.75%
70,000.00	22.50%	19.25%	19.25%	19.25%	19.25%	41.75%	41.75%	41.75%	41.75%
90,000.00	22.50%	22.00%	22.00%	22.00%	22.00%	44.50%	44.50%	44.50%	44.50%
120,000.00	22.50%	23.00%	23.00%	23.00%	23.00%	45.50%	45.50%	45.50%	45.50%
175,000.00	22.50%	24.00%	24.00%	24.00%	24.00%	46.50%	46.50%	46.50%	46.50%
over	22.50%	25.00%	25.00%	25.00%	25.00%	47.50%	47.50%	47.50%	47.50%

### Income Tax Schedule for residents in Islas Canarias

Upper Limit	State (a)	Autonomous Community (b) – ISLAS CANARIAS				Total Rate (a+b)			
		2016	2017	2018	2019	2016	2017	2018	2019
euro per year	2016-2019								
12,450.00	9.50%	9.50%	9.50%	9.50%	9.00%	19.00%	19.00%	19.00%	18.50%
17,707.20	12.00%	12.00%	12.00%	12.00%	11.50%	24.00%	24.00%	24.00%	23.50%
20,200.00	12.00%	14.00%	14.00%	14.00%	14.00%	26.00%	26.00%	26.00%	26.00%
33,007.20	15.00%	14.00%	14.00%	14.00%	14.00%	29.00%	29.00%	29.00%	29.00%
34,000.00	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
35,200.00	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
53,407.20	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
60,000.00	18.50%	23.50%	23.50%	23.50%	23.50%	42.00%	42.00%	42.00%	42.00%
90,000.00	22.50%	23.50%	23.50%	23.50%	23.50%	46.00%	46.00%	46.00%	46.00%
over	22.50%	24.00%	24.00%	24.00%	24.00%	46.50%	46.50%	46.50%	46.50%

**Income Tax Schedule for residents in Cantabria**

Upper Limit	State (a)	Autonomous Community (b) - CANTABRIA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200.00	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
34,000.00	15.00%	15.00%	15.00%	15.00%	15.00%	30.00%	30.00%	30.00%	30.00%
35,200.00	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
46,000.00	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
60,000.00	18.50%	19.50%	19.50%	19.50%	19.50%	38.00%	38.00%	38.00%	38.00%
90,000.00	22.50%	24.50%	24.50%	24.50%	24.50%	47.00%	47.00%	47.00%	47.00%
over	22.50%	25.50%	25.50%	25.50%	25.50%	48.00%	48.00%	48.00%	48.00%

**Income Tax Schedule for residents in Castilla-La Mancha**

Upper Limit	State (a)	Autonomous Community (b) - CASTILLA-LA MANCHA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200.00	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
35,200.00	15.00%	15.00%	15.00%	15.00%	15.00%	30.00%	30.00%	30.00%	30.00%
60,000.00	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
over	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%

**Income Tax Schedule for residents in Castilla-León**

Upper Limit	State (a)	Autonomous Community (b) - CASTILLA-LEÓN				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200.00	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
35,200.00	15.00%	14.00%	14.00%	14.00%	14.00%	29.00%	29.00%	29.00%	29.00%
53,407.20	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
60,000.00	18.50%	21.50%	21.50%	21.50%	21.50%	40.00%	40.00%	40.00%	40.00%
over	22.50%	21.50%	21.50%	21.50%	21.50%	44.00%	44.00%	44.00%	44.00%

**Income Tax Schedule for residents in Cataluña**

Upper Limit	State (a)	Autonomous Community (b) - CATALUÑA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	9.50%	12.00%	12.00%	12.00%	12.00%	21.50%	21.50%	21.50%	21.50%
17,707.20	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%

**EUROMOD Country Report – SPAIN**

20,200.00	12.00%	14.00%	14.00%	14.00%	14.00%	26.00%	26.00%	26.00%	26.00%
33,007.20	15.00%	14.00%	14.00%	14.00%	14.00%	29.00%	29.00%	29.00%	29.00%
35,200.00	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
53,407.20	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
60,000.00	18.50%	21.50%	21.50%	21.50%	21.50%	40.00%	40.00%	40.00%	40.00%
120,000.20	22.50%	21.50%	21.50%	21.50%	21.50%	44.00%	44.00%	44.00%	44.00%
175,000.20	22.50%	23.50%	23.50%	23.50%	23.50%	46.00%	46.00%	46.00%	46.00%
over	22.50%	25.50%	25.50%	25.50%	25.50%	48.00%	48.00%	48.00%	48.00%

**Income Tax Schedule for residents in Extremadura**

Upper Limit	State (a)	Autonomous Community (b) - EXTREMADURA				Total Rate (a+b)			
		2016	2017	2018	2019	2016	2017	2018	2019
euro per year	2016-2019								
12,450.00	9.50%	10.50%	10.50%	9.50%	9.50%	20.00%	20.00%	19.00%	19.00%
20,200.00	12.00%	12.50%	12.50%	12.50%	12.50%	24.50%	24.50%	24.50%	24.50%
24,200.00	15.00%	15.50%	15.50%	15.50%	15.50%	30.50%	30.50%	30.50%	30.50%
35,200.00	15.00%	16.50%	16.50%	16.50%	16.50%	31.50%	31.50%	31.50%	31.50%
60,000.00	18.50%	20.50%	20.50%	20.50%	20.50%	39.00%	39.00%	39.00%	39.00%
80,200.00	22.50%	23.50%	23.50%	23.50%	23.50%	46.00%	46.00%	46.00%	46.00%
99,200.00	22.50%	24.00%	24.00%	24.00%	24.00%	46.50%	46.50%	46.50%	46.50%
120,200.00	22.50%	24.50%	24.50%	24.50%	24.50%	47.00%	47.00%	47.00%	47.00%
over	22.50%	25.00%	25.00%	25.00%	25.00%	47.50%	47.50%	47.50%	47.50%

**Income Tax Schedule for residents in Galicia**

Upper Limit	State (a)	Autonomous Community (b) - GALICIA				Total Rate (a+b)			
		2016	2017	2018	2019	2016	2017	2018	2019
euro per year	2016-2019								
12,450	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200	12.00%	11.75%	11.75%	11.75%	11.75%	23.75%	23.75%	23.75%	23.75%
27,700	15.00%	15.50%	15.50%	15.50%	15.50%	30.50%	30.50%	30.50%	30.50%
35,200	15.00%	17.00%	17.00%	17.00%	17.00%	32.00%	32.00%	32.00%	32.00%
47,600	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
60,000	18.50%	20.50%	20.50%	20.50%	20.50%	39.00%	39.00%	39.00%	39.00%
over	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%

**Income Tax Schedule for residents in La Rioja**

Upper Limit	State (a)	Autonomous Community (b) – LA RIOJA				Total Rate (a+b)			
		2016	2017	2018	2019	2016	2017	2018	2019
euro per year	2016-2019								
12,450	9.50%	9.50%	9.50%	9.50%	9.00%	19.00%	19.00%	19.00%	18.50%
20,200	12.00%	12.00%	12.00%	11.60%	11.60%	24.00%	24.00%	23.60%	23.60%
35,200	15.00%	15.00%	15.00%	14.60%	14.60%	30.00%	30.00%	29.60%	29.60%

50,000	18.50%	19.00%	19.00%	18.80%	18.80%	37.50%	37.50%	37.30%	37.30%
60,000	18.50%	19.50%	19.50%	19.50%	19.50%	38.00%	38.00%	38.00%	38.00%
120,000	22.50%	23.50%	23.50%	23.50%	23.50%	46.00%	46.00%	46.00%	46.00%
over	22.50%	25.50%	25.50%	25.50%	25.50%	48.00%	48.00%	48.00%	48.00%

Income Tax Schedule for residents in Comunidad de Madrid

Upper Limit	State (a)	Autonomous Community (b) - COMUNIDAD DE MADRID				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	9.50%	9.50%	9.00%	9.00%	19.00%	19.00%	18.50%	18.50%
17,707	12.00%	11.20%	11.20%	11.20%	11.20%	23.20%	23.20%	23.20%	23.20%
20,200	12.00%	13.30%	13.30%	13.30%	13.30%	25.30%	25.30%	25.30%	25.30%
33,007	15.00%	13.30%	13.30%	13.30%	13.30%	28.30%	28.30%	28.30%	28.30%
35,200	15.00%	17.90%	17.90%	17.90%	17.90%	32.90%	32.90%	32.90%	32.90%
53,407	18.50%	17.90%	17.90%	17.90%	17.90%	36.40%	36.40%	36.40%	36.40%
60,000	18.50%	21.00%	21.00%	21.00%	21.00%	39.50%	39.50%	39.50%	39.50%
over	22.50%	21.00%	21.00%	21.00%	21.00%	43.50%	43.50%	43.50%	43.50%

Income Tax Schedule for residents in Region de Murcia

Upper Limit	State (a)	Autonomous Community (b) - REGIÓN DE MURCIA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	10.00%	10.00%	10.00%	9.90%	19.50%	19.50%	19.50%	19.40%
20,200	12.00%	12.50%	12.50%	12.50%	12.24%	24.50%	24.50%	24.50%	24.24%
34,000	15.00%	15.50%	15.50%	15.50%	15.06%	30.50%	30.50%	30.50%	30.06%
35,200	15.00%	19.50%	19.50%	19.50%	19.18%	34.50%	34.50%	34.50%	34.18%
60,000	18.50%	19.50%	19.50%	19.50%	19.18%	38.00%	38.00%	38.00%	37.68%
over	22.50%	23.50%	23.50%	23.50%	23.30%	46.00%	46.00%	46.00%	45.80%

Income Tax Schedule for residents in Comunidad Valenciana

Upper Limit 2016	Upper Limit 2017-2019	State (a)	Autonomous Community (b) – COMUNIDAD VALENCIANA				Total Rate (a+b)			
euro per year	euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450.00	12,450	9.5%	11.90%	10.0%	10.0%	10.0%	21.40%	19.5%	19.5%	19.5%
17,707.20	17,000	12.0%	11.90%	11.0%	11.0%	11.0%	23.90%	23.0%	23.0%	23.0%
20,200.00	20,200	12.0%	13.92%	13.9%	13.9%	13.9%	25.92%	25.9%	25.9%	25.9%
33,007.20	30,000	15.0%	13.92%	13.9%	13.9%	13.9%	28.92%	28.9%	28.9%	28.9%
35,200.00	35,200	15.0%	18.45%	18.0%	18.0%	18.0%	33.45%	33.0%	33.0%	33.0%

53,407.20	50,000	18.5%	18.45%	18.0%	18.0%	18.0%	36.95%	36.5%	36.5%	36.5%
60,000.00	60,000	18.5%	21.48%	23.5%	23.5%	23.5%	39.98%	42.0%	42.0%	42.0%
120,000.20	65,000	22.5%	21.48%	23.5%	23.5%	23.5%	43.98%	46.0%	46.0%	46.0%
175,000.20	80,000	22.5%	22.48%	24.5%	24.5%	24.5%	44.98%	47.0%	47.0%	47.0%
over	120,000	22.5%	23.48%	25.0%	25.0%	25.0%	45.98%	47.5%	47.5%	47.5%
	over	22.5%		25.5%	25.5%	25.5%		48.0%	48.0%	48.0%

Income Tax Schedule for residents in Ceuta and Melilla (Autonomous Cities)

Upper Limit	State (a)	Autonomous Community (b) - CEUTA and MELILLA				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
34,000	15.00%	15.00%	15.00%	15.00%	15.00%	30.00%	30.00%	30.00%	30.00%
35,200	15.00%	18.50%	18.50%	18.50%	18.50%	33.50%	33.50%	33.50%	33.50%
60,000	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
over	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%

Income Tax Schedule for residents in Navarra and Basque Country (Foral Communities)

Upper Limit	State (a)	Autonomous Community (b) - NAVARRA and BASQUE.C.				Total Rate (a+b)			
euro per year	2016-2019	2016	2017	2018	2019	2016	2017	2018	2019
12,450	9.50%	9.50%	9.50%	9.50%	9.50%	19.00%	19.00%	19.00%	19.00%
20,200	12.00%	12.00%	12.00%	12.00%	12.00%	24.00%	24.00%	24.00%	24.00%
35,200	15.00%	15.00%	15.00%	15.00%	15.00%	30.00%	30.00%	30.00%	30.00%
60,000	18.50%	18.50%	18.50%	18.50%	18.50%	37.00%	37.00%	37.00%	37.00%
over	22.50%	22.50%	22.50%	22.50%	22.50%	45.00%	45.00%	45.00%	45.00%

• **EUROMOD notes**

Navarra and Basque Country have their own tax schedule but in EUROMOD the simulation use the State schedule.



The **savings tax base** includes income from capital gains that is subject to tax.

- The rate since 2015 is:

Upper limit euro per year	Total rate 2016-2019
6.000	19.0%
50.000	21.0%
over	23.0%

(Half of this tax payment goes for the State and half for the Autonomous Region of taxpayer residence).

## 2.6.6 Tax credits

There are four groups of tax credits:

### 2.6.6.1 Personal and family tax credits (regulation and tax collection carried out by State and Regional authorities)

- Once the ordinary and the savings tax base are calculated. These tax credits are calculated at the corresponding individual tax rate. All taxpayers are eligible to these tax credits.
- The final personal and family related tax credit is calculated as if following quantities were taxed at a zero rate. Thus, one must sum up all the quantities corresponding to each of the applicable amounts and apply the tax rate as in the schedule. The result obtained will be deducted from the result of applying the tax rate to the total ordinary tax base and savings tax base in order to obtain the total tax charge (*cuota íntegra*).
- **National Personal minimum and minimum per family**
  - *Personal minimum (Mínimo por contribuyente)*: In **2016-2019, 5,550 euro** for all adult individuals (**2013-2014, 5,151 euro**) plus **1,150 euro (918 euro)** if over 65 but younger than 75 (i.e. in **2015-2018 6,700 euro; 2013-2014, 6,069 euro**). If a person is 75 or more - plus **1,400 euro (1,122 euro)** (i.e. in **2016-2019, 6,950 euro; 2013-2014, 6,273euro**).
  - *Dependent children minimum (Mínimo por descendientes)*: In **2016-2019, 2,400 euro** for the first child (**2014, 1,836 euro**), **2,700 euro** for the second child (**2014, 2,040 euro**), **4,000 euro** for the third child (**2014, 3,672 euro**) and **4,500 euro** for any additional child (**2014 4,182 euro**). Additionally if the child is below 3 years of age one will increase the amount in **2,800 euro (2014, 2,244 euro)**. Dependent children are defined as less than 25 years, not married, cohabiting with the taxpayer, and whose annual income (excluding not taxable) does not exceed **8,000 euro**.
  - *Dependent elderly minimum (Mínimo por ascendientes)*: In **2016-2019, 1,150 euro (2014, 918 euro)** if cohabiting ascendants (blood link to the taxpayer) over 65 or any age if disabled in the household (cohabitation is for more than half a year). If the taxpayer is older than 75 years, **1,150 + 1,400 euro (1,122 euro)**. Annual income of the ascendant must not exceed **8,000 euro**.
  - *Disability minimum (Mínimo por discapacidad)*: In **2016-2019, 3,000 euro (2014, 2,316 euro)** if the taxpayer, dependent child or parent is disabled (more than 33% and less than 65%), **9,000 euro (7,038 euro)** if taxpayer, dependent child or parent is disabled (more 65% disability) and **3,000 euro (2,316 euro)** more (=12,000 euro) if the taxpayer, child or parent is disabled and justifies expenditures on assistance due to reduced mobility or disability over 65%.

- Only cohabiting dependent children are taken into account.
- Under the individual scheme married taxpayers are obliged to divide the amount of the family related minimums by two and then apply the tax rate.
- **Regional Personal and family tax credits**

#### **Baleares personal minimum and minimum per family**

Since 2015 Illes Balears made a change and fixed the regional minimum as the national ones increased by 10% in the following cases: *for the third and following children (4,400 euro for the third child and 4,950 euro for any additional child), dependent elderly minimum and the disability minimum.*

#### **Comunidad de Madrid**

Since 2015 Madrid made a change and fixed the regional minimum as the national ones increased by 10% in the following cases: *for the third and following children (4,400 euro for the third child and 4,950 euro for any additional child).*

- **EUROMOD notes**

Since 2015 personal minimum and minimum per family in Cantabria are the same as in the State legislation. For previous periods Cantabria had its own personal minimum and minimum per family

### **2.6.6.2 Other tax credits (regulation carried out by the State and tax collection carried out by the state and Regional Authorities)**

- **Main Residence Mortgage Tax Credit**

**In 2015-2019.** As a general rule, the taxpayer is allowed to set off against his income tax liability 15% (7.5% national schedule and 7.5% regional schedule). Except Cataluña that adopted a special tax rate, 9% of the costs, up to 9,040 euro incurred for the acquisition or renovation of the taxpayer's main residence (which must be continuously used as the main residence for a minimum period of 3 years).

Alternatively, individuals can profit from a tax credit of 15% of all amounts deposited on special bank accounts (up to 9,040 euro) with the purpose of acquiring the first residence. For taking advantage of this credit, taxpayers must acquire first main residence within 4 years since the special bank account was opened.

In general this reduction disappeared. For people who bought the house before December 31st 2012 there is a transition regime.

- **Main residence rent tax credit (*Deducción por alquiler de vivienda habitual*)**

**In 2014.** In order to foster home rent there is a tax credit for taxpayers with tax base below 24,107.20 euro who live in rented housing. Tax credit base is expenditure on rent. If taxpayer's tax base is 17,707.20 euro or less the tax credit base limit is 9,040 euro. If tax base is between 17,707.21 and 24,107.20 euro the limit is 9,040 euro – 1.4125\*(tax base -17,707.20 euro). After

calculating the tax base using expenditures on rent and taking into account the limits, the tax credit is **10.05 percent** of the tax credit base.

**In 2015-2019.** This tax credit disappeared. Only taxpayers that have the right to receive this tax credit before January 1<sup>st</sup> 2015 would have the right to receive it in the future. There is a temporary regime to eliminate it completely.

- **EUROMOD notes**

There are other tax credits but it's not possible to simulate them due to lack of information in the underlying dataset.

### **2.6.6.3 Others Regional Tax credits (legislation and tax collection carried out by the Regional Authorities)**

There is a wide variety of tax credits which are related to the Autonomous Community of residence. We here provide a detailed list of tax credits applicable in different years, in the different autonomous communities of residence.

#### **2.6.6.3.1 Andalucía**

- Family-related benefits tax credit** (*Deducción para los beneficiarios de ayudas familiares*): **In 2016-2019, 50 euro** per child at birth if taxpayer eligible for any regional child benefits either for children below 3 years of age or for multiple births when the family income is below 11 times the SMI. In the case that two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- Taxpayer's disability tax credit** (*Deducción para sujetos pasivos con discapacidad igual o superior al 33%*): **In 2016-2019, 100 euro** for disabled taxpayers (disability over 33%) provided the tax base is below 19,000 euro (individual scheme) and 24,000 euro if joint scheme.
- Lone-parents and dependent parents over 75 years of age tax credit** (*Deducción para el padre o madre de familia monoparental y en su caso, con ascendientes mayores de 75 años*): **In 2016-2019, 100 euro** for lone parents cohabiting with children below 18 years of age (or over 18 years of age if disabled). If the sum of general tax base and savings tax base is below 80,000 euro (individual scheme) and 100,000 euro (joint scheme). This tax credit increases by **100 euro** per parent over 75 cohabiting with the family. In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- Care or assistance to dependent individual tax credit** (*Deducción por asistencia a personas con discapacidad*): **In 2016-2019, 100 euro** per disabled or dependent individual if the sum of general tax base and savings tax base is below 80,000 euro (individual scheme) and 100,000 euro (joint scheme). In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- Young taxpayers renting first home tax credit** (*Deducción por cantidades satisfechas por el alquiler de la vivienda habitual por jóvenes menores de 35 años*): **In 2016-2019, 15%** of annual rent for taxpayers below 35 years of age (if joint scheme at least one of them below 35 years of age). Maximum 500 euro per year. The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) must not exceed 19,000 euro (individual scheme) or 24,000 euro (joint scheme). In case of married couples where both are eligible for this tax credit, the total amount will be equally shared by them, even if the contract is signed only by one of them.

### 2.6.6.3.2 Aragón

- a) **Birth of third child or more tax credit (or of the second if disabled)** (*Deducción por nacimiento o adopción de tercer hijo o sucesivos o de segundo hijo discapacitado*): **In 2013, 500 euro** at birth of third child or more (second if disabled) if cohabiting. **600 euro** when the sum of the general and special tax base is below **32,500 euro**. In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. **In 2014, 2015, 2016, 2017, 2018 and 2019** the sum of the general and special tax base is below **21,000 euro** (individual scheme) or **35,000 euro** (joint scheme).
- b) **Disabled or dependent people care tax credit** (*Deducción por el cuidado de ascendientes mayores de 75 años y ascendientes o descendientes con grado de discapacidad igual o superior a 65%*)<sup>29</sup>: **In 2013, 150 euro** per ancestors older than 75 years and per disabled or dependent who lives with the taxpayer at least six months per year and with incomes after subtracting exempt incomes not exceeding **8,000 euro**. The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) minus personal and family allowances (*mínimo por contribuyente y mínimo por descendientes*) must not exceed **35,000 euro** (sum of all members living in household). In the case that two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. **In 2014, 2015, 2016, 2017, 2018 and 2019** the sum of the general and special tax base is below **21,000 euro** (individual scheme) or **35,000 euro** (joint scheme).

### 2.6.6.3.3 Principado de Asturias

- a) **Renting first home tax credit** (*Deducción por alquiler de vivienda habitual*): **In 2016-2019, 10%** of annual rent. Maximum **455 euro** per year if the tax base before personal and family allowances is below **25,009 euro** (individual scheme) or **35,240 euro** (joint scheme).
- b) **Multiple Child's Birth or Adoption tax credit** (*Deducción por partos múltiples o por dos o más adopciones constituidas en la misma fecha*): **In 2016-2019, 505 euro** for child at birth or adoption if cohabiting. In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- c) **Large Families tax credit** (*Deducción por familias numerosas*): **In 2016-2019, 505 euro** if cohabiting individuals classify as a large family and **1,010 euro** if 5 or more dependent children (special large families). The sum of the general and special (or savings after 2007) tax base must not exceed **25,009 euro** (individual scheme) or **35,240 euro** (joint scheme). In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- d) **Lone parents tax credit** (*Deducción por familias monoparentales*): **In 2016-2019, 303 euro** if not cohabiting with other adults except parents (ascendants). The sum of the general and special (or savings after 2007) tax base plus exempt annual payments for children of non-cohabiting divorced individuals must not exceed **35,240 euro**.
- f) **Fostering self-employment** (*Deducción para el fomento autoempleo*): **In 2013 69 euro** for taxpayers who are self-employed in Asturias. This tax credit is incompatible with the

<sup>29</sup>

Issue	There is no information in the data about the disability level
Assumption	All disabled with 33% of disability
Impact	Unknown.

previous one. The sum of the general and special tax base must not exceed 25,009 euro (individual scheme) or 35,240 euro (joint scheme). In 2014 disappeared.

#### 2.6.6.3.4 Illes Balears

- a) **Taxpayers of 65 or more years of age tax credit** (*Deducción por contribuyentes de edad igual o superior a 65 años*): In 2013-2014: 50 euro for taxpayers over 65 at 31<sup>st</sup> December 2010. Tax base after personal and family allowances must not exceed 12,500 euro (individual scheme) or 25,000 euro (joint scheme). In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. In 2015 it disappeared.
- b) **Disabled tax credit** (*Deducción por cada miembro de la unidad familiar con minusvalía física o psíquica o sensorial*)<sup>30</sup>: In 2016-2019, 80 euro for each disabled person in the household (including the taxpayer) if disability is more than 33% and less than 65%; 150 euro for each disabled person in the household (including the taxpayer) if disability is over 65% or over 33% if mentally disabled. Tax base after personal and family allowances must not exceed 12,500 euro (individual scheme) or 25,000 euro (joint scheme)<sup>31</sup>.
- c) **Expenditures on books for children’s compulsory education** (*Deducción por gastos de adquisición de libros de texto*)<sup>32</sup>: In 2016-2019, 100% of the expenditures on books for children’s compulsory education if taxpayer is eligible for child tax allowance. Limits are related to taxpayer’s general tax base. Individual scheme limits: 100 euro per child if tax base below 6,500 euro. 75 euro per child if tax base between 6,500.01 and 10,000 euro and 50 euro per child if between 10,001 and 12,500 euro. Joint scheme limits: 200 euro per child if tax base below 10,000 euro. 100 euro if tax base between 10,000 and 20,000 euro and 75 euro if between 20,001 and 25,000 euro.

#### 2.6.6.3.5 Canarias

- a) **Child’s Birth or Adoption tax credit** (*Deducción por nacimiento o adopción de hijos*): In 2016-2019, 200 euro for the first or second child; 400 euro for the third child; 600 euro for the fourth child and 700 euro for the fifth or any subsequent child. If a child has disability (65% or more): 400 euro for the first or second child and 800 euro for the third of any subsequent child with disability. Eligible taxpayers cannot earn incomes over 39,000 euro (individual scheme) or 52,000 (joint scheme). In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- b) **Expenditures on child care tax credit** (*Deducción por gastos de guardería*): In 2016-2019, 15% of the expenditures on child care for children <3 years of age (in a nursery or

<sup>30</sup>

Issue	There is no information in the data about disability degree
Assumption	All disabled with 33% of disability, partially simulated
Impact	Unknown.

<sup>31</sup> Art. 6 TR approved by D. Leg. 1/2014, introduced by DF second. 6 Ley 12/2015, came into force 31-12-2015

<sup>32</sup>

Issue	There is no information in the data about expenditure on books.
Assumption	Given that the amount is relatively small, it is assumed that all households with children are entitled to the maximum amount.
Impact	Unknown.

day care centre)<sup>33</sup> with a maximum of 400 euro per child a year. Eligible taxpayers cannot earn incomes over 39,000 euro (individual scheme) or 52,000 euro (joint scheme). In the case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.

- c) **Disabled taxpayers and taxpayers over 65 tax credit** (*Deducción por contribuyentes minusválidos grado 33% o mas y mayores de 65 años*): In 2016-2019, 300 euro per taxpayer with a disability of 33% or more. If taxpayers over 65 years of age - 120 euro. Eligible taxpayers cannot earn incomes over 39,000 euro (individual scheme) or 52,000 (joint scheme).
- d) **Large Families tax credit** (*Deducción por familia numerosa*): In 2016-2019, 200 euro if cohabiting individuals classify as a large family. 400 euro if 5 or more dependent children (special large families). If any member of married couple or cohabiting child is disabled (more than 65%) the quantity is 500 euro or 1,000 euro if 5 or more dependent children (special large families).
- e) **Renting first home tax credit** (*Deducción por alquiler de vivienda*): In 2016-2019, 15% of annual rent. Maximum 500 euro per year (individual and joint scheme). The ordinary tax base (*base imponible general*) must not exceed 20,000 euro (individual scheme) or 30,000 euro (joint scheme) and the rent paid should be higher than 10% of income received.
- f) **Unemployment tax credit** (*Deducción para contribuyentes desempleados*): In 2016-2019, 100 euro for taxpayers that have been unemployed for, at least, six months during the tax year and receive some income from unemployment benefits. Total income from work must be over 11,200 euro and below 22,000 euro. The rest of income components of the ordinary tax base cannot exceed 1,600 euro.

#### 2.6.6.3.6 Cantabria

- a) **Child, elderly and disability care tax credit** (*Deducción por cuidado de descendientes menores de 3 años. de ascendientes mayores de 70 años o de ascendientes o descendientes minusválidos grado igual o superior al 65%*): In 2016-2019, 100 euro per child below 3 years of age or a parent over 70 years of age or any household member with a disability. Only for taxpayers obliged to present a tax return. All members generating the tax credit must cohabit more than 183 days with the taxpayer and their incomes cannot exceed 6,000 euro. In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- b) **Young, elderly and disabled taxpayers renting first home tax credit** (*Deducción por arrendamiento de vivienda habitual por jóvenes. mayores y discapacitados*): In 2016-2019, 10% of annual rent for taxpayers below 35 years of age or over 65 years of age or disabled. Maximum 300 euro per year (individual scheme) or 600 euro (joint scheme). Tax base before personal and family allowances must be below 22,000 euro (individual scheme) and 31,000 euro (joint scheme) and these amount over 10% taxpayer's income.

33

Issue	There is no information in the data on child care expenditure
Assumption	Child care amount is imputed
Impact	Unknown.



2.6.6.3.7 Castilla- La Mancha

- a) **Child’s birth or adoption tax credit** (*Deducción por nacimiento o adopción de hijos*): **In 2016-2019, 100 euro** per child born or adopted, **500 euro** if two children multiple birth or adoption and **900 euro** if three or more children multiple birth or adoption if qualifying for child allowance. The limit is that the sum of the ordinary and the savings tax base must not exceed **27,000 euro** (individual scheme) and **36,000 euro** (joint scheme).
- b) **Parents over 75 years of age care tax credit** (*Deducción por cuidado de ascendientes mayores de 75 años*): **In 2013, 100 euro** per parent who lives with the taxpayer at least six months per year and does not live the rest of the year in any regional retirement home and who complies with the requisites to be considered dependent parent. The limit is that the sum of the ordinary and the savings tax base must not exceed **36,000 euro**. Incompatible with the taxpayer’s or parent’s disability tax credit. In the case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. **In 2014-2019, 150 euro** and the limit for the tax base before personal and family allowances must be below **27,000 euro** (individual scheme) and **36,000 euro** (joint scheme).
- c) **Taxpayers 75 or more years of age tax credit** (*Deducción por contribuyentes mayores de 75 años*): **In 2013, 100 euro** for taxpayers over 75 not living more than six months per year in any regional retirement home. **In 2014-2019, 150 euro** and the limit tax base before personal and family allowances must be below **27,000 euro** (individual scheme) and **36,000 euro** (joint scheme).
- d) **Large family tax credit** (*Deducción por familia numerosa*): **In 2013, 150 euro** if cohabiting individuals classify as a large family and **300 euro** if special large family but if any member of married couple or cohabiting child is disabled (more than 65%) the amount is **300 euro** or **900 euro** (special large families, 5 or more dependent children). **In 2014-2019, 200 euro** if large family and **400 euro** if special large family, being the amounts **300 euro** or **900 euro** if disability is presented.

2.6.6.3.8 Castilla y León

- a) **Child’s birth or adoption tax credit** (*Deducción por nacimiento o adopción*): **2016-2019, 710 euro** for first child born or adopted that year if qualifying for child allowance, **1,475 euro** for the second child and **2,351 euro** for the third onwards if the tax base before personal and family allowances is below **18,900 euro** (individual scheme) or below **31,500 euro** (joint scheme).
- b) **Large families tax credit** (*Deducción por familia numerosa*): **In 2016-2019, 246 euro** if cohabiting individuals classify as a large family; **492 euro** if some disabled parent or child (more than 65% disability<sup>34</sup>); **410 euro** more per additional child from fourth onwards. In the case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. Only if tax base before personal and family allowances is below **18,900 euro** (individual scheme) or below **31,500 euro** (joint scheme).

34

Issue	There is no information in the data about the disability level.
Assumption	All disabled with 33% of disability, hence this element of the tax credit is not simulated.
Impact	Unknown.

- b) **Child care tax credit** (*Deducción por cuidado de hijos menores*)<sup>35</sup>: **In 2016-2019**, 30% of the expenditures on child care for children below 4 years of age if both parents are at work (homecare, nursery or similar). Limit: **322 euro** (both joint and individual scheme). The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) minus personal and family allowances (*mínimo por contribuyente y mínimo por descendientes*) must not exceed **18,900 euro** (individual scheme) or **31,500 euro** (joint scheme). In the case that two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.

#### 2.6.6.3.9 Cataluña

- a) **Child's birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): **In 2016-2019**, **150 euro** for the first child born or adopted that year if qualifying for child allowance (**300 euro**, double tax credit, for joint scheme).
- b) **Rent first home tax credit (in some particular circumstances of economic difficulty) tax credit** (*Deducción por alquiler de vivienda habitual*): **In 2016-2019**, 10% of annual rent for taxpayers below 32 years of age or with disability above 65%<sup>36</sup> or being unemployed more than 183 days during the tax period, or being 65 years old or more and widow and large families. Maximum **300 euro** per year or **600 euro** if the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) minus personal and family allowances (*mínimo por contribuyente y mínimo por descendientes*) must not exceed **20,000 euro** or **30,000 euro** in large family.

#### 2.6.6.3.10 Extremadura

- a) **Child's birth multiple birth tax credit** (*Deducción por partos múltiples*): **In 2016-2019**, **300 euro** per child born if the sum of the ordinary and the savings tax base does not exceed **19,000 euro** (individual scheme) and **24,000 euro** (joint scheme).
- b) **Dependent work tax credit** (*Deducción por percibir retribuciones de trabajo dependiente*): **In 2016-2019**, **75 euro** for each taxpayer that has income from dependent work below **12,000 euro** a year when other incomes are below **300 euro**.
- c) **Widowers tax credit** (*Deducción para contribuyentes viudos*): New tax credit **in 2014**. **In 2014-2019**, **100 euro**. The limit is that the sum of the ordinary and the savings tax base must not exceed **19,000 euro** (individual scheme) or **24,000 euro** (joint scheme). If there are dependent children or ascendants that allowed to personal and family tax credits then the tax credit is **200 euro**. This tax credit is incompatible with dependent work tax credit is received.

35

Issue	There is no information in the data on child care expenditure
Assumption	Child care amount is imputed in sheet s_es
Impact	Unknown.

36

Issue	There is no information in the data about the disability level,
Assumption	All disabled with 33% of disability, hence this tax credit is not simulated,
Impact	Unknown,



### 2.6.6.3.11 Galicia

- a) **Child’s birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): **In 2016-2019, 300 €** per child born or adopted the birth year and the two following, (360 euro per child in case of multiple births), if the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) minus personal and family allowances is over 22,000 euro. If the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) minus personal and family allowances is less than 22,000 euro in birth year and the two following, 360 euro per first child, 1,200 euro per second and 2,400 euro per third and subsequent children. In the case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- b) **Child care of children aged 3 or less tax credit** (*Deducción por cuidado de hijos menores*): **In 2016-2019, 30%** of expenditures in the tax period to take care of children below 3 years of age (maximum is 200 euro). Parents must both work and the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) before personal and family allowances (*mínimo por contribuyente y mínimo por descendientes*) must not exceed is 22,000 euro (individual scheme) or 31,000 euro (joint scheme). In the case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. **In 2016-2019 as 2013**, the maximum is 400 euro.
- c) **Large families tax credit** (*Deducción por familia numerosa*): **2016-2019: 250 euro** if cohabiting individuals classify as a large family, 400 euro if 5 or more dependent children (special large families). If any member of married couple or cohabiting child is disabled (more than 65%)<sup>37</sup>: 500 euro if cohabiting individuals classify as a large family, 800 euro if 5 or more dependent children (special large families). In the case that two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- d) **Young taxpayers renting first home tax credit** (*Deducción por alquiler de la vivienda habitual*): **In 2016-2019, 10%** of annual rent for taxpayers below 36 years of age. In joint scheme, at least one of them. Maximum: 300 euro per lease (individual and joint scheme). The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) must not exceed 22,000 euro (individual and joint scheme), the date of the lease is subsequent to 1st January 2003. 20% of annual rent and the maximum 600 euro if there are two or more children.

### 2.6.6.3.12 Comunidad Autónoma de Madrid

- a) **Child’s birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): **In 2016-2019, 600 euro** for the first child born or adopted, 750 euro for the second and 900 euro for the third or more. In case of multiple births 600 euro more per child. The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible del ahorro*) must not exceed 25,620 euro (individual scheme) or 36,200 euro (joint scheme). In the case that two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.
- b) **Young taxpayers renting first home tax credit** (*Deducción por arrendamiento de la vivienda habitual por menores de 35 años*): **In 2016-2019, 20%** of annual rent for

<sup>37</sup>

Issue	There is no information in the data about the disability level,
Assumption	All disabled with 33% of disability, hence this tax credit is not simulated,
Impact	Unknown,

taxpayers below 35 years of age. Maximum: 840 euro per year (individual and joint scheme). Taxpayer below 35 years of age. The sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) must not exceed 25,620 euro (individual scheme) or 36,200 euro (joint scheme).

- c) **For low-income families with two or more children** (*Deducción para familias con dos o más descendientes e ingresos reducidos*): **In 2016-2019**, 10% of the Autonomous Community tax payment (*cuota íntegra autonómica*) after reducing all other regional tax credits. Eligible taxpayers are those who have two or more children qualifying for child allowance and the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) must not exceed 24,000 euro (sum of two parents tax bases if in individual scheme).

#### 2.6.6.3.13 Región de Murcia

- a) **Child care of children aged 3 or less tax credit** (*Deducción por gastos de guardería*): **In 2016-2019**, 15% of expenditures in the tax period to take care of children below 3 years of age. Parents must both work and maximum amount is 330 euro if the ordinary tax base minus personal and family allowances not exceed 19,360 euro (individual scheme) or 660 euro if not exceed 33,880 euro (joint scheme). Also the savings tax base must be below 1,202.02 euro both for the individual and joint scheme.

#### 2.6.6.3.14 La Rioja

- a) **Second or further child's birth or adoption tax credit** (*Deducción por nacimiento y adopción segundo o ulterior hijo*): **In 2016-2019**, 150 euro for the second and 180 euro for the third or more. In case of multiple births 60 euro more per child. When two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.

#### 2.6.6.3.15 Comunidad Valenciana

- a) **Child's birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): **In 2013**, 270 euro per child born or adopted that year and two more years. If the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) must not exceed 27,790 euro (individual scheme) or 44,995 euro (joint scheme). **In 2014-2019**, 25,000 euro (individual scheme) or 40,000 euro (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}} = 100 * \left( 1 - \frac{(BasesSumInd - 23,000)}{2000} \right)$$

$$C_{\text{joint}} = 100 * \left( 1 - \frac{(BasesSumJoint - 37,000)}{3000} \right)$$

In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.

- b) **Multiple children's birth or adoption tax credit** (*Deducción por nacimiento o adopción múltiples*): **In 2013**, 224 euro per child born in multiple births if the sum of the ordinary

tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) does not exceed 24,000 euro (individual scheme) or 38,800 euro (joint scheme). In 2014-2019, 25,000 euro (individual scheme) or 40,000 euro (joint scheme), however, if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}}=100 * \left(1 - \frac{(BasesSumInd-23,000)}{2000}\right)$$

$$C_{\text{joint}}=100 * \left(1 - \frac{(BasesSumJoint-37,000)}{3000}\right)$$

In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them.

- c) **Large families tax credit** (*Deducción por familia numerosa*): In 2018, 300 euro if cohabiting individuals classify as to a large family and 600 euro if it is a special large family and, the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) does not exceed 24,000 euro (individual scheme) or 38,800 euro (joint scheme).

**In 2016-2019. Large family:** the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) does not exceed 25,000 euro (individual scheme) or 40,000 euro (joint scheme). If the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme), or between 37,000 euro and 40,000 euro (joint scheme), tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}}=100 * \left(1 - \frac{(BasesSumInd-23,000)}{2000}\right)$$

$$C_{\text{joint}}=100 * \left(1 - \frac{(BasesSumJoint-37,000)}{3000}\right)$$

**In 2016-2019. Special large family:** the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) does not exceed 26,000 euro (individual scheme) or 46,000 euro (joint scheme). If the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 26,000 and 30,000 euro (individual scheme) or between 46,000 euro and 50,000 euro (joint scheme), tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}}=100 * \left(1 - \frac{(BasesSumInd-26,000)}{4000}\right)$$

$$C_{\text{joint}}=100 * \left(1 - \frac{(BasesSumJoint-46,000)}{4000}\right)$$

- d) **Disabled taxpayers 65 or more tax credit** (*Deducción por contribuyentes discapacitados de edad igual o superior a 65 años*): **In 2016-2019, 179 euro** if disabled (33% or more<sup>38</sup>) taxpayer 65 or more years of age. **In 2018**, the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) must not exceed **24,000 euro** (individual scheme) or **38,800 euro** (joint scheme). **In 2016-2019** the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) must not exceed **25,000 euro** (individual scheme) or **40,000 euro** (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between **23,000** and **25,000 euro** (individual scheme) or between **37,000 euro** and **40,000 euro** (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C\_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C\_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- e) **Parents over 75 years of age or over 65 and disabled tax credit** (*Deducción por ascendientes mayores de 75 años o mayores de 65 discapacitados*): **In 2013-2016, 179 euro** per elderly over 75, over 65 if disabled more than 33% and if psychical disability<sup>39</sup> or more than 66% if physical disability, not cohabiting with taxpayer and non-exempt incomes are below **8,000 euro**. **In 2013**, the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible del ahorro*) after allowances must not exceed **24,000 euro** (individual scheme) or **38,800 euro** (joint scheme). **In 2014-2019, 25,000 euro** (individual scheme) or **40,000 euro** (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between **23,000** and **25,000 euro** (individual scheme) or between **37,000 euro** and **40,000 euro** (joint scheme) tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C\_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C\_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- f) **Housework tax credit** (*Deducción por la realización por uno de los cónyuges de la unidad familiar de labores no remuneradas en el hogar*): **In 2016-2019: 153 euro** if only one family member receives income from work and there are, at least, two cohabiting

38

Issue	There is no information in the data about the disability level
Assumption	All disabled with 33% of disability, hence this tax credit is simulated
Impact	Unknown

39

Issue	There is no information in the data about the level or type (psychic or other) disability
Assumption	All disabled with 33% of “physic” disability, hence this element of the tax credit is not simulated
Impact	Unknown

children. The taxpayer must be eligible for child tax allowance for each child generating tax credit (see general conditions for child tax allowance). The couple cannot be divorced and children cannot work. No family member can obtain more than 357 euro in capital gains<sup>40</sup>. In 2013, the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible del ahorro*) after allowances must not exceed 24,000 euro (individual scheme) or 38,800 euro (joint scheme). In 2014-2019, 25,000 euro (individual scheme) or 40,000 euro (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C\_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C\_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- g) **Child care for children below 3 years of age tax credit** (*Deducción por cantidades destinadas a la custodia en guarderías y centros de primer ciclo de educación infantil de hijos menores de tres años*): In 2013-2019, 15% of expenditure in tax period to take care of children below 3 years of age and parents must both work (maximum is 270 euro for whatever any scheme). In 2013, the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible del ahorro*) must be below 24,000 euro (individual scheme) and 38,880 euro (joint scheme). In case of two or more taxpayers are eligible for this tax credit, total amount will be equally shared by them. In 2014-2019, 25,000 euro (individual scheme) or 40,000 euro (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C\_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C\_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- h) **Work-life balance tax credit** (*Deducción por conciliación trabajo con la vida familiar*): In 2013-2018, working mothers may benefit from 418 euro tax credit per child of 4 years of age (over 3 and below 5 years of age). Taxpayer must be eligible for child tax allowance for each child generating the tax credit. In case of two or more taxpayers are eligible for this tax credit, the total amount will be equally shared by them. In 2013: The sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable ahorro*) must not exceed 24,000 euro (individual scheme) or 38,800 euro (joint scheme). In 2014-2019, 25,000 euro (individual scheme) or 40,000 euro (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base*

40

Issue	There is no information in the data about capital gains.
Assumption	No one receives capital gains.
Impact	Unknown.



*liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}}=100 * \left(1 - \frac{(BasesSumInd-23,000)}{2000}\right)$$

$$C_{\text{joint}}=100 * \left(1 - \frac{(BasesSumJoint-37,000)}{3000}\right)$$

- i) **Renting first home tax credit** (*Por arrendamiento de vivienda habitual*): **In 2013-2018**, 15% of annual rent (maximum: 459 euro per year). 20% of annual rent for taxpayers below 35 years of age or disabled (maximum 612 euro). 25% of annual rent for taxpayers below 35 years of age and disabled (maximum 765 euro). If joint scheme tax credit will be multiplied by two. **In 2013**: the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable ahorro*) must not exceed 24,000 euro (individual scheme) or 38,800 euro (joint scheme). **In 2014-2019**, 23,000 euro (individual scheme) or 27,000 euro (joint scheme), however if the sum of the ordinary tax base minus reductions (*base liquidable general*) and the savings tax base minus reductions (*base liquidable del ahorro*) is between 23,000 and 25,000 euro (individual scheme) or between 37,000 euro and 40,000 euro (joint scheme) the tax credit will be the result of multiplying the usual tax credit by a coefficient calculated in this way:

$$C_{\text{individual}}=100 * \left(1 - \frac{(BasesSumInd-23,000)}{2000}\right)$$

$$C_{\text{joint}}=100 * \left(1 - \frac{(BasesSumJoint-37,000)}{3000}\right)$$

- j) **For low-income families with two or more children** (*Deducción autonómica por contribuyentes con dos o más descendientes*): **In 2016-2019**, 10% of the Autonomous Community tax payment after reducing all other regional tax credits (*cuota líquida autonómica*). Eligible taxpayers are those who have two or more children qualifying for child allowance and the sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible ahorro*) must not exceed 24.000 euro (sum of two parents tax bases if in individual scheme).

#### 2.6.6.4 Others National Tax credits<sup>41</sup>

- **Maternity Tax Credit**

This is a refundable tax credit for working mothers with one or several children below 3 years of age. 1,200 euro per year and child conditional on having total contributions to the social security system over the total tax credit. Proportional tax credits are possible as long as conditions apply to the particular time period. This credit may be replaced by a tax-free subsidy of 100 euro per month at the mother's request.

<sup>41</sup> These tax credits are applied to the tax base after applying the tax schedule and the previous tax credits. The regulation and tax collection is carried out by the State).

- ***Large-family, lone parent families or persons with disabilities Tax Credit***

In 2015, a new refundable tax credit for working taxpayers in large-families was introduced. Lone-parent families or families with disabled descendants or ascendants conditional on having total contributions to the social security system over the total tax credit. For taxpayers in large families, lone parent families or with disabled descendants that received unemployment income or other pensions from the social protection system (in this case no social contributions limit).

- Elderly and disabled with right to *Dependent elderly tax credit*: 1,200 euro per person and year.
- Children and disabled with right to *Dependent children tax credit*: 1,200 euro per person and year.
- Ascendant in a large-family: 1,200 euro per person and year.
- Ascendant with two or more children in a lone-parent family: 1,200 euro per person and year.

### 3 DATA

#### 3.1 General description

The EUROMOD database is drawn from the European Statistics on Income and Living Conditions survey (EU-SILC). This is the main European Union reference source for comparative statistics on income distribution and social exclusion at European level. EU-SILC data refer to both cross-sectional and longitudinal dimensions. The cross-sectional data is collected over a certain period of time (annually) with information on household socioeconomic and demographic characteristics, individual income and other important information on living conditions. The longitudinal nature of the survey allows following the same person over a period of time in order to study how their life changes when socioeconomic or demographic conditions change or policies are modified.

The EU-SILC provides information on individuals' income and its components, the evolution of income over time and household financial situation. It also contains information on short-term movements linked to employment such as several types of unemployment (short duration, long duration and under-employment), return to work from occasional unemployment, causes and characteristics of part-time employment. Concerning retirement, pensions and socio-economic situation of elderly are also included. There are differences according to retirement regimes for people over 50. In addition to that, the factors determining early retirement, distribution of the main sources of income of elderly, composition of retirement pensions according to socio-economic and socio-demographic characteristics and the evolution of retirement pensions over time. By age groups, distribution and evolution of income from pension plans or private insurance are included, and so on. The survey also covers some aspects related to migration, health, intergenerational transmission of poverty and social participation.

Table 3.1 EUROMOD database description

EUROMOD database	ES_2017_a2
Original name	UDB EU-SILC : UDB_c14D(H/P/R)_ver 2017-1 from 01-01-17)
Provider	Eurostat
Year of collection	2017
Period of collection	January 2017 to March 2017
Income reference period	2016
Coverage	Private households
Sample size	households: 13.740 individuals: 34.911
Response rate	Household non-response rate: 25.3% (total sample), 36.7% (new sub-sample), 30.8 (longitudinal 1 wage-year). (All households) Overall individual non-response rate: 25.9% (total sample), 37.6% (new sub-sample), 31.3 (longitudinal 1 wage-year). (All households)

Notes: Information on response rates comes from the Final Quality Report Survey on Income and Living Conditions Spain (Spanish ECV 2017). INE: <http://ec.europa.eu/eurostat/web/income-and-living-conditions/quality/eu-and-national-quality-reports>

In order to make compatible 2016 income with 2017 demographic information, the EUROMOD variable reporting individual age (dag) is taken from EU-SILC variable “age at the end of the income reference period” (RX020). Children born in 2017 (by definition would be aged -1) were dropped from the sample.

- *Sample quality and weights*

### Non-response

Three types of non-response are observed in the EU-SILC in households that have been selected for the survey. There are two types of questionnaires: (1) for the household information (H file) and (2) for every single member considered as an adult i.e. aged 16+ (P file). If the household provides information on the household questionnaire and to at least one of the individual questionnaires then the household is said to be a collaborating household. However, we may find individuals providing partial information (partial non-response) and those who have some individual questionnaire with no answers at all (individual non-response). When the household does not give any answer to the questionnaires (non-collaborating household) we have a unit non-response.

To correct these three types of non-response the following methods are implemented by the Spanish Statistical Office:

For partial non-response, IVE imputation is used. For individual non response, an inflation factor is defined in order to increase the total household income at micro level. Finally when unit non-response occurs a reweighting method is used.

- IVE imputation is a solution for partial non-response. This method uses information on the same individual from the previous wave. If this information is not available or is available but imputed, IVEware is used. IVEware is a SAS callable software application that can perform multiple imputations of missing values using the Sequential Regression Imputation Method described in the article “A multivariate technique for multiply imputing missing values using a sequence of regression models” by Raghunathan. Lepkowski. Van Hoewyk and Solenberger (Survey Methodology, June 2001). This multivariate method can handle relatively complex data structures. It uses random



perturbations to create imputations through a sequence of univariate regressions. The type of regression model used depends on the variable being imputed. The imputations are defined as draws from the predictive distribution specified by the regression model. The sequence of imputing missing values could be continued in a cyclic manner. Each time overwriting the previously drawn values to build more independence and exploit the correlational structure.

- b) In the case of individual non-response, individuals are imputed using their group mean. Groups are defined using certain variables from R-file, such as sex, age, activity, number of children, household type, etc., and assigning the personal income mean value of the group where the individual belongs to.
- c) Unit non-response: the non-responding households are dropped from the sample and the weights are adjusted to account for this (using reweighting methods).

### Weights

The original sample consists of 13.740 households (34.911 individuals). Of these, no households reported missing adjustment income factor and missing household income. The weights provided by the EU-SILC are household weights aiming to correct for selective non-response and panel attrition. No re-weighting was performed.

Children born in 2017 (173 observations) were excluded from the sample. However the weights were not scaled up to reflect this exclusion. As a result, the sample used in the model is of 13.740 households (34.911 individuals) projecting a population of 46,038,417 individuals. Table 3.2 presents some basic descriptive statistics for the grossing-up weight.

Table 3.2 Descriptive Statistics of the Grossing-up weight

	ES_ 2017_a2
Number	34,738
Mean	1,317.15
Maximum	18,528.45
Minimum	33.68
Max/Min	550.18

- ***Item non-response and under-reporting***

Comparison of the EU-SILC with external sources is rather difficult because most often income definitions do not match. The difficulty generally stems from the definition of the income component itself and from the way an amount is expressed. Further, an increasingly large proportion of social transfers are managed by Autonomous Communities which makes it particularly hard to bring all the available information together. Nevertheless, we would like to provide some hints on the validity of the income data from EU-SILC using other information sources.

If we compare the constructed gross income data from EU-SILC (see Paniagua. M. and Méndez. J. (2008) Spanish Living Conditions Survey (SILC 2015)) with those provided by National Accounts data available at the INE (Instituto Nacional de Estadística) we find that there is some underreporting in SILC Concerning the employee income there is some underreporting in SILC

comparing with NA. The amount for SILC is:  $374,146 + 2,725 = 376,871$  (survey 2017). For NA the employee income is 425,494 (year 2016)<sup>42</sup>.

The general conclusions on income non-response in the EU-SILC 2017 from the yearly Quality Report of the Spanish<sup>43</sup> version indicate that almost every household in the sample declared to have received some income (99.7%) during the year. If we take into account the income components at household level, we can say that the sources with more recipients are net interest, dividends, and profits from capital investment in unincorporated business (50.5%) and repayments/receipts for tax adjustments (81.5%). The percentage of households with partial information (11.9%) is due to total disposable household income being a sum of several components where some of them can be imputed. Now, if we consider the income components at personal level as our main target, we can see that almost half of the individuals providing with individual questionnaires in the sample receive net cash or near cash employee income (49.8%). Apart from employee income, net old-age (19.1%) and net unemployment benefits (12.5%) are significantly important as income sources for these individuals. And also the percentage of persons with total information is quite high.

### 3.2 Imputations and assumptions

#### 3.2.1 Time period

Reference period of income variables (previous year) is different from the socio-demographic labour and economic characteristics (at time of the interview). The reconciliation of these variables was limited to cases where this inconsistency would undermine the reliability of simulated policies (e.g., the simulation of social contributions may be affected if an individual reporting earnings do not report labour market information due to changes in employment status between income reference period and the time of interview). For details on the number of observations affected and on how these incomes were reconciled see the DRD (Data Requirement Document) which accompanies the EUROMOD input data.

All monetary amounts in the EU-SILC are expressed in annual terms. These are converted into (average) monthly terms dividing them by 12. In the EUROMOD calculations it is implicitly assumed that income is received at the same rate throughout the year. In order to improve the quality of simulation of policies based on monthly income and with duration that may be lower than 12 months in a year (e.g., social contributions and unemployment benefit) variables reporting the number of payments are constructed for key income sources (in particular employment and self-employment income, unemployment benefits and pensions).

#### 3.2.2 Gross incomes

In the EU-SILC 2017, income variables for Spain are available gross of taxes. Such variables were imputed by the Spanish Statistical Institute based on reported net income. For more information on the net to gross imputation see Paniagua and Méndez (2008).

---

<sup>42</sup> This data are included in Annex 4 from the Final Quality Report Survey on Income and Living Conditions Spain (Spanish ECV 2017).

<sup>43</sup> This data are included in Annex 3 (Cross-sectional component, net amounts)

### 3.2.3 Disaggregation of harmonized variables

The new classification of benefits provided by Eurostat (i.e. benefits split in 4 groups according to their characteristics: CT&MT, CT&NT, NC&MT and NC&NT)<sup>44</sup> has been used to define the EUROMOD variables needed for the simulation.

Detailed disaggregated benefits are available in EU-SILC 2016 for Spain. They were used to construct EUROMOD input dataset. The availability of these variables made it possible to switch from using National SILC (used in the past in EUROMOD) to using UDB EU-SILC. The tables below show how the disaggregated benefits were used:

#### A. Household level benefits

	FAMILY/CHILDREN-RELATED ALLOWANCES				SOCIAL EXCLUSION NOT ELSEWHERE CLASSIFIED				HOUSING ALLOWANCES			
	HY05 1G	HY0 52G	HY053G	HY054G	HY061 G	HY06 2G	HY063 G	HY064 G	HY071 G	HY07 2G	HY073 G	HY074 G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
<b>UDB SILC 2016*</b>	X				X	X		X	X	X		X
<b>EUROMOD input data</b>		bma	bch00 + ?	tintrch			bsa				bho	
Comments	HY053G is split into bch00, bchdi & bchot in the do-files				No split				No split			

#### B. Individual level benefits (part 1)

	UNEMPLOYMENT BENEFITS				OLD-AGE BENEFITS				SURVIVOR' BENEFITS			
	PY091 G	PY092 G	PY093 G	PY094 G	PY101 G	PY102 G	PY103 G	PY104 G	PY111 G	PY112 G	PY113 G	PY114 G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
<b>UDB SILC 2016</b>	X			X				X			X	X
<b>EUROMOD input data</b>		bunct + ysv	bunnc + bunot		poacm	poa00 + ?	poanc		psuwd cm	psuwd 00 + psuot		
Comments	PY092G and PY093G split in 2 components in the do-files				PY102G can't be split into two components. So poa00 includes some other benefits, but they can't be separated.				PY112G is split into two components in the do-file.			

<sup>44</sup> CT = contributory, NC = non-contributory, MT = means-tested, and NT = non-means-tested.

C. Individual level benefits (part 2)

	SICKNESS BENEFITS				DISABILITY BENEFITS				EDUCATION-RELATED ALLOWANCES			
	PY121 G	PY122 G	PY123 G	PY124 G	PY131 G	PY132 G	PY133 G	PY134 G	PY141 G	PY142 G	PY143 G	PY144 G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
<b>UDB SILC 2016*</b>	X			X				X	X	X		X
<b>EUROMOD input data</b>		bhl00	bhlot		pdicm	pdi00 + ?	pdinc				bed	
Comments	Two variables are included in the input data but are not used.				Three components are included in the input data; pdi00 includes other benefits which can't be separated.				No split.			

\* Note: "X" means that the variable doesn't exist in EU-SILC, i.e. benefits with such characteristics do not exist in the country.

### 3.3 Updating

To account for any time inconsistencies between the income reference period and the simulated policy year, updating factors are used. Each monetary variable (i.e. each income component) is updated so as to account for changes in the non-simulated variables that have taken place between the income reference period and the year of the simulated tax-benefit system. Updating factors are generally based on changes in the average value of an income component between the income reference period and the policy year, although they might be also based on statutory indexation rules. For detailed information about the construction of each updating factor as well as the sources that have been used, see table 3.3. in Annex 1.

## 4 VALIDATION

### 4.1 Aggregate Validation

EUROMOD results are validated against external benchmarks. Detailed comparisons of the number of people receiving a given income component and total yearly amounts are shown in Annex 3. Both market incomes and non-simulated taxes and benefits in the input dataset, as well as simulated taxes and benefits, are validated against external official data. The main discrepancies between EUROMOD results and external benchmarks are discussed in the following subsections. Factors that may explain the observed differences are also discussed.

### 4.2 Components of disposable income

In EUROMOD we calculate the disposable income from gross income variables deducting the total personal income tax that should be paid plus the benefits and pensions. There are smaller

discrepancies between the disposable income definition in EUROMOD and in EU-SILC that can be seen in table 4.1.

Table 4.1 Components of disposable income

	EUROMOD 2016	EU-SILC 2017
	ils_dispy	HY020
Employee cash or near cash income	+	+
Employer's social insurance contribution	0	0
Company car	0	+
Contributions to individual private pension plans	0	0
Cash benefits or losses from self-employment	+	+
Pension from individual private plans	+	+
Unemployment benefits	+	+
Old-age benefits	+	+
Survivor' benefits	+	+
Sickness benefits	+	+
Disability benefits	+	+
Education-related allowances	+	+
Income from rental of a property or land	+	+
Family/children related allowances	+	+
Social exclusion not elsewhere classified	+	+
Housing allowances	+	+
Regular inter-household cash transfer received	+	+
Interests. Dividends. etc.	+	+
Income received by people aged under 16	+	+
Regular taxes on wealth	-	-
Regular inter-household cash transfer paid	-	-
Tax on income and social contributions	-	-
Repayments/receipts for tax adjustment	+	+

### 4.3 Validation of incomes imputed into the simulation

As it can be seen in Table 4.2 in Annex 3, the number of employed people in 2016 is well captured in EU-SILC data (102%), while unemployed people are slightly overrepresented (119%). This overrepresentation becomes larger over the years as the labour market performs better. This is explained by the fact in EUROMOD any employment adjustments to the baselines are applied (e.g. in 2017 the ratio is of around 137%).

Tables 4.3 and 4.4 depict the number of market income recipients and the annual amounts in EU-SILC data, respectively. These numbers are then compared with the statistics provided by the Spanish Tax Agency obtained, mainly, from income tax returns. On one hand, the number of market income recipients is slightly overestimated, e.g. individuals with employment income are overrepresented by 15% in comparison to external statistics. This can be also observed when looking at the number of individuals with self-employment or investment income. The main discrepancies are explained by the fact the external sources refer only to taxpayers so they don't cover all the population, i.e. due to tax exemptions some individuals are not obliged to fulfil a tax return.

On the other hand, employment and self-employment incomes are also overestimated compared to tax data (by 11% and 50%, respectively). A same pattern is observed regarding private pensions (e.g. the ratio is of around 121% in 2016). However, the opposite can be seen for investment and property income which are significantly underrepresented in EU-SILC data (about 67% and 56% in 2016, respectively) compared to external statistics from tax returns. This might suggest some sort of under-recording of these income sources in EU-SILC due to an underrepresentation of the most wealthy households.

As it can be seen in tables 4.5 and 4.6 in Annex 3, in aggregate terms pensions are well represented in the EUROMOD data. The main discrepancies are explained by the fact that, contrary to official statistics, disability pensions of people aged 65 or more are classified as old-age pensions in EU-SILC. As a result, the number of recipients and the annual amounts of old age pensions in EUROMOD are about 10% more than external data.

Although there is no up-to-date available information from external sources on sickness benefits, in previous years the number of recipients and the amounts received were significantly underestimated compared to external sources. This might be explained by the fact external data is constructed using sickness episodes along the year, while in EU-SILC data the numbers correspond to individuals on sick leave. Besides, there might be observations in EU-SILC declaring sickness benefits as employment income.

Maternity benefits recipients are not well represented either; the number of recipients and annual amounts are only about 0.11 times the numbers in external data. It's very likely that maternity leave recipients in EU-SILC mixed up maternity or paternity benefits as employment income when filling in the survey. Quite the opposite happens with social assistance benefits. In EUROMOD data the number of recipients and amounts of social assistance are highly overestimated in comparison with external statistics (the ratio in 2017 is over 200%). In this case, the variable recording social assistance benefits in EU-SILC includes a large variety of social exclusion payments not elsewhere classified, such as benefits paid by private non-profit organisations. However, the external statistics depict only the recipients of the regional minimum income support schemes. Thus, the discrepancy might arise from the aforementioned difference in the coverage of both statistics.

#### 4.4 Validation of outputted (simulated) incomes

Pension complements and the non-contributory old age pension are simulated in the model computing the eligibility as a combination of being reported in the input data (i.e. only those who report pension complement are considered) and the income test (which is fully simulated). Therefore, as it can be seen in tables 4.7a and 4.8a the number of recipients and annual amounts in the EUROMOD simulation are very similar to those in the input data. Besides, the comparison with external information shows an accurate match, although there is a slight overestimation of the non-contributory old age pension (111% in number of recipients and 115% in annual amounts).

Unemployment benefits are simulated following the same approach as pension complements and the non-contributory old age pension – eligibility is taken from data but combined with an income test that is simulated by the model. The amount of the benefit is also fully simulated. It's not surprising, then, that the comparison of the simulated numbers with EU-SILC data leads to very similar numbers. However, tables 4.7a and 4.8a show that, in terms of recipients, total numbers are overestimated for unemployment insurance recipients (356% in 2016), while the simulated annual amounts are slightly lower than official statistics (82% in 2016). In this regard, unemployment benefit simulations are not strictly comparable to official statistics. While the former computes the annual number of recipients and aggregate benefit amounts, the latter shows the average number of recipients along the year and the annualized amount of expenditure on any given month during the year. As a result, it is not surprising that data results show a larger number of recipients and a lower average amount.

Child benefits are fully simulated in EUROMOD. On one hand, compared to external statistics, the main child benefit for families with children below 18 years old is overestimated in terms of recipients (by 29%) and annual amounts (by 14%). This can be due to several reasons, among them: (1) non-take up, since families located at the phase-out of the benefit are entitled to very low benefit amounts (of around €28 per year); and (2) some sort of underreporting of incomes in EU-SILC which might increase the pool of eligible recipients when applying the means-test.

On the other hand, the child benefit for families with disabled children over 18 years old is underestimated in terms of recipients (by 13%) and annual amounts (by 24%). Possible factors driving these results could be: (1) the relatively small samples in EU-SILC for specific subgroups such as people with disabilities; and (2) the lack of information on the disability degree of the individual. Due to (2), the simulation assumes all disabled children over 18 years old have a disability level of 65% and the higher amounts for those with a disability level of 75% or more are not simulated.

Birth benefits are somewhat oversimulated in EUROMOD by around 50% in terms of recipients and annual amounts, as it can be seen in tables 4.7a and 4.8a. These lump-sum benefits are granted for families with very specific status, such as large families, lone parents or families giving birth to multiple children. Besides, external statistics on regional benefits are very scarce and usually not available, hindering the macrovalidation of regional child benefits.

Table 4.7b and 4.8b in Annex 2 show the number and aggregate amounts of social insurance contributions (SICs) and personal income tax in EUROMOD, EU-SILC and official statistics. Social contributions are fully simulated in EUROMOD by separating employees in full-time or part-time work and using the information on sector of activity (3 groups), occupation (10 groups) and maximum level of education achieved (6 levels).

According to the results, the number of employee and employer SICs simulated in EUROMOD are slightly overestimated (130% and 127% in 2016, respectively). This is also the case when looking at the annual amounts (127% and 118% in 2016, respectively). In this regard, there might be a rather small presence of informal workers not captured by the external statistics from SICs records.



Besides, the comparison with the external data is somewhat difficult to assess given that, in EUROMOD, we do not simulate the full breakdown of SICs schemes. For example, in EUROMOD civil servants are simulated within the General Regime for employees due to lack of information in the underlying data.

The number of self-employed contributors simulated by EUROMOD is oversimulated (113% in 2016), while total annual amounts are undersimulated (67% in 2016). In this case, the simulation in EUROMOD assumes, due to lack of information, that the self-employed contributions are based on their minimum contribution base. However, this might not be the case in reality where some individuals might decide to contribute on a higher contribution base. This would potentially explain why SICs simulated for the self-employed in EUROMOD are underestimated compared to the external statistics.

Regarding the simulation of the personal income tax, EUROMOD overestimates the number of taxpayers by around 23% in 2016<sup>45</sup> as can be seen in table 4.7b. Nevertheless, the total annual amounts are more accurately simulated and, in 2016, they deviate by only 3% with respect to the external statistics (see table 4.8b). Besides, some intermediate simulations preceding the final income tax liability are provided as well in both tables, such as the tax bases, tax allowances and some representative tax credits. The accuracy of their simulation vary among the different components. In this regard, it's worth to mention that the savings tax base is highly undersimulated (in 2016 the ratio is only of 30%) given the lack of information on property gains and a potential underrecording of investment income.

In any case, the simulation of the personal income tax in Spain is effectively a very complex task as a result of the different treatment of the *general taxable income* and *savings taxable income* along with the regional dimension where Autonomous Communities can set their own regional schedules.

### 4.5 Income Distribution

All income distribution results presented here are computed for individuals according to their household equivalised disposable income (HDI) – using the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members (labour market income plus benefits, pensions and transfers) net of income tax and social insurance contributions. The weights in the OECD equivalence are: first adult=1; additional people aged 14+ = 0.5; additional people aged under 14 = 0.3.

### 4.6 Income inequality and poverty

The following analysis provides the indicators of income distribution: income decile shares, mean and median equivalised income, income quintile ratio, Gini coefficient and poverty rates. Results are presented for own calculations using EUROMOD baseline output and statistics published by Eurostat based on the EU-SILC data.

---

<sup>45</sup> Note here that, in order to make the EUROMOD simulations comparable to those published by the Spanish Tax Agency, the regions of Basque Country and Navarra have been excluded in tables 4.7b and 4.8b when computing the EUROMOD aggregates. This adjustment was applied since both regions follow different tax rules as the ones from the common fiscal territory (i.e. all other Spanish regions) and are not recorded in the statistics published by the Spanish Tax Agency. Only the component “income tax liability (national + regional)” includes the simulated figures from Basque Country and Navarra in order to give a hint of the size of taxes simulated when taking into account the aforementioned regions.



According to results, the mean equivalised disposable income in EUROMOD is slightly lower than in the original EU-SILC data (99% in 2016), as it can be seen in table 4.9. Three reasons may lie beneath this difference: a) inclusion of different sources in the definition of household disposable income, b) changes in the sample and recoding negative income into zero, and c) changes in the amounts of some income sources (particularly taxes and benefits) due to its simulation in EUROMOD.

Results on income distribution and inequality are also shown in table 4.9. The table illustrates that EUROMOD matches accurately the distribution of disposable income in 2016, with slight discrepancies varying from 1% to 8%. Moreover, EUROMOD simulates slightly smaller figures for the Gini coefficient (98%) and the income quintile ratio (95%). Last, table 4.10 provides at risk of poverty rates using poverty lines based on 40, 50, 60 and 70% of the median equivalised disposable income. According to results, at risk poverty rates simulated in EUROMOD are very similar to official ones obtained from EU-SILC.

### 4.7 Validation of minimum wage

Switching on the minimum wage simulation does not have a significant impact on the baseline simulations. The changes in terms of equivalised disposable income are, mainly, negligible (less than 3%). Only some remarkable effects might be observed when looking at the poverty rate measured using the 60% median equivalised disposable income threshold. In this regard, minimum wage adjustments would increase the poverty-reducing effects from 5% to 10% depending on the year.

### 4.8 Summary of “health warnings”

This final section summarises the main findings in terms of particular aspects of the Spanish part of EUROMOD or its database that should be borne in mind when planning appropriate uses of the model and in interpreting results:

- The sample becomes relatively small when regions are considered. Since most regional policies are targeted at very specific (and in many cases rather small) population subgroups, EUROMOD results are not statistically significant for such policies. Furthermore, validating regional policies is difficult given that information from regions is scarce. Care should be taken when aiming to interpret results for regional benefits.
- There is a shortfall of people with higher incomes, self-employment income and investment or capital income.
- By default, the eligibility of the following policies is partially simulated (i.e. conditional on being reported in the data) due to lack of information in the underlying data:
  - Unemployment insurance (bunct)
  - Unemployment assistance (bunnc)
  - Non-contributory old-age pension benefit (poanc)
  - Old-age pension complement (poacm)
  - Widow/er pension complement (psuwcm)
- The number of effective recipients of Regional Minimum Income Benefits is much lower than the number of potential recipients. As a result, EUROMOD simulations predict a much larger number of recipients than reported in official statistics. For this reason, by default, in the

EUROMOD baseline this policy is not simulated (i.e. it is switched OFF) and the values from the data are used instead.

- Parental leave benefits are only simulated from 2015 to 2019 in EUROMOD I2.0. They are defined in an extension (Parental Benefits Extension) that is switched off in the baselines, i.e. the non-simulated component (*bma*) is being used. When the extension is switched on, the non-simulated component is reduced by subtracting the value of the simulated components (*bmact\_s*, *bmanc\_s*, *bpact\_s*). The simulated numbers might differ significantly from external statistics as some policy rules cannot be simulated accurately due to lack of information in the underlying data.

## 5 REFERENCES

García. M (2008) Mejora en la estimación del umbral de pobreza relativa de los ciudadanos españoles.con especial atención al colectivo de jubilados y pensionistas Ministerio de Trabajo e Inmigración.

Levy. H and Mercader-Prats. M (2001) EUROMOD country report Spain 2001 Tax-benefit system

Matsaganis, M. , Levy, H. and Flevotomou, M. (2010), Non Take Up of Social Benefits in Greece and Spain. *Social Policy & Administration*, 44: 827-844. doi:10.1111/j.1467-9515.2010.00746.x

OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs. Country chapter. Spain - Benefits and Wages ([www.oecd.org/els/social/workincentives](http://www.oecd.org/els/social/workincentives))

Paniagua. M (2007) Imputation in EU-SILC: an Application to Spain paper presented at the The European Survey Research Association (ESRA) 2007 Conference in Prague.

Paniagua. M and Méndez. J (2008) How to achieve the final net income by components in the Spanish.paper presented at Tax-benefit Microsimulation in the Enlarged Europe: Results from the I-CUE Project and Perspectives for the Future. 3-4 of April. Vienna. Austria.

### Sources for tax-benefit descriptions/rules

The sources for tax descriptions have been the different laws that were applicable on 30<sup>th</sup> june each calendar year. In particular for the Personal Income tax the applicable laws are:

- Law 35/2006, of 28 November, on the Personal Income Tax and partial amendment of the Laws regulating Corporation Tax, Non-resident's Income Tax and Wealth Tax and related reforms.
- Further, some of the tax information was obtained from the personal income tax guides of the Spanish Tax Agency available at [www.aeat.es](http://www.aeat.es)

The sources of benefit descriptions come mainly from the information available at the *Ministerio de Trabajo e Inmigración*. In particular it was useful to use the Annual Labour guide that is partially available on line. Also the information in the *Guías de ayudas sociales para las familias* was very useful for detailed information on family benefits edited by the *Ministerio de Sanidad y Política Social*.

The source for the description of social security contributions comes from the information in the publication edited in 2009: *Normas de cotización a la Seguridad Social*. *Ministerio de Trabajo e Inmigración*. *Secretaría de Estado de la Seguridad Social* ([www.seg-social.es](http://www.seg-social.es)).

**ANNEX 1: UPRATING FACTORS**

Table 3.3. Raw indices for deriving EUROMOD uprating factors

	Factor reference	Variable	Year				
			2016	2017	2018	2019	
<b>Harmonised Index of Consumer Prices</b>	\$HICP	Used by the Policy Effects Tool	99.66	101.69	103.46	104.6	EUROSTAT; AMECO forecasts for 2019 values
<b>CPI</b>	\$f_cpi	Afc.bed.bho.bfa.kivho.tpr.xhc.xhcmomc.xhcmomi.xhcot.xhcrt.xhcmo.xmp.xpp.yot.ypp.ypt	119.49	121.83	123.87	124.02	National Statistics Institute. Ministry of Economy and Competitiveness. Index Consumer Price; Forecast 2016 Government Macroeconomic Scenario (Private Consumption Deflator). Ministry of the Finance and Public Administrations
<b>Wage Cost. Private Sector. Quaterly Labor Cost Survey</b>	\$f_wage	Bhl. bma.bunctpc.yivwg.yem_a.yse.ysv.yem	1897.5	1899.5	1919	1951.6	National Statistics Institute. Ministry of Economy and Competitiveness. Index of wage and salary earnings; Forecast 2016 Government Macroeconomic Scenario. Ministry of the Finance and Public Administrations
<b>Labour Cost. Quaterly Labor Cost Survey</b>	\$f_labor	Kfb. kfbcc	2541.3	2546.8	2572.6	2616.3	National Statistics Institute. Ministry of Economy and Competitiveness. Index of wage and salary earnings; Forecast 2016 Government Macroeconomic Scenario Ministry of the Finance and Public Administrations
<b>Interest Evolution. Aggregate Amount. National Accounts</b>	\$f_k	iyi	8033	7395	6736	5725.4	National Statistics Institute. Ministry of Economy and Competitiveness. Quarterly National Accounting. Quarterly non-financial accounts by Households and Non-profit institutions serving households. 2016 official data for 1st quarter and forecasts for 2nd 3rd and 4th quarters. (Moving) averages using last years (2012-2015) information

<b>IPREM (Multiple Purpose Indicator)</b>	\$f_iprem	bunot	532.51	537.84	537.84	537.84	General State Budgets. Ministry of the Finance and Public Administrations
<b>Minimum Wage</b>	\$f_mw	bchot	655.2	707.6	735.9	900	Ministry of the Finance and Public Administrations. General State Budgets. h
<b>Minimum Pension Old Age</b>	\$f_mpenold	poaot	10989	11017	11045	11701	Ministry Employment and Social Security. Official Statistics. Contributory Pension; 2016 official data for January- May and forecasts for full year. Averages using January- May year 2015
<b>Minimum Pension Survival</b>	\$f_mpenw	psuot	10300	10326	10353	10970	Ministry Employment and Social Security. Official Statistics. Contributory Pension; 2016 official data for January- May and forecasts for full year. Averages using January- May year 2015
<b>Wage Cost. Public Sector</b>	\$f_wagepub	Yem (for civil servants)	2567.4	2593.1	2635.3	2701.2	Ministry of the Finance and Public Administrations. Official Statistics. Personnel Costs; 2011- 2016 official data.
<b>Average old-age pension</b>	\$f_poa_av	Poa00	1042.3	1063.5	1090.6	1133.7	Statistics Spain, Contributory Pension; Ministry of Employment and Social Security. 2016 official data for January- May and forecasts for full year, averages using January- May year 2015
<b>Average disability pension</b>	\$f_pdi00_av	Pdi00	929.69	936	946.19	971.4	Statistics Spain, Contributory Pension; Ministry of Employment and Social Security. 2015 official data for January- August and forecasts for full year, averages using January- August year before
<b>Average survivor pension</b>	\$f_psu_av	psuwd00	637.87	646.4	664.43	709.45	Statistics Spain, Contributory Pension; Ministry of Employment and Social Security. 2016 official data for January- May and forecasts for full year, averages using January- May year 2015
<b>Average non contributory disability pension</b>	\$f_pdinc_av	pdinc	721.61	733.76	757.36	775.03	Statistics Spain, Non Contributory Pension; Ministry of Employment and Social Security. 2015 official data for January- August and forecasts for full year, averages using January- August year before
<b>Average disability pension complement</b>	\$f_pdicm_av	Pdicm	139.3	138.88	138.45	138.02	Statistics Spain, Contributory Pension Complements; Ministry of Employment and Social Security. 2015 official data for January- August and forecasts for full year, averages using January- August year before
<b>Led index of employment income</b>	\$f_wageLead	ymwdt	1899.5	1919	1951.6	1951.6	Calculated based on \$f_wage led by 1 year

## ANNEX 2: POLICY EFFECTS IN 2018-2019

Table A1 and Figure A1 shows the effect of policy changes in 2018-2019 on mean equivalised household disposable income by income component and income decile group, as a percentage of mean equivalised household disposable income in 2018. Each policy system has been applied to the same input data, deflating monetary parameters of 2019 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

In 2018-2019, households experienced on average a disposable income growth of 0.10%. The increase affected the first six decile groups being the 1<sup>st</sup> and 2<sup>nd</sup> decile the ones which gained the most (2.15% and 0.88%, respectively). Conversely, the last four deciles experienced a slight decrease in the disposable income (e.g. the 10<sup>th</sup> decile lost, on average, -0.18%). Thus, policy changes in the period 2018-2019 were pro-poor<sup>46</sup>.

On one hand, the positive effects experienced by the bottom deciles were mainly driven by changes in means-tested benefits. These changes resulted in an average increase of disposable income of 0.32%. The increase was considerably remarkable in the first three deciles (2.99%, 1.34% and 1.07%, respectively). The aforementioned income gains are, essentially, the result of the changes to the main means-tested child benefit in Spain – the benefit amount was increased from €291 to €341 per year and up to €588 for the poorest households.

Along with the positive effects derived from changes in means-tested benefits, changes in non means-tested benefits and public pensions caused additional income gains. However, the positive effects were, on average, very small (of around 0.02% and 0.13%, respectively) and they can be explained by a greater indexation of pensions and non-means tested benefits than the inflation (e.g. pensions were indexed by 1.6% in 2019 while indexation was of around 1.1%). Besides, the effects are almost the same across the whole income distribution and they reflect, in general, the location of pensioners and non-means tested beneficiaries in the income distribution.

On the other hand, changes in social insurance contributions (SICs) and taxes had a negative effect on household disposable income. In this sense, changes in SICs paid by the employee and by the self-employed decreased average household disposable income by -0.16% and -0.06%, respectively. This is likely caused by significant increases in the cointribution bases for both groups. Moreover, changes in taxes resulted also in an average decrease of household disposable income (-0.14%). Although there were not significant changes to the personal income tax, the results reflect some potential fiscal drag, i.e. the fact wages increased substantially while tax brackets remained unchanged leading, eventually, to higher average tax rates.

---

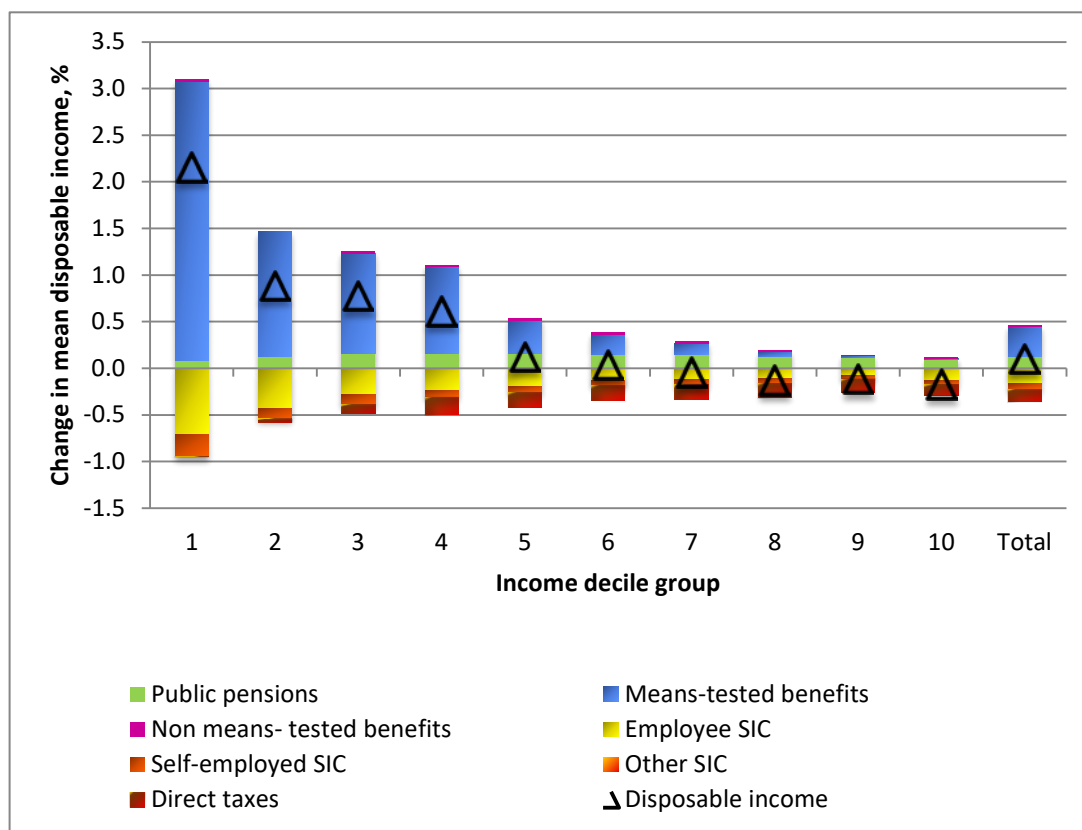
<sup>46</sup> It's also worth mentioning that, between 2018 and 2019, the minimum wage in Spain increased substantially (from €735.9 to €900 per month). Although the minimum wage is not simulated in the baseline (i.e. its simulation is switched off) there might be some interactions arising from this increase. For example, the uprating of the employment income is expected to be higher. Moreover, eligibility conditions for some benefits might become more generous as some benefits are conditioned to the minimum wage (as it's the case for the unemployment assistance benefit).

Table A1: Policy effects in 2018-2019, using the CPI-indexation [1.0110187512082], %

Decile	Original income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disposable income
1	0.00	0.08	2.99	0.03	-0.71	-0.24	0.00	-0.01	2.15
2	0.00	0.13	1.34	-0.02	-0.42	-0.11	0.00	-0.04	0.88
3	0.00	0.16	1.07	0.02	-0.28	-0.11	0.00	-0.09	0.77
4	0.00	0.16	0.93	0.02	-0.24	-0.07	0.00	-0.19	0.61
5	0.00	0.16	0.35	0.03	-0.20	-0.06	0.00	-0.16	0.12
6	0.00	0.14	0.22	0.02	-0.13	-0.06	0.00	-0.16	0.04
7	0.00	0.15	0.11	0.02	-0.13	-0.05	0.00	-0.15	-0.05
8	0.00	0.12	0.05	0.01	-0.11	-0.05	0.00	-0.16	-0.13
9	0.00	0.11	0.03	0.01	-0.08	-0.04	0.00	-0.15	-0.12
10	0.00	0.09	0.01	0.01	-0.13	-0.05	0.00	-0.12	-0.18
<b>Total</b>	0.00	0.13	0.32	0.02	-0.16	-0.06	0.00	-0.14	0.10

Notes: shown as a percentage change in mean equivalised household disposable income by income component and income decile group. Income decile groups are based on equivalised household disposable income in 2018, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2019 policies by Eurostat’s Harmonized Index of Consumer Prices (HICP).

Figure A1: Policy effects in 2018-2019, using the CPI-indexation, %



## **ANNEX 3: VALIDATION STATISTICS**



Table 4.2-Number of employed and unemployed (in thousands)

	EUROMOD	External	Ratio						
	2016	2016	2017	2018	2019	2016	2017	2018	2019
Number of employed	18,514	18,183	18,649	19,136	N/A	1.02	0.99	0.97	N/A
Number of unemployed	5,347	4,481	3,917	3,479	N/A	1.19	1.37	1.54	N/A

Sources: EUROSTAT. Labour Force Survey. Variables: total employment (from 15 to 64 years old) and unemployment (from 15 to 74 years old)

Table 4.3-Market income in EUROMOD -Number of recipients (in thousands)

	EUROMOD	External	Ratio						
	2016	2016	2017	2018	2019	2016	2017	2018	2019
Employment income	20,555	17,889	18,343	N/A	N/A	1.15	1.12	N/A	N/A
Self-employment income	3,614	3,104	N/A	N/A	N/A	1.16	N/A	N/A	N/A
Investment income	14,444	12,630	11,639	N/A	N/A	1.14	1.24	N/A	N/A
Property Income	3,979	2,363	2,512	N/A	N/A	1.68	1.58	N/A	N/A
Private pension income	722	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private transfers	665	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other income	324	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fringe benefits	3,075	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Employment income (source: AEAT - Estadísticas mercado. Trabajo y pensiones (Modelo 190)). Self-employment income (source: AEAT - Estadísticas de rdtos. De actividades económicas). Investment income (source: AEAT - Estadísticas IRPF - Rdtos. Capital mobiliario integrados en base del ahorro - ingresos integros). Property Income (source: AEAT - Estadísticas IRPF- Bienes inmuebles - Ingresos integros).

Table 4.4-Market income in EUROMOD -Annual amounts (in mil.)

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Employment income	373,383.4	374,271.1	378,430.0	385,304.9	336,938.1	351,677.8	N/A	N/A	1.11	1.06	N/A	N/A
Self-employment income	47,486.2	47,538.2	48,025.0	48,841.3	31,597.3	N/A	N/A	N/A	1.50	N/A	N/A	N/A
Investment income	10,163.8	9,356.5	8,522.7	7,244.0	15,121.9	14,317.9	N/A	N/A	0.67	0.65	N/A	N/A
Property Income	10,065.8	10,065.8	10,065.8	10,065.8	18,052.8	19,599.9	N/A	N/A	0.56	0.51	N/A	N/A
Private pension income	5,710.0	5,821.9	5,919.3	5,926.5	4,728.0	4,543.0	N/A	N/A	1.21	1.28	N/A	N/A
Private transfers	1,980.7	2,019.5	2,053.3	2,055.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other income	260.7	265.8	270.3	270.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fringe benefits	2,705.5	2,711.3	2,738.7	2,785.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Employment income (source: AEAT - Estadísticas mercado. Trabajo y pensiones (Modelo 190)). Self-employment income (source: AEAT - Estadísticas de rdtos. De actividades económicas). Investment income (source: AEAT - Estadísticas IRPF - Rdtos. Capital mobiliario integrados en base del ahorro - ingresos integros). Property Income (source: AEAT - Estadísticas IRPF- Bienes inmuebles - Ingresos integros).

Table 4.5-Tax benefit instruments included but not simulated in EUROMOD -Number of recipients/ payers (in thousands)

	EUROMOD	External	Ratio						
	2016	2016	2017	2018	2019	2016	2017	2018	2019
<b>Benefits</b>									
Old-age pension	6269	5732	5826	5929	N/A	1.09	1.08	1.06	N/A
Disability benefits	1213	1159	1165	1152	N/A	1.05	1.04	1.05	N/A
Widow's pensions	2344	2359	2360	2360	N/A	0.99	0.99	0.99	N/A
Orphan's pensions	420	341	340	340	N/A	1.23	1.23	1.24	N/A
Sickness benefit	664	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maternity Benefits	58	542	529	N/A	N/A	0.11	0.11	N/A	N/A
Social Assistance	760	315	313	N/A	N/A	2.41	2.42	N/A	N/A
Housing Benefit	455	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education benefits	596	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Taxes and Social Insurance contributions</b>									
Property tax	192	171	N/A	N/A	N/A	1.12	N/A	N/A	N/A

Sources: Ministerio de Empleo. Anuario de Estadísticas. Source for property tax: Agencia Estatal de la Administración Tributaria (AEAT). Estadísticas Patrimonio

Table 4.6-Tax benefit instruments included but not simulated in EUROMOD -Annual amounts (in mil.)

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<b>Benefits</b>												
Old-age pension	91,435.7	91,664.3	93,130.9	94,621.0	83,669.9	86,745.1	90,541.8	N/A	1.09	1.06	1.03	N/A
Disability benefits	13,471.7	13,505.4	13,721.5	13,941.0	13,286.5	13,447.5	13,632.5	N/A	1.01	1.00	1.01	N/A
Widow's pensions	18,682.7	18,729.4	19,029.1	19,333.5	21,063.3	21,360.6	21,952.5	N/A	0.89	0.88	0.87	N/A
Orphan's pensions	2,016.2	2,021.4	2,026.6	2,147.4	1,785.9	1,808.4	1,841.7	N/A	1.13	1.12	1.10	N/A
Sickness benefit	2,423.0	2,425.6	2,450.5	2,492.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maternity Benefits	207.2	207.4	209.5	213.1	2,089.7	1,923.3	N/A	N/A	0.10	0.11	N/A	N/A
Social Assistance	3,086.4	3,086.4	3,086.4	3,086.4	1,483.7	1,544.4	N/A	N/A	2.08	2.00	N/A	N/A
Housing Benefit	739.0	753.5	766.1	767.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education benefits	1,070.9	1,091.9	1,110.2	1,111.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Taxes and Social Insurance contributions</b>												
Property tax	308.8	314.8	320.1	320.5	1,039.7	N/A	N/A	N/A	0.30	N/A	N/A	N/A

Sources: Ministerio de Empleo. Anuario de Estadísticas. Source for property tax: Agencia Estatal de la Administración Tributaria (AEAT). Estadísticas Patrimonio

Table 4.7a-Benefit instruments simulated in EUROMOD -Number of recipients/ payers (in thousands)

	EUROMOD				SILC	Ratio	External				Ratio			
	2016	2017	2018	2019	2016	2016	2016	2017	2018	2019	2016	2017	2018	2019
<b>Benefits</b>														
NC old age pension	284	284	284	285	289	0.98	255	256	257	N/A	1.11	1.11	1.10	N/A
Old age pension complement	1264	1264	1247	1286	1326	0.95	1440	1382	1363	N/A	0.88	0.91	0.93	N/A
Widow's pension complement	730	730	728	732	938	0.78	769	746	723	N/A	0.95	0.98	1.01	N/A
Unemployment insurance	2719	2719	2719	2719	2742	0.99	764	697	721	N/A	3.56	3.90	3.77	N/A
Unemployment assistance	1494	1586	1610	1817	2254	0.66	997	706	662	N/A	1.50	2.12	2.26	N/A
Child benefit - without disability	1119	1114	1107	1153	N/A	N/A	865	867	842	N/A	1.29	1.29	1.33	N/A
Child benefit - with disability	161	167	167	170	N/A	N/A	185	189	192	N/A	0.87	0.85	0.84	N/A
Birth and adoption benefits	40	40	40	42	N/A	N/A	27	26	27	N/A	1.50	1.55	1.47	N/A
Birth/adopt. benefits - multiple birth	13	13	13	13	N/A	N/A	8	7	6	N/A	1.68	1.81	2.13	N/A
Regional child benefits	150	150	150	145	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Ministerio de Empleo. Anuario de Estadísticas

Table 4.7b-Tax instruments simulated in EUROMOD -Number of recipients/  
payers (in thousands)

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<b>Taxes and Social Insurance contributions</b>												
General Net Tax Base	16643	16669	16774	17030	18225	18663	N/A	N/A	0.91	0.89	N/A	N/A
Savings Net Tax Base	8836	8839	8856	8913	12341	11473	N/A	N/A	0.72	0.77	N/A	N/A
Personal and family allowances (National + regional)	17077	17110	17212	17446	19622	19913	N/A	N/A	0.87	0.86	N/A	N/A
Gross income tax liability before tax credits (National + regional)	15780	15798	15903	16130	13060	13639	N/A	N/A	1.21	1.16	N/A	N/A
Regional gross income tax liability	15747	15765	15873	16099	13056	13636	N/A	N/A	1.21	1.15	N/A	N/A
National gross income tax liability	15765	15784	15889	16114	13060	13639	N/A	N/A	1.21	1.16	N/A	N/A
Mortgage tax credit	3806	3810	3828	3867	4081	3963	N/A	N/A	0.93	0.96	N/A	N/A
Main residence rent tax credit	1380	1379	1347	1371	566	464	N/A	N/A	2.44	2.97	N/A	N/A
Regional tax credits	3503	3507	3487	3476	1521	1685	N/A	N/A	2.30	2.08	N/A	N/A
Income tax liability (National + regional)	20635	20674	20796	21061	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Income tax liability	19072	19111	19218	19470	12643	13264	N/A	N/A	1.51	1.44	N/A	N/A
Regional income tax liability	15315	15313	15410	15636	12484	13084	N/A	N/A	1.23	1.17	N/A	N/A
National income tax liability	15617	15630	15726	15951	12643	13264	N/A	N/A	1.24	1.18	N/A	N/A
SICs Employees	20919	20919	20919	20919	16139	16703	N/A	N/A	1.30	1.25	N/A	N/A
SICs Self-employed regime	3614	3614	3614	3614	3187	3211	N/A	N/A	1.13	1.13	N/A	N/A
SICs Employer	20555	20555	20555	20555	16139	16703	N/A	N/A	1.27	1.23	N/A	N/A

Sources: AEAT - Estadísticas por impuestos. Estadísticas IRPF. Ministerio de Trabajo. Anuario de Estadísticas

Notes: the "income tax liability" (tin\_s) is allocated in EUROMOD within the couples in cases where joint taxation is simulated. This explains why the number of taxpayers deviate significantly from external statistics and from the intermediate variables "Regional income tax liability" (tingtrg\_s) and "National income tax liability" (tingtna\_s) which were not allocated.



Table 4.8a-Benefit instruments simulated in EUROMOD -Annual amounts

	EUROMOD				SILC	Ratio	External				Ratio			
	2016	2017	2018	2019	2016	2016	2016	2017	2018	2019	2016	2017	2018	2019
<b>Benefits</b>														
NC old age pension	1,506.4	1,510.0	1,517.5	1,587.8	1,314.9	1.15	1,312.1	1,323.1	1,330.1	N/A	1.15	1.14	1.14	N/A
Old age pension complement	4,156.8	4,157.5	4,083.7	4,664.4	3,480.7	1.19	4,060.0	3,916.8	4,056.1	N/A	1.02	1.06	1.01	N/A
Widow's pension complement	3,000.4	3,026.3	2,985.1	3,332.1	2,772.2	1.08	2,661.1	2,550.9	2,517.5	N/A	1.13	1.19	1.19	N/A
Unemployment insurance	9,703.4	9,746.5	9,809.9	9,922.0	9,950.2	0.98	11,816.9	11,111.3	11,502.8	N/A	0.82	0.88	0.85	N/A
Unemployment assistance	4,558.6	4,829.7	4,893.3	5,425.4	6,284.4	0.73	5,631.6	4,557.3	4,332.6	N/A	0.81	1.06	1.13	N/A
Child benefit - without disability	539.3	537.6	534.2	849.2	0.0	N/A	471.0	474.4	466.1	N/A	1.14	1.13	1.15	N/A
Child benefit - with disability	744.3	770.9	775.8	836.0	0.0	N/A	979.2	1,000.3	1,049.3	N/A	0.76	0.77	0.74	N/A
Birth and adoption benefits	40.5	40.5	40.4	42.3	0.0	N/A	27.8	26.9	28.1	N/A	1.46	1.50	1.44	N/A
Birth/adopt. benefits - multiple birth	35.0	37.8	39.3	48.0	0.0	N/A	20.9	21.1	18.7	N/A	1.67	1.79	2.10	N/A
Regional child benefits	135.0	134.9	134.7	128.5	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Ministerio de Empleo. Anuario de Estadística

Table 4.8b-Tax instruments simulated in EUROMOD -Annual amounts (Mil.)

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<b>Taxes and Social Insurance contributions</b>												
General Net Tax Base	371,474.0	372,686.8	378,584.6	387,593.2	362,588.0	379,219.0	N/A	N/A	1.02	0.98	N/A	N/A
Savings Net Tax Base	8,249.0	7,580.2	6,901.6	5,848.3	27,544.9	30,273.1	N/A	N/A	0.30	0.25	N/A	N/A
Personal and family allowances (National + regional)	118,013.3	118,218.2	118,890.6	120,465.8	153,907.8	156,102.3	N/A	N/A	0.77	0.76	N/A	N/A
Gross income tax liability before tax credits (National + regional)	71,050.1	71,128.5	72,477.2	74,474.6	74,515.2	78,728.5	N/A	N/A	0.95	0.90	N/A	N/A
Regional gross income tax liability	35,825.0	35,810.2	36,445.7	37,426.0	37,461.3	39,560.1	N/A	N/A	0.96	0.91	N/A	N/A
National gross income tax liability	35,225.1	35,318.3	36,031.5	37,048.6	37,053.9	39,168.5	N/A	N/A	0.95	0.90	N/A	N/A
Mortgage tax credit	1,805.7	1,839.2	1,874.7	1,898.6	2,787.6	2,546.5	N/A	N/A	0.65	0.72	N/A	N/A
Main residence rent tax credit	522.7	530.8	532.2	531.7	231.4	190.7	N/A	N/A	2.26	2.78	N/A	N/A
Regional tax credits	1,010.2	1,010.0	1,023.8	993.5	355.7	388.9	N/A	N/A	2.84	2.60	N/A	N/A
Income tax liability (National + regional)	75,120.7	75,177.1	76,596.7	78,750.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Income tax liability	68,296.8	68,342.5	69,630.4	71,604.8	70,738.4	75,057.3	N/A	N/A	0.97	0.91	N/A	N/A
Regional income tax liability	34,231.7	34,206.0	34,800.6	35,765.5	35,405.7	37,544.7	N/A	N/A	0.97	0.91	N/A	N/A
National income tax liability	33,999.4	34,070.5	34,760.6	35,766.8	35,332.7	37,512.6	N/A	N/A	0.96	0.91	N/A	N/A
SICs Employees	23,712.8	23,998.4	24,309.2	25,520.4	18,674.9	16,265.5	N/A	N/A	1.27	1.48	N/A	N/A
SICs Self-employed regime	8,237.4	8,237.4	8,483.9	8,880.5	12,358.5	11,603.7	N/A	N/A	0.67	0.71	N/A	N/A
SICs Employer	108,060.1	109,401.8	110,854.3	116,454.5	91,541.2	74,043.6	N/A	N/A	1.18	1.48	N/A	N/A

Sources: AEAT - Estadísticas por impuestos. Estadísticas IRPF. Ministerio de Trabajo. Anuario de Estadísticas

## Table 4.9-Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
D1	2.1	2.1	2.1	2.1	1.9	2.2	0.0	0.0	1.08	0.94	N/A	N/A
D2	4.3	4.3	4.3	4.3	4.2	4.4	0.0	0.0	1.02	0.98	N/A	N/A
D3	5.7	5.7	5.7	5.7	5.6	5.6	0.0	0.0	1.01	1.01	N/A	N/A
D4	6.9	6.9	6.9	6.9	6.8	6.8	0.0	0.0	1.01	1.01	N/A	N/A
D5	8.1	8.1	8.1	8.1	8.1	8.1	0.0	0.0	1.00	1.00	N/A	N/A
D6	9.5	9.5	9.5	9.5	9.4	9.4	0.0	0.0	1.01	1.01	N/A	N/A
D7	11.0	11.0	11.0	11.0	11.0	10.9	0.0	0.0	1.00	1.01	N/A	N/A
D8	12.9	12.9	12.9	12.9	12.9	12.8	0.0	0.0	1.00	1.01	N/A	N/A
D9	15.7	15.7	15.7	15.7	15.7	15.5	0.0	0.0	1.00	1.01	N/A	N/A
D10	23.9	23.9	23.9	23.8	24.4	24.2	0.0	0.0	0.98	0.99	N/A	N/A
Median	14103.0	14131.7	14267.3	14475.0	14,203.0	14,785.0	0.0	0.0	0.99	0.96	N/A	N/A
Mean	16126.4	16147.0	16276.0	16499.8	16,390.0	16,937.0	0.0	0.0	0.98	0.95	N/A	N/A
Gini	33.3	33.3	33.3	33.0	34.1	33.2	0.0	0.0	0.98	1.00	N/A	N/A
S80/S20	6.3	6.2	6.2	6.1	6.6	6.0	0.0	0.0	0.95	1.03	N/A	N/A

Sources: EUROSTAT. Living conditions and welfare Statistics. Distribution of income.

Table 4.10-Poverty rates by gender and age

	EUROMOD				External				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
<b>40% median HDI</b>												
Total	10.3	10.2	10.2	10.3	10.5	9.2	0.0	0.0	0.98	1.10	N/A	N/A
Males	9.9	9.8	9.9	10.0	10.2	9.1	0.0	0.0	0.97	1.08	N/A	N/A
Females	10.6	10.5	10.6	10.5	10.8	9.2	0.0	0.0	0.98	1.14	N/A	N/A
<b>50% median HDI</b>												
Total	15.5	15.4	15.4	15.2	15.7	14.6	0.0	0.0	0.99	1.06	N/A	N/A
Males	15.2	15.1	15.1	15.0	15.3	14.3	0.0	0.0	1.00	1.06	N/A	N/A
Females	15.8	15.7	15.7	15.5	16.1	15.0	0.0	0.0	0.98	1.05	N/A	N/A
<b>60% median HDI</b>												
Total	21.5	21.5	21.4	21.4	21.6	21.5	0.0	0.0	0.99	1.00	N/A	N/A
Males	20.9	21.0	20.9	20.9	21.0	20.9	0.0	0.0	1.00	1.00	N/A	N/A
Females	22.0	22.0	21.9	21.8	22.2	22.2	0.0	0.0	0.99	0.99	N/A	N/A
<b>70% median HDI</b>												
Total	28.8	28.8	28.9	28.8	29.2	28.9	0.0	0.0	0.99	1.00	N/A	N/A
Males	27.7	27.7	27.9	27.8	28.1	27.7	0.0	0.0	0.99	1.00	N/A	N/A
Females	29.9	29.9	30.0	29.8	30.3	30.1	0.0	0.0	0.99	0.99	N/A	N/A
<b>60% median HDI</b>												
0-15 years	28.1	28.2	28.1	28.1	28.1	26.2	0.0	0.0	1.00	1.07	N/A	N/A
16-24 years	28.6	28.7	28.6	28.7	29.4	30.6	0.0	0.0	0.97	0.94	N/A	N/A
25-49 years	21.9	21.9	21.8	21.9	21.6	21.2	0.0	0.0	1.01	1.03	N/A	N/A
50-64 years	20.2	20.1	20.1	19.6	19.7	20.2	0.0	0.0	1.02	1.00	N/A	N/A
65+ years	13.3	13.3	13.2	13.1	14.8	15.6	0.0	0.0	0.90	0.85	N/A	N/A

Sources: EUROSTAT. Living conditions and welfare Statistics. Distribution of income.

## Table 4.11-Minimum wage validation

	Baseline				Min Wage Incl.				Ratio			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Equivalised disposable income	499986	500593	504591	511491	507171	509208	513904	526111	0.99	0.98	0.98	0.97
Employment income	373383	374271	378430	385305	381435	383905	388859	401879	0.98	0.97	0.97	0.96
PIT liability	75121	75177	76597	78751	75516	75677	77159	79997	0.99	0.99	0.99	0.98
Employee SICs	23026	23311	23615	24814	23043	23332	23638	24855	1.00	1.00	1.00	1.00
Social assistance	3086	3086	3086	3086	3086	3086	3086	3086	1.00	1.00	1.00	1.00
Gini	33.33	33.26	33.25	33.04	32.48	32.27	32.21	31.59	1.03	1.03	1.03	1.05
Poverty 60%	21.48	21.48	21.44	21.37	20.45	20.16	20.06	19.49	1.05	1.07	1.07	1.10

Sources: EUROMOD