

EUROMOD

COUNTRY REPORT



SPAIN (ES)

2015-2018

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EUROMOD version I1.0+



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.

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.

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The results presented in this report are derived using EUROMOD version I1.0+. 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>

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1 BASIC INFORMATION

1.1 Basic information about the tax-benefit system

- The tax-benefit system is evolving towards a decentralized system. Most taxes are partly claimed by regions (Comunidades Autónomas) and partly claimed by the national government (Estado). The main exception is corporate tax (Impuesto de Sociedades) which is still a national government tax. No separate capital gains tax exists, capital gains are included in taxable income.¹ 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. Spain comprises mainland Spain, the Balearic Islands and the Canary Islands, as well as the cities of Ceuta and Melilla in Northern Africa. The Basque Country and Navarra have their own tax systems. 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 (the last link to welfare) which is handled by regional governments. Benefit eligibility conditions, benefit amount and benefit duration differ among regions.
- The taxable period for personal income tax in Spain is the calendar year (1st of January to the 31st of December). Regarding companies, as a general rule, the tax year is usually from 25th of July to the next 25th of July, but companies may file their returns with reference to their financial year. The tax year may not exceed 12 months. Corporate income tax must be computed and paid by the taxpayers under the self-assessment method. Main benefit changes may be implemented at any moment of the year.
- Spain has a minimum wage. Daily and monthly rates (in euro) for 2015 to 2018 are in the table below.

	2015	2016	2017	2018
Minimum Wage				
• Daily	21.62	21.84	23.59	24.53
• Monthly	648.6	655.2	707.60	735.90

- There is also an index used for the calculation of most social benefit: IPREM. Daily, monthly and annual rates (in euro) for 2014 to 2017 are in the table below.

	2015	2016	2017	2018
IPREM				
• Daily	17.75	17.75	17.928	17.928
• Monthly	532.51	532.51	537.84	537.84
• Annual (12 payments)	6,390.13	6,390.13	6,454.08	6,454.08
• Annual (14 payments)	7,455.14	7,455.14	7,729.76	7,729.76

- State retirement age changed and since 2013 the state retirement age is 67 (or 65 if a person has made social security contributions for 38 years and 6 months).²

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.

¹ Although a special treatment is applied.

² Ley 27/2011, de 1 agosto, sobre actualización, adecuación y modernización del sistema de Seguridad Social. This Ley took effect in 1 January of 2013.

The schedule will be the following:

Years	Periods of social security contributions	Age required
2013	35 years and 3 months or more	65 years
	Less than 35 years and 3 months	65 years and 1 month
2014	35 years and 6 months or over	65 years
	Less than 35 years and 6 months	65 years and 2 months
2015	35 years and 9 months or over	65 years
	Less than 35 years and 9 months	65 years and 3 months
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
2019	36 years and 9 months or over	65 years
	Less than 36 years and 9 months	65 years and 8 months
2020	37 years or over	65 years
	Less than 37 years	65 years and 10 months
2021	37 years and 3 months or over	65 years
	Less than 37 years and 3 months	66 years
2022	37 year and 6 months or over	65 years
	Less than 37 years and 6 months	66 years and 2 months
2023	37 years and 9 months or over	65 years
	Less than 37 years and 9 months	66 years and 4 months
2024	38 years or over	65 years
	Less than 38 years	66 years and 6 months
2025	38 years and 3 months or over	65 years
	Less than 38 years and 3 months	66 years and 8 months
2026	38 years and 3 months or over	65 years
	Less than 38 years and 3 months	66 years and 10 months
From 2027	38 years and 6 months or over	65 years
	Less than 38 years and 6 months	67 years

- 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. Dependent children for tax purposes are defined as individuals aged below 25 years (if disabled there is no age limit), single and with yearly income below 8,000 euro (*Real Decreto Legislativo 3/2004*).
- 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 in this case are individuals who economically depend on adults’ incomes

(their income is below the IPREM indicator) and are under 21 years of age (or under 26 if in full-time education). There is no age limit for disabled children. (*Ley 40/2003*).

- For income tax purposes “lone parents” (*Familias monoparentales*) are families of one adult with children under the age of 18 (or over that age if disabled).
- The Spanish income tax is an individual system. However, taxpayers may choose to file either a single or a joint tax return. The family unit is the nuclear family: the married couple or single person plus any dependent children. 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.
- 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. In 2018 individuals who are only taxed on income from work and who earn less than 22,000 euro³ 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. Tax payers who need to fill a tax return should do it between the 1st of May and 30th 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. Since 2004 most benefits are indexed using the IPREM and not the minimum wage as it was usual in previous years.
- In the Catalonia region there is another indexing indicator: the IRSC (Indicador de Renta de Suficiencia de Catalunya). Its value in 2015-2018 is 7,967.73 euro a year, corresponding to 569.12 euro a month.
- The means-tested benefit system assesses entitlement according to family income unit. The family unit is, in general, the nuclear family. However, note that some non-contributory benefits, such as non-contributory old-age pensions, consider other cohabiting individuals within the family unit.
- Social contributions, benefits and pensions are usually assessed and delivered on a monthly basis. Income tax liability is based on annual income and allowances and thresholds are generally referred to in annual terms.
- Different levels of disability are defined in the Law. (*Ley General de la Seguridad Social, aprobado por el Real Decreto Legislativo 1/1994, de 20 de junio, articulo148*).

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

³ When income comes from other sources but work, the income threshold is reduced. For further information see “*LEY 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y Real Decreto Legislativo 5/2004, de 5 de marzo, y otras normas tributarias*”.

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.

Some contributory benefits may depend on the social security regime the individual is contributing to. However, significantly more than half of total benefits are paid within the social security General Regime.

1.3 Contributory Benefits

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. Since 2012 the system changed and the first 3 days only 50% of salary is paid, 75% from the fourth day to 20th and 100% since 21st onwards.

Maternity/Paternity 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.

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 the worker must have a minimum period of paid contributions. Benefits are subject to taxation and while receiving it social security contributions must be paid.

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. Benefits from permanent disability (either partial or total) for the usual occupation are taxable. Absolute permanent incapacity and severe incapacity benefits are not taxable.

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. The legal retirement age in Spain in 2018 is 65 years and 6 months if the employee has less than 36 years and 6 months or 65 years if the employee has 36 years and 6 months or more periods of social security contributions. 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). Taxable.

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 (for example, it may depend on number of dependants in family unit and on the fact that orphanhood is complete).

Unemployment insurance (*Prestación por desempleo contributiva*): Compulsory social insurance scheme for employees able and available for 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. A new “Special protection system for the self-employed” was introduced on November 6th 2010. Unemployment insurance scheme is 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.

New self-employed unemployment insurance benefit (*Prestación económica cese de actividad de trabajadores autónomos*): Unemployment insurance scheme is 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 6th 2010, the rules of the benefit were described in “*Real Decreto 1541/2011, de 31 de octubre, por el que se desarrolla la Ley 32/2010, de 5 de agosto, por la que se establece un sistema específico de protección por cese de actividad de los trabajadores autónomos*”.

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.

Contributory paternity leave benefit (*Permiso 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 4 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. Minimum period of social security contributions: 180 days in last 7 years or 360 days in all working life (with a few exceptions).

1.4 Non-contributory Benefits

Unemployment assistance (*Subsidio por desempleo*): If the worker is not entitled to receive contributory benefits a non-contributory benefit is available. This is a means-tested benefit.

Income guarantee benefit (*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 salary (*salario mínimo interprofesional, SMI*). Other requirements are: being over 45 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 indicator.

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 to non-contributory pensions since 1998.

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. Taxable.

LISMI (*Social Integration of the disabled*): Disability benefit from an old system that is applied to some people (residual).

Assistance Pensions (*Pensiones Asistenciales*): Assistance benefit from an old system that is applied to some people (residual).

Non-contributory complements to survivors pensions: There are state non-contributory complements to survival pensions that do not reach (following the contributory rules) the minimum level specified by law.

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

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. Not taxable. In Catalonia there is a supplementary universal child benefit since 2003. The benefit is taxable in this case.

Birth and adoption benefit for multiple births: This is a lump-sum payment at birth or adoption of third, fourth or higher order child. Not taxable.

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. Not means-tested.

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.

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 will provide 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.

Minimum Income Benefit (*Ingreso mínimo de inserción o Rentas mínimas de inserción*): this is a non-contributory benefit to combat poverty by means of cash benefits. The benefit is income-tested. All Autonomous Communities in Spain provide this benefit.

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*). New benefit in 2008, substitutes the previous benefit

when it disappeared - Means-tested lump-sum child benefits payable at birth of third or further children (*Prestación económica por nacimiento o adopción del tercer hijo o sucesivos*).

Requalification program for people that have exhausted their unemployment benefits (Programa de recualificación personal de las personas que agoten su protección por desempleo, PREPARA). This program substitutes the former one, Programa Temporal de Protección por Desempleo e Inserción, PRODI. In order to protect vulnerable people the Spanish government set 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.

Employment Activation 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. Its duration is six months.

Education allowances: 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, income and academic performance.

Housing benefits: 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. Conditions regarding contributions made in the past determine eligibility and amount of contributory benefits. There are different types of contributions for employees in the private sector, self-employed and civil servants.

The main social insurance contributions system in Spain is the so-called General Regime. In 2015 around 67% of total contributions in Spain were made by workers under this regime.⁴ Another 17% of contributions were made under the self-employed regime, 4% for the Agrarias Special Systems, 2% Housemaid Special System, 5% for unemployed workers and a further 5% of contributions were made by civil servants.

General Regime (*Régimen General*): most Spanish employees make their social insurance contributions under this regime. There are special rules for particular groups such as part-time workers, trainees, artists, football players, etc.

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

Agrarian employees Special System⁵ (*Sistema especial para trabajadores por cuenta ajena agrarios*): since 2012 all employees that work in the agrarian sector have contributed to this system. Before 2012, they contributed to the Agrarian Regime.

Housemaids Special System⁶ (*Sistema Especial para los Empleados de Hogar*): since 2012 all domestic workers have had contributed to this system, general regime. Before 2012, they

⁴ Coal mining regime included.

⁵ At the beginning of 2012 the agrarian regime has been removed and its workers are considered under the General Regime.

contributed to the Housemaids Regime. There are two different ways of contributing to this regime depending on the number of hours of work for the same employer:

- Permanent Domestic Employees, working more than 20 hours a week for the same employer: the contribution is divided in two, a contribution made by the employer (responsibility of the head of the household) and a contribution made by the employee.
- Intermittent Domestic Employees, working less than 20 hours a week for the same employer: the contribution is only made by the employee.

Self-employed Regime (*Régimen Especial de los Trabajadores Autónomos*): 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). 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.

There are some special systems within this regime, the following are worth mentioning;

Agrarian self-employed special system (*Sistema especial Trabajadores Cuenta Propia Agrarios*): All self-employed people that work in the agricultural sector contribute to this regime.

Unemployed workers (*Desempleados*): Those unemployed receiving unemployment insurance must pay a social security contribution. 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.

Civil servants Regime: Civil Servants have a particular contributory regime divided into three, a main civil servants regime (MUFACE) and some 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.

Other regimes:

Coal-mining Regime (*Régimen Especial para la Minería del Carbón*): All employees working in coal mining activities must contribute to this regime.

Sea workers Regime (*Régimen Especial de los Trabajadores del Mar*): All employees and self-employed working in sea activities must contribute to this regime.

The special regimes for employees and self-employed who work in the agricultural sector disappeared in 2012. These workers will be included in the General Regime or the Self-employed regime with special treatment, Special Systems Integrated into the General or Self-Employed Regime (*Sistema especial cuenta ajena agrarios, Régimen General and Sistema especial para trabajadores por cuenta propia agrarios, Régimen Especial Trabajadores autónomos*). The same happened with the Housemaids Regime, which disappeared to become a special system within the General Regime, Special System for housemaids (*Sistema Especial para Empleados de hogar, Régimen General*).

⁶ At the beginning of 2012 the housemaid regime has been removed and its workers are considered under the General Regime.

1.6 Taxes

The Spanish tax system is divided into similar shares between direct and indirect 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 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.

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.

Value Added Tax (*Impuesto sobre el valor añadido, IVA*): Spanish value added tax (IVA) taxes supplies of goods and services in mainland Spain and the Balears 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 services⁷. 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. 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).

⁷However some particular goods and services have been replaced without the mainstream, e.g. movie tickets have experienced an increase of 13 points (from 8% to 21%)

-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.

Other 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 vehiculos de tracción mecánica, IVTM*): this tax is levied on an annual basis by local authorities on the possession of vehicles.

Other 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.

Custom duties (*Rentas de Aduanas*): this tax is levied upon goods and merchandise imported or exported to and from the Spanish territories.

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, other child benefits. Complements to non-contributory old-age pensions and widow’s pension, unemployment insurance, unemployment assistance, income guarantee benefit, non-contributory old-age pensions, complements to pensions, child benefits for children with disabilities and the Minimum Income Guarantee are partially simulated. The Minimum Income Guarantee is switched off in the baseline.

Table 2.1 Simulation of benefits in EUROMOD

	Variable name(s)	2015	2016	2017	2018	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.

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Other sickness benefits	bhlot	I	I	I	I	Minor benefits. EU-SILC variable PY123G.
Education benefits						
Education allowance	bed	I	I	I	I	Minor benefits. EU-SILC variable PY140G.
Old-age benefits						
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.
Disability benefits						
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.
Survivor's benefits						
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	psuwcm_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.
Unemployment benefits						
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.
Income guarantee benefit	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 program	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 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						
Maternity benefit	bma	I	I	I	I	Due to lack of data on contribution history and maternity. EU-SILC variable HY052G.

Paternity benefit	bma	I	I	I	I	Due to lack of data on contribution history and maternity and other kind of information. Taken as part of EU-SILC variable HY052G.
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.
Multiple birth/adoption benefit	bchbaucna02_s	S	S	S	S	
Means-tested birth/adoption benefit	bchbamtna_s	S	S	S	S	
Regional child benefits	bch*rg_s	S	S	S	S	
Other child benefits (including risk during pregnancy benefit)	bchot	I	I	I	I	Due to lack of data on contribution history and maternity. Taken as part EU-SILC variable HY053G.
Social assistance						
Minimum Income Guarantee	bsa/bsa_s	(PS)	(PS)	(PS)	(PS)	Policies are implemented but “switched off” as the simulated number of recipients is much higher (almost 7 times as high the number effectively reported in official statistics). EU-SILC variable HY060G.
Housing allowance						
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)	2015	2016	2017	2018	Why not fully simulated (EU_SILC variable)?
Social Contributions						
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.
Coal-miner regime, sea worker regime, housemaid 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 regime, sea worker regime, housemaid regime (employer)	tscer_s	PS	PS	PS	PS	Due to lack of data this regime is taken as part of the general regime.
Agrarian regime (employee)	tscee_s	S	S	S	S	
Self-employed	tscse_s	S	S	S	S	
Unemployed workers	tscunee_s	S	S	S	S	
Student's regime		E	E	E	E	No information available.
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.
Direct Taxes						
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.
Indirect Taxes						
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 I 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 2014-2017 are simulated. There were no changes in the order of simulation in this period, however, some new policies were introduced (e.g. large family tax credit).

We first simulate employee, self-employed and employer social contributions. Then we simulate the unemployment benefits and social insurance contributions on these benefits. After that we simulate non-contributory old-age pensions, pension complements, and child benefits (except the regional child benefits). Finally we simulate the income tax. Individual and joint taxation are simulated, and the more favourable for the individual is chosen. In the simulation we include many regional differences in tax credits. However, Basque Country and Navarra are simulated as the rest of the State. The last two policies are the regional child benefit and the last social safety net, the Autonomous Communities Minimum Income Guarantee. The latter policy is switched off in the baseline.

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

Table 2.3 Order of simulation

Policy	ES_2015	ES_2016	ES_2017	ES_2018	Comment
Setdefault_es	ON	ON	ON	ON	Def: Set default values
UAA_es	SWITCH	SWITCH	SWITCH	SWITCH	SWITCH: Uprating Average Adjustment
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
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	OFF	OFF	OFF	OFF	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
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
psuwdc_m_es	ON	ON	ON	ON	BEN: Widow-widower's pension complement
bch00_es	ON	ON	ON	ON	BEN: Child benefit
bchbamna_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
tincrgit_es	ON	ON	ON	ON	TAX: Regional Income Tax Credits, individual taxation
tinjt_es	ON	ON	ON	ON	TAX: Income Tax - joint taxation
tincrgjt_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	N/A	N/A	ON	ON	TAX: Large families tax credit
tintrchlp_es	N/A	N/A	ON	ON	TAX: Lone parents tax credit
bchrg_es	ON	ON	ON	ON	BEN: Regional Child Benefits

bsarg_es	OFF	OFF	OFF	OFF	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 switches

The Spanish model has one policy switch. It is Uprating Average Adjustment (UAA_es). This switch can be controlled through the run dialog box (go to: Run EUROMOD → View/Filter/Add-ons → View Policy Switches). The UAA switch is OFF by default. In this case the main contributory pensions are uprated using indexation rules. The changes in the level of pensions are due to changes in the policy rules. If UAA switch is ON, then the main contributory pensions are uprated according to average pension amounts. 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 three policies that are switched OFF in the baseline, but can be used for specific purposes: (1) Minimum Income Guarantee, (2) Unemployment benefit for the self-employed, and (3) Minimum wage.

The Minimum Income Guarantee is switched off because all the rules can't be simulated, discretionary power of municipalities and non-take up can't be taken into account. 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 used in the baseline because we do not have information on the previous activity of currently unemployed. 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.

Finally, the minimum wage policy substitutes all employment income (yem) below the minimum wage by the statutory minimum wage (taken 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 grey 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.

2.4 Social benefits

2.4.1 Unemployment benefits

2.4.1.1 Unemployment insurance benefit (Prestación por desempleo)

Unemployment insurance scheme 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 Mnimo Interprofesional, SMI*) considering 12 monthly payments. In 2018: $0.75 \times (12 \times 735.90 \text{ euro per month}) = 6,623.1 \text{ euro a year}$.

- **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 360 days during the 6 years immediately before unemployment.

- **Income assessment**

There is no income assessment.

- **Benefit amount**

The benefit amount will depend 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.

As from the 181st day onwards, 60% of the average daily contributory base until 2012.⁸ From 2013 onwards the percentage from 181st 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 2018 $(1+1/6) \times (0.8 \times 537.84 \text{ euro}) = 501.984 \text{ euro per month}$.
- If the worker has at least one dependent child, the minimum benefit is 107% of monthly IPREM, increased by 1/6. In 2018: $(1+1/6) \times (1.07 \times 537.84 \text{ euro}) = 671.4036 \text{ euro per month}$.

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 2018: $(1+1/6) \times (1.75 \times 537.84 \text{ euro}) = 1,098.09 \text{ euro per month}$.
- If the worker has dependent children:
 - One child, the maximum benefit is 200% of monthly IPREM, increased by 1/6. In 2018: $(1+1/6) \times (2 \times 537.84 \text{ euro}) = 1,254.96 \text{ euro per month}$.
 - Two or more children, the maximum benefit is 225% of the monthly IPREM, increased by 1/6. In 2018: $(1+1/6) \times (2.25 \times 537.84 \text{ euro}) = 1,411.83 \text{ euro per month}$.

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.

⁸ The percentage to calculate the benefit amount depends on when begins the right to receive the benefit (from 14th July 2012, 50%, before that date 60%). In the model we apply the new rule in 2013.

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

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

Table 1. Characteristics of the unemployment benefit

		2015	2016	2017	2018
Eligibility	Contribution period	>=12 months in 6 years	>=12 months in 6 years	>=12 months in 6 years	>=12 months in 6 years
	Other conditions	-	-	-	-
	Eligibility of self-employed	>=12 months in 2 years	>=12 months in 2 years	>=12 months in 2 years	>=12 months in 2 years
Payment	Contribution base	Last 180 days of Wage+ some extras (Base de cotización por Contingencias Comunes)	Last 180 days of Wage+ some extras (Base de cotización por Contingencias Comunes)	Last 180 days of Wage+ some extras (Base de cotización por Contingencias Comunes)	Last 180 days of Wage+ some extras (Base de cotización por Contingencias Comunes)
	Basic amount:				
	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 st day	50% of daily contributory base	50% of daily contributory base	50% of daily contributory base	50% of daily contributory base
	Floor:				
	If the worker has	497.01	497.01	501.98	501.98

	no dependent child				
	If the worker has at least one dependent child	664.75	664.75	671.40	671.40
	Ceiling:				
	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
Duration	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
	Self-employed	2+1 for each 6 m of cont.,max 12	2+1 for each 6 m of cont.,max 12	2+1 for each 6 m of cont.,max 12	2+1 for each 6 m of cont.,max 12
Subject to	Taxes	Yes	Yes	Yes	Yes
	SIC	Yes	Yes	Yes	Yes

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.

Special protection system for the self-employed for business interruption took effect on November 6th 2010. In the model it is implemented from 2011. The simulation is switched OFF in the baseline.

- **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 2018: $0.75 \times (12 \times 735.90 \text{ euro per month}) = 6,623.1 \text{ euro a year}$.

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 12 months during the 2 years immediately before unemployment.

- **Income assessment**

There is no income assessment.

- **Benefit amount**

The benefit amount will depend on the average contributory base (*base reguladora, contingencias comunes*). 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:

Period of work for which contributions have been made during the last 2 years	Duration of the benefit being paid (< 60 years old)	Duration of the benefit being paid (> 60 years old)
Between 12 and 17 months	2 months	2 months
Between 18 and 23 months	3 months	4 months
Between 24 and 29 months	4 months	6 months
Between 30 and 35 months	5 months	8 months
Between 36 and 42 months	6 months	10 months
Between 43 and 47 months	8 months	12 months
48 months	12 months	12 months

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 has expired.

- **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 2018: $0.75 \times (12 \times 735.90 \text{ euro per month}) = 6,623.1 \text{ euro a year}$.

- **Eligibility conditions**

Unemployed individuals are eligible if having exhausted their contributory unemployment benefit, family unit income

is below the income test and they are over 45 years old or have dependants or have contributed six or more months. 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. Further, 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: Per capita household income from all sources⁹ must be below 75% of the minimum wage (*Salario Mínimo Interprofesional, SMI*) considering 12 monthly. In 2018: $0.75 \times (12 \times 735.90 \text{ euro per month}) = 6,623.1 \text{ euro per capita a year}$.

- **Benefit amount**

The benefit amount is 80% of the IPREM. In 2018: $(0.8 \times 537.84 \text{ euro}) = 430.272 \text{ euro per month}$.

The duration of the benefit is normally 6 months with the possibility of extension up to a maximum of 18 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.

⁹ 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

		2015	2016	2017	2018
Eligibility	Contribution period	-	-	-	-
	Other conditions	Annual Per capita household income < 5,837.4 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 < 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) }
	Eligibility of self-employed				
Payment	Contribution base	-	-	-	-
	Basic amount Additional amount Floor Ceiling	426.01 monthly	426.01 monthly	430.28 monthly	430.28 monthly
Duration	Standard (in months)	11	11	11	11
	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
Subject to	Taxes	Yes	Yes	Yes	Yes
	SIC	Yes	Yes	Yes	Yes

2.4.1.4 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 sources¹⁰ 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 x 537.84 euro = 430.272 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.

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

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

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.

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).

Real Decreto-Ley 16/2014 de 19 de diciembre, por el que se regula el Programa de Activación para el Empleo.

Real Decreto ley 7/2017, de 28 de abril, por el que se prorroga y modifica el Programa de Activación para el Empleo.

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:	2015	2016	2017	2018
(euro per year):	5,136.60	5,150.60	5,164.60	5,178.60

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 $(1 + 0.7 \times (\text{number of members} - 1))$ 5.178,60 euro in 2018.

Two members:

Year:	2015	2016	2017	2018
(euro per year):	8,732.22	8,756.02	8,779.82	8,803.62

Three members:

Year:	2015	2016	2017	2018
(euro per year):	12,327.84	12,361.44	12,395.04	12,428.64

- Some are children or parents of the recipient: the previous limit is multiplied by 2.5: $2.5 \times (1 + 0.7 \times (\text{number of members} - 1)) \times 5,178.60$ euro in 2018.

Two members:

Year:	2015	2016	2017	2018
(euro per year):	21,830.55	21,890.05	21,949.55	22,009.05

Three members:

Year:	2015	2016	2017	2018
(euro per year):	30,819.60	30,903.60	30,987.60	31,071.60

- **Benefit amount**

The annual amount for the year 2018 is 5,178.60 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 25 percent of the total annual pension (in 2018 this amounts to $0.25 \times 5,178.60$ euro = 1,812.51 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:	2015	2016	2017	2018
Benefit amount	5,136.60	5,150.60	5,164.60	5,178.60
(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	2015	2016	2017	2018
Andalucía	118.20 euro/year	120.56 euro/year	123 euro/year	184,95 euro/year
Asturias: Difference between Non-contributory old-age pension and Basic Social Income in Asturias (SSBA).	SSBA= 442.96 euro/month	SSBA= 442.96 euro/month	SSBA= 442.96 euro/month	SSBA= 442.96 euro/month
Catalonia	Income <25% annual non-contributory pension amount Amount <=106.72 euro/month 12 payments a year	Income <25% annual non-contributory pension amount Amount <=106.72 euro/month 12 payments a year	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
Extremadura	NA	225 euro/year	230 euro/year	230 euro/year
Galicia	206 euro paid this year from 2013 budget Paid in 2014	206 euro paid this year from 2014 budget Paid in 2015	206 euro paid this year from 2017 budget Paid in 2017	206 euro paid this year from 2017 budget Paid in 2018
País Vasco ¹¹ : Vizcaya Guipúzcoa	The difference between family income and 80% SMI (100% SMI, two persons; 115% SMI, three persons and 120% SMI, four persons)	NA	NA	NA

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 8.321,85 euro in 2018 (see table below for following years);

Year:	2015	2016	2017	2018
(euro per year):	8,280.40	8,301.10	8,301.10	8,321.85

¹¹As in the Basque country we can't distinguish between provinces we do not simulate this complement, it seems there is no complement in Vizcaya and Alava, two of three provinces.

- **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 7,133.97euro in 2018 (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	7,098.43	7,116.18	7,116.18	7,133.97

- **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 2015-2018 the minimum pension was: 2018

Without a spouse:

If 65 years of age or over: In 2018, 8.950,20 euro/year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	8,883.00	8,905.40	8,927.80	8,950.20

following If below 65 years of age: In 2018: 8,372.00 euro/year (see table below for years):

Year:	2015	2016	2017	2018
(euro per year):	8,309.00	8,330.00	8,351.00	8,372.00

With a spouse (non-dependant):

If 65 years of age or over: In 2018: 8,493.80 euro/year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	8,426.00	8,449.00	8,471.40	8,493.80

If below 65 years of age: In 2018: 7,914.20 euro/year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	7,851.20	7,872.20	7,893.20	7,914.20

With a dependant spouse:

If 65 years of age or over: In 2018: 11,044.60 euro/year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	10,960.60	10,988.60	11,016.60	11,044.60

If below 65 years of age: In 2018: 10,353.00 euro/year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	10,273.20	10,299.80	10,326.40	10,353.00

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.

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:	2015	2016	2017	2018
(euro per year):	525	525	525	525

See for detailed reference:

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 residan 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 residan 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 2018: $0.75 \times (12 \times 735.90 \text{ euro per month}) = 6,623.1$ euro a year (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	5,837.40	5,896.80	6,368.40	6,623.1

- **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 7.133,97 euro in 2018 (see table below for following years):

Year:	2015	2016	2017	2018
(euro per year):	7,098.43	7,116.18	7,116.18	7.133,97

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:

In 2015:

Year:	2015
With dependant relatives	10,273.20
With disability (65% or more)	8,883.00
65 or over	8,883.60
Between 60-64	8,309.00
Below 60	6,724.20

In 2016:

Year:	2016
With dependant relatives	10,299.80
With disability (65% or more)	8,905.40
65 or over	8,905.40
Between 60-64	8,330.00
Below 60	6,742.40

In 2017:

Year:	2017
With dependant relatives	10,326.40
With disability (65% or more)	8,927.80
65 or over	8,927.80
Between 60-64	8,351.00
Below 60	6,760.60

In 2018:

Year:	2018
With dependant relatives	10,353.00
With disability (65% or more)	8,950.20
65 or over	8,950.20
Between 60-64	8,372.00
Below 60	6,778.80

- **Taxation and income testing**

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

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 (*salario mínimo*). Thus the child's annual earnings must be below:

Year:	2015	2016	2017	2018
(euro per year):	648.6	655.2	707.60	735.90

- **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 11.605,77 euro in 2018, see table below for following years:

Year:	2015	2016	2017	2018
(euro per year):	11,547.96	11,576.83	11,576.83	11,605.77

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

In the case of belonging to a large family¹² with three dependent children the income test is 17.467,40 euro in 2018, see table below for following years:

Year:	2015	2016	2017	2018
(euro per year):	17,380.39	17,423.84	17,423.84	17,467.40

This amount will increase for other large families by 2.829,24 euro in 2018 (for each dependent child from the fourth onwards).

Year:	2015	2016	2017	2018
(euro per year):	2,808.12	2,815.14	2,822.18	2,829.24

The benefit is not income tested when children are disabled.

- **Benefit amount**

For children under 18 without disabilities:

Year:	2015	2016	2017	2018
(euro per year):				
<5	291	291	291	291
5-18	291	291	291	291

For children under 18 with a degree of disability of 33% or more: 1,000 euro per year in 2018 (see below table for following years):

Year:	2015	2016	2017	2018
(euro per year):	1,000	1,000	1,000	1,000

For children over 18 with a degree of disability of 65% or more: 4,438.80 euro per year in 2018 (see below table for following years):

Year:	2015	2016	2017	2018
(euro per year):	4,402.80	4,414.80	4,426.80	4,438.80

For children over 18 with a degree of disability of 75% or more: 6,658.80 euro in 2018 (see below table for following years):

Year:	2015	2016	2017	2018
(euro per year):	6,604.80	6,622.80	6,640.80	6,658.80

- **Compatibilities**

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

¹²In 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.

- **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:		2015	2016	2017	2018
2 Children	4 times SMI	2,594.40	2,620.80	2,830.80	2943.60
3 Children	8 times SMI	5,188.80	5,241.60	5,661.60	5887.20
4 Children or more	12 times SMI	7,783.20	7,862.40	8,492.40	8830.80

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 11,605.77 euro in 2018 in case of one child. In case of multiple children the minimum is calculated in the following way: 11,605.77 + (number of children) x 15% of 11,605.77 euro. The maximum is the result of adding 1,000 euro to the minimum and subtracting 24.25 euro per child. In case of being lone parent or disabled parent the income test is 11,605.77 euro in 2018:

Year:	2015	2016	2017	2018
(euro per year):	11,547.96	11,576.83	11,576.83	11,605.77

Lone parents and disabled parents:

	2017 (Minimum)	2017 (Maximum)	2018 (Minimum)	2018 (Maximum)
Year:				
One child	11,576.83	11,843.58	11,605.77	11,896.77
Two children	13,313.35	13,846.85	13,346.64	13,928.64

In case of belonging to a large family with three dependent children, the income test is 17,467.40 euro in 2018:

Year:	2015	2016	2017	2018
(euro per year):	17,337.05	17,380.39	17,423.84	17,467.40

Large families:

Year:	2017 (Minimum)	2017(Maximum)	2018 (Minimum)	2018(Maximum)
Three children	17,423.84	18,224.09	17,467.40	18,340.40
Four children	20,246.02	21,313.02	20,296.64	21,460.64
Five children	23,068.20	24,401.95	23,125.88	24,580.88
Six children	25,890.38	27,490.88	25,955.12	27,701.12
Seven children	28,712.56	30,579.81	28,784.36	30,821.36
Eight children	31,534.74	33,668.74	31,613.60	33,941.60
Nine children	34,356.92	36,757.67	34,442.84	37,061.84
Ten children	37,179.10	39,846.60	37,272.08	40,182.08

This amount will increase for other large families in 2,822.18 euro in 2018 (for each dependent child from the fourth onwards).

Year:	2015	2016	2017	2018
(euro per year):	2,815.14	2,822.18	2,822.18	2,829.24

- **Benefit amount**

Year:	2015	2016	2017	2018
(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.

2.4.4 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 1and 2 IPREM	110% * annual amount
Between 2and 4 IPREM	100% * annual amount
Between 4and 6 IPREM	50% * annual amount
> 6 IPREM	0

Annual amount:

Year:	2015	2016	2017	2018
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 1and 2 IPREM	110% * annual amount
Between 2and 4 IPREM	100% * annual amount
Between 4and 6 IPREM	50% * annual amount
> 6 IPREM	0

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

	2015-2018
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.

Income	Benefit 2015-2016	Benefit 2017-2018
< 4,570 euros	100% * 1200 annual amount	100% * 1200 annual amount
From 4,570.01 to 6,280.00 euros	85% * 1200 annual amount	85% * 1200 annual amount
From 6,280.01 to 7,425.00 euros	70% * 1200 annual amount	70% * 1200 annual amount

From 7,425.01 to 9,140.00 euros	55% * 1200 annual amount	55% * 1200 annual amount
From 9,140,01 to 10.280,00 euros	40% * 1200 annual amount	40% * 1200 annual amount
From 10,280.00 to 11,400,00 euros	25% * 1200 annual amount	25% * 1200 annual amount
From 11,401,00 euros onwards	0	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 **2016-2018**:

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 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).

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:¹³

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
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:	2015	2016	2017	2018
-------	------	------	------	------

¹³ Wealth test is not applied in simulation due to lack of data on assets.

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	2015	2016	2017	2018
	14,000	14,000	14,000	14,000

2013-2016	
	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 0.03

Amount per year:	2015	2016	2017	2018
Basic amount	650	650	650	650
Lone parent families	750	750	750	750

Legal references:

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 ¹⁴ :	2015	2016	2017	2018
Population < 3,000 inhabitants.				
1 st child and other children	1,400	1,400	1,400	1,400
Population >= 3,000 inhabitants.				
1 st or 2 nd child	500	500	500	500
3 rd 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

¹⁴

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

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

2.4.4.11 Galicia

Means-tested lump-sum benefit for children under 3 years (new-borns). (*Prestación económica de pagamento 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 earlier¹⁵, thus in 2018 the income reference is 2016.

Annual limits are:

Year:	2015	2016	2017	2018
(euro per year):	22,000	22,000	22,000	22,000

Benefit amounts are:

Year:	2015	2016	2017	2018
first child < 3	360	360	360	360
second child < 3	-	1,200	1,200	1,200
third child < 3	-	2,400	2,400	2,400

Legal references:

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.

¹⁵ 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.

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.

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 at birth of first child (*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.

Benefit amounts by income level:

Year:	2014
Income limits:	
Below 4 times SMI	900
Between 4-6 times SMI	500
Over 6 times SMI	400

In 2015 income limits changed.

Benefit amounts by income level:

Year:	2015	2016	2017	2018
Income limits:				
<= 20,000 €	900	900	900	900
Between 20,000 and 30,000 €	500	500	500	500
Over 30,000 €	400	400	400	400

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.

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.

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.

Universal child benefit for second (and more) children (*Ayuda por segundo o sucesivo hijo y/o segunda o sucesiva hija*). The benefit amount depends on the family income level (ordinary tax base before family allowances), two years earlier.¹⁶

Year:	2014
2nd child	
- lump sum	1,100
- amount	400
- duration (age span)	0 to 1
3rd and following children	
- amount	1,100
- duration (age span)	0 to 4
- amount	400
- duration (age span)	5 to 6

In 2015 income limits changed.

Benefit amounts by income level:

¹⁶

Issue	Partially simulated. There is no detailed information about years other than the previous.
Assumption	We consider previous year's income.
Impact	Unknown

Year:	2015	2016	2017	2018
2nd child				
- 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 ¹⁷	2 ¹⁸	2 ¹⁹	2 ²⁰
3rd and following children				
- 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 ²¹	3 a 7 ²²	3 a 7 ²³	3 a 7 ²⁴

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.

Means-tested lump-sum payment at birth in case of multiple birth (*Ayudas por parto o adopción nacional múltiple y adopción internacional*).²⁵

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

Year:	2014
Income limits:	
Below 3 times SMI	4,000*ncb
Below 3-4 times SMI	3,200*ncb
Below 4-5 times SMI	2,800*ncb
Between 5-6 times SMI	2,400*ncb

¹⁷ Two lump sums, one at birth and another one the second year.

¹⁸ Two lump sums, one at birth and another one the second year.

¹⁹ Two lump sums, one at birth and another one the second year.

²⁰ Two lump sums, one at birth and another one the second year.

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

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

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

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

²⁵

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

Assumption We consider all similar situations multiple birth

Impact Unknown

Over 6 times SMI $2,000*ncb$

Benefit amounts are by number of children and income level.
In 2015 income limits changed.

Year:	2015	2016	2017	2018
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.

2.4.5 Minimum Income Guarantee

Minimum Income Guarantee (*Ingreso mínimo de inserción o Renta mínima*)²⁶ 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 (*Ingreso Mínimo de Solidaridad*)

This is the Andalusian version of minimum income guarantee. It was launched in 1999.

- **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.

²⁶At the time of writing this report there is no information on 2016 rules available, the amounts are fixed as in 2015.

- **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 is 62% of the 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:	2015	2016	2017	2018
One member	402.13	402.13	406.22	419.52
Two members	454.02	454.02	458.64	473.30
Three members	505.91	505.91	511.06	527.08
Four members	557.80	557.80	563.48	580.60
Five members	609.69	609.69	615.90	634.64
Six members or more	648.60	648.60	655.20	672.30
Max benefit	2015	2016	2017	2018
SMI	648.60	648.60	707.60	735.90

Benefit amounts in euro per month.

- **Taxation and income testing**

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

- **Source**

Decreto-Ley 7/2013, de 30 de abril, de medidas extraordinarias y urgentes para la lucha contra la exclusión social (Disposición final segunda).

Ministerio de Trabajo y Asuntos Sociales. Information for Andalucía in particular comes from: 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:	2015	2016	2017	2018
One member	441.00	441.00	441.00	491.00
Two members	573.30	573.30	573.30	638.30
Three members	661.50	661.50	661.50	736.50
Four members	749.70	749.70	749.70	834.70
Five members	793.80	793.80	793.80	876.60
Six members & more	837.90	837.90	837.90	925.70

Benefit in euro per month.

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

Max benefit	2015	2016	2017	2018
	621.26 €	621.26 €	621.26 €	-

- **Taxation and income testing**

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

- **Source**

Ley 1/2015, de 23 de enero, de Presupuestos de la Comunidad Autónoma de Aragón para el ejercicio 2015.

LEY 2/2018, de 28 de febrero, de Presupuestos de la Comunidad Autónoma de Aragón para el ejercicio 2018.

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:	2015	2016	2017	2018
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	2015	2016	2017	2018
	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).

2.4.5.4 Illes Balears Minimum Income Guarantee (*Renta Mínima de Inserción*)

This benefit is the Illes Balears 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 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:	2015	2016	2017	2018
One member	429.20	429.20	430.36	431.53
Two members	557.96	557.96	559.47	560.99
Three members	643.80	643.80	645.54	647.30
Four members	686.72	686.72	688.58	690.45
Five members	729.64	729.64	731.61	733.60
Six members	772.56	772.56	774.65	776.58
Seven members	776.58	776.58	776.58	776.58

Benefit amounts in euro per month

Minimum benefit	2015	2016	2017	2018
	107.00	108.00	108.00	108.00

The benefit will be never over 125% the minimum wage. The maximum amount in 2017-2018 is 776.58 euro per month.

- **Taxation and income testing**

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

- **Source**

Resolución de la consejera de Servicios Sociales y Cooperación de 9 de enero de 2018 por la cual se actualizan las cuantías correspondientes a la prestación económica básica, las prestaciones adicionales para otros miembros del núcleo familiar, el cómputo total máximo y la prestación económica mínima de la renta mínima de inserción del ejercicio 2018

Resolución de la consejera de Servicios Sociales y Cooperación de 13 de enero de 2017 por la cual se actualizan las cuantías correspondientes a las prestaciones económicas de la renta social garantizada para 2017

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 nº.120 de 06/10/2001).*

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 three 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:	2015	2016	2017	2018
One member	472.16	472.16	472.16	472.16
Two members	534.29	534.29	534.29	534.29
Three members	583.29	583.29	583.29	583.29
Four	615.05	615.05	615.05	615.05
Five	639.90	639.90	639.90	639.90
Six members or more	658.54	658.54	658.54	658.54

Benefit amounts in euro per month.

The minimum benefit 2015-2018 is 472.16 € monthly and maximum amount 2015-2018 is 658.54 €

- **Taxation and income testing**

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

- **Source**

LEY 10/2012, de 29 de diciembre, de Presupuestos Generales de la Comunidad Autónoma de Canarias para 2013, establece en su disposición adicional duodécima el importe de la cuantía mensual y del complemento mensual variable de la ayuda económica básica para el año 2013.

La Ley de Presupuestos Generales de la Comunidad Autónoma de Canarias establecerá anualmente la cuantía básica mensual y el complemento mensual variable.

Ministerio de Trabajo y Asuntos Sociales. Information for Canarias in particular comes from: *Decreto 13/1998 de 5 de febrero. Decreto 202/2002 de 20 de diciembre de 2002. Decreto 136/2007, de 24 de mayo, por la que se aprueba el Reglamento de la Ley 1/2007, de 17 de enero, por la que se regula la Prestación Canaria de Inserción.*

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. 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:	2015	2016	2017	2018
One member	426.01	426.01	430.272	430.272
Two members	532.51	532.51	537.84	537.84
Three members	585.76	585.76	591.62	591.62
Four members	644.34	644.34	650.79	650.79
Fiver members or more	665.64	665.64	715.87	715.87

	2015	2016	2017	2018
Max benefit				
125% IPREM	665.54	665.54	672.3	672.3

Benefit amounts in euro per month. The benefit will never be below 25% of the IPREM.

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 2º, 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.

Year:	2015	2016	2017	2018
One member	372.76	372.76	389.18	404.745
Two members	413.76	413.76	414.87	431.46
Three members	454.76	454.76	442.25	459.93
Four members	495.77	495.77	471.44	490.3
Five members or more	536.77	536.77	506.55	522.66

Benefit amounts in euro per month.

The minimum benefit 2015-2016 is 62.13 €monthly.

The minimum benefit 2017 is 62.13 €monthly

The minimum benefit 2018 is 62.13 €monthly

- **Taxation and income testing**

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

- **Source**

Orden de 29/12/2009, por el que se desarrolla el Decreto 179/2002, en lo referente al Ingreso Mínimo de Solidaridad en Castilla-La Mancha.(Esta orden se convoca anualmente).

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.*

2.4.5.8 Castilla y León Minimum Income Guarantee (*Ingreso Mínimo de Inserción*)

This benefit is the Castilla y Leon 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 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.

Year:	2015	2016	2017	2018
One member	426.01	426.01	430.272	430.272
Two members	532.51	532.51	537.84	537.84
Three members	596.41	596.41	602.38	602.38

Four members	639.01	639.01	645.4	645.4
Five members	681.61	681.61	645.4	645.4
Six members or more members	692.26	692.26	645.4	645.4

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 1/2015, 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 Leon

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.

2.4.5.9 Cataluña Minimum Income Guarantee (*Renda Mínima d’Inserció*)

This benefit is the Catalanian 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 *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:	2015	2016	2017	2018
Basic amount (1 member)	423.70	423.70	423.70	423.70
Two members	478.99	478.99	478.99	478.99

Three members	534.28	534.28	534.28	534.28
Four members	589.57	589.57	589.57	589.57
Five members	624.96	624.96	624.96	624.96
Six members or more	648.60	648.60	648.60	648.60

Additional quantities:

Year:	2015	2016	2017	2018
Minimum benefit	105.93	105.93	105.93	105.93
Maximum benefit	645.30	645.30	648.60	648.60
Lone-parenthood	82.94	82.94	82.94	82.94
Below 16 years of age	41.47	41.47	41.47	41.47
Disabled	82.94	82.94	82.94	82.94
Individuals living alone	35.31	35.31	35.31	35.31
In hospital per day:	14.12	14.12	14.12	14.12

The maximum benefit is 190% of the basic benefit and the minimum is 25% of the basic benefit. Benefit amounts in euro per month.

- **Taxation and income testing**

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

- **Source**

EMO/496/2011, 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 2011, así como el de los complementos por miembro adicional de la unidad familiar y el de las ayudas complementarias.

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.

2.4.5.10 Extremadura Minimum Income Guarantee (*Renta Mínima*)

This benefit is the Extremadura'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 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.

Year:	2015	2016	2017	2018
One member	426.00	426.00	426.00	430.272
Two members	532.51	532.51	532.51	516.33
Three members	585.76	585.76	585.76	567.96
Four members	639.01	639.01	639.01	567.96
Five members or more	665.64	665.64	665.64	596.36

Max benefit	2015	2016	2017	2018
	718.89	718.89	718.89	726.084

Benefit amounts in euro per month.

- **Taxation and income testing**

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

- **Source**

DOE n° 98 de 23 de mayo 2013, LEY 3/2013, de 21 de mayo, de 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 n° 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 n° 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 n° 28/1999) initially referenced them to the SMI.

2.4.5.11 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:

One member: 75% IPREM (basic benefit)

Two members: basic benefit +12% IPREM

Three members: basic benefit (for two members) +10% IPREM

From four members onwards: +8% IPREM for each additional member

Year:	2015	2016	2017	2018
One member	399.38	399.38	403.38	403.38
Two members	473.93	473.93	478.68	478.68
Three members	537.83	537.83	543.22	543.22
Four members	591.08	591.08	597.00	597.00
Five members	644.33	644.33	597.00	597.00
Six members	697.58	697.58	597.00	597.00

Benefit amounts in euro per month.

- **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).*

2.4.5.12 La Rioja Minimum Income Guarantee (*Ingreso Mínimo de Inserción*)

Until 2017, 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.) and Ayudas de Inclusión Social (A.I.S.). The second benefit includes all individuals over 25 years of age while the first is limited to individuals below 65 years of age.

- **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**

A) 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.

B) 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.

- **Income assessment**

Family unit gross yearly income net of social contributions must be below the 70% IPREM.

- **Benefit amount**

A) I.M.I.: The benefit does not depend on the number of members of the family unit.

Year:	2013	2014	2015	2016
	372.76	399.38	399.38	399.38

Benefit amounts in euro per month.

B) 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:	2013	2014	2015	2016
One member	364.90	364.90	367.90	367.90
Max benefit	372.76	372.76	372.76	372.76

- **Taxation**

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

Since 2017 (also 2018)

- **Eligibility conditions**

- Over 23 years.
- Family unit since at least 1 year.
- Lack of economic sources.
- Do not live in a residence for the elderly, in centers for people with disabilities or mental illness, or in prisons.

- **Benefit amount**

Cuantía 80% of IPREM

Cuantía máxima 125% of IPREM

- **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.

2.4.5.13 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:	2015	2016	2017	2018
One member	375.55	375.55	375.55	400
Two members	488.22	488.22	488.22	512,67
Three members or more	532.51	532.51	532.51	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*.

The maximum quantity of the benefit is the SMI 735,90 €/month (see Real Decreto 1077/2017, de 29 de diciembre (BOE núm. 317, de 30 de diciembre) y art. 10.4 Ley 15/2001, de 27 de diciembre, de Renta Mínima de Inserción de la Comunidad de Madrid)

- **Taxation and income testing**

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

- **Source**

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)

Ley 5/2013, de 23 de diciembre, de Presupuestos Generales de la Comunidad de Madrid para el año 2015.

Ley de Presupuestos Generales de la Comunidad de Madrid 2013.

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.*

2.4.5.14 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.

Year:	2015	2016	2017	2018
One member	300.00	300.00	300.00	300.00
Two members	386.00	386.00	386.00	386.00
Three members	442.00	442.00	442.00	442.00
Four members	498.00	498.00	498.00	498.00
Five members	544.00	544.00	544.00	544.00
Six members	590.00	590.00	590.00	590.00
Seven members e	636.00	636.00	636.00	636.00
Eight members or more	682.00	682.00	682.00	682.00

Benefit amounts in euro per month. The minimum benefit is 300 € and the maximum 682 € during 2015-2018.

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.

- **Taxation and income testing**

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

- **Source**

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 nº 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.*

2.4.5.15 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.

Year:	2013	2014	2015	2016	2017	2018
One member	548.51	548.51	648.60	648.60	600	600
Two members	769.68	769.68	778.32	778.32	810	810
Three members	832.82	832.82	843.18	843.18	960	960
Four members	897.96	897.96	908.04	908.04	1,050	1,050
Five members or more	962.10	962.10	972.90	972.90	1,140	1,140

Benefit amounts in euro per month. The maximum benefit is 972.90 € during 2015-2016 and 1,140 € in 2017-2018

- **Taxation and income testing**

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

- **Source**

Nueva Ley Foral de derechos a la Inclusión Social y a la Renta Garantizada, Pamplona / Iruña, 11/03/2016

ORDEN FORAL 193/2013, de 22 de febrero, del Consejero de Políticas Sociales, por la que se modifica la Orden Foral 58/2012, de 9 de febrero, de la Consejera de Política Social, Igualdad, Deporte y Juventud, por la que se regulan los supuestos excepcionales y de renovación extraordinaria de la renta de inclusión social.

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 Sociales. 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.

2.4.5.16 Comunidad Valenciana Minimum Income Guarantee (*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).

- **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**

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

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

In 2018 Comunidad Valenciana Social Inclusion Income (Renta Valenciana de Inclusión)

Year:	2018	
One member	588.72	(80%SMI)
Two members	647.592	(88%SMI)
Three members	706.464	(96%SMI)
Four members	765.336	(104%SMI)
Five members	824.208	(112%SMI)
Six members	883.08	(120%SMI)
Seven members	883.08	(120%SMI)
Eight members	883.08	(120%SMI)

Maximum benefit:

Year:	2013	2014	2015	2016	2017	2018
Maximum benefit	621.26	621.28	621.28	621.28	621.28	883.08
Minimum benefit	385.18	385.18	385.18	385.18	385.18	588.72

- **Taxation and income testing**

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

- **Source**

Orden 7/2012, de 20 de febrero, de la Conselleria de Justicia y Bienestar Social, por la que se modifica la Orden de 31 de julio de 2008, de la Conselleria de Bienestar Social, por la que se regulan las bases de la convocatoria de la prestación Renta Garantizada de Ciudadanía.

Orden de 13 de julio de 2008, por la que se regulan las bases de la prestación Renta Garantizada de Ciudadanía.

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

Ley 9/2007, de 12 de marzo, 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).

2.4.5.17 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.

Year:	2014	2015	2016	2017	2018
One member	662.51	665.90	665.90	665.90	644.49
Two members	850.72	855.07	855.07	855.07	827.59
Three members	941.06	945.88	945.88	945.88	915.47

Benefit amounts in euro per month.

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).

- **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**

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. As elsewhere in Europe, membership of a social insurance organisation is compulsory.

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 rate²⁷. 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:

CONTRIBUTION BASES FOR THE GENERAL SCHEME					
Contributory Groups	EMPLOYEES*	2015	2016	2017	2018
<u>Minimum base</u>					
1 (€per month)		1,056.90	1,067.40	1,152.90	1,199.10
2 (€per month)		876.60	885.30	956.10	994.20
3 (€per month)		762.60	770.10	831.60	864.90
4 to 7 (€per month)		756.60	764.40	825.60	858.60
8 to 11 (€per day)		25.22	25.48	27.52	28.62

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

<u>Maximum Base</u>				
1 to 7 (€per month)	3,606.00	3,642.00	3,751.20	3,751.20
8 to 11 (€per day)	120.20	121.40	125.04	125.04
Maximum LIMIT (€per month)	3,606.00	3,642.00	3,751.20	3,751.20

Minimum contributory bases for part-time workers:

Contributory Group	2015	2016	2017	2018
1 (€per hour)	6.37	6.43	6.95	7.22
2 (€per hour)	5.28	5.33	5.76	5.99
3 (€per hour)	4.59	4.64	5.01	5.21
4 to 11 (€per hour)	4.56	4.60	4.97	5.17

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017.

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- **Contribution rates**

General scheme contribution rates for workers:

GENERAL SCHEME EMPLOYEES CONTRIBUTION RATES*

	2015	2016	2017	2018
Common Contingencies	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
Other Contributions:				
Unemployment ***	1.55	1.55	1.55	1.55
Occupational Training.	0.10	0.10	0.10	0.10

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

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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) ***Employee's and employer's contribution to unemployment depends on the worker's employment contract. The general contribution is 5.50 percent for employers and 1.55 percent for employees. If the worker holds a full-time fixed term contract, employers contribute 6.7 and employees 1.60 percent. If the worker holds a part-time fixed term contract, employers contribute 7.7 and employees 1.60 percent. If the worker holds a fixed term contract using (E.T.T.) employers contribute 7.7 and employees 1.60 percent.

2.5.1.2 The Agrarian employees Special System

- *Liability to contributions*

The Agrarian Regime is for employees and self-employed (employees since 2008) who work in the agricultural sector. This Regime is divided into different groups of contribution, according to the workers' occupation. Since 2012 January, employees are included under a special regime in the General Social Security Regime.

- *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:

CONTRIBUTION BASES FOR THE AGRARIAN SPECIAL SYSTEM EMPLOYEES*				
Contributory Groups	2015	2016	2017	2018
Minimum base				
1 (€per month)	1,056.90	1,067.40	1,152.90	1,199.10
2 (€per month)	876.60	885.30	956.10	994.20
3 (€per month)	762.60	770.10	831.60	864.90
4 to 11 (€per month)	756.60	764.40	825.60	858.60
Daily base				
1 (€daily)	45.95	46.41	46.41	52.13
2 (€daily)	38.11	38.49	38.49	43.23
3 (€daily)	33.16	33.48	33.48	37.60
4 to 11 (€daily)	32.90	33.23	33.23	37.33
Maximum Base				
1 (€per month)	3,063.30	3,642.00	3,751.20	3,751.20
2 to 11 (€per month)	3,063.30	3,642.00	3,751.20	3,751.20
Daily base				
1 (€daily)	133.19	158.35	163.10	163.10
2 (€daily)	133.19	158.35	163.10	163.10
3 (€daily)	133.19	158.35	163.10	163.10
4 to 11 (€daily)	133.19	158.35	163.10	163.10

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017
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- *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	2016	2017	2018
Common Contingencies	4.70	4.70	4.70	4.70
Other Contributions:				
Unemployment	1.55	1.55	1.55	1.55
Occupational Training	0.03	0.03	0.03	0.03

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

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- **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.

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 2015-2018.

General scheme contribution rates for employers:

GENERAL SCHEME EMPLOYER CONTRIBUTION RATES*

	2015	2016	2017	2018
Common Contingencies:	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
Work-related Injury and Occupational Illness**				
Other Contributions:				
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

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

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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) ***Employee's and employer's contribution to unemployment depends on the worker's employment contract. The general contribution is 5.50 percent for employers and 1.55 percent for employees. If the worker holds a full-time fixed term contract, employers contribute 6.7 and employees 1.60 percent. If the worker holds a part-time fixed term contract, employers contribute 6.7 and employees 1.60 percent. If the worker holds a fixed term contract using (E.T.T.) employers contribute 6.7 and employees 1.60 percent.

2.5.2.2 The Agrarian Special Scheme

- *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 *

	2015	2016	2017	2018
Common Contingencies**	17.30	17.75	18.20	18.75
Other Contributions:				
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

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

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**Note: En la base de datos no viene separación por grupos de cotización; por ello, se pone el más general, el pagado por el empleador por los trabajadores encuadrados en los grupos de cotización 2 a 11.

- *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)

	2015	2016	2017	2018
Characteristics				
Maximum contributory base	3,606.0	3,642.0	3,751.20	3,751.20
Minimum contributory base	884.4	893.1	893.1	919.8
If over 48 years old:				
Maximum contributory base	1,926.6	1,945.8	1,964.7	1,964.7
Minimum contributory base	944.4	953.7	963.3	963.3

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017
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- **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*

	2015	2016	2017	2018
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

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017
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- **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)

	2015	2016	2017	2018
Characteristics				
Maximum contributory base	3,606.0	3,642.0	3,751.20	3,751.20
Minimum contributory base	884.4	893.1	893.1	919.8

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

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- **Contribution rates**

Contribution rates depend of contributory base:

THE AGRARIAN SELF-EMPLOYED SPECIAL SYSTEM CONTRIBUTION RATES*

	2015	2016	2017	2018
Minimum contributory base	884.4	893.10	893.10	919.8
If contributory base >	1,050.90	1,061.40	1,071.60	1,103.70
Contributory rate	26.5	26.5	26.5	26.5
If contributory base <	1,050.90	1,061.40	1,071.30	1,103.70
Contributory rate	18,75	18,75	18,75	18,75
Protection due to termination of activity	-	-	-	-

Additional contributory rate (sickness)				
- 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	1

*Fuente: Orden ESS/106/2017, de 9 de febrero, 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 2017

Ministerio de Empleo y Seguridad Social.

- **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

2.5.3 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

Civil servants contributions are not simulated and civil servants are assumed to contribute through the General Regime.

2.6 Personal income tax

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.

“Families may choose to tax individually or jointly, depending on what is most profitable to them”

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

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) 2015-2018;
- mandatory compensation received as severance pay or for the termination of employment contracts, up to maximum legal amounts (2015- 2018 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 2015-2018;
- 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 2018;
- 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 2015-2018;
- 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 2015-2018.

2.6.3 Tax allowances

In the period 2014-2017, 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*)

2015-2018

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 2015-2018, 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 disable (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 2015-2018, 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 (2015-2016) and 8,000 euro (2017-2018) annually.

From January 1st 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 Tax²⁸ 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.

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.

²⁸ During this year (year9 project), underlying models for the systems 2015-2018 have been checked and modified in order to be more accurate to the reality of the tax structure. Due to this fact, comparisons between these systems (2015-2018) and the previous ones (2005-2014) could induced some differences that are only lead by this modifications and not because of a change in the tax policy. These improvements in systems 2015-2018 will be transferred to the other systems (2005-2014) during the next year (year10 project).

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

$$STB = P + K$$

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_{Emp} is work-related tax allowance, A_{Pen} is private pensions tax allowance and A_{Joint} 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.

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.

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

(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.

“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

- *Tax schedule 2015*

State schedule and the Autonomous Regions schedule change in year 2015.

Income Tax Schedule 2015 for residents in Aragón

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	10.00%	10.00%
20,200	25.00%	12.50%	12.50%
34,000	31.00%	15.50%	15.50%
60,000	38.50%	19.50%	19.00%
over	45.00%	23.50%	21.50%

Income Tax Schedule 2015 for residents in Illes Balears

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
10,000	19.50%	10.00%	9.50%
12,450	21.75%	10.00%	11.75%
18,000	24.25%	12.50%	11.75%
20,200	14.75%	12.50%	14.75%
30,000	14.75%	15.50%	14.75%
34,000	14.75%	15.50%	17.75%
48,000	14.75%	19.50%	17.75%
60,000	14.75%	19.50%	19.25%
75,000	14.75%	23.50%	19.25%
over	14.75%	23.50%	21.50%

Income Tax Schedule 2015 for residents in Castilla-La Mancha

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	22.00%	10.00%	12.00%
20,200	24.50%	12.50%	12.00%
34,000	30.50%	15.50%	15.00%
35,200	35.00%	19.50%	15.50%
60,000	38.00%	19.50%	18.50%
over	46.00%	23.50%	22.50%

Income Tax Schedule 2015 for residents in Castilla-León

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	10.00%	10.00%
17,707.20	24.50%	12.50%	12.00%
20,200	26.50%	12.50%	14.00%
33,007.20	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.20	38.00%	19.50%	18.50%
60,000	41.00%	19.50%	21.50%
over	45.00%	23.50%	21.50%

Income Tax Schedule 2015 for residents in Galicia

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	21.50%	10.00%	11.50%
17,707.20	24.00%	12.50%	11.50%
20,200	26.50%	12.50%	14.00%
33,007.20	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.20	38.00%	19.50%	18.50%
60,000	41.00%	19.50%	21.50%
over	45.00%	23.50%	21.50%

Income Tax Schedule 2015 for residents in Canarias

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450,01	19.50%	10.00%	9.50%
17,707.21	24.50%	12.50%	12.00%
20,200	26.50%	12.50%	14.00%
33,007.21	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.221	38.00%	19.50%	18.50%
60,000	43.00%	19.50%	23.50%
90,000.01	47.00%	23.50%	23.50%
over	47.50%	23.50%	24.00%

Income Tax Schedule 2015 for residents in Comunidad de Madrid

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	22.00%	10.00%	9.50%
17,707.20	24.50%	12.50%	11.20%
20,200	26.50%	12.50%	13.30%
33,007.20	29.50%	15.50%	13.30%
34,000	34.00%	15.50%	17.90%
53,407.20	38.00%	19.50%	17.90%
60,000	41.00%	19.50%	21.00%
over	45.00%	23.50%	21.10%

Income Tax Schedule 2015 for residents in La Rioja

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	10.00%	9.50%
20,200	25.00%	12.50%	12.50%
34,000	31.00%	15.50%	15.50%
60,000	39.00%	19.50%	19.50%
over	47.00%	23.50%	23.50%

Income Tax Schedule 2015 for residents in Comunidad Valenciana

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	21.90%	10.00%	11.90%
17,707.20	24.40%	12.50%	11.90%
20,200	26.42%	12.50%	13.92%
33,007.20	29.42%	15.50%	13.92%
34,000	33.95%	15.50%	18.45%
53,407.20	37.95%	19.50%	18.45%
60,000	40.98%	19.50%	21.48%
120,000.20	44.98%	23.50%	21.48%
175,000.20	45.98%	23.50%	22.48%
over	46.98%	23.50%	23.48%

Income Tax Schedule 2015 for residents in Region de Murcia

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	10.00%	10.00%
20,200	25.00%	12.50%	12.50%
34,000	31.00%	15.50%	15.50%
60,000	39.00%	19.50%	19.50%
over	47.00%	23.50%	23.50%

Income Tax Schedule 2015 for residents in Andalucía

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	22.00%	10.00%	12.00%
17,707.20	24.50%	12.50%	12.00%
20,200	26.50%	12.50%	14.00%
33,007.20	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.20	38.00%	19.50%	18.50%
60,000	41.00%	19.50%	21.50%
120,000.20	47.00%	23.50%	23.50%
over	49.00%	23.50%	25.50%

Income Tax Schedule 2015 for residents in Asturias

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	10.00%	10.00%
17,707.20	24.50%	12.50%	12.00%
20,200	26.50%	12.50%	14.00%
33,007.20	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.20	38.00%	19.50%	18.50%
60,000	41.00%	19.50%	21.50%
70,000.00	45.00%	23.50%	21.50%
90,000.00	46.00%	23.50%	22.50%
175,000.00	48.50%	23.50%	25.00%
over	49.00%	23.50%	25.50%

Income Tax Schedule 2015 for residents in Cantabria

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	10.00%	9.50%
20,200	24.50%	12.50%	12.00%
34,000	30.50%	15.50%	15.00%
60,000	38.00%	19.50%	18.50%
over	46.00%	23.50%	22.50%

Income Tax Schedule 2015 for residents in Extremadura

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.50%	10.00%	10.50%
20,200	25.00%	12.50%	12.50%
24,200	31.00%	15.50%	15.50%
34,000	32.00%	15.50%	16.50%
35,200	36.00%	19.50%	16.50%
60,000	40.00%	19.50%	20.50%
80,200	47.00%	23.50%	23.50%
99,200	47.50%	23.50%	24.00%
120,200	48.00%	23.50%	24.50%
over	48.50%	23.50%	25.00%

Income Tax Schedule 2015 for residents in Cataluña

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	22.00%	10.00%	12.00%
17,707.2	24.50%	12.50%	12.00%
20,200	26.50%	12.50%	14.00%
33,007.2	29.50%	15.50%	14.00%
34,000	34.00%	15.50%	18.50%
53,407.2	38.00%	19.50%	18.50%
60,000	41.00%	19.50%	21.50%
120,000.2	45.00%	23.50%	21.50%
175,000.2	47.00%	23.50%	23.50%
300,000.2	49.00%	23.50%	25.50%
over	49.00%	23.50%	25.50%

The **savings tax base** includes income from capital gains that is subject to tax. The rate in 2015 is:

Tax base limit (euro per year)	Total Rate
6,000	20.0%
6,001 to 50,000	22.0%
50,000 or over	24.0%

(Half of this tax payment goes for the State and half for the Autonomous Region of taxpayer residence).

- **Tax schedule 2016 – 2018**

State schedule and the Autonomous Regions schedule change in year 2016-2017 and 2017-2018.

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Andalucía

- 2016 - 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19,50%	9.50%	10.00%
20,200	24.00%	12,00%	12.00%
28,000	30.00%	15,00%	15.00%
35,200	31.50%	15.00%	16.50%
50,000	37.50%	18.50%	19.00%
60,000	38.00%	18.50%	19.50%
120,000	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19,50%	9.50%	10.00%
20,200	24.00%	12,00%	12.00%
28,000	30.00%	15,00%	15.00%
35,200	31.50%	15.00%	16.50%
50,000	37.50%	18.50%	19.00%
60,000	38.00%	18.50%	19.50%
120,000	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Aragón.

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	9.50%	10.00%
20,200	24.50%	12.00%	12.50%
34,000	30.50%	15.00%	15.50%
35,200	34.00%	15.00%	19.00%
50,000	34.00%	15.00%	19.00%
60,000	39.50%	18.50%	21.00%
70,000	44.50%	22.50%	22.00%
90,000	45.00%	22.50%	22.50%
130,000	46.00%	22.50%	23.50%
150,000	47.00%	22.50%	24.50%
over	47.50%	22.50%	25.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	9.50%	10.00%
20,200	24.50%	12.00%	12.50%
34,000	30.50%	15.00%	15.50%
35,200	34.00%	15.00%	19.00%
50,000	34.00%	15.00%	19.00%
60,000	39.50%	18.50%	21.00%
70,000	44.50%	22.50%	22.00%
90,000	45.00%	22.50%	22.50%
130,000	46.00%	22.50%	23.50%
150,000	47.00%	22.50%	24.50%
over	47.50%	22.50%	25.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Asturias

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	9,50%	10.00%
17,707.20	24.50%	12.00%	12.00%
20,200	26.50%	12.00%	14.00%
33,007.20	29.50%	15.00%	14.00%
35,200	34.00%	15.00%	18.50%
53,407.20	38.00%	18.50%	18.50%
60,000	41.00%	18.50%	21.50%
70,000.00	45.00%	22.50%	21.50%
90,000.00	46.00%	22.50%	22.50%
175,000.00	48.50%	22.50%	25.00%
over	49.00%	22.50%	25.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	9,50%	10.00%
17,707.20	24.50%	12.00%	12.00%
20,200	26.50%	12.00%	14.00%
33,007.20	29.50%	15.00%	14.00%
35,200	34.00%	15.00%	18.50%
53,407.20	38.00%	18.50%	18.50%
60,000	41.00%	18.50%	21.50%
70,000.00	45.00%	22.50%	21.50%
90,000.00	46.00%	22.50%	22.50%
175,000.00	48.50%	22.50%	25.00%
over	49.00%	22.50%	25.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Illes Balears

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
10,000	19.00%	9.50%	9.50%
12,450	21.25%	9.50%	11.75%
18,000	23.75%	12.00%	11.75%
20,200	26.75%	12.00%	14.75%
30,000	29.75%	15.00%	14.75%
35,200	32.75%	15.00%	17.75%
48,000	36.25%	18.50%	17.75%
60,000	37.75%	18.50%	19.25%
70,000	41.75%	22.50%	19.25%
90,000	44.50%	22.50%	22.00%
120,000	45.50%	22.50%	23.00%
175,000	46.50%	22.50%	24.00%
over	47.50%	22.50%	25.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
10,000	19.00%	9.50%	9.50%
12,450	21.25%	9.50%	11.75%
18,000	23.75%	12.00%	11.75%
20,200	26.75%	12.00%	14.75%
30,000	29.75%	15.00%	14.75%
35,200	32.75%	15.00%	17.75%
48,000	36.25%	18.50%	17.75%
60,000	37.75%	18.50%	19.25%
70,000	41.75%	22.50%	19.25%
90,000	44.50%	22.50%	22.00%
120,000	45.50%	22.50%	23.00%
175,000	46.50%	22.50%	24.00%
over	47.50%	22.50%	25.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Canarias

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.01	19.00%	9.50%	9.50%
17,707.21	24.00%	12.00%	12.00%
20,200.00	26.00%	12.00%	14.00%
33,007.21	29.00%	15.00%	14.00%
34,000.00	33.50%	15.00%	18.50%
35,200.00	33.50%	15.00%	18.50%
53,407.22	37.00%	18.50%	18.50%
60,000.00	42.00%	18.50%	23.50%
90,000.01	46.00%	22.50%	23.50%
over	46.50%	22.50%	24.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.01	19.00%	9.50%	9.50%
17,707.21	24.00%	12.00%	12.00%
33,007.21	29.00%	15.00%	14.00%
53,407.22	37.00%	18.50%	18.50%
90,000.01	46.00%	22.50%	23.50%
over	46.50%	22.50%	24.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Cantabria

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.00%	12.00%	12.00%
34,000	30.00%	15.00%	15.00%
35,200	33.50%	15.00%	18.50%
46,000	37.00%	18.50%	18.50%
60,000	38.00%	18.50%	19.50%
90,000	47.00%	22.50%	24.50%
over	48.00%	22.50%	25.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.00%	12.00%	12.00%
34,000	30.00%	15.00%	15.00%
46,000	37.00%	18.50%	18.50%
60,000	38.00%	18.50%	19.50%
90,000	47.00%	22.50%	24.50%
over	48.00%	22.50%	25.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Castilla-León

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	19.00%	9.50%	9.50%
17,707.20	23.20%	12.00%	11.20%
20,200.00	24.00%	12.00%	13.30%
33,007.20	28.30%	15.00%	13.30%
35,200.00	28.30%	15.00%	17.90%
53,407.20	36.40%	18.50%	17.90%
60,000.00	39.50%	18.50%	21.00%
over	43.50%	22.50%	21.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	19.00%	9.50%	9.50%
20,200.00	24.00%	12.00%	13.30%
35,200.00	28.30%	15.00%	17.90%
53,407.20	37.00%	18.50%	18.50%
over	43.50%	22.50%	21.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Castilla-La Mancha

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.00%	12.00%	12.00%
34,000	30.00%	15.00%	15.00%
35,200	30.50%	15.00%	15.00%
60,000	37.00%	18.50%	18.50%
over	45.00%	22.50%	22.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.00%	12.00%	12.00%
35,200	30.50%	15.00%	15.00%
60,000	37.00%	18.50%	18.50%
over	45.00%	22.50%	22.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Cataluña

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.0	21.50%	9.50%	12.00%
17,707.20	24.00%	12.00%	12.00%
20,200.0	26.00%	12.00%	14.00%
33,007.20	29.00%	15.00%	14.00%
35,200.0	33.50%	15.00%	18.50%
53,407.20	37.00%	18.50%	18.50%
60,000.0	40.00%	18.50%	21.50%
120,000.20	44.00%	22.50%	21.50%
175,000.20	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
17,707.20	24.00%	12.00%	12.00%
33,007.20	29.00%	15.00%	14.00%
53,407.20	37.00%	18.50%	18.50%
120,000.20	44.00%	22.50%	21.50%
175,000.20	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Comunidad Valenciana

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	21.40%	9.50%	11.90%
17,707.20	23.90%	12.00%	11.90%
20,200.00	25.92%	12.00%	13.92%
33,007.20	28.92%	15.00%	13.92%
35,200.00	33.45%	15.00%	18.45%
53,407.20	36.95%	18.50%	18.45%
60,000.00	39.98%	18.50%	21.48%
120,000.20	43.98%	22.50%	21.48%
175,000.20	44.98%	22.50%	22.48%
over	45.98%	22.50%	23.48%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	19.50%	9.50%	10.00%
17,000.00	23.00%	12.00%	11.00%
30,000.00	25.90%	12.00%	13.90%
50,000.00	36.50%	18.50%	18.00%
65,000.00	42.00%	18.50%	23.50%
80,000.00	47.00%	22.50%	24.50%
120,000.00	47.50%	22.50%	25.00%
over	48.00%	22.50%	25.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Extremadura

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	20.00%	9.50%	10.50%
20,200	24.50%	12.00%	12.50%
24,200	30.50%	15.00%	15.50%
35,200	31.50%	15.00%	16.50%
60,000	39.00%	18.50%	20.50%
80,200	46.00%	22.50%	23.50%
99,200	46.50%	22.50%	24.00%
120,200	47.00%	22.50%	24.50%
over	47.50%	22.50%	25.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.50%	12.00%	12.50%
24,200	30.50%	15.00%	15.50%
35,200	31.50%	15.00%	16.50%
60,000	39.00%	18.50%	20.50%
80,200	46.00%	22.50%	23.50%
99,200	46.50%	22.50%	24.00%
120,200	47.00%	22.50%	24.50%
over	47.50%	22.50%	25.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Galicia

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	23.75%	12.00%	11.75%
27,700	30.50%	15.00%	15.50%
35,200	32.00%	15.00%	17.00%
47,600	37.00%	18.50%	18.50%
60,000	39.00%	18.50%	20.50%
over	45.00%	22.50%	22.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	23.75%	12.00%	11.75%
27,700	30.50%	15.00%	15.50%
35,200	32.00%	15.00%	17.00%
47,600	37.00%	18.50%	18.50%
60,000	39.00%	18.50%	20.50%
over	45.00%	22.50%	22.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Comunidad de Madrid

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	19.00%	9.50%	9.50%
17,707.20	23.20%	12.00%	11.20%
20,200.00	25.30%	12.00%	13.30%
33,007.20	28.30%	15.00%	13.30%
35,200.00	32.90%	15.00%	17.90%
53,407.20	36.40%	18.50%	17.90%
60,000.00	39.50%	18.50%	21.00%
over	43.60%	22.50%	21.00%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450.00	19.00%	9.50%	9.50%
17,707.20	23.20%	12.00%	11.20%
33,007.20	28.30%	15.00%	13.30%
53,407.20	36.40%	18.50%	17.90%
over	43.60%	22.50%	21.00%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in Region de Murcia

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	9.50%	10.00%
20,200	24.50%	12.00%	12.50%
34,000	30.50%	15.00%	15.50%
35,200	34.50%	15.00%	19.50%
60,000	38.00%	18.50%	19.50%
over	46.00%	22.50%	23.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.50%	9.50%	10.00%
20,200	24.50%	12.00%	12.50%
34,000	30.50%	15.00%	15.50%
60,000	38.00%	18.50%	19.50%
over	46.00%	22.50%	23.50%

Income Tax Schedule 2016 - 2017 and 2017 - 2018 for residents in La Rioja

- 2016 – 2017

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	24.00%	12.00%	12.00%
35,200	30.00%	15.00%	15.00%
50,000	37.50%	18.50%	19.00%
60,000	38.00%	18.50%	19.50%
120,000	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

- 2017 – 2018

Upper Limit (euro per year)	Total Rate	State	Autonomous Com.
12,450	19.00%	9.50%	9.50%
20,200	23.60%	12.00%	11.60%
35,200	29.60%	15.00%	14.60%
50,000	37.30%	18.50%	18.80%
60,000	38.00%	18.50%	19.50%
120,000	46.00%	22.50%	23.50%
over	48.00%	22.50%	25.50%

The **savings tax base** includes income from capital gains that is subject to tax.

- The rate in 2016 and 2017 is:

Upper limit (euro per year)	Total Rate
6.000	19.0%
50.000	21.0%
over	23.0%

- The rate in 2017 and 2018 is:

Upper limit (euro per year)	Total Rate
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

2.6.6.1 Personal and family tax credits

- 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 detracted 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 (Mínimocontribuyente)*: In **2015-2018, 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 **2015-2018, 6,950 euro; 2013-2014, 6,273euro**).
 - *Dependent children minimum (Mínimo por descendientes)*: In **2015-2018, 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 **2015-2018, 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 **2015-2018, 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

In **2015** (apply for 2016, 2016, 2018) Illes Ballears made a change and have fixed the regional minimum as the national ones increased by 10%. In particular the amounts affected are the *Dependent elderly minimum, the dependent children minimum (for the third and following children) and the disability minimum*.

Cantabria personal minimum and minimum per family

Cantabria changed some of the minimum amounts for the personal and family minimums. The regional amounts are the following:

- *Dependent children minimum (Mínimo por descendientes)*: In **2018**, **2,400 euro** for the first child, **2,700 euro** for the second child, **4,000 euro** for the third child and **4,500 euro** for any additional child. Additionally if the child is below 3 years of age one will increase the amount in **2,800 euro**.
- *Dependent elderly minimum (Mínimo por ascendientes)*: In **2014**, **970 euro** if cohabiting ascendants (blood link to the taxpayer) over 65 (cohabitation is for more than half a year) and **1,200 euro** more if the ascendant is older than 75 years.

Doesn't exist in **2018** → General amounts, Estate level: **1,150 euro** if cohabiting ascendants (blood link to the taxpayer) over 65 (cohabitation is for more than half a year) and **1,400 euro** more if the ascendant is older than 75 years.)

- *Disability minimum (Mínimo por discapacidad)*: In **2018**, **2,316 euro** if the taxpayer, dependent child or parent is disabled (more than 33% and less than 65%), **7,038 euro** (if taxpayer, dependent child or parent is disabled (more 65% disability) and **2,316 euro** more if the taxpayer, child or parent is disabled and justifies expenditures on assistance due to reduced mobility or disability over 65%.

In **2015-2018**: minimums are as in the State legislation.

Comunidad de Madrid

There was a change in **Comunidad de Madrid** where dependent children tax credit is now as national except the following changes:

2015 - 2018

- *Dependent children tax credit (Mínimo por descendientes)* in **Comunidad de Madrid**: **4,400 euro** for the third child and **4,950 euro** for any additional child.

- ***Main Residence Mortgage Tax Credit***

In **2015-2018**. 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 31th 2012 there is a transition regime.²⁹

- ***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 2015-2017. This tax credit disappeared. Only taxpayers that have the right to receive this tax credit before January 1st 2015 would have the right to receive it in the future. There is a temporary regime to eliminate it completely.

- ***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.

- ***Large-family or persons with disabilities Tax Credit***

In 2015-2017, 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.

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Issue	Partially simulated in 2013. People who acquired the house after 1st January 2013 can't benefit from this tax credit but we can't distinguish between them with the current database. It will be possible with EU-SILC 2013, not before.
Assumption	All people benefit from the tax credit.
Impact	Unknown

• **Other Tax Credits**

Reform of the 400 euro annual tax credit (reforma de la deducción de 400 euros anuales): This tax credit was reformed in **2010** and only taxpayers with tax base (sum of the ordinary (*base imponible general*) and the savings tax base (*base imponible del ahorro*) below **12,000 euro** that obtain income from work, unemployment, pensions or self-employment may benefit from this tax credit. The tax credit has two different values depending on the tax base level:

Tax base limit (euro per year)	Tax credit
8,000	400 euro
8,001-12,000	400-0.1*(tax base – 8,000)

This tax credit disappeared in 2015.

2.6.6.2 Others Regional Tax credits

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.

2.6.6.2.1 Andalucía

- a) **Family-related benefits tax credit** (*Deducción para los beneficiarios de ayudas familiares*): **In 2015-2018, 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.
- b) **Taxpayer’s disability tax credit** (*Deducción para sujetos pasivos con discapacidad igual o superior al 33%*): **In 2015-2018, 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.
- c) **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 2015-2018, 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.
- d) **Care or assistance to dependent individual tax credit** (*Deducción por asistencia a personas con discapacidad*): **In 2015-2018, 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.
- e) **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 2015-2018, 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.

2.6.6.2.2 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 y 2018** the sum of the general and special tax base is below **35,000 euro** (individual scheme) or **21,000 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%*)³⁰: **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 y 2018** the sum of the general and special tax base is below **35,000 euro** (individual scheme) or **21,000 euro** (joint scheme).

2.6.6.2.3 Principado de Asturias

- a) **Renting first home tax credit** (*Deducción por alquiler de vivienda habitual*): **In 2015-2018, 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 2015-2018, 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 2015-2018, 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 2015-2018, 303 euro** if not cohabiting with other adults except parents (ascendants). The sum of the

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Issue	There is no information in the data about the disability level
Assumption	All disabled with 33% of disability
Impact	Unknown.

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 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.

2.6.6.2.4 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 31st 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*)³¹: **In 2015-2018, 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)³².
- c) **Expenditures on books for children’s compulsory education** (*Deducción por gastos de adquisición de libros de texto*)³³: **In 2015-2018, 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**.

2.6.6.2.5 Canarias

- a) **Child’s Birth or Adoption tax credit** (*Deducción por nacimiento o adopción de hijos*): **In 2015-2018, 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

³¹

Issue	There is no information in the data about disability degree
Assumption	All disabled with 33% of disability, partially simulated
Impact	Unknown.

³² Art. 6 TR approved by D. Leg. 1/2014, introduced by DF second. 6 Ley 12/2015, came into force 31-12-2015

³³

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.

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 2015-2018, 15%** of the expenditures on child care for children <3 years of age (in a nursery or day care centre)³⁴ 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 2015-2018, 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 2015-2018, 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 2015-2018, 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 2015-2018, 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.

2.6.6.2.6 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 2015-2018, 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

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Issue	There is no information in the data on child care expenditure
Assumption	Child care amount is imputed
Impact	Unknown.

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 2015-2018, 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.

2.6.6.2.7 Castilla- La Mancha

- a) **Child's birth or adoption tax credit** (*Deducción por nacimiento o adopción de hijos*): **In 2015-2018, 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 2014-2018, 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 2014-2018, 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 2014-2018, 200 euro** if large family and **400 euro** if special large family, being the amounts **300 euro** or **900 euro** if disability is presented.

2.6.6.2.8 Castilla y León

- a) **Child's birth or adoption tax credit** (*Deducción por nacimiento o adopción*): **In 2013-2018, 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 2013-2018, 246 euro** if cohabiting individuals classify as a large family; **492 euro** if some disabled parent or

child (more than 65% disability³⁵); 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).

- b) **Child care tax credit** (*Deducción por cuidado de hijos menores*)³⁶: In 2013-2018, 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.

2.6.6.2.9 Cataluña

- a) **Child's birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): In 2013-2018, 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 2013-2018, 10% of annual rent for taxpayers below 32 years of age or with disability above 65%³⁷ 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.

2.6.6.2.10 Extremadura

- a) **Child's birth multiple birth tax credit** (*Deducción por partos múltiples*): In 2013-2018, 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).

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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.

36

Issue	There is no information in the data on child care expenditure
Assumption	Child care amount is imputed in sheet s_es
Impact	Unknown.

37

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,

- b) **Dependent work tax credit** (*Deducción por percibir retribuciones de trabajo dependiente*): In 2013-2018, 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 2014-2018, 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.

2.6.6.2.11 Galicia

- a) **Child's birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): In 2013-2018, 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 2013-2016, 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 2014-2018 as 2013, the maximum is 400 euro.
- a) **Large families tax credit** (*Deducción por familia numerosa*): 2013-2018: 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%)³⁸: 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.
- c) **Young taxpayers renting first home tax credit** (*Deducción por alquiler de la vivienda habitual*): In 2013-2018, 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

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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,

the lease is subsequent to 1st January 2003. 20% of annual rent and the maximum 600 euro if there are two or more children.

2.6.6.2.12 Comunidad Autónoma de Madrid

- a) **Child's birth or adoption tax credit** (*Deducción por el nacimiento o adopción de hijos*): In 2013-2018, 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 2013-2018, 20% of annual rent for 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 2013-2018, 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).

2.6.6.2.13 Región de Murcia

- a) **Child care of children aged 3 or less tax credit** (*Deducción por gastos de guardería*): In 2013-2018, 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.

2.6.6.2.14 La Rioja

- a) **Second or further child's birth or adoption tax credit** (*Deducción por nacimiento y adopción segundo o ulterior hijo*): In 2013-2018, 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.

2.6.6.2.15 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 2014-2018, 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 2014-2018**, 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 2014-2018. 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 2014-2018. 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:

$$C_individual=100 * (1 - \frac{(BasesSumInd-26,000)}{4000})$$

$$C_joint=100 * (1 - \frac{(BasesSumJoint-46,000)}{4000})$$

- d) **Disabled taxpayers 65 or more tax credit** (*Deducción por contribuyentes discapacitados de edad igual o superior a 65 años*): **In 2013-2018, 179 euro** if disabled (33% or more³⁹) 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 2014-2018** 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 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 disability⁴⁰ 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 2014-2018, 25,000 euro**

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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

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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

(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 2013-2018: 153 euro** if only one family member receives income from work and there are, at least, two cohabiting 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 gains⁴¹. **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 2014-2018, 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 2013-2018, 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 2014-2018, 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

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Issue	There is no information in the data about capital gains.
Assumption	No one receives capital gains.
Impact	Unknown.

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 2014-2018**, 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:

$$C_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- 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 2014-2018**, 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:

$$C_individual=100 * (1 - \frac{(BasesSumInd-23,000)}{2000})$$

$$C_joint=100 * (1 - \frac{(BasesSumJoint-37,000)}{3000})$$

- j) **For low-income families with two or more children** (*Deducción autonómica por contribuyentes con dos o más descendientes*): **In 2013-2018**, 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).

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

	Year
	2016
EUROMOD database	ES_2016_a1
Original name	UDB EU-SILC : UDB_c14D(H/P/R)_ver 2015-1 from 01-01-16)
Provider	Eurostat
Year of collection	2016
Period of collection	January 2016 to March 2016
Income reference period	2015
Coverage	Private households
Sample size	households: 14.240 individuals: 36.380
Response rate	Household non-response rate: 27.71% (all households) Overall individual non-response rate: 28.88% (all households)

Notes: Information on response rates comes from the Final Quality Report Survey on Income and Living Conditions Spain (Spanish ECV 2014). INE: <http://ec.europa.eu/eurostat/web/income-and-living-conditions/quality/eu-and-national-quality-reports>

In order to make compatible 2015 income with 2016 demographic information, 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 2016 (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.

- a) 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 14.240 households (36.380 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 2016 (92 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 14.240 households (36.288 individuals) projecting a population of 45,817,964.4 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_ 2016_a1
Number	36.288
Mean	2,292,392
Maximum	23,124.37
Minimum	2,231.84
Max/Min	2,602.61

- *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 comparing to NA: whereas the amount for SILC is (million euros): 344168 + 2401 = 346569 (survey income year 2013 2014), for NA the employee income is 388883 (income year 2013)

The general conclusions on income non-response in the EU-SILC 2015 from the yearly Quality Report of the Spanish version indicate that almost every household in the sample declared to have received some income (99.8%) 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 (52.4%) and repayments/receipts for tax adjustments (81.6%). The percentage of households with partial information (10.4%) 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 (47%). Apart from employee income, net old-age (18.0%) and net unemployment benefits (14.8%) 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 2016, 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).

3.2.3 Disaggregation of harmonized variables

The new classification provided by Eurostat (i.e. benefits split in 4 groups according to their characteristics: CT&MT, CT&NT, NC&MT and NC&NT)⁴² has been used to define the EUROMOD variables needed for simulation.

Disaggregated benefits are available in EU-SILC 2016 for Spain. They were used to construct EUROMOD input dataset. Availability of these variables made it possible to switch from using National SILC (used in the previous years) 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			
	HY0 51G	HY0 52G	HY053 G	HY054 G	HY06 1G	HY06 2G	HY06 3G	HY06 4G	HY07 1G	HY07 2G	HY07 3G	HY07 4G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
UDB SILC 2015*	X				X	X		X	X	X		X

⁴² CT = contributory, NC = non-contributory, MT = means-tested, and NT = non-means-tested.

EUROMOD input data		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			
	PY09 1G	PY09 2G	PY09 3G	PY09 4G	PY10 1G	PY10 2G	PY10 3G	PY10 4G	PY11 1G	PY11 2G	PY11 3G	PY11 4G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
UDB SILC 2015	X			X				X			X	X
EUROMOD input data		bunct + ysv	bunc + bunot		poac m	poa0 0 + ?	poan c		psuw dcm	psuw d00 + 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.			

C. Individual level benefits (part 2)

	SICKNESS BENEFITS				DISABILITY BENEFITS				EDUCATION-RELATED ALLOWANCES			
	PY12 1G	PY12 2G	PY12 3G	PY12 4G	PY13 1G	PY13 2G	PY13 3G	PY13 4G	PY14 1G	PY14 2G	PY14 3G	PY14 4G
	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT	CT & MT	CT & NT	NC & MT	NC & NT
UDB SILC 2015*	X			X				X	X	X		X
EUROMOD input data		bhl00	bhlot		pdic m	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				No split.			

		separated.	
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* 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 input dataset 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 year of the data 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 year of the data and the policy year. For detailed information about the construction of each updating factor as well as the sources that have been used. See 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.

In 2015 the methodology turned into a combination of survey and register information. This fact explains that the discrepancy between SILC and external statistics became smaller.

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.

Table 4.1 Components of disposable income

	EUROMOD 2015	EU-SILC 2016
	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 and unemployed people is slightly overrepresented in EUROMOD (96% and 127% respectively).

The external source that best fits the indicators in table 4.3 and 4.4 is the “Encuesta de Condiciones de Vida” (Spanish EU-SILC) so there won't be any difference with EUROMOD indicators (the accuracy ratios will be 100%).

As it can be seen in tables 4.5 and 4.6, Annex 2, in aggregate terms pensions are well represented in EUROMOD. 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 the EU-SILC. As a result, the number of recipients of old age pensions in EUROMOD is about 10% more than external data in number of recipients and 10% in total amount.

The number of recipients and the amounts received of sickness benefits in the input data as shown in tables are significantly underestimated (53% in total amounts) compared to external sources. This might come about because external data are constructed using sickness episodes along the year and there are no available external data that allow for the identification of the number of individuals experiencing various episodes along the year.

Maternity benefits recipients are not well represented; only 16 % of the recipients reported in external data, perhaps maternity or paternity benefits are included as employment income or social

assistance in the survey. Quite the opposite happens with social assistance. In EUROMOD recipients of social assistance are the triple of the real ones.

4.4 Validation of outputted (simulated) incomes

Pension complements 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 4.7b the number of recipients in the EUROMOD simulation is very similar to those in the input data. For instance, the comparison with external information shows the overestimation for old age pensions (103%).

Unemployment benefits are simulated following the same approach as pension complements and old-age assistance – eligibility is taken from data but combined with an income test that is simulated by the model. The amount of the benefit is fully simulated.

Looking at the figures, Tables 4.7a and 4.8a what could be highlighted is that in terms of recipients total numbers are overestimated for unemployment insurance recipients (331%) but also the projected model amounts are slightly lower than official statistics (80%). Unemployment benefit data results 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. Overall the number of recipients and aggregate amounts simulated are above official statistics. By benefits, the national and disability child benefit results are not strictly comparable with official statistics: simulated results are computed per recipient (usually household) while official statistics are per child. As for regional child benefits, although the sample size is not large enough to be representative at the regional level, overall there is quite a discrepancy between EUROMOD estimates and regional official statistics (regional details not in tables).

Table 4.7b and 4.8b in Annex 2 show the number and aggregate amounts of social contributions and income tax in EUROMOD's output database. 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 in EU-SILC on sector of activity (3 groups), occupation (10 groups) and maximum level of education achieved (6 levels).

According to results, the number of employee and employer contributions simulated by EUROMOD are slightly overestimated (128% and 125%) and this seems to be due to the nature of external data. External data count the number of contributing individuals as a mean of the year. Given that EUROMOD simulates all contributors to the Social Security System along the year, the number simulated by EUROMOD must clearly be significantly larger than that obtained from a mean of a cross-section of contributors along the year. A further source of disagreement in these numbers is the fact that we must approximate the external aggregate value of civil servants contributions given that in EUROMOD civil servants are indistinguishable from private sector workers. Thus, our external aggregates include an approximation of civil servants' employer contributions and also real employee civil servants' contributions as if they were private employees. Further, total aggregate social contributions in EUROMOD are over-estimated in comparison with external statistics.

The number of self-employed contributions simulated by EUROMOD (119%) is overrepresented and the average amount (81%) is still lower than official statistics but closer to the reference

figures than in previous years. This might be due to self-employed providing register data rather than filling their earnings by interview.

The income tax rules are different for the Basque country and Navarra. Nevertheless, for simplicity, we currently do not account for this. As a result, we apply the income tax rules of the common fiscal territory (i.e. all other Spanish regions) on the whole Spanish sample. The simulation results for the Basque country and Navarra income tax are not comparable with the official statistics. Data are available in tables 4.7b and 4.8b.

EUROMOD underestimates the number of taxpayers (70%). The average amount of simulated taxes is lower than reported in official statistics. Model's accuracy predicting the aggregate amount of income tax is around 83%.

The number and aggregate amount of the main tax allowances (personal, family and employment) in EUROMOD is slightly underestimated, as well as the aggregate tax base. However the “gross” income tax (income tax before tax credits) is overestimated 108% for number of payers and 120% for the total amount in 2015.

The mortgage tax credit is also simulated. This tax credit is underestimated in the number of taxpayers (76%) in comparison with official statistics. Finally, the refundable child tax credit (paid to working mothers with children under 3 years of age) is underestimated in number of recipients.

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 income⁴³, 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.

According to results, the equivalised disposable income in EUROMOD is slightly lower than in the original EU-SILC data. 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 about income distribution and inequality are shown in Table 4.9. The table shows that EUROMOD approximates disposable income in 2015 to all the deciles and main statistics (for some indicators this amount is larger and smaller for others).

⁴³ Using the OECD modified equivalence scale.

EUROMOD results suggest smaller figures for the Gini coefficient (98%) and the income quintile ratio (97%).

When focusing at the disposable income, it is particularly interesting to analyse the complete structure of the income distribution in EUROMOD and EU-SILC in order to understand the sources of differences in the evaluation of poverty and inequality. Looking at table 4.9 it seems that comparing with external statistics. EUROMOD underestimates slightly the income of almost every decile with the exception of the first and the last decile.

Table 4.10 provides at risk of poverty rates using poverty lines based on 40, 50, 60 and 70% of the median equivalised disposable income⁴⁴. According to results, at risk poverty rates are very similar to official ones. They are well represented with slightly differences in a range between 95 – 105%

4.7 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 of this kind.
- There is a shortfall in people with higher incomes and self-employment income and investment or capital income. It is likely that one problem is a shortfall of high income people with these sources of income or an under-recording of these sources for high income people.
- By default, the eligibility of the following policies is partially simulated (i.e. conditional on being reported in the data):
 - Unemployment insurance (bunct)
 - Unemployment assistance (bunnc)
 - Non-contributory old-age pension benefit (poanc)
 - Old-age pension complement (poacm)
 - Widow/er pension complement (psuwpcm)
- 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 EUROMOD baseline this policy is not simulated (i.e. it is switched OFF) and the values from the data is used instead.

⁴⁴ Using the OECD modified equivalence scale.

5 REFERENCES

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Sources for tax-benefit descriptions/rules

The sources for tax descriptions have been the different laws that were applicable on 30th June each calendar year In particular for the Personal Income tax the applicable laws are:

2009, 2010 and 2011: Ley 35/2006 de reforma del Impuesto sobre la Renta de las Personas Físicas and related reforms.

Further, some of the tax information was obtained from the personal income tax guides of the Spanish Agencia Tributaria available at www.aeat.es

The sources of benefit descriptions come mainly from the information available at the Ministerio de Trabajo e Inmigración (www.mtin.es) In particular it was useful to use the Annual Labour guide (www.mtas.es/en/Guia/entrada.htm) that is partially available on line Also the information in the *Guías de ayudas sociales para las familias* (2009-2011) was very useful for detailed information on family benefits edited by the Ministerio de Sanidad y Política Social (www.msps.es)

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)

ANNEX 1

Updating factors

The following tables show the updating factors used in the model. The first table shows factors showing the changes with 2005 as base year or level amounts for some indexes.

The second table shows the factor used to update pensions in special cases. These indexes reflect the changes from one year to the next.

Table 3.4 Raw indices for deriving EUROMOD uprating factors

Index		Year														Income components
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Index of consumer prices	\$supr_cpi	100	103,52	106,4	110,74	110,42	112,41	116	118,84	120,52	120,34	119,73	119,49	121,83	123,54	Afc.bed.bho. bfa.kivho.tpr. xhc.xhcmomc .xhcmomi.xhc ot.xhcrt.xhcm o.xmp.xpp.yo t.ypp. ypt
Harmonised CPI	\$hic_p	83,69	86,64	89,05	92,68	92,41	94,08	97,08	99,46	100,86	100,71	100,2	100	101,96	103,39	(Used in policy effects tool)
Wage Cost	\$supr_wage	1572,54	1645,68	1713,19	1797,98	1857,02	1875,84	1894,23	1883,44	1883,36	1882,71	1901,19	1897,45	1899,53	1920,42	Bhl. bma.bunctpc. yivwg.yem_a. yse.ysv. yem
Labour Cost	\$supr_labor	2129,06	2229,15	2320,43	2429,76	2515,94	2527,43	2556,03	2540	2543,69	2536,66	2550,42	2541,28	2546,83	2574,84	Kfb. kfbcc
Interest Evolution	\$supr_k	19399	24886	31798	34502	19690	17676	22285	25336	20798	17608	11899	8033	7395	8324	iyi
Indicador Público Renta Efectos Múltiples (IPREM)	\$supr_iprem	469,8	479,1	499,2	516,9	527,1	532,51	532,51	532,51	532,51	532,51	532,51	532,51	537,84	537,84	bunot
Minimum wage	\$supr_mw	513	540,9	570,6	600	624	633,3	641,4	641,4	645,3	645,3	648,6	655,2	707,6	735,9	bchot
Minimum pension old age	\$supr_mpenold	7436,94	7966,98	8659,56	9258,76	9746,66	10284,4	10584	10690,4	10904,6	10932,6	10960,6	10988,6	11016,6	11044,6	poaot

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Minimum Pension Survival	\$upr _mp enw	6141,9	6537, 7	6905,1	8619,2	9122,8	9515,8	9735,6	10018,4	10220	10246,6	10273,2	10299,8	10326,4	10353	psuot
Wage Cost Public Sector	\$upr _wa gep ub	2364,9 3	2364, 93	2525,32	2585,5	2593,3 4	2706,12	2541,9 9	2541,99	2541,99	2541,99	2541,99	2567,4	2593,1	2593,1	Yem (for civil servants)
Old-age Pension benefits	\$upr _po a_av	686,61	722,7 1	760	814,51	854,12	884,07	915,24	946,35	979,52	999,8	1021,19	1042,32	1063,50	1079,00	Poa00
Survival pension benefits	\$upr _psu _av	455,26	476,7	498,3	529,01	553,89	571,73	586,42	601,55	617,6	624,03	630,61	637,87	646,4	652,8	psuwd00
Contributory disability pension	\$upr _pdi 00_a v	700,05	700	760,75	801,49	831,49	849,86	869,48	887,29	907,64	915,56	923,28	929,69	936	940,45	Pdi00
Disability pension complement	\$upr _pdi cm_ av	85,53	98,83	109,34	129,02	135,89	140,97	139,94	144,8	143,35	141,79	139,73	139,3	138,88	138,45	Pdicm
Non-contributory disability pension	\$upr _pdi nc_a v	435,04	364,4	386,4	409,43	454,74	508,49	567,61	634,54	670,29	690,02	716,21	721,61	733,76	750,31	pdinc

Sources: National Statistics Institute (INE), Ministry of Economy (MINECO), General State Budgets - Ministry of Public Finance (MINHAC), Ministry Employment and Social Security. For more information about the sources and the data contained in this table, please do ask to the National Team.

ANNEX 2

POLICY EFFECTS IN 2017-2018

Table A1 and Figure A1 shows the effect of policy changes in 2017-2018 on mean equivalised household disposable income by income component and income decile group, as a percentage of mean equivalised household disposable income in 2017. Each policy system has been applied to the same input data, deflating monetary parameters of 2018 policies by Eurostat's Harmonized Index of Consumer Prices (HICP).

The table shows the policy effects on the disposable income of changes in policies from 2017 to 2018. In 2017-2018, households experienced on average a disposable income loss of 0.40%. Income dropped in all deciles, being the drop in 8th-10th deciles less aggressive. So the policy effect in the period 2017-2018 was regressive.

The major factor driving negative effects was the changes in public pensions. The changes in public pensions bring out the decrease of disposable income across all the income distribution in a similar scale, although the decrease is considerably weaker in the first decile: 0.09% as compared to the average of 0.24%. The decrease of disposable income due to public pensions is because the vast majority of public pensions remained frozen between 2017 and 2018 while prices increased.

Another effect that is worth to highlight is the effect of means-tested benefits and non means-tested benefits. On the one hand, changes in means-tested benefits have a small effect in overall figures (0.03% decrease), but they have a bigger effect in the disposable income of first deciles: 0.40% decrease in the 1st decile and 0.24% in the 2nd decile. On the other hand, changes in non means-tested benefits decreased disposable income across all the income distribution but very slightly. The changes reflect the fact that mean-tested benefits and non means-tested benefits amounts have been kept unchanged as IPREM (the index generally used for adjusting benefit amounts over time) remained relatively frozen between 2017 and 2018 compared to growth in prices.

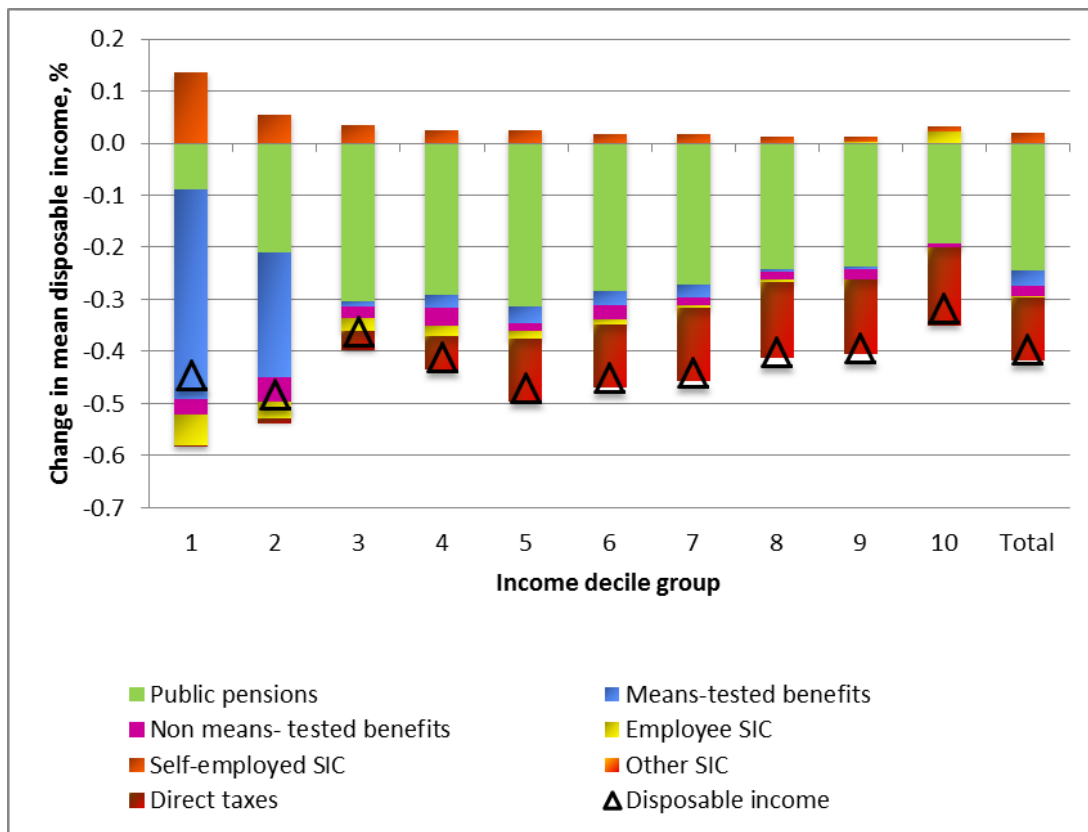
Finally, direct taxes decrease in all the deciles, although the drop is less in the first deciles: 0.05% of average increase in 1st-5th deciles. The effect concentrates mainly in 5th-10th deciles, and increases as we move towards the upper part of the income distribution, ranging from 0.12% decrease in the 5th decile to 0.15% in the 10th decile. This is mainly due to a decrease in personal income tax rates. Rates on capital income decreased, which we expect to affect more the top part of the distribution. State rates also decreased, but the reduction was stronger for top income brackets. Summarizing, the decrease of direct taxes couldn't have compensated the high drop in public pensions. Social insurance contributions had no significant effect between 2017 and 2018.

Table A1: Policy effects in 2017-2018, using the CPI-indexation, %

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	-0.09	-0.40	-0.03	-0.06	0.14	0.0	0.0	-0.45
2	0.00	-0.21	-0.24	-0.05	-0.03	0.06	0.0	-0.01	-0.48
3	0.00	-0.30	-0.01	-0.02	-0.03	0.04	0.0	-0.04	-0.36
4	0.00	-0.29	-0.03	-0.03	-0.02	0.03	0.0	-0.07	-0.41
5	0.00	-0.31	-0.03	-0.02	-0.01	0.03	0.0	-0.12	-0.47
6	0.00	-0.28	-0.03	-0.03	-0.01	0.02	0.0	-0.12	-0.45
7	0.00	-0.27	-0.02	-0.01	-0.01	0.02	0.0	-0.14	-0.44
8	0.00	-0.24	0.0	-0.02	0.0	0.01	0.0	-0.15	-0.40
9	0.00	-0.24	-0.01	-0.02	0.0	0.01	0.0	-0.14	-0.39
10	0.00	-0.19	0.0	-0.01	0.02	0.01	0.0	-0.15	-0.32
Total	0.00	-0.24	-0.03	-0.02	0.0	0.02	0.0	-0.12	-0.40

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 2017, using the modified OECD equivalence scale. Each policy system has been applied to the same input data, deflating monetary parameters of 2017 policies by Eurostat’s Harmonized Index of Consumer Prices (HICP).

Figure A1: Policy effects in 2017-2018, using the CPI-indexation, %



ANNEX 3

Table 4.2-Number of employed and unemployed (in thousands)

	EUROMOD		External		Ratio	
	2015	2015	2015	2016	2015	2016
Number of employed	17,500	18,183	18,183	18,649	0.96	0.94
Number of unemployed	5,681	4,474	4,474	3,910	1.27	1.45

Table 4.3-Market income in EUROMOD
-Number of recipients (in thousands)

	EUROMOD	External	Ratio
	2015		
Employment income	19,500		
Self-employment income	3,769		
Investment income	15,500		
Property Income	3,815		
Private pension income	700		
Private transfers	927		
Other income	413		
Fringe benefits	2,697		

Table 4.4-Market income in EUROMOD -Annual amounts
(in mil.)

	EUROMOD				External	Ratio
	2015	2016	2017	2018		
Employment income	353,865	353,749	354,574	357,929		
Self-employment income	44,611	44,524	44,572	45,063		
Investment income	12,664	8,549	7,870	8,859		
Property Income	9,166	9,166	9,166	9,166		
Private pension income	6,301	6,288	6,411	6,501		
Private transfers	3,335	3,328	3,394	3,441		
Other income	304	303	309	313		
Fringe benefits	2,505	2,496	2,501	2,529		

Table 4.5-Tax benefit instruments included but not simulated in EUROMOD -Number of recipients/ payers (in thousands)

	EUROMOD		External			Ratio			
	2015	2015	2016	2017	2018	2015	2016	2017	2018
Benefits									
Old-age pension (3)	6203.6	5641.9	5732.0	5826.1	5908.4	1.10	1.08	1.06	1.05
Disability benefits	1227.6	1153.9	1159.3	1165.4	1125.8	1.06	1.06	1.05	1.09
Widow's pensions	2355.9	2353.3	2358.7	2360.4	2358.6	1.00	1.00	1.00	1.00
Orphan's pensions	397.4	337.7	340.5	340.4	339.8	1.18	1.17	1.17	1.17
Sickness benefit	714.4	503.2				1.42			
Maternity Benefits	88.0	538.3	542.2	529.4		0.16	0.16	0.17	
Social Assistance (6)	846.8	323.4				2.62			
Housing Benefit	258.4								
Education benefits	525.6								

Table 4.6-Tax benefit instruments included but not simulated in EUROMOD - Annual amounts (in mil.)

	EUROMOD				External				Ratio			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Benefits												
Old-age pension (3)	88,617	88,838	89,060	89,283	80,660	83,670	86,745	89,600	1.10	1.06	1.03	1.00
Disability benefits	14,006	14,041	14,077	14,112	13,113	13,287	13,448		1.07	1.06	1.05	
Widow's pensions	18,777	18,824	18,871	18,918	20,776	21,063	21,361	21,681	0.90	0.89	0.88	0.87
Orphan's pensions	1,971	1,976	1,981	1,986	1,757	1,786	1,808	1,830	1.12	1.11	1.10	1.09
Sickness benefit	2,603	2,598	2,601	2,629	4,943				0.53			
Maternity Benefits	324	323	324	327	2,072	2,090	2		0.16	0.15	168.36	
Social Assistance (6)	3,397	3,397	3,397	3,397								
Housing Benefit	239	238	243	246								
Education benefits	824	822	838	850								

Table 4.7a-Benefit instruments simulated in EUROMOD -Number of recipients/ payers (in thousands)

	EUROMOD				SILC	Ratio	External				Ratio			
	2015	2016	2017	2018	2015	2015	2015	2016	2017	2018	2015	2016	2017	2018
Benefits														
NC old age pension	261	261	261	261	266	0.98	254	255	256	225	1.03	1.02	1.02	1.16
Old age pension complement	1319	1324	1322	1322	1370	0.96	1419	1440	1382		0.93	0.92	0.95	
Widow's pension complement	729	729	729	729	912	0.80	767	769	746		0.95	0.95	0.98	
Unemployment insurance	2777	2777	2777	2777	2794	0.99	838	764	727	640	3.31	3.64	3.82	4.34
Unemployment assistance	1753	1766	1857	1893	2633	0.67	1103	997	902	748	1.59	1.76	1.94	2.34
Child benefit - without disability	1251	1269	1266	1242	1582	0.79	1229	1281	1278		1.02	0.98	0.98	
Child benefit - with disability	178	178	179	182			298	304	312		0.60	0.58	0.57	
Birth and adoption benefits	51	51	51	51			8	8	7		6.22	6.41	6.90	
Regional benefits	119	124	124	124			52				2.27			

Table 4.7-Tax instruments simulated in EUROMOD -Number of recipients/ payers (in thousands)

	EUROMOD				External		Ratio	
	2015	2016	2017	2018	2015	2016	2015	2016
Taxes and Social Insurance contributions								
Income tax	14600	14500	14500	14600	20970		0.70	
All regions but P. Vasco and Navarra	13400	13300	13300	13500	19481	19622	0.69	0.68
P. Vasco	902	892	893	898	1149		0.79	
Navarra	270	268	268	270	340		0.79	
Taxable income	11200	11100	11000	11100	18916	19071	0.59	0.59
Work income	11900	11800	11700	11800	15884	16204	0.75	0.73
Investment income	8059	8000	8009	8059	13038	12686	0.62	0.64
Property income	2113	2094	2102	2110	2231	2372	0.95	0.89
Self-employment income	1596	1571	1572	1581	2889	2918	0.55	0.55
Personal and family allowances	13100	13000	13100	13200	19481	19622	0.67	0.67
Work allowance	11700	11600	11400	11400	17528	17779	0.67	0.66
Tax base	13200	13200	13200	13300	17967	18225	0.73	0.72
Gross income tax	13400	13300	13300	13500	12450	12819	1.08	1.05
Tax credit Mortgage	3078	3046	3051	3075	4073	4081	0.76	0.75
Working mother tax credit	324	321	320	323	779	832	0.42	0.39
Social Insurance Contributions								
Employees	20000	20000	20000	20000	15660	16020	1.28	1.25
Self-employed regime(1)	3769	3769	3769	3769	3156	3189	1.19	1.18
Employer	19500	19500	19500	19500	15660	16020	1.25	1.22

Table 4.8a-Benefit instruments simulated in EUROMOD -Annual amounts (Mil.)

	EUROMOD				SILC	Ratio	External			Ratio		
	2015	2016	2017	2018	2015	2015	2015	2016	2017	2015	2016	2017
Benefits												
NC old age pension	1,355	1,363	1,368	1,374	1,355	1	1,304	1,312	1,323	1.04	1.04	1.03
Old age pension complement	4,218	4,246	4,241	4,263	4,218	1	4,088	4,060	3,917	1.03	1.05	1.08
Widow's pension complement	3,235	3,257	3,267	3,273	3,235	1	2,674	2,661	2,551	1.21	1.22	1.28
Unemployment insurance	10,391	10,377	10,414	10,496	10,391	1	12,973	11,817	11,111	0.80	0.88	0.94
Unemployment assistance	5,501	5,522	5,870	5,958	5,501	1	6,188	5,632	51,644	0.89	0.98	0.11
Child benefit - without disability	566	572	570	563	566	1	343			1.65		
Child benefit - with disability	797	799	807	822	797	1	1,069			0.75		
Birth and adoption benefits	50	50	50	50	50	1	22			2.29		
Regional benefits	90	94	94	94	90	1	40			2.24		

Table 4.8b-Tax instruments simulated in EUROMOD -Annual amounts
(Mil.)

	EUROMOD				External		Ratio	
	2015	2016	2017	2018	2015	2016	2015	2016
Taxes and Social Insurance contributions								
Income tax	63,102	62,021	62,157	63,298	76,351		0.83	
All regions but P. Vasco and Navarra	57,252	56,271	56,401	57,436	71,041	74,515	0.81	0.76
P. Vasco	4,629	4,548	4,552	4,635	4,274		1.08	
Navarra	1,221	1,202	1,204	1,226	1,036		1.18	
Taxable income	356,324	355,312	356,594	360,912	392,220	407,197	0.91	0.87
Work income	319,525	318,843	319,960	323,794	320,211	333,116	1.00	0.96
Investment income	13,505	10,617	10,308	11,047	15,417	15,234	0.88	0.70
Property income	5,584	5,543	5,549	5,569	7,339	7,810	0.76	0.71
Self-employment income	29,764	29,458	29,500	29,924	26,516	28,939	1.12	1.02
Personal and family allowances	110,149	109,481	109,757	110,676	152,598	153,908	0.72	0.71
Work allowance	32,632	32,227	32,238	32,540	58,599	52,947	0.56	0.61
Tax base	336,867	336,267	337,514	341,790	347,614	362,588	0.97	0.93
Gross income tax	78,919	77,381	77,588	78,812	65,616	69,050	1.20	1.12
Tax Credit Mortgage	1,341	1,327	1,351	1,374	2,788	2,768	0.48	0.48
Working mother tax credit	434	431	427	432	722	759	0.60	0.57
Social Insurance Contributions								
Employees	22,177	22,216	22,466	22,712	17,257	18,675	1.29	1.19
Self-employed regime(1)	8,745	8,832	8,832	8,852	10,809	12,358	0.81	0.71
Employer	100,433	100,650	101,823	102,961	86,576	91,541	1.16	1.10

Table 4.9-Distribution of equivalised disposable income

	EUROMOD				External		Ratio	
	2015	2016	2017	2018	2015	2016	2015	2016
D1	2.1	2.1	2.1	2.1	2.0	1.9	1.05	1.10
D2	4.2	4.2	4.2	4.2	4.2	4.2	1.00	1.00
D3	5.5	5.5	5.5	5.5	5.5	5.6	1.00	0.98
D4	6.7	6.8	6.8	6.8	6.7	6.8	1.01	0.99
D5	8.1	8.1	8.1	8.1	8.0	8.1	1.01	1.00
D6	9.4	9.4	9.4	9.4	9.3	9.4	1.01	1.00
D7	10.9	10.9	10.9	10.9	10.8	11.0	1.01	0.99
D8	13.0	13.0	13.0	13.0	12.9	12.9	1.00	1.00
D9	15.7	15.8	15.8	15.7	15.8	15.7	1.00	1.00
D10	24.4	24.3	24.3	24.3	24.9	24.4	0.98	1.00
Median	13865.1	13790.9	13790.8	13912.8	13,681.0	14,203.0	1.01	0.97
Mean	15919.5	15829.3	15852.9	15986.8	15,842.0	16,390.0	1.00	0.97
Gini	34.0	33.9	33.8	33.8	34.5	34.1	0.98	0.99
S80/S20	6.4	6.4	6.4	6.4	6.6	6.6	0.97	0.97

Table 4.10-Poverty rates by gender and age

	EUROMOD				External		Ratio	
	2015	2016	2017	2018	2015	2016	2015	2016
40% median HDI								
Total	10.2	10.2	10.1	10.1	10.7	10.5	0.95	0.97
Males	10.3	10.3	10.2	10.2	10.7	10.2	0.96	1.01
Females	10.1	10.2	10.0	10.1	10.7	10.8	0.95	0.94
50% median HDI								
Total	16.0	15.9	15.9	15.9	15.5	15.7	1.03	1.01
Males	16.2	16.0	16.0	16.0	15.5	15.3	1.04	1.04
Females	15.9	15.8	15.8	15.8	15.4	16.1	1.03	0.98
60% median HDI								
Total	22.7	22.7	22.5	22.5	22.3	21.6	1.02	1.05
Males	23.0	23.0	22.8	22.8	22.6	21.0	1.02	1.09
Females	22.4	22.4	22.2	22.2	22.1	22.2	1.01	1.01
70% median HDI								
Total	30.5	30.5	30.2	30.2	29.9	29.2	1.02	1.04
Males	30.2	30.2	29.9	29.9	29.6	28.1	1.02	1.08
Females	30.7	30.8	30.5	30.4	30.2	30.3	1.02	1.02
60% median HDI								
0-15 years	29.6	29.7	29.5	29.4	28.9	28.1	1.03	1.06
16-24 years	32.7	32.5	32.4	32.4	32.5	28.6	1.00	1.14
25-49 years	23.4	23.4	23.2	23.2	22.9	21.6	1.02	1.08
50-64 years	20.8	20.8	20.4	20.4	20.2	19.7	1.03	1.06
65+ years	12.4	12.5	12.5	12.5	13.0	14.8	0.95	0.84