

## New incentives to hire young people.

Written by VP

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One of the main problems in Spain is the high unemployment rate, to try to bring it down the Government recently approved a Royal Decree containing the so-called National System of Youth Guarantee, a new attempt to reduce unemployment among young people. Among the measures envisaged are new incentives for permanent contracts and changes to contracts for formation and learning and training contracts.

The Government's concern to achieve an increase youth employability entails the implementation of a series of measures that will benefit companies that sign permanent contracts to people under 25 or under 30 with a disability higher than 33%. These measures are in line with those adopted above, ie incentives to reduce the contribution to Social Security companies for new hires.

The main measure is to hire young people registered with the National System of Youth Guarantee, which will report to the employer a monthly bonus of 300 euros in the business contribution to social security. This measure will be compatible with other incentives that are in place, keeping in mind that the monthly amount quoted by the company cannot be negative.

To benefit from this bonus the company must keep the worker on contract for at least six months from the start of employment. In case of breach of this obligation shall proceed to refund the amount of bonus perceived until that moment. In addition the company shall increase, with each new contract the level of permanent employment as the level of total employment of the company and also the company must maintain that level throughout the period of enjoyment of

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the bonus.

In case of part time contract

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the number of hours must be at least the 50% of a comparable full-time worker

in the company

, and the bonus

obtained

by the employer would be between 150 and 225 euros .

The application of the bonus by each company will only occur once for each of the beneficiaries of the National Youth Guarantee that contract, regardless of the period of subsidy enjoyed by the company for the worker.

## News on the contracts for training and learning

Currently this contract allows a reduction of 100% of contributions for companies with less than 250 employees and 75% for 250 or more workers and there is a bonus of up to 25% for the training activity, which should be at least 25% of the day the first year and 15% the second and third year.

A modification was introduced in the regulation of such contracts which will increase the maximum amount of bonuses from it and it will include an incentive to minorar the inherent costs of the need for a tutor for workers with these contracts . **News on the contracts in**

### practice

These contracts enjoy a 50% reduction in contributions for common contingencies which pays the company. Now an additional bonus of 50% to another company contributions to Social Security for common continencias, so the bonus will reach now 100% of the contribution. **Ne**

### ws on part-time contracts with training link

Previously the gornvement launched a reduction in the employer contribution for common contingencies of 75% for companies with more than 250 workers and 100% for the rest. To apply this bonus for a maximum period of 12 months, workers should be unemployed under 30 years without previous employment and work experience with less than three months, or came from another professional sector, employment and training compatible.

The change in this type of contract would extend this incentive to enrollees in the National System of Youth Guarantee, ie under 25 or 30 in case of disabled with a 33% rate or higher..

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