

Report on entrepreneurs and independent contractors

Moncloa Palace, Madrid, Thursday 29 June 2017

The Minister for Employment and Social Security, Fátima Báñez, reiterated that employment remains the main priority of the government and that "all the jobs corresponding to the self-employed that were shed during the crisis" have now been recovered. Fátima Báñez reviewed the measures that the government has pushed through since it came to power to help the self-employed. "We believed that jobs for the self-employed was a good route to help reduce unemployment in our country and supporting them from the outset was both our obligation and our responsibility".

Fátima Báñez highlighted that the Supplier Payment Plan has managed to reduce the commercial debt of all the regional authorities by 70%, and the average period to pay suppliers has fallen. She also pointed out that the fiscal reform has translated into a drop in the withholding rate for the self-employed to 15%.

As regards entrepreneurs, the minister recalled that they were allowed to capitalise their entire unemployment benefit, as well as to combine the collection of this benefit with the start of their entrepreneurial activity. The flat-rate contribution of 50 euros has helped 1,176,000 new independent contractors to start a project working for themselves. Furthermore, 662,000 permanent employment contracts to support entrepreneurs have been signed since February 2012.

The minister added that the result of the government's policy is that independent contractors are now playing a leading role in the recovery and have seen 44 straight months of rises in the number of contributors.

New steps

The Minister for Employment argued that the approval in the Lower House of the Draft Law on Independent Contractors will allow the rights and social protection of this group to be enhanced. In this regard, independent contractors can change their contribution base up to four times a year to better adapt it to their income. They will only pay for the periods actually worked and will be allowed to register and de-register up to three times a year.

The future legislation will double the effective period that the 50-euro flat rate is in force, which will be extended from six months to one year, thus directly benefitting 350,000 independent contractors. It will allow work to be combined with the receipt of 100% of a pension if the contractor has hired at least one other worker, which will potentially benefit up to 40,000 people. It will also recognise "in-itinere" accidents to independent contractors and a sub-committee will study access to partial retirement.

With the aim of boosting reconciliation between work and family life, a 100% discount in National Insurance contributions will be established for independent contractors during maternity and paternity leave and in the case of adoption. The age of dependent minors will be increased from seven to 12 years old, giving rise to an entitlement of a discount due to reconciliation, and there is a 100% exemption from the NI contribution for the self-employed when looking after minors or dependents, for a period of 12 months.

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