

Employment Update

29th May Royal Decree-Law 20/2020 establishing the Minimum Income Scheme

3rd June 2020

On the June 1st the 29th May [Royal Decree-Law 20/2020](#), (“RDL 20/2020”) was published and came into force establishing the Minimum Income Scheme.

This is a subjective right to a benefit of an economic nature compatible with other subsidies that may be established by the Autonomous Communities and even with self-employment and employment, the ultimate aim of which is to guarantee a minimum level of income.

Minimum Income Scheme (“MIS”)	
<p>Requirements to be a MIS beneficiary (articles 4, 5 y 6)</p>	<p>The following may be eligible for MIS:</p> <ol style="list-style-type: none"> 1.- People who are part of a "cohabitation unit", with various assumptions as to what is meant by this concept for MIS purposes. 2.- Be at least 23 years old and under 65 years old, provided they live alone or share a household with a cohabitation unit - when they are not integrated in it-. <p>In addition, the <u>beneficiary</u> must have full capacity to act and be of a certain age. This age will vary depending on whether the person is living in a cohabitation unit.</p>
<p>Eligibility requirements (article 7 RDL 20/2020)</p>	<p>A. All beneficiaries must meet the following requirements:</p> <ol style="list-style-type: none"> 1.- Have legal and meaningful residence in Spain and have had it continuously and uninterruptedly for at least the year immediately prior to the date of application submission - although there are some exceptions. 2.- To be in a situation of economic vulnerability due to lack of income, revenue, or wealth, taking the income of the individual person or the cohabitation unit into account.



	<p>3.- Have applied for any current pensions and benefits to which they may be entitled, under the terms to be established by regulation.</p> <p>4.- Be registered as a job seeker, except in the cases determined by regulation.</p> <p>B. Additional requirement for <u>individual beneficiaries</u>: Beneficiaries between the ages of 23 and 65 who live alone - independently - or with a cohabitation unit without being integrated into it, must have been in this situation for at least three years prior to the MIS application.</p> <p>C. Additional requirement for <u>beneficiaries belonging to a cohabitation unit</u>: they must be comprised on a continuous basis for at least the year preceding the submission of the application.</p>
<p>Economic vulnerability (article 8)</p>	<p><u>In general</u>, economic vulnerability is understood to be when the average monthly income and computable annual income of the individual beneficiary or of the cohabitation unit, corresponding to the previous year, is at least 10 euros less than the monthly amount of the income guaranteed with this benefit, which corresponds according to the type and number of members of the cohabitation unit.</p>
<p>Economic Benefit (article 9 and ss. 2nd T.P.)</p>	<p><u>1.- Amount</u>: the amount of the MIS will be determined by the difference between the amount of the guaranteed income and the total income of the beneficiary or the members of the cohabitation unit for the previous financial year, provided that the resulting amount is equal to or greater than 10 euros per month.</p> <p>In the year 2020 the amount of guaranteed income will be EUR 5,538 for an individual beneficiary, and this amount will be increased depending on the circumstances of each cohabitation unit (number of children, single parents, etc.).</p> <p><u>2.- MIS application and start</u>: Applications for access to the financial benefit may be submitted from the 15th June 2020. If the application is submitted within the following three months, the financial effects will be retroactive to the 1st June 2020, provided that all the requirements for access are met by</p>

	<p>that date. If the requirements are not met or if the application is submitted after the three-month period, the date of the financial effects shall be the first day of the month following that in which the requirements are met or the application is submitted.</p> <p>3.- Duration: The benefit will be maintained if the reasons that gave rise to its concession subsist and the requirements and obligations provided for in RDL 20/2020 are met.</p> <p>4.- Variations: Beneficiaries will inform the competent management entity (National Social Security Institute) of those circumstances that affect compliance with the requirements or obligations of the MIS within 30 calendar days.</p> <p>5.- Suspension and extinctions: a series of circumstances or facts are established which will lead to the suspension (e.g. temporary loss of one of the requirements) or termination (e.g. death of the benefit holder).</p>
<p>Competent body and procedure (articles 21 and ss.)</p>	<p>The National Social Security Institute (“NSSI”) will be the competent body for the recognition and control of the provision, and the autonomous communities and local entities may initiate the file when they sign an agreement with this management body.</p> <p>The economic benefit will be requested preferably at the Social Security website or through those other telematic communication channels that the NSSI has enabled for this purpose.</p>
<p>Set of obligations (article 33)</p>	<p>The MIS beneficiaries, as well as the members of the cohabitation unit, will be subject to certain obligations during the time they receive the benefit.</p> <p>These obligations are related to the duty to provide the documentation and information necessary to accredit the requirements, to preserve the benefit and to guarantee the reception of notifications and communication.</p>
<p>Infringements and sanctions (articles 34 and ss.)</p>	<p>A ranking of the infractions related to the conduct of the beneficiaries -including the members of the cohabitation unit and the collaborators- is established, qualifying them as slight, serious, and very serious.</p>

	<p>Moreover, in some of the infringements, the amount of the damage that could result from the infringement committed is considered in determining its seriousness.</p> <p>The penalties provided for may range from a warning to the reimbursement of amounts wrongly received or the loss of entitlement to the benefit.</p> <p>The procedure to be followed for the imposition of sanctions will be that established in 14th May Royal Decree 928/1998, and for what is not provided for by this, the provisions of the 4th August Royal Legislative Decree 5/2000, which approves the revised text of the The legislation on labour infringements and penalties, will be applied.</p>
<p>Transitional MIS financial benefit of during 2020 (1st T.P.)</p>	<p>As a rule, MIS is incompatible with the receipt of the financial allowance for a child or dependent minor. However, in 2020, the NSSI will recognize the transitional MIS benefit to the current beneficiaries of the economic allowance for a child or dependent minor - through the exercise of the right of option - and of the insertion or basic income established by the Autonomous Communities, under certain requirements and conditions.</p> <p>From January 1st 2021, the right to the recognized MIS benefit will be maintained, provided that the requirements established in RDL 20/2020 are met and the interested party provides the documentation required by the INSS for this purpose before December 31st 2020.</p>
<p>Special regime applicable to requests made due to lack of income (3rd T.P.)</p>	<p>Exceptionally, applications may be submitted until 31st December 2020 in cases of economic vulnerability that have occurred during the current year, when the applicants are not recipients of unemployment benefits or subsidies. The purpose of this special regime is to consider the situations of vulnerability generated by the economic and social consequences that the Covid-19 is causing.</p>
<p>Other issues of interest included in the RDL 20/2020</p>	<p>The following measures, among others, are established:</p> <p>1.- Integration of child allowance into the MIS from the implementation of RDL 20/2020, no new applications may be submitted for the financial allowance for a child or dependent minor without a disability or with a disability of less than 33%, which will expire.</p>

2.- Financing: 26th November 2003 Law 47/2003 on the General Budget is amended to include the MIS benefit within the credits included in Social Security.

3.- Exemption from public rates: The exemption from the payment of public rates for university academic services for the 2020/2021 academic year is foreseen for those who are recognised for the provision of MIS between the months of June and December 2020.

We hope the information is useful and of your interest. At Andersen Tax & Legal we have created a multidisciplinary team to attend to all the questions that may arise on this aspect or in relation to the COVID-19.

For more information, please contact:

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