

**LABOUR**

New incentives to hire workers

Ministerial Order no. 112-A/2019 of 12 April was published recently and has been in force since the day after its publication. The Order establishes incentives to recruit young people looking for their first job and the long or very long-term unemployed. The Order also seeks to stimulate the professional integration of people who have greater difficulty in joining the labour market and it contributes to promoting active ageing and youth employment.

For the application of incentives:

1. **Young people looking for their first job** are people aged 30 or under, who are officially registered as unemployed at the IEFP, I. P. (Institute of Employment and Professional Training), and who have never worked under a contract of employment of indefinite duration;
2. **The long-term unemployed** are people aged 45 or over who have been registered as unemployed at the IEFP, I. P. for at least 12 months;
3. The **very long-term unemployed** are people aged 45 or over who have been registered as unemployed at the IEFP, I. P. for at least 25 months.

"Candidates for the incentives in question may be individual business owners or companies, whether or not for profit."

Candidates for the incentives in question may be individual business owners or companies, whether or not for profit. They may also be companies that have started a Special Revitalisation Process (PER) or an Out-of-Court Corporate Recovery System (SIREVE) process. In all cases, the candidates must meet the following requirements:

- a) Be properly incorporated and registered;
- b) Meet the legal requirements to engage in their activity or submit proof that they have started the applicable process;

- c) Have their tax and social security contributions to the tax and social security authorities in good order;
- d) Not be in default in respect of any the financial support granted by the IEFP, I. P.;
- e) Have paid all refunds due in the context of financing from the European Social Fund;
- f) Have organised accounting as provided for by law;
- g) Have no salary payments in arrears (except for companies that have begun PER or SIREVE processes);
- h) Not have been convicted in any criminal or administrative offence proceedings for violation of employment legislation, in particular, for discrimination at work and access to employment, in the last three years.

It is important to emphasise that the incentives provided under the Contract-Generation measure cannot be awarded in tandem with other employment incentives when they apply to the same jobs.

To receive the incentive, **within one period of 6 months, the employer has to enter into at least two full- or part-time contracts of employment of indefinite duration with a young person looking for their first job and with a long or very long-term unemployed person.**

With these hirings, the employer has to reach a total number of workers above the average of workers registered in the twelve months prior to the registration of the first offer of employment on the IEFP, I. P. website.

It is possible to enter into more than two contracts of employment of indefinite duration, provided that these hirings respect a ratio of one young person looking for their first job to three long or very long-term unemployed persons.

"It is important to emphasise that the incentives provided under the Contract-Generation measure cannot be awarded in tandem with other employment incentives when they apply to the same jobs."

The incentives have the following forms:

- a) Indefinite hiring of a person looking for their first job:
 - i) Financial support amounting to 9 times the value the Social Support Index (SSI) - 3,921.84 euros;
 - ii) 50% reduction in the social security contribution payable by the employer for a period of 5 years.
- b) Indefinite hiring of long-term unemployed person:
 - i) Financial support amounting to 9 times the value the Social Support Index (SSI) - 3,921.84 euros;
 - ii) 50% reduction in the social security contribution payable by the employer for a period of 3 years.

c) Indefinite hiring of very long-term unemployed person:

- i) Financial support amounting to 9 times the value the Social Support Index (SSI) - 3,921.84 euros;
- ii) Temporary exemption from the social security contribution payable by the employer for a period of 3 years.

The application for financial support must be made on the website of the IEFP, I. P., with the submission of an application to the Contract-Job expressly requesting the incentive provided for the Contract-Generation.

The application for a partial or full exemption from social security contributions is made on the Social Security website.

"The application for financial support must be made on the website of the IEFP, I. P., with the submission of an application to the Contract-Job expressly requesting the incentive provided for the Contract-Generation."