



labour

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**ROYAL DECREE-LAW 23/2012, OF AUGUST 24, 2012, EXTENDING THE
VOCATIONAL RETRAINING PROGRAM FOR INDIVIDUALS
EXHAUSTING THEIR UNEMPLOYMENT BENEFIT
("PREPARA PLAN")**

Published on August 25, 2012 and with backdated effect from August 16, 2012, Royal Decree-Law 23/2012, of August 24, 2012, has extended the vocational retraining program for individuals who exhaust their unemployment benefit (commonly known as the "PREPARA Plan", created by Royal Decree-Law 1/2011, of February 11, 2011).

Under the program, individuals who had exhausted their contributory unemployment benefit were entitled to receive an amount of accompanying financial assistance equivalent to 75% of the monthly Public Multi-Purpose Income Indicator ("IPREM").

The most noteworthy aspects of, and modifications made to, the program extended again by Royal Decree-Law 23/2012 are as follows:

Beneficiaries: individuals who are unemployed as result of losing their jobs, who are registered as job seekers and who, in the period between August 16, 2012 and February 15, 2013 (both inclusive), exhaust their contributory unemployment benefit and are not entitled to, or have exhausted, other noncontributory unemployment benefits, including any extensions, may be eligible for the program, subject to their also meeting one of the following conditions at the time of claiming:

- They must have been registered as job seekers for at least twelve out of the last eighteen months.
- They must have familial obligations, that is, they must have as dependents a spouse, children under 26 years of age or older if suffering from a disability, or minor foster children, provided that the income of the family unit as a whole, divided by the number of members, does not exceed 75% of the National Minimum Wage ("SMI").

Requirement of income below 75% of the SMI: claimants must not have income, of any kind, exceeding 75% of the SMI, excluding the proportional part of two special payments, calculated on a monthly basis. For these purposes, to calculate the limit, regard will be had to the income of all the members of the family unit cohabiting with the claimant, including parents, spouse, children under 26 years of age or older if suffering from a disability graded at 33% or higher, or minor foster children, divided by the number of family unit members.

Amount: although the amount of the financial assistance remains equivalent to 75% of the IPREM (€399.38/month), beneficiaries who at the time of claiming the assistance have at least three members of their family unit as dependents will be entitled to an amount equal to 85% of the IPREM (€452.63/month). For these purposes, ‘dependent family member’ means a spouse and/or children under 26 years of age or older if suffering from a disability graded at 33% or higher, or minor foster children, who individually do not have a separate source of income exceeding 75% of the monthly SMI, excluding the proportional part of special payments.

Duration of the assistance: beneficiaries can receive the financial assistance for up to six months.

Time limit for claiming the assistance: two months from the end of the contributory or noncontributory employment benefit.

Active job search: during the period for claiming the financial assistance, claimants must take steps to look for work for at least thirty days. Self-employed or employed work will qualify for the purposes of taking steps to actively look for a job.

Incompatibility: the following are not eligible for the program – individuals who have received or exhausted (i) the special benefit under the temporary unemployment protection and employment integration program, (ii) benefits under the vocational retraining program for individuals who exhaust their unemployment benefit as established in Royal Decree-Law 1/2011, of February 11, 2011, including extensions, (iii) the active employment integration allowance, (iv) the agricultural workers’ allowance or noncontributory unemployment benefit, in either case for casual workers under the Special System for Agricultural Employees.

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