

***Partial provisional deferment for mortgage fees**

By implementing this measure, the Government intends to support those mortgage holders that are experiencing special difficulties. Thus, this measure contemplates the possibility to demand a voluntary reduction of the mortgage payments – subject to agreement with the corresponding financial entity granting the loan –, up to 50%, which would be accrued between 1 January 2009 and 31 December 2010, provided the corresponding mortgage loan has been subscribed before 1 September 2008, it amounts to less than 170,000 Euros and it has been used to purchase the habitual residence. Those payments that remain unsettled after the deferment period will have to be paid off after 1 January 2011 in monthly instalments until the mortgage loan has been paid in full, for a period of ten years maximum. The deferred amounts will be guaranteed by the State.

Beneficiaries

This measure is intended for citizens complying with one or more of the following requirements:

- a) Unemployed worker having been unemployed for at least three months prior to submitting the application and being liable to receive tax-paying and non tax-paying unemployment.
- b) Formerly self-employed workers having been unemployed for at least three months.
- c) Self-employed workers whose gross income has been three times inferior to the Public Indicator of Multiple Effect Income for, at least, three months.
- d) Widow's pension holders whose partners have died after having subscribed the mortgage loan and, in any case, after 1 September 2008.

Debtors in default won't be allowed to opt for this measure.

According to official estimates, nearly 500,000 families may opt for this measure; and their mortgage quota will be reduced by 6,000 million Euros on the whole for the period 2009-2010. Deferments must be applied for at the corresponding financial entities.

Development

This measure was approved of by virtue of Royal Decree 1975/2008, dated 28 November.

Further information

<http://www.ico.es/web/contenidos/5483/index.html>

Telephone no.: 900 121121

***400-Euro reduction in the Income Tax**

400-Euro annual reduction in the Income Tax for each tax payer. This amount will be paid in advance through the reduction of the monthly deductions carried out by employers. In 2008, the deduction in June amounted up to 200 Euros and the rest of amount has been proportionally deduced during the following six months. In 2009 the deduction will be reduced by 33.33 Euros per month, from January to December, which this will provide tax payers with approximately 6,000 million Euros. This equals an increase of 1,667 Euros in the minimum tax-exempt amount.

Beneficiaries

More than 16 million tax payers will benefit from this measure: 15.5 million workers and pension holders and 850,000 self-employed workers. 1,300,000 workers and pension holders will benefit from this tax allowance, ceasing to be obliged to present the Income Tax Return; and 85,000 self-employed workers will remain tax-exempt.

Development

It was approved of by virtue of Royal Decree 2/2008, dated 21 April, and it came into force on June. It will remain into force during 2009. It provided families with aids amounting to 5,000 million Euros in 2008.

Further information

<http://400euros.meh.es>

***Elimination of the Property Increment Tax**

The Property Increment Tax is eliminated as it hinders saving and investments and because it does not exist anymore in nearly any developed country. This will help tax payers save nearly 1,800 million Euros per year from 2009 onwards.

Beneficiaries

All tax payers liable to pay this tax. According to official estimates, one million tax payers – most of them middle-class workers - will benefit from this measure.

Development

It is currently in force. It is contemplated in Law 4/2008, dated 23 December.

Further information

<http://www.boe.es/boe/dias/2008/12/25/pdfs/A51998-52024.pdf>

Telephone no.: 901 33 55 33

***Expansion of the period to invest savings home loans**

This measure will serve to expand on the deadline to invest savings home loans that should be used to purchase the first residence or to refurbish the habitual residence, term falling due between 1 January 2008 and 30 December 2010; thus, the aforesaid savings home loans may be invested until 31 December 2010 and this will not bring about the loss of the right to enjoy the deductions derived from purchasing the habitual residence. Therefore, the period for housing purchase will be expanded beyond the four-year period.

Beneficiaries

Savings home loans beneficiaries who are saving to purchase or refurbish their habitual residence will not have to do so under the current circumstances, characterised by harder credit conditions which make it particularly hard to obtain financing for such purpose under reasonable terms. According to official estimates, 180,000 citizens, mainly young people, will benefit from this measure.

Development

It was approved of by virtue of Royal Decree 1975/2008, dated 28 November.

Further information

<http://www.boe.es/boe/dias/2008/12/02/pdfs/A48135-48142.pdf>

Telephone no.: 901 335533

***Expansion of mortgage loan periods without further charges for two years**

Subject to agreement between pawner and pawnee, this measure promotes the expansion of the mortgage loan period in the case of those mortgages granted for habitual residence purchase, construction and refurbishment over the two years following its enforcement (April 2008) without commissions. Besides, public deeds

proving the extension of the mortgage loan period will be exempt from paying the transfer tax and stamp duty. Finally, this expansion is also exempt from the corresponding notary and registrar fees.

Beneficiaries2;’87654

Mortgage loan holders who decide to extend the loan period until April 2010 will pay less to do so. Applications must be submitted to the corresponding financial entity.

Development

This measure came into force by virtue of Royal Decree 2/2008, dated 21 April, and by virtue of the Agreement subscribed on 29 April 2008.

Further information

<http://www.tesoro.es/doc/SP/legislacion/triptico%20ENLACES.pdf>

***Anticipated deduction on habitual residence purchase**

Tax payers' deductions will be reduced by two points on demand in order to bring into line the fiscal benefits obtained from Income Tax deductions applied to habitual residence purchase and mortgage fee payments. Thus, if a tax payer has been deducted 15% in his monthly payroll and he decided to apply for this measure, he will be deducted 13% from them on at the expense of the allowance he will be liable for when he presents the Income Tax Return. Thus, in 2009, citizens with lower income – between 1,700 and 2,000 Euros - will be applied lower allowances.

Beneficiaries

Workers and self-employed workers whose annual income is inferior to 33,000 Euros. According to official estimates, at least 3.5 million tax payers may benefit from this measure.

Development

It was approved of by virtue of Royal Decree 1975/2008, dated 28 November 2008. The forms for tax payers to communicate their decision to apply for this measure are available since last 18 December.

Further information

<http://www.agenciatributaria.es>

Telephone no.: 901 335533

***Expansion of the two-year period to transfer habitual residence in order to benefit from tax-exemptions on reinvestment**

By implementing this measure, the Government expands on the enforcement period of tax-exemptions on reinvestment by at least two years so that those who have purchased a new residence in order to sell their habitual one later on may do so without problems. Thus, for purchase and sales operations carried out in 2006, 2007 or 2008, the deferment period will be extended until 31 December 2010.

Beneficiaries

Families having planned to change their habitual residence will keep enjoying the corresponding fiscal benefits and the period to sell their first residence will be extended. This measure is intended to prevent lack of liquidity in the real estate market to have more negative consequences upon the income of these families, and it will surely favour a greater dynamism in the housing market.

Development

This measure was approved of by virtue of Royal Decree 1975/2008, dated 28 November 2008.

Further information

<http://www.boe.es/boe/dias/2008/12/02/pdfs/A48135-48142.pdf>

Telephone no.: 901 335533

***Increase of minimum pensions**

During the previous legislature, minimum pensions increased by 30%, the greatest increase ever in our democracy. This increase has been aimed at enabling pension holders to benefit from our resources and economic growth. No retirement pension holder should be living under the poverty threshold. Therefore, during this legislature, the Government will keep on increasing minimum retirement pensions beyond the corresponding general evolution of the rest of the pensions. Minimum retirement pensions for married pension holders will increase by 26% minimum during this legislature. This means that the minimum retirement pension for married pension holders which amounted to 658 monthly Euros will reach 850 monthly Euros by 2010.

In 2009, pensions will experience an average increase of 6%. Minimum retirement pensions for married pension holders will increase by 5.68% or 5.84%, in the case of pension holders under or beyond 65. Widow's pensions will increase by 5.84%, for pension holders with family responsibilities, and by 7.22% for pension holders under 60.

Beneficiaries

More than 2,600,000 citizens are being paid minimum pensions by the Social Security System.

Development

It is currently in force. It was approved of by virtue of Royal Decree 2127/2008, dated 26 December, on the revalorisation of the pensions granted by the Social Security System and on the revalorisation of other public social aids for 2009.

Further information

http://www.seg-social.es/Internet_1/Pensionistas/Revalorizacion/Cuantiasminimas2007/index.htm

Telephone no.: 900 16 65 65

***Increase of the Minimum Salaries in 2009**

The Government will keep on increasing Minimum Salaries –which amounted to 600 Euros per month in 2008-, in order to reach, at least, 800 Euros per month by 2012. The Government has approved of a 4.0% increase for 2009. Thus, the amounts for 2009 will remain as follows: 20.80 Euros a day; 624 Euros per month; 8.736 Euros per year.

According to analysts' average inflation estimates for 2009, inflation will total to approximately 1%; thus, the increase in Minimum Salary will be in fact the second greatest increase in the last 17 years (exceeded only by the increase experienced towards the second semester of 2004, when Minimum Salary increased exceptionally in order to favour the recovery of the purchase capacity, which had decreased over the two previous legislatures).

Beneficiaries

There are no official sources to calculate, exactly, how many people will benefit from this Minimum Salary increase. Still, according to certain studies, more than 500,000 workers are receiving direct aids which are equivalent to it. These workers are mainly young people and immigrants.

Development

It is currently in force. It was approved of by virtue of Royal Decree 2128/2008, dated 26 December, whereby the minimum salary for 2009 was established.

Further information

<http://www.boe.es/boe/dias/2008/12/30/pdfs/A52429-52430.pdf>

***Increase of the scholarships to guarantee access to education**

The Government will increase by 6% the annual budget for scholarships in 2009 in order to guarantee equal opportunities, devoting up to 1,281 million Euros to this. Thus, the maximum income limits to obtain a scholarship and, therefore, more families will benefit from this policy. Students meeting the requirements to obtain a scholarship will be granted the corresponding aid, because no limits have been set with regards to the number of scholarships to be granted. This year, the maximum income limits to be granted a scholarship will increase by 13.5% minimum as compared to the previous year; the limit will increase up to 62% in the case of “basic scholarships” for upper secondary school students. Besides, the Erasmus grants for university students intended to promote international mobility will increase by 10% in 2009; and the total budget set aside for these actions will amount to 66 million Euros.

Beneficiaries

Schooling costs for both students and their families will be reduced. This scholarship policy is aimed at providing 50% of secondary students and 30% of university students with aids.

Development

It is currently under development. The item was approved of in the General State Budgets for 2009.

Further information

[Information for students and undergraduates](#)

[Information for graduate students](#)

***Ongoing development of the System of Attention to Dependence**

On December 2006 the Law for the Promotion of Personal Autonomy and attention to dependent people (the so-called Dependence Act) was approved of and it became the

fourth pillar of the Welfare State, after universal health care provision, pensions and education. This Law contemplates the creation of the System for Autonomy and Attention to Dependence (SAAD), which will come into force by 2015. It is aimed at meeting the requirements of dependent persons, providing them with high-quality public health care, and its sole access criteria will be the degree of dependence. Apart from financial aids for caretakers, the System of Attention to Dependence gives pre-eminence to the provision of services (help at home, day and night care centres, tele-health care and rooms at homes for dependent people). In 2009, the Autonomous Regions will receive 1,159 million Euros to develop the Dependence Act, plus an additional investment of 400 million Euros from the special State fund for the stimulation of economy and employment. These additional funds will be invested in consolidating and improving the existing services, in creating more rooms at homes for dependent people, in enhancing caretaking services and in providing professional training.

Beneficiaries

Dependent people and their families. In 2008, nearly 450,000 dependent persons (suffering from severe dependency or from moderate 2nd level dependency) in the whole of the Spanish territory benefited from financial aids or were provided with social services thanks to this programme. In 2009, according to the agenda for the implementation of this Law, people suffering from severe 1st level dependency will also benefit from this programme. Besides, the System of Attention to Dependence will enhance the economic activity and create jobs in the social services' sector.

Development

It is currently under development. An extraordinary fund totalling to 400 million Euros was approved of by virtue of Royal Decree 9/2008.

Further information

<http://www.saad.mtas.es/portal/>

Telephone no.: 900 40 60 80