

“BECKHAM LAW”

Special Tax Regime applicable to workers posted to Spanish Territory

FAQs**1. What is the "Bechkam" regime?**

It is a tax benefit, for highly paid workers, that allows them to limit the fixed taxation to 24%, instead of applying the variable rate which can be as high as 47%.

2. How much do I save?

The main criterion is the gross annual salary, although it must then be specified according to personal situation, marital status, number of children, etc. (see point 8). Even so, we can make a comparison for a single worker, without children, on the basis of annual salary.

	Annual Salary	Normal Regime	Beckham Regime	Savings
Single, childless employee (approx.)	48.000 €	24%	24%	0 €
	60.000 €	27%	24%	1.602 €
	70.000 €	29%	24%	3.458 €
	80.000 €	31%	24%	5.512 €
	90.000 €	32%	24%	7.542 €

This means that from €48,000 per year, the savings are considerable.

3. What are the requirements to be met?

Not being a tax resident in Spain, not having been a tax resident in the last 5 years and being in any of the following situations:

- a) Workers with an employment contract.
- b) Digital nomads.
- c) Administrators of a Spanish commercial company, with certain limitations.
- d) Entrepreneurs.
- e) Highly qualified professionals.

4. How do I get it, is there a deadline?

You must apply in writing, within 6 months of taking up residence in Spain. Approval takes between 6 and 8 weeks. Benefits apply only after express approval.

5. For how long does the scheme apply?

The regime will apply for the year in which you acquire tax residence and the following 5 years. During those years you will have to file certain annual returns, remember.

6. What are the tax benefits of the scheme?

Workers who opt for the scheme will enjoy the following benefits:

- 1) Salaries will be taxed at 24% up to €600,000. Above that amount the tax rate will be 47%.
- 2) Gains obtained outside Spain will not be taxed in Spain.
- 3) It is not compulsory to file Form 720.
- 4) Wealth tax in Spain is limited to assets located in Spain that exceed a certain value (e.g. real estate located in Spain worth more than 2,000,000 Euros).

7. What if I am married, what if I have children, from what salary level should I opt for the Beckham scheme?

It depends on:

- i) marital status,
- ii) the income of the spouse living in Spain,
- iii) the number of children and
- iv) the annual salary.

In general terms, the income level for the most common assumptions are as follows:

	Children	Minimum wage
* Single. * Widower. * Married, but the spouse does not reside in Spain. * Married, spouse is resident in Spain and earns income.	0	48.000,00 €
	1	50.000,00 €
	2	52.000,00 €
	3	55.000,00 €
	4	58.000,00 €

In all these cases, if the worker has 2 dependent children living with him/her in Spain, he/she must receive a gross salary of more than €52,000 per year in order to be eligible for the Beckham scheme.

However, if the worker is married, the spouse resides in Spain and does not earn income, the figures are somewhat higher, the amount of the gross annual salary from which the scheme is of interest increases slightly.

In this case, with two dependent children, the scheme is only of interest from 59,000 euros gross per annum.

Married, spouse resides in Spain and earns NO income	Children	Minimum wage
	0	51.500,00 €
	1	55.000,00 €
	2	59.000,00 €
	3	65.500,00 €
	4	72.000,00 €

8. Does the regime apply to the remaining members of the family?

Yes, with certain particularities.

Applies to:

- o Children under 25 years of age,
- o Children with disabilities, without age limit.
- o To the legally married spouse.
- o Provided there are joint children, to the other parent.

- The general requirements are:

- o Who move to Spain at the same time as the worker or in the first year of their posting..
- o They acquire tax residence in Spain.
- o They are not resident for tax purposes in Spain and have not been so in the last 5 years.

In addition, the income of family members must meet certain requirements, including that it is considered to be obtained through a Permanent Establishment, and that the income of the remaining family members does not exceed that of the worker himself, among others.

9. Do family members have to go through any formalities?

Yes, family members must also opt in by submitting their own dossier.

10. I am interested, can Cigarrán help me?

Yes, of course. Please contact us. taxes@cigarran.com