

## **Spain: Pension reform promotes solidarity and sustainability.**

March 2023

The Spanish government has reached an agreement with UGT and CCOO on a reform of the pension system. It is part of a line of reforms born in the framework of the social dialogue and a Pact on Social Security.

The unions find the reform very positive and progressive, with increased pensions, especially minimum pensions, and a more sustainable financial base in the medium and long term. The agreement was adopted by a parliamentary majority, against which the right, the extreme right, the employers, and some nationalist trade unions expressed their opposition.

The main elements of the reform are:

- A solidarity quota on contributions for the highest salaries
- Pensioners may choose between 25 years of contributions, as currently, or 29 years with the possibility of deducting two, meaning 27.
- Steps to reduce the gender gap in pensions.
- Maximum pensions will be revalued year by year.
- A path for raising minimum pensions to ensure conversion with 60% of median income.

The reform was also agreed with Brussels. Consequently, European funds were unblocked for Spain.

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