

Financing adult learning database

Name of the instrument - Local language	Pacto de permanencia
Name of the instrument - English translation	Permanence pact
Scheme ID	263
Country	 Spain
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible with no explicit limitations
Type of entry	Single instrument
Short description	Following the Spanish Workers' Statute (article 21), employers and employees can agree on a payback clause. Thus, in compensation for employer-provided/financed training, employees and employers may sign a written agreement where the employees commit themselves to stay in the company for an agreed period (but no longer than 2 years). If the employee leaves the company before the agreed time, the employer is entitled to compensation for damages.
Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Workers' Statute ('Estatuto de los Trabajadores'), 1980
Objective(s) and target(s)	The objective of the permanence pact is to protect the employer when he/she has provided and/or financed training for the employee, in case the employee leaves the company before the period of time agreed between

	the two of them.
Year of implementation	1980
Operation/management	The permanence pact is a private agreement signed in written form between the employer and the employee. The Workers' Statute (main Spanish law regulating labour relations) regulates this measure very limitedly, so, in practice, it just depends on employers' and employees' personal interests.
Eligible group(s)	All employers and employees are eligible. That is, employees who have received training provided/financed by the employer.
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	According to legal provisions, training provided to the employee must be understood as professional specialisation, aimed at launching particular projects or carrying out specific work. In practice, this means that training cannot be just ordinary training, but singular training which causes extraordinary costs to the employer, and which provides the employee with higher opportunities to find a job than other work colleagues. Also, the employer should suffer a real negative impact due to the departure of the employee.
Source of financing and collection mechanism	The permanence pact is based exclusively on a private agreement between employer and employee
Financing formula and allocation mechanisms	The permanence pact is based exclusively on a private agreement between employer and employee. So it depends on each individual agreement between employer and employee.
Eligible costs	The legal framework does not provide details on this. The permanence pact is based exclusively on a private agreement between employer and employee. Each situation may be different.
Volumes of funding	There is no information on the number of beneficiaries or take-up of the permanence pact. In practice, the permanence pact is generally signed with managers or employees with high promotion prospects and accessing managerial positions. Also, it is more common in knowledge intensive and strategic sectors.
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	https://www.boe.es/buscar/pdf/1995/BOE-A-1995-7730-consolidado.pdf
Recent changes	No recent amendment Recent changes in response to COVID-19

	No changes
Sources	Law on Worker's Statute (Art. 21), https://www.boe.es/buscar/pdf/1995/BOE-A-1995-7730-consolidado.pdf https://www.boe.es/buscar/act.php?id=BOE-A-2015-11430