

Tax - Payroll Guide - Free shares / RSU

Spain	
Tax points	<p>Grant: No Personal Income Tax (PIT). No social security.</p> <p>Vesting: No PIT. No social security.</p> <p>Transfer to participant: PIT (remuneration-in-kind) and social security at the moment of the delivery of the shares based on the market value of the shares at the taxable moment.</p> <p>Sale by participant: PIT (capital gain) on the difference between the sale value of the shares and the market value at the moment of the delivery. No social security.</p>
Income tax (maximum rate)	54% in the Valencian Community (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	<p>The marginal tax rate for an individual depends on the autonomous region where the taxpayer habitually resides. Currently (2025), the maximum marginal rate in Madrid is 45%, in Catalonia the maximum marginal rate is 50% and, in the Valencian Community, the maximum marginal rate is 54%.</p> <p>The Spanish state PIT withholding rates currently range from 19% to 47%. The amounts withheld and paid to the Treasury by the employer are an advance payment of the employee's final PIT liability, which can be lower or higher, depending on the tax rate in the region where the employee resides.</p> <p>The difference between the amount withheld by the employer and the final tax liability to be paid by the employee or to be refunded by the tax authorities, if the amounts withheld are higher than the employee's final tax liability, is settled by the employee through the filing of a tax return in April to June of the following year.</p>
Employer income tax withholding	Yes
Employer social security withholding	<p>Yes</p> <p>Employee social security.</p> <p>Employer social security.</p> <p>Employer must withhold the employee contribution and pay both employer and employee contributions to the Spanish social security authorities (General Social Security Treasury).</p>
Employee social security	<p>Employee social security (max rate): 6.47%</p> <p>Employee social security (cap): the maximum amount which is subject to social security contributions each month is EUR4,909.50 (applicable for 2025).</p>

Tax - Payroll Guide - Free shares / RSU

	<p>As of January 2025, an additional social security contribution will apply to remuneration above the maximum social security contribution base, called "Solidarity quota" (<i>Cuota de solidaridad</i>). This quota will increase progressively until 2045. By 2045 the quota will be: 5.5% for the excess up to 10% of the maximum social security contribution base (First Tranche); 6% for the excess between 10% and 50% of the maximum social security contribution base (Second Tranche); and 7% for the excess beyond the 50% of the maximum social security contribution base (Third Tranche). In relation to each tranche, the employee will pay 16.6% of the additional cost.</p> <p>For 2025, the percentages for each tranche will be:</p> <ul style="list-style-type: none"> • 0.92% for the First Tranche; • 1% for the Second Tranche; and <p>1.17% for the Third Tranche.</p>
Employer social security	<p>Employer social security (max rate): approximately 32% (30.5% social security contribution plus a variable rate for occupational accidents and professional illness, which depends on the particular sector/industry in which the company operates).</p> <p>Employer social security (cap): the maximum amount which is subject to social security contributions each month is EUR4,909.50 (applicable for 2025).</p> <p>As of January 2025, an additional social security contribution will apply to remuneration above the maximum social security contribution base, called "Solidarity quota" (<i>Cuota de solidaridad</i>). This quota will increase progressively until 2045. By 2045 the quota will be: 5.5% for the excess up to 10% of the maximum social security contribution base (First Tranche); 6% for the excess between 10% and 50% of the maximum social security contribution base (Second Tranche); and 7% for the excess beyond the 50% of the maximum social security contribution base (Third Tranche). In relation to each tranche, the employer will pay 83.4% of the additional cost.</p> <p>For 2025, the percentages for each tranche will be:</p> <ul style="list-style-type: none"> • 0.92% for the First Tranche; • 1% for the Second Tranche; and <p>1.17% for the Third Tranche.</p>
Tax reporting - Individual	<p>An employee is required to file an annual tax return.</p>

Tax - Payroll Guide - Free shares / RSU

	<p>There is no specific filing in relation to equity related incentives. Such income will be included in the Annual PIT Return as remuneration-in-kind, capital gain or savings income.</p> <p>Report name:</p> <ul style="list-style-type: none"> • Annual PIT Return (Form 100); • Wealth tax (if applicable) is reported on Form 714 for both tax residents and non-tax residents in Spain; and • Tax on Large Fortunes (if applicable) is reported on Form 718 for both tax residents and non-tax residents in Spain. <p>Tax forms can be downloaded from the Spanish Tax Authorities' website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: 30 June for both Form 100 and Form 714, and 31 July for Form 718. The return must be filed between April and the end of June or July (as applicable) of the year following the year during which the employee receives the income.</p> <p>The employee may also be required to file Form 720 regarding assets held outside of Spain, if the value of each asset type (shares, insurance, annuities and cryptocurrencies) is at least EUR50,000. Subsequent declarations are required if the value of a group of assets increases by more than EUR20,000 or the assets are sold or cancelled. This tax form can be filed electronically through the Spanish Tax Authorities' website here, between 1 January and 31 March following the end of each tax year, in general terms.</p> <p>Payment of tax: any unpaid income tax, capital gains tax and dividend tax, must be paid by the date of filing the tax return. Withholdings that have been (or should have been) made by the employer may be deducted from the PIT due.</p>
Tax reporting - Employing company	<p>The employer must report the employees' incentive related income but the filing covers all employee benefits and remuneration and is not specific to equity related incentives.</p> <p>Withholding returns and social security payments must be filed on a monthly or quarterly basis.</p> <p>Report name: PIT withholding tax return (Form 111 and Form 190). Other tax forms and information can be downloaded from the Spanish Tax Authority website here.</p> <p>Reporting deadline: the employer is obliged to declare the withholdings/payments on account of the employee's PIT on a monthly or quarterly tax form (Form 111) within the first 20 days of the</p>

Tax - Payroll Guide - Free shares / RSU

	<p>month following the end of the corresponding quarter/month. The company is also obliged to file an annual summary form (Form 190) by 31 January detailing all the withholdings and payments on account made regarding its employees in the previous year.</p> <p>Payment of tax: withheld tax and social security contributions are paid at the same time that the monthly report is filed.</p>
Malus and clawback - Tax points	<p>The existence of a malus or clawback clause does not affect the tax point for the individual.</p>