

LEGAL NEWS

Labour reform on permanent disability

May 2025

The Official State Gazette (BOE) of April 30, 2025 has published Law 2/2025, of April 29, which amends both the Revised Text of the Workers' Statute and the General Social Security Law, introducing significant changes regarding permanent disability. This reform promotes labour inclusion and non-discrimination by modifying the current legal framework for managing disability-related situations in the workplace.

The law will enter into force on May 1, 2025.

Key Updates:

1. Elimination of automatic termination of employment in cases of permanent disability

From now on, **employment contracts will no longer** be automatically terminated when a worker is declared in a situation of **total**, absolute, or severe permanent disability (formerly "great invalidity").

Termination will only be permitted if:

- **Reasonable adjustments** cannot be made due to disproportionate burden on the company.
- No suitable vacant position is available for reassignment.
- The **employee rejects a compatible position** offered by the company.

2. Obligation to implement reasonable adjustments

Companies are required to **adapt the employee's role** to their new circumstances, provided such adjustments **do not impose an excessive burden**. When assessing this, the following will be considered:

- The **size** of the company
- The resources available
- Any applicable public support or subsidies







3. Timelines and procedure

- The **employee has 10 calendar days** from the notification of permanent disability to express their wish to maintain the employment relationship.
- The company has 3 months to implement the adjustments or reassign the worker to a suitable position. If neither is possible, the contract may be lawfully terminated.

4. Changes to the General Social Security Law

Article 174 of the General Social Security Law is amended to align the economic effects of temporary and permanent disability with the new rules introduced in the Workers' Statute.

5. Priority in legal proceedings

Legal proceedings relating to the termination of contracts due to permanent disability will be classified as urgent and given priority handling.

6. Inclusive language update

The term "great invalidity" is officially replaced with "severe disability", promoting a more inclusive and respectful terminology.



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