

New measures related to simplified lay-offs and the extraordinary training plan

[Decree-Law n° 27-B/2020, dated June 19](#), has been approved, embodying certain provisions of the Program for Economic and Social Stabilization ([Programa de Estabilização Económica e Social](#)) (PEES). The main subjects it includes are as follows:

Simplified lay-offs

- a. Possibility of extending the simplified lay-off (simplified LO) regime until July 31, 2020 for companies that have already used it and have reached the maximum renewal limit by June 30, 2020.
- b. Those companies and establishments that are subject to the duty of closing facilities and establishments through a Government administrative or legal order may continue to access or maintain the simplified LO regime.
- c. Application of the current simplified LO regime to those companies that have not yet accessed this regime, which can only submit their initial application up to June 30, 2020, with the possibility of a monthly extension up to a maximum of 3 months, i.e. up to September 30.

Stabilization supplement

- d. Those employees whose base salary in February 2020 was equal to or less than twice the minimum guaranteed monthly salary (in mainland Portugal, €1,270) and who, between the months of April and June 2020, have been covered for at least one full calendar month by the lay-off regime (whether traditional or simplified), are entitled to a stabilization supplement.
- e. The stabilization supplement will be equivalent to the greater difference between the amount of the base salary declared in February 2020 and that referring to the full calendar month covered by the simplified LO, with a minimum limit of €100 and a maximum limit of €351.
- f. Payment of this financial assistance is made by the Social Security automatically without any other participation by the employer company.
- g. This is financial assistance paid on one single occasion, in July, taking into consideration the figures for salaries provided up to July 15, 2020.

Extraordinary incentive for the return to standard business activity

Despite this incentive having its origins in [Decree-Law n° 10-G/2020, dated March 26](#), the Government has provided it with a new context.

This is an incentive which still depends on further regulation by the Government, which is expected to be published in the coming weeks. We know, however, that it will be granted by the Portuguese Institute for Employment and Vocational Training (Instituto de Emprego e Formação Profissional) (IEFP), and is incompatible with assistance for a gradual return to work under the PEES (see further details below).

As an initial requirement, this incentive is only open to those companies that have benefitted from the simplified LO regime or the extraordinary training plan (plano extraordinário de formação) (PEF) established under [Decree-Law n° 10-G/2020, dated March 26](#). Within this context, the incentive is separated into two formats, at the choice of the employer company:

1. Support for the amount of one minimum guaranteed monthly salary (retribuição mínima mensal garantida) (RMMG) - in mainland Portugal, €635 -, paid on one single occasion, per employee that was covered by the simplified LO or the PEF;
2. Support for the amount of two RMMGs (in mainland Portugal, €1,270), paid in installments over six months, per employee that was covered by the simplified LO or the PEF.

The two formats have features in common and others that differ, as summarized in the table below.

Format	How to calculate the specific financial support?	Integrated social security contribution (Taxa Social Única) (TSU) during the incentive: benefits and duties	Duties of the employer
<p>Incentive of 1 RMMG per employee covered, paid on one single occasion</p>	<ol style="list-style-type: none"> 1. Concept of covered employee: if the simplified LO or PEF lasts more than one month, this concept is equivalent to the simple arithmetical average of the number of employees covered for each month the simplified LO or PEF applies. 2. When the period that the simplified LO or PEF applies is less than one month, the amount of this incentive is reduced proportionally. 	<p>No benefits on this level.</p>	<ol style="list-style-type: none"> 1. <u>During the period this incentive is granted and for the 60 following days:</u> the employers may not terminate any employment contracts under a collective dismissal, dismissal due to extinction of the work position or dismissal due to unsuitability, nor commence the respective proceedings; 2. <u>During the period this incentive is granted:</u> the employer must keep Social Security and Tax Authority contributions and tax payments up to date. <p>Any breach of these duties will involve the immediate termination of the financial support and the return or payment of any amounts already received or exempted.</p>

Format	How to calculate the specific financial support?	Integrated social security contribution (Taxa Social Única) (TSU) during the incentive: benefits and duties	Duties of the employer
<p>Incentive of 2 RMMGs per employee covered, payment through installments over 6 months</p>	<ol style="list-style-type: none"> 1. Concept of covered employee: if the simplified LO or PEF lasts more than one month, this concept is equivalent to the simple arithmetical average of the number of employees covered for each month the simplified LO or PEF applies. 2. When the period that the simplified LO or PEF applies is less than three months, the amount of this incentive is reduced proportionally. 	<p><u>Standard benefit</u></p> <p>Partial exemption of 50% of the Social Security contribution payments charged to the employer company (partial exemption) in respect of those employees covered by the simplified LO or PEF.</p> <p>Which employees are covered by the partial exemption?</p> <ol style="list-style-type: none"> 1. When the simplified LO has lasted more than 30 days, the partial exemption mentioned above applies to those employees covered in the last month of application of the simplified LO; and 2. If the last month of application of the simplified LO corresponds to July 2020, the employees are considered to be covered by the simplified LO of the immediately previous month. <p>How long does the partial exemption last?</p> <ol style="list-style-type: none"> 1. If the simplified LO or PEF lasts up to one month (inclusive), the partial exemption will take place in the first month of the grant of this incentive; 2. If the simplified LO or PEF lasts more than one month but less than three, the partial exemption will take place in the first two months of the grant of this incentive; 3. Se simplified LO or PEF lasts three or more months, the partial exemption will take place in the first three months of the grant of this incentive. 	<ol style="list-style-type: none"> 1. <u>Durante o período de concessão deste incentivo e nos 60 dias subsequentes:</u> <ul style="list-style-type: none"> • os empregadores não podem fazer cessar os contratos de trabalho ao abrigo do despedimento coletivo, despedimento por extinção do posto de trabalho ou despedimento por inadaptação nem mesmo iniciar os respetivos procedimentos; • o empregador deve manter o nível de emprego observado no último mês de aplicação do LO simplificado ou do PEF. Caso este último mês corresponda a julho de 2020, deverá considerar-se o mês imediatamente anterior de aplicação do LO simplificado ou do PEF. 2. <u>Durante o período de concessão deste incentivo:</u> o empregador deve manter as situações contributiva e tributária regularizadas perante a Segurança Social e a Autoridade Tributária e Aduaneira. <p>Any breach of these duties will involve the immediate termination of the financial support and the return or payment of any amounts already received or exempted.</p>

Format	How to calculate the specific financial support?	Integrated social security contribution (Taxa Social Única) (TSU) during the incentive: benefits and duties	Duties of the employer
Incentive of 2 RMMGs per employee covered, payment through installments over 6 months (continued)		<p><u>Extra benefit</u></p> <p>Total exemption from Social Security contribution payments charged to the employer company (total exemption) when there is net job creation through the execution of permanent employment contracts (i.e. employment contracts with no fixed termination date), within the three months following the end of the grant of this incentive.</p> <p>What does net job creation consist of? This means that the employer has more employees than the number observed, on average, in the same three months.</p> <p>Total exemption only refers to those jobs created on net terms through permanent employment contracts.</p> <p>In return, the employer is obliged to maintain the level of employment reached for a period of 180 days.</p>	

Cumulative (or non-cumulative) and sequential support measures

[Decree-Law n° 27-B/2020, dated June 19](#) produces a set of rules as regards the possibility of accumulating support measures, and the sequencing associated with certain measures:

1. Impossibility of benefitting simultaneously from the support established under [Decree-Law n° 10-G/2020, dated March 26](#) (in particular the simplified LO) and the support for a gradual return to work established under the PEES, the published details of which may be found [here](#);
2. Possibility of request support for a gradual return to work after the end of the simplified LO regime;
3. Possibility of using the traditional lay-off regime established under articles 298 et seq. of the Portuguese Labour Code, after the end of the application of the simplified LO regime, without being subject to the restricting regulation established under article 298-A of the Portuguese Labour Code;
4. The employer making use of the extraordinary incentive for the return to standard business activity may not request the financial support for a gradual return to work established under the PEES, the published details of which may be found [here](#).