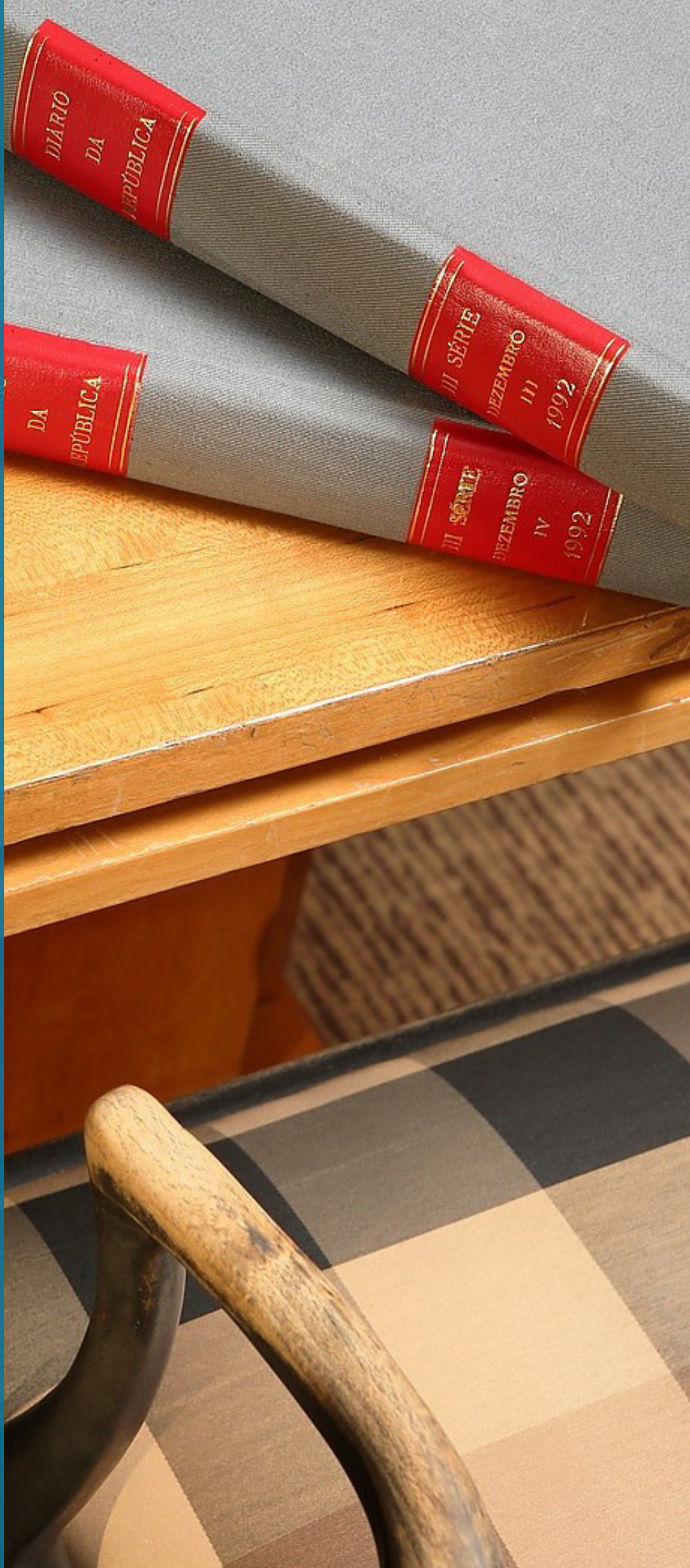


DINIS
LUCAS
&
ALMEIDA
SANTOS

SOCIEDADE DE ADVOGADOS SP, RL
BOUTIQUE LAW FIRM

NewsLetter

18.03.2020



18.03.2020

Extraordinary measures in response to the new coronavirus epidemic

Simplified Layoff

Allocation of immediate extraordinary, temporary and transitory support to workers and employers affected by the outbreak of the COVID-19 virus, in order to maintain jobs and mitigate corporate crisis situations.

In acknowledgement of the exceptionality of the situation and emergency triggered by the outbreak of COVID-19, the Government has approved a set of extraordinary and temporary measures for workers and employers affected by the outbreak of the COVID-19 virus, in order to support the maintenance of jobs and mitigate corporate crisis situations.

It is settled **four extraordinary measures** of immediate support to workers and enterprises:

1. Extraordinary support for maintaining employment contracts in companies experiencing a business crisis, with or without training;
2. Creation of a special training plan;
3. Temporary exemption from the payment of Social Security contributions by the employer;
4. Special financial support for the normalization of the company's activity.

18.03.2020

- 1. The extraordinary support for maintaining employment contracts in companies experiencing a business crisis aims**, essentially, to provide a fast and immediate response to the urgent need to support the maintenance of employment in companies especially affected by the outbreak of the VOCID-19 virus.

This measure is inspired by the existing Layoff system, both in terms of structuring and in terms of means and amounts of payment, but differs precisely because it **does not imply the suspension of employment contracts and defines a simplified procedure.**

This is an exceptional measure, with a faster process, in order to ensure that is applied within a very short period of time between the employer's request and the granting of support, thus achieving, in time and manner, the purpose of preventing the immediate risk of unemployment and the maintenance of jobs.

This new and temporary measure allows the companies in a business crisis due to:

- a) Total shutdown of the activity of the company or establishment that result in the interruption of global supply chains, suspension or cancelation of orders; or
- b) Sharp drop of at least 40% of the invoicing in the 60 days before submitting the request before the Social Security with reference to the corresponding period of the previous year or, to whom has open activity for less than 12 months at that average period.

These circumstances are proven by a declaration of the employer together with a certificate from the company's certified accountant.

Entities receiving this support may be supervised at any time by the competent public authorities, and must prove the facts on which the application and its renewals are based.

18.03.2020

The proof referred in the previous paragraph shall be provided by documentary evidence and it may also be required the presentation of other documents, namely:

- a)** Balance sheet referring to the month of the support as well as the balance sheet for the corresponding month of the previous year;
- b)** Value Added Tax (VAT) declaration for the month of the support as well as the two immediately preceding months, or the declaration for the last quarter of 2019 and the first quarter of 2020, depending on whether the applicant is in monthly or quarterly VAT regime respectively, which shows the intermittence or interruption of the supply chains or the suspension or cancellation of orders;
- c)** Additional evidence to be determined by order of the member of the Government for Labour and Social Security.

In order to have access to the measures foreseen in this order, the employer must prove to have no debts before the Social Security and the Tax and Customs Authority.

The employer shall communicate, in writing, to the workers the decision to request extraordinary support for the maintenance of the workstations, indicating the foreseeable duration, (after hearing the union representatives and the workers' commissions, if any), immediately referring the request to the Instituto da Segurança Social, I.P. (ISS, I. P.), accompanied by the employer's declaration and certificate from the company's certified accountant, as well as the nominative list of the workers covered and their social security number.

This measure results in a financial support equal to 2/3 of the gross remuneration of the employee, up to a maximum of 3 minimum monthly guaranteed remunerations "RMMG" ((euro) 1905), being 70 % guaranteed by the Social Security and 30 % by the employer, with a duration of one month.

This support may, exceptionally, be extended on a monthly basis up to a **maximum of 6 months**.

In addition to the above mentioned support there is a training grant, on the same terms as planned in accordance with Article 305(5) of the Labour Code, in the amount of 30% of the Social Support Index (IAS) ((euro) 131.64), being half for the employee and the other half for the employer ((euro) 65.82). The grant and training costs will be supported by the IEFP, I. P.

18.03.2020

2. Another additional measure is the creation of a **special training plan**, especially designed for those situations where the company and/or its workers are covered by a decision of the authority health, under the terms of Article 5 of Decree-Law No. 82/2009 of 2 April, however, without covering all workers, but nevertheless still makes impossible for the company or establishment to operate properly.

This measure involves an extra support to be granted to each worker by the IEFP., I.P., with reference to the hours of training attended, up to a limit of 50 % of the gross remuneration, which may not exceed the amount of the RMMG.

3. The employers who benefit from the measures set out in this Order are entitled to full exemption from the payment of social security contributions payable by the employer in respect of the workers involved and members of statutory bodies for the duration of the measures.

The exemption refers to the contributions related to the remuneration of the months in which the company is a beneficiary of the measures.

Employers shall submit individual remuneration statements for the employees concerned and shall pay their contributions.

4. **An extraordinary financial incentive** was also created to support the normalisation of the company's activity, in the amount of one RMMG per worker, paid for only one month, in order to support companies, which are no longer limited in their capacity to operate, need support in the first stage of a return to normality in order to prevent the risk of unemployment and the maintenance of jobs in companies that have been in business crisis as a result of the outbreak of COVID-19.

18.03.2020



Associate Lawyer

cristiana.sobreiro@dlas.pt



Associate Lawyer

sandra.tavares@dlas.pt

A ser distribuída e consultada por Clientes e Colegas e a informação nela contida é prestada de forma geral e abstracta, não dispensando assistência profissional qualificada e apreciação casuística. O contexto da presente não pode ser reproduzido, no seu todo ou em parte, sem a expressa autorização do autor. Para qualquer esclarecimento adicional sobre este assunto contacte-nos: geral@dlas.pt