

Employment Headlines – october

NGA Lawyers monthly newsletter on Employment matters

Legislation

Dispatch no. 10077-A/2021 of 15 October - Extends the deadline for replacement of the level of employment provided for in Dispatch no. 8148/2020, of 21 August

In the context of measures to support companies, due to the impact of Covid-19, the Executive published Order No. 10077-A/2021, which entered into force on October 16, with effects from 1 February 2020.

The Diploma now grants an additional period until the month of December 2021 to restore the level of employment. This measure pretends to help the companies that had not yet been able to comply with this requirement in order to have access to public financial support, executed by the IAFP, I.P.

Highlights

State Budget 2022 voted down: Labor Measures on hold

Given the current political situation, on account of the rejection in the State Budget for 2022 and the foreseeable dissolution of the Assembly of the Republic, several diplomas and labor proposals are now in stand by.

The Government's legislative initiatives, despite approval by the Council of Ministers (such as the **Decent Work Agenda**), expire if the Parliament is dissolved by the President of the Republic.

However, as most legislative proposals were not passed in generality by National Parliament, it is likely that will not materialize. Here are some of the measures that could come to a halt:

- extension of compensation to 24 days a year upon the termination of a fixed or unfixed term employment agreement;
- replacement of overtime payment amounts in force until 2012 from 120 hours per year (first hour on business days: 50% increase; from second hour: 75%; rest days and holidays: 100%) Until 120 hours, current regulation is maintained;
- extension of the suspension of the expiry of collective agreements;
- extend the principle of the most favorable treatment to situations of telework and platforms work , and
- salary increase of 0.9% for civil servants.

However, there are exceptions. In particular, measures that fall under the exclusive competence of the Government or that have already been approved in generality, for example:

- The update of the minimum wage to 705 € (which is defined by Government Decree-Law);
- The increase in pensions, since the law provides for an automatic mechanism to increase pensions according to a formula that includes the economy's growth and inflation. This increase will be safeguarded. However, an autonomous decree will be necessary.

It should also be noted that on October 29, the government published the proposal to amend labor legislation in the scope of the **Decent Work Agenda** in the Boletim do Trabalho e Emprego (Labor and Employment Bulletin), in accordance with article 472 (1) (b) and article 473 (1) of the Labor Code. It is now available for public review.

Inês Coelho Simões

Partner

ines.simoese@nga.pt

José Nuno Alves

Trainee Lawyer

jose.alves@nga.pt