

Employment Flash News of the day

Compensation of Companies for the increase in the minimum wage

Decree-Law 109-B/2021 was published last Wednesday, December 7, providing for the attribution to employers of a cash subsidy corresponding to a fixed amount per worker earning the minimum monthly guaranteed remuneration (RMMG).

This exceptional compensation measure aims to mitigate the financial burden that the increase of the RMMG to 705 euros, effective from 1 January 2022, represents in the current economic environment for companies.

The value of the compensation will differ according to the situation.

Thus:

- The subsidy has a value of 112 euros per worker who, in the remuneration statement for the month of December 2021, earns the RMMG that was in force in 2021, i.e. 665 euros;

- The compensation per worker, in the pay statement for December 2021, earning between EUR 665 and EUR 705 will correspond to 50% of the EUR 112, i.e. EUR 56 per worker, and
- The company will also be entitled to the 112 euros for each worker who, on the remuneration statement for December 2021, earns between 665 and 705 euros, where this amount was provided for in a revised/amended collective bargaining agreement, provided that in December 2020 the worker was receiving less than the RMMG.

To be entitled to this aid, companies must register by 1 March 2022, date from which the right to the cash subsidy expires.

Companies must register in the electronic system provided by IAPMEI or Turismo de Portugal, depending on the respective CAE.

Payment is made within 30 days of the deadline and, at the time of payment, companies must have their tax and social security affairs in order.

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