



## **COVID-19**

### **Legal Insights no. 34**

Exceptional measures for social protection  
within the COVID-19 Crisis

**COVID-19 | Decree-Law no. 20-C/2020, which establishes exceptional social protection measures, within the COVID-19 pandemic.**

**Legal Insight n.º x**

Decree-Law no. 20-C/2020 was recently enacted, establishing exceptional social protection measures, and extending the extraordinary support measures to the members of the corporate bodies of legal entities with management duties, when those legal entities have employees at their service, and to self-employed workers who were not covered by the previous measures, either due to not having a social security contribution obligation or due to not fulfilling the requirements to access the initial extraordinary measures.

With regards to unemployment benefits, the existing guarantee periods have been reduced in half.

**Temporary measures to increase the unemployment protection**

Regardless of their age or the duration of their social security contribution, **employees are eligible to the initial unemployment benefits** if they have:

- a) **90 days of employment**, with the corresponding remuneration record, within the period of 12 months immediately preceding the date of unemployment, for whom a period of benefits of 90 days shall be granted;
- b) **60 days of employment**, with the corresponding remuneration record, within the period of 12 months immediately preceding the date of unemployment, in cases where the unemployment occurred due to the expiry of the fixed-term employment contract or due to the termination of the employment contract by the employer during the experimental period, for whom a period of benefits of 60 days shall be granted;

**Extraordinary assistance concerning the decrease of business activity of self-employed workers**

The circumstances that led to the decrease of the business activity of self-employed workers or **directors** of private companies by quotas («*sociedades por quotas*») and members of corporate bodies of foundations, associations or cooperatives with equivalent duties, that (i) are exclusively subject to the general social security regime in such capacity, (ii) perform their duties in a single entity, (iii) **regardless of having employees or not** and (iv) **in the previous year reported a turnover, through E-fatura, below € 80.000,00**, are verified: by statement of the individual under commitment of honor, and for self-employed workers under the organized accounting regime, as well as for directors or equivalent of entities under the organized accounting regime, by certification issued by a certified accountant.

The aid provided to self-employed workers and directors shall have a minimum amount of € 219,41.

For those cases where the business activity has been suspended or closed due to the general shutdown of such activity or the activity of the corresponding sector, as a result of Covid-19, the extraordinary aid is conditional on the resuming of the business activity within a term of 8 days.

### **Deferral of the payment of contributions**

Self-employed workers covered by the extraordinary aid concerning the decrease of business activity regime have the right to the deferral of the payment of contributions which would have been due during the months in which the extraordinary aid was granted.

**The deferral of the payment of contributions shall be applicable to the employer** in situations where the aid is granted to directors of private companies by quotas («*sociedades por quotas*») and members of the corporate bodies of foundations, associations or cooperatives with equivalent duties, which are exclusively subject to the general social security regime in such capacity and perform such duties in a single entity that reported below € 80.000,00 in the previous year.

This measure shall take effect since **7 of April of 2020**.

### **Extraordinary measure to stimulate professional activity**

The extraordinary measure to stimulate the professional activity consists of a financial aid for workers who were exclusively covered by the self-employed regime in March of 2020, and were within one of the following circumstances:

- a) proven situation of a total shutdown of the activity or the activity of the corresponding sector, as a result of COVID-19; or
- b) situation of an abrupt and severe decrease of at least 40% of the turnover in the 30 day period preceding the date of submission of the request before social security services, in comparison to the monthly average of the 2 months prior to such period, or to the equivalent period in the previous year, or the average of the relevant period for those workers who initiated their activity less than 12 months ago;

And, in addition:

- have initiated their business activity more than 12 months ago and are not subject to the contribution obligation in at least 3 consecutive months or 6 interpolated months, for at least 12 months; or
- have initiated their business activity less than 12 months ago; or
- are exempt from the payment of contributions, in accordance with the provisions of Article 157 (1) (d) of the Social Security Contribution Regimes Code.

This aid has a duration of one month, renewable for additional periods of one month up to 3 months, and is limited to the maximum amount of € 219,41 and limited to the minimum amount equivalent to the lowest of the minimum base value for contributions.

### **Limitations to overtime or supplementary work**

The scope of the suspension of the overtime or supplementary work duration limits, and the corresponding remuneration limits, has been extended for the purpose of performing supplementary work which now covers more entities.

This Decree-Law came into force on 8 of May of 2020.

To access the full version of Decree-Law no. 20-C/2020 click the following link:

<https://dre.pt/application/file/a/133324686>

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