



## **COVID-19**

### **Legal Insights nº 39**

Decree Law no. 27-B/2020

Provides exceptional and temporary measures  
to protect employment

The Decree Law no. 27-B/2020, of June 19, renews the extraordinary support for maintaining employment contracts in a business crisis and creates other employment protection measures under the Economic and Social Stabilization Program.

The present decree-law foresees:

- a) The extension of the extraordinary support for the maintenance of employment contracts in business crisis;
- b) The creation of a stabilization complement for employees with a base salary of up to 1.270,00 €;
- c) The creation of an extraordinary incentive for the normalization of business activity.

### **Extraordinary support**

The companies that have not requested the extraordinary support for maintaining the employment contracts in a business crisis may only submit their initial applications up to June 30, 2020, in which case they may extend the application of the measure on a monthly basis up to a maximum of three months.

The companies and the respective establishments which are subject to the duty of closure of premises by legislative or administrative determination in the context of the COVID-19 pandemic are entitled to an extraordinary support for the maintenance of an employment contract in a situation of business crisis, for as long as this duty is maintained.

The companies that have requested the extraordinary support to maintain an employment contract in a business crisis situation and that have reached the limit of 3 renewals may benefit from the extension of this support up to July 31, 2020.

### **Stabilization complement**

The employees with a base salary of up to 1.270,00 € on February 2020 and who, between the months of April and June, have been covered for at least one full calendar month by the support for the maintenance of the employment contract, in any modality, are entitled to a stabilization complement.

The complement has a minimum limit of 100,00 € and a maximum limit of 351,00 € and is paid in July 2020, automatically, by the Social Security.

### **Extraordinary incentive to normalize business activity**

The employers who have benefited from the extraordinary support for the maintenance of an employment contract or the extraordinary training plan provided for in Decree-Law no. 10-G/2020, of 26 March, are entitled to an extraordinary incentive for the normalization of business activity, in one of the following modalities:

a) Support in the amount of 635,00 € per employee covered by the measures aforementioned, paid in one lump sum; or

b) Support in the amount of 1.270,00 € per employee covered by the measures aforementioned, paid in a phased manner over six months. Additionally, the employer is entitled to a reduction of 50% of the payment of Social Security contributions of its responsibility, with reference to the employees covered by the extraordinary training plan or by the extraordinary support for the maintenance of an employment contract provided for in Decree-Law no. 10-G/2020, of 26 March, as amended by the present decree-law.

When there is a net creation of employment, through the signing of permanent employment contracts, in the three months following the end of the support (in the amount of 1.270,00 €), the employer is entitled to two months of total exemption from the payment of Social Security contributions of its responsibility.

### **Duties of the employer**

Employers who benefit from the extraordinary incentive to normalize business activity may not terminate contracts of employment under collective dismissal, dismissal due to the extinction of the work position and dismissal for unfitness or initiate the respective procedures.

During the period of granting of the support, the employer must comply with the tax and contributory obligations.

### **Cumulate and sequentially of support**

The employer cannot simultaneously benefit from the support provided for in Decree-Law no. 10-G/2020, of March 26, as amended by the present decree-law, and from the support for progressive recovery provided for in the Resolution of the Council of Ministers no. 41/2020, of June 6.

The employer who benefits from the extraordinary support for the maintenance of the employment contract provided for in Decree-Law no. 10-G/2020, of March 26, may, at the end of the term of that support, request the support for gradual recovery provided in Resolution of the Council of Ministers with the number 41/2020, of June 6.

The employer who benefits of the extraordinary support to normalize business activity provided for in the present decree-law may not request the support for progressive recovery provided for in the Resolution of the Council of Ministers no. 41/2020, of June 6.

The new mechanism to support the gradual recovery will be regulated by a specific legal decree, which will come into force in the month of August.

This Decree Law entered into force on June 20, 2020 and is effective until December 31, 2020.

For further information, please see below link:

<https://dre.pt/application/file/a/136260642>

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