



Amendments to the Labour Code and to the Code of Contributory Regimes of the Social Security System

The amendments take effect, respectively, on October 1st and January 1st, 2020.

Law no. 90/2019, of 4th September, which reinforced protection in parenting and Law no. 93/2019, which made the fifteenth amendment to the Labour Code, approved by Law no. 7/2009, of February 12th, and its regulation, as well as the amendment of the Code of Contributory Regimes of the Social Security, approved by Law no 110/2009, of September 16th.

The mentioned laws implemented several amendments to the Labour Code, of which the following stand out:

Law no. 90/2019

Extended Parental Leave

- Increased parental leave mandatory for the father, from fifteen to twenty working days, consecutive or interpolated, within six weeks after the birth of the child, five of which were taken consecutively immediately after the birth.
- Possibility of optional five working days, consecutive or interpolated, if taken after six weeks after the birth and simultaneously to the initial parental leave by the mother.

From the present law the following amendments are also highlighted:

1. Leave to care for children with disabilities, chronic illness or cancer

Parents are entitled to leave for up to six months, renewable for up to four years, to care for children with disabilities, chronic illness or oncological disease.

2. Prohibition of discrimination for the exercise of maternity and paternity rights

- a) Any form of discrimination based on the exercise by employees of their maternity and paternity rights shall be prohibited.
- b) In particular, pay discrimination relating to the attendance allowance and productivity bonuses as well as unfavourable effects on career advancement shall be prohibited.

3. Exemption for medically assisted procreation consultation

The employee will be entitled to three work breaks for consultations within each cycle of medically assisted procreation treatments.

Law no. 93/2019

Labour Code

1. Fixed-term Employment Contract with new limits

- a. The ceiling on fixed-term employment contracts decreases from the current three years to two years. These contracts may be renewed up to three times, as long as the total duration of renewals does not exceed the initial contract period.
- b. The duration of the uncertain term employment contract may not exceed four years.
- c. In case of launching of new activity of uncertain duration, as well as of starting a business or establishment, the hiring will be limited to companies with less than 250 employees.
- d. Very short-term employment contracts are extended from 15 to 35 days and will be allowed in all sectors.

- e. Temporary employment contracts will have a maximum of six renewals.

2. Trial period

- a. The existing 180-days trial period will apply in the case of indefinite hiring of employees seeking their first job and for the long-term unemployed.
- b. The trial period may be reduced or excluded, depending on the duration of a previous fixed-term employment contract for the same activity, a temporary employment contract performed at the same job, a service contract for the same object, or an internship for the same activity has been less than or equal to or longer than the duration of that activity, provided that in any case they are concluded by the same employer.

3. Hours Bank

The individual hours bank will be revoked. However, this scheme may be maintained for a maximum of one year from next October 1st.

The group hours bank scheme may be instituted and applied to all employees of a team, section or economic unit, provided that it is approved in a referendum by the employees to be covered.

4. Continuous Training

The employee is entitled, each year, to a minimum of forty hours of continuous training, five hours more than those provided for in the current Labour Code.

5. Employer Responsibilities'

The employer will have additional responsibilities': he must respect and treat the employee with courtesy and integrity, removing any acts that may affect the dignity of the employee, which are discriminatory, harmful, intimidating, hostile or humiliating to the employee, including harassment.

6. Termination of the fixed-term employment contract

In the event of expiry of a fixed-term employment contract upon verification of termination, the employee shall be entitled to compensation corresponding to 18 days of basic pay and seniority for each full year of seniority.

Code of Contributory Regimes of the Social Security Social Security System

From January 1st, 2020, there will be an additional excess turnover contribution applicable to legal persons and natural persons with business activity, regardless of their nature and the purposes pursued,

which have the same annual contracting weight in the same calendar year resolving term higher than the respective sectoral indicator in force.

The rate will be progressive to a maximum of 2%, which means that the greater the number of fixed-term employees, the greater the penalty.

We remain available for any clarifications on these matters.

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