



COVID-19

Legal Insights no. 41

Decree no. 170-A/2020

Setting the procedures, conditions and terms
for the grant of the extraordinary incentive for
the normalization of business activity

Decree Law no. 170-A/2020, of July 13, laying down the procedures, conditions and terms for the grant of the extraordinary incentive for the normalization of business activity.

Beneficiaries

The employers who have benefited from the extraordinary support for the maintenance of an employment contract or the extraordinary training plan are entitled to an extraordinary incentive for the normalization of business activity.

Date of granting

The extraordinary incentive shall be granted after the termination of the extraordinary support for the maintenance of an employment contract (lay-off) or the extraordinary training plan.

The (two) modalities of the extraordinary incentive

- Support in the amount of € 635.00:

It is granted in one lump sum, for each employee covered by the extraordinary support for the maintenance of an employment contract or by the extraordinary training plan.

This incentive is calculated according to the simple arithmetic mean of the number of employees covered by each month of application of the support measure, being reduced proportionally when the period of application is less than one month.

- Support in the amount of € 1,270.00:

It is granted in a phased manner over six months, for each employee covered by the extraordinary support for the maintenance of an employment contract or by the extraordinary training plan.

This incentive is calculated according to the simple arithmetic mean of the number of employees covered by each month of implementation of the support measure, and is reduced proportionally when the period of implementation is less than three months.

The employer is entitled to the payment of a partial remission of 50 % of Social Security contributions, with reference to the employees covered by the extraordinary support for the maintenance of an employment contract or by the extraordinary training plan.

When there is a net creation of employment, through entering into permanent employment contracts, in the three months following the

end of the granting of this support, the employer is entitled to an additional incentive, corresponding to two months of total exemption from the payment of social security contributions concerning those employment contracts.

How to obtain the extraordinary incentive

The start and the end dates for the granting of the extraordinary incentive will be available in due time on the website of the Institute for Employment and Professional Training (IEFP).

The application, to be submitted in the appropriate form through the IEFP website must be accompanied by the following documents:

- a) Declaration of non-existence of debt or authorization for online consultation of the tax and social security situations;
- b) Sworn statement that the employer has not submitted an application for access to the extraordinary support for the progressive recovery provided for in the Resolution of the Council of Ministers no. 41/2020, of June 6.
- c) Proof of IBAN;
- d) Term of acceptance, in accordance with the respective model made available by IEFP, which states the duties of the employer defined by the granting of the extraordinary incentive.

Maintaining employment levels

For the purpose of verifying the obligation of maintenance of the employment level, employment contracts which terminate (i) on the expiry date (term contracts) (ii) following termination by the employee, (iii) in the event of retirement of the employee or invalidity and (iv) following dismissal with just cause by the employer shall not be considered.

Payment of the extraordinary incentive

The payment of the extraordinary incentive will be settled on the following terms:

In the case of the incentive in the amount of € 635.00, the payment shall be paid within 10 working days from the date of communication of the application approval;

In the case of the incentive in the amount of € 1,270.00, the first instalment shall be paid within 10 working days from the date of

communication of the approval of the application and the second instalment shall be paid within 180 days from the day following the last day of application of the support measures (lay-off or extraordinary training plan).

Cumulating and sequential of supports

The employer who requires this incentive cannot access to the extraordinary support to the progressive recovery foreseen in the Resolution of the Council of Ministers no. 41/2020, of 6 June.

The incentive modalities foreseen may be cumulated with other direct employment support.

The total exemption from the payment of Social Security contributions payable by the employer provided for in the present Decree cannot be cumulated with other direct employment supports applicable to the same employees.

The extraordinary incentive may only be granted once to each employer, in one of the (two) modalities foreseen.

The present Decree enters into force on July 14, 2020.

For further information, please see below link:

<https://data.dre.pt/eli/port/170-A/2020/07/13/p/dre>

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