



COVID-19

Legal Insights no. 56

Support measures for employees and companies

Decree-Law no. 23-A/2021, of 24 March, was published, establishing support measures for employees and companies, within the scope of the COVID-19 disease pandemic.

The decree-law contains several amendments, of which the following are highlighted:

Extraordinary support for progressive recovery of activity in companies in a business crisis situation

- Regardless of the date of application for the support, the employer can only benefit from it **until September 30th, 2021.**
- During the reduction of the normal working period, the employee is also entitled to a monthly compensation corresponding to the hours not performed, paid by the employer, in the amount of four fifths of his normal gross remuneration, **up to the amount of € 1,995.00.**

- In the months of March, April and May of 2021, **the employer in the tourism and culture sectors**, with a drop in invoicing, is entitled to an exemption or partial exemption of the payment of contributions, depending on the percentage of the drop in invoicing.

Extraordinary support for maintaining employment contracts (simplified lay-off)

The employer may also have access to the simplified lay-off, if the total or partial halt of the activity of the company or establishment is greater than 40%, in the month prior to the application to be made in March and April 2021, and results from the interruption of the global supply chains, or from the suspension or cancellation of orders, in situations in which more than half of the invoicing in the previous year was made to activities or sectors that are currently suspended or closed by legislative or administrative determination.

The right to request the simplified lay-off is extended to members of statutory bodies exercising management functions, with remuneration statements and social security contributions records and with dependent employees.

Extraordinary support to economic activity reduction

Until 30 June 2021, self-employed employees, individual business people, managers and members of statutory bodies with management functions, whose activity falls within the tourism, culture, events and shows sectors and who are in a situation of total closure of their activity or the activity of the respective sector, as a consequence of the COVID-19 pandemic disease, will be granted the right to request the extraordinary support for the reduction of economic activity for the corresponding period.

New incentive for the normalization of business activity

An employer who, in the first quarter of 2021, has benefited from an extraordinary support to maintain an employment contract, or extraordinary support for progressive recovery of activity, is entitled to an **incentive for the normalization of business activity**.

The incentive is granted, per employee covered by the support, under the following terms:

- When requested until 31 May 2021, the incentive has a value of € 1,330.00 and is paid in a phased manner over six months. To this incentive is added the right to a partial exemption of 50% of the payment of social security contributions to be borne by the employer, with reference to the employees covered, during the first two months of the incentive;
- When requested between 1st June 2021 and 31st August 2021, the incentive has the value of € 665,00, paid in a lump sum, corresponding to the period of three months.

The number of employees of the company is assessed with reference to the month before the application is submitted, having as limit the number of employees covered by one of the supports, in the last month of its application.

The employer who benefits from this incentive must fulfil the following **duties**:

- a) Keep their tax and social security contributions regularized;
- b) Not terminate, during the granting period of the support, as well as in the following 90 days, labour contracts due to collective dismissal, dismissal due to the extinction of the work position and dismissal for unfitness, nor to initiate the respective procedures;
- c) Maintain, during the period of granting of support, as well as in the 90 following days, the employment level observed in the month prior to the submission of the application.

The decree-Law no. 23-A/2021, is in force since March 25, 2021.

To access the full text of Decree-Law no. 23-A/2020, please click [here](#).

For further information, please contact us:

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