

## **Briefing on measures taken to mitigate the impact of COVID-19**

In Portugal, with the objective of mitigating the economic impact of the COVID-19 epidemic, a set of measures was launched covering tax matters, employment and social protection, among which highlighted:

Measures targeting workers

1) Social Security: immediate support of an extraordinary nature, to employees

In situations where workers need to skip work due to assistance that is not admissible to children under 12 or dependent, due to the interruption of the educational establishment, early childhood support or disability, they are entitled to receive exceptional financial support in the amount 66% of the basic remuneration (33% the employer's charge, 33% the Social Security charge).

This support has a minimum limit of 1 RMMG (value: 635 €) and a maximum limit of 3 RMMG (value: 1,905 €) and is calculated according to the number of days absent from work.

Support does not include the school holiday period, being granted between 16 and 27 March. In the case of children attending social facilities to support early childhood or infancy, support is granted until April 9.

There can be no overlap between parent intervals.

If the worker is working from home, this support does not apply.

Other extraordinary measures:

- Social Security: immediate support of an extraordinary nature involved to self-employed workers

The self-employed and those who are not pensioners, fulfill the obligation to contribute for less than 3 consecutive months for less than 12 months, in a proven situation of total stoppage of their activity or activity in the respective sector, as a result of the result of COVID- 19 , in a proven situation, by any means admissible in law, a total stop of its activity or activity in the respective sector, may differ or payment of Social Security contributions.

- Social Security: allowance equivalent to sickness allowance in the case of prophylactic isolation

The temporary impediment to the exercise of professional activity (prophylactic isolation), by order of the health authority, in the context of the danger of contagion by COVID-19, is equated, for social security purposes, the disease with hospitalization, with the remuneration being borne for social security.

In this case, employees and independent workers of the general social security system are entitled to the payment of an allowance equivalent to the sickness benefit with an amount corresponding to 100% of their reference remuneration.

The sickness benefit is not subject to a waiting period.

Extraordinary support for maintaining the employment contract in a business crisis (with or without training)

The Government, inspired by the lay-off regime foreseen in the Labor Code, established financial support per worker, attributed to the company destined, exclusively for the payment of remunerations, in the amount equal to 2/3 of the employee's gross remuneration, up to a maximum

of 3 RMMG (EUR 1,905.00), 70% insured by Social Security and 30% insured by the employer, with a duration of one month, which can be extended monthly, up to a maximum of 6 months.

This measure can also be combined with a training plan approved by the Portuguese Employment and Training Institute, with a scholarship that it supports in an amount corresponding to 30% of the IAS (EUR 131.64) destined, in equal parts, to the worker and the employer (EUR 65, 82).

- Temporary exemption from the payment of Social Security contributions, borne by the employer

There is a temporary exemption from the payment of social security contributions, borne by the employer, for companies covered by Ordinance No. 71-A / 2020.

Thus, employers are entitled to full exemption from the payment of Social Security contributions by the employer, in relation to the workers covered and members of the statutory bodies, during their period of validity.

This right to exemption also applies to self-employed persons who are employers and are beneficiaries of the measures and their spouses.

#### Additional measures to face the public calamity

The right of unions to participate in the drafting of labor legislation is suspended, insofar as the exercise of such right may represent a delay in the entry into force of urgent legislative measures for the purposes provided for in the Emergency Decree.

The possibility of terminating their employment relationships or of cumulating functions between the public and private sectors may be limited.

The regime of temporary reduction of the normal period of work or suspension of the employment contract can be extended and simplified due to the fact concerning the employer.

Employees of public services and private entities - and now also from the social sector -, regardless of the link, may be asked to report to the service for new duties/ activities, in addition to those already provided for: support for vulnerable populations, elderly people, people with disabilities, children and young people at risk, in residential structures, home or street support.

The greater lee-way (in what concerns the means used) granted to the Labor Conditions Authority, such that whenever there is evidence of an illegal dismissal, the labor inspector draws up a report and notifies the employer, to rectify the situation.