



Covid-19: New Extraordinary Measures

The Portuguese Government has approved a set of extraordinary measures to face the COVID-19 virus pandemic, which include Law Decree No. 10-A/2020 and the Portuguese Council of Ministers Resolution No. 10-A/2020.

The following rules apply to **employees**:

The new measures aim to ensure the mitigation of economic impacts, support for the company's treasury and the protection of jobs.

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- The disease situation is equivalent to prophylactic isolation for 14 days, both for subordinate workers and self-employed ones, provided that it is motivated by situations of serious risk to the public health and decreed by the entities recognized as health authorities. Recognition of sickness benefits is not subject to guarantee terms or waiting periods;
- The situation resulting from the assistance of a child or other dependent on the employee's responsibility in prophylactic isolation for 14 days is considered justified;
- With the exception of periods of school interruptions (e.g. Easter holidays), absences are considered justified, only with loss of rights in relation to retribution, any absences from work motivated by unavoidable assistance to a child or other dependent under 12 years of age, or, with disability or chronic illness, of any age, resulting from suspension of school and extracurricular activities in a school or social support equipment.

Absence must be determined by a health authority, and the worker must report the absence to the employer under article 253 of the Portuguese Labor Code, otherwise the absence is considered unjustified.

- A guarantee of social protection for trainers and trainees is established in the course of training, as well as beneficiaries employed in active employment policies who are prevented from attending training.

The following rules apply to **companies**:

- Deferral of tax obligations (e.g. delivery of periodic revenue income statement for the 2019 tax period until July 31, 2020, without any surcharges or penalties);
- Flexibility of VAT payment by companies and self-employed individuals, in a fractional manner and up to six installments;

- Flexibilization of social security contributions, and reduction to 1/3 of the contribution in March, April and May. The remaining amount for the months of April, May and June is settled as of the third quarter of 2020.
- Payment of incentives related to the Portugal 2020 Programme, within 30 days;
- Eligibility of expenses incurred with cancelled international events;
- Promoting an extraordinary financial incentive to ensure the standardisation phase of activity and aimed at supporting businesses in order to prevent the risk of unemployment;
- Creation of a set of credit lines totaling € 3 billion for the most affected sectors (e.g. restaurants, tourism, textile industry, clothing, footwear).

Under the Council of Ministers Resolution 10-A/2020 of 13 March, four extraordinary measures for immediate support for workers and businesses are established.

For that matter, [Ordinance No. 71-A/2020 of March 15](#) was published, which defines and regulates the terms and conditions for the allocation of immediate support of an extraordinary temporary and transitional nature, aimed at employees and employers, in order to maintain jobs and mitigate situations of business crisis. The Ordinance was amended by [Ordinance No. 71-A/2020 of March 18](#).

The measures are as follows:

- Promotion of an exceptional and temporary regime for exemption from the payment of social security contributions;
- Extraordinary support for the maintenance of employment contracts in a situation of business crisis with or without training, with the State paying 70% of 2/3 of the remuneration, up to a limit of 3 RMMG;
- Extraordinary training plan; and
- Creation of an extraordinary financial incentive to ensure the normalization phase of the activity (up to one minimum wage per worker).

These measures apply to private sector employers, including employers in the social sector, and employees at their service, who are in a situation of business crisis.

All the measures mentioned are in force and can be taken advantage of by workers and companies.

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