



New Lay Off - Fast Track.

One of the main objectives of the new law is to create a fast track procedure for the suspension of the employment contract and the reduction of the normal work period provided for in article 298 of the Labor Code more flexible.

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A [new law](#) (Portuguese only) was enacted creating a fast track process for the Lay Off, which now includes cases of suspension of the employment contract and reduction of the normal work period provided for in the Labor Code. The new rules are as follows:

Who can access it: private sector employers, including employers in the social sector affected by the epidemic and who are in business crises.

Business crises: companies that find themselves in one of these situations:

- total or partial closure of the company or the establishment as a result of the obligation to close installations and establishments,
- total shutdown of the company's or establishment's activity resulting from the interruption of global supply chains, suspension or cancellation of orders; or
- an abrupt and sharp break of at least 40% of the billing in the period of 30 days prior to the application with the social security, with reference to the monthly average of the two months prior to that period, or compared to the same period of the previous year.

Documents to apply:

- Simple statement issued by the employer, announcing there's a business crises,
- Certificate from the company's certified accountant attesting to the crises situation,
- The employer should have his tax and contribution situation up to date before the competent authorities.

Amount of salaries:

- If the employment contract is suspended, the employee stays at home and receives 2/3 of the salary, up to a maximum of 3 RMMG (€1905,00), with the State paying up to 70% of this amount, up to a maximum of €1.333,5
- If the normal working period is reduced to more than 66% of the normal period (for example, the worker works 80% of the normal working time), the worker receives the number of hours worked (80%), but the State only contributes up to 2/3 (66%) of the salary.

Prohibition of dismissal: the employer financially supported is prohibited to dismiss the employee covered by the State support through collective redundancy or dismissal based on the extinction of a job position, up to 60 days after the conclusion of the State support.