

# STATE BUDGET LAW 2022: LABOUR MEASURES

*Once again, as in previous years, the LOE conditions the attribution of performance bonuses in the SEE to various instruments, namely collective labour regulation instruments.*

The Parliament approved the State Budget Law for 2022 ("LOE 2022"), which entered into force yesterday.

The main changes regarding labour issues are the following:

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## SALARY AND BONUSES

- Performance bonuses in the Public Administration may be awarded up to the legally established amount and the equivalent to up to one employee's basic monthly remuneration, without prejudice to the provisions of the collective labour regulation instruments (IRCT).
- The granting of performance bonuses to employees from the State-Owned Sector shall comply with the IRCT and other legal or contractual instruments in force, or in their absence, with the provisions of the decree-law that develops the State Budget Law.
- The payment of special management bonuses to managers of public companies is possible if they have an approved business plan and budget for 2022, and that there is an improvement in the ratio of external supplies and services to turnover in relation to the previous year.
- Special management bonuses for managers of public companies are endorsed by order of the member of the Government responsible for the area of finance and have as a maximum limit an average monthly remuneration.

## NEW HIRINGS

- Companies in the public business sector may recruit workers for open-ended employment contracts or fixed-term contracts, under terms to be defined in the decree-law that develops the State Budget Law.
- Any hiring carried out in breach of the applicable regulations shall be considered null and void.

## SUPPLEMENTARY SOCIAL PROTECTION FOR WORKERS

- The contracting of the personal accident and sickness insurance by public entities to whose employees the individual employment contract regime applies is possible, provided that it is intended for all employees in general. The same applies to other insurance policies that are compulsory by law or provided for in a collective bargaining agreement.

*This information is of a general nature and should not be considered as professional advice.*

## **EXTRAORDINARY RETIREMENT PENSION UPDATE**

- Pensions will be updated by €10.00 per pensioner whose total amount of pension is equal to or less than 2.55 times the value of the IAS. The updates will take effect on 1 January 2022.

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