

STATE BUDGET: LABOR MEASURES

2022 State Budget execution rules relate essentially with new hirings, salary and bonuses.

The rules implementing the 2022 State Budget were recently approved.

We're analyzing labor measures in this article. The main ones are:

Salary and bonuses

- State-owned companies must have instruments (e.g. collective labor agreements, legal or contractual instruments, or internal regulations approved under the State Business Sector Legal Framework) establishing mechanisms for: (i) performance assessment; (ii) performance awards; and (iii) general employee validation. The lawfulness of these acts depends on the prior existence of those instruments.
- Promotions not covered by mandatory changes in remuneration, general career progressions, as well as internal selection procedures for change of level or tier that can result in a pay raise, not explicitly mentioned in a specific rule of the 2022 State Budget Law (**LOE 2022**), depend on special Government approvals.
- Directors of the bodies and services can, in compliance with the legal requirements and budget sums, allow: (i) remuneration changes by management option; (ii) award performance bonuses.

New hirings

- Public Administration and Finance Government members can open hiring procedures, for open-ended contracts or fixed-term contracts and for general or special careers, as long as: (i) there is relevant public interest in recruitment; (ii) a budgetary responsibility statement is issued by the requesting body, service or entity; and (iii) the Government member leading the service or body carrying out the recruitment agrees.
- Legal persons under public law and public business sector companies can hire permanent workers.

Operating expenses of companies in the state's business sector

- The operating expenses ratio must be equal to or lower than in 2019 or 2021, depending on which is higher.
- In any case, operating expenses should be equal to or lower than in 2021 when it comes to: (i) staff; and (ii) travel, cost aid and accommodation, and the ones associated with contracting of studies, opinions, projects and consulting services.

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