

## CUATRECASAS, GONÇALVES PEREIRA



### LEGAL FLASH | EMPLOYMENT

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**LAW NR. 69/2013, OF AUGUST 30**

Law nr. 69/2013 was published today in the Portuguese official gazette establishing the fifth amendment to the Labour Code adjusting the amount of severance pay on termination of employment.

The broad lines of this regime, which comes into force on 1 October 2013 are the following:

<b>Severance pay:</b>	Fixed term Contract	<ul style="list-style-type: none"> <li>▪ reducing the amount of severance pay for 18 days of basic salary and seniority for each full year of service.</li> </ul>
	Undetermined term Contract	<ul style="list-style-type: none"> <li>▪ reducing the amount of severance pay for:                             <ul style="list-style-type: none"> <li>▶ 18 days of basic salary and seniority for each full year of service, as regards the first three years of the contract;</li> <li>▶ 12 days of basic salary and seniority for each full year of service, in subsequent years.</li> </ul> </li> </ul>
	Collective redundancy and other termination situations referring to Article 366.º of the Labour Code	<ul style="list-style-type: none"> <li>▪ General Rule:                             <ul style="list-style-type: none"> <li>▶ reducing the amount of severance pay for 12 days of basic salary and seniority for each full year of service;</li> </ul> </li> <li>▪ In cases of term contracts and temporary work contracts applies the aforementioned rules for a fixed term and undetermined term contracts.</li> </ul>

This regime applies to the period after its entry into force providing a transitional regime similar to the currently applicable.

**LAW NR. 70/2013, OF AUGUST 30**

Law nr. 70/2013 was published today in the Portuguese official gazette, which establishes the legal framework of the work compensation fund, the equivalent mechanism and the work compensation guarantee fund.

This law applies only to employment contracts executed after 1 October 2013, in the scope of employment relations governed by the Labour Code and also to temporary employment agencies. Are excluded from the scope of this law employment relations arising from employment contracts of very short duration regulated by Article 142.º of

the Labour Code and employment relations with workers performing public functions, including public institutes of special regime.

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