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LEGAL FLASH | EMPLOYMENT LAW

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INCENTIVES TO HIRE YOUNG PEOPLE SEEKING THEIR FIRST JOB AND LONG AND VERY LONG-TERM
UNEMPLOYED

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DECREE-LAW NO. 72/2017. D.R. NO. 118/2017, SERIES I OF 2017-06-21

Decree-Law no. 72/2017 published today governs the allocation of incentives to hire young people seeking their first job and long and very long-term unemployed, through a partial remission or total exemption from payment of contributions to the Social Security, in the part that burdens the employer, in the following terms:

Assignment requirements	Covered employees	Incentives
Employers should cumulatively fulfil the following requirements: 1) Being regularly constituted and registered; 2) Having the contributory and tax situation regularized; 3) Not having outstanding salary payment; 4) Entering into permanent employment contracts, either full-time or part-time; 5) Having, in the application month, a total number of employees higher than the average number of those registered in the immediately preceding 12 months.	Young people seeking their first job People up to the age of 30, including, who have never entered into a permanent employment contract.	Temporary reduction of 50% of the employer's contribution rate for a period of 5 years.
	Long-term unemployed People enrolled in IAFP, I.P. for 12 months or more.	Temporary reduction of 50% of the employer's contribution rate for a period of 3 years.
	Very long-term unemployed People aged 45 years or over, enrolled in IAFP, I.P. for 25 months or more.	Temporary exemption from the payment of the employer's contribution rate for a period of 3 years.

Employers who wish to benefit from these incentives must submit an application through the Social Security website within 10 days of the starting date of the employment contract to which the request for incentive refers.

Partial reduction or total exemption from contributions may be combined with other incentives, unless specific non-accumulation rules result from other incentives regulation.

This Decree-Law will enter into force on August 1, 2017.



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