

## COVID-19 (No. 50)

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New financial support measures in the labor sector - Ordinance 102-A/2021 of May 14:

- New incentive to normalize business activity
- Simplified support for micro companies to maintain jobs

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# New financial support measures in the labor sector - Ordinance 102-A/2021 of May 14

On May 14, Ordinance 102-A/2021 was published, regulating the new financial support measures in the labor sector. These include the incentive to normalize business activity, created by Decree Law 23-A/2021 of March 24, and simplified support for micro companies to help maintain jobs, created by Decree Law 46-A/2020 of July 30.

#### I. New incentive to normalize business activity

The purpose of the normalization incentive is to encourage companies to maintain employment and reduce the risk of unemployment due to the COVID-19 crisis, by providing financial support to employers while their workers return to normal work and companies return to normal business activity.

Private employers (including those from the social sector) may access this new support, provided they have benefited, in the first quarter of 2021, from at least one of the following support measures:

- a) extraordinary support to maintain jobs (simplified lay-off); or
- extraordinary support for gradual resumption of activities in companies experiencing a business crisis, with a temporary reduction of normal working hours.

The value of this incentive may be i) twice the minimum guaranteed monthly remuneration per worker covered by the support measures listed above, paid in a phased manner over six months, when this is requested before May 31, 2021; or ii) one minimum guaranteed monthly remuneration per worker, paid only once, when requested after May 31 and before August 31, 2021, as this corresponds to a three-month grant period.

#### II. Simplified support for micro companies to maintain jobs

The purpose of the simplified support is to encourage companies to maintain employment and reduce the risk of workers in micro companies losing their jobs because of a business crisis resulting from the COVID-19 pandemic, reducing the resulting social and economic consequences by granting financial support to employers.

Private employers (including those from the social sector) considered micro companies that are experiencing a business crisis may access this new support, provided they have benefited, in 2020, from at least one of the following support measures:

- a) extraordinary support to maintain jobs (simplified lay-off); or
- extraordinary support for gradual resumption of activities in companies experiencing a business crisis, with a temporary reduction of normal working hours.

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Only employers that have not benefited from the extraordinary support to maintain jobs in the first quarter of 2021 may benefit from the simplified support.

The simplified support consists of financial support amounting to twice the minimum guaranteed monthly remuneration per worker covered by the above measures, paid in a phased manner over six months.

#### III. Accumulation and sequential order of support measures

Ordinance 102-A/2021 of May 14 further establishes a set of rules concerning the accumulation and sequential order of these new support measures.

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