

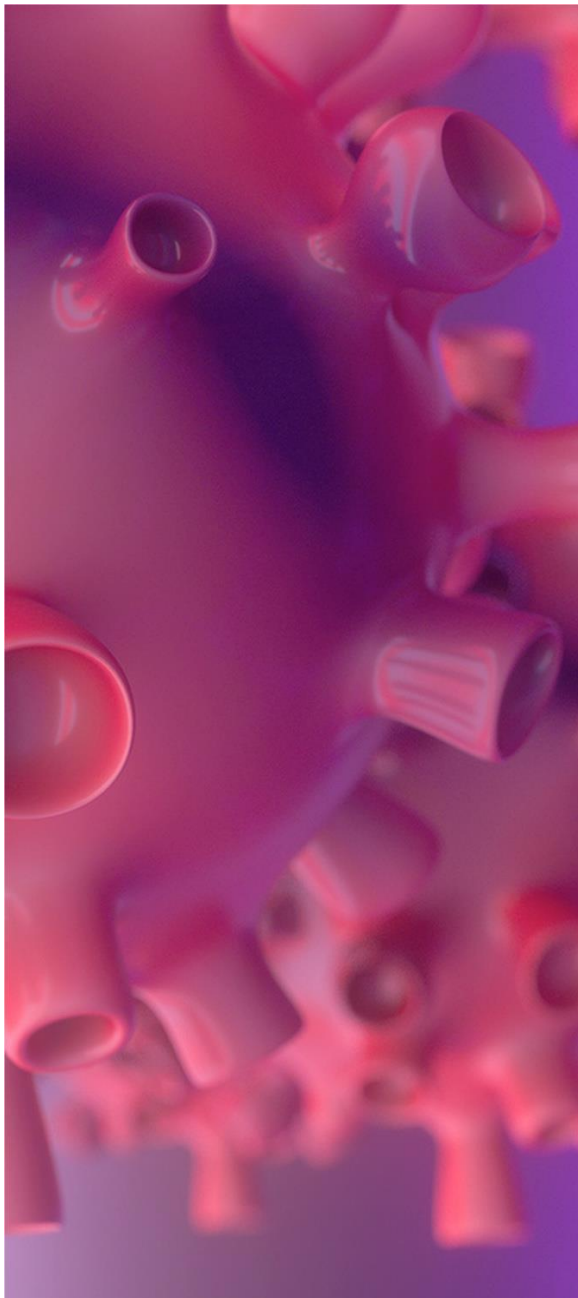
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# COVID-19 (No. 26)

Legal Flash | Portugal

July 31, 2020

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- **Special support announced for gradual restart of businesses in crisis**



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## Special support announced for gradual restart of businesses in crisis

Decree-Law 46-A/2020 of July 30 introduces special support for the gradual return to activity of crisis-stricken businesses by temporarily reducing normal working hours.

If employers experience a drop in sales of 40% or more, they can reduce their employees' normal working hours by up to 50% in August and September 2020, and up to 40% in October, November and December 2020. If the drop in sales is 60% or more, working hours can be reduced by up to 70% in August and September 2020 and up to 60% in October, November and December.

While this measure applies, which will require that workers be notified and their representatives consulted, workers will be entitled to payment for the hours worked and compensation equivalent to two-thirds of their regular gross remuneration for the hours not worked during August and September 2020 and four-fifths of their regular gross remuneration for the hours not worked during October, November and December 2020.

Employers will be entitled to financial support for 70% of the compensation, which will be provided by social security, while the employer will have to pay the remaining 30%.

In addition, where sales drop by 75% or more, employers will be entitled to additional support equivalent to 35% of the regular gross salary for the hours worked, payable to every worker affected by the reduced working hours period.

Employers benefitting from this support will also be entitled to exemption or waiver of their social security contributions for those workers covered by the measure, which will be calculated based on paid compensation. This exemption may be full or partial, depending on the company's size and the periods covered by the contributions.

These support measures are in addition to implementation of the training program approved by the Portuguese Employment and Professional Training Institute (*Instituto do Emprego e Formação Profissional*, IEFP, I. P.).

The mechanisms of this new support scheme will be discussed in detail in the next newsletter.



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Cuatrecasas has set up a Coronavirus Task Force, a multidisciplinary team that constantly analyses the situation emerging from the COVID-19 pandemic. For additional information, please contact our Task Force by email [TFcoronavirusPT@cuatrecasas.com](mailto:TFcoronavirusPT@cuatrecasas.com) or through your usual contact at Cuatrecasas. You can read our publications or attend our webinars on our [website](#).

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