

REDUCTION OF THE EMPLOYER'S CONTRIBUTION DUTY

Synopsis: Tuesday, 8th March 2016, the Decree-Law No. 11/2016 was published, establishing an exceptional measure to support employment and business: the reduction of the employer's social security contribution duty.

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<i>Financial support</i>	0,75% reduction to the employer's Single Social Duty (<i>Taxa Social Única - TSU</i>) calculated with reference to the employees remuneration.
<i>Requirements</i>	<p>Private sector employers shall be granted with this reduction, regarding its employees, under the following terms:</p> <ul style="list-style-type: none"> i. Full-time or part-time employment agreements entered into before 1st January 2016; ii. Employee's monthly salary, at 31st December 2015, between € 505,00 and € 530,00 (or of a proportional value regarding part-time employment agreements); and iii. Fulfilment of employer's tax and contributory obligations.
<i>Exclusions</i>	<p>(a) Contribution duties of employees covered by contributory schemes with rates inferior to the ones established to the overall employees (<i>i.e.</i> 34,75%) or</p> <p>(b) Contribution duties of employees covered by contributory schemes on which the contribution base is inferior (i) to the Social Support Index (<i>Indexante de Apoios Sociais - IAS</i> - <i>i.e.</i> € 419,22); (ii) to the actual remuneration; or (iii) to the agreed remuneration.</p>
<i>Duration and Effectiveness</i>	It is applicable to contributions regarding remunerations due from February 2016 to January 2017, including the amounts paid as Holiday and Christmas' allowances, with retroactive effects as from 1 st February 2016.