

Portugal

Update of the Social Support Index; Creation of an employment stimulus measure and withdrawal of reduction of the employer's contribution

Ministerial Order No. 4/2017, of 3 January 2017

Ministerial Order No. 4/2017, of 3 January 2017, updated the Social Support Index (Indexante de Apoios Sociais- IAS) to € 421.32, effective as of 1 January 2017.

The update on the IAS will be especially relevant to the definition of the contributory base for members of corporate bodies, as well as to determine the minimum value of internship allowances (for internship agreements signed under Decree-Law No. 66/2011, of 1 June 2011).

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Ministerial Order No. 34/2017, of 18 January 2017

Ministerial Order No. 34/2017, of 18 January 2017, approved the creation and regulation of an employment stimulus measure - “Medida Contrato-Emprego” (hereinafter referred to as “Measure”) -, which creates a financial support to employers who enter into employment agreements with unemployed people registered at the Employment and Professional Training Institute (Instituto do Emprego e da Formação Profissional, I.P.- IEFP).

Financial Support	<ul style="list-style-type: none"> - 9 times the IAS value (€ 3.791,88), in case of permanent employment agreements - 3 times the IAS value (€ 1.263,96), in case of fixed-term employment agreements. <p>The financial support can be increased by 10% under certain circumstances.</p> <p>The Measure also sets forth the granting of an award for the conversion of fixed-term employment agreements into permanent ones, corresponding to twice the employee's monthly base salary (with a maximum amount of five times the IAS), whenever certain requirements are fulfilled. For this purpose, the fixed-term employment agreements must be governed either by this Ministerial Order or by Ministerial Order No. 149-A/2014, of 24 July 2014 (i.e., “Medida Estímulo Emprego”)</p>
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Assignment Conditions	<p>Both individual entrepreneurs and legal persons governed by private law, for profit and non-profit, may apply to this Measure if the following requirements are fulfilled:</p> <ul style="list-style-type: none">– To be regularly constituted and registered;– To have fulfilled all legal requirements related to the practice of their activity or have started the application process;– To have paid all contributions and taxes to the Social Security and Tax Authorities;– To be in compliance with other financial supports granted by the IEPF;– To have paid all due reimbursements within funding from the European Social Fund;– To have an organized account system;– Not to owe any salaries to employees nor have their payment delayed;– Not have been sentenced in criminal or misdemeanor proceedings.
Eligibility (employees)	<p>Employment agreements entered into with unemployed people who are registered at the IEPF are eligible if one of the following criteria is met:</p> <ul style="list-style-type: none">– Registration at the IEPF for six consecutive months;– Registration for at least two consecutive months in the case of people with 29 years old or less or with 45 years old or more, or with no prior Social Security records as an employee or self-employed person in the 12 months prior to the date of the registration for the job opportunity;– When, regardless of the length of the registration period, the candidate is (i) receiving unemployment benefits or social integration income; (ii) disabled and incapacitated person; (iii) part of a single parent family; (iv) a person whose spouse is also unemployed and registered at the IEPF; (v) victim of domestic violence; (vi) refugee; (vii) ex-prisoner and those who have served or are serving imprisonment sentences or judiciary measures that do not mean deprivation of liberty and possibility of rehabilitation into a normal life; (viii) recovering drug addict;– When, regardless of the length of the registration period, the candidate has finished, less than 12 months before, an IEPF funded internship that took place in the context of projects known for their strategic importance;– Registration at IEPF for suspension of the employment agreement for failure of salary payments.
Eligibility (employment agreement)	<p>Full-time or part-time, permanent employment agreements, or fixed-term ones for 12 months or more are eligible when concluded with unemployed candidates that benefit from the social integration income, are disabled and incapacitated, refugees,</p>



	ex-prisoners and those who have served or are serving imprisonment sentences or judiciary measures, recovering drug addicts or of at least 45 years old, or unemployed people that have registered in IEFP for 25 months or more.
Exclusions	<p>The following employment agreements are excluded from the Measure:</p> <ul style="list-style-type: none">– Agreements entered into between an employer or an entity that belongs to the same corporate group and an unemployed person that has been bounded to this employer by means of an employment agreement before the current unemployment situation (except when it had happened over 24 months before):– Agreements entered into with an unemployed person that has concluded an IEFP funded internship in the same entity, or an entity which is part of the same corporate group, during the previous 24 months.
Entry into force	The Ministerial Order entered into force on 19 January 2017

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Resolution of the Portuguese Parliament No. 11/2017, of 27th January 2017

Through Resolution No. 11/2017, of 27th January 2017, the Portuguese Parliament has withdrawn Decree-Law No. 11 A/2017, of 17th January 2017, which had created an exceptional employment supporting measure that reduced the employers' contribution to Social Security (Taxa Social Única).

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