

INFORMATION

It was published in Diário da República the Ordinance no. 323/2019, which regulates the creation of the CONVERTE+ measure and will be effective on 20th September 2019.

We highlight the following points:

1. This measure consists of transitional support for the conversion of fixed-term employment contracts into open-ended employment contracts, through the granting of financial support to the employer. The application can only be made through the iefonline portal (<https://iefponline.iefp.pt/IEFP/index2.jsp#>) from 20 September **until 31 December 2019.**
2. Employers may submit several applications during the same application period, and there is no limit to the number of applications.

In each application, only 10 conversions of employment contracts may be covered. In the same application, fixed-term employment contracts that have already been converted and fixed-term employment contracts that have not yet been converted should not be submitted (in this case, two separate applications are made for each type of situation, taking into account the limit of 10 contracts/candidature).
3. They are eligible:
 - (i) the conversions carried out after the entry into force of this ordinance, provided that they relate to fixed-term contracts entered into on or before 19 September 2019;

ii) conversions of fixed-term employment contracts supported by the Employment Contract measure (Ordinance no. 34/2017, of 18 January, as amended by Ordinance no. 95/2019, of 29 March), even if they occurred before 20 September 2019.

4. For the purposes of application, the employer must meet all of the following requirements:

- i) be properly constituted and duly registered;
- ii) meet the legal requirements for the exercise of the activity or provide evidence of having initiated the applicable process;
- iii) have their tax and contribution situation regularised with the Tax and Customs Authority and Social Security;
- iv) not be in default with regard to financial support granted by IEFEP, I.P.;
- v) have the situation settled in terms of refunds within the scope of financing by the European Social Fund (ESF);
- vi) have an organised or simplified accounting system;
- vii) have no outstanding salary payments;
- viii) have not been convicted in criminal or administrative proceedings for violation of labour legislation in the last 3 years.

5. Constitutes requirements for the granting of financial support: (i) the maintenance of the supported employment contract and the level of employment for a period of 24 months from the date of commencement of the supported open-ended employment contracts; (ii) the remuneration provided for in the supported employment contract must comply with the minimum monthly guaranteed remuneration and, where applicable, with the respective instrument of collective bargaining.

6. For the purpose of applying the present ordinance, it is considered that the level of employment is maintained when, on the date of the conversion of the contract and in the following 24 months, the employer has at its service a number of workers equal to or higher than the average number of employees registered in the 12 months preceding the month of supported conversion.

Note: However, the termination of contracts promoted by the employee due to disability, death, old-age retirement, dismissal with just cause promoted by the employer or expiry of fixed-term contracts entered into under the terms of paragraphs a) to d) of no. 2 of article 140 of the Labour Code and provided that the employer proves this to the IEFP, I.P., within 5 working days are not counted for this purpose.

7. Financial support to be granted to the employer of a value equivalent to four times the basic monthly remuneration provided for in the open-ended employment contracts up to a limit of seven times the value of the IAS (currently this limit is € 3,050.32). This financial support may be increased by 10% in certain specific situations.
8. The financial support shall be paid in three instalments: (i) 50 % of the value of the financial support shall be paid within 30 working days of receipt of the acceptance letter and a copy of the evidence of all contract conversions carried out; (ii) 25 % of the value of the financial support shall be paid in the 13th month of the last contract converted; (iii) 25 % of the value of the financial support shall be paid in the 25th month of the last contract converted.
9. Non-compliance by the employer with the obligations relating to the financial support granted implies its immediate termination and the total or proportional refund of the amounts already received, taking into account the date of occurrence of the fact for each supported contract.

- 10.** The employer shall reimburse proportionally the financial support received when it occurs: (i) Termination of the supported employment contract promoted by the worker covered by the measure; (ii) Expiry of the employment contract supported by the absolute and definitive supervening impossibility for the employee to perform his work, or by the worker's retirement, old age or disability; (iii) Termination of the supported employment contract by agreement; (iv) Termination of the supported employment contract following dismissal due to fact attributable to the employee; (v) Lawful termination of the employment contract by the employee in situations of objective just cause; (vi) Non-compliance with the obligation to maintain the level of employment.
- 11.** The employer is obliged to reimburse the full amount of the financial support received when it occurs: (i) Termination of the employment contract supported in situations of collective dismissal, termination of a work post or unsuitability, as well as dismissal due to a fact attributable to the employee that is declared unlawful or termination of the employment contract during the trial period at the initiative of the employer, carried out during the duration of the support; (ii) Lawful termination of the employment contract by the employee, when situations of just and subjective just cause are at stake.

20 september 2019.

TELLES DE ABREU E ASSOCIADOS
SOCIEDADE DE ADVOGADOS, SP, RL

TELLES

— ADVOGADOS —

TELLES DE ABREU E ASSOCIADOS - Sociedade de Advogados, SP, RL

Reg. na Ordem de Advogados n.º 23/92
Capital Social €34 000,00 NIPC - VAT Nr.: PT 502 790 652
telles@telles.pt - www.telles.pt

Porto

Av. Marechal Gomes da Costa, 1131
4150-360 Porto Portugal
t. +351 220 308 800

Lisboa

Rua Castilho 20, 4º andar
1250-069 Lisboa Portugal
t. +351 210 308 830

MARCALLIANCE 
THE BRIDGE TO YOUR GLOBAL LAWYER