

LABOUR LEGAL CHANGES – FEBRUARY 2019

I. UPDATE OF THE SUSTAINABILITY FACTOR AND THE AGE OF ACCESS TO OLDER PENSION

The ordinance no. 50/2019, dated as of February 8th, updated the sustainability factor, applicable to pensions to be granted in 2019 before the normal age of access to the pension, to the value of 0,8533.

In addition, it set the normal age for access to the old-age pension for the year 2020, in 66 years and 5 months.

This update took effect from January 1st, 2019.

II. PROFESSIONAL INTERNSHIP MEASURE

Ordinance no. 70/2019, dated as of February 27th, has changed the regime of the measure "Professional Internships" created by Ordinance no. 131/2017, of April 7th.

This measure intends to support the integration of young people into the labour market or the vocational retraining of the unemployed, through the development of practical experience in the working context, by providing financial support from the Institute for Employment and Vocational Training, IP (IEFP).

1. Subjective scope:

Under this amendment, will be eligible to this measure all persons who have provided effective service under a Contract Scheme, Special Contract Scheme or Volunteer Scheme in

the Armed Forces and who are under the conditions set out in paragraph 2 of article 22 of Decree-Law no. 76/2018, of October 11th.

In addition, it has been expressly clarified that, for the purposes of exclusion from access to the measure, will not be considered the employment agreements concluded with young people on school vacations in favor of the promoter, before submission of the application.

2. Internship Contract:

The possibility of replacing the trainee, whenever the traineeship contract ceases in the first 30 days of project execution, has now been expressly established and shall respect the terms defined in article 23.

3. Scholarship:

The monthly amount of scholarship to be awarded to trainees at levels 7 and 8 of the NQF (national qualifications framework) has been updated as follows:

- a) 1,75 times the value corresponding to the IAS for the trainee with a qualification of level 7 of the NQF;
- b) 1.85 times the value corresponding to the IAS for the trainee with a qualification of level 8 of the NQF.

4. Employment Award:

Considering that the granting of the *employment award* implies the duty of the promoter to keep the level of employment checked at the date of conclusion of the contract, this amendment has clarified that, to that end, will not be consider the employees who have terminate the labour agreements by: (i) their own initiative, (ii) invalidity, (iii) death, (iv) old-age retirement, (v) dismissal with just cause by the employer or (vi) expiration of fixed-term labour agreements in the terms of paragraphs a) to d) of number 2 of article 140 of the Labour Code, to be proved by the promoter.

However, if there is a decline in the level of employment approved in one of the 12 months of the duration of the obligations, it must be restored in the month following that in which the descent occurs.

In addition, the promoter will be entitled to the financial support, calculated on a pro rata basis, considering the work done in the 12-month period, in cases of termination of the employment agreement supported by the following reasons:

- a) Unilateral termination by the employee;
- b) Expiration of the labor agreement due to a supervening, absolute and definitive impossibility of the employee to provide his/her work or due to invalidity retirement;
- c) Dismissal for a fact attributable to the employee.

5. Application:

By this amendment, the applications shall be decided within 30 working days from the date of submission (and not from the closing date of the application period).

This Ordinance entered into force on February 27th, 2019, and will apply to all applications submitted after this date¹.

March 7th, 2019.

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

¹ Except for the changes regarding the possibility of replacing the trainee during the first 30 days of project execution and those related to the form of accounting the level of employment, which will also apply to the projects in execution.