

INFORMATION

Changes to the Labour Code

It was published today in Diário da República the law no. 93/2019, approving the changes to the Labour Code, which will be effective on 1st October 2019.

We highlight the following changes:

1. Creation of an additional contribution tax to the Social Security for excessive rotation applicable to employers exceeding an average of annual fixed-term contracts previously foreseen for each sector, this being a way to penalize those companies excessively using this type of contract. This additional contribution will become effective on 1 January 2020 and will be paid for the first time on 2021.
2. Restriction to the possibility of establishing fixed-term contracts based on the launching of a new activity of uncertain duration, as well as at the beginning of activity of a company or facility, for companies with less than 250 employees (previously allowed on companies with less than 750 employees)
3. Elimination of fixed-term contracts housed in the justification that it is a first job seeker or a worker in a long-term unemployment situation.
4. Reduction of the maximum duration of fixed-term contracts to: (i) 2 years, in cases of fixed-term employment contract, and (ii) 4 years in cases of an uncertain term employment contract
5. Limitation to the renewal of fixed-term contracts, imposing that the duration of the renewals of fixed-term contracts shall not exceed the duration of the term initially agreed by the parties.
6. Enlargement of the trial period from 90 to 180 days for non-term contracts for a first job seeker or a worker in a long-term unemployment situation

7. The professional internship contract for the same activity and in favor of the same employer shall be considered for the calculation of the trial period
8. Obligation of the temporary employment contract to express clearly the reason justifying the contract, including the facts justifying the contract, based on the justification for the use of temporary work by the user, , otherwise it could be considered void and with no effects.
9. Limitation to the maximum of 6 renewals of the temporary employment contract which is signed as a fixed-term contract, except for the contracts signed on the basis of direct or indirect substitution of an absent worker (that maximum renewal limit is not applied to those)
10. Elimination of the individual time bank, however, allowing the existing ones to be maintained for a maximum period of one year after the effectiveness of this law.
11. The group time bank, only possible if provided for in the Collective Bargaining Agreement (CCT), has to be approved by the target employees.
12. Enlargement of 35 to 40 hours of the minimum period of annual training of the employee.

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