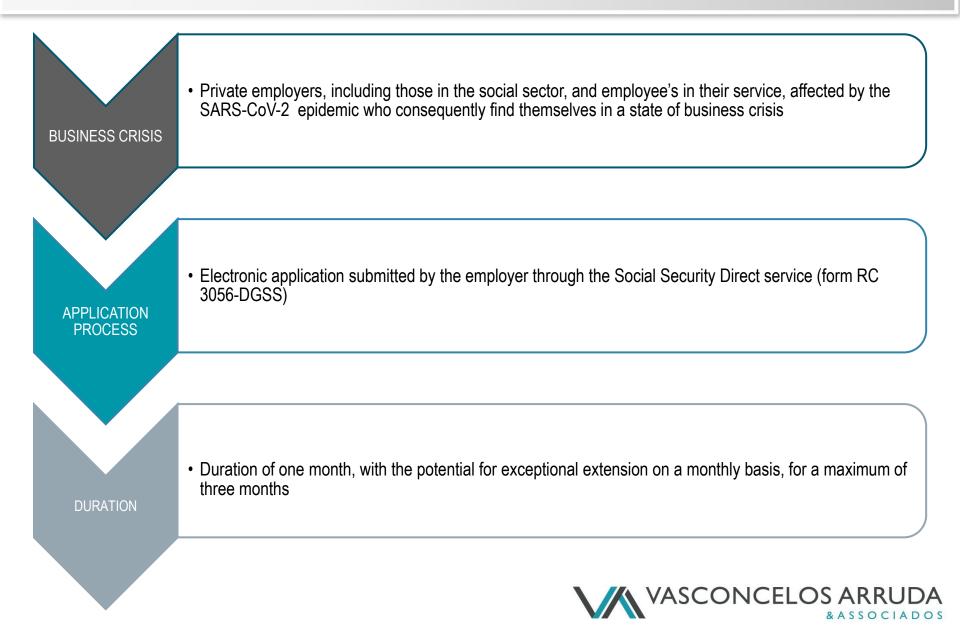


#### REDUCTION OR TEMPORARY SUSPENSION OF EMPLOYMENT CONTRACTS DUE TO BUSINESS CRISIS (*Simplified Lay Off*)

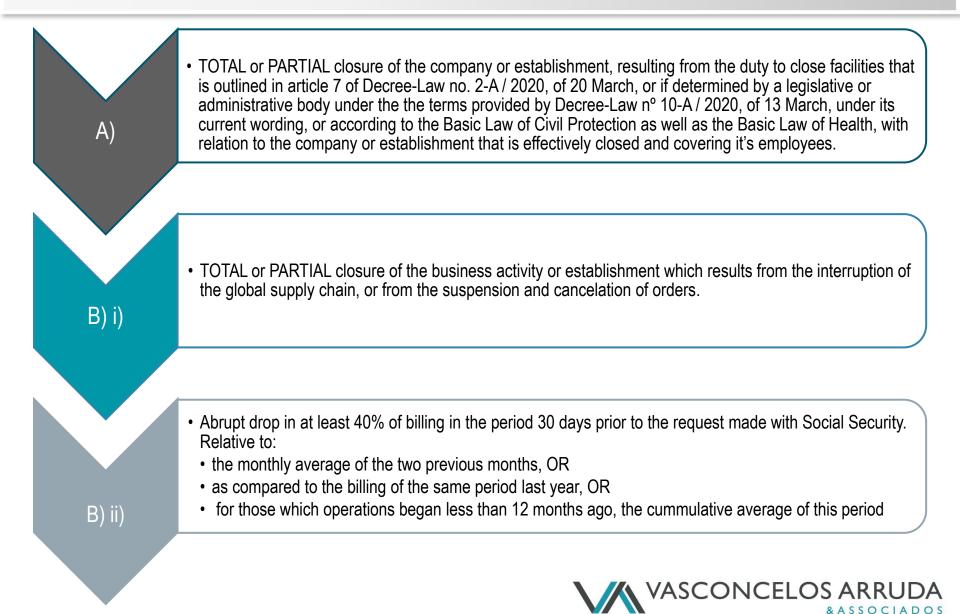
PROCEDURE AND PRACTICAL APPLICATION OF THE MEASURE



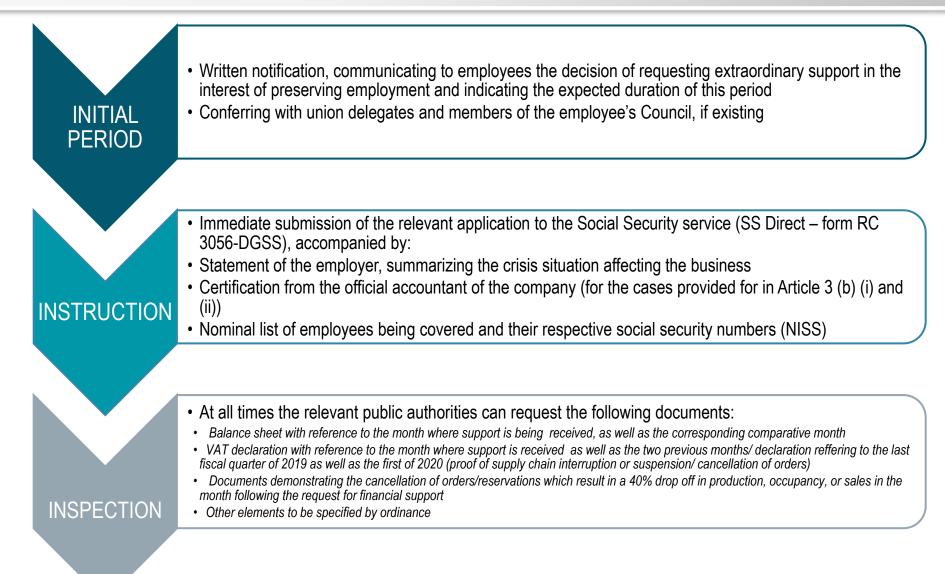
# CONDITIONS FOR ACCESS TO SIMPLIFIED LAYOFFS



# "BUSINESS CRISIS" – ARTICLE 3.º

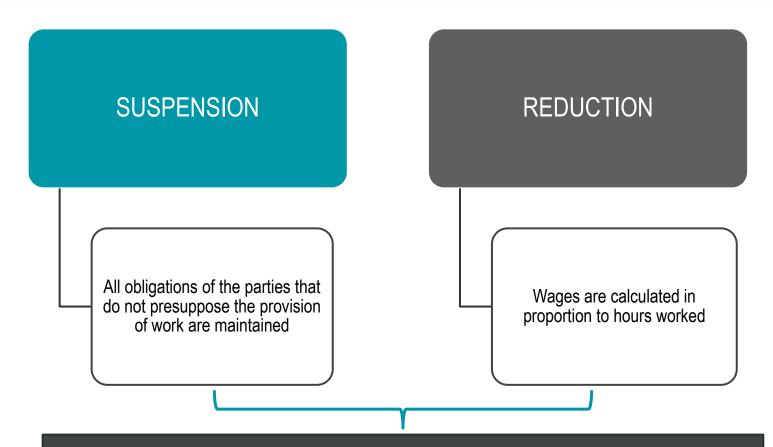


# **APPLICATION PROCESS**





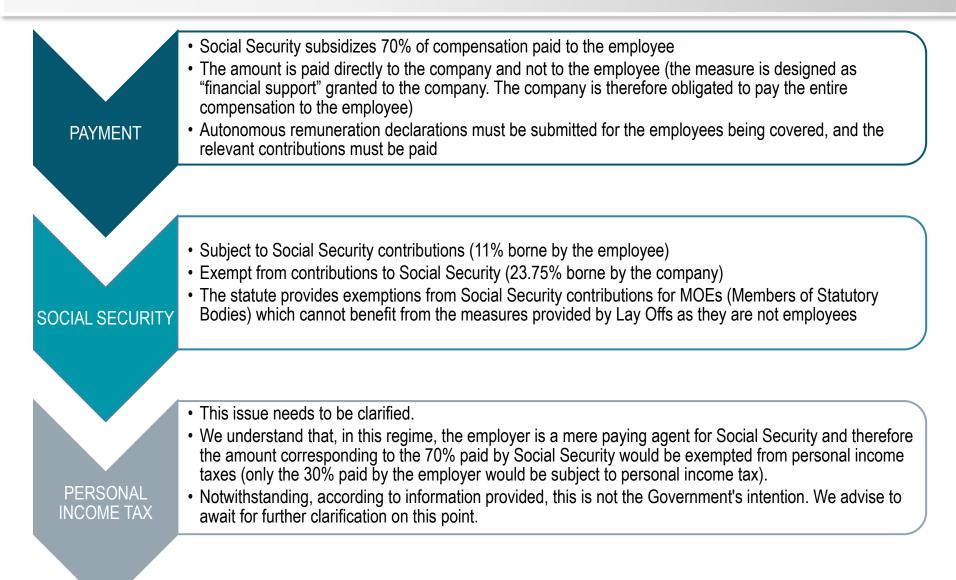
# **REDUCTION OR SUSPENSION**



employees are entitled to RETRIBUTIVE COMPENSATION, to the extent necessary to, alongside the remuneration for work performed inside and outside the company, ensure that at least 2/3rds of their normal gross salary, or the value of the minimum wage corresponding to his normal working period, is provided. Whichever is higher, with a limit of 3 minimum wages (€ 1905)



# **RETRIBUTIVE COMPENSATION**





# EMPLOYEES' RIGHTS - EXAMPLES

Considering the situation of a married employee, with two title holders and a dependent.

	SUSPENSION OF EMPLOYMENT CONTRACTS FOR 1 MONTH								
With withholding tax	€ 700		€ 1 000		€ 2 000		€ 4 000		
		LAY OFF		LAY OFF		LAY OFF		LAY	OFF (*)
	€ 700	€ 635	€ 1 000	€ 666,67	€ 2 000	€ 1 333,33	€4000	€ 1 905	€ 2 333,33
Quotização SS (11%)	€ 77,00	€ 69,85	€110	€ 73,33	€220	€ 146,67	€ 440	€ 209,55	€ 256,67
IRS	€ 9,1 (1,3%)	€0,00	€ 89 (8,9%)	€ 0,00	€ 440 (22%)	€ 211 (15,8%)	€ 1.220 (30,5%)	€ 400,05 (21%)	€ 562,33 ( <b>24,1%)</b>
TOTAL LÍQUIDO	€ 614	€ 565,15	€ 801	€ 593,34	€ 1 340	€ 975,66	€ 2 340	€ 1 295,40	€ 1 514,33
Contribuição SS (23,75%)	€ 166	Isento	€ 238	Isento	€ 475	Isento	€ 950	Isento	Isento
Custo Empresa	€ 866,25	€ 190,50	€ 1 237,50	€ 200,00	€ 2 475,00	€ 400,00	€ 4 950,00	€ 571,50	€ 999,83
Comparticipação SS (70%)	NA	€ 444,50	NA	€ 466,67	NA	€ 933,33	NA	€ 1 333,50	€ 1 333,50

(\*) The law is unclear as to the upper limit for what can be guaranteed to the employee. It could be interpreted that the maximum wage is three times the minimum wage, or that compensation is limited to three times the minimum wage. We are inclined to beleive the first option (in the same vein: Bernardo da Gama Lobo Xavier, Manual de Direito do Trabalho, 3<sup>a</sup> Ed., Editora Rei dos Livros, pages 711 and following).



#### **EMPLOYEES' RIGHTS - EXAMPLES**

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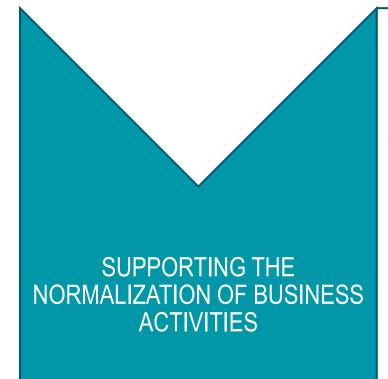
# **BREACH AND RESTITUTION OF SUPPORT**

SITUATIONS	Dismissal for reasons that are not directly attributable to the employee (expiration and denunciation do not, in our opinion, coincide with the notion of dismissal provided for in this case), during the period where support is received and in the 60 days following – <b>this prohibition applies to all company's employees, even to those not included in the measures</b> – <i>Rectification Statement no.</i> 14/2020, March 28					
THAT RESULT						
IN THE	Failing to punctually comply with remuneration obligations due to employees					
IMMEDIATE	Failure of the employer to comply with its legal, tax, or contributory obligations					
RESTITUTION	Profit distribution during the term where these obligations arise, in any form, particularly, by way of					
OR	withdrawal on account					
TERMINATION	Non-compliance attributable to the employer of the obligations that have been assumed, within their respective deadlines					
OF FINANCIAL	· · · · · · · · · · · · · · · · · · ·					
SUPPORT	Providing false information					
	Continuation of work to the employer by employee covered by the measure of extraordinary					

support for the maintenance of the employment contract under the provision of contract suspension or, beyond the ordinary schedule, in the modality of temporary reduction of the normal working hours



#### SUPPORT FOR THE RESUMING OF ACTIVITIES



• Employers who benefit from the measures provided for in this Decree-Law are entitled to financial incentives in the interest of supporting the resumption of the company's regular activities, which will be granted by the IEFP, and paid in one installment with the value of the minimum wage per employee (the law seems to provide for the automatic payment of the value of one minimum wage, independent of the application of the measure of suspension or reduction of normal working periods in relation to the employee concerned.)





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All of our Briefings can be consulted at www.vaassociados.com

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