

OCTOBER 2019

CHANGES TO LABOUR LAW LAW NO. 93/2019, OF THE 4TH SEPTEMBER

On the 4th September 2019, Law no. 93/2019 was published, introducing significant changes to the Labour Code as well as to the Regulation of the Labour Code and the Code on the Contributory Regimes of the Protection Systems of Social Security. The most relevant changes, which have come into force on the 1st October 2019, are identified below.

I – CHANGES TO THE LABOUR CODE

The 180-day probation period is now allowed when hiring employees looking for their first job as well as long-term unemployed.

The yearly number of hours of continuous training the employee is entitled to was increased from 35 to 40 hours a year or to the proportional number of hours, in case of a fixed-term employment contract with a duration equal to, or exceeding, 3 months.

Fixed-term employment contracts are now only permitted when pursuing temporary, objectively defined, demands of the employer. The possibility of hiring an employee looking for its first job on a fixed-term contract is removed.

The recruitment on fixed-term contracts, on the basis of the launch of a new activity of uncertain duration or in case of the starting of a new company or establishment, is now limited to companies with less than 250 employees (rather than the previously stipulated 750 employees). The hiring is only possible within the first 2 years after any of those occurrences and the fixed-term employment contracts cannot exceed that two-year period.

The scope of application of special cases of very short-term employment contracts is broadened. The duration for these special cases of contracts was increased from 15 to 35 days.

The maximum duration for a fixed-term employment contract was reduced from 3 (three) to 2 (two) years. This can be renewed up to 3 (three) times, being that the total duration for renewals cannot exceed the duration of the initial term of the contract.

The maximum duration for an employment contract of indefinite duration was decreased from 6 (six) to 4 (four) years.

II – CHANGES TO THE CODE ON CONTRIBUTORY REGIMES

In relation to the matter of fixed-term hiring, an additional contributory fee will be applicable to legal persons and individuals with businesses, regardless of the activity, who, in the same calendar year, have a share of fixed-term hiring higher than that of the corresponding indicator for the sector.

The additional contributory fee shall not be applied to:

- a) Fixed-term contracts concluded for:
 - (i) Replacing an employee on parental leave;
 - (ii) Replacing an employee with a temporary incapacity to fulfill the work, due to illness for a period equal to, or exceeding, 30 days.
- b) Very short-term employment contracts.

Contracts for the use of temporary employment become null when not fulfilling any of the legally stipulated elements (previously, this would be the case only in the absence of a justifying reason).

The fixed-term temporary employment contract is not subject to the maximum duration envisaged for fixed-term employment contracts and can be renewed up to 6 (six) times while the justifying reason remains (previously there was no limit for the number of renewals). The renewal limit shall not be applied to temporary fixed-term contracts aiming at the replacement of an absent employee due to reasons not attributable to the employer.

The collective regulatory instrument applicable to the using company is immediately applicable to the temporary worker (previously, this would only be the case after 60 days of employment).

The establishment of an **individual hour bank** system by agreement between employer and employee is eliminated. Instead, a **group hour bank** system can be established and applied to a group of employees within a team, section or economic unit, through the realization of a referendum among the employees affected (instead of being established solely through a collective regulatory instrument).

Protections against **harassment** in the workplace are strengthened, now being considered as abusive those sanctions, against the employee, that follow harassment allegations or service as a witness in a legal or misdemeanour harassment case. Harassment by the employer or other coworkers is, now, among the reasons for the employee to terminate the contract with valid reason.

The establishment and organising of trade unions and employer associations, as well as matters relating to **collective hiring** have undergone several changes, both regarding subjective application (selection of the applicable collective agreement) and on what concerns temporal application (termination, overlength and expiration), as well as in those precepts relating to arbitration (necessary and mandatory).

PARES | Advogados is available to provide information about the changes to the Labour Code, the Regulation of the Labour Code and the Code on the Contributory Regimes of the Protection Systems of Social Security, in a more detailed manner that will suit the specific needs of each client, being able to offer all necessary support in what Labour Law is concerned.

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