

OCTOBER 2019

CONVERTE+ MEASURE

MINISTERIAL ORDINANCE NO. 323/2019, OF THE 19TH SEPTEMBER

On the 19th September, Ministerial Ordinance no. 323/2019 was published, regulating the creation of the Converte + measure, which aims at countering precarious employment through awarding the employer a temporary financial assistance for the conversion of fixed-term employment contracts into employment contracts of indefinite duration.

Conditions of eligibility

- Conversions fulfilled after the 20th September 2019, in so far as referring to fixed-term contracts entered at a previous date;
- Conversions of fixed-term employment contracts supported by the *Contrato-Emprego* measure, even if entered before the 20th September 2019.

Requirements for the employer

The employer should, cumulatively:

- a. Be duly constituted and properly registered;
- b. Fulfill all the legal requirements to pursue the activity or submit evidence of having started the applicable process for such;
- c. Have a settled tax and social security status before, respectively, the Tax and Customs Authority and Social Security;
- d. Not be a defaulting debtor in relation to financial assistance provided by the IEFP, IP.;
- e. Be up to date on reimbursements in reference to funding from the European Social Fund;
- f. Have an organised or simplified accounting system;
- g. Not have outstanding wages, with the exception of cases within the Special Process for the Revitalisation of companies or the Framework on Extrajudicial Corporate Recovery;
- h. Not have been convicted for a crime or misdemeanour for violations of labour law.

These requirements shall be met both when the application is submitted and while obligations arise from the granting of the financial support.

Requirements for granting financial support

- Compliance with the provided in terms of minimum monthly wage and, when applicable, of the corresponding collective regulatory instrument;
- Obligation to uphold the supported employment contract, as well as of the level of employment, for a period of 24 months from the date of commencement of the supported indefinite duration contract.

Amount and payment of the financial support

The financial support corresponds to the equivalent value of four times the monthly base pay provided for in the indefinite duration employment contract to a ceiling of seven times the amount of the Social Support Indexant (SSI), currently set at €435.76,00. The amount of the support may be increased in 10% (ten per cent) in the specific situations laid down in the ministerial ordinance.

Non-compliance

The non-compliance, by the employer, of the obligations resulting from the financial support awarded entails its immediate termination and proportional or total refund, depending on the date of the infringement and of the amounts already received, in reference to each supported contract, without prejudice of the right to complain over indication of criminal offence.

Application

The period for accepting applications is set by the IEFP, IP. and published in the website www.iefp.pt. Applications are submitted in the iefp online portal and should be supported by the following documents:

- a. Copy of the documentary evidence of the conversion of the fixed-term employment contract into an employment contract of indefinite duration, in those cases where such conversion has happened before the submission of the application;
- b. Copy of the fixed-term employment contract to convert, in those cases where the conversion has not happened before the submission of the application;
- c. Declaration of absence of debt or authorization for online check of the tax status with the Tax and Customs Authority and Social Security;
- d. Declaration of compliance with the requirements demanded from the employers;

- e. Documentary evidence, where applicable, of cases of Special Process for the Revitalisation of companies or Framework on Extrajudicial Corporate Recovery.

The IEFP will decide on the application within a maximum of 30 (thirty) business days from the date of submission, after the verification of the requirements for the concession of the support within the existing budget allocation, amounting to 30 million euros.

PARES | Advogados is available to provide more detailed information on Convert+ Measure that will suit the specific needs of each client, being able to offer all necessary support on Labour Law.

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