

Newsletter

Covid-19

Regulation of the Simplified Support for Micro-companies and New Incentive for Normalisation of Activity



May 2021

Decree-Law n. 102-A/2021, of 14 May enacts some amendments to the existing simplified support to micro-companies ("Simplified Support") and regulates the recently created incentive to the normalisation of business activity ("New Incentive to Normalisation"), under the following terms:

Simplified Support

Eligibility:

Micro-companies (i.e., employing less than 10 employees in the calendar month prior to the submission of the application) that:

- I. Are in a business crisis situation: decrease in the turnover equal to or higher than 25% in the full calendar month immediately preceding the application for the Support when compared with the same month in the previous year or in 2019 or compared to the monthly average prior to said application;
- I. During the year 2020 have benefited from the support granted in the extent of the simplified lay-off or from the extraordinary support to the progressive resume of activity; and
- I. During the first quarter of 2021, have not benefited from any of the supports mentioned in the previous paragraph.

Support:

- Equivalent to two times the national minimum wage (EUR 1,330.00) for each employee covered by one of the supports referred in II.;
- Paid in two instalments over 6 months;
- Calculation is based in the number of employees in the calendar month prior to the application, with a maximum limit on the number of employees covered by the support mentioned in II., in the last month of application to this Support.
- Additional Support granted to micro-companies that:
 - I. during the first semester of 2021, benefit from the Simplified Support;
 - II. in the month of June 2021, remain in a business crisis situation;
 - III. have not benefited from the extraordinary support for the maintenance of employment contracts foreseen in article 2 of Decree Law n. 6-E/2021 of 15 January, or from the extraordinary support for the progressive resume of activity.

Contacts:

For further information, please contact:

Inês Albuquerque e Castro
Partner

T: +351 213 587 587

iacastro@eversheds-sutherland.net

For a full list of our offices and contact details visit:

eversheds-sutherland.com

This briefing is correct as at 3 September 2021. It is intended as a general guidance and is not a substitute for detailed advice in specific circumstances.

Data protection: Your information will be held by F. Castelo Branco & Associados, in accordance with the GDPR, and added to our marketing databases. It may be used for internal analysis, to fulfil any requests from you for further information and services and, unless you have asked us not to, to contact you about other services or events offered by F. Castelo Branco & Associados or our associated offices. We may pass your details to our associated offices (some of which are outside the EEA), but we will only allow their use for the purposes mentioned above. We may also transfer your details to any successor to our business (or a relevant part of it). An up-to-date list of our associated offices and their locations can be found on our website: eversheds-sutherland.com. This privacy statement applies to all information that we hold about you.

If you do not want your information to be used in this way or your information is incorrect, please contact by writing to F. Castelo Branco & Associados, Av. da Liberdade, 249, 1.º, or send an email to dadospesoais@eversheds-sutherland.net.

© Eversheds Sutherland FCB 2021. All rights reserved.

The Additional Support's amount is equivalent to the national minimum wage (EUR 635.00) per employee covered by the Simplified Support, paid in a lump sum, and can be requested between July and September 2021.

Procedure:

- The Simplified Support must be requested at the Institute of Employment and Professional Training, I.P. (IEFP) by filling out the form available at <https://iefponline.iefp.pt/>;
- The application must be instructed with the following documents:
 - Declaration of the company and certification of the decrease in the turnover equal to or higher than 25% in the full calendar month immediately preceding the request for support compared to the same month of the previous year or the year 2019 or compared to the monthly average prior to this request;
 - Declaration of no debts to the Social Security (SS) and to the Tax Authorities (AT) or authorization for consultation by these entities of the tax situation; and
 - Term of acceptance with indication of IBAN.
- The term of acceptance determines the obligation to (a) keep the social security and tax situation in good standing; (b) not terminate, during the period of granting of the support, as well as in the following 60 days, employment contracts by collective dismissal, individual redundancy and maladjustment, nor start the respective procedures; c) maintain, during the period of concession of the support, as well as in the following 90 days, the level of employment observed in the month prior to that of the application.
- The Additional Support must be requested under the terms foreseen in the Application Terms and Conditions, instructed with the same documentation required for the Simplified Support.

New Incentive to the normalisation of business activity**Eligibility:**

Companies that, in the first quarter of 2021, have benefited from the extraordinary support for the maintenance of employment contracts or from the extraordinary support for the progressive resume of the activity.

Incentive:

- Granted in one of the following modalities:
 - Incentive in the amount of twice the national minimum wage (EUR 1,330.00) per employee covered by the extraordinary support for the maintenance of employment contracts or the extraordinary support for the progressive resume of activity, paid in a phased manner over six months, when applied until 31 May 2021;
 - Incentive in the amount of the minimum national wage (EUR 665.00) per employee covered by those supports, paid in a lump sum, when requested between 31 May 2021 and 31 August 2021, being considered a three month concession period.
- The incentive is calculated based on the number of employees in the calendar month prior to the application and has a maximum limit of the number of employees covered by the extraordinary support for the maintenance of employment contracts and/or by the extraordinary support for the progressive resume of activity, in the last 30 consecutive

This briefing is correct as at 3 September 2021. It is intended as a general guidance and is not a substitute for detailed advice in specific circumstances.

Data protection: Your information will be held by F. Castelo Branco & Associados, in accordance with the GDPR, and added to our marketing databases. It may be used for internal analysis, to fulfil any requests from you for further information and services and, unless you have asked us not to, to contact you about other services or events offered by F. Castelo Branco & Associados or our associated offices. We may pass your details to our associated offices (some of which are outside the EEA), but we will only allow their use for the purposes mentioned above. We may also transfer your details to any successor to our business (or a relevant part of it). An up-to-date list of our associated offices and their locations can be found on our website: eversheds-sutherland.com. This privacy statement applies to all information that we hold about you.

If you do not want your information to be used in this way or your information is incorrect, please contact by writing to F. Castelo Branco & Associados, Av. da Liberdade, 249, 1.º, or send an email to dadospesoais@eversheds-sutherland.net.

© Eversheds Sutherland FCB 2021. All rights reserved.

days of its application, and if they have been covered by this support for a period equal to or greater than 30 days prior to 15 May 2021.

Social Security Contributions

Under the incentive payment in two instalments modality, companies are entitled to a partial exemption from the payment of 50% of their contributions to social security, with reference to the employees covered by the incentive, during the first two months of the incentive, starting from the month following the date of payment of the first payment of the incentive.

Procedure

- The Incentive must be requested from IEFP by filling out the form that will be available at <https://iefponline.iefp.pt/>;
- The application must be instructed with the following documents:
 - Declaration of no debts to the Social Security (SS) and to the Tax Authorities or authorization for consultation by these entities of the contributory and tax situation; and
 - Term of acceptance with indication of IBAN.

Cumulability

- The Simplified Support and the New Incentive to Normalisation cannot be cumulated.
- The Simplified Support and the New Incentive to Normalisation cannot be combined simultaneously with the simplified lay-off, with the regular lay-off or with the extraordinary support to the progressive recovery of activity in companies in a situation of business crisis.
- The use of the Simplified Support or of the New Incentive to Normalisation does not allow the sequential use of the extraordinary support to the progressive resume of activity in companies in a situation of business crisis, notwithstanding the fact that the employer may withdraw the New Incentive to Normalisation, if granted in a phased manner and if 3 full months have elapsed after the payment of the first instalment.
- The Simplified Support and the New Incentive to Normalisation can be cumulated with the extraordinary incentive to the normalisation of business activity.

Decree-Law n. 102-A/2021 enters into force on 15 May 2021 and Portuguese version can be consulted [here](#).

This briefing is correct as at 3 September 2021. It is intended as a general guidance and is not a substitute for detailed advice in specific circumstances.

Data protection: Your information will be held by F. Castelo Branco & Associados, in accordance with the GDPR, and added to our marketing databases. It may be used for internal analysis, to fulfil any requests from you for further information and services and, unless you have asked us not to, to contact you about other services or events offered by F. Castelo Branco & Associados or our associated offices. We may pass your details to our associated offices (some of which are outside the EEA), but we will only allow their use for the purposes mentioned above. We may also transfer your details to any successor to our business (or a relevant part of it). An up-to-date list of our associated offices and their locations can be found on our website: eversheds-sutherland.com. This privacy statement applies to all information that we hold about you.

If you do not want your information to be used in this way or your information is incorrect, please contact by writing to F. Castelo Branco & Associados, Av. da Liberdade, 249, 1.º, or send an email to dadospesoais@eversheds-sutherland.net.

© Eversheds Sutherland FCB 2021. All rights reserved.