



## Main changes to the Labour Code by Law No. 93/2019 of September 4th

Law No. 93/2019 changes the Labour Code and the Code of Contributory Schemes of the Social Security System.

It seems to have been the legislature's goal to combat precarity, hinder term hiring and encourage permanent contracts.

Among the main changes we highlight the following:

### 1. Conclusion of resolute fixed-term contracts

This proposal has limited the possibility of using such contracts and promoted greater protection of workers. This limitation essentially translates into the following:

It is required for the employer to expressly enshrine in the contract the objective delimitation of the "temporary needs" that justify the use of it.

Reduction of the maximum duration of fixed-term contracts to **2 years** (previously a maximum duration of 3 years was allowed).

Limitation on renewals of fixed-term contracts. The total duration of the renewals of the employment contract may not exceed that of the initial period of the employment contract.

Delimitation of the grounds for the use of this form of organization of working time, in particular by eliminating the end-term contracting for cases of workers looking for first employment and long-term unemployed. This solution aims to stimulate the insertion of these workers in the labour market in more stable way.

Limitation of the use of the reason "launching new activity or opening new establishments" to companies with a number of workers under 250.

The term contract regime as provided for in the Labour Code can no longer be removed by collective labour regulatory instrument.

Regardless of the express provision of non-renewal of the contract, the employer is required, at the time of the expiry of the contract, to pay compensation.

*“Everything in the world is purchased by labor.”*

Extensions of very short-term contracts from **15 to 35 days**. The use of this contracts is allowed to all sectors that have an exceptional and substantial increase of activity.

Article 55A, which determines the application of an additional contribution in the event of excessive turnover (i.e. annual resolute-term contracting weight higher than its existing sectoral indicator) is added to the Code of Contributory Schemes. This legal solution essentially aims to reduce the excessive use of non-permanent contracts and promote non-term contracting.

## **2. Continuous training**

The minimum number of training hours is extended from 35 to 40 hours per year.

## **3. Contracts without term**

With regard to the Code of Contributory Schemes of the Social Security System, Article 55 was repealed, where the adequacy of the rate contributing to the working contract modality was stipulated.

Concerning the trial period, arise an extension of the time limit in the case of workers looking for their first job and for long-term unemployed, and this period is **180 days**.

## **4. Intermittent contract**

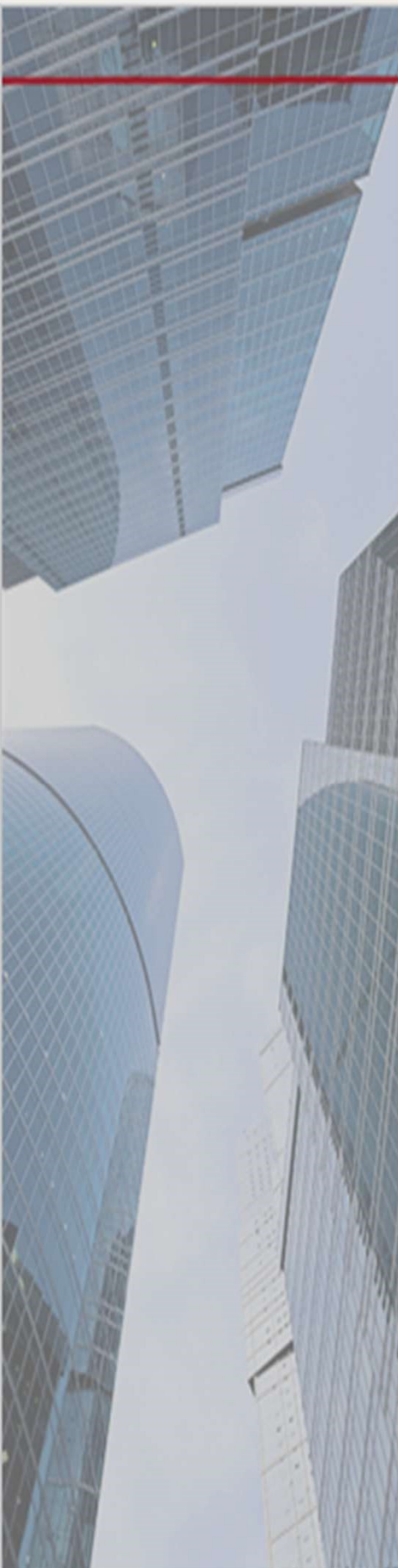
The minimum period of annual work delivery is decreased from **6 to 5 months**. In turn, consecutive working time is also reduced from **4 to 3 months**.

## **5. Temporary Employment Contract**

In order to ensure greater protection of temporary workers, this type of contracts is limited, stipulating a ceiling of **6 renewals** (the current law does not in any way limit the renewals of these contracts).

However, it is necessary to note cases where the temporary employment contract is concluded for the replacement of absent workers (and that absence is not attributable to the employer), thus excluding this limit of 6 renewals.

It becomes applicable to temporary workers, immediately, the Collective Labour Regulatory Instrument applicable to user workers who perform the same functions.



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The employer, when concluding the temporary employment contract, must inform the worker of the reasons justifying the use of this contractual manner.

In order to penalise the violation of these rules, is foreseen the integration of temporary worker into the user undertaking under no-term employment contract (and not in the temporary employment undertaking).

#### **6. Bank of Hours**

The individual Time Bank is eliminated, and it is stipulated the period of 1 year of validity for the contracts currently in force. With this amendment, it is essentially intended to promote a greater dynamism of collective procurement and reduce the individualization of labor relations.

A new legal solution is stipulated that allows the implementation of a scheme by approving a project submitted by the employer in a referendum to the workers to cover.

#### **7. Collective Bargaining**

With regard to the payment of supplementary work, it can only be regulated by the collective labour regulation instrument if a more favourable solution for the worker is provided.

In the event of the expiry of the Collective Labour Regulatory Instrument, it remains in force the matters in terms of parenting and safety and health.

Mandatory statement of the reasons at the time of complaint. Also, those reasons must be submitted to the service with an inspection competence of the ministry responsible for the labour area (ACT).

New arbitration modality for the suspension of the survival period.

With regard to individual accession to the Collective Agreement by unaffiliated workers (who, to this end, will have to integrate within the scope of the sector of activity, professional and geographical of the instrument chosen), it is granted a period of **3 months** from the date of collective agreement or from the date of validity of the contract if it is subsequent. The worker is expected to revoke his choice.

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labor.”*

#### **8. Application in the time of this new Law**

The new drafting of the Labour Code applies to employment contracts whose conclusion is prior to its entry into force, except for the following situations:

- Fixed-term employment contracts concluded prior to the entry into force of this Law (in particular as regards admissibility, renewal and duration);
- Agreements relating to the Individual Time Bank expire within 1 year of the entry into force of this Law.

It is established the obligation to assess the impacts of the application of this Law and its effects, which should be made by the Government by means of a report, after 24 months of its entry into force.

#### **9. Entry into force and production of effects**

This law enters into force on the first working day following its publication, i.e. on October 1.

The entry into force of Article 55 of the Codes of Contributory Schemes will only take effect from 1 January 2020.

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