

INFORMATIVE NOTE



OUTLOOK 2016



MAIN TRENDS IN EMPLOYMENT LAW

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1. FIXED-TERM CONTRACTS

In the area of fixed-term contracts, limits have been announced in relation to hiring young people seeking their first job and the long-term unemployed in order to prohibit fixed-term contracts being used for permanent positions.

Furthermore, the Government also intends to make the requirements under the Employment Code more demanding when it comes to proving temporary needs as a basis for hiring employees on fixed-term contracts.

To further the limits on fixed-term contracts, the Minister has announced that he intends to push ahead with the objective of discouraging the use of fixed-term contracts by increasing the rate of Social Security payable by employers in the case of employees who work under fixed-term contracts. The Minister also intends to introduce measures that penalise companies with an excessive turnover of employees by increasing the social security contributions.

2. COMPLIANCE WITH EMPLOYMENT LAW RULES

Strengthening the supervision of compliance with employment law rules, with a particular focus on unlawful forms of employing workers (for example, fixed-term contracts without a legally admissible reason; employment disguised as an internship or provision of services) is another priority in the area of employment law.

In this respect, on 24 February, the Government announced that, among other measures, to improve the capacity of the Portuguese Authority for Work Conditions to carry out inspections and take action, it will open a competition to recruit a further 80 employment inspectors. This is in line with the inspector/employees ratio recommended by the International Labour Organization (one inspector for every 10,000 employees).

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It is hoped there will be an amendment to Law no. 63/2013 on the mechanisms to combat improper use of service provision contracts, with the aim of speeding up this mechanism. Legislative measures are also expected in relation to situations of recognising contracts of employment and the consequent conversion of the contractual relationship into a contract of employment for legal and social security purposes. It is also hoped there will also be an increase in the penalties for cases of fraud.

3. COLLECTIVE AGREEMENTS

Unblocking and bringing greater dynamism to collective agreements are also among the priorities set for 2016.

In this respect, the revision of the framework for the individual “hours bank” and its effects on unblocking collective agreements, the rules and periods for collective bargaining agreements to be in force and to expire, and the criteria and deadlines to issue government orders to extend agreements will be back at the heart of social dialogue.

4. THE RE-ESTABLISHMENT OF PUBLIC HOLIDAYS

Finally, at its plenary meeting on 23 February, the Portuguese Parliament held the final overall vote on the legislation that re-establishes the national public holidays suspended under the austerity programme. This will require an amendment to the Employment Code and the change is now in the final stage of its legislative procedure. The public holidays in question are Corpus Christi (movable), *Implantação da República* on 5 October, All Saints’ Day on 1 November and *Restauração da Independência* on 1 December.

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JOÃO PAULO FELICIANO
Detail

Kleidoscopic Blues Machine 2006,2007
Tripé de madeira, monitor de vídeo acrílico, aço e cabo de aço, vídeo, p/b, s/som, 8'07"
160 x 60 x 180
From the Collection of the PLMJ Foundation

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 Iberian Law Firm of the Year
The Lawyer European Awards, 2015-2012

 Portuguese Law Firm of the Year
Who's Who Legal, 2015, 2011-2006
Chambers European Excellence Awards, 2014, 2012, 2009

 Top 5 - Game Changers of the last 10 years
Top 50 - Most Innovative Law Firm in Continental Europe
Financial Times - Innovative Lawyers Awards, 2015-2011