

EMPLOYMENT AND LABOUR

Temporary social support scheme and simplified lay-off: Storm Kristin

Following the declaration of a state of calamity¹ due to the damage caused by Storm Kristin and subsequent weather events, which is currently in force until 15 February 2026, the government has approved several measures to support those affected, including employers.

These measures are set out in Decree-Law 31-C/2026, which came into force on 6 February 2026 but applies from 28 January 2026. The measures cover workers in establishments in municipalities affected by the state of calamity² in the districts of Aveiro, Castelo Branco, Coimbra, Leiria, Lisbon and Santarém. The following measures are particularly noteworthy:

Following the declaration of a state of calamity, the government has approved several measures to support those affected, including employers.

1. Exemption from Social Security contributions

Applicable support

- Total exemption – for up to 6 months, extendable for an equal period for employers whose activity has been directly affected by a loss of production capacity due to a loss of facilities, equipment, vehicles, or other essential instruments.
- Partial exemption – of 50% of the employer's contribution for 1 year for hiring, until 6 February 2027, workers who are unemployed as a direct result of the disaster.

1 In Portugal, a 'state of calamity' is an administrative civil-protection measure declared by the Government. It is distinct from a 'state of emergency', which is a constitutional mechanism declared by the President and allows more exceptional powers.

2 Concelhos de Abrantes, Águeda, Albergaria-a-Velha, Alcácer do Sal, Alcanena, Alcobaça, Alvaiázere, Ansião, Aveiro, Batalha, Bombarral, Cadaval, Caldas da Rainha, Cantanhede, Castanheira de Pera, Castelo Branco, Coimbra, Condeixa-a-Nova, Constância, Covilhã, Entroncamento, Estarreja, Ferreira do Zêzere, Figueira da Foz, Figueiró dos Vinhos, Fundão, Góis, Golegã, Idanha-a-Nova, Ílhavo, Leiria, Lourinhã, Lousã, Mação, Marinha Grande, Mealhada, Mira, Miranda do Corvo, Montemor-o-Velho, Murtaço, Nazaré, Óbidos, Oleiros, Ourém, Ovar, Pampilhosa da Serra, Pedrógão Grande, Penacova, Penamacor, Penela, Peniche, Pombal, Porto de Mós, Proença-a-Nova, Rio Maior, Santarém, Sardoal, Sertã, Sever do Vouga, Soure, Tomar, Torres Novas, Torres Vedras, Vagos, Vila de Rei, Vila Nova da Barquinha, Vila Nova de Poiares and Vila Velha de Ródão.

If applications are submitted after the deadline, support will be provided from the month after the application is received and will remain in place for the remainder of the period.

Essential conditions (employers)

- The tax and social security situation must be in order by the application date.
- To qualify for partial exemption, there must be no salary arrears, and the number of employees must have increased by more than the previous 12-month average.

Procedures and time limits

- Applications must be made via *Segurança Social Direta* (the Social Security website) using the appropriate form.
- Full exemption: available until 8 March 2026.
- Partial exemption: available for up to 15 days after the contract takes effect, or until 21 February 2026 if the contract was signed earlier.
- If applications are submitted after the deadline, support will be provided from the month after the application is received and will remain in place for the remainder of the period.

2. Simplified layoff due to business crisis

- This applies to employers whose normal activity has been severely affected by the disaster, and the measure is essential to ensure the company's viability and job maintenance.
- There is the possibility of immediately applying measures to reduce or suspend contracts, without the need to consult employees and their representatives, if any.
- The employer must apply on the Social Security and Government website, indicating the economic, financial and technical grounds, the staff breakdown by section, the selection criteria, and the number and categories of employees covered.

3. Extraordinary incentive for job retention (IEFP)

Duration and monthly support

- Duration of up to 3 months, extendable for a further 3 months depending on the IEFP's (Institute for Employment and Vocational Training) decision.

- Monthly support equal to the employee's normal gross remuneration minus Social Security contributions payable by the employee, with a maximum limit of 2× the Guaranteed Minimum Monthly Wage (RMMG), which is Portugal's statutory minimum wage, plus the proportional amount of the Christmas allowance.
- Members of corporate bodies who contribute to Social Security under the general scheme for employees are also covered.

Eligibility and duties of employers (among others)

- Difficulty in maintaining jobs due to reduced production capacity caused by loss or damage to facilities, land, vehicles, or essential instruments or tools.
- Not initiating collective dismissal procedures due to job losses or unsuitability after the declaration of a state of calamity, nor entering into revocation agreements based on job losses.
- Maintaining the level of employment on 1 January 2026, with some exceptions (e.g. dismissal for reasons attributable to the employee).
- Not distributing profits or increasing the remuneration of members of corporate bodies.
- Having tax and social security contributions in order and not being in default with the IEFP or regarding refunds under European funds.
- Reporting claims to insurers for risks of a similar or overlapping nature, and if compensation is paid, reporting this to the IEFP and refunding the difference between the support received and the compensation.

Applications and payments

- Applications must be submitted by 11 May 2026.
- Applications must be submitted to the IEFP Employment Centre using the appropriate form. ■