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Portugal: Law & Practice

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PORTUGAL

Law and Practice

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1. Introduction

1.1 Main Changes in the Past Year

Remote Work

Law 83/2021 of 6 December amended the rules governing remote work. On 1 January 2022, this Law came into force.

The establishment of remote working requires a written agreement setting out, among other things, the place at which the work will be normally carried out and the frequency and method for personal contacts.

If it is the employee who suggests remote working, and the work to be done is compatible with the rules, the employer may only refuse in writing and must state the grounds for the refusal.

In companies with ten or more employees, employees with children up to eight years of age are now entitled to work remotely when this is compatible with the work done and the employer has the means to do so.

For employees whose children are up to three years of age no additional conditions are set.

The following applies for employees whose children are of four to eight years of age: (i) if both parents meet the remote work requirements, they can only exercise their right to work remotely in successive periods of the same duration within a maximum reference period of 12 months; (ii) for single-parent families or, in situations in which only one of the parents demonstrably meets the conditions for remote work.

If the above conditions are met by the employee, the employer cannot oppose remote working.

Informal caregivers (who have been recognised as such) have the right to work remotely for a potential length of up to four consecutive or non-consecutive years, as long as it is compatible with the work to be done and the employer has the means to do so. If these conditions are met, the employer may only oppose the remote working arrangement on the grounds of overriding requirements regarding the company's operations.

Remote working can be established for a fixed or indefinite duration.

If the remote working is established for a fixed period, the agreement cannot exceed six months, and it is automatically renewed for equal periods, unless one of the parties declares, in writing, up to 15 days before its end, that he/she does not intend to renew the agreement. If the agreement has an indefinite duration, either party may terminate it by giving the other party 60 days' notice in writing.

Whether the remote work agreement is established for a fixed or an indefinite period, either party can terminate it within the first 30 days.

The employer is responsible for providing the employee with the equipment and systems necessary for remote working, in a safe and healthy environment. The remote work agreement should specify who supplies and/or acquires the equipment and systems, as well as the respective conditions/terms of use.

The employee has the right to be compensated for additional expenses borne as a direct consequence of the acquisition or use of computer or telematics equipment and systems necessary for remote working, including increased energy and network costs, as well as any maintenance costs of the same equipment and systems. This compensation is considered, for tax purposes, a cost for the employer and does not constitute income for the employee.

Controlling the work of an employee who works remotely should preferably be done by means of communication and information equipment and systems, and in accordance with procedures previously known to the employee. The means must also be respectful of his/her privacy.

The imposition of a permanent connection between the employer and employee, whether through images, sounds, writing or history, is prohibited as well as the use of any other control methods that may affect the employee's right to privacy.

Duty to Refrain From Contact

Law 83/2021 of December 6th also provides for a duty to refrain from contacting employees during their rest period, except in cases of force majeure.

This is not, in the strict sense, a right to disconnect, which means employees may switch off their phones, laptops or ignore work-related phone calls. In reality, it is broader as employers are forbidden to contact employees.

Employers may face penalties if they contact employees when they are off the clock without a compelling reason (force majeure). In the event of a breach of the duty to refrain from contacting employees during the rest period, companies may be subject to fines resulting from serious administrative offence proceedings of up to EUR 9,690. The amount varies according to the turnover of the company and the degree of guilt.

Whistle-Blowing

Law 93/2021 of December 20th incorporated the Directive (EU) 2019/1937 of the European Parliament and the Council of 23 October 2019 on the protection of persons who report breaches of EU law into Portuguese law. The Law came into force on 18 June 2022.

Law 93/2021 establishes the general rules for the protection of whistle-blowers and its framework for penalties with fines of up to EUR250,000.

Protection is given to any whistle-blower who, in good faith, and having serious grounds to believe that the information is true at the time of the report or disclosure, publicly denounces or discloses an offence in legal terms, as well as to other third parties, provided certain requirements are met.

The disclosure may pertain to infringements already committed, that are being committed or which can be reasonably foreseen. It encompasses areas such as public procurement, services, financial products and markets, transport safety, prevention of money laundering and terrorist financing, product safety and compliance, food safety for human and animal consumption, public health, consumer protection, privacy and protection of personal data and security of information systems, among others.

Complaints are submitted through internal or external reporting channels or are publicly disclosed.

Companies with 50 or more employees (and, regardless of this fact, companies referred to in Parts I.B and II of the Annex to the Directive (EU) 2019/1937 of the European Parliament and the Council of 23 October 2019) are obliged to have internal reporting channels. Internal reporting channels must comply with certain requirements and allow the confidentiality of the whistle-blower's identity or their anonymity, as well as the confidentiality of the identity of third parties mentioned in the complaint.

A prohibition on retaliation against the whistle-blower is also established. Retaliation is considered to be any act or omission that occurs in a professional context and is motivated by an

internal or external complaint or public disclosure, that causes or may cause, in an unjustified manner, pecuniary or non-pecuniary damage to the whistle-blower.

Compassionate Leave
Law 1/2022 of 3 January amended the clause on compassionate leave by extending the number of days of absence. Pursuant to the new law, the employee can justifiably be absent for:

- up to 20 consecutive days, due to the death of descendant or relative in the first degree in the direct line;
- up to five consecutive days, due to the death of a spouse from whom he or she was not legally separated or of a relative in the first degree in the ascending direct line; and
- up to two consecutive days, due to the death of another relative in the direct line or in the second degree of the collateral line.

As already in force previously, these rules apply in the event of the death of a common-law partner or person living in co-habitation with the employee.

2. Terms of Employment

2.1 Status of Employee
There is no legal distinction between blue-collar and white-collar workers as employment law does not include any classification of workers, although specific provisions or protection are applicable to:

- workers employed on fixed-term contracts;
- part-time workers;
- young workers; and
- working students.

Categories of worker based on the different duties and responsibilities are usually set by collective agreements.

2.2 Contractual Relationship
An employment contract is a contract whereby a person undertakes, in return for payment, to work for another person or other persons under its/their authority and direction.

Offer and acceptance are traditional elements of contract formation and are rarely a source of disagreement. The acceptance of an offer may be implied (notably by performance) or expressed.

Employment contracts are not subject to any special form unless otherwise provided for by law. However, the following contracts, among others, must be made in writing:

- promissory employment contracts;
- fixed-term employment contracts;
- employment contracts for foreign workers save as otherwise provided by law;
- employment contracts for high management positions (service commission);
- secondment agreements;
- multiple employer employment contracts;
- part-time employment contracts;
- early retirement contracts; and
- contracts to loan labour.

Terms and conditions of employment need not be expressly agreed and are governed by statutory provisions, collective agreements, work regulations or established practices.

2.3 Working Hours
Maximum Working Hours
- Regular working hours may not be more than eight hours per day or 40 hours per week.

Flexible Arrangements

Average working hours rules

By collective agreements, regular working time may be defined as an average, within a reference period. In this case, the limits on working hours may be increased by a maximum of four hours, provided the weekly working time does not exceed 60 hours, not including overtime worked for reasons of force majeure. The average working time is calculated by reference to the period established in the applicable collective agreement, but cannot exceed 12 months, or if the agreement makes no such provision, by reference to periods of no more than four months.

Exemption from the working hours rules

The exemption from working hours rules may be applicable to some specific jobs, such as managerial positions and commercial jobs, as well as to employees working remotely.

A proper written agreement is legally required (this agreement can be part of the employment contract, as recommended).

Employees exempt from the working hours rules are entitled to an additional pay equivalent to no less than one overtime hour per day (general law). The additional pay can be paid separately or included in the monthly remuneration – in the latter case, this has to be specifically addressed in the written agreement (or in the employment contract).

Other flexible arrangements can also be set out in collective bargaining agreements.

Part-time contracts

A proper written contract is legally required and must contain certain minimum terms.

The normal weekly working period is shorter than the one worked by full-time employees. This reduction can be achieved:

- by reducing the number of working days per week or month; or
- by reducing the daily working time.

Part-time employees are entitled to the same conditions as full-time employees on a pro rata basis, and have the right not to be discriminated against due to their status.

Overtime

Work done over the maximum weekly and daily limits qualifies as overtime.

Overtime work is only admissible when requested by the employer if it is needed to face extraordinary circumstances, an increase in workload or the work is to prevent or repair damage to assets. However, there are some limits depending on the number of employees and type of contract. A collective bargaining agreement (CBA) may establish higher ceilings.

Overtime work entitles the employee to additional pay. This is a rate of 25%, of the ordinary hour, during the first hour and 37.5% during the following hours on the normal working days; and 50% on public holidays and rest days. It also entitles them to time off equivalent to one full day in the case of overtime on mandatory rest day (usually Sunday). CBAs may establish a more beneficial treatment for the employee.

2.4 Compensation

There is a minimum national salary (EUR705 for 2022) set by law. Collective labour agreements may set out higher salaries in a specific sector, group of companies and/or company.

In Portugal, there are 14 payments, 12 salaries, one holiday bonus and one Christmas bonus.

It is optional to pay variable salaries and companies are free to set out their own terms and conditions as long as they ensure these are objective and non-discriminatory.

2.5 Other Terms of Employment

Annual Leave (Holidays)

All employees are entitled to a minimum of 22 working days annual leave.

During the first year of employment, employees are entitled to two working days for each month of the duration of their contract, up to 20 working days, which may be taken after six months' full performance of the contract.

During holiday period, employees are entitled to their normal monthly remuneration plus a holiday allowance, typically of the same amount.

Parental Leave

Upon the birth of their child, both parents are entitled to initial parental leave of 120 or 150 consecutive days, to be shared between mother and father. The leave can be enjoyed simultaneously by both parents between the 120th and 150th days.

The leave may be increased by 30 days if each of the parents enjoys, exclusively, a period of 30 consecutive days, or two periods of 15 consecutive days, following the mandatory period of six weeks following the childbirth to be enjoyed exclusively by the mother.

In case of multiple births (eg, twins), the duration of the initial parental leave is increased by 30 days for each child beyond the first one.

Fathers are entitled to take parental leave after birth of 20 consecutive or non-consecutive working days within six weeks of the birth (five of which must be taken immediately after the birth). The paternity leave may be extended for five more working days provided it is taken at the same time as the mother's initial parental leave.

During the parental leave, the employer is not obliged to pay remuneration, as the Social Security pays an allowance.

This period of leave cannot prejudice the position of the woman concerning any of the remaining entitlements, notably those dependent on attendance at work.

Parents are entitled to extended parental leave, up to three months, to be taken after the initial parental leave. Following this extended leave, parents are also entitled to leave within the first two years of the child's life to provide assistance to the child. There is no mandatory payment of the employer during these leave periods.

Employees with children under 12 years of age or, irrespective of age, with a disability or chronic illness who live with the employee and are under their care are entitled to work part-time or to work under flexible working hours arrangements.

Sick Leave

Employees are entitled to time off from work for illness or injury, which is paid by the Portuguese Social Security protection schemes, provided they meet all the eligibility requirements.

The Social Security protection schemes pay sick pay to employees who are absent from work as a result of illness or injury. The employee can receive sick pay for a total of 1,095 days. Sick pay is calculated based on the employee's remuneration reference for Social Security purposes and varies between 55% and 75% depending on the period of illness.

The sickness leave suspends the employment contract as of 30 days and has no maximum period.

Employees have the obligation to communicate absences due to sickness as soon as possible and may be required to present medical documentation proving the sickness.

In some cases, CBAs provide specific rules covering employee illness or injury.

Protection of Confidential Information
During the employment relationship, employees are bound by a confidentiality duty. The parties may also agree upon a confidentiality duty after termination.

3. Restrictive Covenants

3.1 Non-competition Clauses

Portuguese employment law allows restrictive covenants, notably confidentiality, non-competition (and in that context, non-solicitation) and/or minimum stay obligations.

The duration of the post-employment non-compete duty cannot exceed two years from the termination of employment.

In cases of employees who hold positions that entail a special level of trust (eg, management positions) or that have access to sensitive information from a competition standpoint, the restricted period can be extended to a maximum of three years. The minimum stay duty can be set at a maximum of three years.

Employees covered by a post-contractual non-compete duty must receive financial compensation during the restricted period.

Portuguese law does not set a specific criterion to determine the compensation to be paid during the non-compete period. The Constitutional Court case law follows the understanding that the compensation must be fair, adequate and proportional. This means that the non-compete duty financial compensation must be sufficient to support the employee during the restricted period, taking into account their salary while employed by the company. Although the law leaves the parties some room to establish the time of payment, the purpose of the compensation is to ensure the employee can obtain a suitable income source during the restricted period. It is therefore recommendable that the payment of the compensation be made on a monthly basis during the restricted period.

If any agreement fails to provide for compensation, or if the compensation is considered insufficient, the agreement will be null and void, and thus release the employee from complying with it and the employer from paying the compensation. The amount of compensation may be reduced in cases where the employer has expended large sums on the employee's vocational training.

The remedies for a non-compete breach are limited to the possibility of seeking compensation from the former employee. The burden of argument, and the quantification and proof of the damage falls solely on the former employer. In many cases, it is quite hard to quantify the damage as the value of information is difficult to measure. In addition, it is quite difficult to prove damage which arises as a result of the employee's behaviour. In order to mitigate this risk, it is usual for the parties to agree on a penalty award.

3.2 Non-solicitation Clauses – Enforceability/Standards

Non-solicitation clauses are null and void under Portuguese employment law. No specific pen-

alty is provided in the law concerning these agreements.

In addition, non-solicitation agreements also constitute a breach of competition law, as this type of agreement is deemed limiting and disruptive to competition and therefore illicit. Companies may be penalised with fines that may amount to 10% of the turnover of the company.

4. Data Privacy Law

4.1 General Overview

In Portugal, personal data processing is governed by the GDPR and Law 58/2019 of August 8th, which incorporates the GDPR into Portuguese law.

When it comes to employees' personal data, special category data may be collected, processed, and used by employers when necessary to meet obligations and exercise rights under employment, social security and social protection law or a CBA.

The Portuguese data protection law establishes that the consent given by an employee does not constitute a legitimate legal basis for processing their personal data if such processing results in a legal or economic advantage for the employees, except as otherwise specified by law. However, the Portuguese supervisory authority (the "*Comissão Nacional de Proteção de Dados*" – CNPD) holds that this provision is not compliant with EU law.

Transfers of personal data to third countries in and outside the EU (including Norway, Liechtenstein and Iceland) are only permitted if the conditions set under the GDPR are met. Furthermore, transfers to third countries (outside Europe) are also permitted if appropriate safeguards (eg, binding corporate rules and standard contractual clauses) are provided by the controller or processor of personal data and only if enforceable rights and effective legal remedies are available for the data subject. In any case, the transfer of personal data must observe the main data quality principles established under the GDPR: lawfulness; fairness and transparency principle; purpose limitation principle; data minimisation principle; accuracy principle; storage limitation principle; and the integrity and confidentiality principle.

5. Foreign Workers

5.1 Limitations on the Use of Foreign Workers

A proper written contract is legally required when hiring foreign employees, except for citizens from the EU or from a state with which there is a treaty between states.

This contract can only be executed after the employee has obtained the proper visa and a copy of that visa must be annexed to the contract – this will not prevent a company from signing an offer letter or a promise of employment contract to be effective after the visa is obtained.

5.2 Registration Requirements

When hiring a foreign employee, the employer must notify the Portuguese Employment Inspection (Authority for Working Conditions–ACT) within 15 days of the date on which the performance of the contract begins and its termination.

6. Collective Relations

6.1 Status/Role of Unions

Trade union organisations are entitled to:

- negotiate and settle collective labour agreements;
- provide financial and social services to their members;
- participate in the drafting of employment laws;
- represent their affiliated workers at company level and appoint union representatives;
- participate in dismissal proceedings that concern their affiliated workers; and
- receive information and be consulted about:
  (a) recent and probable future evolution of the company's activity;
  (b) probable evolution of employment;
  (c) any decision that may entail a material change in the work organisation of employment contracts; and
  (d) participating in company restructuring processes, particularly where training measures or changes in working conditions are planned.

6.2 Employee Representative Bodies

The employees of a company may (although it is not mandatory) take the initiative to set up the following representative bodies:

- Works council– the members are appointed by the employees and their purpose is to represent the interests of the employees of that company. In most companies in Portugal, there is no works council; they are only found in larger companies.
- Union delegates – elected by the employees affiliated with a specific union; there can be more than one union with representative in a company.
- Security and health representatives – to supervise issues relating to security and health. They are not common in Portugal.
- European Works Council (EWC).

Representatives of employees are entitled to time off to perform their duties and may convene general meetings of employees either outside or inside working hours (in the latter case, for a maximum 15 hours a year).

Works councils have information and consultation rights such as:

- the right to obtain information on some matters of relevance for the company/employees;
- the right to consultation on some specific matters of relevance for the employees, as defined by the law, but they do not have the right of veto in respect of any employer's decisions;
- the right to meet periodically with the management; and
- the right to negotiate a collective labour agreement specific to the company provided that the unions representing the company's employees delegate that power to the works council (this is not common).

6.3 Collective Bargaining Agreements

CBAs at the industry level are common in almost all industries.

Since CBAs usually provide more favourable employment conditions than the Employment Code, they will prevail. However, there are some specific matters where the law is mandatory and that the CBA cannot overrule them. These matters mainly involve termination of employment contracts.

Employment contracts cannot, in principle, provide conditions that are less favourable than the ones established by a CBA.

The parties to a collective agreement may agree that a particular provision is one from which there can be no derogation.

7. Termination of Employment

7.1 Grounds for Termination

The employer may be entitled to terminate the employment contract by dismissal:

- with just cause;
- on grounds of redundancy; or
- on grounds of failure to adapt.

In addition, during the trial period, either employer or employee may terminate the contract without prior notice (save if the trial period has lasted more than 60 days, in which case the employer must give prior notice of seven days) or just cause. There is no right to any compensation unless otherwise agreed in writing.

Term contracts lapse at the end of their term provided the employer or the employee respectively notifies the other in writing of the intention to terminate the contract, 15 or eight days prior to the end of the term.

All methods of termination require compliance with specific procedures provided in the law.

The legal grounds for collective dismissals are as follows:

- definitive closure of the company;
- closure of one or more sections; or
- reduction in staff for structural, technological or market reasons.

If the dismissal is made on the grounds of redundancy, the employer must notify its intention, in writing, to the works council, if there is one, or otherwise to either the inter-union committee or union committees. The notice must contain:

- the reasons given for the collective dismissal;
- a workforce table, broken down into the company's organisational structures;
- indication of the criteria serving as a basis for the selection of the workers to be dismissed;
- the number of workers to be dismissed and occupational categories covered by the dismissal;
- the period of time over which the dismissal is to be made; and
- the method to calculate any redundancy payments to be awarded to the redundant workers, over and above that provided for by law or by collective agreement.

At the same time as the employer notifies the workers, it must also send a copy of the letter and the enclosures to the appropriate department of the ministry responsible for employment that deals with collective employment relationships.

Where there are no workers' representative bodies, the letter must be sent to each of the employees who may be affected by the collective redundancies. Within five business days of the date of receipt of the initial notice, the employees may appoint, from among themselves, a workers' representative committee of no more than three or five members, depending on whether the dismissal will cover up to or more than five workers.

In the 15 days following the date of receipt of the initial notice, the employee and/or the workers' representatives may issue a non-binding opinion about the dismissal and propose alternative measures.

If employment contracts are to be terminated, the company must, within 20 days after the ini-

tial notice has been received, inform each of the workers who are affected, in writing, of the decision to proceed with the redundancies, expressly stating the grounds for termination and the date of termination of the employment contract.

7.2 Notice Periods/Severance

Only employees who are dismissed on grounds of redundancy or on grounds of failure to adapt must be given notice of termination as follows:

- employees with under one year of service – 15 days;
- employees with between one year and under five years of service – 30 days;
- employees with between five years and under 10 years of service – 60 days; or
- employees with 10 or more years of service – 75 days.

7.3 Dismissal for (Serious) Cause (Summary Dismissal)

Dismissals without just cause are not permitted. In general, any wilful behaviour on the part of the employee, which, given its significance and consequences, makes any continuation of the employment relationship immediately impossible, constitutes just cause for dismissal.

In particular, any of the following conduct by the employee is deemed to constitute just cause for dismissal:

- illegitimate refusal to comply with instructions given by the employer;
- violation of other employees' rights and guarantees;
- regular conflicts with other employees;
- continuously careless or negligent performance of duties;
- damage to significant financial interests of the employer;
- false justification of absence;
- unjustified absence causing any damage or serious risks to the employer or unjustified absence for five consecutive days or ten non-consecutive days per calendar year;
- wilful non-compliance with the rules concerning security or hygiene conditions at work;
- criminal behaviour towards any other employee or officer of the employer;
- non-compliance with or opposition to any judicial or administrative decision; and
- abnormal decrease in the employee's productivity.

In order to dismiss an employee with just cause, the employer has to begin a disciplinary procedure against the employee.

The procedure starts with the employer addressing a written statement of misconduct to the employee containing a full description of the relevant facts, particularly those that may be considered just cause for dismissal.

Within ten working days of receipt of this document, the employee may present a written defence and request that the relevant evidence, such as witness statements, be examined.

The employer must accede to the requests made in the written defence, or risk the disciplinary procedure being held invalid.

After conclusion of these proceedings, the employer must make a final decision within 30 days.

Should the employer's decision be of dismissal, the employer pays no compensation to the employee for the termination of the employment contract, except the legal amounts due for such termination and in respect of the pro-rata holiday pay and Christmas bonus due.

7.4 Termination Agreements

Employers and employees may terminate employment contracts by means of a mutual agreement.

Termination agreements take the form of a document to be signed by both parties, in two originals, with one to remain with each party.

This document should expressly include, at least, the date on which the agreement was signed and the date on which it is effective. The parties may agree on other effects, provided these are not contrary to the law.

Should the parties agree to the employee being paid overall pecuniary compensation, it is assumed that they have included all the credits having matured on the date of the employment contract termination or being payable in reason thereof.

The effects of employment contract termination agreements may be revoked at the employee's initiative by notice in writing within seven days of the date on which they were signed.

The notice of revocation of termination will only take effect if, together with the notice, employees deliver or in any way place at their employer's disposal the entire amount of the pecuniary compensation possibly paid pursuant to the agreement or by reason of the termination of their employment contract.

The revocation notice provisions do not apply to duly dated employment contract termination agreements when the signatures on them have been certified in the presence of a notary.

7.5 Protected Employees

Any dismissal of pregnant employees as well as employees who have recently given birth or are breastfeeding always requires the prior opinion of the equal opportunities authority. If this opinion is not in favour of the dismissal, the employer is only permitted to continue with the dismissal following a court finding of just cause.

In addition, the dismissal of any employee who is a workers' representative is presumed to be made without just cause.

8. Employment Disputes

8.1 Wrongful Dismissal Claims

The employee may apply to the Employment Court for a declaration of unlawfulness of the dismissal.

The court should declare the unlawfulness of the dismissal in the following situations:

- failure to follow a procedure prior to the dismissal;
- the dismissal was motivated by political, ideological, ethical or religious grounds;
- absence of cause for termination; or
- invalidity due to non-compliance with the legal requirements.

When a dismissal is declared unlawful, employees are entitled to compensation for financial and personal damage arising from the unlawful dismissal, reinstatement without prejudice to their category and length of service, and to the earnings they did not receive from the time they were dismissed until the time the court decision becomes final. Any sums they may have received as a result of the termination of their employment contract, which they would not have received were it not for their dismissal (eg, unemployment subsidy), will be deducted from this compensation.

In lieu of reinstatement, employees may choose to receive a compensatory award, the amount of

which is established by the courts and is equivalent to between 15 and 45 days of basic pay and length of service payments for each full year or fraction of a year of service.

If companies have a maximum of 10 workers, or if the workers are directors or managers, the employer is entitled to oppose reinstatement provided it can justify that the return of these workers would seriously interfere with and prejudice the normal running of the company. The court must assess the grounds alleged by the employer.

8.2 Anti-discrimination Issues

The grounds for anti-discrimination claims include any direct or indirect discrimination that privileges, benefits, wrongs, deprives of any right or exemption from any duty based notably on ancestry, age, sex, sexual orientation, marital status, family situation, genetic heritage, decreased work capacity, handicap, chronic disease, nationality, ethnic origin, religion, political or ideological convictions, or union affiliation.

Employees who seek to enforce discrimination rights may lodge judicial claims. They must indicate the employee with whom they consider themselves to be discriminated against. The employer must prove that the different treatment between the two employees is based on non-discriminatory reasons.

Employees may be entitled to compensation and, to the extent possible, to be placed in an equal position with their colleagues compared with whom they consider themselves to be discriminated against.

9. Dispute Resolution

9.1 Judicial Procedures

The Portuguese judicial system has specialised courts specifically dedicated to labour and employment cases. Portuguese law does not specifically allow class action cases related to employment and labour cases. However, unions are entitled to represent their affiliate works in judicial proceedings seeking to defend collective rights of employees.

9.2 Alternative Dispute Resolution

Arbitration is, currently, not possible in Portugal in employment disputes.

9.3 Awarding Attorney's Fees

Nominal compensation will be awarded to the prevailing party for attorney's fees incurred, to be paid by the non-prevailing party. This compensation corresponds to 50% of the legal fees and other costs associated with the legal action paid by both parties to the court during the judicial procedure.

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