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# JGSA NEWS

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## MENTAL HEALTH AT WORK: THE TAX AUTHORITY'S UNDERSTANDING

Promoting the psychological well-being of employees has been gaining prominence in the internal policies of many companies. Psychological consultations and other support programmes are increasingly common in the workplace.

However, it is important to know what the Tax Authority's fiscal understanding is of this support.

As described in Article 23(2)(d) of the CIRC, the following are considered to be expenses, namely those of an administrative nature, such as remuneration, including profit-sharing, subsistence allowances, current consumables, transport and communications, rents, litigation, insurance, including life, sickness or health insurance, and life insurance operations, contributions to retirement savings funds, contributions to pension funds and to any complementary social security schemes, as well as expenses with termination benefits and other post-employment or long-term employee benefits. These expenses must be documented, regardless of the nature or support of the documents used for this purpose.

In turn, Article 2(3)(b) of the CIRS establishes that ancillary remuneration (category A) is considered to be income from dependent work, which includes all rights, benefits or advantages not included in the main remuneration that are earned due to or in connection with the provision of work and constitute an economic advantage for the respective beneficiary.

Article 2 - A of the CIRS expressly contains a negative delimitation of category A income, listing the cases that are not considered dependent labour income, and the specific accessory remuneration is not excluded from taxation under this tax.



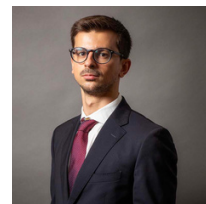
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It follows that **the costs borne by the employer for psychological consultations to benefit its employees should be considered ancillary remuneration and, consequently, should be taxed under the IRS.**

Even if the costs incurred by the employer to pay for the employees' psychological consultations are fiscally accepted as deductible costs, they will be taxed under the IRS, transferring the tax burden to the employees, who will see this benefit reflected in their IRS tax base.

**Pedro Alves  
Vitorino**  
Trainee  
Lawyer



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