



CHANGES TO LABOR LAWS: THE DECENT WORK AGENDA

The Portuguese Assembly of the Republic has on its agenda a series of legislative initiatives aimed at changing several labor rules, which, if approved, will also constitute an amendment to the Labor Code.

This legislative package, presented by the Government, was designated as a set of changes aimed at making labor law in Portugal more dignified, namely for workers who are considered precarious.

We highlight changes related to the following matters, which we will analyze below:

- Temporary Work
- False self-employment and unjustified recourse to non-permanent work
- Collective Contracts
- Presumptions of employment contract
- Reinforcement of the powers of ACT (Portuguese Authority for Labor Conditions).



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TEMPORARY WORK

- Impose rules that prevent the succession of utilization contracts, including at the level of companies within the same group;
- Integration of workers into the user company when they have been assigned by an unlicensed temporary work company (ETT);
- Establish that after 4 years of temporary assignments by ETTs, these will be obliged to integrate the workers into their permanent staff;
- The maximum number of temporary work contract renewals will be reduced from 6 to 4 contracts.

COMBATING FALSE SELF-EMPLOYMENT AND UNJUSTIFIED RECOURSE TO NON-PERMANENT WORK

- Prohibiting the use of outsourcing for 12 months after any of the objective dismissals, namely collective dismissals or due to extinction of work;
- The rule preventing the succession of new fixed-term contracts will be extended to hiring new workers in the same professional activity, and not only to the same object or job position;
- Extension of the compensation to 24 days per year in the case of termination of a fixed or unfixed-term contract.

COLLECTIVE CONTRACTS

- Extend the Law no. 11/2021 of March 9th, which provides for the exceptional suspension of the oversight periods of collective agreements until the year 2024;
- Strengthen the necessary arbitration, allowing any of the parties to suspend the expiration of the conventions, preventing negotiation gaps;
- Conditioning the access to public support and incentives to a dynamic collective hiring;
- Extend the application of collective hiring to outsourcing workers who work more than 60 days in the company.

EMPLOYMENT CONTRACT PRESUMPTIONS

- Emergence of new employment contract presumptions relation to work which resorts digital work platforms and algorithms.

POWERS OF THE ACT

- From the administrative point of view, strengthening the power of the ACT in the conversion of fraudulent fixed-term contracts into open-ended contracts and provide the ACT with the permanent power to provisionally suspend dismissal processes with indications of irregularity.



These are some of the changes foreseen, which in some way introduce alterations to the legal framework that governs employment contracts, introducing new dynamics in the employer-employee relationship to some degree safeguarding the employees' rights and adding duties to the employers.

From a doctrinal and jurisprudential point of view, some of these changes may raise doubts as to their applicability, namely regarding the "new" forms of work and even as to the legality of the role of the ACT in interfering in areas which may be considered the exclusive competence of the courts.

There is no doubt that the new legal framework that is coming will consist of a new phase of adaptability of labor relations, with a new challenge of being framed within the scope of a new economic scenario.

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