

24th JULY 2020

COVID 19 SOCIAL SUPPORT MEASURES UNDER THE ECONOMIC AND SOCIAL STABILIZATION PROGRAM¹

Decree-Law no. 37/2020 of 15 July was published and entered into force on 16 July, becoming effective on the 1st of July. It establishes social support measures under the PEES, approved by Council of Ministers Resolution no. 41/2020, of 6 June, as well as exceptional measures to strengthen the social sector, in order to protect the most vulnerable people, amending Decree-Law no. 20-C/2020, of 7 May, as well as Decree-Law no. 27-B/2020, of 19 June.

PEES is a program approved by the Portuguese government as part of the second of three stages of response to the Pandemic context the country is going through, which consists of:

- (i) Emergency phase;
- (ii) **Stabilization phase**; and
- (iii) Economic recovery phase (post-COVID19 reality).

PEES aim at progressive economic and social stabilization, without neglecting the health aspect, through State interventions to support families and companies in order to overcome difficulties caused by the COVID-19, supporting a sustained recovery of the economic activity.

This Decree-Law aims to implement the following social support measures, within the scope of PEES

1. Complementary family allowance for children and adolescents, to be paid in September 2020, in the case of:
 - 1.1. Children and adolescents to the age of 16 (sixteen) inclusive, who turned 16 until 31 December 2020;
 - 1.2. Corresponding to the first, second and third household income brackets².

¹ "PEES".

2. Value of household income to calculate social allowances, considering:
 - 2.1. Until December 2020, the value of the remuneration recorded in the last month preceding the date of the request shall be taken into account for determining the social integration income benefits in relation to dependent work;
 - 2.2. social integration income allowances that have been extraordinarily extended are subject to an *ex officio* revaluation according to the income of the previous month;
 - 2.3. Family allowances for children and adolescents who have suffered a sudden drop in income in the three previous months are subject to an *ex officio* revaluation of their income, taking into account income from work, pensions and other social allowances contained in the social security information system.
3. Exceptional and automatic extension of unemployment allowance until 31 December 2020.
4. Extraordinary social support in higher education:
 - 4.1. Students receiving social welfare scholarships in the academic year 2019/2020 receive their monthly payment between July and September 2020, if:
 - a) During this period, they participate in higher education courses that can be accredited under the terms of Decree-Law no. 74/2006 of 24 March 2006, including vocational training courses or research and development activities;
 - b) They are in training during the summer of 2020, including internships or programs and in-person higher education diplomas that have been postponed;
 - 4.2. By the end of 2020 and the school year 2020/2021, there will be a mechanism for automatically allocating social welfare scholarships to students which, cumulatively:
 - a) Are scholarship holders in school year 2019/2020 and continue to meet the eligibility criteria;
 - b) Have completed the cycle of studies in which they were enrolled during the school year 2019/2020;

² Complementary allowances to the amounts laid down in Order no. 276/2019, of 28 August, respectively, in subparagraph vi) of paragraph 1.º, a), subparagraph vi) of paragraph 1.º, b) and subparagraph vi) of paragraph 1.º, c) of Article 2.

- c) Continue to study in the academic year 2020/2021 in higher education;
- 4.3. The *Fundação para a Ciência e a Tecnologia, I. P.*³ in collaboration with the General Directorate for Higher Education, grants special support to integrated research and development (R&D) and higher education initiatives, including research internships in R&D units and/or public or private institutions, to be developed between 1 July and 30 October 2020.
5. Simplification of the incapacity verification process present in the Statute of Informal Caregivers:
- 5.1. On a provisional basis, and until 31 December 2020, the certification referred in subparagraph a) of paragraph 2 of Article 7 of Ordinance no. 2/2020 of 10 January and subparagraph d) of Article 3 of Ordinance no. 64/2020 of 10 March, may be conducted by a single doctor rapporteur of the social security incapacity verification service;
- 5.2. To be granted the main informal caregiver support allowance, it is necessary to submit an application until 31 July 2020, being conceded to the applicants who meet the appropriate conditions on the date of entry into force of Ordinance no. 64/2020, of 10 March.

This Decree-Law also aims to establish the following financial exceptional measures to strengthen the social sector for the protection of the most vulnerable as well as to simplify procedures

1. Support for preventive measures in social responses and units providing social support, both with regard to workers and patients directly and to the facilities, under the terms of protocols already celebrated, constituting expenditure of the social action subsystem, regardless of the legal nature of the recipient institution, the expenditure (i) corresponding to acts carried out up to the date of entry into force of this decree-law; or (ii) the expenditure to be carried out until 31 December 2020, for training to maintain the activity of social responses for the elderly.
2. Financing the social sector: the *Instituto de Gestão Financeira da Segurança Social, I.P.*⁴ is authorised to subscribe the capital of the Mutual Counter Guarantee Fund up to a maximum amount of €6.180.000,00 and to grant the

³ “FCT, I. P.”, Foundation for Science and Technology.

⁴ “IGFSS, I.P.”, Institute of Financial Management of Social Security.

necessary guarantees for the operationalization of the financing line for entities that develop social responses up to a maximum amount of €18.500.000,00.

3. Simplifying the licensing of social support establishments:
 - 3.1. Until 31 December 2020, elimination of the Licensing provided for in Decree-Law no. 64/2007 of 14 March, being the operating licence replaced by mere prior notice;
 - 3.2. The document proving the regular submission of the application constitutes a valid operating licence for all legal purposes.

Lastly, Decree-Law no. 27-B/2020 of 19 June, which extends the extraordinary support for maintaining employment contracts in situations of business crisis and creates other employment protection measures, within the scope of the PEES, is amended in order to clarify that it is not possible to accumulate the extraordinary incentive to normalise business activity with the reduction or suspension measures provided for in Articles 298 and following of the Labour Code⁵.

This information will be updated whenever new legislation on the matter is published.

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⁵ Approved by Law no. 7/2009, of 12 February.