

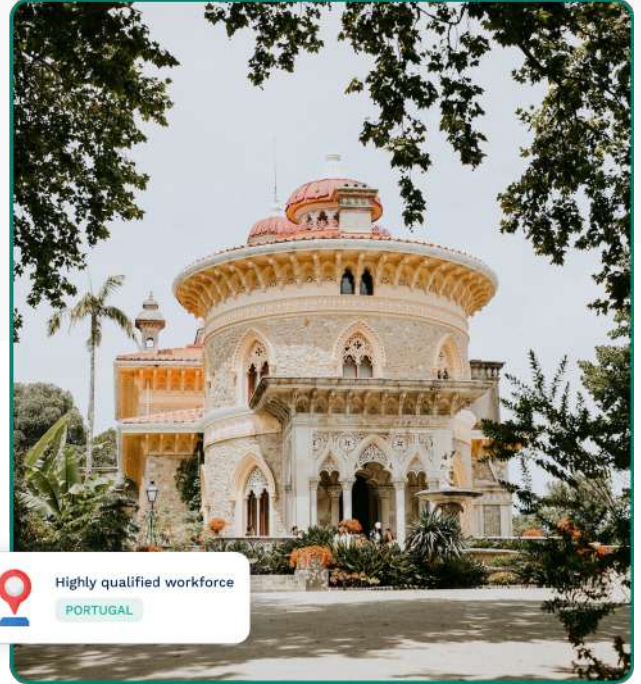


Hire in Portugal in 3 easy steps

When you think of Portugal, you probably think of Fado music, port wine and Cristiano Ronaldo. We don't blame you, but you might be surprised to know that it is also home to a strong, qualified workforce of over 5 million. Let us show you why and how you can hire and manage your remote team from this beautiful country.



Gold country



Onboard your talent in Portugal in 10 minutes

If you're considering hiring your next candidate in Portugal, you're in the right place. At **WorkMotion**, we have helped hundreds of businesses onboard their remote hires, and we have achieved excellent expertise in the country. Our tech solutions and team of experts will make this incredibly easy for you.



Guidance & payroll management

Receive process support by an experienced team of experts & pay your talent on time and in their local currency.



Equipment management

Send laptops and other devices to your remote employees in Portugal through our platform with just a few clicks.



Net salary calculator

Calculate net salary in Portugal post deductions and compare it with the salary in other countries instantly.



Accelerated onboarding

Fast-track your talent onboarding while ensuring 100% compliance with local regulations.

A quick overview of Portugal



Time zone
UTC+0



Paid leave
22 days



Minimum wage
€760



Currency
EUR



Public holidays
13 days



Payroll
Monthly

What makes Portugal's talent great?

The economy in Portugal has made a smooth recovery post-COVID19 and is continuing to strengthen. Portuguese workers are known for being hard working, adaptable and agile. While employment varies by region, nearly half work in service jobs. Salaries are on the rise, but are still below the EU average. The capital Lisbon is a tech hub and has a growing number of IT firms.

With an English Proficiency Index (EPI) of 614, there is a large number of English speakers in the country.



Strong service sector

About **75%** of Portuguese talent are employed in the service sector. This means that a majority of the workforce have professions in sales, food services, administrative support, education and healthcare. There's also a strong focus on innovation and entrepreneurship.



Highly qualified workforce

Portugal's workforce is becoming more qualified with time. This is due to younger and more highly-educated people entering the labour market. By 2025, the share of Portugal's labour force with high-level qualifications will rise to **33%** as compared to **24%** right now.



Strong emphasis on education

Between 2000 and 2021, the share of 25-34 year-olds with tertiary educational qualifications in Portugal increased by **35%**. Now, **47%** of 25-34 year-olds have a tertiary qualification at the same level as the average across OECD countries.

Basic facts

Portugal, officially the Portuguese Republic, lies along the Atlantic coast of the Iberian Peninsula in southwestern Europe. It is the westernmost sovereign state of mainland Europe and is bordered by Spain. Its territory also includes the Atlantic archipelagos of the Azores and Madeira, both of which are autonomous regions with their regional governments. Portugal is a founding member of NATO and entered the European Communities (EC) – now the European Unions (EU) – in 1986.

Please note that the official currency is the currency of remuneration when employed through WorkMotion in Portugal.



Capital
Lisbon



Population
10.3 M



VAT - standard rate
23%

Statutory holidays

Portugal has **13** mandatory holidays. In addition to the mandatory holidays, the Tuesday of Carnival and the municipal holiday of the locality can be observed as a holiday, declared by means of collective labor regulation or employment contract.

The national holidays mentioned below are valid for the year 2023.

DATE	HOLIDAY NAME
January 1	New year's day
January 7	Good Friday
April 9	Easter
April 25	Freedom day
May 1	Labor day
June 8	Corpus christi
June 10	Portugal day
August 15	Assumption of Mary
October 5	Republic implantation day
November 1	All saints' day
December 1	Restoration of independence
December 8	Immaculate conception day
December 25	Christmas day

Contract sharing time

The approximate time for sharing the contract with an employee in Portugal is **5 business days** assuming no special requests or changes to our standard employment contract. Any such requests or changes would need to undergo internal and external review, directly leading to a time delay.

Note

This number is subject to change and is only an estimation of the Contract Sharing Time. The estimated Contract Sharing Time begins from the moment that WorkMotion has received all required information from both the client and the employee.

What you need to know

- ✓ Employers must reimburse all expenses incurred by employees due to working from home.
- ✓ Employers must also respect the employee's privacy by not contacting them outside of working hours or using any image, sound, writing, or other means of control to monitor the employee's work.
- ✓ Employers also must respect the employee's privacy by not contacting them outside of working hours or using any image, sound, writing, or other means of control to monitor the employee's work.
- ✓ The employment contracts in Portugal are quite unique in that there are two types of fixed-term contracts – one with a specified end date and the other with an unspecified end date.

Labour conditions

Working hours

- 40 hours** is the maximum working time per week.
- 08 hours** is the maximum no. of hours workers under the age of 18 may work.
- 02 hours** is the maximum increase in the normal daily working period.
- 150 hours** per year overtime is allowed for medium or large enterprises.
- 175 hours** per year overtime is allowed for small enterprises.

Overtime

Overtime can only be provided when the company has to deal with an eventual and transitory increase in work and there is no justification for the admission of a worker. Overtime may also be provided in case of force majeure or when it is essential to prevent or repair serious damage to the company or its viability. Overtime work is subject to the following limits, per worker:

- ✓ On a normal working day, two hours.
- ✓ On a mandatory weekly rest day, or a public holiday, a number of hours equal to the normal daily work period.
- ✓ In the case of a micro-enterprise or small enterprise : 175 hours per year.
- ✓ In the case of medium or large companies : 150 hours per year.

Probation period

Depending on the type of contract, the number of days vary. For a fixed-term contract, the probation period can be **15 days** for a contract lasting less than six months or 30 days for a contract lasting six months or more. For a permanent contract, the probation period can last between **90 days to 240 days** depending on the nature of the role.

The probation period may also be shortened by collective labor regulations or by a written agreement between the parties. It may even be excluded by written agreement between the parties.

Termination notice period

Termination notice periods vary depending on the contract type, probation period length, contract length, and type of dismissal.

During probation

Either party can terminate the contract during probation with the following notice periods:

PROBATION PERIOD	EMPLOYER MINIMUM NOTICE	EMPLOYEE MINIMUM NOTICE
Up to 60 days	0 days	0 days
More than 60 days and up to 120 days	7 days	-
More than 120 days	30 days	-

After probation

Termination by employer

The employer can terminate the contract with just cause (i.e. job elimination, unsuitability) with the following statutory minimum notices:

EMPLOYEES' SENIORITY	EMPLOYER MINIMUM NOTICE
Less than 1 year	15 days
At least 1 year and fewer than 5 years	30 days
At least 5 years and fewer than 10 years	60 days
At least 10 years	75 days

Termination by employer

The employee can terminate the contract immediately with just cause, or with the following statutory minimum notices without just cause:

PROBATION PERIOD	CONTRACT LENGTH	EMPLOYEE MINIMUM NOTICE
Fixed-term	Less than 6 months	15 days
	At least 6 months	30 days
Permanent	Up to 2 years	30 days
	More than 2 years	60 days

Leave / time off

Annual

Every calendar year employees are entitled to **22 days** of paid vacation. The period begins and ends on January 1, and vacations should be taken within this time slot, but they may be taken until April 30.

Sick

Employees can receive sick leave benefits from the fourth day of sickness from Social Security for up to **1,095 days**, and for unlimited time in the case of tuberculosis. The employer usually pays for the first three days of sick leave. Daily sick pay is between **55% to 75%** of employees' reference income depending on the length and nature of their sickness.

Parental

All the parental leaves mentioned below are covered by Social Security.

Initial parental leave

Eligible mothers and fathers are entitled to a total of **120 or 150 days** of paid initial parental leave, at **100% or 80%** of the salary, respectively. This leave is increased in certain conditions.

Maternity leave

In the case of initial parental leave exclusively for the mother, up to **30 days'** leave can be taken prior to birth, and **42 days** leave must be taken following the birth.

Paternity leave

It is mandatory for the father to take a parental leave of **28 days**, consecutive or interpolated periods of at least seven days, in the **42 days** following the birth of the child, seven of which are taken consecutively immediately after this.

After taking the leave provided for in the previous number, the father is still entitled to **7 days** of leave, consecutive or interspersed, as long as they are taken simultaneously with the mother taking the initial parental leave.

Adoption leave

Prospective adopters adopting a child under age 15 are entitled to adoption leave of up to **120 or 150 consecutive days**, at 100% or 80% of the salary, respectively. This leave is increased in certain conditions.

Other types

Paid leave is provided for the following reasons:

LEAVE	DESCRIPTION
Prenatal leave	Pregnant employees are entitled to leave from work for prenatal consultations, for the time and number of times necessary.
Leave in a situation of clinical risk during pregnancy	A pregnant employee who is in a situation of clinical risk for herself or for her unborn child, and whose employer does not provide her with compatible work with her status and professional category, is entitled to a paid leave as deemed necessary.
Leave for termination of pregnancy	In case of termination of pregnancy, the worker is entitled to leave lasting between 14 and 30 days.
Leave to care for a child with a disability, chronic illness or cancer	Parents are entitled to leave for a period of up to six months, extendable up to four years, for the care of a child with a disability, chronic illness, or oncological disease.
Leave for assisting grandchildren	An employee may be absent for up to 30 consecutive days, following the birth of a grandchild who lives with him/her in a shared room and board and who is the child of an adolescent under the age of 16 years.
Bereavement leave	An employee may be absent for up to 20 consecutive days of paid leave following the death of their child, stepchild or spouse.
Marriage leave	Employees are entitled to 15 consecutive days of unpaid leave for marriage.

Unpaid

Sick child leave

An employee shall be entitled to unpaid leave from work to provide unavoidable and essential assistance, to a child under the age of 12 or, regardless of age, to a child with a disability or chronic illness, up to **30 days** a year or throughout the period of eventual hospitalization.

Training leave

The public employee is entitled to leave without pay for more than **60 days** for training purposes.

Child care leave

After the extended parental leave is exhausted, parents are entitled to consecutive or in parts unpaid childcare leave, up to a limit of **2 years**.

Statutory benefits

Social security contributions are made by both employers and employees, and cover sickness, occupational diseases, maternity, paternity, adoption, unemployment, disability, pension, and death.

Employers contribute up to 25.5%, while employees contribute 11%, broken down as follows:

CATEGORIES	EMPLOYER CONTRIBUTIONS	EMPLOYEE CONTRIBUTIONS
Social security	23.75%	11%
Labor accident insurance	1.75% (varies)	-

Other statutory benefits

The following benefits are all covered by Portugal's social security.

Disability pension

It is an amount paid monthly, intended to protect beneficiaries of the general Social Security regime in situations of permanent incapacity for work. Disability is considered to be any disabling situation, of non-professional cause, which determines permanent incapacity for work.

Death funeral allowance

A one-time benefit, to compensate the applicant for the subsidy for expenses incurred with the funeral of any member of his household or any other person, including unborn children, as long as he resides in the national territory.

Widow's pension

Benefit granted monthly to the widower or person who lived in a situation of de facto union with the social pension pensioner.

Health insurance

Portugal has state-sponsored free universal healthcare (Serviço Nacional de Saúde, SNS). Employers do not need to contribute additionally to health insurance besides the comprehensive total of **23.75%**

Accident insurance

The Labor Accident Insurance under Statutory Benefits covers all accident-related injury claims for employers.

Unemployment insurance

Unemployment benefits (Subsídio de desemprego) are cash benefits awarded to unemployed beneficiaries to compensate for the lack of remuneration caused by the involuntary loss of employment. Due to Covid-19, unemployment benefits ending in 2021 are, exceptionally, extended for another six months.

Public pension

In Portugal, old-age pension is paid to beneficiaries who have reached the state pension age. The age for retirement is **66 years** and four months for both men and women. The pension amount is determined according to the beneficiary's social security contribution record and registered earnings.

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