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Factsheet for case PT-2020-12/432

## Extraordinary support for the reduction of self-employed economic activity

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|              |  |
|--------------|--|
| Country      | Portugal, applies nationwide   |
| Time period  | Temporary, started on 15 March 2020  |
| Type         | Legislation or other statutory regulation  |
| Category     | Income protection beyond short-time work<br>– Extensions of income support to workers not covered by any kind of protection scheme |
| Case created | 09 April 2020 (updated 26 April 2020)  |

### Background information

The 'Extraordinary support for the reduction of self-employed economic activity' - as a result of the COVID - 19 pandemic - was established by Decree-Law no. 10-A/2020 of 15 March (article 26). It established the right to financial assistance – up to a maximum of six months payment – for self-employed workers who perform exclusively activities under the self-employed regime (and that are not pensioners), under certain conditions, when they had to stop completely their activity on the grounds of the economic impact of COVID -19 pandemic. The Decree Law no. 12-A/2020 of 6 April - that prorogated the 'state of emergency' – updated the provisions defining that financial supports applies also in case of partial reduction of activity and introduced two ceilings for the maximum amount of financial support depending of self-employed workers previous earnings. Moreover, this amendment extends also the extraordinary support to managing partners of companies, as well as other members of bodies, without employees, in certain conditions.

### Content of measure

Article 26 of Decree Law no. 12-A/2020 of 6 April establishes:

Extraordinary support for the reduction of self-employed economic activity

Extraordinary support for the reduction of economic activity takes the form of support financial assistance to workers covered exclusively by the self-employed regime

who are not pensioners, subject to compliance with contributory obligations in at least 3 consecutive months or six months interpolated for at least 12 months:

1. In a proven situation of total stop of activity or of stop of the activity of the respective sector as a result of the COVID -19 disease pandemic; or
2. By means of a declaration by the applicant to support and an accountant's certificate that attests to it, in a situation of abrupt and sharp breakdown of at least 40% of the billing in the period of thirty days, prior to the application to the competent social security services, with reference to the monthly average of the two months prior to that period, or compared to the period previous year or, for those who started the activity less than 12 months before.

During the period of application of this measure, the self-employed person is entitled to financial support lasting one month, extendable monthly, up to a maximum of six months, corresponding to:

- a) The value of the remuneration recorded as a contributory basis, with the maximum value of Social Support Index (Indexante de Apoios Sociais, IAS), currently € 438,81, in situations where the value of the remuneration recorded as a basis incidence is less than 1.5 IAS;
- b) Two thirds of the value of the remuneration recorded as a base of contributory incidence, with the maximum limit of the mandatory minimum wage, currently € 635,00, in situations where the value of the registered remuneration is higher or equal to 1.5 IAS.

Financial support is paid from the month following the submission of the application.

The support provided is granted, with the necessary adaptations, to partners - managers of companies, as well as members of statutory bodies of foundations, associations or cooperatives with functions equivalent to those, without employees that, in the previous year, had invoices with less than € 60,000.

## Use of measure

Information by the Ministry of Labour, Solidarity and Social Security (MTSS) - April 2010

'COVID-19 | Informação relativa a famílias e empresas no âmbito do MTSSS'

Estimated that on 7 April 2020, around 117,000 independent workers were with reduced activity.

## Actors, target groups and funding

| Actors  | Target groups  | Funding        |
|---|--|----------------|
| National government<br>Company / Companies<br>Public employment service<br>Social insurance | Solo-self-employed<br>One person or microenterprises | National funds |

## Social partners

|                         |   |
|-------------------------|---|
| Role of social partners | Informed                                |
| Form of involvement     | Bi-or tripartite social dialogue bodies |

Employer and trade union confederations were informed at the tripartite Standing Committee for Social Concertation.

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 13 March 2020: DECRETO-LEI N.º 10-A/2020 - DIÁRIO DA REPÚBLICA N.º 52/2020, 1º SUPLEMENTO, SÉRIE I DE 2020-03-13 ([dre.pt](#))