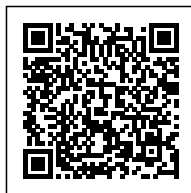


# CHANGES TO PORTUGAL'S WORKING HOURS REGULATIONS - PBBR

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Category: [Employment](#)



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The next step of the labour reform to be implemented will be a broad change of the Portuguese Labour Code, which will apply across all private businesses in Portugal. It is also hoped that it will supersede, at least for a two-year period, different rules of existing collective bargaining agreements.

One significant change to the existing working hour legal framework is very noteworthy. Currently, when employers need to extend their daily or weekly working schedule, the extra hours are treated as overtime and paid as such (with significant accruals vis-à-vis the normal working hour rate). The employees are also entitled to time-off in addition to the payment accrual. This very favourable treatment, which is also likely to be modified in the short term, has direct consequences on both the cost per hour of the workforce borne by the companies and on the final price of goods.

The new regime that is to be approved will include the possibility of employers agreeing with each employee individually (currently something that can only be done through collective bargaining) a "stock of hours" to a maximum limit of 150 hours per year, where the employer may determine an increase of the daily working schedule of up to two hours and to a maximum of 50 hours per week. This "stock of hours" is paid at the normal hourly rate and it can be compensated either monetarily or

alternatively by time-off in lieu.

Depending on how the additional working periods are compensated, it might not actually mean an increase in the number of hours worked. It will, however, create the possibility of extending the hours worked on a given number of days where the employee can really make a difference, and without the employer having to bear additional costs. If time-off is the option, the employee will also benefit from additional rest periods.

Since this measure has not yet been implemented, it is difficult to say whether it will bring any significant benefits to businesses and/or to employees. Nevertheless, it is our opinion that taking the working hour regime out of the sphere of pure union negotiation and incorporating it into the employer-employee relationship is a positive sign, although caution should be recommended to avoid abuse.

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