

TRAINING AND JOB SCHEMES FOR UNEMPLOYED REVISED - F. CASTELO BRANCO & ASSOCIADOS

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The Portuguese government has recently revised the programmes aimed at supporting traineeship initiatives and fostering the hiring of unemployed people.

According to the official figures, the unemployment rate in the second quarter of 2014 amounted for

13.9 percent of the labour force. Although this rate has been decreasing, youth unemployment (that is, people under 25 years old) continues to be a serious issue. The rate has reached 35.6 percent.

The institutions or individuals wishing to apply for the support programmes should not have any social security, tax or public funds-related debts. They should be paying wages on time and should not have been convicted of crimes or administrative infringements concerning discrimination at work in the last two years.

Traineeship/ Employment Programme

In July, the government amended the Traineeship/Employment Programme, which was implemented in 2013. This programme aims to support initiatives by which employers offer practical training in a work environment. Trainees are not expected to occupy available job positions but to be given training with a view to enhancing their professional skills and helping their future integration in the employment market.

The Traineeship/Employment Programme is targeted at youngsters, people who have recently improved their qualifications, disabled people, members of a single-parent family, spouses of unemployed people, victims of domestic violence, people who were subject to criminal penalties and drug addicts who have enrolled in a rehabilitation scheme. Trainees are entitled to a monthly traineeship allowance, meal (or corresponding allowance) and transportation (or corresponding allowance) costs as well as occupational accident insurance.

The traineeship allowance may range from €419.22 to €691.71, depending on the qualification level of the trainees. As a general rule, the Portuguese Employment Office pays 65 per cent of the traineeship allowance, although this percentage may be increased under certain circumstances. Public co-payment is also due concerning the trainees' other entitlements.

Stimulus 2014

Stimulus 2014 is the other employment-boosting programme adopted by the Portuguese government last July. Under this programme, employers who hire, for a minimum period of six months, unemployed people duly registered in the Portuguese Employment Office, are entitled to apply for financial support provided certain legal requirements are met. The financial support depends on whether the employment agreement entered into is full or part-time or a fixed-term or open-ended contract.

In the midst of an economic downturn, public measures aimed at combatting unemployment are welcome and have proven to be effective. It is up to employers to assess whether they are eligible to apply for the aforementioned state-funded programmes and whether these are likely to match their business model and contribute to their human resources strategy.

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