



Work XXI

**– Bill No. 77/XVII/1 –
May 18, 2026**

150 Questions & Answers

PRELIMINARY NOTE

This guide (2nd edition) is for informational purposes only and was prepared based on the official text of Draft Law No. 77/XVII/1st, approved by the Council of Ministers on May 14, 2026, submitted to the Assembly of the Republic on May 19, 2026 (hereinafter “Draft Law”) and which is currently under public consultation.

This edition updates and replaces the content of the 1st edition (published on July 28, 2025, regarding the “Work XXI” Draft Bill). We have expanded upon our previous analyses in light of the official text submitted to the Assembly of the Republic and have added a new section dedicated to the impact of the Draft Bill on the General Law on Public Service Employment (LGTFP), as well as a cross-cutting issue regarding the process of drafting labor legislation in Portugal.

The information presented here is a summary of the main proposed changes; it does not constitute legal advice regarding currently applicable solutions or an analysis of specific cases.

Your questions and suggestions are most welcome.

Lisbon, June 3, 2026

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A. “Self-employed worker in a situation of economic dependence”

1. What constitutes a “self-employed worker in a situation of economic dependence”?

A self-employed worker is considered to be in a situation of economic dependence if they are a natural person who performs, directly and without the intervention of third parties, an activity for a beneficiary from whom they derive 80% of their annual income, instead of the current 50%.

2. What is the legal and labor status of a “self-employed worker in a situation of economic dependence”?

The self-employed worker in a situation of economic dependence is covered by legal provisions regarding personality rights, equality and non-discrimination, and occupational safety and health, as well as by collective bargaining agreements in force within the same sector of activity, profession, and geographic area.

In other words, they do not become an employee; their status as a service provider is maintained, but labor-related regulations apply to them in part.

3. Can the “self-employed worker in a situation of economic dependence” be represented by a trade union or by special socio-professional associations?

The Draft Law clarifies that self-employed workers in a situation of economic dependence may (i) form associations to defend socio-professional interests or (ii) join trade unions, provided that the respective statutes provide for this possibility.

Thus, it is up to the trade union to decide (i) whether it intends to represent self-employed workers in a situation of economic dependence, (ii) how the representation of a new category of workers without an employment contract should be structured and implemented. In the absence of an express provision in the bylaws, the trade union will represent only employees.

For its part, the option to establish associations for the defense of socio-professional interests depends on special legislation regulating, for example, (i) their legal nature, (ii) their powers and duties, and, in particular, (iii) whether and to what extent they may

enter into agreements or contracts binding self-employed workers in a situation of economic dependence.

4. Can a “self-employed worker in a situation of economic dependence” be represented by a workers’ committee?

No. Under the Proposed Law, the workers’ committee will no longer be able to represent the socio-professional interests of the economically dependent self-employed worker.

5. Is the employment status of “economically dependent self-employed worker” granted automatically?

No. The application of the labor regime for self-employed workers in a situation of economic dependence is contingent upon a notification submitted by the worker to the beneficiary of the activity, accompanied by supporting documentation attesting to the fulfillment of the requirement referred to in Question 1 above.

6. Is the concept of a contracting entity, as defined in the Social Security regime, also being changed?

Legal entities and individuals engaged in business activities, regardless of their nature and the purposes they pursue, who in the same calendar year are responsible for more than 80% of the total value of the self-employed worker’s employment income, are covered by this regime as contracting entities. Currently, the threshold is 50%.

The Draft Law further clarifies that, to determine the total amount of the aforementioned income, the sum of all employment income from Categories A and B is taken into account, pursuant to Articles 2 and following of Law No. 82-E/2014 of December 31, earned in the previous calendar year.

This solution also applies when entities derive, in the same calendar year, more than 80% of their total income from the activities of sole proprietors or owners of limited liability sole proprietorships. Currently, the threshold is 50%.

7. Are the contributions arising from the status of contracting entity being changed?

No. The Draft Law does not change the rates or the calculation method for the contracting entity’s contribution. Currently, the following rates apply: (i) 10% for economic dependence exceeding 80% and (ii) 7% in all other cases. In practice, however,

as the qualification threshold rises from over 50% to 80%, the 7% rate no longer applies, effectively reducing the regime to a single rate of 10%.

B. Digital platform: presumption of the existence of an employment contract

8. What is meant by “digital platform”?

Currently, “digital platform” is defined as a legal entity that provides or makes available remote services via electronic means, namely a website or computer application, at the request of users, and which involves, as a necessary and essential component, the organization of work performed by individuals in exchange for payment, regardless of whether such work is performed online or at a specific location, under the terms and conditions of a proprietary business model and brand.”

The Draft Law establishes a new definition of a digital platform, in accordance with Directive (EU) 2024/2831 of the European Parliament and of the Council of October 23, 2024, on improving working conditions on digital platforms.

In fact, a digital platform is defined as a natural or legal person that provides a service that cumulatively meets the following requirements: (i) it is provided, at least in part, remotely, through electronic means, such as a website or a mobile application; (ii) it is provided at the request of a recipient of the service; (iii) it involves, as a necessary and essential component, the organization of work performed by persons for remuneration, regardless of whether such work is performed online or at a specific location; and (iv) it involves the use of automated monitoring systems or automated decision-making systems.

9. What changes regarding the presumption of an employment contract?

Currently, the existence of an employment contract is presumed when, in the relationship between the service provider and the digital platform, some of the following characteristics are present: (i) the digital platform sets the remuneration for the work performed on the platform or establishes maximum and minimum limits for it; (ii) the digital platform exercises managerial authority and sets specific rules, particularly regarding the service provider’s appearance, their conduct toward the service user, or the performance of the work; (iii) the digital platform controls and supervises the performance of the work, including in real time, or verifies the quality of the work performed, particularly through electronic means or algorithmic management; (iv) the digital platform restricts the service provider’s autonomy regarding the organization of work, particularly regarding the choice of work hours or periods of absence, the ability

to accept or refuse tasks, the use of subcontractors or substitutes through the imposition of sanctions, the choice of clients, or the provision of services to third parties via the platform; (v) the digital platform exercises employment powers over the service provider, namely disciplinary power, including the exclusion from future activities on the platform through account deactivation; and (vi) the work equipment and tools used belong to the digital platform or are operated by it through a lease agreement.

The Draft Law eliminates the special presumption applicable to platforms and, in its place, creates an additional indicator—that is, an additional basis—for the general presumption of the existence of an employment contract.

A service provider who believes that their contract should be classified as an employment contract must allege and prove at least two of five possible indicators. On the other hand, when the activity involves a platform, the number of possible indicators increases (2 out of 6 possible indicators).

Thus, the existence of an employment contract is presumed when, in the relationship between the person performing the activity and the person or persons benefiting from it, at least two of the following indicators are present:

- a) The activity is performed at a location belonging to the beneficiary or designated by the beneficiary;
- b) The equipment and tools used must belong to the recipient of the service;
- c) The service provider must adhere to the start and end times of the service, as determined by the beneficiary;
- d) A fixed amount is paid to the service provider at regular intervals in exchange for the service;
- e) The service provider performs managerial or supervisory functions within the company's organizational structure; and
- f) There are restrictions on the service provider's organizational autonomy resulting from consideration of the following facts:
 - i. Determination of work periods or periods of absence by the beneficiary of the activity;
 - ii. Restrictions on the service provider's freedom to accept tasks;
 - iii. Limitation on the use of subcontractors or substitutes by the service provider; and
 - iv. Selection of clients by the beneficiary of the activity.

10. Does the additional indicator of employment apply to all forms of work performed through digital platforms?

No. Rather, it depends on whether the service provider is in a situation of economic dependence (see Question 1 above). In the Preliminary Draft, regular performance of the activity was also required.

This is a balanced solution. Compared to the “ordinary” service provider, the provider via a digital platform is subject to an additional filter (economic dependence), as it would be excessive to apply the employment regime to cases of occasional, temporary, one-off, or multi-platform service provision.

11. Is economic dependence a new requirement for classifying an employment contract?

No. The classification of a contract as an employment contract can occur through a legal presumption or, according to the more traditional approach, through a judicial presumption. The creation of a legal presumption has not eliminated the methodology developed by Portuguese courts over the years to determine the existence of an employment contract: the so-called circumstantial method. This method can be used to reinforce the existence of an employment contract (combining legal and judicial presumptions) or to rebut—that is, to provide proof to the contrary—the legal presumption.

In other words, the legal presumption can be rebutted or set aside when it is demonstrated that, despite the presence of the evidence or grounds for the presumption, autonomy and independence exist (proof to the contrary).

Economic dependence is one of the indicators used, over the years, in the interpretation and application of the judicial presumption of an employment relationship.

In fact, the parties must present to the court facts and circumstances that are capable of confirming or refuting the grounds for the judicial presumption, namely, regularity, exclusivity, economic dependence, risk of the activity, or integration into the organization. If these point to the existence of an employment contract, in accordance with the rules of experience, the court may presume its existence. If, on the other hand, they demonstrate autonomy and independence, the court may decide that the existence of an employment contract has not been proven.

In short, the Draft Law merely gives greater visibility to an indicator that has been developed through case law and legal doctrine and that should be fully applied to professional activities conducted through platforms, because nothing justifies the monopoly of the employment contract, particularly when it does not result from the will

of the parties, nor from the facts and circumstances that are normally identifiable in an employment relationship. The Directive does not impose this, and the Constitution of the Portuguese Republic preserves individual autonomy and the free choice of profession and, consequently, of the manner in which it is exercised.

12. What is the applicable labor regime for employment contracts with digital platforms?

To employment contracts with digital platforms, entered into directly by the platforms or through an intermediary, the provisions of the Labor Code apply that are not incompatible with the nature of the activity performed, namely provisions regarding workplace accidents, termination of the contract, minimum wage, vacation, limits on normal working hours, equality, and non-discrimination.

13. Does the amendment contained in the Draft Law violate Directive (EU) 2024/2831 of the European Parliament and of the Council of October 23, 2024, on improving working conditions on digital platforms?

No. The Directive does not impose a new concept of an employment relationship, an employment contract, or a worker for digital platforms.

Strictly speaking, the Directive aims to combat the use of the self-employed status to conceal a genuine employment relationship by improving the mechanism for determining the respective professional status, taking into account national law, collective agreements, or practices.

Nor does the Directive require the establishment of a legal presumption that would automatically and in all cases lead to the reclassification of service providers as workers under the “ ” framework. The Directive recognizes that workers and service providers may coexist in professional activities carried out through digital platforms.

The Proposed Law establishes an additional criterion aimed at determining the extent to which there are restrictions on the provider’s organizational autonomy. To this end, the interested party must present facts and circumstances that allow for an assessment of whether, in the specific case: (i) the beneficiary of the activity determines the periods of work or absence; (ii) there are restrictions on the service provider’s freedom to accept tasks; (iii) limitations on the use of subcontractors or substitutes by the service provider; and (iv) the beneficiary’s ability to choose clients.

Finally, the reference to “additional evidence” does not mean restricting the scope of application of the general presumption of the existence of an employment contract, but rather expanding it, because while, in most cases, service providers must provide evidence of 2 (two) out of 5 (five) indicators, in work through digital platforms, the number is 2 (two), but out of 6 (six) possible indicators. In other words, the burden of proving the existence of an employment contract is reduced compared to the general case of “false service providers.”

C. Remote Monitoring

14. What has changed?

The changes are, in my opinion, not significant and result from alignment with the GDPR—General Data Protection Regulation (hereinafter “GDPR”) and its Implementing Act.

The use of remote surveillance measures is only permitted if it is necessary, appropriate, and proportionate to the objectives to be achieved.

Remote surveillance measures in the workplace may not capture sound, except during periods when the monitored premises are closed or with prior authorization from the National Data Protection Commission (CNPD).

The use of remote surveillance measures must be preceded by an opinion from the workers’ committee, which is deemed favorable 10 days after receipt of the request for an opinion.

D. Duties of Disclosure

15. Can the information be made available through the Employer’s intranet?

Under the Proposed Law, information may be made available through the Employer’s intranet, specifically regarding (i) the employee’s rights and duties concerning equality and non-discrimination, (ii) the publication of internal regulations, (iii) the content of legislation regarding parental rights, (iv) the availability of permanent positions within the company or establishment, (v) the work schedule, (vi) the vacation schedule, (vii) the establishment and approval of the statutes of the workers’ committee, (viii) the posting of notices, communications, information, or other texts relating to union activities and the socio-professional interests of workers, (ix) information on applicable

collective labor agreements, and (x) the order and decision of the arbitration tribunal establishing minimum services during a strike.

The use of the “intranet” to disseminate information relevant to the employment relationship is a common practice that is fully enshrined in the Proposed Law. Greater legal certainty and security.

Unless otherwise specified, the concept of “intranet” may encompass, for example, the so-called “employee portal” or internal “apps” created by companies to communicate with employees.

E. Algorithms, Artificial Intelligence, and Automated Management

16. Are there any changes regarding the employer’s use of algorithms and AI systems?

Yes. The bill establishes a structured framework of obligations regarding the use of algorithms and artificial intelligence systems in the workplace.

The duty of human intervention is established: the employer must ensure that decisions regarding recruitment and selection, work organization, evaluation, career progression, the application of disciplinary sanctions, and the continuation or termination of the contract are not made without human intervention to confirm, modify, or revoke the decision proposed by algorithms or other AI systems.

17. Can the employee file a complaint?

Employees may file a complaint and appeal through the appropriate channels against any decision affecting them regarding recruitment and selection, work organization, evaluation, career progression, disciplinary sanctions, or termination of the contract, when such a decision has been based exclusively on an algorithm or other artificial intelligence systems.

To this end, they have a period of 30 days from the date of learning of the decision.

In this case, the employer must respond to the complaint or appeal with a reasoned response within 30 days.

There is, therefore, a strengthening of the employer’s duty to provide information, for the benefit of employees.

18. Must the use of algorithms or AI systems be included in the record of recruitment processes?

Yes. All entities must maintain a record of recruitment processes for five years, which must include, broken down by gender, details regarding algorithms, other AI systems, and other tools used.

19. Must the employer draft internal regulations on the use of AI?

Although the Draft Law does not require the employer to draft, approve, and disseminate internal regulations on the use of AI, it is recommended that such regulations be drafted to, for example, (i) identify the algorithms and AI systems in use and their respective suppliers, (ii) regulate the human review process for each decision with labor implications, (iii) define the internal workflow for handling employee complaints and appeals, (iv) establish an audit trail for each decision, and (v) specify transparency obligations in communications, particularly regarding work organization, performance evaluations, career progression, the imposition of disciplinary sanctions, and the continuation or termination of the employment contract.

This regulation must also comply with the GDPR, its Implementing Act, and the European AI Regulation.

20. Must the employer establish rules regarding the use of AI by employees?

Although the Draft Law does not require the drafting, approval, and dissemination of internal regulations on the use of AI by employees, it is recommended that regulations be drafted that, for example, (i) define permissible AI systems and prohibit certain AI systems from being used via company resources or for professional purposes, (ii) specify the manner of use, (iii) the limits on data sharing with AI systems, and (iv) warns of the disciplinary, civil, and criminal consequences arising from misuse.

21. Should the employer provide training to employees on the use of AI?

The Draft Law does not address this matter, nor is it necessary. Indeed, it follows from the current legal framework that the employer must, in general, contribute to enhancing the employee's productivity and employability, notably by providing appropriate vocational training to develop their skills; and that the employee must, in general, participate diligently in vocational training programs provided by the employer.

In particular, and in addition to the benefits associated with vocational training, the employer must address the risk pyramid set forth in the European AI Regulation, the data protection obligations under the GDPR and the Enforcement Act, and the challenges posed by incorrect, inappropriate, or unlawful use of AI by employees, whether using resources provided by the employer, their own resources, or covertly, or even with the intent to persecute or harass (“deepfakes”).

F. Parenting

22. Has excused leave for pregnancy-related bereavement been eliminated?

Yes. However, with regard to female employees, excused absence due to pregnancy loss would have a (very) limited scope, that is, it would cover situations that, for whatever reason, might be excluded from the scope of application of leave due to pregnancy termination.

23. What protection is provided to the mother in the event of a pregnancy termination?

In cases of pregnancy termination, the mother is always entitled to 14 to 30 days of leave, paid at 100% by Social Security, replacing the current 3 (three) days of leave due to pregnancy loss.

24. What is the procedure for the mother in the event of a termination of pregnancy?

To this end, the employee informs the employer and submits, as soon as possible, a medical certificate indicating the duration of the leave.

25. What protection is granted to the father in the event of a pregnancy termination?

The father is entitled to take up to 3 (three) consecutive days off work immediately following the termination of the pregnancy.

26. What is the procedure applicable to the father in the event of a termination of pregnancy?

To this end, the employee must inform the employer and, as soon as possible, provide proof of the event in question through a statement from a hospital or health center.

27. Does the right to take time off work in this case depend on the mother taking maternity leave?

No. This is a right of the employee.

28. Are there incentives for the shared use of initial parental leave?

Currently, working mothers and fathers are entitled, upon the birth of a child, to initial parental leave of 120 or 150 consecutive days, which they may share after childbirth, without prejudice to the mother's exclusive parental leave.

The initial parental leave may be taken simultaneously by the parents for a period of between 120 and 150 days.

This leave may be extended by 30 days, that is, up to 150 or 180 consecutive days, if each parent takes, exclusively, a period of 30 consecutive days, or two periods of 15 consecutive days, following the mother's mandatory 42-day period of leave after childbirth.

Under the Proposed Law, the initial parental leave may be taken under the following terms:

- a) A mandatory period of 120 days, which may be shared between the parents, without prejudice to the mother's period of exclusive parental leave;
- b) An additional optional period of 30 days that may be taken on a shared basis or by only one of the parents; and
- c) An additional optional period of 60 days to be shared in equal periods by both parents.

There is a greater incentive to take six months of parental leave if the leave is shared between the mother and father, because only in that case can the initial general parental leave total 180 days.

29. What is the amount of the initial parental allowance?

Currently, for the 120-day leave period, the daily amount is equal to 100% of the beneficiary's reference pay. If the 120-day period is combined with an optional 30-day leave period, the daily amount is equal to 80% of the beneficiary's reference pay.

The Proposed Law creates another incentive for sharing parental responsibilities. In effect, the initial parental allowance will be as follows:

- a) Initial parental leave of 120 days: 100% of the beneficiary's reference pay;
- b) Initial parental leave of 120 days + 30 days: 80% of the beneficiary's reference pay;
- c) Initial parental leave of 120 days + 30 days (with each parent taking at least 30 consecutive days or two periods of 15 consecutive days): 90% of the beneficiary's reference pay;
- d) Initial parental leave of 120 days + 60 days (shared equally between both parents): 100% of the beneficiary's reference pay.

30. What portion of the initial parental leave must be taken by the father?

As a general rule, the initial 120-day period may be taken in accordance with the parents' interests in each case, except with regard to the periods of parental leave reserved exclusively for the mother and the father.

With regard to the additional period of 30 or 60 days, it is up to the parents to establish an arrangement that ensures an equal division of this time: (i) two 15-day periods for each; (ii) one 30-day period for each; or (iii) 60 days for each on a part-time basis.

31. Does the Bill weaken the mother's rights or impose a duty on the father to assume their respective parental responsibilities?

No. The Bill gives parents more leeway to decide what is best in each specific case, although it creates an incentive for shared responsibility linked to the payment of 100% of initial parental leave during the first 6 (six) months of the baby's life.

32. In the absence of a choice and the corresponding notification, which type of initial parental leave applies?

In the absence of a declaration regarding the type of initial parental leave, it is presumed that the leave is taken by the mother.

33. What is the applicable procedure in the case of shared leave?

In the case of shared initial parental leave, the parents must inform their respective employers within 7 (seven) days after the birth, or, where applicable, after the end of the child's hospital stay immediately following the recommended postpartum

hospitalization period, of the start and end dates of the periods to be taken by each parent, submitting for this purpose a joint declaration or, where applicable, a declaration from the other parent stating that they are employed.

34. What is the procedure in the case of non-shared leave?

If parental leave is not shared by the parents, without prejudice to the mother's exclusive parental leave, the parent taking the leave must inform their employer, within 7 (seven) days after the birth, of the duration of the leave and the start of the respective period, attaching a statement from the other parent stating that they are employed and are not taking the initial parental leave.

35. Can the initial parental leave be extended?

Yes. An additional 30 days may be added in the following cases: (i) multiple births (for each twin beyond the first); (ii) hospitalization of the child immediately following the recommended postpartum hospitalization period; (iii) birth occurring by the end of the 33rd week of pregnancy.

On the other hand, in the event of the child's hospitalization immediately following the recommended postpartum hospitalization period, when the birth occurs by the end of the 33rd week of pregnancy, the entire hospitalization period is added to the leave.

Finally, in the event of hospitalization of the child or the parent who is taking the initial parental leave, the leave is suspended, at the parent's request, for the duration of the hospitalization.

36. What is the procedure for extending initial parental leave?

The employee must notify the employer of the occurrence of the events and submit the statement issued by the hospital, when applicable.

37. What happens with the father's exclusive parental leave?

Currently, the father must take 28 days of parental leave, either consecutively or in separate periods of at least 7 (seven) days, within the 42 days following the child's birth, 7 (seven) of which must be taken consecutively immediately following the birth.

The proposed law provides for some additional flexibility in how this leave is taken. Specifically, it establishes that the father must take 28 days of parental leave, either

consecutively or in separate periods, within the 42 days following the child's birth, 14 of which must be taken consecutively immediately following the birth. This reinforces the father's role in the first days after the child's birth, because instead of taking at least 7 (seven) days after the birth, he must take 14 (fourteen) days.

38. What is the current leave policy for breastfeeding?

Currently, a mother who is breastfeeding her child is entitled to time off work "for the duration of breastfeeding," meaning the time limit is indefinite.

In the absence of breastfeeding, provided that both parents are employed, either one or both, depending on a joint decision, are entitled to leave for feeding until the child reaches 1 (one) year of age.

The daily leave for breastfeeding is taken in two separate periods, each lasting up to one hour, unless a different arrangement is agreed upon with the employer. In the case of multiple births, the leave is increased by an additional 30 minutes for each twin beyond the first.

If either parent works part-time, the daily leave for breastfeeding is reduced in proportion to their regular work hours, but may not be less than 30 minutes. In this case, the daily leave is taken in a single period not exceeding one hour and, if necessary, in a second period covering the remaining duration, unless another arrangement is agreed upon with the employer.

39. What is the procedure for obtaining leave for breastfeeding?

Currently, for the purpose of obtaining leave for breastfeeding, the employee must notify the employer 10 days in advance of the start of the leave that she is breastfeeding her child, and must provide a medical certificate if the leave extends beyond the child's first year of life. In other words, the employer may request this certificate at reasonable intervals, since the continuation of the leave depends on the actual situation (breastfeeding) and exists only as long as that situation persists. Accordingly, the certificate may be requested at intervals, for example, every two weeks or monthly.

In the case of breastfeeding, the parent (i) notifies the employer that they are breastfeeding the child at least 10 days prior to the start of the leave; (ii) submits a document stating the joint decision; (iii) state the period of leave taken by the other parent, if applicable; and (iv) provide proof that the other parent is employed and, if self-employed, that they have informed their employer of the joint decision.

40. What changes does the Proposed Law introduce?

First, the breastfeeding leave is no longer indefinite and now has a maximum duration of 2 (two) years, in line with practices in other European countries and corresponding to twice the duration of maternity leave.

The Bill is in line with the guidelines of the World Health Organization (WHO), which recommends exclusive breastfeeding until the age of 6 (six) months and, after introducing other foods, continued breastfeeding until the age of 2 (two) years or older. It is true that this opens the door to longer periods, but this has not been the practice in several European countries.

Second, the employee must submit a new medical certificate to the employer attesting that she is still breastfeeding after six (6) months.

41. Could other alternatives be considered?

The change to the breastfeeding policy may be an opportune moment to resume the debate on the low birth rate, the declining birth rate, the extended time children spend in school, or the lack of support networks. There are no effective or miraculous solutions. However, this moment would allow for a reconsideration of the reorganization of leave for breastfeeding and bottle-feeding, as well as the part-time work arrangements provided for fathers and mothers to care for a child or adopted child under the age of six (6).

The current system treats breastfeeding more favorably than bottle-feeding, as the former may or may not occur for health reasons or by choice (which is entirely legitimate).

It is therefore not surprising that many European countries have shorter breastfeeding leave periods and opt for systems that harmonize work with parental responsibilities during the first years of a child's life. Breastfeeding is important, but it is not the only way to care for children, to form bonds, or even to encourage childbirth.

It is merely a 25% reduction in the normal workweek for "the duration of breastfeeding," paid for by the employer, with the burden falling on other coworkers, who may not have children (either because they legitimately choose not to or because, unfortunately, they cannot) or who have children in their early years, during which, for whatever reason, breastfeeding did not occur.

Since this is a 25% reduction paid for by the employer, which can last for a year or “until breastfeeding ends,” the resources available to hire other workers are reduced, and the company must continue to operate to protect, among other things, the remaining jobs.

This time is granted only to mothers and only for certain children. Unless I am mistaken, it makes no sense. The regime applicable during the first years of a child’s life should be general and abstract; it should not discriminate based on circumstances that may or may not exist and that are just one among many other needs of the child (for example, the effective bond with both parents or the possibility of not staying in daycare, when available, for 8 or more hours a day).

The current system—and the one resulting from the Proposed Law—does not address these challenges and perpetuates unjustified discriminatory treatment.

The Law must (i) avoid creating disincentives to hiring female workers of childbearing age, (ii) promote a better balance between workers who have children and those who do not—whether because they legitimately choose not to or because they cannot— (iii) fulfill an essential objective of society (the promotion of the birth rate), (iv) ensure a greater sharing of responsibilities between parents, (v) as well as greater closeness to children in their early years of life.

Consequently, the solution should involve replacing breastfeeding and nursing leave schemes—and, within the framework of extended parental leave, part-time work—with a part-time employment contract applicable to parents, with the resulting reduction in earning capacity being covered by Social Security. Without generational renewal, there is no Social Security.

42. Is employee protection extended to care for a child with cancer?

Yes. The right to a reduction of five (5) hours from the normal weekly working hours, or other special working conditions, applicable to parents of a minor with a disability or chronic illness is extended to parents of a minor with cancer who is no older than one year of age.

Furthermore, the right to part-time work applicable to employees with a child under 12 years of age or, regardless of age, a child with a disability or chronic illness who lives with them in the same household is extended to employees with a child with cancer who lives with them in the same household.

The right to flexible working hours is not expressly provided for in the Draft Law, but may be included in the scope of the discussion in the Assembly of the Republic.

43. Is a new balance established in the definition of flexible working hours for employees with family responsibilities?

Yes. The work schedule continues to be set by the employer, but based on a proposal from the employee.

Furthermore, in addition to the other requirements currently in place, the schedule must align with the specific ways of organizing work hours that arise from the company's operating hours or the nature of the employee's duties, particularly in cases of night work or work typically performed on weekends and holidays.

In other words, the employee making the request must take these circumstances of the employer's work organization into account and include the proposed schedule in the request.

Unless I am mistaken, the Draft Law seeks a new balance in a matter that goes beyond the relationship between employer and employee with parental responsibilities. We must not forget that—in general, and except in the case of organizations with a surplus of workers—planned or unplanned absences of workers place an additional burden on the rest of the workforce, particularly through the accumulation of tasks, overtime, or work schedules and vacation periods that are less aligned with their expectations.

We must also bear in mind that, from the perspective of protecting fundamental rights, human dignity, and the free development of personality, (i) the decision to become a parent is just as legitimate as the decision not to; and that (ii) there are those who wish to become parents but cannot do so due to health, physical, family, or economic reasons. None of them should be burdened by the equally legitimate decisions of other employees at the same company.

Except in very exceptional cases, a better balance in these matters also serves to protect other employees, in addition to safeguarding the company's normal operations.

It seems to us that the proposals on these matters aim to uphold a strong principle: no one should be irreparably left behind when it comes to work-life balance. Thus, we cannot allow employees who, due to their circumstances, find themselves trapped in a vicious cycle of worse work schedules throughout their entire career, running the risk of being unable to start a family for this reason.

The current flexible work schedule system places an undue burden on those who—it should be emphasized—legitimately do not want or, unfortunately, cannot have children.

Although the proposed bill is on the right track, it is accepted as an interim solution that the exclusion of weekends and holidays should depend on an actual need for family care. To assume, by decree, that good parents and good children are those who belong to families that work Monday through Friday, within the hours of daycare centers or schools, is pure and simple fantasy.

Being a good or bad parent does not depend on work hours, but on the values passed on to children: respect, equality, non-discrimination, among others. On the other hand, it is a mistake to claim that the Draft Bill aims to remove the right not to work on weekends. This is because this right does not even exist under current legislation. It is, in fact, a recent development in case law and, barring a ruling by the Supreme Court of Justice, is not a subject on which there is a consensus.

Criticisms of the proposal overlook the fact that the exercise of this right does not result in a conflict of rights between the employer and the requesting employee. It is equally a conflict of rights among employees—both those who request the schedule and those who do not. For this reason, requesting a schedule that inconveniences colleagues should not depend on a simple formal request—as is currently the case—but rather on the existence of a genuine need that justifies an adjustment in a multipolar conflict of rights.

44. Is an employee with family responsibilities entitled to a continuous workday?

Yes. The Bill provides that an employee with a child under 12 years of age or, regardless of age, with a disability, chronic illness, or cancer who lives with the employee in the same household may work under a continuous workday schedule if (i) this is provided for in a collective bargaining agreement or, alternatively, (ii) by agreement with the employer.

This arrangement may be exercised by either parent.

45. Does this arrangement apply to grandparents?

Yes. This provision also applies to an employee who, acting in place of the grandparents, lives with the grandchild and shares meals and a home with them.

46. What does a continuous workday entail?

Yes. A continuous workday is defined as the uninterrupted performance of work, except for a rest period not exceeding thirty minutes, which, for all purposes, is considered working time.

The continuous workday must predominantly occupy one of the periods of the day and result in a reduction of the normal daily working hours of no more than one hour.

The maximum consecutive working time in a continuous workday may not exceed five hours.

47. What is the procedure for obtaining a continuous work schedule?

An employee wishing to work under a continuous workday system must request it from the employer in writing, 30 days in advance, indicating the expected duration, within the limit of 5 (five) years.

G. Minors and Students

48. Are minors exempt from shift work?

Yes. In addition to being exempt from working under schedules organized according to the flexible work schedule, time bank, or concentrated work schedule—when such schedules could harm their health or safety at work—minors are also exempt from working under shift schedules.

49. Is there a special employment contract for students during school breaks or vacation periods?

Yes. Currently, it is possible to enter into an employment contract with a student, valid during school vacations or academic breaks, which does not require a written form.

This contract is not contingent on the student's status as a working student.

To this end, the employer must notify the competent social security agency of the contract's conclusion via an electronic form that must meet all the notification requirements provided for by law, with that agency ensuring the necessary data exchange with other relevant agencies.

The conclusion of a fixed-term employment contract and a temporary employment contract is subject to the admissibility requirements set forth in the respective regulations, and the stipulated term and the respective justifying reason must be communicated via the electronic form addressed to the competent social security service, with specific mention of the facts constituting it.

This regime does not preclude the application of special provisions regarding the participation of minors in performances or other activities of a cultural, artistic, or promotional nature.

50. What changes does the Draft Law introduce?

The Draft Law (i) clarifies that this employment contract is limited in duration to the period of school vacations or school breaks and (ii) allows for termination at any time by either party, with 15 days' notice.

On the other hand, given its strict conditions regarding the duration of its applicability, it is no longer subject to the regime governing fixed-term employment contracts and temporary employment contracts.

H. Probationary Period

51. Do first-time job seekers and the long-term unemployed still have a probationary period that can last up to 180 days?

No. Under the Proposed Law, these special probationary period regimes are no longer in effect. Instead, the justification for fixed-term employment has been (re)established, with a minimum duration of 1 (one) year (see Question 62 below).

Consequently, this elimination removes the reduction or exclusion of this probationary period based on the duration of a previous fixed-term employment contract, entered into with a different employer, with a duration of 90 days or more.

This was a solution lacking any justification whatsoever. In fact, the probationary period corresponds to the initial term of the employment contract, during which the parties assess whether it is in their interest to continue the contract. During this time, the parties must act in a manner that allows them to assess whether it is in their interest to continue the employment contract. However, reducing or excluding a probationary

period by law based on prior experience with a different employer had no connection whatsoever to the nature and purposes of the probationary period.

Finally, the employer's obligation to notify the inspection service of the ministry responsible for labor matters, via an electronic form, of the termination of the contract during the probationary period for these workers within 15 days following the termination of the employment contract is also eliminated.

52. Apart from the situation of a worker seeking their first job or a long-term unemployed person, does experience with a different employer still count toward the duration of the probationary period?

Currently, the probationary period is also reduced if the duration of a successfully completed professional internship—for the same activity but with a different employer—was 90 days or more within the last 12 months.

However, the Draft Law rightly eliminates this provision, because the probationary period corresponds to the initial term of the employment contract, during which the parties assess their interest in continuing the relationship.

I. Vocational Training

53. What vocational training is required when performing ancillary duties?

Currently, whenever the performance of ancillary duties requires special qualifications, the employee is entitled to vocational training of no less than 10 (ten) hours per year.

The Bill stipulates that the employee is entitled to vocational training appropriate to the duties to be performed. In other words, the number of training hours depends, quite rightly, on the specific case.

54. Is the annual number of training hours reduced?

Yes, in the case of micro-enterprises. This is an appropriate solution, particularly given the size of the employer and the difficulties inherent in the lack of employees in this type of organization.

Currently, employees are entitled, each year, to a minimum of 40 (forty) hours of continuing training or, if hired on a fixed-term contract for a period of 3 (three) months

or longer, to a minimum number of hours proportional to the duration of the contract in that year.

The Draft Law establishes that, each year, the number of continuing education hours to which an employee is entitled is, respectively, 30 (thirty) hours in the case of micro-enterprises and 40 (forty) hours in all other cases, or, if hired under a fixed-term contract for a period of three months or longer, a number of hours proportional to the duration of the contract in that year.

Alternatively, a training system that focuses on qualifications and competencies should be considered, rather than an annual hour requirement that does not address the reality of the specific case or the needs of companies or employees.

55. What is the number of training hours in a part-time employment contract?

The Draft Law clarifies that an employee subject to a part-time work arrangement is entitled, each year, to a minimum number of vocational training hours proportional to the contracted working hours for that year.

56. What is the number of training hours in the year of hiring and termination of the contract?

The Draft Law clarifies that, in the year of hiring and termination of the employment contract, the employee is entitled to a number of vocational training hours proportional to the duration of the contract during that year.

J. Change in duties

57. If an employee is transferred to a lower category, does the ACT's authorization no longer apply?

No. Currently, a worker's transfer to a lower category than the one for which they were hired may take place by mutual agreement, based on the urgent needs of the company or the worker.

Authorization by the ACT is only required if this change in category results in a reduction in pay.

The Draft Law provides for a 45-day period—which is already extended—for the ACT to issue a ruling; the ACT's silence will be deemed a favorable ruling.

K. Non-Competition

58. Does the non-competition obligation after the termination of the contract now require that the activity be capable of causing serious harm to the employer?

Currently, it is lawful to restrict an employee's activities for a maximum period of two years following the termination of the employment contract, under the following conditions: (i) such restriction must be set forth in a written agreement, specifically in the employment contract or in a termination agreement; (ii) the activity in question is one whose performance could cause harm to the employer; and (iii) the employee is provided, during the period of activity restriction, with compensation that may be equitably reduced when the employer has incurred substantial expenses for the employee's professional training.

Under the Proposed Law, the harm must now be serious; that is, not just any type, amount, or degree of harm will suffice.

It is up to employers to review and refine the non-compete agreements currently in force and, in particular, the grounds justifying the conclusion of a non-compete agreement.

59. Does the employee's engagement in another professional activity reduce the compensation?

Yes. Currently, amounts earned by the employee from another professional activity, commenced after the termination of the employment contract, are deducted from the non-compete compensation up to the amount of the compensation due.

The Proposed Law eliminates this possibility.

L. Fixed-term employment contract

60. Can a disaster situation justify fixed-term employment?

Yes. The Draft Law includes, in the illustrative list of grounds for fixed-term employment (whether definite or indefinite), the performance of work motivated by a formally declared state of emergency.

61. Is the basis for fixed-term employment expanded to include the launch of a new activity or the commencement of operations of a company or establishment?

Yes. Currently, in addition to cases involving the fulfillment of temporary needs—objectively defined by the employer and limited strictly to the period necessary to meet those needs—it is possible to enter into a fixed-term employment contract for the launch of a new activity of uncertain duration, as well as for the commencement of operations of a company or establishment belonging to a company with fewer than 250 employees, within two years following either of these events.

The Draft Law eliminates the requirement regarding companies with fewer than 250 employees. It should be noted that this provision aims to promote the development of new activities and the creation of new jobs. Imposing an abstract limit on the overall size of the company is not justifiable.

Fixed-term employment under this provision must have a minimum duration of 1 (one) year.

Furthermore, in the event that these activities or businesses are not successful, the jobs may be eliminated through collective dismissal or termination of the position; in such cases, compensation lower than that resulting from the expiration of a fixed-term employment contract applies.

62. Does the status of a worker seeking first employment or a long-term unemployed person again justify a fixed-term contract?

Currently, in addition to cases of meeting temporary needs, objectively defined by the employer and only for the period strictly necessary to meet those needs, it is possible to enter into a fixed-term employment contract to hire a worker who is long-term unemployed.

Although the Draft Law does not reinstate the open-ended concept of a worker seeking their first job, it provides for the extension of this basis to the hiring of workers who have never worked under a permanent employment contract or who are long-term unemployed.

Fixed-term employment under this basis must have a minimum duration of 1 (one) year.

Furthermore, in the event that these activities or businesses are not successful, the jobs may be eliminated through collective dismissal or termination of the position; in such

cases, compensation shall be lower than that resulting from the expiration of a fixed-term employment contract.

63. Does the status of a worker retired due to old age or disability allow for fixed-term employment?

Yes. The Draft Law adds this new situation to those mentioned above. In this case, (i) the contract is valid for a term of six months, renewable for equal and successive periods, without being subject to maximum limits, (ii) the expiration of the contract is subject to 60 or 15 days' prior notice, depending on whether the initiative comes from the employer or the employee, and (iii) it does not require the payment of any compensation to the employee.

This solution is consistent with the conversion to a fixed-term employment contract following retirement due to old age or upon reaching the age of 70.

64. What is the maximum duration of fixed-term and indefinite-term employment contracts?

According to the Draft Law, a fixed-term employment contract with a definite term has a maximum duration of 3 (three) years, instead of the current 2 (two) years.

For its part, a fixed-term employment contract with an indefinite termination date has a maximum duration of 5 (five) years, instead of the current 4 (four) years.

65. Are there any special cases?

Yes. In the following cases, the duration of a fixed-term employment contract may not exceed two years from, respectively, the onset of the justifying event or the conclusion of the contract:

- a) Launch of a new activity of uncertain duration, as well as the start of operations of a company or establishment, within two years following either of these events;
- b) Hiring of an employee who has never worked under a permanent employment contract, or who is in a situation of long-term or very long-term unemployment;

66. What is the minimum duration of a fixed-term employment contract?

A fixed-term employment contract must have a minimum duration of 1 (one) year—currently 6 (six) months—in the following cases:

- a) Execution of a construction project, design, or other defined and temporary activity, including the execution, management, or supervision of civil construction work, public works, industrial assembly, and repairs, whether under a contract for services or under direct administration, as well as the respective projects or other complementary control and monitoring activities;
- b) Launch of a new activity of uncertain duration, as well as the commencement of operations of a company or establishment, within the two years following any of these events (as provided for in the Draft Law);
- c) Hiring of an employee who has never worked under a permanent employment contract, or who is in a situation of long-term or very long-term unemployment (as provided for in the Draft Law).

The fixed-term employment contract for the hiring of a worker retired due to old age or disability has a special regime regarding duration and renewal (see Question 63 above).

A fixed-term employment contract may have a minimum duration of less than 1 (one) year—currently 6 (six) months—in the following situations:

- a) Direct or indirect replacement of an employee who is absent or who, for any reason, is temporarily unable to work;
- b) Direct or indirect replacement of an employee regarding whom a lawsuit assessing the legality of the dismissal is pending in court;
- c) Direct or indirect replacement of an employee on unpaid leave;
- d) Replacement of a full-time employee who begins to work part-time for a fixed period;
- e) Seasonal activity or other activity whose annual production cycle exhibits irregularities due to the structural nature of the respective market, including the supply of raw materials;
- f) An exceptional increase in the company's activity;
- g) Performance of an occasional task or a precisely defined, non-recurring service.

The Bill adds the case of work performed due to a formally declared state of emergency.

In any case, the duration may not be shorter than that required for the task or service to be performed.

67. What is the limit on renewals of fixed-term employment contracts?

Currently, a fixed-term employment contract may be renewed up to three times, and the total duration of the renewals may not exceed that of the initial term.

The Bill maintains the limit of three (3) renewals but removes the provision that the total duration of the renewals may not exceed that of the initial period.

68. Is the very short-term employment contract extended to other cases?

Yes. Under the Bill, very short-term employment contracts—which do not require a written form—may be entered into by companies engaged in seasonal activities or those with cycles of interrupted operations, particularly in the agricultural, tourism, or related sectors.

The Draft Law no longer refers to an exceptional and substantial increase in the company's activity and allows this special type of contract to be extended to sectors related to agriculture and tourism.

The creation of restrictions on the conclusion of very short-term contracts constitutes an incentive for undeclared work or bogus self-employment.

69. What is the duration of a very short-term contract?

Currently, this contract has a duration of no more than 35 days; furthermore, the total duration of fixed-term employment contracts concluded between the same worker and employer may not exceed 70 working days in a calendar year. The Bill does not alter this part of the regime.

70. What is the procedure for entering into a very short-term contract?

Currently, the employer must notify the competent social security office of the contract's conclusion and the workplace using an electronic form that includes (i) the identification, signatures, and address or registered office of the parties, (ii) the employee's job and corresponding compensation, and (iii) the start date of employment.

The Draft Law no longer mentions the workplace.

M. Temporary employment contract

71. Are the grounds for nullity of a temporary employment contract limited?

Currently, in addition to the failure to be in writing, the absence of any of the following details constitutes grounds for the nullity of a temporary employment contract:

- a) Identification, signatures, address or registered office of the parties, their respective taxpayer identification numbers and social security numbers, as well as, with regard to the temporary employment agency, the number and date of its operating license;
- b) Justification for the user's use of temporary labor;
- c) Description of the position to be filled, the associated occupational risks, and, where applicable, high risks or risks related to a particularly dangerous workplace, the required professional qualifications, as well as the user's approach to occupational safety and health services and the respective contact information;
- d) Location and normal working hours;
- e) Remuneration of the user's employee performing the same duties;
- f) Payment due from the user to the temporary employment agency;
- g) Start date and duration (fixed or indefinite) of the contract;
- h) Date of conclusion of the contract.

Under the Proposed Law, nullity will apply only to the following cases:

- a) Identification, signatures, domicile or registered office of the parties, their respective taxpayer identification numbers and social security numbers, as well as, with regard to the temporary employment agency, the number and date of the respective license;
- b) Justification for the user's use of temporary labor;
- c) Start date and duration, whether fixed or indefinite, of the contract;
- d) Date of conclusion of the contract.

72. In the event of nullity, who assumes liability?

In the event of nullity, the work is deemed to be performed by the worker for the temporary employment agency—and not for the user company—under an open-ended employment contract, without prejudice to the worker's right to opt, within 30 days following the start of work, for compensation to be determined between 15 and 45 days of base pay and seniority pay for each full year of service, taking into account the

amount of pay and the degree of unlawfulness of the employer's conduct, which may not be less than three months of base pay and seniority pay.

N. Intermittent employment contract

73. Can the regime be amended by a collective labor agreement?

Yes. The regime applicable to intermittent employment contracts may be amended by a collective bargaining agreement regarding matters related to (i) the nature of the business activity, (ii) periods of work and inactivity, (iii) the amount of compensation during periods of inactivity, and (iv) the notice period. Consequently, all other matters cannot be modified by a collective bargaining agreement.

74. What happens if the contract does not specify the annual number of working hours or the annual number of full-time working days?

Currently, the contract is deemed to have been entered into without a period of inactivity. Under the Proposed Law, it will be deemed to have been entered into for the number of hours provided for in the contract or, failing that, for three consecutive months of full-time work per year (see Question 75 below).

75. What is the minimum duration of employment?

Currently, the aforementioned work period cannot be less than 5 (five) months of full-time work per year, of which at least 3 (three) months must be consecutive.

The Draft Law stipulates that it cannot be less than 3 (three) consecutive months of full-time work per year.

If this occurs, the employment contract is deemed to have been entered into for this minimum duration.

76. Is the compensation earned by the employee for performing another activity during the period of inactivity still relevant?

No. The Draft Law repeals the rule that required the deduction of the amount of remuneration earned from performing another activity during the period of inactivity from the compensation due under the intermittent employment contract.

77. During the period of inactivity, may the employee engage in an activity that competes with that of the employer?

No. During the period of inactivity, the rights, duties, and guarantees of the parties that do not presuppose the actual performance of work remain in effect, namely the duties of loyalty and non-competition.

O. Employment Contract Under the Secondment Regime

78. Can this regime be modified by a collective labor agreement?

Currently, the following positions may be held under a secondment arrangement:

- a) An administrative position or equivalent;
- b) A management or supervisory position directly reporting to the administration, the general director, or an equivalent position;
- c) Personal secretarial duties for the holder of any of these positions;
- d) Or, provided that a collective labor agreement so provides, duties whose nature also implies a special relationship of trust with respect to the holder of those positions and supervisory functions.

The Bill provides that the following may be performed on secondment:

- a) Administrative positions or equivalent;
- b) Management positions or equivalents reporting to the administration;
- c) Personal secretarial duties related to the holders of these positions; and
- d) Other functions provided for in a collective labor agreement, the nature of which also implies a special relationship of trust.

In other words, secondment may apply to management positions or equivalent positions that are directly or indirectly subordinate to the administration. In this regard, second-line management positions may be performed under a secondment arrangement.

79. Does the termination of the employment contract within 30 (thirty) days following the decision to terminate the secondment give rise to the payment of compensation?

Yes, but under the proposed bill, provided that the assignment lasted at least six (6) years.

P. Telework

80. Can the teleworking regime be amended by a collective bargaining agreement?

Yes, the legal rules governing telework may be modified by a collective bargaining agreement in a more or less favorable manner (or simply in a different manner), unless the rules provide otherwise.

81. What does the concept of telework entail?

It is clarified that telework consists of the performance of work under the legal subordination of the employee to an employer, in a location not designated—rather than an undetermined location—by the employer and necessarily through the use of information and communication technologies

82. Does the telework regime remain applicable to remote work situations without legal subordination, but under a regime of economic dependence?

Currently, it is determined that the provisions of the telework section relating to (i) equipment and systems, (ii) organization, direction, and supervision of work, (iii) special duties and responsibilities, (iv) privacy, and (v) occupational safety and health, are applicable, to the extent compatible, to all situations of remote work without legal subordination but under a regime of economic dependence.

The Draft Law provides that the provisions of the section on telework are applicable, with the necessary adaptations, to other forms of remote work performed under a subordinate relationship.

83. Can a telework agreement be imposed unilaterally?

Currently, if the proposal for a telework agreement comes from the employer, the employee's objection does not need to be justified, and refusal cannot constitute grounds for dismissal or the basis for imposing any sanction.

On the other hand, if the work contracted with the employee is, given how it fits into the company's operations and taking into account the resources available to the company, compatible with the teleworking regime, the employer may only refuse the employee's proposal for an agreement in writing and by stating the grounds for the refusal.

These two rules are repealed by the Draft Law. However, the right to telework is safeguarded in situations involving (i) domestic violence, (ii) employees with minor children, and (iii) employees who are non-primary informal caregivers.

84. Can the employee unilaterally, definitively, and immediately change the workplace specified in the telework agreement?

No. The workplace specified in the telework agreement may be temporarily changed by the employee, upon notice to the employer with five days' advance notice, which only becomes effective if the employer does not object in writing during the notice period. In other words, it is not unilateral, because the employer can prevent such a change; it is not permanent, but only temporary; and it is not immediate, because there is a notice period.

85. Must the amount of compensation owed to the employee for additional expenses be specified?

Yes. The applicable collective bargaining agreement and the agreement for the provision of telework must set the amount of compensation due to the employee for additional expenses.

This amount must be calculated on a pro-rata basis when there is an alternation between periods of remote work and in-person work.

The employer must fully reimburse all additional expenses that the employee demonstrably incurs as a direct consequence of acquiring or using the computer or telematic equipment and systems necessary to perform the work.

This payment is due immediately after the employee incurs the expenses.

86. How are meetings and tasks conducted while teleworking?

Currently, remote work meetings, as well as tasks that, by their nature, must be performed at specific times and in coordination with other employees, must take place during working hours and be scheduled preferably 24 hours in advance.

The Draft Law stipulates that work meetings, as well as tasks that, by their nature, must be performed at pre-scheduled times and in coordination with other employees, must take place during working hours.

Meetings, training sessions, and other situations requiring the employee's physical presence should be scheduled, preferably, during in-person work periods when contractually provided for.

87. Must the employer consult the teleworking employee regarding changes to the equipment and systems used in the performance of work?

No. Under the Proposed Law, it will suffice—and rightly so—to inform the employee.

88. Must the employer conduct special health examinations for teleworking employees?

No. Under the Proposed Law, the employer's obligation to arrange for occupational health examinations (i) prior to the implementation of telework and (ii), subsequently, annual examinations to assess the employee's physical and mental fitness for the job, the impact of the work and the conditions under which it is performed on their health, as well as any appropriate preventive measures. Therefore, they are now—and rightly so—included in the general regime.

Q. Duty to Refrain from Contact

89. Must the employer refrain from contacting the employee during rest periods?

Yes, except in cases of force majeure, as well as, under the terms of the Bill, when communications and contacts expressly mention that the employee is not required to respond outside normal working hours.

90. Can an employer take action if an employee fails to respond?

Unless the situation falls under one of the exceptions to the duty to refrain from contact, any less favorable treatment of an employee—particularly regarding working conditions and career advancement—due to the employee exercising their right to a rest period will be considered discriminatory.

R. Time bank

91. Is the individual time bank making a comeback?

Yes. In the absence of a collective bargaining agreement, the time bank system may be established by express agreement between the employer and the employee.

92. What are the limits on increasing the normal workweek?

Under the agreed time bank system, the normal working hours may be increased by up to two hours per day and reach 50 hours per week, with a maximum annual limit of 150 hours.

93. Is there an obligation to periodically adjust the time bank?

Yes, the limits mentioned in the previous question must be reconciled within a maximum period of 6 (six) months (reference period).

At the end of the reference period, the difference between the increase and the reduction in working hours is considered settled.

However, if there is a credit balance in favor of the employee, the employer must, at the employee's discretion, either:

- a) Grant the employee a compensatory rest period corresponding to the total number of hours in the balance, to be taken by the end of the following month at the latest; or,
- b) Pay the value of those hours at a rate corresponding to the value of the first hour of overtime on a business day, to be settled with the current month's pay.

94. What is the procedure for the employer to use the time bank?

The employer must notify the employee of the need to work at least 3 (three) days in advance, or in cases of force majeure or when it is essential to prevent or remedy serious harm to the company or its viability, as soon as possible.

95. Can the employee refuse?

As a general rule, no. However, if there are valid reasons, the employee may expressly request to be excused.

96. What is the procedure for an employee to use the time bank?

The employee may request that the employer reduce the normal daily working hours by up to 2 hours with at least 3 (three) days' notice.

97. Is the agreed-upon time bank system contingent upon the existence of a collective labor agreement addressing this matter?

Yes. The legal framework for the agreed-upon time bank system remains in effect until the end of the reference period in progress as of the date a collective labor agreement addressing the matter enters into force.

98. Does the group or referendum-based time bank remain in effect?

No. The group time bank system is repealed by the Proposed Law

S. Exemption from working hours

99. Is the working hours exemption regime being expanded?

Yes. Currently, by written agreement, an employee may be exempt from working hours if they are in one of the following situations:

- a) Holding a management or executive position, or performing duties of trust, supervision, or support for those holding such positions;
- b) Performing preparatory or supplementary work that, by its nature, can only be carried out outside of regular working hours;
- c) Teleworking and other cases of regularly performing work outside the workplace, without immediate supervision by a superior.

The Bill extends this admissibility to positions of technical complexity.

T. Overtime

100. Can the payment for overtime be modified by a collective bargaining agreement?

Yes, according to the Bill, the legal provisions governing the payment of overtime may be amended by a collective bargaining agreement in a more or less favorable manner (or simply in a different manner), unless the provisions of the agreement state otherwise.

101. Can a collective labor agreement increase the overtime limits set by law?

Yes. A collective labor agreement may increase the limits for overtime work in micro-enterprises or small businesses (up to 175 hours per year) and in medium and large

enterprises (150 hours per year) to up to 300 hours, whereas the current limit is 200 hours.

102. Is there a special regime for microenterprises?

Yes. In the case of micro-enterprises, the limit of up to 175 hours per year may be increased by 20% if more than 20% of the respective employees are absent.

103. Does the list of employees working overtime require the involvement of the workers' committee or the union?

Currently, the employer must report, in accordance with the terms set forth in an ordinance issued by the minister responsible for labor affairs, to the inspection service of the ministry responsible for labor affairs the list of employees who performed overtime during the previous calendar year, specifying the number of hours worked (i) to address a temporary increase in workload when hiring a new employee is not justified, and (ii) in cases of force majeure or when it is essential to prevent or remedy serious harm to the company or its viability.

Under the Proposed Law, this list is no longer subject to approval by the workers' committee or, in its absence, in the case of a unionized worker, by the respective union.

U. Vacation

104. Is the so-called "purchase" of vacation days provided for?

No. Instead, the Draft Law classifies absences taken in advance of or extending the vacation period, up to a maximum of 2 (two) days per year, as justified when requested by the employee.

To this end, the employee must request these additional days within 10 (ten) days of scheduling the vacation period.

The employer may only object to the employee taking these days based on compelling operational needs of the company.

If these requirements are met, the absence will be excused, but it results in the loss of the corresponding pay.

V. Compensation

105. Can vacation and Christmas bonuses be paid in twelfths?

Yes. The Draft Law clarifies that the Christmas bonus must be paid by December 15 of each year or in equal monthly installments along with the monthly salary.

Payment in twelfths depends on an agreement between the employee and the employer.

For its part, the vacation allowance must be paid before the start of the vacation period and proportionally in the case of split vacation time, or in equal monthly installments along with the monthly pay.

In both cases, payment in equal monthly installments depends on an agreement between the employee and the employer.

106. Are there restrictions on special situations involving reductions in the guaranteed minimum monthly wage?

Yes. Currently, the guaranteed minimum monthly wage is reduced as follows: (i) for trainees, apprentices, interns, or students in certified training programs, by 20%; and (ii) workers with reduced work capacity, the reduction corresponding to the difference between full work capacity and the effective capacity coefficient for the contracted activity, if the difference exceeds 10%, with a limit of 50%.

The Draft Law clarifies that this reduction must comply with the principles of non-discrimination and proportionality.

107. Are there restrictions on special situations involving offsetting and deductions?

Yes. Currently, pending the employment contract, the employer may not offset unpaid wages against any credit owed by the employee, nor may the employer make any deductions from the amount of such wages.

This prohibition does not apply:

- a) To deductions in favor of the State, social security, or another entity, ordered by law, a final and binding court decision, or a conciliation order, when the employer has been notified of the decision or order;

- b) To compensation owed by the employee to the employer, as determined by a final and binding court decision or conciliation agreement;
- c) To a disciplinary fine;
- d) To the repayment of principal or payment of interest on a loan granted by the employer to the employee;
- e) The cost of meals at the workplace, telephone use, the supply of goods, fuel, or materials, when requested by the employee, or other expenses incurred by the employer on behalf of the employee with the employee's consent; or
- f) A bonus or advance on salary.

The Bill clarifies that this reduction must comply with the principles of non-discrimination and proportionality.

W. Transfer of an economic unit

108. Must the transferor and the transferee disclose the contents of the contract to the representatives of their respective employees or, if none exist, to the employees themselves?

No. The Bill establishes—and rightly so—that the duty to inform covers only the essential elements of the contract relating to the transfer.

109. Must the transferor communicate the content of the contract to the ACT?

No. The Draft Law correctly establishes that the duty to inform covers only the essential elements of the contract relating to the transfer and all elements constituting the economic unit.

110. Does the duty to inform ACT apply in all cases?

No. The duty to inform ACT applies only in the case of medium or large enterprises. In other cases, it depends on a request from ACT itself.

111. Is there a special regime for indirect transfers?

Yes. In such cases, it is incumbent upon (i) the transferor to inform the workers' representatives or the workers of the existence of a transfer of the economic unit and the date on which it is expected to occur, and (ii) the transferee to consult with a view to reaching an agreement on the measures they intend to apply to the workers following

the transfer, without prejudice to the legal and contractual provisions applicable to such measures.

112. What changes regarding the right to object to the transfer of the employer's position?

First, the reference to “serious prejudice” is replaced by “relevant grounds.” This change does not serve a useful purpose. Although the concept of “serious prejudice” was not ideal, referring to “relevant grounds” is a mere tautology, because excluding “irrelevant” grounds serves no purpose.

The legislature should have followed the criterion of unenforceability; that is, depending on the circumstances of the specific case, it would not be reasonable, in good faith, to require the employee to accept the employer's change due to the transfer of an economic unit.

Second, the example of serious harm “the transferee's work organization policy not being trustworthy to the employee” is replaced by a relevant ground of “objective lack of trust by the employee in the transferee.” The amendment is more appropriate than the version currently in force because it eliminates “mere states of mind” and reinforces the idea that the employee must base their decision on objective facts and circumstances that can be verified by a court.

Third, it establishes that the exercise of the right to object in order to maintain the employment relationship with the transferor will only be effective if there is a relevant basis. We consider this another unfortunate amendment if interpreted to mean that an unfounded objection has no effect and the legal status of employer is transferred to an employer for whom the employee stated they did not wish to work. This is an amendment that could encourage objections solely to create disruption or destabilize restructuring processes, without any practical or useful effect.

Fourth, it adapts the manner of exercising this right to indirect transfers. In cases of transfer of the economic unit where there is no legal transaction between the transferor and the transferee, the right of objection must be exercised within five business days from receipt of the information from the transferor regarding the transfer or, in the absence of such information, from the employee's knowledge of the transfer.

X. Simplified Layoff

113. Does a state of emergency allow for faster recourse to the regime of reduction or suspension in the event of a business crisis?

Yes. Under the Proposed Law, companies or establishments located within the geographical scope of a formally declared state of emergency, and which meet the requirements (i) of serious disruption to the company's normal operations and (ii) that the measure is indispensable to ensure the company's viability and the maintenance of jobs on a permanent basis (), may resort to the measure of reducing the normal working hours or suspending the employment contract without having to comply with the formalities related to notifications, information, and negotiations.

Y. Termination of the contract

114. Can the submission of a self-declaration of illness be considered just cause for dismissal?

Yes, provided it is submitted to the employer with fraudulent intent, it constitutes a false declaration for the purposes of just cause for dismissal.

This is a clarification of the Draft Law. In fact, even in the absence of this express rule, such conduct would constitute a serious breach of the employee's duties.

115. Does a waiver of claims still require a court settlement?

No. Under the proposed law, a worker's claim arising from an employment contract, its breach, or its termination remains inalienable and cannot be extinguished by a waiver.

However, it may be permitted in the following situations: (i) the worker expressly declares the waiver in writing, with a signature notarized in accordance with the law; or (ii) the worker is represented by a collective workers' representation body at the time the waiver is formalized.

The Draft Law takes a step in the right direction by not requiring recourse to the courts solely for the purpose of entering into a judicial settlement. However, it should be broader and include cases of workers who freely choose to retain a lawyer and, under the right to freedom from union membership, see no reason to join a union or request the intervention of a collective workers' representation body. It should be recalled that the CRP guarantees that everyone has the right to legal information and consultation, to legal aid, and to be accompanied by a lawyer before any authority. Nothing justifies

unfavorable treatment of workers who prefer not to resort to a notary or a union, but rather to a lawyer of their own free choice or one designated by the legal aid system.

116. Is the amount of compensation for collective dismissal and other objective causes for termination of the employment contract increased?

Currently, in the event of collective dismissal, the employee is entitled to compensation equivalent to 14 days of base pay plus seniority pay for each full year of service.

This criterion also applies to the following cases: (i) termination of the employment contract following the end of a secondment; (ii) termination of the employment contract when a transfer of workplace occurs that causes serious harm to the employee; (iii) expiration of the employment contract due to the employer's death, dissolution of a legal entity, or closure of the company; (iv) termination of the employment contract by the insolvency administrator when the employee's services are not indispensable to the company's operations; (v) dismissal due to the elimination of the position; (vi) dismissal for unsuitability; and (vii) termination of the employment contract on the grounds of serious harm—or, in the wording of the Draft Law, relevant grounds—arising from the transfer of the employer's legal status in situations involving the transfer of an economic unit.

The Draft Law increases compensation to 15 days of base pay plus seniority pay for each full year of service (an increase of approximately 7.14%).

117. The presumption of acceptance of the dismissal remains

No. Currently, it is presumed that the employee accepts the dismissal when they receive from the employer the full amount of compensation provided for by law.

This presumption may be rebutted provided that, at the same time, the employee returns or otherwise makes the full amount of compensation paid by the employer available to the latter.

In contrast, in the Proposed Law, the presumption of acceptance of the dismissal is eliminated.

Furthermore, the employee is only required to return the compensation in the sole instance where it would not be due: reinstatement in the company.

Furthermore: instead of handing over the compensation to the employer and thereby exposing themselves, for example, to the risk of the employer's insolvency while the legal action challenging the dismissal is pending, the employee posts a bond, which will be held by the court.

118. Is the right to so-called "suspension wages" changed?

Yes. Currently, the employee is entitled to receive the wages they cease to earn from the date of dismissal until the court's decision declaring the dismissal unlawful becomes final; specifically, any amounts the employee receives upon termination of the contract that they would not have received had the dismissal not occurred are deducted.

Under the Proposed Law, the deduction does not apply to the first 12 (twelve) months following the date of dismissal. In other words, the costs of an unlawful dismissal may rise substantially for employers, and, to the same extent, the employee may receive a very significant amount in terms of "wages during the proceedings."

119. Can employers dismiss employees freely and without the risk of reinstatement?

No. The rules regarding the unlawfulness of dismissals remain unchanged.

The only change relates to the expansion of cases in which an employer may oppose the employee's reinstatement.

Currently, in the case of a microenterprise or an employee holding a management or executive position, the employer may already request the court to exclude reinstatement, based on facts and circumstances that make the employee's return seriously detrimental and disruptive to the company's operations.

Under the proposed law, regardless of the type of company or position, the employer may request that the court deny reinstatement based on facts and circumstances that would make the employee's return seriously detrimental and disruptive to the company's operations.

120. Does the possibility of non-reinstatement depend solely and exclusively on the employer's discretion?

No. It is up to the employer to allege and prove facts and circumstances that allow for a prognosis that the employee's return could be seriously detrimental and disruptive to the company's operations. The decision always rests with the court, which is a sovereign

body, on par with the President of the Republic, the Assembly of the Republic, and the Government.

121. Is the possibility of non-reinstatement always admissible?

No. The possibility of asking the court to declare the opposition to reinstatement admissible does not apply (i) whenever the unlawfulness of the dismissal is based on political, ideological, ethnic, or religious grounds, even if a different reason is invoked, or (ii) when the basis for the opposition to reinstatement is culpably created by the employer.

122. What is the amount of compensation in lieu of reinstatement?

If the court rules against reinstatement, the employee is entitled to compensation, determined by the court to be between 45 (instead of 30) and 60 days of base pay and seniority pay for each full year or fraction of service, taking into account the amount of pay and the degree of unlawfulness as provided for in Article 381 of the Labor Code.

In no case may it be less than the amount corresponding to six months of base pay and seniority pay.

123. Does the ban on outsourcing disappear?

Yes. The Draft Law repeals the prohibition on procuring services from a third party to meet needs that were previously fulfilled by an employee whose contract was terminated in the preceding 12 (twelve) months due to collective dismissal or dismissal due to job elimination.

Consequently, the extension of the scope of application of collective labor regulations that bind the beneficiary of the activity to the service provider in the event of the procurement of services from a third party for the performance of activities corresponding to the corporate purpose of the procuring company is repealed.

Z. Collective representation of workers

124. Can workers' committees be dissolved?

Yes. As is the case with labor unions and employer associations, workers' committees may be dissolved, particularly if they are inactive. This is a clarifying provision.

125. In companies without unionized workers, are labor unions entitled to facilities?

The Bill repeals—and rightly so—that possibility.

126. In companies without unionized workers, can trade unions call meetings with workers and post information?

Under the Bill, in small, medium, and large companies—that is, those with 10 or more employees—without unionized workers, trade unions, whose subjective, objective, and geographic scope, under the terms of their respective bylaws, covers the company’s workers, may (i) call meetings outside the working hours of the majority of workers, without prejudice to the normal operation of shifts or overtime, and (ii) request that the employer post or allow the posting of notices, communications, information, or other texts related to union activities and the socio-professional interests of workers.

AA. Collective Bargaining

127. Can an employee who is not a member of any union continue to choose the applicable collective bargaining agreement?

No. The Proposed Law repeals this regime, which had a duration limit of 15 (fifteen) months.

128. Can a collective bargaining agreement be generally applicable at the employer’s discretion?

Yes. In place of the worker’s choice of collective bargaining agreement, a system of general applicability of the collective bargaining agreement is established, aimed at harmonizing working conditions.

A collective bargaining agreement applicable to the employer by virtue of the principle of affiliation may be applied to all employees of the company or establishment at the employer’s discretion, unless expressly opposed by a non-unionized employee or by a trade union concerned regarding its members.

129. What happens if there is more than one collective bargaining agreement applicable to the employer?

In that case, the employer may only determine the general application of the agreement that covers the largest number of workers per company or per profession within the company.

130. What is the procedure for extending the application of the collective bargaining agreement to the company level?

The determination of the general application of the collective bargaining agreement is made by a declaration from the employer addressed to the employees and must be preceded by an opinion from the employee committee, if one exists.

131. What is the procedure for an objection by a non-unionized employee or a labor union?

Objections must be raised within 15 days of becoming aware of the aforementioned declaration, by means of a written notice addressed to the employer.

132. What is the duration of the collective bargaining agreement's application?

In these cases, the application of the collective bargaining agreement remains in effect as long as the collective bargaining agreement, whose scope of application has been extended, is in force—that is, as long as it has not been terminated or is in a period of survival, and in any case, for a maximum period of five years.

133. Does the general application of the collective bargaining agreement by the employer's decision preclude the application of the collective bargaining agreement via an extension ordinance?

Yes. Employees covered by this method are excluded from the scope of application of the extension order.

134. What changes regarding the duration of a collective bargaining agreement?

First, a collective bargaining agreement may be entered into for a fixed term or for an indefinite period.

Second, the parties may freely define the duration of the agreement and its renewal terms.

In the absence of a stipulation regarding duration, the collective bargaining agreement has a minimum term of 2 years (instead of 1 year), with the exception of wage scales, for which the minimum duration is 1 year.

In the absence of a stipulation regarding renewal, the collective agreement is automatically renewed for successive one-year terms

135. Is the termination of a collective agreement subject to the requirement of prior notice?

Yes. Either party may terminate the collective bargaining agreement by providing written notice to the other party, accompanied by a comprehensive negotiation proposal.

If the collective bargaining agreement is entered into for a fixed term, notice of termination must be given at least 180 days prior to the expiration of the current term of the collective bargaining agreement and takes effect upon the expiration of that term.

If the collective bargaining agreement is entered into for an indefinite term, termination may be effected at any time, but it takes effect only after 180 days have elapsed.

This is a solution that establishes a reasonable timeframe for negotiating a broader revision or a new collective bargaining agreement.

136. Must the termination of a collective bargaining agreement be justified?

Yes. The termination must be accompanied by a statement of reasons regarding economic or structural grounds or the inadequacy of the terms of the terminated agreement.

The absence or incompleteness of such justification does not call into question the validity and effectiveness of the termination.

The current approach, which suggests that a termination may be invalid due to a lack of justification, raises difficulties and uncertainties. Consequently, arbitration for the review of collective bargaining agreement terminations has been abolished.

The proposed bill presents a technically sound solution that is tailored to reality. In fact, the termination of a contract—unlike termination for cause—does not require justification. At the very least, it must be subject to prior notice.

The justification for the termination aims to inform the other party of the basis for negotiating a new collective bargaining agreement or, at the very least, the reasons why maintaining a collective bargaining agreement is untenable or unenforceable.

137. Can a collective bargaining agreement expire?

Yes. A collective bargaining agreement that makes its termination contingent upon being replaced by another collective labor regulation instrument may be terminated at any time four years after its entry into force.

After termination, the agreement remains in force on a transitional basis during the negotiation period, including the conciliation, mediation, or voluntary arbitration phase, for a maximum period of 12 (twelve) months.

During the initial 12-month period, the parties may agree to extend the extended validity period for an additional period of up to 12 months.

At the end of the suspension period, either party may notify the ministry responsible for labor affairs and the other party that the negotiation process has ended without an agreement. In that case, the collective agreement expires on the first business day of the month following such notification.

Upon receipt of the notification that the negotiation process has ended without an agreement, the department of the ministry responsible for labor affairs with jurisdiction over the monitoring and promotion of collective bargaining shall immediately publish a notice indicating the date on which the collective agreement ceases to be in effect.

Consequently, the Bill repeals arbitration for the suspension of the extension period and mediation.

138. Are agreements extending the survival period or regarding the effects of expiration subject to filing and publication?

Yes. Agreements extending the term of the collective agreement and regarding the effects arising from the agreement in the event of expiration are subject to the rules governing the filing and publication of collective agreements.

139. Can a collective bargaining agreement be modified or suspended during a business crisis?

Yes. The collective bargaining agreement or part thereof may be modified, with a reduction in working conditions, or its application temporarily suspended, in a business crisis situation, for market, structural, or technological reasons, disasters, or other events that have seriously affected the company's normal operations, provided that such a measure is indispensable to ensure the company's viability and the preservation of jobs.

This agreement must expressly state the grounds for the modification or suspension and specify the duration of its application and the resulting effects.

If the parties fail to reach an agreement within three (3) months, mandatory arbitration shall apply.

The rules regarding the filing and publication of collective bargaining agreements apply to modification, suspension, and revocation.

The modification, suspension, and revocation affect the rights arising from the agreement, unless expressly reserved by the parties therein.

The competent department of the ministry responsible for labor affairs shall publish a notice in the Labor and Employment Bulletin regarding the date of suspension, modification, or termination of the collective bargaining agreement.

140. Can any collective bargaining agreement be subject to an extension order?

Currently, a collective bargaining agreement or arbitration award in force may be applied, in whole or in part, by extension order to employers and workers within the scope of the sector of activity and profession defined in that instrument.

Now, a collective bargaining agreement covers:

- a) Collective contract: an agreement entered into between a labor union and an employers' association;
- b) Collective agreement: an agreement entered into between a labor union and a group of employers representing different companies; and
- c) Company agreement: an agreement entered into between a trade union and an employer for a specific company or establishment.

The Draft Law provides that the collective labor contract (i.e., excluding the collective labor agreement and the company agreement, which may be extended by decision of the employer, as we saw in Questions Nos. 128–132 above) or the arbitral award relating to or equivalent to a collective labor contract may be extended by extension order, in whole or in part, to employers and employees within the scope of the sector of activity or profession defined in that instrument.

Thus, the extension order does not apply to workers covered by a collective agreement extended by the employer's decision (see Questions 128–132 above).

141. Does the Extension Order cover workers who are members of unions?

The extension does not apply to union members who have expressed their opposition to the extension.

142. Can an extension ordinance have a longer duration than the collective bargaining agreement?

No. The Bill clarifies that the extension order is effective only during the term of the collective bargaining agreement. In other words, when the collective bargaining agreement expires, the corresponding extension order also expires.

Furthermore: in the event of the expiration of a collective bargaining agreement or an arbitral award applied by an extension order, the effects agreed upon by the parties—or, in their absence, those already produced by the agreement in employment contracts regarding the employee's remuneration, category and its definition, duration of working hours, and social protection schemes whose benefits are in lieu of those provided by the general social security system or under a substitution protocol with the National Health Service, as well as parental leave and occupational safety and health.

143. Does the Extension Ordinance cover workers who are union members?

The extension does not cover workers who are members of a union and have expressed their opposition to the extension.

BB. Strike

144. Will the DGERT now publish advance strike notices on its website?

Yes. The advance notice of a strike must continue to be given through appropriate means, namely in writing or through the media, and it is the responsibility of the DGERT to publish the advance notice of the strike on its website.

145. Are the sectors of activity potentially covered by minimum services being expanded?

Yes. In particular, a company or establishment is considered to be one intended to meet essential social needs if it falls within any of the following new sectors: care services for the elderly, the sick, people with disabilities, and institutionalized children.

146. Who is responsible for ensuring minimum services?

The duty to provide minimum services falls on the union that calls the strike, or on the strike committee in the case of a strike called by a workers' assembly, and on the participating workers.

CC. Legal Proceedings

147. Can a worker subject to an ARECT declare a lack of interest in the legal proceedings?

Yes. According to the Draft Law, if the worker expresses a lack of interest in continuing the action, the judge must order the dismissal of the case.

148. Can a judicial challenge to a labor administrative offense have suspensive effect?

Yes. A judicial challenge generally has a devolutive effect. However, it may have a suspensive effect if the appellant deposits the amount of the fine and the costs of the proceedings, within the time limit set for the challenge, in a participating bank, in favor of the competent administrative authority that issued the decision imposing the fine. This deposit may be replaced by a bank guarantee upon first request.

149. Is failure to report the hiring of employees to Social Security a crime?

Currently, an employer who fails to report the hiring of employees to Social Security within six (6) months following the expiration of the legally prescribed deadline is punishable by imprisonment for up to three (3) years or a fine of up to 360 days.

The Proposed Law amends the penalty to a fine of up to 80 days.

DD. Civil Service

150. Does the Proposed Law amend the General Law on Labor in the Public Service (LGTFP)?

Yes, but through the reference made by the LGTP to the Labor Code. Thus, changes may occur regarding the relationship between normative sources, personality rights, equality and non-discrimination, duties of information, harassment, parental leave, student workers, worker-caregivers, organization and working hours, non-working time, occupational safety and health, workers' committees and union representatives, peaceful resolution of collective disputes, strikes, and *lockouts*.

However, the changes do not apply, for example, to fixed-term employment contracts, probationary periods, secondments, and termination of employment.

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