



**Hire employees in Portugal**  
simply, compliantly, and hassle-free

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# What you need to know for employing in Portugal

Employ remote teams worldwide with Omnipresent's Employer of Record (EOR) service. We combine human expertise with automation to deliver your compliance, payroll, benefits, and HR support needs.



**Currency:** Euro (€, EUR)



**Language(s):** Portuguese



**Employer costs:** High



**Termination:** Hard



**Onboarding Timeline:** 21 calendar days



**Payroll Frequency:** Monthly

# Benefits

What we offer	Mandatory	Supplementary
Healthcare (Public)	✓	
Healthcare (Private)		✓
Vision Insurance		✓
Retirement & Pension (Public)	✓	
Retirement & Pension (Supplementary)		✓
Disability Insurance	✓	✓
Illness Insurance	✓	
Life Insurance	✓	✓
Workers' Compensation	✓	✓
Vouchers		✓
Travel Insurance		✓

## Health

Health benefits are provided through the National Health Service (SNS) which is financed by the government through general taxation revenue. It is very common to provide supplementary Health Insurance in Portugal.

## Retirement

The required employer and employee Social Security contributions cover State Pension.

It is common to offer supplementary retirement benefits in Portugal, specifically in sectors such as banking and insurance. It is not common outside of these sectors.

# Employment Contracts

We offer indefinite, fixed-term, unlimited -term (project contracts) and part-time contracts in Portugal.

## Contract Requirements

Omnipresent requires a written employment contract to outline the EOR terms and provide clarity for both employers and employees. Omnipresent ensures that all necessary key terms are included in the employment contracts we provide.

**Contract language:** Portuguese and English (bilingual). Portuguese version will always prevail.

**Signature requirement:** Digital - Qualified electronic signatures (QESs)

**Backdating:** Not possible as per Omnipresent's policy

## Contract Customisation

We provide optional clauses for customisation when adding an employee to our platform. This allows you to tailor certain contract aspects, such as unlimited time off or extra-legal sick days.

However, certain contract elements cannot be customised due to compliance risks or Omnipresent's policy. Examples include overtime, restrictive covenants, and stylistic changes.



## Probation

During the probation period, employers evaluate an employee's suitability for the role they have been hired for. It gives the employer an opportunity to assess their performance and determine if they are a good fit for the company.

We believe that this process benefits both the employer and the employee.

Here are some key points to know about the probation period:

- For indefinite term contracts (ITCs) the probation length can be either 3, 6 or 8 months, depending on the role of the employee (the average probation period is 3 months).
- For fixed-term (FTCs) or project contracts the terms are shorter, they can be either 15 or 30 days.
- During the first 60 days of the probationary period, the termination of the contract is free for either party, without the need for prior notice or justification.
- If the probationary period lasts longer than 120 days, the employer's termination of the contract depends on 30 days' notice.

Please note that the only exception to our policy is in the case of a transfer of the employment relationship.

# Onboarding

## Timeline

Our normal onboarding timeline for Portugal is around 21 calendar days. The onboarding steps involved are: Platform Setup, Right-to-Work Check, Employment Contract, Benefits and Payroll enrollment. We need to have the employment contract signed at least 2 business days before the start date. This timeline does not include exceptions such as visas and medical & background checks.

## Registration & Approvals

Employers must register employees with Social Security.

## Immigration & Visas

We can offer work visas (all the operational aspects are handled through our local partner).

Non-European Union (EU) citizens would need to apply for a work permit and residence permit. The processing timeline depends on the type of visa, nationality, and the country that the talent is applying from, but it is usually 30 to 60 days from case application to decision.

## Right-to-Work

The employer is legally required to carry out right to work checks prior to the start of employment.

A medical exam is legally required for employees in Portugal and has to take place in Portugal.

## Remote Working Agreement

Remote work is legally regulated in Portugal. Implementing it needs a written agreement among the parties containing:

- The identification, signatures, and home or headquarters of the parties
- The place where the employee will perform their work activities, which will be considered their place of work.
- The normal period of daily and weekly work
- Working hours
- The contracted labor activity, indicating the corresponding category.
- The remuneration to which the worker is entitled, including supplementary and ancillary benefits.

- Ownership of the work tools and the person responsible for their installation and maintenance
- The frequency and way of implementing face-to-face contacts, which shall be taken never more than among 2 months.
- The duration of the agreement, which could be with a definite or indefinite period.

## Mandatory Training Hours

Employees are entitled to a minimum of forty (40) hours of continuous training each calendar year or to a minimum number of hours proportional to the duration of the contract. Training hours shall be considered working time. Any costs associated with the training shall be covered by the Company.

Key aspects about training in Portugal:

1. The employees are entitled to 40 hours of training per calendar year
2. The scope of continuous training is determined by agreement or, in the absence thereof, by the employer, and must coincide or be related to the activity rendered by the employee. The subjects are chosen by the employee and must correspond to the activity provided or be related to information and communication technologies, safety and health at work or a foreign language.
3. Even though the training may be provided by the employer, a training certified entity or by an educational establishment recognized by the competent ministry, such training **must always be certified (and the training must be registered in the employee's personal records)**.
4. Hours of time off work to attend classes and absences for assessment exams under the student-worker scheme, are deemed as training hours (and calculated as such)

## When moving your employees from another EOR to Omnipresent

If the employee has previously worked for you, whether in another country or through another EOR provider, we can recognise their length of service. This recognition of seniority will need to be mentioned in the employment contract.

# Leaves

### Annual Leave Entitlement

Portugal offers a minimum of 22 working days paid annual leave, excluding public holidays.

### Annual Leave Entitlement

12 days of annual leave can be carried over and used before 30th of April in the following year.

### Maternity Leave

Employees need to take at least 6 weeks of maternity leave after birth.

- Employees are entitled to 120 days at full pay, or 150 days (employees being entitled to 80% payment), paid by Social Security.
- Pregnant employees can take a maximum of 30 days before birth and a minimum of 42 days (6 weeks) after birth.

### Paternity Leave

Employees are entitled to at least 28 days of paternity leave.

- The first 7 days should be taken immediately after birth. The other 21 have to be taken within 42 days
- The father also enjoys 7 additional days of leave, consecutive or not, which can be taken simultaneously with the mother's initial parental leave
- Paternity leave is paid by Social Security.

## Parental Leave

Parents can jointly take up to 150 days of parental leave on top of maternity and paternity leave.

- After the required days of maternity leave (42 days) and paternity leave (28 days), parents can jointly take the remainder of the leave (120 - 150 days total).

## Sick Leave

Sick leave is typically unpaid for the first 3 days. The rest is covered by Social Security.

Employees should file a self-declaration of illness, under oath, submitted on the SNS Portal, SNS App or by phone to The SNS line.

The employee may request two self-declarations of illness per calendar year, for a maximum period of 3 days each.

Labor law in Portugal provides for 30 days of sick leave in a 12-month period. If an employee is unable to return to work after the expiration of 30 days, the employment contract is suspended until the employee is able to return.

## Public Holidays

Portugal currently has 13 regular holidays.

1. New Year's Day (Ano Novo)
2. Good Friday (Sexta-Feira Santa)
3. Easter Sunday (Páscoa)
4. Liberty Day (Dia da Liberdade)
5. Labour Day (Dia do trabalhador)
6. Corpus Christi (Corpo de Deus)
7. Portugal Day (Dia de Portugal)
8. Assumption (Assunção de Maria)
9. Implantação da República (Implantação da República)
10. All Saints' Day (Todos os santos)
11. Restauração da Independência (Restauração da Independência)
12. Immaculate Conception (Imaculada Conceição)
13. Christmas Day (Natal)

# Payroll & Tax

## Payroll Cycle

The payroll cycle in Portugal is monthly.

- Payroll runs from the **1st of the month** to the **end of the month**.
- Payroll cut-off date is **6th of the month** (any changes to payroll or variables must be shared with Omnipresent by this date).
- Payment date is the last working day of the month (this is when employees will receive their salary payment).

## Extra Payments (Bonus, Commission etc.)\*

In Portugal, the salary is paid in 14 mandatory instalments : 12 salary for each month of the year + 1 holiday allowance (13th salary) + 1 Christmas allowance (14th Salary).

## Allowances

**Remote work allowance:** There is a mandatory Remote Work Allowance in Portugal (Law n.º 13/2023) and its purpose is the compensation and reimbursement of costs related to the performance of work at home.

The statutory minimum is EUR 22 per month, all of which is tax-exempt, however, please note that it's customary to provide EUR 50 per month (EUR 28 of which would be taxable).

**Meal allowance:** It's common for employees in Portugal to receive a monthly lunch allowance or meal voucher/card - They are used to cover the cost of employee meals during work days. Omnipresent currently offers the possibility to extend the meal allowance benefit to employees which is EUR 6 tax-free paid per working day.

## Hourly Wage

Omnipresent is unable to accept employees on an hourly wage.

## Minimum Wage

In Portugal the legal national minimum wage for 2023 is EUR 760 per month and EUR 10,640 per year.

## Standard Work Schedule

The Standard work schedule in Portugal consists of 8 hours per day and 40 hours per week, with the work week running from Monday to Friday.

Paid overtime is compulsory for employees working beyond 40 hours per week. There is the possibility, for certain positions, to reflect a working hour exemption, whereby the employee is not typically subject to overtime, and alternatively to overtime payments, the employee is entitled to a fixed monthly allowance (of about 25% of the base salary).

## Employer Costs

The employer costs depend on a variety of employee variables. A guiding number is **27%** of the employee salary. To get a more detailed estimate based on the employee salary use the [OmniCalculator](#), or contact us for further information.

# Terminations

## Termination Process

Before proceeding with a termination (including verbal discussion with the employee about the risk of termination) you must first get in touch with Omnipresent. We will then provide guidance on next steps. You can read our [full guidance here](#). To initiate a termination, you need to submit a termination request through the OmniPlatform after which our relevant teams will assess the case and plan a compliant termination process.

We cannot process termination on the same day as requested.

## Involuntary Termination

Legal grounds (i.e., 'just cause') are required to terminate an employment contract.

- Reasons for termination include collective dismissal, redundancy, the employee's ineptitude, and disciplinary reasons (e.g., serious misconduct).
- Several formal procedures must be followed, especially regarding termination for disciplinary reasons.

## Severance Pay

For indefinite contracts, the amount of the compensation corresponds to 14 days of salary and seniority payments for each full year of service.

For fixed-term contracts, the employee will be entitled to a compensation worth 24 days of their base salary for each complete year of service.

## Notice Period

In Portugal, after the probation period has elapsed, it is not possible to dismiss an employee without a dismissal procedure. As such, it is not possible for employers to dismiss an employee with a simple notice, employers always have to follow a strict and formal procedure.

**Gross misconduct** - there is no notice period (but the employer needs to run a previous disciplinary procedure before terminating the employee, this disciplinary procedure takes between 1 and 2 months to conclude).

**Collective dismissal, redundancy and employee's ineptitude** - after the legal procedure for termination is concluded (that will take between 1 and 1,5 months to conclude), the employer must serve the employees with notice periods which will depend on the length of service:

Less than 1 year of service	15 days
At least 1 year but less than 5 years of service	30 days
At least 5 years but less than 10 years of service	60 days
At least 10 years of service	75 days

# Invoice Schedule

## **Setup Fees:**

Once Terms are signed, Omnipresent begins deploying resources for the setup process.

Trigger [*Employee Details Added*]

## **Deposits:**

Payable when the local employment contract is ready for signature. The deposit enables Omnipresent to move forward securely to sign the local employment contract with the employee.

Trigger [*Employee Details Added*]

## **Initial Salary Prepayment:**

The first month's estimated labour costs are invoiced on the first day of employment.

Trigger [*Employment Start Date*]

## **Ongoing monthly Employment Costs and Fees:**

Thereafter, we invoice monthly in arrears for labour costs - once the final payroll, taxes, insurance, social security contributions, expenses and deductions have been calculated. Each monthly invoice will include our monthly service fee, deposit insurance (if applicable), and an FX fee (if applicable).

Trigger [*Payroll Date*] Typically the last working day of the month, but varies by country.



## Explore how Omnipresent simplifies global team growth.

Explore the effortless solution for your global hiring, payment, and management needs with Omnipresent. We simplify complex processes like onboarding, legal contract drafting, expense management, benefits allocation, and a whole lot more. Start your journey towards compliant international business practices.

**TALK WITH AN EXPERT**

