

STIPULATION OF THE LIMIT VALUES FOR COMPENSATION PURPOSES CONCERNING ADDITIONAL TELEWORKING EXPENSES - OCTOBER 2023.

Context

On 3 April 2023, Law no. 13/2023 amended the Portuguese Labour Code and related legislation as part of the Decent Work Agenda (*Agenda do Trabalho Digno*) context (the "**Law**"), entailing profound alteration to the labour fabric in Portugal - *for more information, see the RRP Labour Flash of May 2023*. This law came into force on 1 May this year.

Among the various amendments made, one of the most eagerly awaited relates to the regulation of remote work. The Portuguese Labour Code stipulates that additional expenses incurred by the employee as a direct result of the acquisition or use of computer/telematic equipment and systems needed to carry out their duties (including additional energy, internet and equipment/system maintenance costs) will be paid for in full by the employer, provided they are proven by the latter.

To this end, the Portuguese Labour Code establishes that the remote work agreement or collective labour regulation instruments must set the amount of compensation due for this purpose.

In tax terms, it should be clarified that the amount of this compensation for additional expenses is considered a cost for the employer and does not constitute income for the employee, but only up to the limit of the amount defined by the Ministry of Labour, Solidarity and Social Security and the Ministry of Finances, as the competent bodies in these matters.

It is precisely this amount that is set by Ministerial Order 292-A/2023 of 29 September (the "**Ministerial Order**"), which comes into force on 1 October. Thus, the following amounts are set for compensation for additional expenses incurred by the employee, up to which it is considered a company cost and not the employee's income (daily amounts):

- ▶ **EUR 0.10**, for the purpose of compensating for residential electricity costs;
- ▶ **EUR 0.40**, for personal internet costs; and
- ▶ **EUR 0.50**, for the cost of using personal equipment namely computers or other types of IT equipment.

Thus, the tax and contribution exemption threshold for the compensation paid by the employer to remote work employees will be **EUR 22.00** per month.

This amount can be increased by 50%, to **EUR 33.00** per month, in the event the collective labour regulation instruments so provide.

In addition, the Ministerial Order clarifies that these amounts only apply to full days of remote work (*i.e.* whenever the duties are carried out by the employee at a workplace determined by the employee, for periods of more than one sixth of the normal working week).

Although the Ministerial Order only comes into force on 1 October 2023, no provision for amounts paid from the Labour Code's entry into force until that date is set forth, with the exempted amount having to be set off against the expenses proven to have been incurred in addition by the employee.

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