

Most employees make two areas of their employment a top concern — compensation and benefits. However, employers hiring in a foreign country often find it difficult to figure out the best benefit management plan and pay employees the right amount at the correct time.

Globalization Partners can step in with our Portugal compensation and benefit outsourcing. As an established global PEO, we'll hire employees on your behalf, pay them according to Portugal compensation laws, and use our competitive benefits plan to keep your business ahead of the competition.

Portugal Compensation Laws

As of 2021, Portugal's minimum wage is currently 665 EUR per month. However, an employee's required minimum compensation could change if they are covered under a CBA.

If employees work more than 40 hours per week, employers must pay overtime at an hourly rate. Employees typically receive 25% in addition to their base pay for the first hour and 37.5% for any hours afterward on a business day. On a typical day off or a public holiday, employees should get 50% for each hour worked. A CBA could also change the overtime amount depending on the industry.

Part of Portugal's compensation laws includes 13th- and 14th-month bonuses. Generally, employees are entitled to receive these bonuses — worth one month's salary — in June and December.

Guaranteed Benefits

Your Portugal benefit management plan must include the statutory minimum of the country's guaranteed benefits.

Employees should get 20 work days of paid time off in their first year of employment with the company and 22 days each year afterward. However, the country's regulations forbid

employers from offering additional pay for forfeiting any paid leave days.

Female employees are eligible for 30 days of maternity leave before the child's birth and six weeks after at full pay. Workers can choose to take up to 150 days off at 80% of her salary. New fathers receive 10 days of paid paternity leave that they must take within 30 days of the child's birth.

Portugal Benefit Management

Portugal benefit management also includes any supplemental benefits that are not required but are expected from employees. A strong benefits plan can attract top talent and set you apart from other companies.

In Portugal, many senior level executives ask for supplementary health and life insurance. Larger companies can provide additional health insurance, while smaller companies may opt to give employees an allowance for health insurance. Employers also commonly provide meal and car allowances.

Restrictions for Benefits and Compensation

Any collective bargaining agreements (CBAs) that apply to your industry will outline the most significant restrictions for benefits and compensation. Before you draft an employment contract, you should check to make sure you meet the minimums of the CBA, as these minimums can differ from the statutory minimums.

Work With Globalization Partners

Globalization Partners' Portugal benefit outsourcing services can take the guesswork out of sourcing the best benefits for your employees. When you pair these services with our knowledge of Portugal compensation laws, you can rest assured your employees will always be appropriately compensated. Contact us today to learn more about our services.