

# MdME

## INSIGHT

*Fires in Portugal: Support Measures  
for Economic & Social Recovery*



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*On November 4, the Order No. 284/2024/1 was published, regulating some of the support measures in response to the fires that occurred in September in Portugal. These measures were approved by the Resolution of the Council of Ministers No. 126-A/2024 on September 27, with the general guidelines already outlined in Decree-Law No. 59-A/2024, published on the same date.*

The analysis of this Order requires reading it alongside the Resolution of the Council of Ministers No. 130-A/2024 from September 27, which delineates the geographical application of the measures summarized below.

## **I. Occasional Subsidies**

Individuals or families who, as a result of the fires in the municipalities identified in that Resolution, are in a situation of *economic hardship* or *have experienced a loss of income*, may apply for exceptional financial assistance for:

- a) Covering temporary housing rents;
- b) Purchasing essential goods and services (food, clothing, healthcare, housing, transportation);
- c) Acquiring work tools, professional support products, or other goods or services approved by Social Security.

The amount is *determined on a case-by-case basis*, depending on the household income and the expenses or services to be acquired, *up to a maximum of €509.26 (1x the IAS value) per household member*, which may be increased to double in exceptional situations. This subsidy can be granted once or up to a maximum of 12 monthly payments.

Farmers affected by the fires may apply for a one-time payment, *up to a maximum of €1,273.15 (2.5x the IAS value)*, for (1) *the acquisition of immediate and unavoidable goods* or (2) *the recovery of subsistence economy*, provided they are not already covered by other financial support.

Financial assistance is also foreseen for Social or Solidarity Sector Institutions that carry out actions aimed at the affected territories and populations, depending on the needs reported to the Social Security services and according to the budget allocation defined in the State Budget. The same logic applies to the reconstruction and rehabilitation of affected social equipment.

## **II. Exceptional and Temporary Regime for Payment of Social Security Contributions**

### **A) Total Exemption from Contribution Payments**

Employers or self-employed individuals who have *lost productive capacity* directly related to the fires may apply for a total exemption from their Social Security contributions for the months of October 2024 to March 2025.

This exemption lasts for 6 months and can be extended for an equal period. In the case of employers, contributions due from holiday and Christmas bonuses, if applicable, are also exempt.

Also applies to members of statutory bodies of companies under the same conditions.

### **B) Partial Exemption from Contribution Payments**

Employers hiring unemployed individuals directly affected by the fires may apply for a **50% exemption from the Social Security contributions for which they are responsible**.

This support lasts for 3 years and covers admission made after September 15, 2024. Among other requirements, at the time of application, it is necessary for the employer to have a total number of workers greater than the average of the previous 12 months.

The obligation to pay contributions remains for workers who perform functions outside the territorial delimitation provided for in the Resolution of the Council of Ministers No. 130-A/2024 from September 27.

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## III. Specific Program in the Field of Employment and Professional Training

### A) Extraordinary incentive for job retention and self-employed workers

*Employers* may apply for financial support for the payment of wages owed to employees who remain in service and belong to establishments affected by the fires.

This support is effective from September 15, 2024, lasts for 3 months (extendable for an equal period), and corresponds to the normal gross salary of the worker after deducting the Social Security contribution, up to a maximum of €1,640 (RMMGx2).

The payment of the Christmas bonus is also covered by this support up to that maximum limit, depending on whether it is paid in full or in twelfths.

For self-employed workers, the monthly support amount is also subject to the maximum monthly limit and corresponds to:

- a) 1/12 of the taxable annual income for the year 2023; or
- b) If they only started their activity in 2024, the value of the income earned until August is divided by the number of months of activity.

This support is cumulative with other direct employment supports, including the right to total or partial exemption from contribution payments.

### B) Extraordinary Professional Qualification Plan and Priority Access to Measures

An extraordinary qualification and professional training plan are also created to enhance the professional skills of workers, prioritizing (1) *increasing qualification levels* and (2), whenever possible, *areas of digitalization and green economy*.

Employees (both employed and self-employed) affected by the fires will also have priority in the selection and referral for employment and professional training measures.

This Order comes into force on November 5, 2024, and is effective from September 15, 2024, but it is important to note that the granting and continuity of the planned support are subject to specific eligibility and maintenance requirements.

Our team is available to analyze these requirements in detail and provide additional clarification on the conditions for access to and monitoring of these measures.

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