



Update

Momentum



Labour

December 28, 2017

MINIMUM MONTHLY GUARANTEED WAGE FOR 2018

During the period of the Economic and Financial Assistance Programme, the Portuguese State had the obligation of not increasing the minimum monthly guaranteed wage ("MMGW"), unless specifically justified in light of economic developments and the labour market. This resulted from Measure 4.7 of the Memorandum of Understanding on Specific Economic Policy Conditionality, entered into in 2011 between Portugal and international partners (the International Monetary Fund, the European Commission and the European Central Bank).

After the conclusion of the assistance programme, the Government approved Decree-Law No. 144/2014, of 30 September, increasing, from 1 October of that year, the value of the MMGW from **485** Euros to **505** Euros. In 2015, through Decree-Law No. 254-A/2015, of 31 December, which came into force on January 1, 2016, the MMGW was updated to **530** Euros and, in 2016, Decree-Law No. 86-B/2016, of December 29, increased the MMGW to **557** Euros in 2017. Finally, Decree-Law No. 156/2017, of December 28¹ now foresees an increase of the MMGW to **580** Euros in 2018.

Decree-Law No. 156/2017 will enter into force on January 1, 2018 and implements the provisions of the Labour Code, which recognize the right of employees to a MMGW, whose value is determined each year by specific legislation, after consultation with the Permanent Commission for Social Dialogue.

¹ Available at <http://data.dre.pt/eli/dec-lei/156/2017/12/28/p/dre/pt/html> - Portuguese version.



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It should be noted that, pursuant to Article 274 of the Labour Code, the following amounts shall be taken into account when determining the MMGW: a) amounts of remuneration in kind, including meal or accommodation, due to employees in exchange of his/her work; b) sales commissions or productivity bonus; and c) rewards that constitute retribution, under point a) of paragraph 3 of Article 260 of the Labour Code.

Therefore, from January 1, 2018, employers shall proceed with the payment of the MMGW, with the breach of this obligation being qualified as a very serious misdemeanour (*'contraordenação muito grave'*)².

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