

Legal Alert – Regulations of the "Families First" programme

Following on from our previous Legal Alert, Decree-Laws no. 57-B and 57-C of September 6th, 2022, were published in the Diário da República to regulate the implementation of the support measures adopted by the Government under the "Families First" Programme.

For this Legal Alert, we will focus primarily on Decree-Law no. 57-C/2022, of September 6th, which sets out the requirements for access to family support measures to mitigate the effects of inflation, with the introduction of exceptional support and supplements for retirees, which aim to directly support the purchasing power of families and appease the effects of the escalating prices of essential goods.

1. Extraordinary support to beneficiaries of income and social benefits

- a) Granting of exceptional support to income and social benefit holders in the amount of €125.00 (one hundred and twenty-five euros) per eligible citizen, and regardless of their family situation, this will be increased by the amount of €50.00 (fifty euros) per dependent;
- b) Individuals residing in the national territory who, in September 2022, meet at least one of the following conditions shall be considered eligible for support:
 - i. Have declared gross income of up to EUR 37,800.00 (thirty-seven thousand and eight hundred euros) in the income tax return for the year 2021, except those who have declared Category H income, except when paid exclusively by national entities other than the Social Security Institute and the *Caixa Geral de Aposentações*, or which qualify as alimony;
 - ii. Have a monthly income declared to social security lower than or equal to EUR 2,700.00 (two thousand and seven hundred euros), in the years 2021 or 2022;
 - iii. Have received, in 2021 or 2022, social benefits¹.
- c) The allocation of this support is official, does not require any type of adherence from its beneficiaries, and is paid only once per eligible citizen, in the month of October 2022;
- d) The payment of this support will preferably be made by bank transfer through the IBAN that appears on the income statement or the information systems of the Tax and Customs Authority or Social Security;
- e) The amounts granted within the scope of this exceptional support shall not be subject to Personal Income Tax (IRS) or Social Security contributions.

¹ Cfr. Article 2 no. 3 paragraph c) of Decree-Law no. 57-C/2022, of 06 September. For example, unemployment benefits, parental benefits that do not exceed €2,700.00, sick pay, and social insertion income, among others.

2. Exceptional pensioners' supplement

- a) The exceptional pensioner supplement is attributed to disability, old age, and survivor pensioners of the social security system and retired, retirement, and survivor pensioners of the convergent social protection regime, resident in national territory, and will be paid in the month of October 2022;
- b) The value of the complement corresponds to 50% of the total value earned in October 2022²;
- c) Pensioners whose pension is higher than 12 times the Social Support Index (IAS) are not considered eligible for the exceptional complement;
- d) The amounts granted to pensioners under this exceptional complement are subject to autonomous withholding, and to calculate the IRS to be withheld, they may not be added to the pensions of the months in which they are paid or made available.

3. Invoice Content Requirements

- a) Considering the imperatives of transparency in price formation and the regular operation of the market, Decree-Law No. 57-C/2022, of September 6th, determines that it is compulsory to mention the effective discount on the tax burden, and consequently, on the retail price;
- b) Thus, invoices must contain the words "ISP+VAT Reduction", followed by the amount of the temporary reduction in the tax burden.
- c) Although the above-mentioned decree-law enters into force on the day following its publication, that is, 07 September 2022, this measure will only produce its effects from 01 October 2022.

² Cfr. no. 3 of Decree-Law no. 57-C/2022, of September 6th. Referring to pensions covered by Law no. 53-B/2006, of 29 December and 52/2007, of August the 31st, as well as dependency supplement, dependent spouse supplement, extraordinary solidarity supplement and extraordinary minimum pension supplement.