



## FAMILIES FIRST: PLAN OF ACTION TO RESPOND TO THE PRICE INCREASE

NEWS, LATEST,  
CURRENT TOPICS

On the 6th of September, the Decree Law no 57-C/2022 was published, which establishes a set of measures that aim to support the income of families in response to the inflation and the increase of the living cost that is currently felt in Portugal.

In light of this, we will proceed explaining the main measures created with this diploma.

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## 1. Exceptional support for holders of income and social benefits

1. The amount of 125€ per person and 50€ per dependent will be attributed to people who, in September 2022 are in some of the following situations:

- i. Have declared gross income up to 37.800€, with the exception of those who have declared income of the category H, unless paid the SS or qualified as alimony;
- ii. Have monthly income from work equal or less than 2.700€ in the years 2021 and 2022;
- iii. Have benefitted in 2021 or 2022 of the following benefits:
  1. Unemployment benefits;
  2. Parenting benefits with monthly reference that does not exceed 2.700€;
  3. Illness and occupational disease allowances, provided for a period of not less than one month and with a monthly reference salary that does not exceed 2.700€;
  4. Social insertion income and over 18 years old;
  5. Social provision for inclusion and people over 18 years old;

6. Solidarity support for elderly, without a pension;

7. Subsidy to support the primary informal caregiver;

8. Are registered as unemployed in IIEFP and are not in a voluntary unemployment situation.

2. Dependents are people who, in September 2022, are:

- i. Considered dependent according to the definition given in the IRS code;
- ii. Family allowance holder for children and young people;
- iii. Beneficiary of social insertion income and under 18;
- iv. Beneficiary of the social benefit for inclusion and under 18;
- v. Minors under 18 and in charge of beneficiaries of parenting benefits;
- vi. Under 18 and not covered by the preceding paragraphs and belonging to a household included in the social security information system.

These amounts will be allocated by the services and paid once per person.



No person income tax will be levied on this amount, nor will it be considered for the purpose of SS contributions.

## 2. Exceptional supplement for pensioners

In October 2022 the pensioners of old age, disability and survival of the Social Security System and pensioners of retirement and survivals of the convergent social protection regime, residing in national territory, will receive an amount equivalent to 50% of the total amount earned in October 2022, which will be received together with the monthly pension.

However, this supplement will not be awarded to pensioners whose pension is more than 12 times the social support index (IAS).

This amount is subject to autonomous withholding and, for purposes of calculating the IRS to be withheld, cannot be added to the pensions of the months in which are paid or made available.

These measures came into force on 7th September 2022.

**The following measures were also announced, which are awaiting regulation:**

### 1. Limitation in the maximum rise in rentals

It was established to limit the increase in residential and commercial rents for 2023, limiting such increase to 2%. To compensate the landlords there will be reductions IRS and IRC.

### 2. Maintenance of public transport prices

In the public transport, the prices of urban passes and CP trips will be maintained.

### 3. Reduction of electricity VAT from 13% to 6%

From October until December 2023 the VAT rate for electricity will be reduced from 13% to 6%. The decrease is applied to the consumption that does not exceed 100 kWh/month (150 kWh for large families), for consumers with a contracted power up to 6.9 kVA.

### 4. Permission of transition to the regulated gas market

Exceptionally, gas consumers (with annual consumption under 10,000 m<sup>3</sup>) are allowed to transfer to the regulated market, which will provide a reduction in the monthly bill.



### **5. Reduction of the ISP extended until the end of the year**

In the fuel field, the Portuguese Government is maintaining the suspension of the carbon tax until the end and maintaining the discount in oil products taxes, as well as refunding the VAT on these products, as has been in force.

