

## **Portugal – Tripartite agreement for income and competitiveness**

November 2022

On 9 October 2022, the Portuguese government, four employer associations and UGT signed a national agreement after a marathon of discussions. The agreement ensures fairer distribution of the country's wealth and inspires improvement of workers' living conditions.

Wages will rise by an average of 4.8% per year until the end of 2026. The minimum wage will go up to €760 euros gross per month (paid 14 times a year) from the current level of €705. The pay rise should be no less than 20% of the average income per worker in 2026 and fulfil the goals of the European Union. The year 2026 was chosen as that's when the current parliamentary period ends in Portugal.

Other measures:

- Tax benefits to companies
- Reduced employer contribution to funds for compensation for redundancies.
- State assistance with surging energy costs
- Increased value of tax-exempt meal allowances
- Steps to boost dynamic collective bargaining
- Increased payment of overtime work
- Increased compensation for collective dismissals
- Support to hiring of qualified young people with a wage of at least €1,320.

The General Confederation of Portuguese Workers (CGTP-IN) did not sign the agreement, taking the view that wages should be subject of collective agreements alone. Meanwhile, one of the employers' associations that is a party to the agreement, warned that it would be difficult to keep the commitments given the economic context with high inflation.

**Edited by industriAll Europe**