

# Legal Shots

## Compensation Fund and Compensation Guarantee Fund

On 1st May 2023, the enactment of the Portuguese Law 13/2023 of 3rd April resulted in the suspension of the legal regimes governing the Funds established in 2013: the FCT (Work Compensation Fund) and the FGCT (Work Compensation Guarantee Fund).

Following the implementation of this law, employers were no longer obliged to make contributions for the month of April. However, certain functionalities are still available on the website [www.FundosCompensacao.pt](http://www.FundosCompensacao.pt). These include: (i) pending reimbursement requests for employment contracts terminated before that date, for which the credited amount has not yet been redeemed (companies have been duly notified of this by the official entities); and (ii) mechanisms for settling debts incurred before April 2023, enabling the issuance of payment slips for full or partial payment.

Even without additional regulations, it is understood that the FCT will be completely abolished, while the FGCT will remain suspended until 2026, in principle.

The abolishment of the FCT also depends on the regulation of the mobilization of the deposited funds. It is expected that this mobilization will commence in the 2nd half of 2023, occurring in one or several instalments depending on the amount of capital deposited. It is anticipated that companies will be able to use this capital for various purposes, including training, compensations, housing initiatives for young employees, as well as social measures such as the provision of nurseries and canteens.

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