

Financing adult learning database

Name of the instrument - Local language	Pacto de permanência
Name of the instrument - English translation	Payback clause
Scheme ID	246
Country	 Portugal
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible within set limits
Type of entry	Single instrument

Short description	Employers and employees can agree on a payback clause, regulated by the Labour Code. The contractual parties may agree that an employee cannot cancel the work contract for a period of up to 3 years to compensate an employer for large expenses incurred for the employee's training, whatever form it may take (all kinds of formal and certified training and levels of qualification). The payback clause is previewed in the Labour Code and employers and employees may agree on the details of it. Employees are not bound by the contractual retention period if they reimburse the training costs. There is no preferential treatment foreseen by Law, and all employers/employees may use this payback clause. The Authority for Working Conditions (ACT), is responsible for monitoring the compliance of the existing legislation.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument

Legal basis	Article n.º 137 of the Labour Code - Law n. 7/2009, February 12
Objective(s) and target(s)	- Possibility of the employer to invest in the specialisation and training of the employee to perform a specific task, allowing the employer to get some return of the investment made;- Possibility of the employee to benefit from a high-value training/specialisation, which values him/her in the labour market, without having to bear its costs.
Year of implementation	1966
Operation/management	On the one hand, the Government of Portugal is responsible for legislation. On the other hand, ACT - Autoridade para as Condições no Trabalho (Authority for Working Conditions), is responsible for monitoring the compliance of the legislation, protecting employees' rights, checking the violations and application of sanctions to employers.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	This instrument covers different types of vocational training: programmes leading to a formal qualification (formal education); general courses (e.g. language courses); occupational courses connected to the present economic activity of the participant; occupational courses of all kinds. In other words, it covers all kinds of formal and certified training and levels of qualification.
Source of financing and collection mechanism	Employers and employees can agree on a payback clause. The contractual parties may agree that an employee cannot cancel the work contract for a period of up to 3 years to compensate an employer for large expenses incurred for the employee's continuous training. The payback clause is foreseen in the Labour Code and employers and employees may agree on the details of it. Employees are not bound by the contractual retention period if they reimburse the training costs. Repayment by the employee can be total or partial, depending on the time the worker stayed at the company after the training.
Financing formula and allocation mechanisms	Contractual parties may agree that an employee cannot resign from the work contract for a period of up to 3 years, to compensate the employer for large expenses incurred in the employee's vocational training.
Eligible costs	The employer pays a training course to the employee, considered relevant to the function or career progression of the employee.
Volumes of funding	Not available
Beneficiaries/take up	Not applicable
Organisation responsible for	Not applicable

monitoring/evaluation	
Most relevant webpage - in English	Not available
Recent changes	No recent amendment Recent changes in response to COVID-19 No changes
Sources	Assembleia da República Portuguesa (Government)