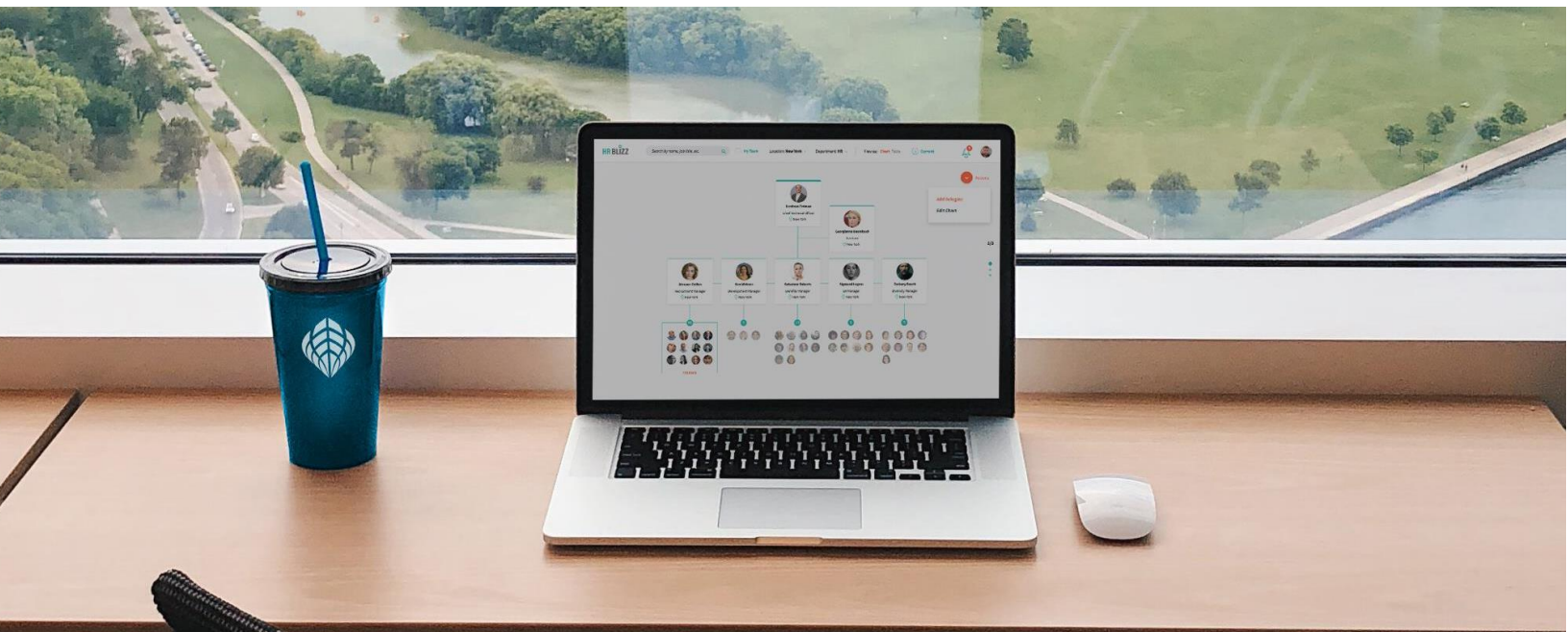




Simplifying Employment  
Tasks Worldwide

# Statutory Change Alert

## Portugal – Changes in tax for 2024



**PORTUGAL**



13 Jan 2024

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# We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



## **Global Payroll Solutions – Boost your HR brand and employee satisfaction**

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



## **PEO/GEO Services – Easily hire, deploy and manage your workforce abroad**

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



## **Global Talent Acquisition – Quickly fill vacancies with only the best candidates**

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



## **BPO Services – Reclaim the focus on your core activities to expand your business**

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



## **HR Management SaaS – Access customizable cloud-based online platforms**

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



## **Local Statutory Compliance – Forget the hassle of setting up branches abroad**

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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## Mercans at a Glance

**160+**

Countries

**20**

Years of Success

**850+**

Payroll and HR Specialists

**8k+**

Clients Worldwide

**97%**

Client Retention Rate

**1.5X**

Annual Revenue Growth

**45k+**

Largest Single Country Payroll

**9M+**

Pay Slips per Annum

**0**

Security Breaches

**Number one** for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate





# Portugal – Changes in tax for 2024

## Personal Income tax (PIT) for youth

The exemption on tax for young people has been increased in 2024.

- 100% exemption in the first year, with a limit of 40 times the value of the IAS
- 75% in the second year, with a limit of 30 times the value of the IAS
- 50% in the third and fourth years, with a limit of 20 times the value of the IAS
- 25% in the fifth year, with a limit of 10 times the value of the IAS

IAS for 2024 is valued at EUR 509.26.

## End of NHR tax regime

The tax regime for non-habitual residents is repealed. However, for the taxpayers who are already registered as non-habitual residents, the special regime will continue to apply until the end of the ten-year period foreseen under the regime.

As on 31st Dec 2023, the persons who meet the conditions for registration as non-habitual residents or are in possession of a valid residence visa on that date, are required to register by 31 March 2024 to be covered under special tax regime.

## Changes for “Ex-residentes”

Former resident’s regime shall apply to taxpayers that become residents in the years 2024 to 2026, if they were not resident in the Portuguese territory in one of the previous five years. The relief is 50% from taxation. It is capped at EUR 250,000 and applies for five years.

In addition, previous tax residence of the taxpayer in the Portuguese territory is no longer required as it currently does.

## Exemption on profit share income



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The amounts paid as participation in company profits, by way of bonus, is exempt up to five times the value of RMMG (EUR 820). The employer must have increased the average nominal fixed remuneration of employees by 5% or more. This income shall be aggregated with other income for determining the tax rate.

## Exemption on per diem for travel

Per Diem and compensation for travelling in own vehicle rates have been updated as follows

Particulars	Workers (EUR)	Members of government and equivalent (EUR)
Per diem	0.36	0.40
Domestic trip	62.75	69.19
Abroad trip	148.91	167.07

## Tax & social security exemption on housing benefit

The income in kind resulting from the use of a permanent house provided by the employer, for the period between 1 January 2024 and 31 December 2026 are exempt from tax and social security contributions.

This exemption does not apply if an employee holds a shareholding of no less than 10 per cent of the share capital or the voting rights of the employer.

## Tax rate for 2024

Withholding tax tables for "A" category has been revised. It has table "I" to "VII".

Table I: Not married without dependents or married with two dependents.

Monthly Remuneration (EUR)	Tax Rate (%)	Abatement (EUR)	Dependent Relief (EUR)
0 – 820	0	0.00	0.00
821 – 935	13.25	13.30% * 2.6 * (1,135.39 – R)	21.43
936 – 1001	18.00	18.00% * 1.4 * (1,358.20 – R)	21.43
1002 – 1123	18.00	96.82	21.43
1124 – 1765	26.00	186.66	21.43
1766 – 2057	32.75	305.80	21.43
2068 – 2664	37.00	393.23	21.43
2665 – 3193	38.72	439.05	21.43
3194 – 4173	40.05	481.52	21.43
4147 – 5470	41.00	521.17	21.43
5471 – 6540	42.70	614.16	21.43
6541 – 20 067	44.95	761.31	21.43



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Above 20 067	47.17	1 206.80	21.43
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Further details & other amended tables for 2024 can be found on the Tributary and Customs Authority website.

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change



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## They already trust Mercans







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# What Makes Mercans your HR and Payroll Partner of Choice?

## We Simplify Employment Tasks Worldwide

### Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

### Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

### A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

### Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.





Simplifying Employment  
Tasks Worldwide

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