

COVID19 - Country Updates - Brazil

Updated 3rd April 2020

The government has announced possible amendments to the labour law to minimise the impact of COVID-19. It is important to note that provisional measures have immediate effects, but depend on approval by the Legislature, which has power to change or reject the provisions. Congress has up to 120 days to approve the changes and, if the deadline is not observed, the amendment will expire.

The amendments establish that, during this crisis period, the contractual agreement between an employer and employee will prevail over any other legal act, provided that the agreement is signed in writing. The aim is to maintain employment and obey the limits provided for in the Federal Constitution.

Furthermore, the payment of the Severance Pay Fund (FGTS) is suspended for the months of March, April and May (payable in April, May and June respectively). The FGTS for these months must then be paid in within six months from the suspension, without incurring fines and other legal charges. Normal payment will resume in July and must be made on the seventh day of each month.

For companies dealing with the interruption of face-to-face services, the measure eases some instruments already provided for in previous legislation. Teleworking, for example, is now allowed regardless of the provision in individual or collective labour agreements and prior registration of changes in the employment contract.

Individual holidays can be granted whether the acquisition period has elapsed or not. Companies are still permitted to accept or not an employee's vacation redemption.

Both changes to the work regime and anticipating vacations and holidays require that the worker be notified at least 48 hours in advance. This notification can be made electronically.

The interruption of activities may also be compensated by the creation of a bank of hours through a formal individual or collective agreement, even if not provided for in a convention or work agreement. Compensation must be made within 18 months after the state public calamity has ended and can be done by extending the workday by up to two hours per day, provided that it is restricted to 10 hours per day.

Let our Network Become Your Network

Through our local staff and global network, we can support your business on-the-ground when challenges and borders prevent you from being there yourself.



Supportive Services to Suit Your Business

Mauve Group's solutions help you to adapt to a changing global environment and position your business securely. Our service packages can be engaged in the short- or long-term for your global employees or overseas entities.

1 Employee Mobility – If you have employees who want to return to a home country for health or safety reasons, we can help by facilitating their employment in that location and advise of any in-country liabilities that might arise for your organisation. When movement is limited globally, we can review immigration requirements and provide much needed travel advice through our Global Visa and Immigration services.

2 Payroll, Tax and Risk Assessments – Our teams in Payroll and Compliance can assess fiscal impacts, liabilities or risks that may arise from adapting your in-country business to new conditions, such as risk of permanent establishment. For relocating staff, we can carry out payroll calculations as well as salary and benefit benchmarking. We can provide advice on new governmental economic measures available to your business or workers, and any benefits or incentives due to home-based employees.

3 In-country Operational Cost Review – Our local experts can review the operational costs of your international business, make suggestions to reduce in-country expenditure and implement them as needed.

4 Remote Working Solutions – We can help to facilitate employees to work remotely on a long or short-term basis. If they are unable to travel or need to work from a different location to the office, our Global Payroll or Employer of Record solutions can make this possible. Our teams can consult on HR compliancy in-country, ensuring your contracts and HR procedures adhere to labour law through our HR Risk Assessments and Employment Factsheets.

5 Remote Entity Management – Need help with the logistics of managing your overseas entity from afar? We can offer in-country representation on your behalf, granting you access to our on-the-ground staff and expert partners. Should you need to open or close an entity due to changing business needs or accessibility issues, we have the network to facilitate this.

6 Employee Wellbeing – To preserve peace-of-mind for international and remote workforces, we can offer local insurance covers, access to in-country points-of-contact, local education and training, and worker protection and evacuation services through our partnership with an international security firm.

Why Use Mauve?



Experience helping organisations expand into new territories



Established network in over 150 countries worldwide



Clients stay with us - average contract length of 5 years