

Minimum Wage & Collective Bargaining in Portugal 2025

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Portugal

Statutory Minimum Wage ✓

• Monthly Min. Wage 1015.00€

• Hourly Min. Wage 6.01€

68.00%

• MW as % of Median Wage

48.00%

• MW as % of Gross Average Wage

• Gender pay gap 8.60%

77.00%

• Collective bargaining coverage

• Process of transposition:
Not transposed yet

↔ Compare with other countries



Minimum wage system in Portugal

Portugal's statutory minimum wage was introduced following the Carnation Revolution, which marked the end of nearly 50 years of dictatorship. It was established through Decree-Law No. 217/74, published on 27 May 1974. The 1976 Portuguese Constitution ([Constituição da República Portuguesa](#)) formalised its institutionalisation; Article 59 assigned the state responsibility for determining and regularly updating the national minimum wage. The trade unions have strongly supported the statutory minimum wage from the outset, recognising its role in preventing in-work poverty, reducing inequality and ensuring decent living conditions. The trade union confederations CGTP and UGT have consistently advocated statutory minimum wage increases, viewing them as complementary to collective bargaining.

The current framework is based on Article 59 of the Portuguese Constitution and regulated by the 2009 Labour Code ([Law 7/2009, 12 February](#), Articles 273-275). Under Article 273, the government sets the minimum wage through a Decree-Law after consulting the tripartite [Permanent Commission of Social Concertation \(CPCS\)](#).

This tripartite body includes the government, the four employer confederations, the CIP (Confederation of Portuguese Business), the CCP (Portuguese Confederation of Commerce and Services), the CAP (Portuguese Confederation of Farmers) and the CTP (Confederation of Portuguese Tourism); and the two trade union confederations, the CGTP (General Confederation of Portuguese Workers) and the UGT (General Union of Workers).

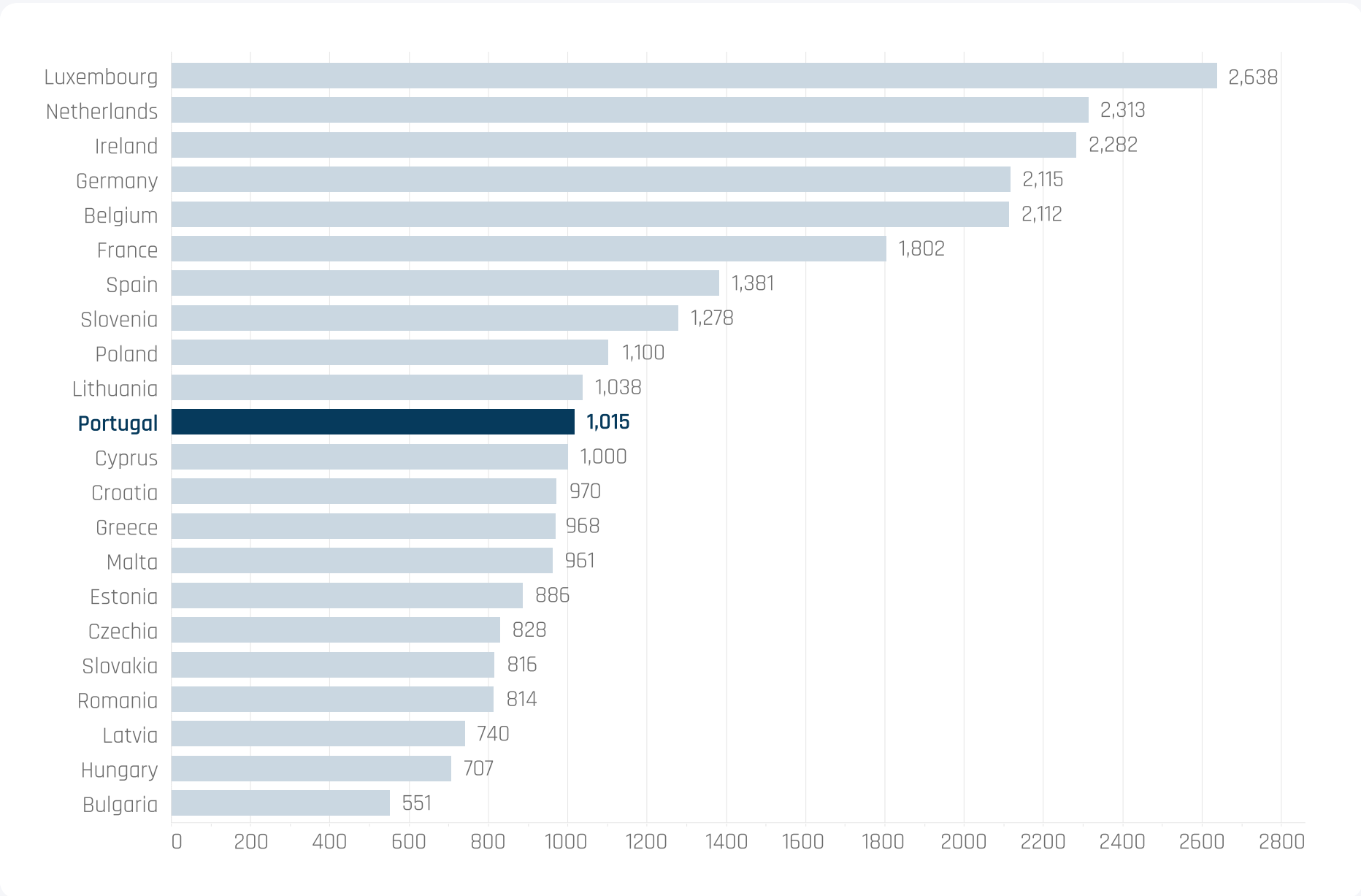
During the period of Troika intervention in the economy (2011–2014), the government unilaterally froze the minimum wage and blocked the extension of collective agreements, limiting both wage adjustments and collective bargaining coverage. After this period, social partner consultation and annual updates to the minimum wage were re-established. Over the past decade, consultations within the CPCS have resulted in tripartite agreements, some focused specifically on mandatory minimum wage increases (CES, [2014](#), [2016](#)) and other broader agreements, including minimum wage updates (CES, [2017](#), [2022](#), [2023](#), [2024](#)). While the UGT signed all these agreements, the CGTP opposed them, arguing that the proposed increases were insufficient to protect workers' purchasing power. The CGTP also criticised the fiscal and other incentives granted to employers to encourage compliance with these agreements.

The monthly minimum wage rate is revised annually. By law, it corresponds to 14 payments, as all employees are entitled to both a Christmas bonus (13th monthly payment) and a holiday bonus (14th monthly payment), granted on top of their regular holiday pay. The most recent update set by [Decree-Law no. 112/2024 of 19 December](#) fixed the monthly minimum wage at 870 euros (€) from January 2025, which corresponds to an average monthly minimum wage of €1,015.

Under Article 275 of the Labour Code, the mandatory minimum wage is subject to reductions for specific groups. Apprentices and trainees enrolled in certified training programmes receive a reduced minimum wage (20 per cent reduction) for a maximum of one year; workers with reduced work capacity due to disability may have a reduction proportional to the difference between full work capacity and their effective capacity for the job, provided this difference exceeds 10 per cent, up to a maximum reduction of 50 per cent.

Article 59 of Portuguese Constitution stipulates that the determination and adjustment of the statutory minimum wage must consider workers' needs, the cost of living, productivity, economic stability and economic development.

Monthly Minimum Wage (€) per Country



Wage inequality (inter-decile Ratio P90/P10)
4.20

Gender Pay Gap
8.60%

Nominal Growth rate of Wages
6.10%

In-work poverty rate
10.00%

Real Growth rate of wages
3.40%

% of workers covered by minimum wage
4.40%



Minimum wage system in Portugal

Additionally, Article 273 of the Labour Code includes criteria related to income and price policies. The 2016 tripartite agreement and subsequent wage updates also considered competitiveness, economic growth, employment, poverty reduction and wage inequality. Since 2022, tripartite concertation agreements have focused not only on updating the minimum wage but also on establishing a reference for average wage increases to guide collective bargaining.

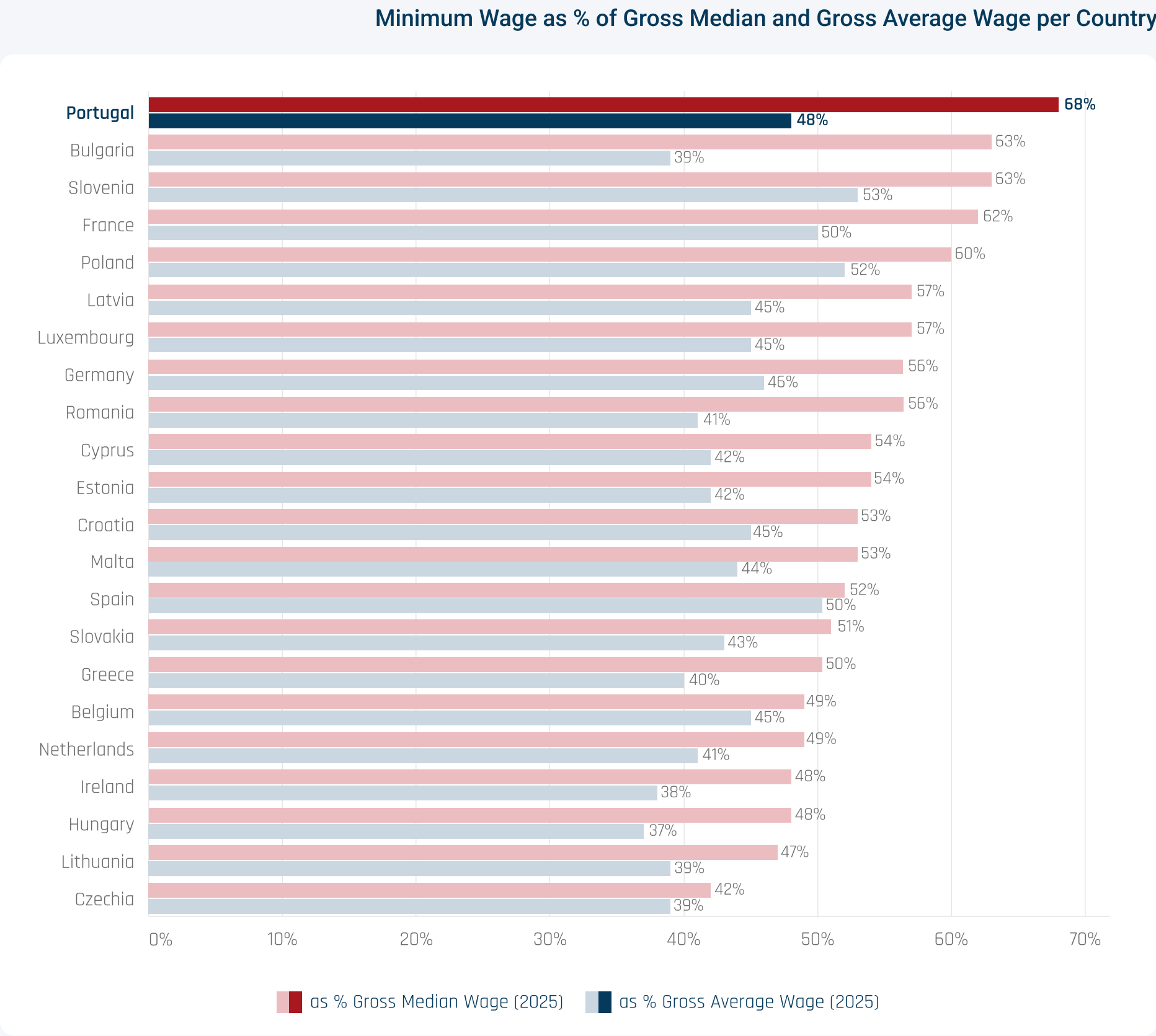
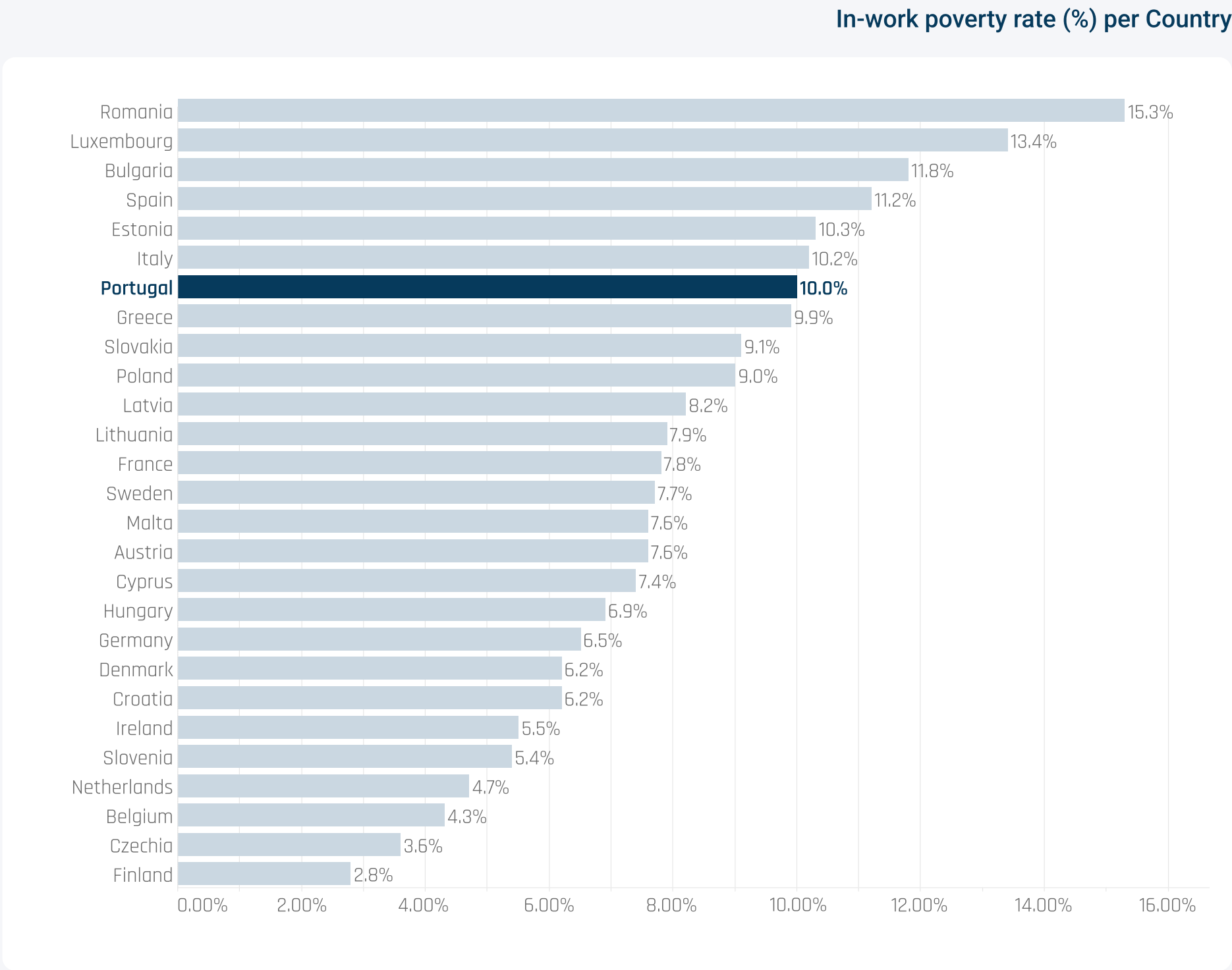
However, the use of this double threshold as a criterion for adequate minimum wages can be a problem in countries in which median and average wage levels are already low, as has been the case in Portugal over the years.

In recent years, statutory minimum wage increases have outpaced wage growth in collective agreements, underscoring its importance in raising average wages ([Martins, 2019](#)) and in reducing inequality ([Campos Lima et al, 2021](#); [Oliveira, 2023](#)).

However, this also highlights the sluggishness of collective bargaining – despite the high coverage of collective agreements in force – in securing better wages, particularly for mid- and high-skilled workers ([Cantante and Estevão, 2022](#)).

Indicative reference criteria used at international level, such as 60 per cent of the gross median wage and 50 per cent of the gross average wage, have never been used as benchmarks in Portugal when determining the level of the minimum wage. When it was created, the minimum wage was set at a relatively high level, equivalent to 65 per cent of the median wage, but its relative value has declined over the following decades, reaching its lowest level – below 45 per cent – in 1998. Since the early 2000s, minimum wage growth has generally outpaced overall wage growth, except between 2011 and 2014, when it was frozen.

This trend resulted in a continuous increase in its relative value, reaching 66 per cent of the median wage and 47 per cent of the average wage in 2022 ([Müller and Schulten, 2024](#)).





Collective Bargaining system in Portugal

Collective bargaining coverage in Portugal has remained high, driven by the predominance of sectoral collective agreements, combined with the possibility of extending collective agreements to workers and companies not affiliated to the signatory organisations. Portugal has among the highest collective bargaining coverage in the EU. In 2021, adjusted bargaining coverage was 77.2 per cent (OECD/AIAS/ICTWSS, 2021). The adjusted bargaining coverage rate measures the number of employees covered by collective (wage) agreements in force as a proportion of all employees with the right to bargain, defined as the proportion of employees who are not excluded from collective bargaining.

According to the administrative survey Quadros de Pessoal ([Estatísticas em Síntese-Quadros de Pessoal 2024](#)), the coverage of collective agreements corresponded to 76.7 per cent in 2023. However, the coverage of updated and new wage agreements has been much lower, at 18.5 per cent in 2021 and 24.1 per cent in 2022 ([Relatório Annual sobre a Evolução da Negociação Coletiva em 2023](#)).

A number of recent measures have been implemented in an attempt to improve collective bargaining coverage and dynamics. The 2022 tripartite agreement ([CES, 2022](#)) introduced tax incentives for employers to comply with wage increase benchmarks set for 2023. Employers were entitled to corporate tax deductions (IRC) when meeting at least one of the following conditions: signing or renewing collective agreements within the past three years; increasing annual wages aligned with the benchmarks set out in the tripartite agreement; and reducing the wage gap between the highest-paid and the lowest-paid deciles. The 2023 tripartite agreement ([CES, 2023](#)) expanded eligibility for this measure to companies covered by the extension of collective agreements.

Additionally, the amendment to the Labour Code introduced under the Decent Work Agenda (Law 13/2023 of 3 April) included a new provision on incentives to enhance collective bargaining for companies signing or renewing collective agreements within the past three years: preferential access to public funding, European funds (where applicable), public procurement opportunities and tax benefits (Article 485).

Collective bargaining clauses in public procurement

Portuguese legislation does not explicitly mandate the inclusion of collective agreement clauses in public procurement. Public contracting entities, however, must ensure that contracts comply with applicable labour laws, including provisions in collective agreements. This guarantees that workers’ rights are supported and that the conditions laid down in collective agreements are observed in public contracts. Additionally, the amendment under the Decent Work Agenda gives preferential public procurement opportunities to companies signing or renewing collective agreements within the past three years (Law 13/2023 of 3 April, Article 485).

Collective Bargaining Coverage

77.00%

Trade Union Density

12.50%

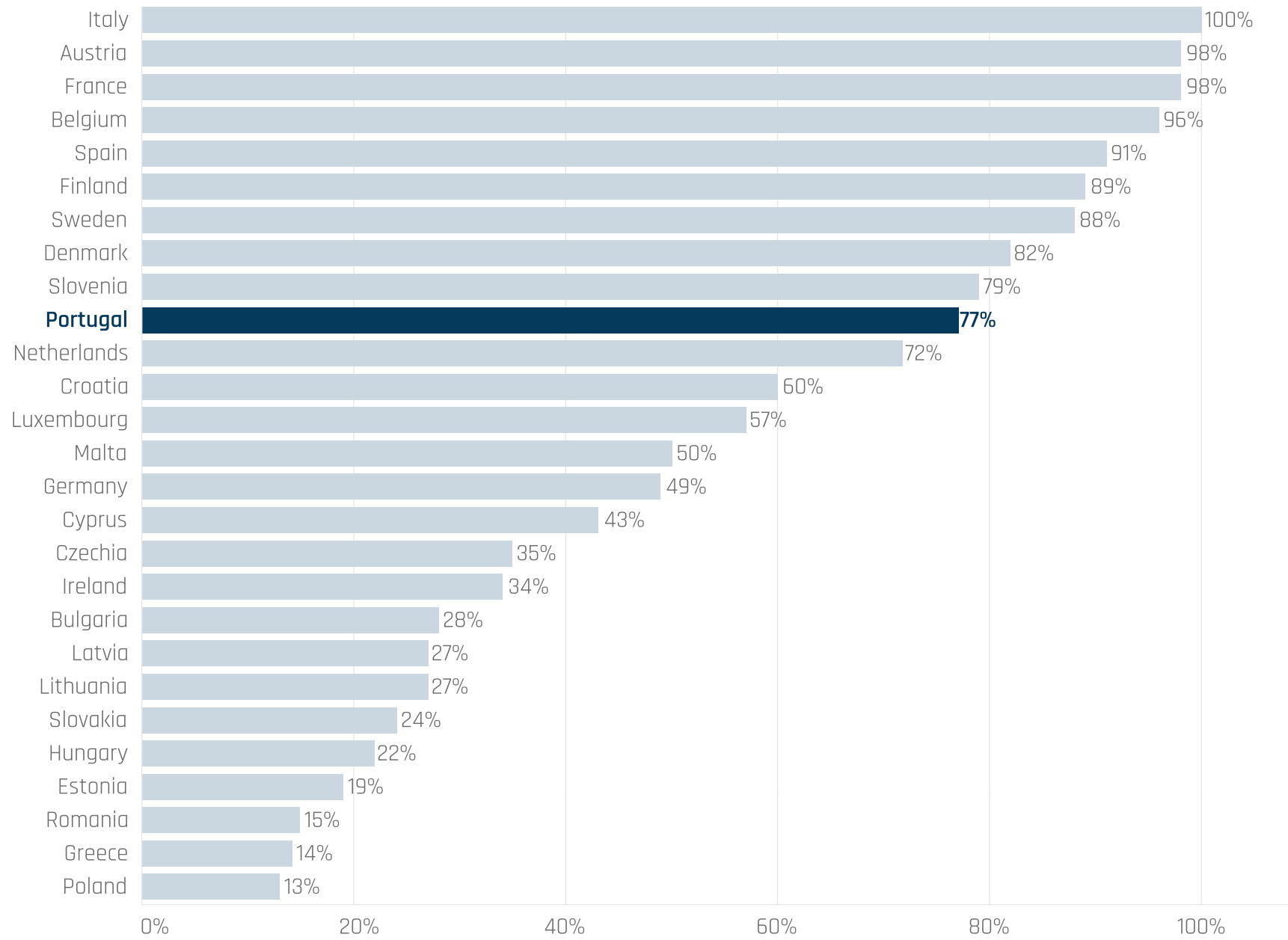
Extension Mechanism

Frequent extension

Valididy of Collective Agreements after expirations?

Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Portugal

Exclusion of groups of employees from collective bargaining/collective agreements

In Portugal all employees have the right to collective bargaining. However, there is a significant difference between employees in the private sector (and in state-owned companies), and employees of the public administration. In public administration, employees have the right to collective bargaining, but the law limits the range of topics collective agreements can include, excluding core provisions of wage setting, such as the basic structure of careers, the system of career progression and promotions, and wage levels, which are subject to statutory regulation (General Law of Public Functions).

The 2023 amendment to the Labour Code, introduced under the Decent Work Agenda, extended the provisions of collective agreements to outsourced workers (Article 498-A). It established that the collective agreement binding the beneficiary of the service applies to the service provider if it is more favourable. Additionally, this amendment extended bargaining rights to economically dependent self-employed workers (Article 10-A), granting them: the right to benefit from collective agreements in force within the same sector, profession and region;

the right to be represented by a trade union or works council; the right to negotiate specific collective agreements for the self-employed through trade unions; and the right to benefit from existing collective agreements, as well as from administrative extension of collective agreements or arbitration decisions and consequent minimum working conditions. However, implementation of these rights will require additional specific regulations (Article 10-A, paragraph 2), which to date have not been published.

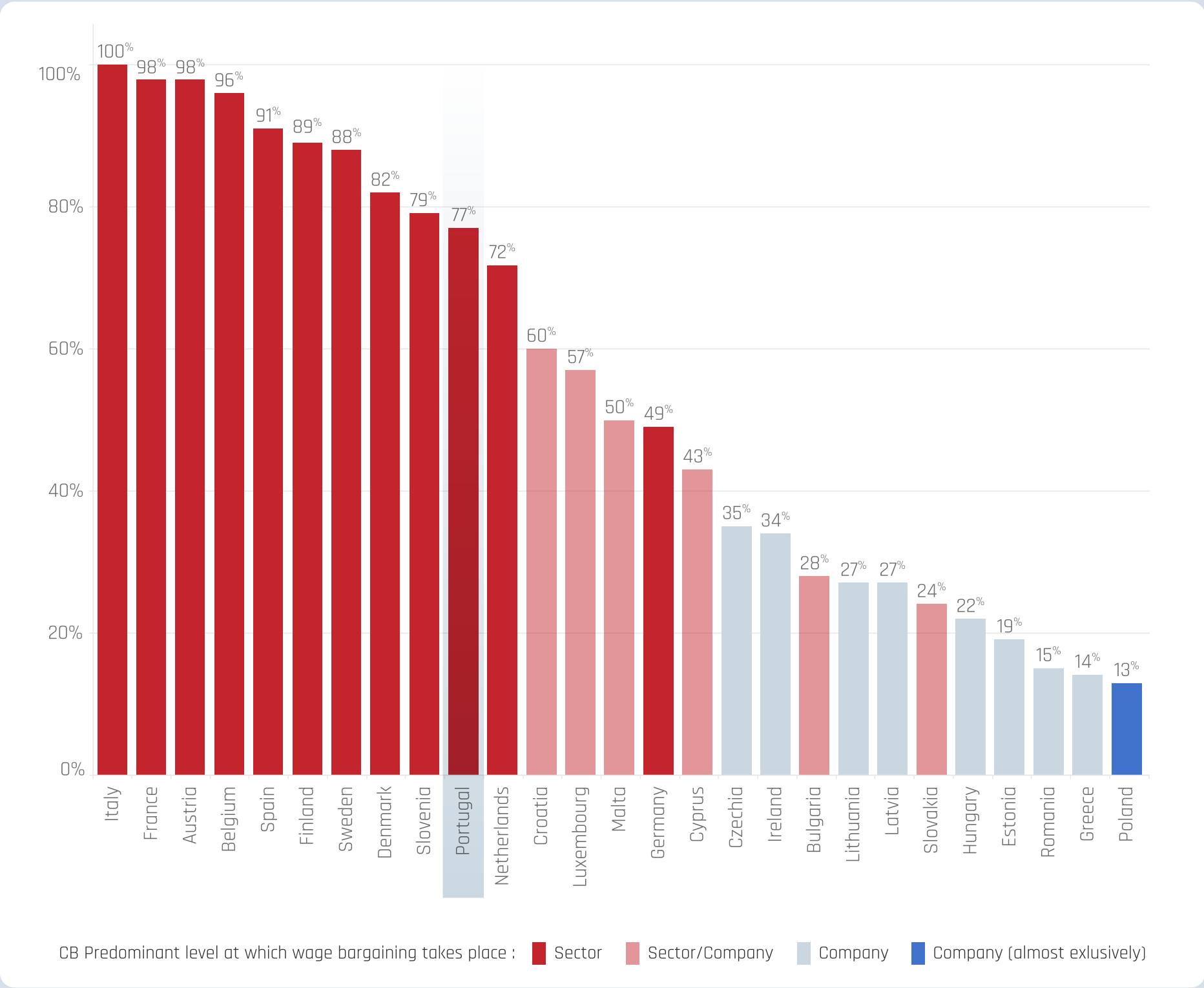
Obligation for employers to engage in collective bargaining

Article 56 of the Constitution states that trade unions have the right to conduct collective bargaining. The Labour Code outlines the procedures and obligations of trade unions and employers' associations including the employer's duty to negotiate with trade unions in good faith (Articles 487 and 489). Non-compliance with this duty may constitute a serious offense. The obligation to negotiate does not entail an obligation to reach an agreement, however.

Protection of workers and trade union representatives against dismissal/discrimination

The Portuguese Constitution and the Labour Code protect workers against any kind of discrimination. Employers are forbidden to discriminate based on factors such as gender, race, age, nationality, disability, sexual orientation, religion, political beliefs or union affiliation. Additionally, workers' representatives (Comissões de Trabalhadores) and trade union representatives are protected against discrimination and dismissal (Labour Code, Articles 406 and 410).

CB Predominant level at which wage bargaining takes place per Country





Collective Bargaining system in Portugal

Validity of collective agreements after expiry

The 2023 amendment to the Labour Code also introduced key changes to the rules on terminating collective agreements, which limit to a certain extent the possibility of unilateral expiry of collective agreements (Articles 500, 500-A and 501-A), a critical problem for trade unions and collective bargaining in Portugal. A termination notice (denúncia) will be invalid if it lacks economic justification, structural reasons or evidence of maladjustments, in which case the collective agreement shall remain in force. It introduces a new type of arbitration ‘to assess the notice for termination of a collective agreement’, allowing one of the signatory parties of the agreement to request an independent review of termination grounds from the President of the Economic and Social Council (CES). If the arbitration court finds the grounds to be invalid, termination is void. Furthermore, either party (trade unions or employers' associations) can request ‘necessary arbitration’ under certain conditions, the agreement remaining valid until the arbitration decision is issued ([Campos Lima and Carrilho, 2024](#)).

Right of access to workplaces for trade unions

The right of access to workplaces for trade unions is protected by the Labour Code. The 2023 Labour Code amendment under the Decent Work Agenda clearly states that this right shall also apply to trade union activities in companies in which trade unions have no affiliated members (Article 460, paragraph 2). This involves the right to hold workplace meetings (Article 461), access to a meeting space supplied by the employer (Article 464), and the right to post and distribute trade union information (Article 465). Furthermore, unjustified obstruction of union activities by an employer, regardless of the presence of union affiliated members, is considered a very serious offense (Article 460, paragraph 3).

Transposition of the European Directive on Adequate Minimum Wages in the EU

On 28 November 2024, the government presented to the parliament Bill 43/XVI/1 ([Proposta de Lei 43/XVI/1 - Procede à transposição da Diretiva \(UE\) 2022/2041, relativa a salários mínimos adequados na UE](#)) concerning the transposition of the Directive into national legislation, amending the Labour Code and the General Law of Public Functions. The bill was voted, in general terms, in the parliamentary plenary on 29 January 2025. A detailed discussion was set to continue before final approval. However, this process was halted when the President of the Republic dissolved the Parliament on 19 March 2025 and called for new elections.

This decision followed the resignation of Portugal’s minority government after losing a vote of confidence in Parliament. The parliamentary elections are scheduled for 18 May 2025. After the elections, a new proposal for the official transposition of the Directive must be presented, extending the delay in its implementation. Nevertheless, the legal adjustments envisaged by the transposition will not substantially change the legal framework concerning the minimum wage and the collective bargaining regime in Portugal.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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