

According to the exceptional redemption regime for PPR, PPE, and PPR/E, with the latest amendment brought by Law No. 82/2023, of December 29, 2023 (State Budget Law for 2024), there is the possibility, until December 31, 2024, prior to the lapse of 5 years and without penalty, for the participant to reimburse up to the monthly limit of 1 Indexante dos Apoios Sociais (IAS), provided that it respects invested values up to September 30, 2022.

If the reimbursement respects invested values since October 1, 2022, the rules provided for in article 4 of Decree-Law No. 158/2002, of July 2, and article 21 of the Tax Benefits Statute apply. The IAS value is €509.26€ in 2024.

The monthly limit value of the IAS must be determined per taxpayer and not per policy or financial institution in which one has subscribed to one of the savings products. At the time of the refund request, taxpayers must declare that the redeemed value (individually or in conjunction with other policies) does not exceed the monthly limit defined in paragraph 1 of article 6 of Law No. 19/2022, of October 21.

During the year 2024, partial or total reimbursement of savings plans is also allowed for: (i) payment of installments on credit agreements secured by a mortgage on property intended for the participant's own and permanent housing, as well as installments on credit for the construction or improvement of property for own and permanent housing, and contributions to housing cooperatives in solutions for own permanent housing; and (ii) early repayment of the aforementioned credit agreements up to the annual limit of 24 IAS (€12,222.24). During the validity of this exceptional regime, the penalty related to deductions from IRS collection will not apply to the aforementioned reimbursements, and they will be exempt from the obligation of a minimum five-year period (paragraph 4 of article 21 of the Tax Benefits Statute). It is possible to access this Redemption Regime at any Activo Branch, through digital or telephone channels.

On March 1, 2024, Tax Circular No. 20267/2024 was published by the Tax Authority, which determined that the redemption of savings plans, under the situations provided for in the law, can only benefit from the exceptional regime of non-tax penalties if it corresponds to subscribed values/deposits made up to the date of entry into force of the legal diplomas that instituted the aforementioned benefits. Thus:

- In the case of paragraph 1 of article 6 of Law No. 19/2022, of October 21, relating to reimbursement up to the monthly limit of one IAS, only the redemption of deposits made up to the beginning of the effectiveness of this benefit, i.e., until September 30, 2022, can benefit from the exceptional regime;
- In the case of paragraph 2 of article 6 of Law No. 19/2022, of October 21, concerning reimbursement for payment of installments on housing loan contracts, only the redemption of deposits made up to December 31, 2022, can benefit from the exceptional regime, as the State Budget Law for 2023 came into effect on January 1, 2023;
- In the case of paragraph 3 of article 6 of Law No. 19/2022, of October 21, concerning reimbursement for early repayment of housing credit contracts up to the annual limit of 24 IAS, as amended by article 7 of Law No. 24/2023, of May 29, and, considering the provisions of its article 12 (according to article 7, the law came into effect 30 days after publication - June 28, 2023), only the redemption of deposits made up to June 27, 2023, can benefit from the exceptional regime.

For more information, visit www.activobank.pt, any Activo Branch, or call the Support Line: +351 210 030 700 (calls to national landline network), with personalized service available

on business days (8am to 10pm). The cost of communications depends on the tariff agreed with your telecommunications operator.

Article 6 of Law No. 19/2022, of October 21, as amended by Law No. 82/2023, of December 29, 2023 (State Budget Law for 2024)

Redemption of savings plans without penalty:

1 - Without prejudice to the provisions of paragraphs 1 to 4 of article 4 of Decree-Law No. 158/2002, of July 2, until December 31, 2024, the value of retirement savings plans (PPR), education savings plans (PPE), and retirement/education savings plans (PPR/E) may be redeemed up to the monthly limit of the IAS by the participants in these plans⁴.

2 - During the years 2023 and 2024, partial or total redemption of the value of the savings plans referred to in the previous paragraph is permitted for payment of installments of credit contracts secured by mortgage on property intended for the participant's own permanent housing, as well as installments of credit for the construction or improvement of properties for own permanent housing, and contributions to housing cooperatives in solutions for permanent own housing, being exempted from the obligation of a minimum five-year stay for mobilization without the penalty provided for in paragraph 4 of article 21 of the Statute of Tax Benefits, similar to the situations referred to in subparagraphs b), c), and d) of paragraph 1 of article 4 of Decree-Law No. 158/2002, of July 2⁵.

3- The provisions of the preceding paragraph shall also apply for the purpose of early redemption of the credit contracts referred to therein up to the annual limit of 24 IAS⁶.

4 - The reimbursed value is determined, with the necessary adaptations, in accordance with the legislation and respective regulations applicable to savings plans and funds, depending on the nature, for such redemption, and with the provisions of the constituent documents.

5 - Credit institutions, as defined in the General Regime of Credit Institutions and Financial Companies, approved by Decree-Law No. 298/92, of December 31, and entities authorized to market this type of financial products shall visibly disclose, until December 31, 2024, on their websites and, in the case of issuing account statements with an area for providing information to the customer, on their statements to the customer, the possibility of redemption of PPR, PPE, and PPR/E under this regime.

6 - The entities referred to in the preceding paragraph shall adjust their respective service channels, ensuring that customers can access the redemption regime created by this article through the same channels, namely digital and telephone, which they provide for other operations of subscription, reinforcement, or redemption of the plans listed in paragraphs 1 and 2.

7 - The Bank of Portugal and the Insurance and Pension Funds Supervisory Authority shall monitor the entities they regulate for compliance with the provisions of paragraphs 5 and 6.