



PRESS RELEASE

Meeting of the Council of Ministers of December 6, 2017

The Government met in the Government Palace in Dili and approved the payment of the first four months of Social Security contribution to Civil servants. The proposal was presented by Florentina Smith, the Minister of Social Solidarity. The Social Welfare Contributory Framework Law entered into force on August 1 of this year, and the registration of State workers was to be done by October 31. The Council of Ministers decided to pay the 6% that the Law attributes to the State for the months of October to December, including the supplementary salary, as well as the 4% that the State workers should have paid. This extraordinary payment has been assumed by the Government because it is a new Law, a complicated one to put into practice. It only applies until December 2017, when registration with the Social Security must be completed. As of January 2018, social security contributions will be made by the State and by the workers, in accordance with the Law.

The <u>Council of Ministers Statutes</u> were approved with the aim of improving its legislative activity and correcting some of the limitations of the text of the <u>Government Resolution adopted in 2013</u>.

The **Regime for the Promotion of Civil Service Personnel**, proposed by the Prime Minister and the Civil Service Commission, was approved. A system of point classification is thus created, with new criteria, which includes a written test. The objective is to ensure that the promotion applies to public servants who have a better performance and quality of their duties respecting the limits of the State Budget.

The proposal presented by the Minister of Finance, Rui Gomes, to amend the **Budget and Financial Management Law,** was approved, in order to define the rules applicable in case of non-entry into force of the law of the General State Budget (OGE), so as to guarantee the collection of revenues for State financing. The 2009 Budget and Financial Management Law does not provide for the collection of revenues nor State financing when there is a delay in the entry into force of the State Budget law. This amendment guarantees the necessary resources for the payment of expenses that the State is



authorized or obliged to carry out. This proposal, presented by the Ministry of Finance and approved by the Council of Ministers, will soon be sent to the National Parliament for consideration and approval.

The Minister of Finance, Rui Gomes, also presented the proposed tax ceiling for the 2018 General State Budget. Several possibilities for budget execution were presented for next year, with the objective of guiding the ministries in drafting their annual plan and budgeting into the 2018 OGE proposal. Factors such as national priorities, fiscal sustainability, budget quality, implementation capacity and analysis of the country's economy were taken into account. **ENDS**