



T.C.E.D. SRL - PAYROLL

## LABOUR LEGISLATION UPDATES 01 - 2016

We wish to draw your attention to

**A NEW MANDATORY PROCEDURE THAT HAS BEEN INTRODUCED IN THE EVENT OF RESIGNATIONS AND AMICABLE EMPLOYMENT TERMINATIONS**

### Employment regulations

1. NEW EXEMPTION FROM SOCIAL CONTRIBUTION LIABILITY FOR EMPLOYMENT OF STAFF EMPLOYED UNDER OPEN ENDED CONTRACT
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6. PATERNITY LEAVE

We wish to draw your attention to

**A NEW MANDATORY PROCEDURE THAT HAS BEEN INTRODUCED IN THE EVENT OF RESIGNATIONS AND AMICABLE EMPLOYMENT TERMINATIONS**

As from 12 March 2016, for all resignations and amicable employment terminations, employees will have to compulsorily follow a new computerized procedure, under penalty of the resignation or amicable terminations being declared null and void.

### Exceptions:

The new procedure is not applicable to domestic work employment and to resignations or amicable terminations of employment that occur in one of the so-called "protected" offices (trade union headquarters, Territorial Employment Offices or Certification Commissions and Courts).

### Procedure:

Resignations and amicable terminations will have to be written on a form that is made available to employees and to subjects who are authorized to operate on the Ministry of Labour's website.



Employees, who possess the INPS' (Italian National Social Security Institute) PIN, must personally communicate their resignation, after having activated a user profile on the Cliclavoro portal. If employees do not do this operation personally, they can be assisted by authorized subjects: pension advisory services, trade unions, bilateral authorities and certification committees, which will assume responsibility to identify the employees.

The relevant communication sent via PIN or through an authorized subject will be sent to the employer's certified email address and to the competent Territorial Employment Office.

#### Right to withdraw

In any case, employees will always have the possibility to withdraw their resignation and amicable termination via the computerized procedure, within 7 days from the date in which the form was sent off. After this deadline, the right to reconsider lapses.

### **1. NEW EXEMPTION FROM SOCIAL CONTRIBUTION LIABILITY FOR EMPLOYMENT OF STAFF EMPLOYED UNDER OPEN ENDED CONTRACT**

Private sector employers, excluding those of the agricultural sector, may benefit from the exemption from paying social contributions for the recruitment of staff employed under open ended contracts entered into in 2016, excluding contracts relating to apprenticeships, domestic and temporary work.

#### Measure and duration:

- This benefit lasts a total of 24 months;
- Exemption from social contributions amounts to 40% of the total social security contributions to be paid by employers, up to a maximum of € 3,250 on an annual basis;
- The premiums and contributions due to INAIL (Italian Industrial Injury Compensation Board) and other minor contributions compulsorily required by INPS (Italian National Social Security Institute) are excluded from the partial exemption.

#### Exclusions:

The following may not benefit from the aforesaid benefit:

- recruitments of employees who were employed on an open ended contract by any employer in the previous six months;
- employees who have already benefited from such benefits in an **open ended contract**, also with reference to the previous exemption foreseen for 2015;
- recruitment of employees who already had an open ended contract in the period between 01 October 2015 and 31 December 2015.

Finally, a further novelty is the possibility for an employer, who steps into contract for the supply of services and recruits an employee - although implementing a pre-existing obligation established by law or by collective bargaining - for whom the company that has ceased working on the contract benefits from the exemption from contributions, to maintain the right of exemption from contributions itself within the limits of the duration and that part of the measure that remains, thus taking on, for this purpose, the employment contract stipulated with the employer who has ceased working on the contract.



## **2. ABOLITION OF THE ACCIDENT BOOK**

Starting from 23 December, 2015, businesses are no longer required to keep an accident book.

## **3. TAX REDUCTION ON PRODUCTIVITY BONUSES**

The so called "tax reduction" on productivity income has been reintroduced also in 2016, subject to the following terms and conditions:

- The amounts and values must be paid in pursuance of company or territorial contracts signed by the most representative trade unions;
- The beneficiaries are people who are paid employment income in the private sector, with a taxable income that does not exceed € 50,000 in the year preceding that of the payment of the productivity bonus;
- Performance bonuses of variable amounts, whose payment is linked to increases in productivity, profitability, quality, efficiency and innovation, which are measurable and verifiable on the basis of criteria that will be laid down by a Ministerial Decree, as well as company profit-sharing amounts are entitled to tax reductions;
- The amounts will be taxed at a 10% substitute tax rate on personal income tax and supplementary regional and municipal taxes, within the limit of a total gross taxable amount of € 2,000 (increased to € 2,500 gross for businesses that involve workers on an equal basis in organizing work within the company);

## **4. RATE FOR SEPARATE SOCIAL SECURITY AND NATIONAL INSURANCE SCHEME FOR SELF-EMPLOYED WORKERS FOR THE YEAR 2016**

The rates allocated to the separate of Social Security and National Insurance Scheme for self-employed workers for the year 2016 are the following:

<b>FREELANCE WORKERS</b>	<b>RATE</b>	
	<b>2015</b>	<b>2016</b>
Freelance workers	30.72%	31.72%
Freelance workers registered in other mandatory social security schemes or pensioners	23.50%	24.00%
Workers who have a VAT registration number	27.00%	27.00%

## **5. COMPANY WELFARE**



The 2016 stability law lays down that the amounts, services and benefits provided by employers to employees or categories of employees for the use of education and training services - even in pre-school age - including related ancillary and canteen services, as well as the possibility of children going to recreation and summer/winter centres, study grants for family members and for using care services for the elderly and for non self-sufficient persons are not calculated as forming part of employee income.

Furthermore, it is laid down that the supply of goods, benefits, work and services by employers can also occur by means of documents that prove entitlement to the above, in paper or electronic format, indicating a nominal value.

## **6. PATERNITY LEAVE**

Mandatory and optional paternity leave for fathers who have a fixed-term employment contract, which can be used within 5 months from the birth of their children, has been extended experimentally for 2016. It should also be noted that the relevant mandatory leave has been increased from one to two days, the cost of which is always borne by INPS (Italian National Social Security Institute). The leave does not have to be taken as whole days at a single moment, but can be taken on an hour-basis, as required.