



T.C.E.D. SRL - PAYROLL

## LABOUR NEWSLETTER 02 – 2015

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### Workplace Regulations

#### **SEVERANCE PAY (TFR) IN MONTHLY PAY**

As of the 3rd of April 2015, according to act 29/2015, employees will be able to request the maturation of their severance pay (TFR) in their monthly pay. Below is a breakdown of the provision:

**Who can make the request:** employees in the private sector who have at least six months of seniority.

**Employees who are excluded:**

- Employees in the agricultural sector;
- Domestic employees;
- Employees who work for companies currently involved in bankruptcy procedures;
- Employees who work for companies in crisis according to art. 4 L. 297/1982;
- Employees for whom the national collective agreement of employment, including second-level bargaining, provides for the periodic payment of severance pay (TFR) or other provisions by third parties;
- Employees who can be laid off by their employers, or who are eligible to continue the process of being laid off by their employers;
- Employees who work for companies that have signed an agreement to restructure debts and settle outstanding claims;
- Employees who work for companies who have registered a debt restructuring or reorganization plan.

Please note that the enrollment in a supplementary pension plan does not prevent an employee from applying to receive their severance pay (TFR) in their monthly pay; in this case, the employee's



contribution to the fund continues with the eventual payment of contributions by both the employee and the employer.

**How to Make the Request:** an employee can exercise this option by completing and submitting the form according to the decree in the Official Gazette (v. Annex “Modello QUIR”). Once made official, the employee’s request will remain in effect until the 30th of June 2018, except in the following cases:

- Termination of employment;
- The employer’s registration of a debt restructuring plan;
- The employer’s registration of a recovery plan;
- Authorization for an employer to lay off employees, or to continue the process of laying off employees;
- The employer’s registration of a debt restructuring and claims settlement plan.

In the above cases, excluding the termination of employment, the termination of severance pay (TFR) in an employee’s monthly pay will take effect the following month. This action will remain in effect throughout the duration of the specified period.

**When an Employee Can Make the Request:** the provision comes into effect in the month that follows the submission of the application. Consequently, for employees of companies with more than 50 employees who have made a request in April, the inclusion of severance pay (TFR) in their monthly pay will begin in May. Companies, however, who are seeking financing secured by collateral (i.e. companies that have less than 50 employees, calculated according to the Ministry of Labour Decree 30/1/2007 Article 1, paragraphs 6 and 7 criteria, and are not required to deposit the severance pay (TFR) in the Treasury Fund) will be activated in August.

This change reflects only the timeframe in which the funds are available to the employee, not the anticipation of funds. Therefore, employees who have presented a request in April are entitled to back pay for the months of May to July.

For access to financing secured by collateral, employers must apply electronically for the INPS certification that contains the information necessary for activation. We are currently awaiting clarification on this point from the Ministry of Labour and INPS.

**Tax Obligations and Contributions:** Please note that the share of QUIR in the payslip is subject to regular taxation and is not counted towards pension contributions. The same applies with regard to the calculation of ISEE deductions and the family bonus. However, it does not affect the tax deduction law with relation to the “Renzi bonus.”

### **Collective Contracts**

#### **THE RENEWAL OF THE CCNL COMMERCIAL TRADE CONTRACT**

**Renewal:** The national collective commercial trade agreement was renewed on March 30th, 2015 for an additional 3 years from the date of signing. The agreement increases the average gross wage (Level IV) by 85 euro per month in the scheme (August 2017); this increase is distributed across 5 schedules dates (see table below). Additional changes have been made to determinate contract hiring policies (opportunities



for this type of contract have been extended), the confirmation of internships, and the classification of professionals, which will be explored further in the next newsletter.

**New Minimum Wage:** the table below indicates for each level the new minimum wage, the increases, and the increase percentages. These payroll increases will be in effect from April 2015. These increases must be awarded, except in cases where salary increases have been anticipated in a hiring or salary increase letter to the employee.

MINIMUM	LEVEL	payrise	new minimum	% increase	payrise	new minimum	% increase	payrise	new minimum	% increase
Oct. 2013		April 2015			Nov. 2015			June 2016		
2.550,20	Quadro	26,04	2.576,24	1,02%	26,04	2.602,28	1,02%	26,04	2.628,32	1,02%
2.113,08	I	23,46	2.136,54	1,11%	23,46	2.160,00	1,11%	23,46	2.183,46	1,11%
1.895,39	II	20,29	1.915,68	1,07%	20,29	1.935,97	1,07%	20,29	1.956,26	1,07%
1.692,77	III	17,34	1.710,11	1,02%	17,34	1.727,45	1,02%	17,34	1.744,79	1,02%
1.531,68	IV	15,00	1.546,68	0,98%	15,00	1.561,68	0,98%	15,00	1.576,68	0,98%
1.432,12	V	13,55	1.445,67	0,95%	13,55	1.459,22	0,95%	13,55	1.472,77	0,95%
1.336,92	VI	12,17	1.349,09	0,91%	12,17	1.361,26	0,91%	12,17	1.373,43	0,91%
1.217,09	VII	10,42	1.227,51	0,86%	10,42	1.237,93	0,86%	10,42	1.248,35	0,86%

LEVEL	payrise	new minimum	% increase	payrise	new minimum	% increase	TOT PAYRISE	TOT INCREASE
	Nov. 2016			August 2017			EUR	%
Quadro	27,78	2.656,10	1,09%	41,67	2.697,77	1,63%	147,57	5,79%
I	25,02	2.208,48	1,18%	37,53	2.246,01	1,78%	132,93	6,29%
II	21,64	1.977,90	1,14%	32,47	2.010,37	1,71%	114,98	6,07%
III	18,50	1.763,29	1,09%	27,75	1.791,04	1,64%	98,27	5,81%
IV	16,00	1.592,68	1,04%	24,00	1.616,68	1,57%	85,00	5,55%
V	14,46	1.487,23	1,01%	21,68	1.508,91	1,51%	76,79	5,36%
VI	12,98	1.386,41	0,97%	19,47	1.405,88	1,46%	68,96	5,16%
VII	11,11	1.259,46	0,91%	16,67	1.276,13	1,37%	59,04	4,85%