



T.C.E.D. SRL - PAYROLL

LABOUR LEGISLATION UPDATES 03 – 2015

Labour Regulations

1. **Jobs Act: approval of decree on progressive entitlement employment contract and upcoming updates**
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3. **Increase rates for coordinated and continued collaboration and coordinated and professional collaboration of retired persons registered under the INPS separate management scheme**
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Collective agreements

1. **National Labour Collective Agreements for Industrial Managers**

Labour Regulations

1. **Jobs Act: approval of decree on progressive entitlement employment contract and other upcoming updates**

The slides of the Meeting on the JOBS ACT are attached herein, as organised by the Firm on 24 February 2015, containing all updates of the new year.

2. **"Euro 80 bonus" Tax stabilisation**

The Stability Law 2015 has set out a monthly tax bonus for the year of Euro 80.00 for employees.

This year the bonus has to be paid out automatically to all workers in force, unless they waive their right or disclose other income that could reduce the payable amount.

An informative note and facsimile is attached herein so that it can be signed by those employees who intend to waive or disclose additional income.

3. **Increase rates for coordinated and continued collaboration (Co.Co.Co.) and project worker (Co.Co.pro.) of retired persons registered under the INPS separate management scheme**

Effective as of 2015, the contributions payable to the INPS separate management scheme have three different categories that correspond to three different contribution rates:

- *Persons registered in other forms of mandatory contribution schemes:* for those with a coordinated and continued collaboration contract, the contribution rate for 2014 increases to 23.5% (compared to 22% in 2014);
- *Persons registered only under the INPS separate management scheme who are non-holders of a VAT registration number:* for coordinated and professional



collaboration workers who are not registered under any other contribution scheme, the contribution rate increases to 30.72% (compared to 28.72% in 2014).

- *Persons registered only under the INPS separate management scheme who are holders of a VAT registration number:* no increase was set; therefore, for 2015, the contributions to pay will be calculated at the rate of 27.72% of their gross income;

4. Simplification Decree

Following the entering into force of Legislative Decree no. 175 dated 21 November 2014, the so-called "Tax Simplification Decree", the following major information regarding employment are worthy of mentioning.

INCOME TAX STATEMENT 2015

Some updates regarding employment are listed below, among others:

- The deadline by which withholding agents must file data regarding CUD certifications is set for 7 March of each year
- A sanction of Euro 100 will be applied in case the certification is filed late. The sanction will not be applied if the withholding agent forwards a correct income certification within 5 days after the deadline of the term to file (7 March), in case of incorrect filing.
- In order to standardise the provisions on regional and municipal tax increases, it is established that regional tax increase must be paid to the region where the tax payer holds his fiscal domicile at 1 January rather than at 31 December of the year in which the tax increase refers.

The 2015 CU form required for the definition of the pre-filed income statement, contains a series of information that the withholding agent must submit exclusively electronically, directly or through certified brokers, to the Revenue Office by no later than 7 March 2015. The CU certification must be issued to employees by 28 February.

The following information must be included in the new Income Tax Statement:

- information regarding the spouse, children and other dependant family members of the worker for which deductions are admitted;
- the section dedicated to the IRPEF bonus of Euro 80 in the payslip;
- the field for solidarity fund on pension benefits paid by governing authorities as mandatory social security and on life annuities for those who have covered elective public roles paid out by constitutional entities, regions or autonomous provinces of Trento and Bolzen;
- The schedule with tax information of those who have received self-employment income, commissions and miscellaneous income (prepared by the accountant)

A sanction of Euro 100 will be applied in case the certification is not filed, filed late or filed incorrectly, for each omitted certification. The sanction will not be applied if the withholding agent forwards a correct income certification within 5 days after the deadline of the term to file (7 March), in case of incorrect filing.

ADDITIONAL REGIONAL TAX



In order to standardise the provisions on regional and municipal tax increases, it is established that additional regional tax must be paid to the region where the tax payer holds his fiscal domicile at 1 January rather than at 31 December of the year in which the tax increase refers.

Collective agreements

1. National Labour Collective Agreements for Industrial Managers

On 30 December 2014, the agreement to renew the National Labour Collective Agreements for Managers of the industrial sector was signed between Confindustria and Federmanager that was expired on 31 December 2014.

Minimum Guarantee Fund

The "Minimum Guarantee Fund" to take as reference at 31 December 2015, effective as of 2015 for managers hired or appointed from 1 January 2015 and for all managers who have a length of service in their role and in the company at that date of equal or less than twelve months, equals to Euro 66,000.

For managers who have worked in the company with a role of manager with a length of service of more than twelve months at 1 January 2015, the "Minimum Guarantee Fund" reference as of 2015, will be calculated by increasing the previous "Minimum Guarantee Fund" of Euro 63,000 by Euro 236.111 for each month of service in the company and with a role of manager, effective at 1 January 2015.

For managers with at least 6 years of service at 1 January 2015, the "Minimum Guarantee Fund" may not exceed Euro 80,000.

SUMMARY TABLE

MANAGER AS OF	BASIC "Minimum Guarantee Fund"	INCREASE	Minimum Guarantee Fund 2015
01/01/2014	63,000.00	3,000.00	66,000.00
01/01/2013	63,000.00	5,666.67	68,666.67
01/01/2012	63,000.00	8,500.00	71,500.00
01/01/2011	63,000.00	11,333.33	74,333.33
01/01/2010	63,000.00	14,166.67	77,166.67
01/01/2009	63,000.00	17,000.00	80,000.00
BEFORE 01/2009	80,000.00	-	80,000.00

The following is taken into account for comparison purposes with respect to the "Minimum Guarantee Fund" and annual gross payment recognised to managers:

- The minimum contractual amount formerly called automatic change mechanism;
- The amount formerly called element of increase;



- Salary seniority increases;
- The extra allowance over minimum pay, maximum pay or personal bonus, as well as all monthly salary elements, including contributions in kind whether paid continuously or not, except for the payment of the variable sum linked to the index or outcome (MBO) agreed separately or jointly, single payments and the additional sum for reimbursement of non-documented expenses.

The comparison between the annual gross payment and the "minimum guarantee fund payment must take place by 31 December of each year. Any differences should be paid to the manager as required with a minimum guarantee fund through a single payment to be paid out as "adjustment" with respect to the minimum guarantee fund with a salary relating to the month of December. The aforesaid sum should be used to calculate severance pay. Moreover, as of the month of January of the following year, the annual managerial salary, divided by number of months normally payable, will be increased by a monthly amount enough to reach the minimum guarantee fund on an annual basis.

Seniority increments

Pursuant to the national collective agreement 2015/2018, managers already in service at 24 November 2004 who did not complete a maximum number of ten seniority increments, shall continue to be paid a monthly gross amount at a fixed sum of Euro 129.11 on each two-year period of service, effective as of the first day of the month after the two-year period.

The total number of seniority increments may not exceed ten.

The sums payable as seniority increments can be absorbed with structural increases payable to the manager of the company as of 1 January 2009.

MBO

The new MBO sets out that whenever the annual gross salary of managers equals to the Minimum Guarantee Fund, companies must adopt variable payment systems. This provision does not apply if the annual gross salary of managers exceeds the Minimum Guarantee Fund.

Business trips and travels

The additional sum for non-documented expense reimbursement payable to managers in case of travel expenses of at least 12 hours within a time span of 24 hours after departure, is raised from 80.00 to 85.00 euro.

Prior notice

The terms of a prior notice in case of dismissal have changed as follows:

- a) 6 month prior notice for managers up to six years of service with the company;
- b) 8 month prior notice for managers up to ten years of service with the company;
- c) 10 month prior notice for managers up to fifteen years of service with the company;
- d) 12 month prior notice for managers up to fifteen years of service with the company;

Supplement indemnity in case of dismissal



Supplement severance indemnity applies as follows:

- a) up to two years of service, two monthly pays equals to the prior notice indemnity;
- b) more than two years and up to six years of service, from 4 to 8 monthly pays equal to the prior notice indemnity;
- c) more than six years up to ten years of service, from 8 to 12 monthly pays equal to the prior notice indemnity;
- d) more than ten years up to fifteen years of service, from 12 to 18 monthly pays equal to the prior notice indemnity;
- e) more than fifteen years of service, from 18 to 24 monthly pays equal to the prior notice indemnity;

Fasi Agreement

As of 1 January 2015 the following contributions outlined in the table below are applicable:

CONTRIBUTION	Fasi annual amounts
Art. F company contribution for registered managers	€ 1,872.00
Art. G company contribution for employees	€ 1,272.00
Art. H company contribution for pensions after 1987	€ 1,152.00
Art. H company contribution for pensions before 1988	€ 1,044.00
Art. H contribution for managers	€ 960.00

As of 1 January 2015, the Fund will not refund VAT on healthcare services.