



T.C.E.D. SRL - PAYROLL

# LABOUR LEGISLATION UPDATES 04 – 2015

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## **Work Legislation**

### **1. PAID LEAVE COMMERCIAL/PROFESSIONAL FIRM CBA – JUNE LIQUIDATION**

#### **Liquidation of unused ROL**

Please note that the collective agreements for the Trade sector and Professional firms stipulate that unused paid leave (ROL) accumulated by the employee in 2014 must be liquidated by 30/05/2015 for companies that use the CBA Trade contract, and 31/07/2015 for companies that use the CBA Professional firm contracts.

It is possible, however, to reach an agreement with the employee, in accordance with the national labor contract with individual or second level bargaining, to postpone the deadline in which the employee can request to bank the leave (a time limit in which afterwards the company would be obliged to pay out the unpaid leave). (See the Ministry of Labor's ruling, n° 16 of 08/03/2011).

#### **Collective Contracts: renewals**

##### **1. CBA CREDIT**

On 31/03/2015 an agreement between the employers' associations and trade unions was reached to renew the credit contract. The new contract is valid until December 31<sup>st</sup>, 2018. There are two points to report:

## **SALARY INCREASES:**



The entry level salary increased by 85 euro per month (for 13 months) for employees classified in the 3<sup>rd</sup> professional area, 4<sup>th</sup> level of pay. This increase will be applied to all other professional areas and will be divided in three installments:

- 25 Euro from 1<sup>st</sup> October 2016
- 30 Euro from 1<sup>st</sup> October 2017
- 30 Euro from 1<sup>st</sup> October 2018

Since the agreement does not specify anything about the absorbability of such increases, they are considered absorbable.

### **SEVERANCE PAY:**

In the period from January 1<sup>st</sup>, 2015 to December 31<sup>st</sup>, 2018, severance pay is calculated solely on the conditions stipulated in the grid, seniority, and the amount in the ex-restructuring table. This means that amounts awarded as bonus are not considered taxable TFR income.

## **2. CBA PROFESSIONAL FIRMS**

On April 17<sup>th</sup>, 2015 the Collective Bargaining Agreement for professional firms was signed. It will be in effect until the 31<sup>st</sup> of March 2018.

### **MINIMUM CONTRACT INCREASES:**

Level	Increase 1/4/2015	Increase 1/1/2016	Increase 1/9/2016	Increase 1/3/2017	Increase 1/9/2017	Total Increase
Q	21,17	21,17	21,17	28,23	28,23	119,98
1	18,74	18,74	18,74	24,98	24,98	106,17
2	16,32	16,32	16,32	21,76	21,76	92,48
3S	15,14	15,14	15,14	20,18	20,18	85,78
3	15,00	15,00	15,00	20,00	20,00	85,00
4S	14,55	14,55	14,55	19,39	19,39	82,43
4	14,02	14,02	14,02	18,70	18,70	79,47
5	13,05	13,05	13,05	17,40	17,40	73,96



These increases affect the contractual minimum as indicated in the following table:

Level	Minimum as of 1/4/2015	Minimum as of 1/1/2016	Minimum as of 1/9/2016	Minimum as of 1/3/2017	Minimum as of 1/9/2017
Q	2.034,50	2.055,68	2.076,85	2.105,08	2.133,31
1	1.800,41	1.819,14	1.837,88	1.862,86	1.887,84
2	1.568,21	1.584,53	1.600,85	1.622,61	1.644,37
3S	1.454,59	1.469,73	1.484,86	1.505,05	1.525,23
3	1.441,37	1.456,37	1.471,37	1.491,37	1.511,37
4S	1.397,74	1.412,28	1.426,83	1.446,22	1.465,62
4	1.347,66	1.361,69	1.375,71	1.394,41	1.413,11
5	1.254,21	1.267,26	1.280,32	1.297,72	1.315,12

#### **PERCENTAGE OF EMPLOYEES WITH FIXED TERM CONTRACTS:**

The parameters regarding the relationship between employees with determinate and indeterminate contracts are as follows:

- up to 3 fixed term contracts in a company that has up to 5 employees,
- 50% of the work force for companies with up to 15 employees,
- 30% of the work force for companies with over 15 employees.

#### **ROL FOR NEW HIRES:**

New changes regarding the maturation of an employee's ROL have been introduced: 50% will accrue after 12 months, 75% after 24 months, and 100% after 36 months.

#### **CADIPROF AND EBIPRO**

The overall contribution to bilateral agencies (Cadiprof and Ebipro) has been raised from € 19.00 to € 22.00 for 12 months, of which € 2.00 is to be paid by the worker. This sum is divided as follows:

- € 15.00 to Cadiprof;
- € 7.00 (€ 5.00 paid by the company and € 2.00 by the worker) to Ebipro.

With regards to Ebipro contributions, € 4.00 are used for the purposes of the Authority and € 3.00 are intended to finance the supplementary assistance for freelancers, which the Authority independently manages.

The E.d.r. portion of the contribution, which the employee must pay, has been raised to € 32, for 14 months.

For part-time employees, the entire contribution must be paid in full. The same conditions also apply to collaborators.



### **3. CBA BUSINESS SERVICES SECTOR**

#### **EST AND QUAS FUNDS**

To ensure the correct application of the national Collective Bargaining Agreement, the amount that companies contribute to the EST and QUAS funds has been increased to ensure quality health care services.

As of April 1<sup>st</sup> 2015, if a company neglects to pay the EST fund contributions, it must provide the employee with a wage supplement of 16 EUR per month. In the case that it neglects to contribute to the QUAS fund, it must pay 37 EUR per month.

In addition, a provision allows for a merging of these funds for the entire category of CBA workers, but this can occur only if the binding members have previously agreed to this option and if the contribution remains the same amount.

#### **SECOND LEVEL BARGAINING**

##### **ECONOMIC ELEMENTS OF GUARANTEE**

The Economic Element Guarantee was established and will be applied to the salaries of all permanent employees and apprentices who have worked at least six months by 31/10/2017, in November 2017.

The company will calculate the amount owed in proportion to the worker's performance while employed in the period from 01.01.2015 to 31.10.2017. The amount can be absorbed by any individual or collective deal in addition to those provided by the contract, which are to be paid after the 1<sup>st</sup> of January, 2015:

	"Quadri" - 1° - 2° Levels	3° and 4° Levels	5° and 6° Levels
Companies with up to 10 employees	95 euro	80 euro	65 euro
Companies with 11 employees and more	105 euro	90 euro	75 euro

Companies employing up to 30 employees can choose whether to apply the terms in the regional contract, or provide an element of economic guarantee.

#### **EMPLOYMENT MARKET**

##### **APPRENTICES**

The number of apprentices who must have their contracts confirmed has changed from 80% to 20%. The period in which to calculate this percentage has also been extended to 36 months.



The limit does not apply to companies that have had less than five apprentice contracts expire. Situations where the relationship with the apprentice were consensually resolved are not included in the calculation.

In addition, the numerical proportion of apprentices that can have their contracts confirmed has changed. The maximum number of apprentices that employers with at least 10 employees that can confirm cannot exceed the ratio of 3 to 2 with respect to skilled workers and qualified services offered by the same employer.

### **DETERMINE CONTRACTS**

The new provision allows companies with multiple production units, while respecting the general limits, to use a percentage of temporary workers exceeding the ordinary limits in production units, allowing for indeterminate contracts of up to 28%, offsetting share assumptions not used in other production units.

### **FIXED-TERM CONTRACTS FOR EMPLOYEE SUPPORT**

The “fixed-term contract for employee support” has been introduced. It is applicable only in the case of employees that fall under the following categories:

- Those who have not been employed in the last six months, or those who, in the last six months, worked autonomously or para-subordinately and have an income below the minimum annual personal income not subject to taxation (4,800 euro for autonomous workers and 8,000 euro for para-subordinate workers);
- Those who have completed apprenticeships with other companies and whose relationships were terminated at the end of the training phase;
- Individuals who have exhausted access to income support (social security nets, NASpi, DIS-COLL or ASDI).

The contract lasts for 12 months.

Workers employed under such a contract for the entire duration, and in the case of those confirmed after 24 months, cannot be counted towards the determination of a part time plan (see art. 72, para. 1, item 2).

The worker must do a minimum of 16 hours of training, including accident prevention, to highlight in the LUL. The training will be included in the training plans presented in FOR.TE .

The employment level, and consequent pay, is regulated in the following way:

- first 6 months: - 2 levels below the target;
- the remaining 6 months: - 1 level lower than the target;
- if the contract is confirmed: for a further 24 months - 1 level below that of the target level, and then the pay must be equal to that of the target level.



## **WORK HOURS**

### **WORK HOUR PROCEDURES**

In relation to working hours, the company has the right to change the regulated working hours by giving at least 30 days notice before the policy change. The communication of these changes must be made in writing to the regional Authority, or in the case of a company with multiple locations, to the national Authority. The time regulations chosen by the employer is normally valid for one year, unless the employer decides to change it again. If, instead, the working hours are re-confirmed, it is not necessary to send further communications.

### **FLEXIBILITY OF HOURS**

During periods where the work volume is high, it is possible, with 15 days notice, to work additional hours in the working week within the limits of 44 hours for 16 weeks during the year (12 months from the time in which the flexible hours policy is put into place). The excess hours do not have to be paid in overtime if there is an agreement that the employee can use these hours towards future leaves. In the case that the employee is unable to use these hours, overtime must be paid. This flexibility is automatically recognized by the law without having to make second level arrangements.