

LABOUR LEGISLATION UPDATES 02 – 2016

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Workplace regulations

1. NEW MANDATORY ONLINE PROCEDURES FOR RESIGNATIONS

The Ministry of Labour has clarified some doubts regarding the new electronic procedure for the resignation or termination of employment. The following cases remain excluded from the new guidelines:

- Resignation or consensual termination letters submitted during an employee's trial period;
- Resignation or consensual termination of employment letters submitted by an employee during her pregnancy, maternity leave, and during the first three years of her child's life. This type of resignation must be validated by a competent DTL;
- Resignations or consensual termination letters submitted by employees in the sector of public administration;

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- Resignation or consensual termination letters submitted to prematurely terminate an internship, where the person in question is not yet a subordinate employee;
- Resignation or consensual termination letters that prematurely terminate collaboration contracts.

In addition, it has been confirmed that resignation letters can be submitted electronically to an email address not officially certified by the employer.

2. NEW METHOD TO SUBMIT MEDICAL CERTIFICATES IN CASE OF ACCIDENT

Employers are exempt from submitting INAIL medical certificates for workplace accidents or occupational illnesses that occur after March 22nd 2016. In the case of an accident or illness, the worker is required only to provide the identification number indicated on his medical certificate, its date of issue, and the prognosis regarding the days the worker will be absent from work, to the employer.

If the employee does not have the identification number indicated on the certificate, he or she is still obliged to submit a paper certificate.

3. SPECIAL TAX REGIMES FOR REPATRIATED WORKERS

Regulatory changes and legislation (March 29, 2016) are expected from the Italian Revenue Agency regarding repatriated workers. Below is a detailed summary of the two main schemes that are applicable to workers who have moved to Italy from abroad, and when it is possible to option from the old regime to the new:

Regulation	Old regime (L. n. 238/2010)	New regime (Art. 16, D.L. 147/2015) Decree awaiting implementation
Who it applies to	<p>EU citizens born after 01.01.1969 who have transferred to Italy within the 31st of December 2015.</p> <p>Workers who have resided in Italy for at least 24 consecutive months prior to living abroad.</p> <p>Workers who have a university degree and have worked, without interruption, in the last 2 years or more, as a dependent employee, self-employed worker, or business owner in his or her original country or Italy, or in the same period, has studied without interruption abroad to obtain his or</p>	<p>No age limit</p> <p>Workers who did not reside in Italy 5 years before their transfer abroad who <u>intend to reside in Italy for at least two years.</u></p> <p>Workers must have a managerial role or possess a unique qualification or specialization required by the employer.</p> <p>Workers must have a managerial role or be in possession of a particular qualification or specialization as defined by the Minister of Economy and Finance</p>

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	<p>her undergraduate or postgraduate degree.</p> <p>Workers who were hired, or started work as self-employed workers or business owners, in Italy and within three months transferred their domestic address and official residence to Italy.</p>	<p>in the decree outlined in paragraph 3.</p> <p>The worker must carry out his or her work in a company that operates inside of Italy, or companies that directly or indirectly control an Italian company.</p> <p>The worker must predominantly carries out his or her work in Italy.</p>
	<p>Up until 31.12.2017: for income tax purposes, the determination of taxable business income, self-employment income, and income for dependent workers is:</p> <ol style="list-style-type: none"> 1. 20% of income for women; 2. 30% of income for men. <p>This tax benefit CANNOT be accumulated in conjunction with other tax benefits.</p> <p>Dependent employees with indeterminate contracts who work for the public administration are exempt from this regime, as well those who work for Italian companies that carry out their work abroad.</p>	<p>From 01.01.2016 for a five year period: for income tax purposes, the determination of taxable business income, self-employment income, and income for dependent workers, is: 70% of income.</p>
Exemptions	<p>Workers will lose the fiscal benefit <u>if they transfer domestic or official residence from Italy to another country within five years of having taken advantage of the benefit.</u></p>	<p>Workers will lose the fiscal benefit <u>if he or she transfers domestic or official residence from Italy to another country within two years of having taken advantage of the benefit.</u></p>

Options for those who benefited from the old regime.

According to the regulation released by the Italian tax authority that went into effect on the 29th of March 2016, workers who patriated to Italy under the old regime (Law No. 238/2010) and moved to Italy before the 31st of December 2015, may opt for the new subsidized regime 147/2015.

The following conditions apply:

- It is effective from **January 1st, 2016**, and is irrevocable.
- It can be exercised not only for **dependent** employees, but also for **self-employed workers** or **business owners** (while the new law is not applied to autonomous workers or business owners).

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- Employees can exercise the option from the 29th of March 2016 and in the three months that follow. They must present to their employer a specific request (including his or her general information, fiscal code, current residence in Italy, the intention to communicate residence to the community in question, as well as any change to their residence in the last 5 years).
- Self-employed workers and business owners can exercise option when submitting their 2016 tax returns.
- Workers need to respect the regulations of the old regime (238/2010) and not necessarily those of the new regime (147/2015).
- Employees who have not requested to apply "old" benefits (238/2010), or have made a request to a different employer, must declare, in addition to what is stated above, that they meet the requirements. They must also disclose on their tax returns the date of initial entry in Italy, and the starting date of the business or self-employment period. In addition, the employees must demonstrate that they moved to Italy within 3 months of beginning their activity in Italy.
- Those who transferred to Italy, but have not transferred their domestic or official residence within the term of 3 months, can do so by the 29th of April 2016 in order to enjoy the same benefits.

COLLECTIVE CONTRACTS

1. SECULAR PRIVATE SCHOOLS (ANINSEI) MANDATORY BILATERAL ORGANIZATION

Starting from January 2016, a monthly contribution (split into 12 monthly installments) for a Bilateral Entity (EBINS) must be included in the pay of each employee. This amount is reduced to 50% for part-time employees working up to half of the weekly hours laid out in the national collective bargaining agreement.

Payment is monthly and must be made by the 16th of the following month by bank transfer starting in April, including back pay for the previous months, in a unique transfer.

Employers who do not wish to adhere to the Bilateralism system have an obligation to pay an additional remuneration (EAR) of € 25.00 euro gross per month (non-absorbable) for thirteen months (equivalent to an annual cost of about € 450.00). For workers on part-time contracts, this amount is paid in proportion to their working hours, and in such cases, the figure is obtained by using the divider outlined in the national collective bargaining agreement.

Employers wanting to adhere to the Bilateralism system and pay the previously mentioned amount have two options:

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1. Employers can sign up to become members of ANINSEI by filling out the membership application and paying the one-off registration fee of € 150.00 and the annual membership fee for 2016, which is € 650.00. (For employers in Lombardy, there is a single annual membership fee of € 602.00 in 2016). In becoming members, employers can use the services provided by ANINSEI and will be automatically entered into the bilateral institution.
2. Employers can join EBINS by signing up for the Entity Bilateral membership and paying the € 150.00 registration fee and the annual membership fee for 2016, which is € 650.00. In becoming members, employers can take advantage of the services exclusively provided by the bilateral organization.

2. ENASARCO AGENTS, NEW RATES IN EFFECT AS OF JANUARY 1st, 2016

The minimum and maximum contribution ceilings for 2016

Enasarco has announced the amount of contributions required for 2016 and the minimum ceilings remain unchanged from last year.

In particular, for agents working for more than one firm, the minimum is € 418.00, while the minimum for agents working for one firm is € 836.00.

For agents working in more the one firm, the annual maximum ceiling for commissions is € 25,000.00 (the maximum contribution equalling € 3,775.00).

Instead, agents who work for one firm have a maximum ceiling for commissions of € 37,500.00 (the maximum contribution equalling € 5,662.50).

Compulsory social security contributions

Mandatory pension contributions are calculated in relation to the entire amount owed to the agent (even if the amount has not yet been paid out) and are determined according to the guidelines provided below (50% charged to the agency and 50% charged to the agent):

	Year and contribution rate					
	2015	2016	2017	2018	2019	2020
Contribution Rate	14.65%	15.10%	15.55%	16.00%	16.50%	17.00%

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Contributions for agents operating in limited liability companies

Agencies with agents who work with joint stock companies or limited liability companies are required to pay contributions according to the following guidelines:

Annual commission amount	Year and contribution rate			
	2015		2016	
	Agency	Agent	Agency	Agent
Up to € 13.000.000,00	2.80%	0.80%	3.00%	1.00%
From € 13.000.000,01 to € 20.000.000,00	1.4%	0.40%	1.50%	0.50%
From € 20.000.000,01 to € 26.000.000,00	0.7%	0.20%	0.75%	0.25%
Over € 26.000.000,00	0.25%	0.15%	0.30%	0.20%