

LABOUR LEGISLATION UPDATES 04 - 2016

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Workplace Regulations:

1. NEW RULES REGARDING FOREIGN COMPANIES WITH WORKERS POSTED IN ITALY

Legislative Decree n.136/2016 has introduced new, stricter administrative requirements for foreign companies and employment agencies that post workers in Italy. In particular, the following changes have been made:

- Posted personnel are granted the same working and employment conditions as the country in which he or she works.
- The foreign employer must provide the Ministry of Labour, within 24 hours before the start of a new posting, with particular information required by the law, including the number of workers involved in the post, the start date, end date, and duration of the post, and the location where the post will take place. Any subsequent changes must be communicated to the Ministry within five days.
- Throughout the period when a worker is posted, and for up to two years after, the foreign employer is obliged to conserve all the documents related to the employment

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relationship, as well as appoint “a delegate with a contact address in Italy that is charge of sending and receiving records and documents.” In the absence of such a delegate, the office or location where the worker carries out his work is responsible for the conservation of such documents.

- The foreign company also has the obligation, for the entire duration of the worker’s contract, to appoint a delegate with representative powers who can liaison with the relevant social partners.

If the posting is considered false by the competent authorities, such a worker is classified as an employee of the Italian company. The latter, together with the foreign company, will be fined a sanction of 50 euro for every day of the posting and a variable amount of minimum 5,000 euro to a maximum of 50,000 euro for every worker.

2. CIVIL UNIONS: IMPACT ON WORKER RIGHTS

Law n. 76 established on May 20th, 2016, made the civil union between people of the same sex legal when declared in front an official of the state and two witnesses. Civil unions between people of the same sex registered and archived by the state are considered, in all sense and purposes, a family in every respect.

It also that states that provisions relating to marriage that contain the words spouse, spouses, or similar expressions, found in the law, acts that enforce the law, regulations, administrative measures and collective agreements, also cover the civil union between same-sex parties.

3. REMINDER: CIVIL THIRD PARTY LIABILITY INSURANCE FOR QUADRI WITH CCNL COMMERCIO (TRADE AND SERVICES COLLECTIVE BARGAINING AGREEMENT)

Companies adhering to the Trade and Services national collective bargaining agreement are required to have insurance for “Quadri” to protect against the risk of civil liability to third parties that may result from the performance of their jobs. The insurance is designed to cover expense and legal aid in the case of civil or criminal proceedings for offenses related to the employee’s official tasks and duties.

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Collective Bargaining Contracts:

CCNL contract renewals:

1. EXECUTIVES WORKING IN TRADE AND SERVICES SECTOR (CCNL DIRIGENTI COMMERCIO)

a. Salary increases

The agreement reached provides for a salary increase of 350 euro gross per month, which must be implemented by the following dates:

- 80.00 euro by the 1st of January 2017;
- 100.00 euro by the 1st of January 2018;
- 170.00 euro by the 1st of December 2018.

These amounts can be absorbed only by individual elements.

b. Pension Funds

A retrospective increase to the contributions of the supplementary pension fund Mario Negri is expected. The settlement of the balance due for 2015 and the first months of 2016 must be paid by October 10th, 2016. The increase is detailed as follows:

	2015	2016	2017	2018
Increase in the company's regular contribution	0	136.22	136.21	142.14
Increase in the company's integrative contribution	23.69	23.69	23.69	23.69
Total increase in the company's contribution	23.69	159.91	159.90	165.83

Therefore, the new annual contribution is:

	2015	2016	2017	2018
Total annual contribution	8,670.48	8,830.39	8,990.29	9,156.12

An adjustment with respect to the company's contribution to executives FASDAC Fund is also expected. Even in this case, the balance of the contributions due for the first months of 2016 must be paid by the 10th of October 2016:

	2016	2018
Increase in the company's monthly contribution	22.97	22.97
Total annual contribution	4,538.87	4,561.84

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c. Relocation

Hiring incentives, which must be ratified by the joint committees, are provided for the relocation of unemployed executives who are 48 years and older.

On the request of the terminated executive within 12 months of his dismissal (except in the case of just cause) or for consensual resolutions formalized in mediation offices, the employer will provide a € 5,000 voucher for the employee's relocation or start of a new business.

d. Dismissals and notice period

For dismissals presented after September 1st 2016, notice is calculated according to the following criteria:

Up to 4 years of service	6 months
From 4 to 10 years of service	8 months
From 10 to 15 years of service	10 months
More than 15 years of service	12 months

In the case of unjustified dismissal, compensation should be calculated as follows:

Up to 4 years of service	From 4 to 8 months
From 4 to 6 years of service	From 6 to 12 months
From 6 to 10 years of service	From 8 to 14 months
From 10 to 15 years of service	From 10 to 16 months
More than 15 years of service	From 12 to 18 months

In the case of an executive's dismissal with seniority of over 12 years, the additional payment is automatically increased in relation to the age of the fired executive:

From 50 to 55 years old	4 months salary
From 56 to 61 years old	5 months salary
Over 61 years up to the age of retirement	6 months salary

e. Sick leave and injury

The requisite period in the event of illness or accident not caused by the executive's service is reduced from 12 to 8 months in the calendar year. However, in cases of serious and chronic diseases involving life-saving therapies that are documented, the 8 months may be extended at the request of the executive up to 14 months.