

LABOUR LEGISLATION UPDATES 05 - 2016

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Workplace Regulations:

1. **Employees on secondment from European and non-European countries**

As of December 27th 2016, employers who wish to post employees from foreign countries inside of Italy on a secondment must provide notice (*see Newsletter 04/2016*).

This notice is also required in the case that the secondment occurs within the same "group" of the company, or in another production unit belonging to the same company.

According to the process, the company must communicate the following information at least 24 hours before the secondment begins:

- a) Identification details of the company posting their employee on the secondment and their legal representative;
- b) Number and contact details of the employee undertaking the secondment;
- c) The start date, length, and end date of the secondment;
- d) The location where the secondment will take place;
- e) Identification details of the company hosting the employee on secondment;
- f) Type of services;
- g) Contact details for the representative that is in charge of sending and receiving documents and records in Italy;

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- h) Contact details for the representative in charge of maintaining contact with social partners;
- i) The authorization number that permits the execution of administrative activities, in the case that transnational administration needs to be carried out inside a foreign country that requires such permission (for employment agencies only).

The failure to communicate these details is punishable by a fine that ranges from 150 to 500 euros, for each worker concerned, up to a maximum of 150,000 euros.

Since the information that needs to be included in the communication is not readily available, it is suggested that clients, when arranging an international secondment, take action in good time so that our office can collect all the relevant data and submit the mandatory communication as required.

2. Italian budget law: initial highlights

On October 15th 2016, the Council Ministers approved a draft of the bill concerning the 2017 budget. Even though the measures are not yet definitive, and therefore subject to change, it is helpful to highlight the most important measures that could affect the management of labour relations:

- The introduction of a **complete exemption of the employer's responsibility to pay contributions** for the permanent employment of students who have become qualified at the end of a defined period of school and work combined. The exemption applies up to 36 months with a maximum annual limit of € 3,250.
- **10% flat tax for performance bonuses were increased** by raising the limit that is subjected to tax from € 2,000 to € 3,000, or from € 2,500 to € 4,000 for companies that involve employees in the organization of work. Furthermore, the income ceiling that allows the preferable tax regime to be applied is increasing from € 50,000 to € 80,000. The opportunity to convert performance bonuses into social welfare benefits was also extended, which also allows employees to enjoy tax exemptions.
- **Insurance for long-term care** as well as occasional subsidies granted for important personal or family needs of the employee will be totally **exempt for social security contributions**. This is only in the case that the insurance or subsidies are paid by the employer that favour general employees or individual categories.
- Further initiatives to **incentivise the return of highly skilled workers to Italy** (such as lecturers, researchers, etc.) and the extension of incentives to encourage the return of other workers.
- The provisional introduction of the **opportunity to retire** a maximum of three years and seven months **before reaching the regular pension age (APE)**. This applies to workers who

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are at least 63 years old and have 20 years of contributions. The employee who chooses to take advantage of the APE must meet the regular requirements for the pension and return the amount received during advance period through a reduction of the pension that can last up to 20 years.

- The provision that so-called “**early workers**,” i.e. those who have worked 12 months before the age of 19, can access their pension when they have reached 41 years of contributions.
- The opportunity for workers who have engaged in **heavy work** to retire before 62 years old without a reduced pension.
- The opportunity to **combine payments made in favour of different pension schemes**. The pro-rata calculation based on the rules of individual management is expected.
- **Reduced contribution rates for self-employed workers who have their own VAT numbers** registered under the Separate Management regime with INPS from 27% to 25%.
- The extension of the “**no tax**” area and the **fourteenth month salary for pensioners**.

Collective Contracts

CCNL Contract Renewals

1. CCNL Trade and Services Sector (CCNL Commercio, Terziario e Servizi Confcommercio): suspension of the scheduled increase to November’s pay

Confcommercio has agreed with the Trade Unions to suspend the distribution of the expected instalments of pay increases in November, which is in the collective bargaining agreement of the services sector.

The parties, in light of the continuing economic uncertainty in the country, signed a supplementary agreement to the National Collective Bargaining Agreement suspending contractual increases. It was announced in the same agreement that the parties will meet again before December 5th 2016 to define when the new contractual increases will come into effect.