

LABOUR LEGISLATION UPDATES 02 – 2018

Labour Law

1. Update on Internships in Lombardy

Collective Labour Agreements: deadlines, changes and renewals

1. Domestic work: base pay
2. Services - Confcommercio: increase in base pay

Labour Law

1. Update on Internships in Lombardy

As the Lombardy Regional Administration has recently approved changes to extracurricular internships, this section contains an overview of the key aspects for organising such programmes in Lombardy.

Preamble:

Internships do not constitute an employment relationship. Instead, they are a training method or, to express it more precisely, they are an active labour policy designed to provide guidance, boost employability and offer access to the labour market or retraining.

Entities offering internships - obligations:

Subjects that provide internships can be public or private individuals or entities, and they are the subject where the internship is provided (for the sake of ease, such subjects shall simply be referred to as host entities in this section).

Such host entities must ensure the following:

- Compliance with current workplace health and safety regulations;
- Compliance with the rules established by Law no. 68/1999, as amended;
- They cannot take on interns on a Personal Training Plan that covers activities performed by workers in the same business unit who were dismissed in the 12 months prior to the start of the internship (although this excludes justified dismissals or dismissals for a justified subjective reason, specific collective labour agreements and procurement contracts with a social clause);
- At the beginning of the internship, in the relevant business unit, there must be no extraordinary or special lay-off schemes in place covering the same tasks as those covered by the internship, unless there are agreements with trade unions allowing for this.

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Tutorship:

The **promoter** appoints a tutor to prepare, jointly with a tutor at the host entity, the training programme that will guide and monitor the internship, to create the intern's individual dossier and to produce the final certificate. Each tutor at the promoter can draft an activity plan to support a maximum of twenty extracurricular interns at the same time.

The **host entity** appoints a tutor who is in charge of implementing the personal training plan and integrating and supporting the intern in the workplace throughout the internship. He/she also ensures the relevant documents are filled in (registers, etc.). Each tutor at the host entity can support at most three interns at one time.

Limits on commencing internships:

- a. Internships cannot be for basic activities for which no training is required;
- b. Interns **cannot replace employees** in peak periods nor replace them if they are on sick or maternity leave, on holiday or injured, or to cover roles required by the organisation;
- c. The entity can only arrange for **one extracurricular internship with the same intern**. The host entity cannot organise internships with people who had an employment relationship or worked in another form at the host entity in the previous two years, although this does apply to work-related learning programmes (i.e. *alternanza scuola-lavoro*).
- d. Nonetheless, an extracurricular internship can be commenced if an intern has done accessory work for the entity for no more than thirty days, even if not consecutive, in the preceding six months;
- e. It is not possible to be the promoter and host entity for the same internship;
- f. Internships cannot be commenced if there are any insolvency procedures under way, unless envisaged otherwise by specific agreements with the trade unions;
- g. Extracurricular internships cannot be for qualified or authorised professionals practising a regulated profession for activities that are typical of that profession.

Numerical limits:

The host entity must comply with the following limits, rounded up, for the unit where the internship will take place:

- For organisations with just the owner or at most 5 employees: one intern at a time;
- For organisations with 6 to 20 employees: at most two interns at a time;
- For organisations with more than 20 employees: a number of interns not exceeding 10% of the active workforce, rounded up.

Where a host entity has business units with over twenty employees on open-ended contracts, new internships can only be commenced if - **in addition to the ten per cent requirement** - an employment contract - lasting at least 6 months - is entered into with at least some former interns.

As an exception to the limits indicated above, such entities can commence:

- One internship, provided they have hired at least 20% of extracurricular interns in the previous 24 months;
- Two internships, provided they have hired at least 50% of extracurricular interns in the previous 24 months;

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- Three internships, provided they have hired at least 75% of extracurricular interns in the previous 24 months;
- Four internships, provided they have hired at least 100% of extracurricular interns in the previous 24 months.

Minimum internship duration:

Two months for internships, with the exception of host entities that work in a seasonal business, for which the minimum duration is one month.

Maximum internship duration (including extensions):

- Six months for internships where the Personal Training Plan is for the acquisition of EQF level 2 and 3 skills (intermediate), with an extension of a further six months if, during the extension, the objective is to achieve at least EQF level 4 (high professional skills);
- Twelve months for the internships where the Personal Training Plan is designed to achieve at least EQF level 4 skills.

Participation allowance:

Interns are paid an allowance for their participation in extracurricular internships, with the precise amount established in the internship agreement, although it cannot be less than:

- €500 a month, before tax, although this can be reduced to €400 a month, if meal coupons or a canteen service are/is provided.
- €350 a month, where the internship is for less than 4 hours a day.

The allowance is paid in full, if the intern is present at least 80% of the time on a monthly basis. Should attendance be less than 80% on a monthly basis, the indemnity will be reduced accordingly, although in no case can it be less than €300 a month.

Further requirements:

Although such internships do not technically constitute an employment relationship, the host entity is required to inform the relevant authorities using the UNILAV form.

The promoter, or host entity if required by the convention, must provide the following insurance coverage:

- Personal injury protection insurance for the intern at INAIL (i.e. the Italian Insurance Institute for Industrial Accidents);
- Third-party liability insurance for the intern, during the internship, with a suitable insurance company.

Income received by interns is treated as equivalent to employment income, meaning the host entity has to pay the relevant taxes.

If an intern is temporarily or permanently unemployed and receives an unemployment allowance, then the participation allowance is not payable, except for the potential reimbursement of travel and transport costs. However, the host entity has the option to pay an allowance that is cumulative with the unemployment allowance (even in excess of the minimum amount of €500 a month before tax, reduced to €400 a month if meal vouchers or a

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canteen service is/are provided). The internship, with the related participation allowance, does not result in the intern losing unemployment status, where relevant.

Collective Labour Agreements: deadlines, changes and renewals

1. Domestic work: base pay

The following are the new base pay levels, from 1 January 2018, for the main categories:

Level	Table A		Table B	Table C	Table D	
	Live-in workers		Workers - Art. 15.2	Live-out workers	Night-time assistance	
	Monthly	Allowance	Monthly	Hourly	Monthly	
Sing. Level					Self-sufficient	Not self-sufficient
A	€629.15			€4.57		
AS	€743.55			€5.39		
B	€800.74		€571.96	€5.72		
BS	€857.94		€600.56	€6.06	€986.62	
C	€915.15		€663.46	€6.40		
CS	€972.33			€6.74		€1,118.18
D	€1,143.91	€169.15		€7.78		
DS	€1,201.11	€169.15		€8.12		€1,381.30

2. Services - Confcommercio: increase in base pay

From 1 March 2018, an average protected increase of €16, based on level 4, comes into effect, unless there is an express clause on anticipating future contractual increases.