

LABOUR NEWSLETTER 05 -2021

Regulatory changes:

1. "DECRETO SOSTEGNI"
2. UNIFIED ALLOWANCE - NEW
3. SMART WORKING AND REMOTE SUPERVISION OF WORKERS: SHARED GUIDELINES FROM INAIL AND THE ITALIAN DATA PROTECTION AUTHORITY

Collective Labour Agreements: deadlines, changes and renewals

1. RENEWAL OF THE METALWORKING INDUSTRY COLLECTIVE LABOUR AGREEMENT

Regulatory changes:

1. "DECRETO SOSTEGNI" – NEW SUPPORT FOR ITALIAN ECONOMY

On 20/05/2021, the Italian Cabinet approved the so-called Support-Bis Decree Law (*Sostegni BIS*), which introduced some key changes for labour practices. Please note that many of them are not directly applicable as various clarifications and implementing procedures from the Ministry of Labour and the Italian Social Security Institute (*INPS*) still need to be issued

a- Amount of NASpl allowance

Until 31 December 2021, the automatic 3% monthly reduction for the Social Employment Insurance (*NASpl*) allowance is suspended. As of 1 January 2022, the amount of the benefit will be calculated factoring in the reductions related to these suspended months.

b- "Expansion Contract"

The minimum number of employees required to use the measure in the expansion contract (*contratto di espansione*) has been reduced. Therefore, companies with over 100 employees (prior to this the limit was 250 or 500) can use this instrument.

c- Re-employment Contract

A new form of employed work has been created. It is called a re-employment contract (*contratto di rioccupazione*) and is an open-ended contract for employed work that is designed to facilitate unemployed workers re-entering the labour market. On these re-employment contracts, which can be signed until 31/10/2021, the key hiring requirement is the creation of an individual insertion plan, agreed on by the employee, that seeks to ensure the worker's professional skills are adequate for the new job. Such individual plans have a duration of six months. During this period, the sanctions for unlawful dismissal apply, as per the current regulations.

At the end of this "onboarding" period, both parties have the option to withdraw from the contract, giving notice, without having to provide specific reasons. If neither party withdraws, the employment relationship continues in the form of an open-ended employment contract. For this specific type of contract, during the first 6 months, a 100% exemption is granted on the payment of the total social security contributions payable by the employer, although this does not include the payment of the National Insurance Institute for Industrial Accidents (*INAIL*) premiums. There is also an annual maximum of €6,000, recalculated and divided on a monthly basis. In case the employer dismisses the employee, it will have to pay back the entire amount of the exemption granted.

d- Tax relief for tourism, spas and retailers

Employers in the private sector working in the tourism, spa and retailing industries will be entitled to an exemption for social security contributions (usable up to 31 December 2021), although this does not change the rate used to calculate pension benefits. The exemption is limited to double the hours of salary integration used in January, February and March 2021.

Employers who use this exemption cannot dismiss, even for justified objective grounds, employees until 31/12/2021.

e- Further extension of the suspension for tax collection notices until 30 June 2021

The block on tax collection notices issued by the government tax collection agency will continue through May and June 2021. Already-issued provisions will remain valid from 1 May until the publication of the Decree.

f- Wage guarantee schemes and ban on dismissal from 1 July

The Decree envisages the option, for employers who have used the ordinary wage guarantee scheme (*C/GO* – for companies in industrial sector) and who recorded a drop in turnover in the first half of 2021 exceeding 50% compared to the first half of 2019, to submit an application to receive **extraordinary wage support** (*C/GS*) notwithstanding the maximum duration and the reasons that

normally allow use of *CIGS*. This can be for up to 26 weeks, in the period from when the decree enters into force until 31 December 2021. However, the application can only be submitted if the company already has in place collective labour agreements on work reduction for employees (employed on the date the Decree becomes effective) aimed at maintaining employment levels in the post-pandemic recovery.

The reduction in working hours cannot exceed 80% of the daily, weekly or monthly working time of the workers covered by the collective agreement. For each worker, the overall percentage reduction of working time cannot exceed 90% for the entire period for which the collective agreement is in effect.

Workers employed on a reduced hours scheme are entitled to a special salary integration equal to 70% of the overall compensation they would have received for the unworked hours, **without the application of the cap applicable to salary integrations** and with the payment of the relevant notional contribution.

No additional contribution is owed for these special schemes (*CIGS*).

No additional contribution is payable by employers who are entitled to the ordinary wage support scheme (*CIGO*) and who, from 1 July 2021 suspend or reduce their business activities and submit an application for either ordinary or extraordinary wage support, pursuant to articles 11 and 21 of Legislative Decree no. 148 of 14 September 2015.

Employers who use a wage support scheme - either ordinary (*CIGO*) or special (*CIGS*) - for the usual reasons cannot start any collective or individual dismissal procedures for justified objective reasons from 1 July onwards for the entire duration of the wage support received until 31 December 2021. Any pending procedures that were initiated after 23 February 2020 are also suspended, without prejudice to the following cases:

- a) any employees who are dismissed, after working on the original tender contract, to be rehired as part of a new contractor taking over the contract because of the law, national collective labour agreement or a specific clause in the tender contract;
- b) the dismissals are due to the company closing definitively or because the company is definitively ceasing to operate because it is being liquidated without any continuation, even partial, of the business;
- c) in case of a collective company agreement to encourage voluntary terminations, but only for employees who accept the agreement and are entitled to NASpl.

The dismissal ban companies that can use FIS, CIGD or other contractual wage supporting scheme is confirmed up to 31.10.2021.

g- Extension of simplified remote working

Law Decree no. 52 of 2021 extended the option for simplified remote working (i.e. smart working) until 31 July 2021 - this measure was initially introduced during the initial stages of the pandemic and remains in place. The Support Decree is likely to grant a further extension until 30 September 2021. Workers will therefore be able to opt for remote working without having to sign individual agreements.

h- Doubling the welfare cap for car fuel/shopping vouchers for 2021

The implementing of Decree Law no. 41/2021) contains an amendment that doubles the tax and contribution exemption cap of €258.23 for goods or services given by an employer to employees, for 2021 as well.

Therefore, unless there are further amendments and provided the implementing law applies the decision as is, the cap for such welfare benefits - pursuant to article 51.3 of the TUIR - will be raised to €516.46.

2. UNIFIED ALLOWANCE (ASSEGNO UNICO) - NEW

Starting from 1 July, the unified allowance (i.e. Assegno Unico) will come into force and it will gradually replace all of the various current forms of support for families with children. The allowance will be introduced in two steps, the first being on 1 July 2021 and the second on 1 January 2022, according to a timeline that will be defined in an upcoming provision.

These are the key features of this allowance:

It will replace the existing support schemes, meaning the following will be abolished:

- Household allowance
- Birth allowance
- Birth and adoption bonus
- Natality support fund
- Personal income tax deduction for dependent children

The beneficiaries of the allowance will be all households, regardless of whether the parent is:

- an employed worker
- self-employed
- receives income support benefits.

The allowance will be paid, in equal amounts, to both parents, on a monthly basis, for each:

- unborn child, starting from the seventh month of pregnancy;
- dependent child who is a minor
- dependent child up to 21 years of age, provided he/she is studying, doing vocational training or attending university, or doing an apprenticeship (i.e. a limited labour experience with an

- overall income lower than a set annual amount), is registered as unemployed or a job seeker at a labour centre or employment agency; is doing national civil service;
- disabled child even after 21 years of age, provided he/she is still dependent.

If there are no parents, the allowance will be paid to the legal guardian. In cases of legally valid separation, nullity of matrimony or divorce, if there is no agreement between the spouses, the allowance will be paid to the parent who has custody of the children. In case of joint custody, the allowance will be paid in equal amounts to the parents.

If the child is a dependent adult, the amount can be paid directly to the child at his or her request.

The following are the requirements to receive payment of the unified allowance:

- hold Italian Citizenship or be EU nationals, family members of an Italian national, with a residence permit or permanent permit of stay, or a non-EU national with a long-term EU residence permit or work/research permit for at least a year
- pay income tax in Italy
- live and have one's formal residence in Italy, with the children, for the entire duration of the benefit
- have lived in Italy for at least 2 years, even not consecutively, or hold an open-ended or fixed-term labour contract for at least 2 years.

The value of the allowance is still to be defined with a provision that will also set the day the unified allowance will come into force. Its value will be calculated based on the economic situation of the household, as certified using the ISEE indicator, taking into account the age of the dependent children. Additional amounts will be granted from the second child onwards and for disabled children.

The payment methods should be the same as for family allowances for employed workers, and through INPS for self-employed people or people who are on income support. The implementing provision will provide details on the amounts and how to receive them.

It appears the government is planning to start paying the unified allowance as of July for self-employed people and those on income support, whereas for employed workers the current allowances should remain in place until they are replaced by the unified allowance, with the cancellation or re-organisation of tax deductions for dependent family members.

3. SMART WORKING AND REMOTE SUPERVISION OF WORKERS: SHARED GUIDELINES FROM INAIL AND THE ITALIAN DATA PROTECTION AUTHORITY

As regards remote supervision of workers who work from home and the respect of their privacy, a joint protocol for monitoring has been issued by the National Labour Inspectorate and the Italian Data Protection Authority.

With a view to potential checks or inspections, it is useful to remember that as per the Jobs Act, remote inspection systems for labour performance can be used only for organisational and productive purposes, for job safety and for the protection of corporate assets. More specifically, in cases where the company wishes to use equipment or software that enables the remote control of workers, they must sign an agreement with the trade union or, alternatively, seek explicit authorisation from the local Labour Inspectorate.

On the contrary, the use of the necessary equipment to work (e.g. laptop, smartphones etc.) and of any device to check the presence at work (e.g. badges, apps) does not require any prior agreement with the trade unions or administrative authorisation (provided no software that enables the checks mentioned above is installed).

Collective Labour Agreements: deadlines, changes and renewals

2. RENEWAL OF THE METALWORKING INDUSTRY COLLECTIVE LABOUR AGREEMENT

Professional levels

Starting from 1 June 2021, a new system of classification of employees will be adopted and it will be based on the assessment of the responsibilities and independence of each worker. This new classification will be organised into 4 areas of role responsibility and 9 levels, as shown below:

CURRENT CATEGORIES	PROFESSIONAL AREAS	NEW LEVELS
1	Elimination of 1st category	
2	D	D1
3	OPERATIONAL ROLES	D2
3S	C	C1
4	SPECIFIC TECHNICAL ROLES	C2
5		C3
5S	B	B1
6	SPECIALIST AND MANAGERIAL ROLES	B2
7		B3

8	A CHANGE AND INNOVATION MANAGEMENT ROLES	A1
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Category 1 is eliminated, so workers in this level will be assigned to level D1. All active employees will need to be "re-assigned" by 31 May 2021.

Salary increases

Starting from 1 June 2021, there is an average increase in base pay as below.

CURRENT CATEGORIES	NEW LEVELS	INCREASE IN BASE PAY				
		IN EFFECT FROM 1 JUNE 2020	01 June 2020	01 June 2022	01 June 2023	01 June 2024
Cat. 1	removed	1330.54				
Cat. 2	Lev. D1	1468.71	1488.89	1509.07	1530.86	1559.11
Cat. 3	Lev. D2	1628.69	1651.07	1673.45	1697.62	1728.95
Cat. 3S	Lev. C1	1663.88	1686.74	1709.60	1734.29	1766.30
Cat. 4	Lev. C2	1699.07	1722.41	1745.75	1770.96	1803.64
Cat. 5	Lev. C3	1819.64	1844.64	1869.64	1896.64	1931.64
Cat. 5S	Lev. B1	1950.39	1977.19	2003.99	2032.93	2070.45
Cat. 6	Lev. B2	2092.45	2121.20	2149.95	2181.00	2221.25
Cat. 7	Lev. B3	2336.02	2368.12	2400.22	2434.88	2479.81
Cat. 8	Lev. A1	2392.00	2424.86	2457.72	2493.21	2539.22

These amounts can be absorbed by other pay items.

The parties have agreed to meet to consider a potential adjustment of the base pay above, at the inflation rates for the relevant years.

Supplementary pension schemes

Workers still in the trial period will be entitled to join the Cometa Fund. In addition, from 1 June 2022, workers who joined the Cometa Fund after 5 February 2021 and who are younger than 35, will have an increased contribution of 2.2% of the contractual minimum that is entirely payable by the employer.

Complementary healthcare

The right to complementary healthcare (metaSalute) is extended to the following groups - the contribution is still to be determined: (1) people who are retired who were enrolled in the Fund for at least 2 years, continuously, prior to retiring; (2) workers who have accrued 2 years of seniority enrolled in the Fund, continuously, at the time of retiring.

Maternity leave

Società tra Professionisti iscritta all'Ordine dei Consulenti del Lavoro di Milano al n. 37

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A worker who is absent for the 5 months of maternity leave shall receive full pay, above what is required by law. Moreover, where the period of maternity leave is extended, in accordance with the law, beyond the mandatory leave period, the more favourable terms between those in the Collective Labour Agreement and established by law, or those of the company shall apply.

Fixed-term work

In the case where an employee who was previously on a fixed-term or agency leasing contract has his/her contract transformed into an open-ended contract or is hired on an open-ended contract, then all the periods worked at the company doing equivalent tasks shall count towards determining seniority and professional mobility, provided there was no interruption at the company exceeding 12 months.

Professional training apprenticeship

Apprentices hired after 01/06/2021 shall be placed in the level corresponding to the qualification being obtained, such that the so-called "sub-level" regime is replaced with one based on percentages. This means a training apprentice's contract will be divided into periods of equal duration, during which 85%, 90% and then 95% of the pay for the level to which the apprenticeship relates is payable.

Remuneration for professional training apprenticeships		First Period	Second Period	Third Period
Total duration (months)	36	12	12	12
	30	10	10	10
	24	8	8	8
% Remuneration		85%	90%	95%

Extraordinary trade union contribution

The trade unions that signed the renewal agreement have set out - for all employees not enrolled in any trade union - an extraordinary association contribution of €35.00 to be deducted from the June 2021 payslip.

For those workers who did not expressly reject this contribution by filling in a specific form, the deduction shall still be deducted on the principle of tacit consent and the amounts will be paid by the companies into the current accounts in the name of FIM, FIOM and UILM.

Remote working

In terms of the rules governing remote working (also called agile working), a joint commission has been established to determine the regulatory framework for the right to disconnect, trade union rights, privacy protections, the use of ICT tools and the right to training.

Flexible benefits

The previous welfare system that was adopted on a provisional basis has been confirmed. From 1 June of each year, the companies shall provide their workers with welfare benefits totalling €200 that can be used up to 31 May of the following year. Workers employed on 1 June of each year with at least 3 months of seniority are entitled to this measure.

These amounts cannot be recalculated for part-time employees and they are all-inclusive and excluded from the base used to calculate the severance indemnity (TFR).

These amounts can be allocated to supplementary pension schemes or to a specific complementary healthcare scheme at the Metasalute fund. Any trade union agreements or company plans that provide better welfare benefits than above shall remain in place.

Measures for women who suffer gender violence

The Collective Labour Agreement has extended, from 3 to 6 months, the maximum duration for paid leave for women involved in gender-based violence protection programmes. The leave can be used on an hourly or daily basis over a three-year period. As a further measure to protect female employees who are the victim of violence is the right to have their employment relationship changed, even temporarily, into a part-time relationship. There is also the right to flexible and agile (remote) forms of working.

Continuing professional development

The requirements for continuing professional development have been strengthened, particularly to help bridge the digital skills gap.

The right to continuing professional development has been confirmed and refined, with the right to 24 hours of training in every three-year period. Moreover, this now has to be fully covered by the company, whereas in the past it was 2/3 by the company and 1/3 by the employee.

Such training can take the form of classroom lessons, in or outside the company, distance learning, e-learning, conferences or seminars, workshops, coaching, action learning, training on the job and shadowing. This right is additionally granted to workers on fixed-term contracts of at least 9 months,

meaning it is no longer exclusively for workers on open-ended contracts. There is also the option to use any unused professional development hours from the 2017-2019 period before 31 December 2021. The funding for training services, which will be set out in a specific protocol, shall take the form of a one-off company contribution of €1.50 per employee, to be paid in July 2021. The calculation of the total payable will be based on the total number of staff on open-ended contracts on 31 December 2020.

Public services contracts

A "social clause" has been added to protect employment levels and contractual conditions for workers in the event of the termination of a public services contract. The company is required to commence a trade-union process, informing the single workplace union structure (*RSU*) or trade unions 30 days in advance of the end date. Within 5 days of receiving such a communication, each recipient can request a joint examination, involving the respective unions or representative bodies. The new process for tender and public services contracts not only increases the role of the trade unions and the *RSUs*, but also establishes the duty of the outgoing company to cooperate with the incoming company.