

A professional business meeting scene with a man in a suit and glasses standing and pointing at a laptop, while two women sit at a table with papers and another laptop. The image is dimmed and serves as a background for the text.

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Labour Alert

Labour Decree: main new features

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LABOUR ALERT

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Decree-Law no. 48 of 4th May 2023 (the so-called "Labour Decree") was published in the Official Gazette no. 103 of May 4th 2023 and is in force as of 5th May 2023. Among other things, it introduced an inclusion allowance to families composed of at least one disabled, underage, or over sixty years of age person or invalid civilian; new incentives for hiring; the revision of the transparency rules for employment contracts. The norm also provides new reasons suitable for concluding fixed-term employment contracts, an increase in the threshold for fringe benefits to EUR 3,000 for 2023, a reduction in the tax wedge, and changes to the regulation of occasional services in specific sectors.

Below is a summary of the most significant new measures.

- ***Inclusion allowance and relevant employment-related incentives (Sections 1-13)***

A new income support measure, the so-called "*Assegno per l'inclusione*" (Inclusion Allowance), will be granted to households composed of at least one disabled, underage, or over 60-year-old person or invalid civilian as of 1st January 2024.

The applicants shall also meet all requirements dealing with citizenship or residence authorisation regarding Italian residency and economic conditions.

The allowance will equal **EUR 6,000** per year multiplied by the scale of the equivalence parameter. It will be granted for 18 months, renewable for a further 12-month period, provided a suspension of at least one month occurs. The sum is increased to **EUR 7,560** per year if the household consists of people only aged 67 or over or of one 67-year-old if other individuals from the same household all have a severe disability or lack of self-sufficiency.

Employees or self-employed people may also receive the mentioned allowance provided the relevant income does not exceed the maximum limit of EUR 3,000 gross.

The Decree at issue also established a dedicated "Information System for Social and Labour Inclusion" set at the Italian Ministry of Labour and Social Policies offices.

Family units benefitting from the inclusion allowance at issue shall sign the relevant "digital activation pact" and, after that, they are required to comply with a personalised pathway of social or labour inclusion, from which people who retired, who are over 60 years of age and who have disabilities are excluded.

Beneficiaries are compelled to accept job offers lasting at least one month or, if the latter is a part-time job providing for at least 60% of full-time hours and granting a salary no lower than the minimum wage contractually set out by collective agreements. The job offered also has to, alternatively:

- ✓ be permanent, set throughout the entire country; or
- ✓ be on a fixed-term basis (including temporary contracts) if the place of work is not further than 80 km from the individual's domicile.

Moreover, further incentives are provided for employers of the private sector hiring the recipients of the allowance at issue. More specifically, if the relevant employment contracts have an open-ended nature or the hiring occurs through an apprenticeship contract, a **social security contribution exemption** equal to 100% of the total contributions due is granted, for a maximum of twelve months, up to EUR 8,000. On

the other hand, for employers hiring the allowance beneficiaries with a fixed-term or seasonal, full-time or part-time, employment contract, the exemption mentioned above will be granted to the extent of 50% of the total contribution due, up to a maximum limit equal to EUR 4,000.

Recruitment agencies employing the allowance beneficiaries will receive a contribution equal to **30% of the applicable maximum annual incentive** for each person recruited under the above-mentioned terms due to their mediation activities.

Patronages, non-profit associations and other mediation bodies will be entitled, for each **disabled person employed** as a result of their activity, to a contribution ranging from **60% to 80% of the one granted to employers**.

To benefit from the mentioned incentives, the employer must have correctly fulfilled the obligations related to the regular payment of social security contributions and compulsory employment under Law No. 68/1999.

- ***Duties of the competent doctor within safety at work obligations (Section 14)***

New obligations are introduced in the area of occupational safety. More specifically, during the recruitment visit, the competent doctor shall ask the employees to share their health records issued by their previous employer, the content of which will be considered when issuing the relevant suitability to work assessment.

Additionally, if the competent doctors are prevented from attending for serious and justified reasons, the latter must inform the employer in writing and provide the name of a substitute who may take their place for the entire period of absence.

- ***Fixed-term employment contracts (Section 24)***

The current reasons allowing the use of fixed-term employment contracts are replaced by the following:

- ✓ in cases provided for by collective agreements concluded by trade unions that are comparatively more representative at a national level or by the works council;
- ✓ only until **30th April 2024**, in case of lack of the regulation provided by the mentioned collective agreements, technical, organisational and production reasons may be identified by the contracting parties;
- ✓ for replacement needs of other employees.

- ***Informative obligations (Section 26).***

A series of simplifications is envisaged concerning informative and publication obligations concerning the employment relationship, establishing that information on working time and its scheduling, as well as the probationary period, may be communicated to the employee with an indication of the regulatory reference or both national and company collective agreements applied to the relationship. The employer must deliver or make available to staff – including by publication on the internal website – the national, territorial and company collective agreements and any company regulations applicable to the employment relationship.

Employers of the public and private sectors, as well as principals, are compelled to inform their employees of the use of **fully automated** decision-making or monitoring systems to provide information relevant to the recruitment or assignment, management or termination of the employment relationship, the

assignment of tasks or duties, as well as information on the monitoring, evaluation, performance and fulfilment of the contractual obligations of employees. Systems protected by industrial and commercial secrecy are an exception to this obligation.

- ***Youth employment incentives (Section 27)***

To support the employment of young people, private employers may apply to be granted an incentive lasting for **12 months**, at the rate of **60%** of the gross monthly remuneration taxable for social security purposes, for new hirings made from **June 1st to December 31st 2023**, of young people who

- ✓ have not yet reached the age of 30;
- ✓ are neither working nor in education or training (so-called "NEET");
- ✓ are registered in the National Operational Programme 'Youth Employment Initiative'.

The incentive for hiring employees under 36 years of age may be combined with the benefit under consideration; in this case, the latter will be granted at a reduced rate (equal to 20% of the total). The incentive is paid to the employer by balancing the due monthly contribution statements.

- ***Occasional services in the tourism and spa sector (Section 37)***

Changes are made to the maximum amount of compensation payable to self-employed workers performing occasional services in the tourism and spa sector. More specifically, such an amount is now set at a maximum of **EUR 15,000** for users in the sectors of congresses, fairs, events, spas and amusement parks.

A change is also envisaged about the companies against whom the ban on the occasional service contract applies. It is provided for users operating in the sectors mentioned in the preceding paragraph in cases where they employ more than 25 permanent employees.

- ***Partial exemption of employees' social security contributions (Section 39)***

Regarding the pay periods extending from July 1st 2023, to December 31st 2023, the exemption on the employees' share of social security contributions due in cases of disability, old age and survivors, determined pursuant to Section 1, Paragraph 281 of Law no. 197/2022 is increased by four percentage points, with no other effect on 13th month's salary instalments.

- ***Fiscal measures for corporate welfare (Section 40)***

The Decree confirms the threshold increase for fringe benefits up to **EUR 3,000** for 2023, although exclusively for employees with dependent children, including sums paid or reimbursed for the payment of domestic utilities for integrated water, electricity and natural gas.

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For further information and explanations, you may contact:

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