

# HR Tips

## The 2024 Full-Year Bundle

A quick look at relevant human resource issues  
from our Labour Department

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# #1 Risk assessment document (so-called «DVR»)



The **DVR**, required by the Workplace Safety Act, is a document that contains the **assessment of risks to workers' health and safety** during their work.

Within the DVR, the **prevention and protection measures** are identified, with the relevant implementation program, to guarantee the improvement of employees' health and safety conditions at the workplace.

The drafting of the DVR is a **mandatory obligation of the employer** that cannot be delegated to other individuals within the company or external advisors.

**Failure** to properly execute the DVR may result in the employer being imprisoned for three to six months or fined between **€2,500 and EUR 6,400**.

## #2 INPS Insolvency Fund



The Insolvency Fund is a program managed by the Italian Social Security Agency (INPS) that **aims to protect employees of employers experiencing financial difficulties**. The Fund provides employees with the mandatory severance pay and remuneration owed for the last three months of work on behalf of their employer.

To qualify for the program, the **employees must prove that their employer is insolvent**, which depends on whether the latter may be subject to insolvency procedures under the law. The program has specific requirements that must be met in order for it to be implemented for eligible employees.

Recently, the **INPS issued Circular Letter No. 70/2023**, which updated the regulations governing the Fund in accordance with the new Italian insolvency code that went into effect in July 2022.

The circular letter provides a **summary of the specific provisions** under which the Insolvency Fund can be implemented based on the **different scenarios that may arise during a financial crisis**, as well as the correct procedures to be followed in each of these scenarios.

# #3 Non-Compete Agreements



A non-compete agreement (NCA), governed by Article 2125 of the Civil Code, is an agreement in which the **employer restricts the employee's ability to work for a competitor** for a specified period of time following the termination of employment. The employee is compensated for this restriction.

The NCA is void if:

- it is not in writing;
- consideration is not agreed upon in favour of the employee;
- it is not contained within certain limits of scope, time and territory.

The NCA may also contain the following items:

- option clauses;
- Information undertakings;
- clauses providing for the payment of a penalty.

## #4 Network Agreements



The so-called «network agreements» are contracts between at least **two Italian (or foreign, as long as they operate in Italy) companies** active in different fields of expertise.

They aim to establish collaboration towards **shared goals and projects** through mutual exchanges and common execution of each company's activities.

This type of contract acknowledges **many advantages** to the engaged companies, such as cost sharing, access to tax benefits, more accessible resort to personnel secondment, and co-directorship hiring of employees.

Completing a network agreement requires **compliance** with its dedicated regulations.

For instance, the involved companies must draft a **valid «network programme»**, which shall list specific indications about the scope and method of the collaboration among the different entities.

## #5 Grace Period



The so-called grace period is the maximum period of protection of the job post in case of an employee's absence due to a **non-work-related illness**.

The definition of the grace period is established by the **National Collective Labor Agreements**, serving as the legal reference for this threshold.

Once the employees exceed the grace period, the employer must make a prompt and **decisive choice** whether or not to dismiss the employee.

The continued tolerance of the absence can be seen as a waiver of the entitlement to **terminate the employment contract**, emphasizing the importance of timely decisions.

Case law and collective agreements acknowledge **further protective measures** for employees suffering from oncologic diseases or disabilities, improving the grace period provided by the NCLA to other employees.

## #6 Repêchage duty



When employers terminate employment relationships due to **job cancellation**, usually in the framework of a company reorganization, they must **comply with certain specific obligations** to ensure the termination is lawful.

The **repêchage duty** is crucial in this regard. Before making the employee redundant, the employer must diligently check that there are **no further job vacancies** to which the employee could be assigned, even if demoting or requiring preventive (reasonable) training sessions.

Failure to follow the correct termination procedures can have significant **repercussions** for the employer. If the employee's dismissal is deemed null and void, the latter could be entitled to be reinstated within the company. This would drag along all connected **sanctioning, remunerative, and contributive consequences** for the employer.

# #7 ESG and Gender Equality



ESG rating is a system that assesses companies' profiles regarding their **environmental sustainability, social policies, and corporate governance**.

Specifically regarding **gender equality**, Italian law allows the **certification** of the effectiveness of policies and measures taken by the employer to reduce the gender gap related to internal career opportunities, equal pay, and maternity protection.

Certified companies have **economic benefits**, including:

- a partial exemption from social security contributions;
- a better score in the evaluation process for obtaining funds or participating in calls for tenders.

Moreover, the **EU Directive no. 2022/2464 (CSRD)** is about to be implemented, which aims to improve sustainability information and tie ESG results to the company's balance sheet indicators.



## #8 Working Hours Reduction (ROLs)



«**ROLs**» (Working Hours Reduction) were first created on a contractual basis. Under Italian legislation, they are hourly paid permits that employees can use within the limits and terms set by the applicable NCBA.

As well as annual leaves, employees **accrue their ROLs monthly**, and the latter can only be used after the accrual has appropriately occurred.

Each applicable NCBA sets the **timing for the fruition** of the accrued ROLs. In case of violation of such provisions, the employer is compelled to pay the referenced employee an **indemnity** equal to the amount corresponding to the value of the lost ROLs.

Such payment shall be executed through the first payslip following the original deadline and **include all relevant due social contribution amounts**.

# #9 Resignations for newly-parents employees



Female employees during their entire pregnancy and, together with their male colleagues, over the course of the three years following the birth or the adoption of their child, are covered by the so-called «**protected period**».

Newly-parents employees who decide to resign within the timeframes mentioned above will have to **personally ratify** such a decision before the competent Italian Local Labour Offices (*ITL*) after submitting their formal resignations to their employer.

The described procedure guarantees that the employees' decision to terminate their employment relationship was not due to **unlawful employer pressures because of the workers' new parental status**.

# #10 Unemployment allowance (Naspi)



The so-called “Naspi” is a monthly unemployment benefit granted to employees who have lost their employment.

To be eligible for Naspi, the following criteria must be met:

- the **involuntary** loss of employment;
- there will be continued unemployment throughout the period the allowance is paid.

To obtain the benefit, the recipient must:

- have accrued at least **13 weeks of contributions** in the 4 years preceding the start of unemployment;
- have performed at least **30 days of actual work**, regardless of the social security minimum contribution, in the 12 months preceding the start of unemployment.

The maximum **duration** of the benefit is 24 months.

The benefit is also granted to employees who **resign for cause**.

# #11 Annual paid leaves



Each worker is entitled to a minimum period of paid annual leaves of at least **four weeks**, whose use cannot be replaced by an indemnity payment in lieu during the employment relationship.

Employees must take at least **two weeks of vacation during the year of their accrual** without any interruption if requested by the worker, while the remaining two weeks must be used within the following 18 months unless otherwise provided by applicable collective agreements.

In the event of **violations**, the employer may be sanctioned with an administrative fine ranging from EUR 120.00 up to EUR 5,400, depending on the number of workers involved and the duration of the violation.

In addition, the DURC (i.e., the document attesting to a company's regular contribution status) may be suspended for three months.

# #12 Social security representative



Foreign **companies not headquartered in Italy** but staffing employees working in said country must identify a **social security representative** (SSR) to act on their behalf in Italy.

The SSR will be responsible for fulfilling social security contribution and pension obligations, for which - unless otherwise provided for by international agreements - the foreign company remains obliged.

For this purpose, the SSR - an individual or a legal entity, as it may be - will be appointed through a dedicated **deed** and will remain **jointly liable** with the employer for the correct payment of the aforementioned contributions unless otherwise agreed by the parties.

If the foreign company fails to comply with the above, it **risks an investigation** by the authorities for unpaid social security contributions, which could result in **additional sanctions**.

# For further information



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