

MORRI
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Labour Monthly Roundup

January 2024

LABOUR MONTHLY ROUNDUP

The Firm's Labour Monthly Roundup holds some of the most important clarifications on the new practices and law cases of the past month that are relevant to the following subjects:

1. *Budget Law 2024: corporate welfare;*
2. *Budget Law 2024: productivity bonus special tax regime;*
3. *Budget Law 2024: parental leave;*
4. *Budget Law 2024: pension regime and the so-called 'Quota 103';*
5. *Supreme Court: dismissal unlawful if the employee interrupts the grace period with holidays;*
6. *Supreme Court: reinstatement of an employee not responsible for poor performance.*

1. Budget Law 2024: corporate welfare

The Budget Law 2024, which was published in the Official Gazette on 30 December 2023, established that, for 2024, sums paid to employees for the payment of household utilities, rental expenses or interest on the mortgage on their first home and the value of goods sold and services rendered to employees are not included in the income, up to the limit of EUR 1,000.00. The limit above is raised to Euro 2,000.00 for employees with dependent children.

2. Budget Law 2024: productivity bonus special tax regime

The Budget Law 2024 decided that the special tax rate on performance bonuses paid in 2024 up to Euro 3,000.00 should be reduced from 10% to 5%, provided that the employee's income in the previous year did not exceed Euro 80,000.00.

3. Budget Law 2024: parental leave

The Budget Law 2024 established, in addition to the parental leave periods that parents can take up to the child's 12th birthday and for which an allowance equal to 30% of salary is provided for each parent, that there is the possibility, alternatively, between the parents, and for a maximum duration of two months up to the child's 6th birthday, to take compensated leave at the rate of 80% of salary, for the first month, and the rate of 60% (increased to 80% only for 2024), for the second month.

4. Budget Law 2024: pension regime and the so-called 'Quota 103'

The Budget Law 2024 stated that for 2024, workers who, by 31 December 2024, have reached the age

of 62 and have accrued at least 41 years of contributions will be eligible for the 'Quota 103' early retirement regime.

It cannot be combined with income from employment or self-employment, except for occasional self-employment up to EUR 5,000.00 gross per year.

5. Supreme Court: dismissal unlawful if the employee interrupts the grace period with holidays

The Supreme Court, in Order No. 582 of 8 January 2024, reaffirmed that the grace period for Article 2110 of the Civil Code must be suspended if the employee asks to take a leave.

It is possible, in fact, for the employee absent due to illness to change the absence title by requesting the use of leave already accrued to suspend the accrual of the grace period.

Therefore, the employer may not count the relevant days of absence for grace period purposes, given the constitutional guarantee of the right to leave and the employee's fundamental interest in avoiding the possible loss of his job.

6. Supreme Court: reinstatement of an employee not responsible for poor performance

The Supreme Court, with order No. 1604 of 16 January 2024, confirmed the unlawfulness of the disciplinary dismissal of an employee who allegedly avoided performing services by refusing to work. The Court ruled that the case at issue lacked disciplinary relevance because the employee, inexperienced in some of the tasks entrusted to him, repeatedly asked for help from colleagues and superiors to perform his duties in line with company expectations. According to the Supreme Court, in the case at issue, even if the non-performance of work is confirmed, it cannot ground any disciplinary reaction of the employer.

The main updates on Labour Law of January 2024

Remuneration during the annual leave

The remuneration to be paid to the employee during the annual leave must also include allowances linked to the performance of specific tasks; otherwise, employees would be induced to give up their rest period.

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Mandatory recording of working hours in Italy and Europe

The amount of the monthly remuneration reported in each pay slip issued to employees is not always the same, given that these sums are made up of several elements, which may change from one reference period to the other, including – for various reasons – the number of hours worked. Especially when many employees are staffed, recording this data correctly can become complex: for this reason, the employer should acquire specific instruments capable of ensuring such a result.

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HR Tips #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 EUR 2,500 and EUR 6,400.

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For more information and insights, you may contact:

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