

COVID-19

On 28 October 2020 Decree-Law no. 137/2020 ("*Decreto Ristori*") was published in the Official Journal. It includes, *inter alia*, important measures on labour issues, which are explained below, and entered into force on the day subsequent to that on which it had been published in the Official Journal.

EXTENSION OF THE PERIOD TO ADOPT STATE-FUNDED INCOME-SUPPORT PROGRAMS

In order to cope with the health emergency caused by a new increase of infections, pursuant to article 12, par. from 1 to 7 of "*Decreto Ristori*", the period for the adoption of state-funded income support measures (*cassa integrazione ordinaria, in deroga* and *assegno ordinario*) related to COVID-19 emergency was extended for 6 weeks and may be adopted between 16 November 2020 and 31 January 2021.

If state-funded income support measures were requested and authorised pursuant to Decree-Law no. 104/2020 for periods falling, including partly, after 15 November 2020, they will automatically be attributed to the 6-week period allowed by the decree under examination.

This 6-week period is granted to the employers which have been fully authorised to utilise the 9-week period prescribed by "*Decreto Agosto*" and provided that such period has finished, as well as to the employers of the sectors involved in the restrictions introduced by the Decree of the President of the Council of Ministers of 24 October 2020 which ordered the closing or limiting of economic and production activities.

The 6-week period of state-funded income-support measures is granted with no additional cost in the hands of the firms which suffered a reduction of the turnover of 20% or more or which started up a business after 1 January 2020; on the contrary, an additional contribution must be paid as follows:

- ◆ 9% of the aggregate salary which would have been paid to the worker for the working hours not worked during the suspension or reduction of the work activity, due by the employers which suffered a reduction of the turnover of less than 20%;

- ◆ 18% of the aggregate salary which would have been paid to the worker for the working hours not worked during the suspension or reduction of the work activity, due by the employers which suffered no reduction of the turnover.

In compliance with the provisions explained above, the deadline for filing the requests with *INPS (Istituto Nazionale di Previdenza Sociale - Italian Social Security Institute)*, subject to forfeiture, is the end of the month subsequent to that in which the suspension or reduction of the work activity has started. However, for the first application, the deadline is the end of the month subsequent to the entry into force of “*Decreto Ristori*”, i.e. 30 November 2020. A self-declaration, pursuant to Presidential Decree no. 445/2000, regarding the reduction of turnover must be attached to the request.

Even if no mention is made in respect of the procedure, as prescribed in “*Decreto Agosto*”, it is necessary to give prior notification to the trade union organizations.

The Decree confirmed that the payment may be directly made by *INPS*. For this purpose, the employer must send to the latter all information required for the payment or balance payment of the sum related to the income-support measure within the end of the month subsequent to that in which the period of application of the income-support measure falls or, if subsequent, within the term of thirty days from the adoption of the enactment related thereto. For the first application, the deadline hereof has been extended to the thirtieth day subsequent to the entry into force of the decree, if such date is subsequent to that mentioned above. Should such deadlines expire, the payment and costs related thereto will be borne by the employer which failed to comply with the deadline.

Par. 7 prescribes that the expiry of the terms for sending the requests for income-support measures and the information required for payment or balance payment thereof which, according to ordinary regulations, fall between 1 and 10 September 2020, was 31 October 2020.

EXTENSION OF THE PROHIBITION TO DISMISS

The prohibition to dismiss, originally introduced by Decree “*Cura Italia*” and subsequently extended, has now been postponed to 31 January 2021. We remind that the decree refers to dismissals for financial and organization reasons. So, the prohibition to dismiss does not apply to the following cases:

- ◆ final cessation of the business and winding-up of the Company, without continuation of the business, including partially;
- ◆ bankruptcy;
- ◆ change of contractor if the new contractor hires the employees of the former contractor, pursuant to the law and the Collective Bargaining Agreement;

- ◆ if corporate bargaining agreements are entered into with the national trade union organisations related to incentives to terminate the employment relationships solely in respect of the workers who have signed the above agreements.

EXEMPTION FROM THE PAYMENT OF SOCIAL SECURITY CONTRIBUTIONS FOR COMPANIES NOT APPLYING FOR STATE-FUNDED INCOME-SUPPORT MEASURES

The term for exemption from the payment of social security contributions introduced by Decree Law no. 104/2020 for companies of the non-agricultural private sector which did not apply for state-funded income-support measures was extended.

In particular, the companies not applying for income-support measures are exempted from the payment of the social security contributions (not including premiums and contributions due to *INAIL* - Italian authority for compulsory insurance against accidents at work) for a further term of 4 weeks in respect of the period already prescribed by article 3 of Decree-Law no. 104/2020 (4-month period of exemption to be used by 31 December 2020). The new 4-week term must be utilised by 31 January 2021, up to the maximum number of hours during which the income-support measure was adopted in June 2020. The amount of the exemption must be recalculated and applied on a monthly basis.

The employers which applied for the exemption from the payment of social security contributions pursuant to article 3 of Decree-Law no. 104/2020 may waive to benefit from the portion of exemption applied for and not used and simultaneously file a request for state-funded income-support measures.

Please remember that the actual utilization of the exemption, it being a “State aid”, is subject to the previous approval by the European Commission.

EXTENSION OF THE DEADLINE FOR PAYMENT OF THE SOCIAL SECURITY CONTRIBUTIONS

The employers with operating offices in the territory of the State and belonging to the sectors to which the Decree of the President of the Council of Ministries of 24 October 2020 refers, with a principal activity falling within the ATECO-code activities stated in Annex 1 of the Decree, may benefit from the extension of the deadline for payment of the social security contributions and statutory insurance premiums due for November 2020.

In particular, social security contributions and statutory insurance premiums must be paid, without the application of fines and interest, in one amount by 16 March 2021 or in maximum four monthly instalments of the same amount (first instalment must be paid by 16 March 2021).



Any failure to pay two instalments, including non-consecutive, entails the loss of the benefit to pay by instalments.

For further information please contact:

Pirola Pennuto Zei & Associati

◆ **Carlo Dori:** carlo.dori@studiopirola.com