

COVID-19

Decree Law no. 41 of 22 March 2021

“Urgent measures supporting companies and economic operators on labour, health and local services, in connection with the COVID-19 emergency”

Decree Law no. 41/2021 (“*Decreto Sostegni*”) was published in the Official Journal no. 70 of 22 March 2021, including urgent measures supporting companies and economic operators on labour, health and local services, in connection with the COVID-19 emergency, and entered into force on 23 March 2021.

We provide below the first information available on labour measures, but we reserve the right to provide further information including after the issue of clarifications by the competent entities.

Article 8 - Provisions on state-funded income support measures

Employers which suspend or reduce the work activity as a result of the COVID-19 emergency may apply for COVID-19-related state-funded income support measures *cassa integrazione quinquennale (CIGO) up to 13 weeks*, to be used between 1 April 2021 and 30 June 2021. Employers adopting such measure are not required to pay any additional contribution.

Assegno ordinario (FIS) and cassa integrazione salariale in deroga (CIGD) may be adopted up to 28 weeks and used between 1 April 2021 and 31 December 2021.

No change was made to the term for filing the requests, i.e. within the end of the month subsequent to that in which the suspension or reduction of the work activity has started. For the adoption of the above measures in April, the request must be filed within the end of May.

If the measures are directly paid by INPS, the term within which the employer must send all required information for the payment or balance payment of the income-support measure is the end of the month subsequent to that in which the measure is used or, if later, within thirty days from the adoption of the measure. For the first time of adoption of the measures, the deadline is extended to the thirtieth day subsequent to the date of entry into force of the decree.

The Decree Law confirmed the previous provision and prescribes that at the expiry of the deadline, the payment of the income-support measure and the related costs will be borne by the employer which has failed to comply with such deadline.

With the aim of speeding up the procedure to approve the requests and the related payments, the information required for the calculation and direct payment of the income-support measures by INPS or balance payment thereof must be sent by using the new electronic system named “UniEmens-Cig” which, accordingly, replaces the old SR41 form, starting from April 2021.

With reference to the procedures to pay the income-support measures connected with the COVID-19 emergency include direct payment by INPS and advance payment by the employer. The latter applies also in respect of *Cassa Integrazione in Deroga*.

Article 8 - Prohibition to dismiss

Income-support programs include the prohibition to dismiss, which applies as explained below.

- “**Short extension**”, until 30 June 2021, for all companies, regardless of the number of employees and sectors of business.
- “**Long extension**”, until 31 October 2021, solely for employers which can benefit from income-support measures *FIS*, *CIGD* and *cassa integrazione agricola*.

The extension of the term of prohibition to dismiss for further 28 weeks for companies not adopting *Cassa Integrazione Ordinaria* is allowed, regardless of whether or not such companies have actually applied for the measures. Starting from 1 November 2021 such companies may dismiss for financial reasons, provided that they are not benefitting from the income-support measures, which are available until 31 December 2021.

The three derogations from the prohibition to dismiss have been confirmed: (i) definitive cessation of business; (ii) bargaining agreement on termination incentive; (iii) bankruptcy without provisional conduct of business.

Article 15 - Measures supporting fragile workers

Until 30 June 2021, the absence from work of fragile public and private employees is considered equivalent to hospitalization, unless the workers can carry out their work from home, including in a different equivalent capacity, as defined by the collective labour agreements in force, or in the form of training courses.

The employees eligible for the above measures are:

1. officially certified severely disabled workers (article 3(3) of Law no. 104/1992);
2. officially certified immunocompromised, cancer patients who have undergone the relevant life-saving therapies.

The absence of the above employees is not taken into consideration for the purposes of the grace period.

Article 17 - Provisions on the extension or renewal of fixed-term contracts

The derogation from the obligation to specify a reason on fixed-term contracts is confirmed throughout 2021, in order to simplify the renewal of expiring contracts and enable the employers to hire seasonal staff and extend the term of contracts in view of the summer. Employers may renew and extend fixed-term contracts, for maximum 12 months and only once, without specifying the reasons originally stated, without prejudice to the maximum term of 24 months.

The Decree specified that the foregoing is without prejudice to renewals and extensions already occurred. Although we reserve the right to provide further information pending the clarifications to be issued by the Ministry of Labour, we deem that starting from the entry into force of *Decreto Sostegni* the employers which have previously benefitted from COVID-related extensions and renewals may benefit from the derogation from the obligation to specify the reason in contracts. The maximum term of 24 months is however confirmed, since it does not fall within the scope of the derogation.

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