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THE 2017 BUDGET LAW
JOBS ACT - PART III

We could call it "Jobs Act – Part III." In fact, some measures provided by the Jobs Act Legislator to manage the employment crisis are once again being "retouched".

As you may know, two important amendments have been introduced in the Budget Law which modify – even substantially – the tools for accessing redundancy management, and which highlight the current Legislator's clear guiding principle: a careful reading of the two amendments here in question shows that they appear to be "in vogue" and "old style".

But let's go over them in order. The so-called "redundancy ticket" is a sort of extended revision of the old contribution for accessing mobility that was introduced with the so-called Fornero Law in 2012.

In fact, on the one hand, the Legislator of 2012 decided to brutally amend the law governing collective redundancies, effectively repealing the historical mobility allowance, and on the other hand, cancelled the contribution that the employer had to pay both when the mobility procedure was opened and when it was closed, grading it according to whether or not an agreement was reached with the trade union.
But since, as is often the case in our country, major changes are designed and implemented so that nothing changes, our Legislator – again in 2012 – introduced the so-called "redundancy ticket" for those who want to dismiss workers as part of a collective redundancy procedure or an individual redundancy procedure.

Therefore, the duty to be paid by companies that perform collective redundancies – in fact – remains and has also been extended to other types of redundancies.

The 2017 Budget Law not only confirms the payment of this contribution, but also doubles it – in fact, going from 41% to 82% - for collective redundancies implemented from January 2018.

Therefore, not only has the vision of our Legislator been strengthened, but so has the vision towards employer conducts that assume profiles of "social disvalue" (in this specific case, the decision to terminate – rightly or wrongly – an employment relationship) and that for this reason must in some way carry the burden, even economic, of the resulting consequences.
All this is in perfect coherence with the willingness shown – once again – to want to "accompany" for as long as possible the worker out of a company that is in financial difficulty and, therefore, is forced to resort to the Wages Guarantee Fund.

Nor, in the same context, does it appear completely unexpected the amendment of the possible extension of the corporate reorganisation and crisis programme for a maximum duration of 12 and 6 months, in derogation from the provisions of Legislative Decree no. 148/2014 that sanction, for each production unit:
- on the one hand (art. 4), the maximum duration of social shock absorbers of 24 months in a five-year period of mobility (30 for industrial companies and small building, quarrying and stone-working businesses);
- on the other hand, (art. 22, paragraphs 1 and 2), the maximum duration of the extraordinary wage integration treatment of 24 months for corporate reorganisation and 12 months for corporate crisis, always calculated in reference to the five-year period of mobility.

Companies potentially eligible to benefit from this extension are
- those with more than 100 employees,
- those of economic and strategic importance,
- those that have significant employment problems,
- those subject to a government agreement,

2017 BUDGET LAW MAIN CHANGES

REDUNDANCY TICKET:
the contribution goes from **41%** *to* **82%** *for collective redundancies implemented by January 2018*

Possible extension of the reorganisation and corporate crisis programmes

provided that the corporate programme is characterised by a complexity of investments or by an employment recovery that cannot be implemented within 24 months (in the case of reorganisation) or that the recovery plan includes measures aimed at business continuity and employment protection that cannot be implemented within 12 months (in the case of a corporate crisis).

This extension, which is a clear derogation from the normal operating rules for social shock absorbers, is limited to the two-year period 2018/2019 and within specifically defined expenditure limits.

It seems clear how the 2017 Legislator has had the chance, with unusual reactivity, to realise that the recent Reform Law of social shock absorbers had indeed correctly intervened to regulate and resize the patchwork in which the previous legislation on CIGS had been transformed, but perhaps did not duly consider the specific nature of the territory and the necessary support to complex company programmes of medium to long duration. In fact, in reference to these specificities and situations, the strict application of the new provisions of Leg. Decree no. 148/2015 would inevitably and dramatically lead too quickly to declarations of redundancy, thus frustrating any hope or expectation for their future economic and social recovery.

The design seems clear. It brings us back to the past, due to both the nature of the changes themselves (increase in redundancy costs and a CIGS period of 18/36 months) and to the clear trend towards controlling redundancies that – as described in the partially repealed Law of 1991 – leads to consider a redundancy as an "extrema ratio" in the management of surplus employees.

The instruments available are of a canonical nature – and therefore easily understood by both parties – through integrated active policies aimed at helping re-employment: on the one hand, making the dismissal no longer "painless" and at the same time providing a wide-ranging instrument to reconsolidate the structure of human resources in an industrial environment to be recovered and restored.

We are in some ways going back to the past. But perhaps this time, it's not a bad thing.