

Labour regulations

A digest of recent news

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EXEMPTION FROM SOCIAL CONTRIBUTION DUTIES

Hiring of employees under 36 years old

The 2023 Budget Law (1), with the aim of promoting stable youth employment, determined that the exemption from social contribution duties, granted for the permanent hire and transformation from fixed term to permanent contract of employees under 36 years old, will also be granted in 2023.

Employers are entitled to benefit from this incentive on condition that, upon hire or confirmation with a permanent contract, the employee

a) has not reached the age of thirty-six and
b) has never before been employed under a permanent contract - even if terminated for failure to successfully complete probationary period.

If the aforementioned requisites are met, the incentive consists in the full exemption from social contribution charges for the employer, within the annual limit of EUR 8,000 (2), for up to 36 months (3), or 48 in case the employee is hired in one of the following Regions: Abruzzo, Molise, Campania, Basilicata, Sicily, Apulia, Calabria, or Sardinia.

The incentive will become effective upon authorisation by the EU Commission. (4)

Hire of "disadvantaged" female employees

Employers are granted the complete exemption from social contribution charges, not including Inail insurance premium and social contribution, for 18 months and within the annual limit of EUR 8,000, for the hire - in 2023 - with a permanent employment contract (including staff leasing) of female employees belonging to at least one of the following categories:

a) Over 50 years of age and, having been unemployed for at least 12 months,

b) Regardless of age, having not been in regularly paid employment for at least 6 months and being resident in one of the "disadvantaged" areas identified by the

2014-2020 Regional Aid Map. These are the Regions of Campania, Apulia, Basilicata, Calabria, Sicily, and Sardinia,

c) Regardless of age, having not been in regularly paid employment for at least 6 months and being employed in sectors or professions having a gender gap rate that is at least 25% higher than the average gender gap recorded on the basis of the calculations carried out by Istat, (5)

d) Regardless of age and place of residence, having not been in regularly paid employment for at least 24 months. (6)

It should be noted that employees "without regularly paid employment" are those who:

- have not, in the last six months, been in a subordinate employment relationship with a set duration of at least six months, and/or,
- have worked under a coordinated and continuous collaboration activity (7) for an annual remuneration of less than EUR 8,145.00, and/or
- have performed self-employed work for a gross annual income of less than EUR 4,800.00. (8)

The incentive will become effective upon authorisation by the EU Commission. (9)

Hire of "Citizenship Income" recipients

In order to promote the stable integration into the labour market of the recipients of "Citizenship Income" (10), employers who hire recipients of said subsidy with a permanent employment contract in 2023 are granted total exemption from the obligation to pay the employer's share of social security contribution, not including Inail insurance premium and contribution. (11)

The incentive is granted for a maximum period of 12 months and a maximum annual amount of EUR 8,000 (12), prorated and applied on a monthly basis. The same is also recognised in case of confirmation of a fixed-term contract into a permanent contract in the period between 1 January and 31 December 2023. (13) The benefit is not applicable for the hiring of domestic workers.

(*) Starting from January 2023, and on a monthly basis until December, we will publish several articles on labour and employment law in Italy, with specific focus on news and current events, but without disregarding subjects and topics that - while not undergoing relevant amendments or improvements - may be useful knowledge for international employers.

Our focus will insist on providing more than a simple number of mere notions, but rather a compendium of usable knowledge, allowing employers to pursue HR policies and strategies that are not only fully compliant with - but also set to take full advantage of - current domestic regulations.

(1) Law No. 197 of 29 December 2022. Unless otherwise specified, all regulatory references contained in this article are referred to Law No. 197 of 29 December 2022.

(2) Art. 1, par. 297.

(3) Art. 1, par. 10, Law No. 178 of 30 December 2020.

(4) Art. 1, par. 299.

(5) Italian National Institute of Statistics.

(6) Art. 1, par. 298.

(7) A hybrid form of "para-subordinate" work, specifically regulated in Italy (art. 409(3) of Civil Procedure Code and art. 2, Legislative Decree No. 81 of 15 September 2015).

(8) Art. 1, Ministerial Decree 17 October 2017.

(9) Art. 1, par. 299.

(10) Minimum income scheme (art. 1, par. 16 of Law No. 178 of 30 December 2020).

(11) Art. 1, par. 294 and art. 1-13 of Decree-Law No. 4 of 28 January 2019.

(12) Art. 1, par. 294.

(13) Art. 1, par. 295.