

Employment Law Newsletter

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In this issue

New measures aimed at supporting the economy during the Covid19 emergency have been enacted: Decree no. 137/2020 "Ristori"

On October 28, 2020 Italian Government enacted a new Decree (document in Italian [here](#)), introducing new measures aimed at supporting employees and businesses affected by the Covid19 crisis.

This new Decree provides for the following:

1. SALARY SUPPORT SCHEMES ("CIGO", "FIS" and "CIGD")

Employers who suspended or reduced their business activity can apply for 6 more weeks of salary support (i) once the second 9 weeks period provided under the decree "Agosto" (see more on this decree [here](#)) has been fully used or (ii) in case they reduced or suspended their business activity as result of the implementation of the restrictions introduced by decree dated October 24, 2020 (see more on this decree [here](#)). This additional period 6 weeks of salary support has to be used between November 16, 2020 and January 31, 2021. Periods of salary support already requested and authorized under the decree "Agosto" which will be used, even in part, after November 16, 2020, will be charged to the 6 weeks period mentioned above.

The payment of an additional contribution, calculated at 9% or 18% depending on the reduction in turnover the employer suffered as a result of the suspension or reduction of its business activity, is required by employers to benefit from the additional 6 weeks period of salary support. No additional contribution payment has to be made by employers who (i) suffered a reduction in turnover equal or above 20%, (ii) started their business activity after January 1, 2019 or (iii) whose business activity has been affected by the restrictions introduced by decree dated October 24, 2020.

2. BAN ON TERMINATIONS

Individual and collective terminations for business related reasons are prohibited **until January 31, 2021**. The ban applies to all employers, regardless of whether they have entirely used available salary support schemes (now extended for an additional 6 weeks - see point 1 above) or the exemption from social security contributions mentioned in point 3 below.

Instead, terminations continue to be permitted in the following cases:

- total closure of the business activity;
- entering into a shop collective agreement with the unions aimed at incentivizing termination of employees who voluntarily decide to join it;
- bankruptcy without temporary continuation of the business.

3. EXEMPTION FROM SOCIAL SECURITY CONTRIBUTIONS FOR EMPLOYERS WHO DO NOT APPLY FOR A SALARY SUPPORT SCHEME

The exemption from payment of social security contributions granted to employers who used salary support schemes in the months of May and June 2020 and who decide not to apply for the further 6 weeks period of salary support mentioned in point 1 above, is extended for an additional maximum period of 4 months, to be used by January 31, 2021.

The exemption is calculated within the amount of hours of salary support employers have already benefitted from during the month of June 2020.

4. SUSPENSION OF PAYMENT OF SOCIAL CONTRIBUTIONS

The payment of social contributions due for the month of November 2020 is suspended for employers whose business activity has been affected by the restrictions introduced by decree dated October 24, 2020 (you can find [here](#) the list of the codes of the activity concerned, in Italian). In any case, the suspended payment will have to be made by March 16, 2021.

5. SMART WORK FOR EMPLOYEES WHO HAVE CHILDREN UP TO AGE 16

Employees who have children up to age 16 who are placed in quarantine are entitled to work from remote for the entire duration of their children's quarantine, provided that their child got ill (i) at school or (ii) while performing sports or recreational activities (iii) in case their school closed under order of public authorities.

Whenever employees who are parents of children up to age of 14 cannot perform their working activity from remote, they can benefit from a leave paid at 50% of their salary.

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