AUTHOR

Francesco Pedroni

EMPLOYMENT & IMMIGRATION - ITALY

COVID-19: suspension of dismissals and extension of financial support and family leave

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Suspension of dismissals
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On 29 October 2020 Law Decree 137/2020, the so-called 'Ristori Decree', came into force. This article provides a summary of the relevant provisions of immediate interest relating to employment.

Suspension of dismissals

The suspension of dismissals for organisational or economic reasons, both individual and collective, has been extended until 31 January 2021 with the sole exception of the cases already provided by Law Decree 104/2020 (ie, dismissals motivated by the definitive cessation of a company's activities or bankruptcy, agreement with a union providing incentives to terminate an employment relationship or a change of contractor).

CIG COVID-19 extension, social contribution suspension and deferral of related payment

The ordinary redundancy fund (CIG) COVID-19 support has been extended by six weeks (it now applies from 16 November 2020 to 31 January 2021) for companies:

- that have already benefited from the last instalment of the CIG COVID-19 support provided by Law Decree 104/2020; and
- affected by the restrictions provided by Prime Ministerial Decree of 24 October 2020.

Access to the CIG COVID-19 support is free of charge for companies:

- affected by the restrictions set out in Prime Ministerial Decree of 24 October 2020;
- that formed after 1 January 2019; and
- that have suffered turnover losses of more than 20% (in the first three-quarters of 2020 compared with the same period in 2019).

All other companies can apply for the CIG COVID-19 support by paying a contribution of 9% (in the event of a turnover reduction of less than 20%) or 18% (in the event of no turnover reduction) of the overall salary that would have been due to employees for the hours not worked during the suspension or reduction of work.

Companies not using the CIG COVID-19 support can apply for a four-week period of social contribution exemption, until 31 January 2021, within the limits of the hours of wage supplementation already used in June 2020, excluding National Institute for Insurance against Accidents at Work (INAIL) premiums and contributions. The measure constitutes state aid and is subject to authorisation by the European Commission.

For companies belonging to the sectors indicated by the Prime Ministerial Decree of 24 October 2020 with activities that fall within the scope of the ATECO (classification of economic activity) codes attached to the Ristori Decree, the payment of National Institute for Social Security and INAIL contributions will be suspended in relation to the month of November 2020 with deferral of the related payment (also through consecutive four-monthly instalments) until 16 March 2021.

Agile work and absence from work due to school quarantine

Employees may work remotely if they live with children:

- who are under a mandatory quarantine due to their contacts at school; or
- up to the age of 16 whose school has suspended teaching.

Employees can now take extraordinary parental leave if they live with children under 14 years of age who are under a mandatory quarantine or whose school has suspended teaching.

Employees who are parents of children aged between 14 and 16 years have the right to parental leave without payment of salary, indemnity or social contributions. However, such employees are protected from dismissal and have the right to keep their job during the leave's duration.

For further information on this topic please contact Francesco Pedroni at Stanchi Studio Legale by telephone (+39 02 546 9522) or email (f.pedroni@stanchilaw.it). The Stanchi Studio Legale website can be accessed at www.stanchilaw.it.