

Subject	New provisions
<p><b>Short-Term Social Security Allowances (CIG/FIS)</b></p>	<p>Extension for an additional 18 weeks (9 + 9). Employers may benefit from the second 9-week instalment, provided that the initial 9 weeks have been fully authorised by the National Social Welfare Institution ("INPS"). The entire extension of 18 weeks must be used in the period from <u>13 July 2020</u> to <u>31 December 2020</u>. The trade union information/consultation procedure and the administrative procedure (i.e. submission of the application to INPS) should remain regulated by the previous provisions under the so-called "Cura Italia" Italian Legislative Decree (as recently amended). News: the employer's cost related to the second 9-week instalment of the new short-term social security allowance will vary on the basis of the trend of the applicant company's turnover in the 1st half of 2020 (subject to self-certification) as compared to the trend in the 1st half of 2019. The Decree provides for the following three scenarios: a) decrease in turnover of 20% or more: access to the Covid-19 social security allowance for up to a maximum of 9 additional weeks without additional cost; b) decrease in turnover in a range from 1% to 19%: access to the Covid-19 social security allowance for up to a maximum of 9 additional weeks, subject to the application of a 9% tax rate on new applications; c) no decrease or increase in turnover: access to the Covid-19 social security allowance for up to a maximum of 9 additional weeks subject to the application of an 18% tax rate on new applications. Alternative to CIG/FIS: employers – which have already applied in May and June 2020 for social security allowances – may benefit from a 100% exemption (for no more than double the hours of social security allowance granted in May and June 2020) from the payment of social security contributions, granted for a maximum of 4 months and to be used by 31 December 2020, as an alternative to applying for the additional 18 weeks of CIG/FIS.</p>
<p><b>Ban on Dismissals</b></p>	<p>Extension of the ban on dismissals for objective reasons - which should have ended on 17 August 2020 (i.e. pertaining to economic, technical, production, organisational reasons) on collective dismissal procedures for employers that have NOT fully benefited from the additional 18 weeks of CIG/FIS or the exemption alternative to CIG/FIS (4 months) as illustrated above.</p> <p>According to the opinion of minority commentators, it would seem that the purely theoretical possibility of being able to benefit from these additional weeks of CIG/FIS or the exemption should be enough to make such dismissals unlawful.</p>

<p><b>Ban on Dismissals</b></p>	<p>This means that the ban would also apply to employers which have never benefited from or felt the need of such a furlough scheme. The ban does not apply in the following cases:</p> <ul style="list-style-type: none"> <li>a) definitive termination of the company's activity (resulting in the winding-up of the business);</li> <li>b) company agreements, entered into with the most representative national trade unions (it seems that only company-level trade unions will not be able to enter into such agreements), aimed at incentivising the termination of the employment relationship;</li> <li>c) bankruptcy.</li> </ul> <p>As a result, the only further dismissals which may be made are those based on (i) a subjective reason; (ii) just cause; (iii) failure to pass the probationary period or (iv) exceeding the so-called "<i>periodo di comperto</i>" (maximum period of sick leave). Please note that the ban does not affect the dismissal of executives.</p>
<p><b>Social Security Contribution Exemption</b></p>	<p>6 months of 100% social security contribution exemption for all new open-ended hires (and for the fixed-term employment relationships converted to permanent employment) is provided until 31 December 2020, subject to a limit of 8,060.00 euros per year (the exemption is excluded for employees who have been employed, during the previous 6 months, by the same employer under another open-ended contract).</p>
<p><b>Fixed-Term Employment Agreements</b></p>	<p>Extension and renewal may – without the employer being required to identify a specific reason – be allowed on a one off basis until 31 December 2020, for a maximum period of 12 months and without prejudice to the maximum overall duration of 24 months provided for fixed-term agreements.</p>
<p><b>Smart Working</b></p>	<p>No news on smart working has been provided by the August Decree.</p> <p>However, we would point out that Italian Decree-Law no. 34/2020 (the so-called "<i>Decreto Rilancio</i>") states that until the end of the epidemiological state of emergency related to Covid-19 (currently set at 15 October 2020), private sector employees, who are parents of at least one child younger than 14 years old, have the right to work in smart working mode, if:</p> <ul style="list-style-type: none"> <li>a) there is no other parent in the household who is a beneficiary of income support; and</li> <li>b) smart working is compatible with the characteristics of the relevant activity.</li> </ul> <p>Further, Italian Decree-Law no. 111/2020, which entered into force on 9 September 2020, provides specific regulations on smart working and extraordinary leave for parents during the compulsory quarantine period of a cohabiting child to be taken by 31 December 2020.</p>

**Smart Working**

In particular, in the case of the quarantine of a child younger than 14 years old (when so ordered by the competent ASL):

- a) one of the parents may work from home during the child's quarantine;
- b) if the relevant work cannot be carried out from home, one of the parents may take paid leave at 50% of their salary.

When a parent benefits from one of the measures referred to in points a) and b) above, is working from home for other reasons or is not working, the other parent may not request the benefit from any of the aforementioned measures.