

23%

35%

43%

**Personal income tax 2024.
Exploring the change
from four to three brackets.**

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LAW

NEW RATES FOR 2024

Personal income tax: new rates for 2024.

Legislative Decree no. 216/2023 ordered the implementation of the most important personal income tax (IRPEF) reform, providing for a change from 4 to 3 brackets. For 2024, for the purpose of determining personal income tax, gross tax is calculated as follows:

BRACKETS	2023 RATES	2024 RATES
Up to €15,000.00	23%	23%
€15,001.00 to €28,000	25%	
€28,001.00 to €50,000	35%	35%
Over €50,000.00	43%	43%

To simplify the calculation of gross tax, the so-called “deduction constants” can be used by multiplying the taxable income by the rate corresponding to the bracket in which the income is included and then subtracting the adjustment for the same bracket.

The following is the reference table:

ANNUAL BRACKET	RATE TO BE APPLIED	CORRECTIVE TO BE APPLIED
Up to €28,000.00	23%	0,00 €
€28,001.00 to €50,000	25%	3.360,00 €
Over €50,000.00	35%	7.360,00 €

MONTHLY BREAKDOWN	RATE TO BE APPLIED	CORRECTIVE TO BE APPLIED
Up to €2,333.33	23%	0,00 €
€2,333.34 to €4,166.67	25%	280,00 €
Over €4,166.68	35%	613,33 €

NEW RATES FOR 2024

Examples (based on a year):

1. Annual Taxable Income = €29,000.00
 - € Gross IRPEF = $29,000.00 \times 35\% - 3360 = € 6,790.00$.
2. Annual Taxable Income = €52,000.00
 - € Gross IRPEF = $52,000 \times 43\% - 7,360 = € 15,000.00$.

Moreover for 2024, the deduction for employment has been raised from €1,880.00 (if total income does not exceed €15 thousand) to €1,955.00.

As a result of the changes, from 2024 onwards there will be a slight decrease in taxes and consequently a slight increase in net income, especially for employees earning between €15,000 and €50,000 per year.

On the other hand, for incomes above €50,000, a correction has been introduced to offset the reduction in the rates for the first brackets, which provides for a reduction in deductions on deductible expenses, except for health expenses, equal to €260. This reduction only has an impact on the filing of one's tax return.

Finally, for 2024, the "No Tax Area" for employed workers has been equated to that of pensioners. As such, for both types of income, the "No Tax Area" limit will be €8,500.

Fringe benefit exemption limit changed.

The 2024 Budget Law amended the rules on fringe benefits (forms of remuneration in kind) for the 2024 tax year.

The exemption limit has been increased from €258.23 to €1,000 for all employees and to €2,000 for employees who claim dependent children.

For children to qualify as dependent, they must meet the following requirements:

- a) Earn less than €4,000 annually (if under the age of 24)
- b) Earn less than €2,840.51 annually (if over the age of 24)

In addition to benefits in kind, the fringe benefit exemption (up to the limit of €1000/€2000) also includes amounts reimbursed by the employer for the payment of household utility bills, the cost of renting a first home and interest on a mortgage for a first home.

FRINGE BENEFIT

DEDUCTION ON THE COST OF LABOUR

“Super” deduction on the cost of labour for 2024.

Among the provisions in the Budget Law to support hiring new staff, the most prominent is the provision allowing what is called a “super deduction” – from business (or self-employment) income – of the increased labour costs from hiring new staff. The deductibility of labour costs is increased by a percentage equal to 20 per cent, which rises by an additional 10 per cent (to 30 per cent) if the company hires so-called “disadvantaged” workers.

This relief for employee personnel costs is applicable to all types of companies (corporations and partnerships, cooperatives, sole proprietorships) and for professionals.

To use this measure, the following must be met:

- The company must have been active throughout 2024 and no bankruptcy procedures must have commenced.
- The company must have entered into the new open-ended employment contracts in 2024.
- The number of employees on open-ended contracts on 31 December 2024 must be higher than the average number of employees in 2023. Any reductions in staff at subsidiaries or affiliates owned by the company must be included in the calculation.
- The total number of employees (including employees on fixed-term contracts) at 31 December 2024 must be higher than the average number of employees in 2023. Reductions at Group companies do not have to be taken into account.

The amount subject to the super-deduction is equal to the lower amount between the actual costs of the new hires and the total increase in personnel costs in the income statement pursuant to Section 2425(1)(B) (9) of the Italian Civil Code, compared to that of the current financial year ending on 31 December 2023.

The revenue service is expected to issue a circular letter to clarify the various interpretative doubts arising from the reading of the law.

SOCIAL SECURITY CONTRIBUTION RELIEF

Social security contribution relief for southern italy – extension until 30 june 2024.

The European Commission has extended the applicability of the contribution relief for Southern Italy until **30 June 2024**.

The measure involves a 30% reduction in social security contributions (excluding INAIL premiums and contributions) for private employers based in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily.

For 2024, the ceiling for the maximum amount payable has been increased:

- €335 thousand for companies active in the fisheries and aquaculture sectors.
- €2.25 million for all other companies eligible for the existing aid scheme.

On the basis of the above-mentioned authorisation, the benefits in question can be applied until the month of June 2024, specifying that the relief applies not only to new hires but to all existing relationships during relief period. However, the contribution relief in question cannot be applied to the sectors of primary production of agricultural products, domestic work and the financial sector. Finally, the social security institute (INPS) has pointed out that the instructions relating to the exemption from contributions for the period from 1 July 2024 to 31 December 2029 will be issued at the end of the procedure for obtaining further authorisations from the European Commission.

TAX WEDGE REDUCTION

Extension of employee account contribution reduction (tax wedge reduction).

The 2024 Budget Law extended the reduction of employee's social security contribution (the employee's part). The contribution reduction for the whole of the next tax period is as follows:

- 7% if the annual taxable salary, calculated on a monthly basis, does not exceed €1,923.
- 6% if the annual taxable salary, calculated on a monthly basis, does not exceed €2,692.

Compared to the same facility in place in 2022 and 2023, in 2024 the monthly reference ceilings (€2,692 and €1,923) will have to be considered net of the accrual of the 13th month bonus. As a result, the total amount received for the thirteenth month does not need to be taken into account when quantifying the limit for eligibility for the exemption; correspondingly, the thirteenth month does not benefit from the contribution reduction (in 2023, the exemption for the thirteenth month was applicable).

Importantly, the actual applicability of the exemption has to be assessed on a pay period by pay period basis, so it will be possible to have alternating periods of varying levels of exemption or non-applicability depending on monthly income.

CHANGES TO PARENTAL LEAVE

Changes to parental leave.

In terms of parental leave, the 2024 Budget Law has extended what was previously introduced in 2023, so that a total of 9 months of paid leave (or up to 11, for certain income cases) is available to the parents as follows:

- 1 month at 80% for children up to age 6, alternatively between the parents.
- 1 month at 60% for children up to age 6, alternatively between the parents (for 2024 at 80%).
- 30% for the remaining period used.

The rule applies to those who finish their mandatory leave after 31/12/2023. The social security institute (INPS) still has to issue a circular detailing how this will be implemented in practice.

RETURNING WORKERS NEW RULES

Regime for returning workers: new rules from 2024.

Legislative Decree 209/2023, which implements the tax reform of the particular regime related to people who have moved their residence in Italy from abroad, abolished the “returning worker” tax regime in force until 2023 and introduced a new regime, applicable from 2024, for persons transferring their residence to Italy. This new system allows a tax exemption for a maximum of 5 fiscal years, equal to 50% of the total income, within an annual limit of €600,000.00. The exemption applies to income from employment, from equivalent work and self-employed work carried out in Italy.

Thus, the distinction between those who acquired residence in southern Italy, which offered a tax reduction of 90 per cent of income, and other areas of Italy, which offered a tax reduction of 70 per cent, has been eliminated. Moreover, while the reduction has been reduced to 50 per cent for all beneficiaries, it has been increased to 60 per cent only for those who move to Italy with a minor child who becomes resident.

In addition to this reduction in the level of the relief, new requirements will be introduced to restrict the pool of beneficiaries. In fact, for the application of the new regime, the following must be met:

- a) Employees must be highly qualified or specialised.
- b) Employees must agree to remain in Italy for at least 4 years.
- c) Employees cannot have been resident in Italy in the 3 tax years prior to their move.

Specifically in relation to (c), if the work is carried out in Italy for the same company or for a company belonging to the same group with which he/she was employed abroad before the transfer, the minimum period of residence abroad is increased from the standard 3 tax periods. Indeed, it is expected to be 6 tax periods if the beneficiary was not employed in Italy by the company before moving abroad, or 7 tax periods if the beneficiary was employed in Italy by the same company before moving abroad.

The new rules will apply to those who move their residence to Italy from 2024. As such, the previous rules will remain in force for those who moved

IMPATRIATI NUOVE REGOLE 2024

their residence by 31 December 2023, including those who, having transferred their residence in the second half of 2023, will be considered tax residents in Italy in 2024 for the first tax year.

This table provides a summary:

	OLD REGIME	NEW REGIME
Income Exemption	90% Residence in the South	50% Residence anywhere in Italy - No children
	70% Residence anywhere in Italy	60% For those who have at least one minor child residing Italy
Ceiling		€ 600,000 in a single year
Worker Requirement		Workers must be highly qualified or specialised
Permanence in Italy	Commitment to reside in Italy for tax purposes for at least 2 years	Commitment to reside in Italy for tax purposes for at least 4 years
Permanence Abroad	Employees cannot have been resident in Italy in the 2 tax years prior to their move	Employees cannot have been resident in Italy in the 3 tax years prior to their move. * for transfers within the same Group: 6 or 7 years

In addition, we are still awaiting a circular from the Italian tax authorities clarifying various operational aspects of the above.

SIMPLIFICATION OF REQUIREMENTS

Simplification of requirements for secondment from abroad.

In Note no. 2401 of 20 December 2023, the National Labour Inspectorate provided clarifications on the simplification of administrative costs for transnational secondments. In particular, with regard to the obligation established by Legislative Decree 136/2016 to keep, among other things, the employment contract, pay slips, documents proving the payment of wages and the notice of commencement of employment during the transnational secondment and for up to two years after the end of the secondment, it is sufficient to make these documents available to the supervisory authorities upon request, without the need to keep these documents on site for the entire duration of the secondment. In order to comply with the aforementioned obligation, the National Labour Inspectorate reiterated that the need to allow the inspectorate staff to verify immediately the correct establishment of the employment relationship is obviously still valid, which, as indicated in Circular no. 1/2023, can be demonstrated by a certificate of the request for the A1 Form made to the social security authority of the Member State of origin made by the posting company.

In terms of simplification, the National Labour Inspectorate also addressed the requirement to designate a contact person responsible for sending and receiving acts and documents. In this respect, the note clarifies that the contact person that the secondment company must designate to deal with the competent Italian authorities does not necessarily have to be physically present in Italy. It shall suffice to indicate a domicile in Italy used for the contact details for both notifications and any direct contact.

COLLECTIVE LABOUR AGREEMENT RENEWALS

RUBBER & PLASTIC INDUSTRY

Rubber & plastic industry agreement.

Base Pay

An increase in the minimum wage is planned from 1 January 2024. The average increase is €48.75 calculated on level C.

The increase can be absorbed by other amounts.

1) Complementary healthcare

From 1 January 2024, companies have to pay a monthly contribution of €14 to the FASG&P fund.

From 1 January 2024 as well, enrolled employees will be able to supplement the FASG&P health plan by contributing €7 per month through a monthly payroll deduction for a more comprehensive health plan.

DOMESTIC WORKER

Domestic worker agreement.

1) Base Pay

An increase in the minimum wage is planned from 1 January 2024. The following table shows the new base pay levels.

LEVEL	Live-in, Art. 14(1)(a)	Worker, Art, 14(2)	Non-live in, Art. 14(1)(b)
	Monthly (€)	Monthly (€)	Hourly (€)
Level A	€ 729,25		€ 5,30
Level AS	€ 861,86		€ 6,24
Level B	€ 928,15	€ 662,96	€ 6,62
Level BS	€ 994,44	€ 696,13	€ 7,03
Level C	€ 1.060,76	€ 769,02	€ 7,42
Level CS	€ 1.127,04		€ 7,83
Level D	€ 1.325,92		€ 9,03
Level DS	€ 1.392,21		€ 9,41

LEVEL	Night care, Art. 10	Night presence, Art. 11	Worker, Art. 14(9)
	Monthly (€)	Monthly (€)	Hourly (€)
Level BS	€ 1,143,60		
Level CS	€ 1.296,09		€ 8,41

The increase can be absorbed by other amounts.

Chemical industry agreement.

1) Base Pay

With effect from 1 January 2024, there shall be an increase in the amount of the base pay (Trattamento Economico Minimo - TEM) for category D1 of €68.00. The increase scheduled to take effect in July 2024 has partly been brought forward to January 2024. More specifically:

- A payment of €45.00, out of the €68.00 increase already scheduled from July 2024, will be brought forward to 1 January 2024.
- The remaining €23.00 of the above increase will be payable from 1 July 2024.
- The inclusion of €23.00 in base pay taken from the distinct element of remuneration (EDR) has been brought forward from 1 July to 1 January 2024.

The increases for the D1 level are as follows:

- €51.00 for base pay and €17.00 for the organisational role allowance (IPO) from 1 January 2024.
- €17.00 for base pay and €60.00 for the organisational role allowance (IPO) from 1 July 2024.





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*Measures to ensure gender equality in the workplace in relation to outsourced
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EQUALITY OR THE BEAUTY OF THE "OTHER".

Everybody is important for JOBCODE. We are all the same yet we are all different and for us everyone is important in their own unique way. This is why we have always been committed to promoting people, without distinction.

In order to put this philosophy into action we decided to undergo an external audit, receiving gender equality certification, recently introduced by law. This certification, of which we are very proud, is not a point of arrival but another step on a path that involves our company, our collaborators, but also all our customers, partners and friends. Because equality begins with a friendly attitude towards our neighbour, without prejudices or distinctions of any type.

