

## COHESION DECREE 2024. Lighter burden for hiring under 35s.



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## LAW

### UNDER 35 CONTRIBUTION RELIEF

### UNDER 35 contribution relief

The new so-called Cohesion Decree introduces an exemption for hiring workers under 35. Specifically, the exemption applies to workers hired between 1 September 2024 and 31 December 2025 who are under the age of 35 and have never had a job with an open-ended contract. The measure provides for 100% relief on employer social security contributions for up to 24 months. However, there is still a ceiling of €500 per month, which rises to €650 for regions in southern Italy, namely Abruzzo, Molise, Campania, Basilicata, Sicily, Apulia, Calabria and Sardinia.

The exemption also applies to the conversion of fixed-term contracts into open-ended contracts, but not to domestic work and apprenticeships. It does allow for cases of previous employment on an apprenticeship contract that was not continued as a normal open-ended employment contract. In any case, employers can only make use of this measure if they have not made any dismissals for legitimate business reasons or collective dismissals in the previous 6 months.

The contribution relief in question replaces the UNDER36 relief previously foreseen, but not confirmed by the 2024 Budget Law. The use of this contribution relief, as well as the subsequent ones (“Women Bonus” and “Over 35 for the Special Economic Zones in southern Italy”), is subject to approval by the European Commission, so all hirings will have to be considered as “ordinary” and only subsequently can reimbursement be sought for the previously paid contribution.

## WOMEN CONTRIBUTION RELIEF

### Disadvantaged women contribution relief.

Article 23 of the Cohesion Decree provided for contribution relief for the recruitment of disadvantaged women. This relief has some features that distinguish it from the relief provided by the 2012 Law, such as the fact that it is not structural but time-based and that it cannot be combined with other incentives.

In order to promote equal opportunities in the labour market for disadvantaged female workers, this provision sets out a 100% exemption of employers' social security contributions for up to 24 months, with a maximum of €650 per month, for new employees hired on open-ended contracts between 1 September 2024 and 31 December 2025. The bonus is applicable to women of any age without regular paid employment (for six months in the special economic zone of southern Italy and for twenty-four months regardless of where they live). It is important to check, in the two years prior to taking up the job, the employee has not had paid employment with a contract of at least six months, a so-called 'coordinated and continuous collaboration' with annual remuneration of more than €8,000 or been self-employed with annual income exceeding €4,800.

The unique aspect of this relief, as stated in Article 23(3), is that it is necessary to demonstrate a net increase in employment compared with the average of the previous 12 months, i.e. the average number of annual labour units (ALUs) in the year preceding the recruitment compared with the average number of ALUs in the year following the recruitment.

As with the UNDER35 relief, the benefit is subject to approval by the European Commission.

## HABITUAL CROSS-BORDER TELEWORKING

# European framework agreement on habitual cross-border teleworking.

In message no. 1072 of 13 March 2024, the Italian Social Security Institute (INPS) published the procedures for submitting applications for the issuing of a certificate of the legislation applicable (A1 form) to habitual cross-border teleworking following the entry into force of the European Multilateral Framework Agreement (on 1 January 2024 for Italy).

The Agreement (Art. 3) introduces the possibility of an exemption from the general rule for determining the applicable legislation in cases where the activity is carried out in two or more Member States, allowing the social security legislation of the signatory State in which the undertaking is located to be maintained, provided that the work is carried out remotely in the State of residence of the worker for less than 50% of the total working time.

'Cross-border telework' means an activity which can be pursued from any location and could be performed at the employer's premises or place of business and:

- is carried out in a Member State or Member States other than the one in which the employer's premises or the place of business are situated; and
- is based on information technology to remain connected to the employer's or business's working environment.

The Agreement applies only to European states that have signed it.

Applications for the certificate of applicable legislation (Portable Document A1) referred to in Article 3 of the Agreement must be submitted in the Member State to whose legislation the worker wishes to be subject. It follows that such requests should be forwarded to the competent body of the Member State in which the employer is established or domiciled.

Applications may only cover periods after the date of entry into force of the Agreement for both signatory States concerned.

It is possible to keep applying the social security legislation of the signatory State in which the company is located for a maximum period of 3 years, with the possibility of extension upon submission of a new application.

## COLLECTIVE LABOUR AGREEMENT RENEWALS

### METALWORKING COLLECTIVE AGREEMENT

### **METALWORKING COLLECTIVE AGREEMENT: Equalising element.**

With June 2024 pay, employees employed on 1 January of each year in companies without second-tier collective agreements with financial provisions and who in the previous year (1 January – 31 December) received remuneration consisting exclusively of amounts set by the National Collective Labour Agreement (e.g., employees with no collective or individual discretionary wage elements, annual bonuses or other remuneration subject to contributions) will receive an annual 'equalising' payment of €485, which is all inclusive and does not affect severance pay, or a lower amount up to the aforementioned amount in the case of lower additional remuneration.

This amount is determined on the basis of the duration of the employment relationship, including non-consecutive periods, during the previous year; any fraction of a month exceeding 15 days is considered to be a full month for these purposes.

Notwithstanding the criteria for accrual of the equalizing element, if employment is terminated before June, the above amount will be paid at the time when any entitlements are settled.

The equalizing element is, for all intents and purposes, accrued in the year of payment, since the reference to wages and salaries received is taken as the benchmark for the purpose of its recognition.

## METALWORKING COLLECTIVE AGREEMENT: CONTRACTUAL WELFARE

# METALWORKING COLLECTIVE AGREEMENT: CONTRACTUAL WELFARE.

By 1 June each year, companies must provide their employees with social welfare options worth €200, to be used by 31 May of the following year. These amounts are all-inclusive and are expressly excluded from the basis for calculating severance payments.

The following employees, after the probation period, are eligible for these benefits if they are in employment on 1 June of each year or if they are hired by 31 December of each year on:

- an open-ended contract;
- a fixed-term contract that has already been in effect for at least three months, even if not consecutive, during the year (1 January-31 December).

Employees on unpaid leave or leave without any allowance between 1 June and 31 December of each year are excluded from these benefits. The amounts indicated above cannot be calculated proportionally for part-time employees and are inclusive only of any tax or contribution costs payable by the company.

Workers also have the option to allocate the amounts in question, each year, to the Cometa or Metasalute funds, in accordance with the rules for these funds, provided the total cost for the company does not exceed €200 for each year.



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