

**LABOUR
WORLD:**
all the news
about 2022.

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LET'S GO.

PERSONAL INCOME TAX REFORM

New rates, income brackets, deductions and rules for supplemental income.

From 1 January 2022, the rates and income brackets for calculating personal income tax (IRPEF) have changed.

More specifically, for most employment income, the number of brackets has changed from five to four, with the subsequent adjustments to the progressive rates as follows:

2021

INCOME BRACKETS	RATES
Up to 15.000€	23%
From 15.000 to 28.000€	27%
From 28.000€ to 55.000€	38%
From 55.000€ to 75.000€	41%
Over 75.000€	43%

2022

INCOME BRACKETS	RATES
Up to 15.000€	23%
From 15.000€ to 28.000€	25%
From 28.000€ to 50.000€	35%
Oltre 50.000€	43%

For employee income and equivalents, the system of deductions and so-called supplemental income (old “Renzi” bonus) have also been changed to cut the taxes payable.

In particular, the deductions on employment income have been increased to “absorb” the €100 known as the “Renzi” bonus (or “trattamento integrativo”). The new deductions for employee income will be calculated as below.

INCOME	AMOUNT OF THE TAX DEDUCTION FOR EMPLOYEE'S INCOME
Up to 15.000€	1.880 (not less than 690 and, if on a fixed term contract, not less than 1.380)
From 15.000 to 28.000€	$1.910 + 1.190 \times (28.000 - \text{income}) / (28.000 - 15.000)$
From 28.000€ to 50.000€	$1.910 \times (50.000 - \text{income}) / (50.000 - 28.000)$
Over 50.000€	0

These deductions are further increased by €65 when total income is between €25,000 and €35,000.

For income treated as employment income, the deductions are calculated as follows:

INCOME	AMOUNT OF THE DEDUCTION FOR EMPLOYEE'S INCOME
Up to 5.500€	1.265
From 5.500€ to 28.000€	$500 + (1.265 - 500) \times (28.000 - \text{income}) / (28.000 - 5.500)$
From 28.000€ to 50.000€	$500 \times (50.000 - \text{income}) / (50.000 - 28.000)$
Over 50.000€	0

Finally, the “trattamento integrativo” will only remain in place with workers earning up to €15,000, amounting to €1,200 annually.

For those people earning between €15,000 and €28,000, a protective mechanism has been included such that this “supplemental income” will continue to be granted provided that the sum of the following deductions exceeds the gross tax:

- Deductions for dependent family members
- Deductions for work income
- Deductions for interest payable on mortgages for land and a primary residence contracted by 31 December 2021
- Deductions for renovation and energy upgrade expenses incurred up to 31 December 2021.

Following the approval of the 2022 Budget Law, numerous changes have been made to the wage guarantee schemes in relation to the type of relationship (CIGO, CIGS and FIS).

The following are the main aspects of this reform

A) Employers and workers than can access such schemes

From 01/01/2022, all employers can use salary integration schemes regardless of the employment requirements.

The various salary integration schemes (CIGO, CIGS and FIS) are available for all workers who have accrued 30 days of service in the job, including people working remotely and apprentices, whatever the type of apprenticeship. The extension of the apprenticeship period

REFORM OF THE WAGE GUARANTEE SCHEMES

remains unchanged, matching the number of hours of the salary integration scheme used.

B) Amounts and direct payment

Such schemes can pay 80% of the total amount due for hours not worked, but there is also a flat maximum threshold that is not tied to a worker's monthly remuneration.

In those cases where it is the Italian Social Security Institute (INPS) that has to make the payment directly, employers have to provide the Institute with all the information needed to make the payment. Such information has to be submitted by the end of the second month following the month in which the salary integration scheme began to be used or, if later, within 60 days from the communication approving the salary integration application. After this period, the employer becomes solely responsible.

C) Extraordinary wage protection scheme

For the use of such schemes beginning on or after 01/01/2022, the rules for the extraordinary wage protection scheme (CIGS) are applicable to all employers that employ more than 15 people, and are not covered by bilateral, alternative or territorial solidarity funds, regardless of which industry the company operates in. Calculating the number of people working for a company includes all staff, thus all executives, people working remotely and apprentices.

Some changes have been made in terms of the "reasons" allowed for such support:

- Where the reason for the wage integration is a "solidarity contract", there have been changes to the reduction in working time, such that the average working time reduction cannot exceed 80% of the daily, weekly or monthly working time of the workers on solidarity contracts. For each individual worker, the percentage of the overall working time reduction cannot exceed 90% of the entire period for which a solidarity contract is in force.
- The reason of "company reorganisation" has been expanded to include those transition processes identified in a specific decree that the Ministry of Labour will issue within 60 days of the related law being published.
- The reason of "company crisis" has not changed

In companies with more than 15 employees, the use of aid for "company reorganisation" or "company crisis" can be extended for up to 12 months in total, compared to the ordinary duration, by signing a trade union agreement aiming to re-employ and retrain the excess personnel. Those workers to whom this relates have to be placed on

the “Guarantee of employability of workers (GOL)” programme.

As of 01/01/2022, the contribution to fund the extraordinary wage protection scheme payable by all employers with an average of more than 15 employees in the six months preceding the date of the application is 0.90%, of which 0.30% is payable by the employee.

Only for 2022, the rate for this has been reduced by 0.63 percentage points for employers with an average of more than 15 employees in the six months preceding the date of submitting the application.

D) Salary Integration Fund

From 01/01/2022, those companies that are not covered by the ordinary or extraordinary wage guarantee schemes (CIG and CIGS) and have at least 1 employee are now obliged to join into the solidarity funds.

Moreover, the so-called “solidarity allowance” has been abrogated so there is now only one type of salary integration for all companies that are part of the salary integration fund.

The maximum duration for the salary integration allowance has been set as follows:

- 13 weeks in a rolling two-year period, for employers that, in the six-month period prior to the date of application, employed up to 5 people on average
- 26 weeks in a rolling two-year period, for employers that, in the six-month period prior to the date of application, employed more than 5 people on average.

The rate payable to this fund is 0.50% for employers that had up to 5 employees on average in the previous six months and 0.80% for employers that had more than 5 employees on average in the previous six months and

Only for 2022, these rates are reduced as follows:

- 0.35 percentage points, for employers that employed up to 5 people on average in the six-month period prior to the date of application.
- 0.25 percentage points, for employers that employed between 5 and 15 people on average in the six-month period prior to the date of the application.

**NEW
CONTRIBUTION
RELIEF IN 2022**

- 0.11 percentage points, for employers that employed over 15 people on average in the six-month period prior to the date of the application.
- 0.56 percentage points for companies defined as providing “commercial activities”, including logistics, and travel/tourism agencies, including tour operators, that employed over 50 people on average in the six-month period prior to the date of the application.

E) Reduction in the additional contribution from 2025

Employers that make use of an ordinary or extraordinary wage guarantee scheme after 01/01/2025 that have not used such a scheme in the 2 preceding years will pay a reduced additional contribution as follows:

- 6% of the total remuneration that would have payable to the worker for the hours of work not carried out, in relation to the periods of ordinary or extraordinary salary integration used within the overall limit of 52 weeks in a five-year period.
- 9% over the 52 weeks and up to 104 weeks in a rolling five-year period.

A. Specific contribution reduction for employees.

For the period from 1st January to 31st December 2022, there is a reduction in the contribution for employees (except for domestic workers) equal to 0.8% to be applied to the “Incapacity, Old Age and Survivors” (IVS) contribution payable by the worker.

This exemption is granted provided the relevant earnings, calculated on a monthly basis for thirteen months, do not exceed €2,692 per month plus, for the month of December, the accrued 13th month bonus.

B. Apprenticeship contribution relief (max. 9 employees).

In 2022, employers that have less than 9 employees and that hire people on specific apprenticeship contracts (first-level apprenticeship contracts for vocational qualifications and diplomas, upper secondary education diplomas and higher technical specialisation certificates) are eligible for 100% relief from the contributions payable by the company for the first 3 months. The 10% rate remains unchanged for periods after the third year of the contract.

PATERNAL LEAVE

Paternal leave (standard from 2022)

Both mandatory and optional paternal leave have become standard from 2022.

The period of mandatory leave is 10 days, which do not have to be used consecutively. In terms of optional leave, there is the option to take a single day, with the mother's agreement and replacing a day of material leave, during the mother's period of mandatory leave.

TRAINEESHIPS

Extracurricular traineeships

The 2022 Budget Law put in place the framework for altering the rules for extracurricular traineeships. In particular, the Government and the regions have 180 days from the Law coming into effect to draw up the new guidelines for extracurricular traineeships.

The Law also established that the fines for failing to pay the trainee's wage will range from €1,000 to €6,000, depending on the severity of the wrongdoing.

CHILD ALLOWANCE

Child allowance from 1st march 2022

From 1st January 2022, applications for the new child allowance (Assegno Unico) can be made using the website of the Italian Social Security Institute (INPS). The allowance is payable from 1st March 2022. For January and February 2022, the current measures will remain in force, meaning the so-called "assegni familiari" (ANF) included in one's payslip and the deductions for dependent children will still apply. In this sense, INPS has clarified that all applications for the household allowance authorised at 31/12/2021 will be extended until 28/02/2022.

ADVANCE NOTIFICATION

Advance notification for casual workers

Today, the National Labour Inspectorate provided awaited clarifications regarding the methods for making the required notification, in advance, when using casual worker contracts (so-called “collaborazioni autonome occasionali”).

SCOPE OF APPLICATION

This requirement only applies to “contractors operating as entrepreneurs” and only for specific casual employment relationships (the aforementioned “lavoro autonomi occasionali”), that is, relationships with workers falling under the definition in Section 2222 of the Italian Civil Code.

START DATES

The requirement applies to relationships entered into after the entry into force of the provision or, even if entered into earlier, still ongoing on today’s date. For all employment relationships existing on today’s date and any relationships entered into on or after 21st December but already terminated, the notification must be made within the next 7 calendar days, that is, by the end of 18th January.

For such work relationships that began after 12th January, the notification must be made at least the day before the person starts working.

METHODS FOR THE NOTIFICATION

The Ministry of Labour and Social Policies will update/integrate the currently used applications to make it simpler to fulfil the requirements.

In the meantime, such notifications must be done by sending an email to a specific email address for the local Labour Inspectorate (the annex contains the complete list).

CONTENT OF THE NOTIFICATION

The notification must include the following details (which can be written in the body of the email):

- Details of both parties in the relationship (contractor and worker)
- Location for the work
- Brief description of the activities
- Start date and presumable duration (e.g. 1 day, 1 week, 1 month)
- Total compensation, where established at the time of appointment

**ADVANCE
NOTIFICATION**

CANCELLATION AND NEW NOTIFICATION

Should the required work or service not be provided during the indicated time period, it will be necessary to make a new notification. A notification that has already be sent can be cancelled or the details can be amended at any time prior to the work/service commencing.