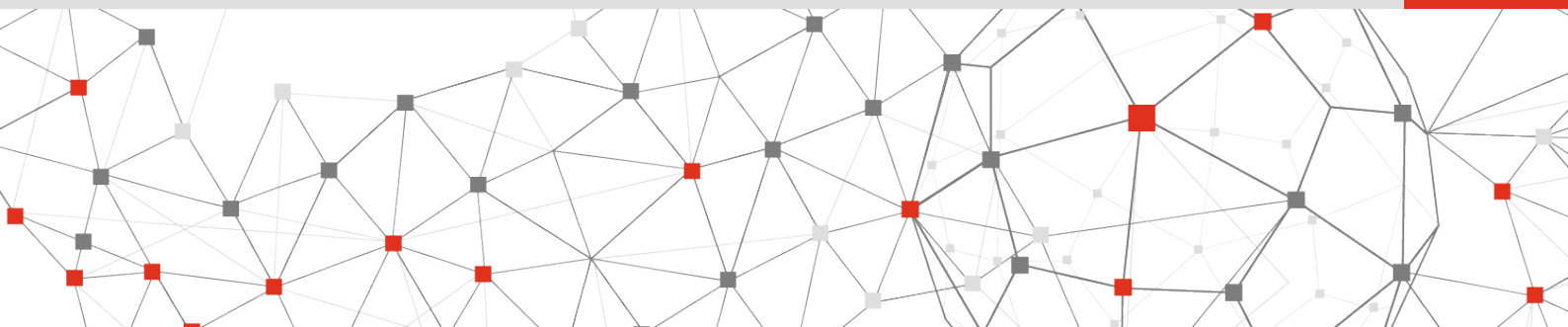




Emergency COVID-19: handbook for the employment relationships management

Legal framework updated to the Decree Law no. 34 of May 19, 2020 (so-called “**Decreto Rilancio**”)

www.pwc-tls.it





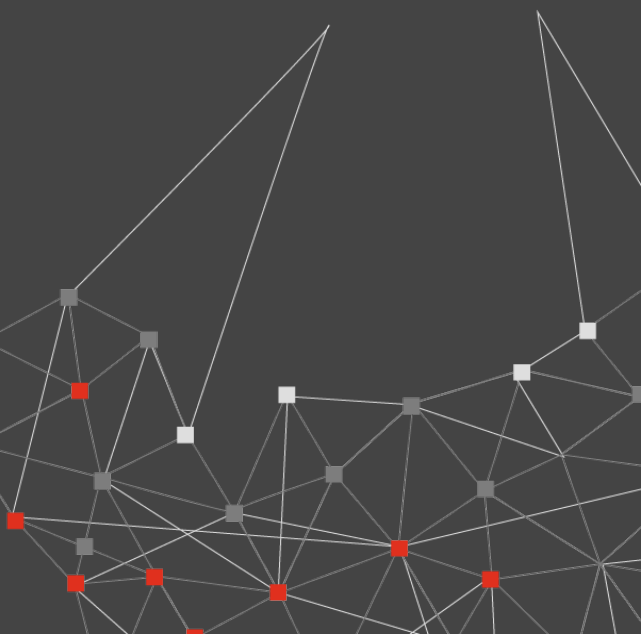
Index

The regulatory framework (On may 26, 2020)	4
HR'S PROFILES OF THE EMPLOYMENT RELATIONSHIPS MANAGEMENT	7
The organisation of the working activity	8
What measures can the employer take?	8
Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace" of 24 April 2020 What's in the protocol?	9
Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace" of 24 April 2020 and the so called "Decreto Rilancio" What does the Decreto Rilancio provide for to facilitate the implementation of the Protocol's measures?	10
What are the requirements to be followed for the adoption of smart working and what is the simplified procedure for the adoption of smart working?	11
Is smart working a legitimate right?	12
What are the new provisions on dismissals?	13
What are the extraordinary leave measures planned for the employees?	14
Are there any special provisions for disabled employees and/or assisting disabled family members?	15
What are the provisions for the absence of employees who are ill due to COVID-19 and/or are in quarantine?	16
Health and safety at work	17
Is COVID-19 infection an occupational injury?	17
What the Employer must do to protect the health and safety of employees?	18
Social shock absorbers and wage integration measures	20
What are the resources available to those companies that are currently under suspension or reduction of their working activity?	20
What to do if the employer is already receiving extraordinary salary integration treatment (i.e. CIGS)?	22
What measures are provided for employers who do not have access to CIGO, CIGS, FIB or FIS?	23
Allowances of EUR 600 or EUR 1000 to the following categories of workers:	25
Social shock absorbers and temporary contracts	27
Social shock absorbers and wage integration measures	28



Index

The emerging of employment relationships	29
Social advance in favour of workers receiving income support treatment	30
Management of tax and social security charges	31
New deadlines for the management of tax withholding agent obligations	31
What are the measures to protect the purchasing power of employees?	32
GLOBAL MOBILITY PROFILES	33
What are the measures that limit the movements of foreign employees in Italy?	34
Are there any travel restrictions?	35
If the residence permit expires, how can I renew it?	37
Are there alternative solutions that allow foreign employees to extend their stay in Italy?	38
Are there any special measures for cross-border employees?	39
Contacts	41





The regulatory framework to May 26, 2020

- **Laws and decrees**
- Decree Law no. 6 of 23 February 2020 "Urgent measures concerning the epidemiological emergency from COVID-19";
- Decree of the President of the Council of Ministers of 23 February 2020 "Implementing provisions of Decree Law no. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19" (repealed);
- Decree of the President of the Council of Ministers of 25 February 2020 "Additional provisions implementing Decree Law No. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19";
- Decree of the President of the Council of Ministers of 1 March 2020 "Additional provisions implementing Decree Law No. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19" (repealed);
- Decree Law no. 9 of 2 March 2020 "Urgent support measures for families, workers and businesses related to the epidemiological emergency by COVID-19";
- Decree of the President of the Council of Ministers of 8 March 2020 "Further implementing provisions of Decree Law no. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19";
- Decree of the President of the Council of Ministers of 9 March 2020 "Additional provisions implementing Decree Law no. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19, applicable throughout Italy";
- Decree of the President of the Council of Ministers of March 11, 2020 "Further measures for the containment and management of the epidemiological emergency by COVID-19 throughout the national territory";
- Decree Law no. 18 of March 17, 2020 "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the epidemiological emergency of COVID-19" (so-called D.L. Cura Italia);
- Decree Law no. 19 of 25 March 2020 "Urgent measures to deal with the epidemiological emergency of COVID-19";
- Decree of the President of the Council of Ministers 28 March 2020 "Criteria for training and distribution of the Municipal Solidarity Fund 2020";
- Decree of the President of the Council of Ministers of 1 April 2020 "Implementing provisions of Decree Law no. 19 of 25 March 2020 on urgent measures to deal with the epidemiological emergency from COVID-19, applicable throughout the national territory";
- Decree Law no. 22 of 8 April 2020 "Urgent measures for the regular conclusion and orderly start of the school year and the holding of State examinations";
- Decree Law 8 April 2020, n.23 "Urgent measures regarding access to credit and tax obligations for companies, special powers in strategic sectors, as well as interventions in the field of health and work, extension of administrative and procedural deadlines";



The regulatory framework to May 26, 2020

- Decree of the President of the Council of Ministers of 10 April 2020 "Further provisions implementing Decree Law no. 19 of 25 March 2020 on urgent measures to deal with the epidemiological emergency of COVID-19, applicable throughout Italy";
- Decree of the President of the Council of Ministers of 26 April 2020 "Further implementing provisions of Decree-Law no. 6 of 23 February 2020 on urgent measures for the containment and management of the epidemiological emergency by COVID-19, applicable throughout Italy";
- Decree Law no. 33 of 16 May 2020, no. 33 Additional urgent measures to deal with the COVID-19 epidemiological emergency;
- Decree of the President of the Council of Ministers of 17 May 2020 Implementing provisions of Decree Law no. 19 of 25 March 2020, on urgent measures to deal with the epidemiological emergency from COVID-19, and Decree Law no. 33 of 16 May 2020, on additional urgent measures to deal with the epidemiological emergency from COVID-19;
- Decree of the President of the Council of Ministers of 18 May 2020 Amendments to Article 1, paragraph 1, letter cc), of the Decree of the President of the Council of Ministers of 17 May 2020, concerning: "Implementing provisions of Decree Law no. 19 of 25 March 2020, on urgent measures to deal with the epidemiological emergency from COVID-19, and Decree Law no. 33 of 16 May 2020, on further urgent measures to deal with the epidemiological emergency from COVID-19";
- Decree-Law no. 34 of 19 May 2020, no. 34 Urgent measures in the field of health, support for work and the economy, as well as social policies related to the epidemiological emergency caused by COVID-19 (so-called Relaunch Decree Law);
- Law no. 27 of 24 April 2020. Conversion into law, with amendments, of Decree-Law no. 18 of 17 March 2020, containing measures to strengthen the National Health Service and economic support for families, workers and businesses related to the epidemiological emergency by COVID-19. Extension of the deadlines for the adoption of legislative decrees.





The regulatory framework to May 26, 2020

Circulars, ordinances and protocols

- Circular of the Minister of the Interior no. 15350/117(2)/Uff III-Prot. Civ. Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace of 14 March 2020; Circular of the Ministry of Labour no. 8/2020 Special measures on social shock absorbers related to the epidemiological emergency by COVID-19;
- Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace of 14 March 2020; Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in workplaces in the construction sector of 27 March 2020;
- Shared Protocol to regulate measures to combat and contain the spread of the COVID-19 virus in the workplace" of 24 April 2020;
- INAIL Circular no. 13 of 3 April on the suspension of limitation and forfeiture periods for the achievement of INAIL performance. Accident protection in confirmed cases of COVID-19 infection (SARS-CoV-2) at work. Decree-Law no. 18 of 17 March 2020 "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency". Article 34, paragraphs 1 and 2; Article 42, paragraphs 1 and 2;
- INAIL technical document on possible remodulation of measures to contain SARS-CoV-2 infection in the workplace and prevention strategies" of 23 April 2020;
- INAIL Circular No 22 of 20 May on accident protection in confirmed cases of COVID-19 infection (SARS- CoV-2) at work. Decree-Law no. 18 of 17 March 2020 "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the epidemiological emergency by COVID-19" - Article 42 paragraph 2, converted by Law no. 27 of 24 April 2020. Clarifications.



Emergency COVID-19

HR's profiles of the employment relationships management

1.





What measures can **the employer** take?

The organisation of the working activity

- **Maximum use of smart-working** (see below) for the activities that can be carried out at home or remotely, applied to any employment relationship, **even in the absence of the individual agreements pursuant to Law no. 81/17**;
- Where it is not possible to use smart-working, **encourage paid holidays and leave for employees as well as the other instruments provided for by the applicable collective agreements** and **reduce the number of employees present for each work shift**, thus adopting a "rotation" between the staff present and those on holiday/leave;
- **Use of commercially available surgical masks** as personal protective equipment, **at least until the end of the state of emergency** (which according to the Council of Ministers' resolution of 31 January 2020 corresponds to **31 July 2020**)
- As part of the system of prevention and safety in the workplace or anti-accounting safety protocols, **the employer may also require its employees to carry out serological tests, if ordered by the company doctor** or other health professional in accordance with the rules relating to the epidemiological emergency. The company doctor may suggest the adoption of diagnostic methods, when he deems them useful to contain the spread of the virus, in compliance with the indications provided by the health authorities, also with regard to their reliability and appropriateness (as clarified by the Privacy Guarantor on 14 May 2020).



What's in the protocol?

Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace" of 24 April 2020

- In order to contain the spread of the virus in the workplace, on April 24, 2020 the "Shared Protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace" signed on March 14, 2020 was integrated. The update was necessary in view of the start of Phase 2.
- The protocol provides essential operational guidelines for the correct management of workplaces in the current context, **reaffirming the importance of measuring the rarefied presence in the workplace.**
- The importance of **adequate information to employees on the provisions to combat and contain COVID-19 infection** (obligation to remain at home in the presence of fever or other flu symptoms, obligation to inform the employer in case of onset of flu symptoms during work performance) **and on how to use personal protective equipment** is underlined.
- The Protocol provides precise indications to companies with reference to the ways in which employees and suppliers enter and leave the company. In this sense, it provides:
 - (i) control of employees' body temperature;
 - (ii) prohibiting access to the company premises to those who, in the last 14 days, have had contact with people who have tested positive for COVID-19, come from the so-called "at risk" areas or, previously tested positive, are not certified as "negative";
 - (iii) Limitation of contacts between suppliers and employees.



What does the **Decreto Rilancio** provide for to facilitate the implementation of the Protocol's measures?

Shared protocol for the regulation of measures to combat and contain the spread of the COVID-19 virus in the workplace" of 24 April 2020 and the so called "Decreto Rilancio "

- In order to facilitate the implementation of the provisions set out in the Protocol regulating measures to contain and combat the spread of the COVID-19 virus in the workplace, art. 95 of the "Decreto Rilancio" has provided that **INAIL promotes extraordinary interventions, including individual ones, in favour of companies** registered in the Register of Companies, which have introduced in the workplace, after 17/3/20 (date of entry into force of the Decree "Cura Italia"), interventions for the reduction of the risk of contagion through the purchase of
 - a) equipment and facilities for the isolation or distancing of workers, including the related installation costs;
 - b) electronic devices and sensors for the distancing of workers;
 - c) equipment for isolating or distancing workers from external users and from the employees of third-party suppliers of goods and services;
 - d) devices for the sanitation of workplaces;
 - e) systems and instrumentation for access control in the workplace useful to detect indicators of a possible state of contagion;
 - f) devices and other personal protective equipment.
- The extraordinary measures promoted by INAIL are incompatible with the other benefits, including tax benefits, having as their object the same eligible costs.

The organisation of the working activity

Smart-working (Articles 18-23, Law no. 81/2017) may be applied, on a temporary basis and **for the entire duration of the state of emergency** (i.e. until 31/7/20) **to any employment relationship even in the absence of individual agreements.**

For the massive sending of smart-working communications, with reference to the period of epidemiological emergency established D.P.C.M. 01 March 2020, it has been provided:

Access allowed through:

- SPID credentials, issued by any of the managers indicated by AgID
- active credentials issued by the portal www.cliclavoro.gov.it

The procedure requires the sending of an Excel file (xlsx format) (with the data described in Table 1 available at the following link:

https://servizi.lavoro.gov.it/ModalitaSemplificataComunicazioneSmartWorking/Content/Guida/GuidaUtente_rev1.0.pdf).

It is also available a template to be used for the production of the file with information on the periods of work in smart-working mode. The procedure does not allow you to send change or cancellation notices.



What are the requirements to be followed for the adoption of **smart working** and what is the **simplified procedure for the adoption of smart working?**

The organisation of the working activity

Art. 90 of the "Decreto Rilancio" provided that, until the end of the epidemiological state of emergency by COVID-19, **parents employed in the private sector who have at least one child under the age of 14 have a legitimate right to perform their work from home.**

However, in order to be able to make proper use of this possibility, the following conditions must be met:

- the work performed is compatible with the characteristics of working from home;
- there is no other parent in the household in receipt of income support in the event of suspension or cessation of work or a non-working parent.

Employers in the private sector must communicate to the Ministry of Labour and Social Policies, electronically, the names of the workers and the date of cessation of work in smart working mode, using the documentation available on the site.

For public and private employers, the smart working mode may be applied to any employment relationship until the end of the state of emergency and, in any case, no later than 31 December 2020.

In addition, until July 31, 2020, **workers with disabilities or who have a disabled person in their household have the right to perform smart-working, provided that this is compatible with the characteristics of the job, until the end of the state of emergency.**

Workers suffering from serious and proven pathologies with reduced working capacity shall also be given priority in accepting requests to perform work in smart-working mode.



Is smart working a legitimate right?



What are the new provisions on dismissals?

The organisation of the working activity

- Decree Law no. 18/2020 had introduced in art. 46 a **real preclusion for the initiation of collective dismissal procedures, as well as dismissals for justified objective reasons** until the end of the 60th day after the entry into force of the decree itself, i.e. until 16.05.2020.
- The conversion law then confirmed this prohibition of redundancies but also **allowed the dismissal of those workers affected by a change of contract where they are then re-employed under a social clause contained in a law, collective agreement or contract clause.**
- The “Decreto Rilancio”, on the other hand, extended the ban on layoffs for **5 months**, starting from 17 March 2020 (the date of entry into force of the "Cura Italia" Decree).
- It also introduced the possibility for the employer who, regardless of the number of employees employed, had withdrawn from employment for justified objective reasons in the period from 23/2/20 to 17/3/20 to revoke such withdrawals at any time, in derogation of the provisions of Article 18, paragraph 10, Law no. 300/70. Such a possibility is, however, allowed on condition that the employer applies for the wage supplementation fund provided for in Articles 19 to 22 of the 'Cura Italia' Decree, from the date on which the dismissal takes effect. Should the dismissal be revoked by virtue of this provision, the employment relationship shall be deemed to be restored without interruption, without any charges or sanctions for the employer.

The organisation of the working activity

- In the presence of children up to 12 years of age, **paid leave for a total of 30 days** whose allowance is equal to 50% of the salary calculated according to the criteria already provided for in T.U. 151/01 to be taken continuously or in a fraction thereof, from March 5 to July 31, 2020;
- In the presence of children between 12 and 16 years of age, **unpaid leave for the period of suspension of educational services**, with prohibition of dismissal and right to keep one's job. A necessary condition for such leave is that there is no other parent in the household receiving income support instruments due to suspension or cessation of work or that there is no non-working parent;
- **There is no age limit for the child to take paid leave in the case of working parents whose children have an established serious disability;**
- **Bonus for the purchase of baby-sitting services of €1200.** The payment will be made, alternatively, for the proven enrolment in summer centres, supplementary childcare services as per art. 2 of Legislative Decree no. 65/17, territorial socio-educational services, centres with an educational and recreational function and supplementary or innovative services for early childhood and that **the use of the bonus for supplementary childcare services is incompatible with the use of the kindergarten bonus.**



What are the extraordinary leave measures planned for the employees?



Are there any special provisions for disabled employees and/or assisting disabled family members?

The organisation of the working activity

- **Permits pursuant to Law No. 104/92:** for the months of March and April 2020, the number of days of monthly permits covered by imputed contributions pursuant to Article 33, Section 3, of Law No. 104/1992 (already identified in the three days of the monthly permit) was increased by an **additional 12 days**, for a total of 18 days in the two-month period March-April 2020 (this provision was also proposed for the months of **May and June** by the Decreto Rilancio).
- As already mentioned, until 31/7/2020 workers with disabilities or who have a disabled person in their household are entitled to work in smart-working, provided that this is compatible with the characteristics of the service. Workers suffering from **serious and proven pathologies with reduced working capacity** are given priority in the acceptance of requests to perform work in smart-working mode.

The organisation of the working activity

Any period of time spent by employees in **quarantine with active health surveillance, i.e. permanently under house trust with active surveillance due to COVID-19** is:

- **compared to the right of illness** for the sole purpose of granting the relevant economic treatment;
- **excluded** from the overall calculation of the duration of the **illness period**.

Until April 30, 2020, the condition of hospitalization as per article no. 19, paragraph 1, Legislative Decree no. 9/2020 will be recognized *ex lege* for the employees in serious disability or in conditions of certified risk from immunodepression.

In any case, if the worker is in a **ascertained disease condition caused by COVID-19**, the illness period will be covered by the treatments generally provided for in the event of illness, without specific charges of document attachment in addition to the transmission of ordinary medical certification.



What are the provisions for the absence of **employees who are ill due to COVID-19 and/or are in quarantine?**





Is COVID-19 infection an occupational injury?

Health and safety at work

- In the case of COVID-19 infections, INAIL, both with **Circular n.13/2020** and with the **Note of 17 March 2020**, has framed the diseases that should affect the worker as an occupational injury, in the wake of the consolidated jurisprudential orientation on infectious and parasitic diseases for which the virulent cause is equated to the violent cause and the provisions of Circular 74/1995.
- **INAIL Circular no. 22/2020**, to supplement and clarify the first indications provided, reiterates that INAIL, pursuant to Article 42, paragraph 2 of Legislative Decree no. 18/20, converted by Law no. 27/20, provides accident protection to workers who have contracted SARS-Cov-2 infection at work.
- The indemnity for absolute temporary disability also covers the period of quarantine or fiduciary home stay - provided that the contagion is attributable to the work activity - with the consequent abstention from work.
- The costs of contagious accident events do not affect the fluctuation of the average rate for accident trends, but are charged to the insurance management, at an unchanged rate, and therefore **do not entail higher costs for companies**.
- The criteria on which the Institute bases its admission of cases of contagion from new coronaviruses occurring during work are further clarified and the conditions for the possible initiation of recourse action are clarified, specifying that in the absence of a proven violation of the measures to contain the risk of contagion indicated by government and regional measures, **it would be very difficult to hypothesise and prove the fault of the employer**.
- **The recognition of the professional origin of the contagion has no correlation with the employer's civil and criminal liability profiles in the contagion itself, which can only be hypothesized in case of violation of the law or obligations deriving from experimental or technical knowledge, which in the case of the epidemiological emergency from COVID-19 can be found in the protocols and government and regional guidelines referred to in Article 1, paragraph 14 of Legislative Decree no. 33 of 16 May 2020.**



What the Employer must do to protect **the health and safety of employees?**

Health and safety at work

- Assessing the possible risks deriving from COVID-19 on the corporate population, in accordance with the provisions of Legislative Decree 81/08, and drawing up **anti-accounting safety protocols**;
- Elaborating the **Risk Assessment Document ("DVR")** in consideration of the "biological risk" related to the COVID-19;
- Provide employees, based on the biological risk assessment, with adequate and suitable **personal protective equipment**;
- Implement **health and hygiene measures** such as:
 - Provide disinfectant gel for hand washing;
 - Encouraging workplace sanitization operations, also using forms of social shock absorbers for this purpose;
 - guarantee at least 1 metre of distance between workstations and/or with external users or provide for the adoption of individual protection instruments;
- Draw up an **appropriate monitoring and emergency plan** to be adopted in case of risk of contagion, collaborating with the health services to proceed with the active surveillance plans of employees in "close contact";
- Adopt, in agreement with the Competent Doctor, a **special protocol on health surveillance**, with specific reference to situations of particular exposure to risk (pregnant workers, immunodepressed employees, disabled employees, etc.);
- **Inform and train employees** in relation to the new specific risk;
- Prepare **information material** on the pathology and prevention methods suggested by the Ministry and suitable to reduce the risk of infection and spread of the virus.



What the Employer must do to protect **the health and safety of employees?**

Health and safety at work

- **Check the body temperature of the workers at the entrance**, before entering the company. If the temperature exceeds 37.5°, do not allow access to the workplace, temporarily isolating the worker and equipping him with a mask.
- **Inform in advance the staff** and anyone who enters the company that access will also be denied to those who, in the last 14 days, have had contact with COVID-19 positive subjects or have travelled in the risk areas according to WHO instructions;
- **Manage the common areas** (such as the canteen, changing rooms, smoking areas, beverage and/or snack dispensers), by limiting access - possibly in agreement with the trade union representatives - and providing for continuous ventilation of the premises as well as a reduced time spent inside these areas, in any case always requiring workers to maintain a safety distance of 1 metre between them.
- **Promote a dialogue with employees**, also through the establishment of a special Committee with the participation of company trade union representatives and the RLS, for the application and verification of health and safety rules.
- **Respect the privacy of workers**, collecting only the data strictly necessary for the prevention of contagion. The employer must, therefore, refrain from requesting additional information about the person found to be positive, the places visited, the presence of any flu symptoms and his or her closest contacts in the extra-work sphere.

Social shock absorbers and wage integration measures

CIGO and Ordinary Allowance

The legislative decree 18/2020 provided for all companies on national territory that had suspended or reduced their work due to the COVID-19 emergency, the submission of the application for the granting of the concession:

- **ordinary wage integration treatment** (paid for industrial companies by the Cassa Integrazione Guadagni Ordinaria - CIGO).

or the:

- application for access to the **ordinary allowance** (paid for companies with more than 15 employees from the Bilateral Solidarity Fund - FIB or for companies with more than 5 employees from the Wage Integration Fund - FIS),

What is the duration of these measures?

The **duration, initially equal to 9 weeks** (for the periods from 23 February 2020 to 31 August 2020), was subsequently **increased by a further 5 weeks** by Decree 34/2020 (only for employers who have made full use of the period previously granted).

A possible **further tranche of maximum 4 weeks** of treatment is also provided for the periods from 1 September 2020 to 31 October 2020.

Exception:

Employers in the tourism, fairs and congresses, amusement parks, live entertainment and cinemas sectors can benefit from this period even before 1/9/20 if they have made full use of the period previously granted, up to a maximum duration of n. 14 weeks.

Employers are exempt:

- from the observance of the trade union information obligations laid down - in the ordinary way - by Article 14 of Legislative Decree 148/15;
- by the procedural terms ordinarily provided, respectively, for ordinary processing by art. 15, paragraph and for ordinary allowance by art. 30, paragraph 2 of the same Legislative Decree no. 148/15.



What are the resources available to those companies that are currently under suspension or reduction of their working activity?

Exception

Employers with production units located in the former red zones referred to in Annex I of the Prime Ministerial Decree of 1 March 2020, as well as employers not located in these zones, limited to workers by virtue of their residence or domicile there, shall be granted the possibility to apply for ordinary wage supplementation treatment or ordinary allowance with causal "CO-VID-19 emergency", for an additional period not exceeding three months.

Social shock absorbers and wage integration measures

CIGO and Ordinary Allowance

Who's entitled?

All workers - with the exception of home workers and managers - employed by the requesting employer as of 17 March 2020 are entitled to use the social shock absorbers.

The ordinary allowance will also be granted to employees of employers registered with the SIF who employ on average more than 5 employees. In this case, at the request of the employer, the treatment can be paid directly by INPS.

Procedure:

Applicant companies are exempt from compliance with the ordinary activation procedure as well as the related deadlines, subject to information, consultation and joint examination, which can be carried out electronically within **3 days** of prior notification.

For the suspension/reduction of work activities starting from 23/2 to 30/4 the deadline for sending the application is set at 31 May 2020.

Is the payment for the additional contribution due?

No.

Training courses:

In agreement with the OO.SS., it will be possible to **restructure working hours for changed organizational and productive needs, alternating work periods with training courses.**

The charges relating to training hours, including the related social security and welfare contributions, are borne by a special fund called the New Skills Fund set up at ANPAL.



What are the resources available to those companies that are currently under **suspension or reduction of their working activity?**



What to do if the employer is already receiving **extraordinary salary integration treatment** (i.e. CIGS)?

Social shock absorbers and wage integration measures

CIGS-FIS

The companies that at 23/2/20 have activated the CIGS, can request the CIGO with causal COVID-19, obtaining the replacement. The granting of the ordinary salary integration treatment may also concern the workers who benefit from the extraordinary salary integrations to fully cover working hours and **is subject to the suspension of the effects of the previously authorized CIGS.** Articles 24 and 25 of Legislative Decree no. 148/15 do not apply to the execution of the joint examination and to the submission of the relevant applications for access to extraordinary salary integration treatment, limited to the procedural terms.

Companies which, on 23/2/20, have a solidarity cheque paid by the SIF in progress, are given the possibility to apply for the solidarity allowance. This concession suspends and replaces the solidarity cheque already in progress.

The ordinary allowance may also apply to workers who receive a solidarity allowance to cover all their working time.

In both cases, **ordinary allowances shall not be counted towards the maximum duration of the respective benefit provided for by law and the employer shall not be required to pay the additional contribution.**

The initial period of **n. 9 weeks** of use of the measure (from 23 February 2020 to 31 August 2020) has been **increased by a further n. 5 weeks**, in the same period and only for employers who have fully enjoyed the 9 weeks previously granted, **with the possibility of a further extension of 4 weeks of treatment from 1/9/20 to 31/10/20.**

Social shock absorbers and wage integration measures

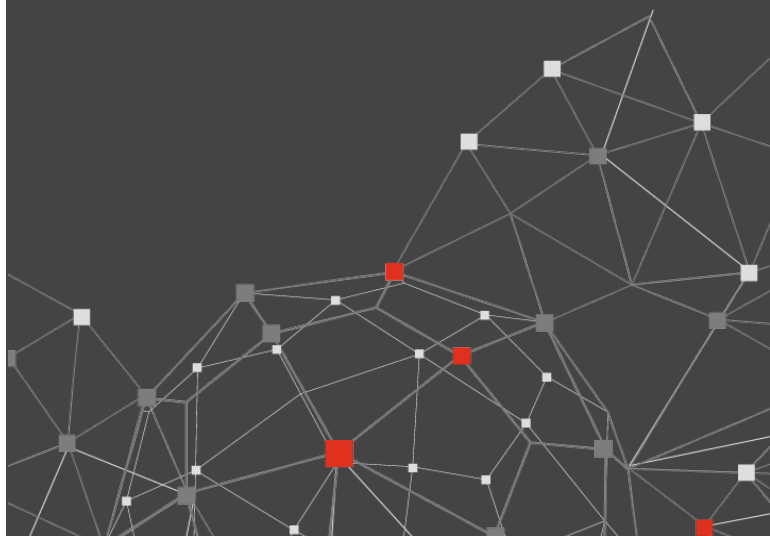
CIGD

Employers in the private sector, including those in agriculture, fisheries and the third sector, for whom the protections provided for by the current provisions on the suspension or reduction of working hours do not apply, are entitled to **wages subsidies in derogation (CIGD)**.

These treatments, **initially granted by decree of the Regions and Autonomous Provinces concerned**, after the controversy caused by the delays in the payment of the first "tranche" (9 weeks) of COVID-19 social security benefits, are now granted exclusively with the direct payment of the benefit by INPS, provided that it is the submission of the second application, following the authorization of the first 9 weeks.



What measures are provided for employers who do not have access to CIGO, CIGS, FIB or FIS?



Social shock absorbers and wage integration measures

CIGD

SUMMARY: CIGD

Recipients: permanent employees, fixed-term workers, on-call workers, apprentices, in force on 17 March.

Causal and procedure: Suspension or reduction of hours with causal "COVID-19 emergency". Compliance with the procedure pursuant to art. 14 of Legislative Decree no. 148/2015 is not required, without prejudice to the information, consultation and joint examination which must also be carried out electronically **within three days of the prior notification**. The recourse to the IGC in derogation can be made only by prior agreement with the trade unions, also electronically.

Amount paid: 80% of the total remuneration due for hours not worked, within the limit of the ceiling, with direct payment by INPS.

Maximum duration: 18 weeks (the first 9+5 weeks by August 2020; the last 4 weeks by October 2020).



What measures are provided for employers who do not have access to CIGO, CIGS, FIB or FIS?

Exception

Employers with production units located in the former red zones listed in Annex I of the Prime Ministerial Decree of 1 March 2020, as well as employers who do not have a registered office, production unit or operating unit in the above mentioned municipalities, limited to workers employed there who are resident or domiciled, were granted an **additional period not exceeding three months from 23 February 2020**.

In addition, apart from the cases just mentioned, the regions of Lombardy, Veneto and Emilia-Romagna, with reference to employers with production units located there, as well as employers who do not have a registered office or production or operating unit in these regions, limited to workers by force resident or domiciled in the same regions, may grant CIGD treatment, **for a period not exceeding 4 weeks, additional**.



**Allowances of
EUR 600 or EUR
1000 to the
following
categories of
workers:**

Social shock absorbers and wage integration measures

«ONE-OFF» INDEMNITY

The recognition of an **indemnity of EUR 600**, scheduled for March for workers who have ceased, reduced or suspended their activities or employment as a result of the epidemiological emergency, has been confirmed and reshaped as follows:

- for freelance professionals who are members of the INPS (Italian Social Security Institute), who do not have a pension and who are not members of other compulsory social security schemes and who have suffered proven losses, an indemnity of € 1,000 for the month of May 2020 will be paid;
- workers who are members of co.co.co. relationships registered with the INPS (Italian Social Security Institute), who are not pensioners and not enrolled in other compulsory social security schemes, with specific requirements, are entitled to an indemnity for the month of May 2020 equal to 1,000 euros;
- self-employed workers enrolled in the special management of the Compulsory General Insurance (AGO) who are already beneficiaries for the month of March 2020 of an indemnity equal to 600 euros are paid an indemnity of the same amount for the month of April 2020;
- seasonal workers in tourism and spas already in receipt of the €600 allowance for March 2020 will also receive an allowance of the same amount for April 2020. The same allowance is granted to workers employed by user enterprises operating in the same sectors under certain conditions;
- intermittent workers who have worked for at least thirty days during the period between 1 January 2019 and 31 January 2020 are entitled to an indemnity of 600 euro for the months of April and May 2020;



**Allowances of
EUR 600 or EUR
1000 to the
following
categories of
workers:**

Social shock absorbers and wage integration measures

- Seasonal employees in tourism and spas who involuntarily terminated their employment relationship between 1 January 2019 and 17 March 2020, who do not have a pension or an employment relationship with NASPI, will receive an indemnity for the month of May 2020 equal to 1000 euros on the date of entry into force of the Decree. The same indemnity is paid to workers employed by user companies operating in the same sectors under certain conditions;
- to workers in the agricultural sector already beneficiaries for the month of March of the allowance referred to in Article 30 of Decree-Law no. 18 of 18 March 2020, equal to 600 euros, an allowance of 500 euros is paid for the month of April 2020;
- workers enrolled in the FPLS (Fondo lavoratori dello spettacolo) who meet certain requirements are paid an indemnity of 600 euros for each of the months of April and May 2020, provided that they are not employed or pensioners on the date of entry into force of the rule;
- seasonal workers belonging to sectors other than tourism and spas who have involuntarily terminated their employment relationship between 1 January 2019 and 31 January 2020 and who have worked for at least thirty days in the same period shall be granted an indemnity of 600 euros for the months of April and May 2020;
- sports workers employed with a working relationship are paid an indemnity of € 600 for April and May 2020 by the company Sport e Salute S.p.a..

Causal and procedure: Causal not specified. The application must be submitted by the worker/professional to INPS.

Social shock absorbers and wage integration measures

Temporary contracts

In order to deal with the restart of activities as a result of the epidemiological emergency from COVID-19, Article 93 of the "Decreto Rilancio" introduced the **possibility of renewing or extending, exclusively until August 30, 2020 and without the need to indicate a reason, fixed-term employment contracts in existence on February 23, 2020** even if the following conditions indicated in Article 19, paragraph 1, of Legislative Decree no. 81/15 are not met:

- a) temporary and objective needs, outside the ordinary activity, or needs to replace other workers;
- b) needs related to temporary, significant and non-programmable increases in ordinary activities.

This provision, in addition to the provision of art. 19-bis of the "Cura Italia" Decree, implies that, for the above mentioned period, **the possibility of extension or renewal of fixed-term contracts is no longer allowed only for employers who are benefiting from the social shock absorbers governed by the "Cura Italia" Decree, but for the generality of employers.**

On the contrary, **only the possibility of extension or renewal of agency work temporary contracts would seem to be allowed.**



Social shock absorbers and temporary contracts:



Social shock absorbers and wage integration measures

Considerations in relation to the **compatibility** - also in the light of the INPS rulings and the most recent practices - between the social shock absorbers provided for by the emergency regulations and **the most important institutions offered by the law to protect employees**.

Ferie	<p>During the period of use of the social shock absorbers, in case of suspension at zero hours, the right to leave does not mature, unless there is express contractual provision to the contrary.</p> <p>In the case of a reduction in work activity, the right to leave accrues and is entirely borne by the employer, unless there is express contractual provision to the contrary.</p>
Malattia	<p>In the case of suspension at zero hours, it is necessary to distinguish the hypothesis that the disease occurred during the suspension period from the hypothesis that the disease occurred before the beginning of the suspension.</p> <p>In the first case the illness is not eligible for compensation, therefore the worker will continue to receive the supplement and will not have to report the state of the illness, as there is no obligation to perform the work.</p> <p>If the state of illness precedes the start of the suspension of work, only if all the staff in the office, department, team or similar to which the worker belongs have suspended their work, the sick worker will also benefit from the benefits guaranteed by the social shock absorber from the date on which they start. If all the staff in the office to which the worker belongs are not suspended from work, the worker will continue to receive sickness benefits, if provided for by the legislation in force.</p> <p>In the event of a reduction in working hours, the wage supplement is not due, under any circumstances, for sick days, regardless of whether the latter are eligible for compensation.</p>
Festività infrasettimanali	<p>In the event of a reduction in working hours, the holidays that fall within the CIG treatment period can never be integrated, which remain the employer's responsibility.</p> <p>In the event of suspension, a distinction must be made between workers paid on an hourly basis and workers paid on a fixed monthly basis: in the latter case, the holidays can be supplemented.</p>
Infortunio	<p>The injury always prevails over integration. If the accident occurred before the start of the wage integration treatment, the employee is entitled to the relevant compensation provided for by law and the relevant national contract, even if it continues during the wage integration period.</p> <p>If the accident occurs during the salary integration treatment, the employee will still be entitled to the normal indemnity paid by INAIL and not the integration.</p>
Maternità obbligatoria e congedo parentale	<p>Compulsory abstention for pregnancy or childbirth always prevails over integration. In the case of parental leave, the decision whether or not to make use of the option of abstention remains with the person concerned, even after the intervention of the shock absorber. If he/she decides to make use of the abstention option, he/she will only be entitled to the relevant allowance, without any possibility of cumulation with the treatment guaranteed by the shock absorber.</p>
Permessi l. 104	<p>In the event of suspension at zero hours, no paid leave shall be granted. On the contrary, in the event of a reduction in hours such as to result in the use of the social shock absorbers only for a few days, the permit is subject to re-proportioning according to the actual reduction in work performance.</p>
ANF	<p>The workers who benefit from CIGO are entitled to the same conditions as the workers who work there. According to the INPS Circular no. 47/2020, in the case of ordinary FIS cheque ex D.L. no. 18/2020, the ancillary social security benefit of the ANF is not recognized.</p>



Discipline of the emerging of employment relationships

The emerging of employment relationships

The emerging of employment relationships

Italian employers or citizens of a Member State of the European Union, or foreign employers in possession of a residence permit pursuant to art. 9 Legislative Decree no. 286 of 1998, **may apply to conclude an employment contract with foreign citizens present on Italian territory or to declare the existence of an irregular employment relationship still in progress with Italian citizens or foreign nationals.**

In the same way, foreign citizens with a residence permit can apply for a temporary residence permit, valid only in the Italian territory for a duration of 6 months, a term that starts from the submission of the application.

This discipline is limited to the sectors of agriculture, breeding and zootechnics, fishing and aquaculture and related activities; assistance to the person for themselves or for members of their family, even if not living together, suffering from diseases or handicaps that limit their self-sufficiency; **domestic work** to support family needs.

Social advance in favour of workers receiving income support treatment

On **31 March 2020**, the Italian Banking Association defined the national convention that allows workers suspended from work due to the COVID-19 emergency **to receive from banks an advance on the ordinary income support and redundancy payments provided for in the "Cura-Italia" Decree Law with respect to the time of payment of the INPS.**

ABI has agreed on **simplified procedures to determine the amount of the advance (€1,400)** taking into account the maximum duration of the wage supplementation - 9 weeks - in view of the immediate needs of workers suspended from work and make the measure operational as soon as possible.



What does the **ABI Convention** provide for?



How does it operate specifically?

The advance payment **is due to workers who are recipients of all the income support treatments** referred to in Articles 19 to 22 of Decree Law no. 18 of March 17, 2020 and subsequent regulatory measures in force from time to time, employees of employers who have suspended them from work at **zero hours** and have applied for **direct payment by INPS of the ordinary wage support treatment or in derogation.**

The advance is also extended to the ordinary cheque paid by the SIF pursuant to art. 19 of Decree Law no. 18 of 17 March 2020 for which direct payment is required.

The reference forms can be found on the ABI website (<https://www.abi.it/Pagine/news/AccordoABIpartisocialianticipoCig.aspx>).

Management of tax and social security charges

Which are the measures impacting the wage and tax statement (CU) and 730 submission?

Article no. 1 of the D.L. no. 9/2020 has **extended the 2020 tax obligations deadlines** - as amended by the last Tax Decree (article 16-bis Law Decree no. 129/2019) – regarding wage and tax statement (CU) and 730 declaration, because of COVID-19 emergency.

The new dispositions, confirmed by press release from Withholding Agency, concerns the entire Italian territory, without any distinctions.

Which are the new tax obligations deadlines?

People holding **employment income** can submit the **declaration** – tax period 2019 – **within 30th September**, instead of the previous 23rd July, regardless of the fulfilment method adopted.

Moreover, the new deadline about **availability of 730** prefilled changed from 15th April to **5th May**.
The management by withholding agents of 730 declarations remain unchanged.

About the transmission of income **data through CU**, has **granted the entire month of March to withholding agents**, and the deadline to send electronically the declaration to Withholding Agency matches with the time limit to deliver the documentation to the employee.



New deadlines for the management of **withholding agent obligations**



Management of tax and social security charges

What are the deferrals of tax and social security contributions?

The deadlines for the payment of social security and welfare contributions and premiums for compulsory insurance against accidents at work and occupational diseases due by employers are **suspended** for the months of April and May 2020 respectively (art. 18 of Legislative Decree no. 23/2020).

The measure is provided on condition that there is a **decrease in turnover of at least 33%** in March and April 2020 compared with the same months of the previous tax period for **companies with revenues not exceeding 50 million euros**. The reduction must be at least 50% for companies **with revenues above the abovementioned threshold**.



New deadlines for the management of tax withholding agent obligations



What are the measures to protect the purchasing power of employees?

A **bonus of Eur 100** in relation to the number of working days carried out **at their place of work** in that month, is awarded for the holders of income from employment for a total amount not exceeding €40,000 in the tax period prior to the current one, **for the month of 2020**.

The disbursement mechanism, similar to that already provided for the so-called *Renzi Bonus*, will take effect with the remuneration paid in April 2020, and in any case no later than the deadline for the annual adjustment.

Emergency COVID-19

Global Mobility profiles

2.





What are the measures that limit the movements of foreign employees in Italy?

Global Mobility profiles

Following the recent increase in of COVID-19 cases in Northern Italy, Italian Government has issued a Decree on March 8th 2020 which limits the **access and exit from certain areas of the country**.

The above mentioned restrictions were not considered sufficient to contain the spread of the virus and so on March 9th 2020 Italian Government has issued a new Decree **for extending the measures already in place to the whole country** without any distinctions among territories.

While it has been announced that no movement should take place inside or outside these areas/Regions provision has been made for the possibility of travelling inside and outside these areas, if there are reasons given by mandatory **work requirements** or for **major emergencies or health reasons**.

Even if a complete and definitive blockade of people's movements has not yet been foreseen (some flights and trains are still operating), the Police has the power to stop citizens and check the reasons why they are trying to enter/leaving the above mentioned areas.

Starting from 3th June 2020, the Italian government has decided to reopen the borders with European countries, allowing foreign citizens present there to be able to enter Italy without having to submit to the obligation of quarantine for 14 days.

This limitation will remain in force for citizens from non-EEC countries until 15 June 2020.

Given the extension of the restrictions, the impact on immigration processes is likely to be significant.

It is not possible to make predictions about a probable start date of work by foreign workers (already in Italy or arriving in Italy) since the restrictions have been announced valid "until further notice".

Global Mobility profiles

In order to contain the global emergency, several countries have imposed a **quarantine for people arriving from Italy** and other countries have imposed an **entry ban on people arriving from Italy**.

EU member countries have unanimously decided to ban for **30 days the entry of people from no- EU countries into Europe** to prevent the spread of the COVID-19 virus.

This was stated by the President of the European Council Charles Michel at the end of the meeting of the leaders of the 27 Member States. The agreement was reached in video conference and is in force since Tuesday, 17th March 2020. He also said that the 30-day ban **could be further extended** if the health emergency situation across the continent does not subside.

This restriction has been **extended until 15th June 2020**.

Movement within the European Union, although limited, remains authorized, even if **some individual States are closing their internal borders**. Member States must continue to allow their citizens and residents to **enter into their territory and facilitate the transit of other EU citizens reaching their country of residence**. However, they may decide independently to adopt some specific health measures (i.e. individual quarantine) providing that the same is done for their own citizens.



Are there any travel restrictions?



Global Mobility profiles

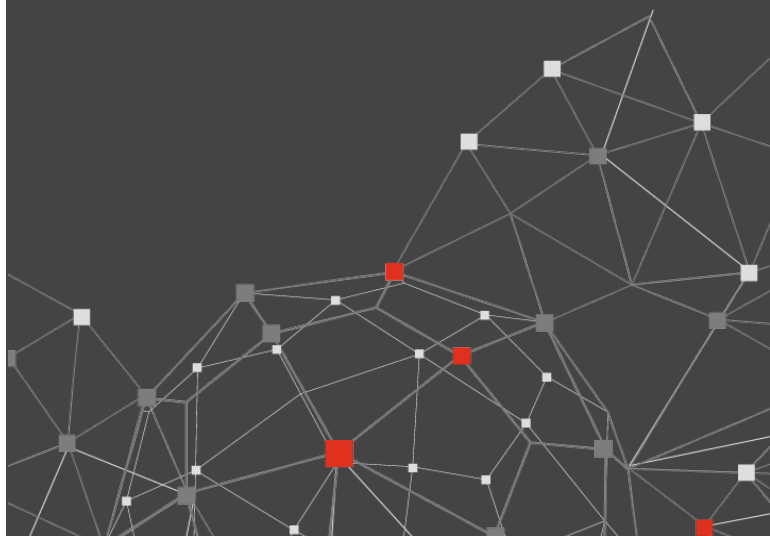
The following categories of persons are currently **exempted from the barrier** and may enter into the Schengen Area (subject to flight availability):

- doctors and health employees
- Researchers
- carriers of goods and passengers
- citizens in possession of EU long-stay permits
- family members of citizens of the European Union
- citizens forced to travel for serious and proven family reasons.

Lastly, foreign citizens who are currently in a State of the European Union and who want to reach their country of origin **should contact the Embassies or Consulates** to take the correct action.



Are there any
travel restrictions?



Global Mobility profiles

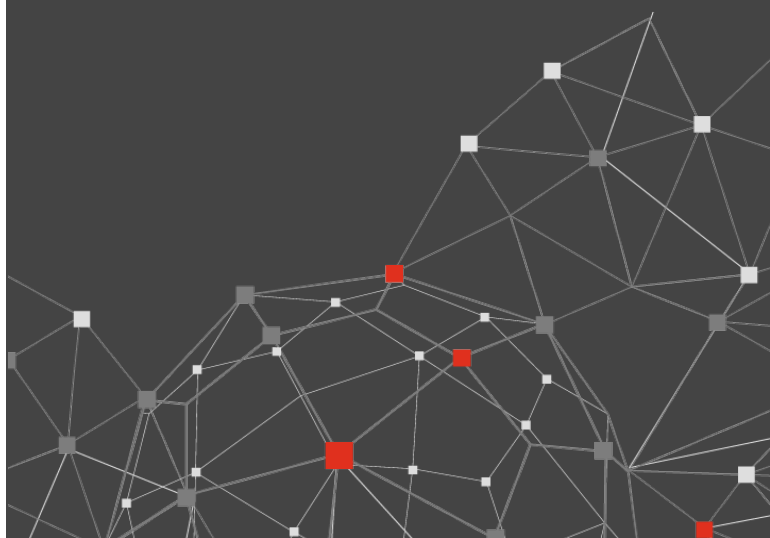
Since the offices responsible for issuing and renewing residence permits are closed until further notice by the Government, with the Decree Law Decree 17.03.2020 n. 18 (so-called Cura Italia) in art. 103 paragraph 2 it is established that all certificates, certificates, permits, concessions, authorizations and authorizations, however denominated, expiring between January 31 and April 15, 2020, remain valid until June 15, 2020, **this term has been extended until 31.08.2020 by Law 24 April 2020 n. 27.**

With a specific Circular of the Ministry of the Interior, it is specified that this extension of office also applies to residence permits expiring in this period.

In this way non-EU citizens will be able to continue to reside and work in Italy regularly without any consequence relating to the expiry date of your residence permit.



If the residence permit expires, how can I renew it?





Are there alternative solutions that allow foreign employees to extend their stay in Italy?

Global Mobility profiles

As a result of the emergency situation due to the COVID-19 and the consequent restrictions, many foreign citizens are having problems to **get back home when their Schengen visa expires** (this type of visa allows a foreign citizen to stay in Italy for a maximum period of 90 days within 180 days).

The Italian Immigration Law and the Schengen Visa Code contain specific rules providing for **the extension of the stay in the Italian territory** in case the visa holder cannot leave the country due to force majeure.

A short-term visa can be issued for a maximum stay of 90 days in 180 days, allowing the holder to stay in the countries of the Schengen Area for the period indicated in the visa.

Normally, a third-country national must leave the Schengen area when his or her visa expires, but **Article no. 33 of the Schengen Visa Code** provides that if someone is unable to leave the country before the visa expires for reasons of force majeure, humanitarian reasons or serious personal reasons, he or she may apply for an extension of it.

The **request for a visa extension** must be submitted before the visa expires to the authorities of the Schengen State where the foreign national resides at the time of the request. With reference to Italy, the request (currently managed by sending PEC) must be submitted to the police office (*Questura*).

Finally, according to the law, **it is not possible to convert** a short stay (for tourism/work) into a residence permit directly in Italy (in this case exit from the country is required).



Are there alternative solutions that allow foreign employees to extend their stay in Italy?

With regard to cross-border employees who have to move from Italy to Switzerland for obvious work reasons, a press release was published on **March 8, 2020 by the Governor of the Canton of Ticino** clarifying that:

- only employees in possession of a **G permit can enter in Switzerland**;
- **Italian students** attending Swiss universities **can not attend lessons**;
- **self-employed employees** who work in Switzerland **cannot enter** in the country because they do not have a G permit;
- **checks** are carried out not only at the border but also across the border via checkpoints.

Global Mobility profiles

However, in case a third-country national cannot or does not want to get back to his or her country of origin for **reasons related to an emergency and insecurity situation**, he or she should apply for a temporary residence permit for 'disaster'.

This type of residence permit:

- can **only be issued when there is an exceptional disaster situation in the country of origin** which does not allow a safe and healthy stay;
- **is valid for 6 months**, but can be renewed for further 6 months if the emergency situation is still present in that country;
- permits work but **cannot be converted into a long-term residence permit on the expiry date**.



Are there any special measures for cross-border employees?

Global Mobility profiles

Currently there is no **specific sanction** and people are only invited to leave the country.

These measures have not been deemed sufficient, so **the Federal Council has decided to introduce border controls with Schengen** countries if it is necessary.

From Italy, **only Swiss nationals, persons with a residence permit and those who have to travel to Switzerland for professional reasons can enter in Switzerland.**

Transit traffic and the transport of **goods** are permitted. Finally, persons in a **situation of absolute necessity** can cross the border into Italy.

These measures are in line with those taken by the Italian government and they are necessary to protect the Swiss population and **to provide the Swiss health system with the required resources.** The Federal Council is constantly monitoring the situation and will extend the border measures to travelers from other countries or regions if necessary.

In an explanatory note to the Prime Minister's Decree of 8 March, the Italian government, via the Ministry of Foreign Affairs, also made it clear that the above restrictions **do not prohibit travel by cross-border employees for verified reasons of employment.**

As long as they are not subject to quarantine or tested positive for the virus, they can enter and leave the territories in order to reach their place of work and get back home, if they can prove the working reason, also by a statement that can be made to the Police forces in case of any controls.



Are there any special measures for cross-border employees?



Contacts

Paolo Lucarini

Individual Tax – Partner

+39 340 4271741

paolo.lucarini@pwc.com**Francesca Tironi**

Labour Law – Associate Partner

+39 346 5073432

francesca.tironi@pwc.com**Marzio Scaglioni**

International Payroll - Director

+39 340 4284725

marzio.scaglioni@pwc.com**Giulia Spalazzi**

Labour Law – Senior Manager

+39 345 5479588

giulia.spalazzi@pwc.com**Lucia Zedda**

Individual Tax – Senior Manager

+39 345 1061268

lucia.zedda@pwc.com

www.pwc-tls.it