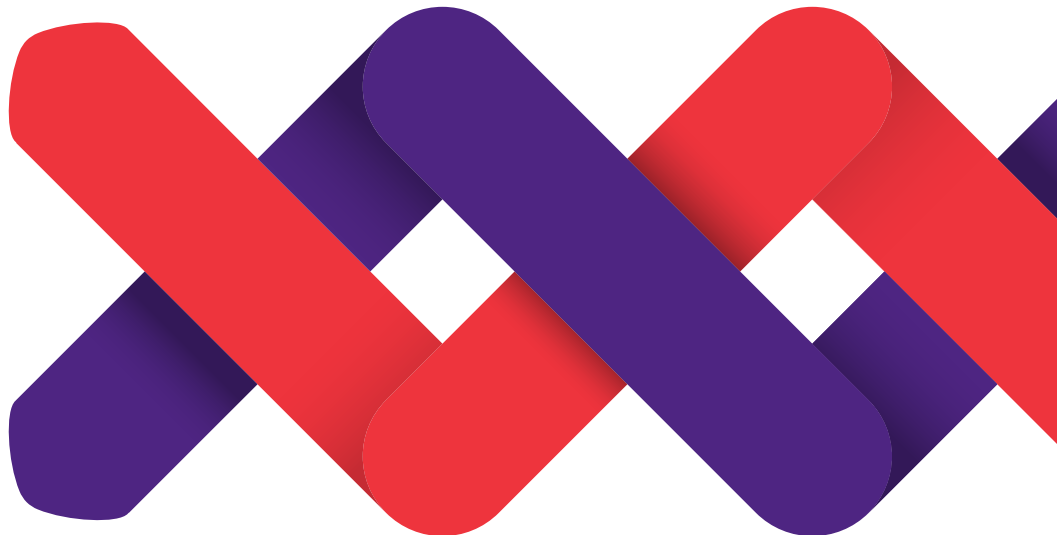


# Leoni & Partners

Circular letter

**COVID-19 emergency – Law Decree no. 137 dated 20 October 2020  
so-called Restore Decree**

*Last updated on 9 November 2020*



# In evidenza

The main provisions on work and employment introduced by the recent Law Decree no. 137 of 28-10-2020, the so-called Restore Decree.

## **Art. 12 - New provisions on ordinary redundancy fund - CIG, salary supplementary funds - FIS, and exceptional redundancy fund - CIGD. Provisions on dismissals. Exemption from the payment of social security contributions for companies that do not apply for redundancy funds**

### **Redundancy fund**

In addition to salary supplementary allowances introduced by previous law provisions, the new Decree extends CIG, FIS, and CIGD measures by further six weeks, to be utilized between 16 November 2020 and 31 January 2021.

The above further six-week's period can be accessed provided that the further nine-week period under previous Law Decree no. 104/2020 (August Decree) has been already requested and approved. For those companies operating in the industries concerned by restrictions under the Decree by the President of the Council of Ministers dated 24/10/2020 – i.e. suspension or limitation of activities (e.g. bars and restaurants), access can be immediate. This means that in order to benefit from the extension period, such companies are not required to complete the 18-weeks' redundancy fund period provided under August Decree and they will be also exempted from the payment of additional contributions.

The above further six-week period can be accessed in consideration of all other periods utilized starting from 16 November 2020, even if these were already requested by virtue of Law Decree no. 104/2020: this means that after 14 November, allowances provided by August Decree and Restore Decree cannot be combined.

Like the further nine weeks provided under August Decree, these six weeks are also subject to an additional 9% or 18% contribution, if there is no decrease in turnover in the first half of 2020 compared to the same period in 2019. Those companies that have not yet requested any of the first 9 weeks provided under August Decree, or were authorized to benefit from less than 9 weeks, have still the possibility to benefit from the additional contribution exemption (up to the nine-week limit), even if the redundancy fund period has to match the period from 16 November 2020 to 31 December 2020 (and, subsequently, “absorbed” by the new 6-weeks' period introduced by Restore Decree).

### **Suspension of dismissals**

The legislator has introduced a general prohibition to dismiss employees for objective reasons (both collective and individual dismissals) up to 31 January 2021. This prohibition – considered the tenor of the provision and the purpose to maintain employment levels unchanged – seems to be unbound to the utilization of the redundancy fund and/or of contribution exemption. Subsequently, those companies that have completed their 18-weeks redundancy fund period provided under August Decree cannot dismiss their employees for objective reasons. Moreover, the Government announced that further 12 weeks of “Covid-justified” redundancy fund will be made available to companies, to be used starting from 1st January 2021, thus allowing those companies in need to continue and deal with the possible persisting decrease in employment.

The possibility for companies to proceed with collective dismissals under the conditions introduced by August Decree (termination of activity, winding-up, bankruptcy, collective agreements aimed at incentivizing early retirement) is confirmed. Lastly, in consideration of the 12-week extension of the abovementioned redundancy fund, the Government announced that an agreement has been reached with the social partners to extend the suspension of dismissals up to March 2021.

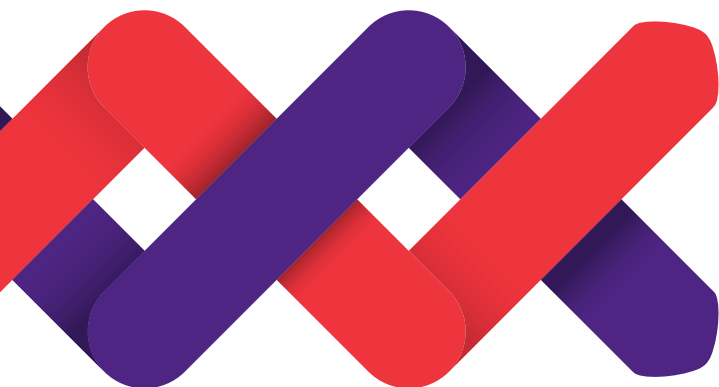
### **Social security contribution exemption**

The Decree has also introduced an extension of the social security contribution exemption. In fact, given that the exemption introduced by August Decree is not yet available, as an authorization by the European Union is awaited, the legislator granted companies a further exemption from social security contribution payments for a maximum period of 4 weeks to be used by 31 January 2021, within the limits of salary supplementary hours utilized in June 2020. This “new” exemption seems to be unbound to the August Decree provisions, since it is provided that employers who requested the exemption pursuant to August Decree can waive it – even partially – and opt for the access to redundancy funds. A logic and systematic interpretation of this provision would lead to believe that companies that opted for the contribution exemption under the August Decree

(even though not yet formally requested, lacking the EU authorization) can now benefit from the further six-week redundancy fund period provided under the Restore Decree without losing their previous benefit (bound to twice the salary supplementary hours utilized in the period May-June 2020). Proper clarifications are in any case awaited by the competent authorities.

### **Art. 13 - Suspension of the payment of welfare and social security contributions and insurance premiums for employees of companies in the industries impacted by the new restrictions**

A new suspension of payments of welfare and social security contributions pertaining to the month of November 2020 has been provided for employers of those industries impacted by the restrictions under the Decree of the President of the Council of Ministers dated 24/10/2020, whose ATECO activity codes are indicated in annex 1 of the so-called Restore Law Decree. It will be possible to proceed with the payment in a single instalment by 16 March 2021, or in 4 monthly instalments starting from the same date, without the application of fines and interest. Clarifications are expected, in order to understand whether the suspension concerns - given its wording - contributions payable by 16 December 2020 pertaining to the month November 2020 or whether it concerns the 16 November deadline, and thus the measure is aimed at promptly supporting companies that may face liquidity problems starting from the approaching deadline.



## **Articles 15 and 17 - New indemnity for seasonal workers in the tourism industry, beach resorts and in the entertainment industry - Provisions in favour sports workers**

The Decree intervenes again on compensations in favour of some categories of workers having specific prerequisites, introducing a new one-off bonus equal to Euro 1,000 in favour of:

- employees in the tourism and beach resorts industry (seasonal workers and fixed-term workers)
- seasonal workers in industries other than the tourism and beach resort one
- on-call workers
- self-employed not registered for VAT purposes
- door to door sales representatives
- workers in the entertainment industry

A one-off compensation equal to Euro 800 is provided also for workers with a coordinated and continuous cooperation contract with CONI (the Italian Olympic Committee), CIP (Italian Paralympic Committee), national sports federations, associates sports disciplines, sports promotion entities and amateur sports associations.

## **Artt. 22 - Schools and measures for families**

The right to remote working for parents of minor students has been strengthened as follows

- - the right to smart working and to parental leaves, where applicable, is extended to parents of children under the age of 16 years for whom a period of quarantine is provided by the competent authorities (thus, not only for children under the age of 14, which remains in any case the limit to access special leaves paid by INPS, the National Social Security Institute)

- the right to smart working and to parental leaves is extended also to the cases in which a suspension of the teaching activity is provided for children under the age of 16. Therefore, should remote schooling be adopted, the parent will have the right to worker remotely, when possible, or to benefit - if the child is under 14 years of age - of the INPS paid leave. The leave, if referred to children between 14 and 16 years of age, will not entitle to obtain compensations, neither from INPS, nor from the employer, but it will only guarantee the right to maintain the job.

The deadline for the submission of the 770 form has been extended to 10 December 2020, further provisions have been introduced to compensate those companies subject to the restrictions (non-repayable grants diversified according to the industries, 60% tax credits on rentals, emergency income for the weakest population groups, etc.) and various funds aimed at compensating companies in the most impacted industry (entertainment, culture, tourism, etc.) have also been refinanced.

Since the trend of the pandemic in the few last days is leading to increased legislative interventions with a reduced time span, we will continue to update our Clients on the coming, already announced, updates, such as the issuance of a Restore Decree bis and, as already mentioned, the introduction of new provisions on a possible extension of the suspension of dismissals until March 2021, with the subsequent extension of social security benefits.

For any further information or query you may have, please contact:

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