

THE «CURA ITALIA» DECREE AND THE INJECTION OF LIQUIDITY TO SUPPORT ITALY

The new "powerful" economic maneuver contained in the Decree-Law of 17 March 2020, n. 18 (the so-called «Cura Italia» decree), sent a strong message of solidarity and support to Italian citizens.

With the allocation of some EUR 25 billion, the measures announced in advance, involving aid for workers, businesses and families through a liquidity injection to support the economy, are confirmed and implemented.

Let us try to understand in more detail how the economic measures contained in the new Decree impact the world of work.

The highest amount of money will be allocated to the reinforcement of social safety nets, which are also accessible to persons who, under ordinary conditions, could not benefit from them. In general, the following are foreseen:

- extensions of the Ordinary Earnings Supplement Fund and implementation of a simplified procedure for all companies that intend to adopt the ordinary layoff. This includes a mechanism for derogating from the maximum limit (currently 24 months);
- extensions and upgrades of the Redundancy Fund in Exception for employers throughout the Italian territory that have fewer than six employees (even just 1). This includes sectors discovered by the Ordinary Earnings Supplement Fund and not protected by Solidarity Funds, such as services and logistics;
- appropriations of 500 million Euros for the Wage Integration Fund for micro-enterprises that have between 1 and 5 and 5 employees, and even smaller ones, with 1 to 5 employees who cannot count on social safety nets.

SPECIAL RULES ON ORDINARY SALARY INTEGRATION AND ORDINARY ALLOWANCE

In 2020, employers who suspend or reduce their work due to events attributable to the epidemiological emergency from COVID-19 can submit an application for the grant of the ordinary salary integration or access to the ordinary allowance with the causal "*COVID-19 National*" for a maximum duration of nine weeks (and in any case by August 2020). Applications can be submitted by the end of the fourth month following the one in which the period of suspension or reduction of work began.

Those who apply for the ordinary allowance are exempted from statutory obligations relating to trade union information and consultation, which, in general, are essential for the assessment of applications to be accepted. However, the information, consultation, and joint examination must be carried out electronically within three days of the request.

Companies benefiting from Extraordinary Redundancy Fund (for example, for a solidarity contract or reorganization) can also apply for Ordinary Earnings Supplement Fund for a period not exceeding nine weeks.

Before the Ordinary Earnings Supplement Fund is authorized, however, it is necessary to stop the current Extraordinary Redundancy Fund. The Ministry of Labor and Social Policies must adopt a decree at the request of the company concerned.

Employers enrolled in the Wage Integration Fund under the law decree of 23 February 2020, n. 6 who have a solidarity allowance in progress, will still be able to access the Ordinary Earnings Supplement Fund for a period not exceeding nine weeks.

The granting of ordinary wage supplement treatment suspends and replaces the solidarity allowance already in progress, and can also concern the same workers who are beneficiaries of the solidarity allowance to cover working hours fully.

NEW PROVISIONS FOR THE REDUNDANCY FUND IN EXCEPTION

The Redundancy Fund in Exception will apply to private-sector employers, including agricultural, fisheries, and third sector employers, including civilly recognized religious entities, who cannot rely on the above safeguards. This includes both small companies with up to five employees and large companies that have only the Extraordinary Redundancy Fund.

A prior agreement with national trade union organizations is needed. This may be conducted electronically.

It is up to the Regions and Autonomous Provinces to sign this agreement. It will not be an agreement with individual companies but instead a regional framework agreement.

The treatment in question will be granted by decree of the Regions and Autonomous Provinces for a period not exceeding nine weeks and limited to employees already in the labor force on 23 February 2020.

The decree must be sent to the National Social Welfare Institution (INPS), together with the list of beneficiaries, within 48 hours of its adoption and electronically to allow verification of compliance with the spending limits (an essential condition for declaring their effectiveness).

INDEMNITY FOR SELF – EMPLOYED WORKERS AND FREELANCERS

In support of self-employed workers and freelancers, a sum of € 600 will be allocated to protect the inactivity period.

The allowance, which does not contribute to the formation of income pursuant to the decree of the President of the Republic 22 December 1986, n. 917, will be renewed, if necessary, with a newer decree in April.

A monthly economic contribution similar to that introduced for self-employed workers is also foreseen for honorary magistrates (700 euros for a maximum of three months).

EXTENSION OF TIME LIMITS RELATING TO UNEMPLOYMENT CLAIMS

For the events of involuntary cessation of work occurring from 1 January 2020 and until 31 December 2020, the deadlines for submitting the unemployment claim are extended from 68 days to 128 days.

SUSPENSION OF APPEAL PROCEDURES FOR LAYOFFS

A crucial subpoint concerns layoff. The Decree previews that for two months, companies will not be able to dismiss an employee for economic reasons that are for justified objective reasons.

Where the proceedings began after 23 February, it must remain frozen for 60 days, even if the economic rationale is linked to the adverse effects resulting from the Covid-19 emergency.

HELP FOR PEOPLE WITH DISABILITIES AND FAMILY MEMBERS WITH DISABILITIES

Until 30 April 2020, workers with disabilities and those workers who assist family members with disabilities are entitled to carry out their work at a distance (in agile mode) to the extent that this is compatible with the type of work they engage in. Otherwise, the authorization to stay at home will be extended from 3 to 15 days per month, both for March and for April 2020.

PARENTAL LEAVE

The Decree also legislates parental leave to meet the needs of families as a result of the suspension of educational services for children according to the Decree of the President of the Council of Ministers 4 March 2020.

Parents employed in the private sector and parents working in the public sector with children up to 12 years of age will be able to take advantage of a leave of up to 15 days, continuous or split, which provides for an allowance equal to 50% of the remuneration.

The age limit referred to above does not apply to children with disabilities in situations of seriousness established by law, enrolled in schools of all levels and grades, or hosted in daycare centers.

In order to be able to take leave, the other parent must work and not be unemployed or a beneficiary of any other income support measure.

For private sector dependent parents with children between 12 and 16 years of age, the right to abstain from work is provided on the condition that there is no other parent within the family who benefits from income support or with the right to abstention from work.

These parents will not be entitled to any allowance or money from the government. However, dismissal by an employer is prohibited.

BONUS FOR THE PURCHASE OF BABYSITTING SERVICES

As an alternative to leave, families may, during the emergency period, request the payment of a bonus for the purchase of babysitting services up to a maximum limit of 600 euros.

The operating procedures for accessing these funds are established directly by the National Social Welfare Institution (INPS), which also monitors the requests received by communicating the results to the Ministry of Labor and Social Policies and to the Ministry of Economy and Finance.

If the monitoring shows that the expenditure limit for the measure has been exceeded, the National Social Welfare Institution (INPS) proceeds to reject the applications presented.

The bonus amount increases to 1,000 euros for doctors, nurses, social health personnel, researchers, and State Police personnel for needs related to the epidemiological emergency from COVID-19.

URGENT MEASURES TO PROTECT THE ACTIVE SURVEILLANCE SECTOR WORKERS

For private-sector workers subjected to a quarantine period for having entered Italy from epidemiological risk areas (as identified by the World Health Organization) and for those subjected to quarantine with active surveillance for having had close contacts with cases confirmed as infectious disease, the entire period is treated as an illness for the purposes of the economic treatment.

The treating physician is required to draw up the certificate of disease with details of the measure that gave rise to quarantine with a prescription to stay home.

EXTRAORDINARY MEASURES REGARDING SMART WORKING

In general, the Decree provides that until the date of cessation of the epidemiological emergency from COVID-2019, smart working (remote work) must be the ordinary way of carrying out the work performance of public administrations and independent administrative authorities in order to limit the presence staff in the offices to ensure only those activities that are deemed indifferent and not otherwise payable.

ADDITIONAL PROTECTIVE MEASURES FOR WORKERS AND THE COMMUNITY

Until the end of the state of emergency, in order to contain the spread of the COVID-19 virus, the Decree prescribes to all Italian workers that in carrying out their activity, they are objectively unable to maintain the interpersonal distance of one meter, using commercially available surgical devices such as masks, including filter masks without CE mark.

TAX CREDIT FOR SANITATION COSTS IN THE WORKPLACE

Individuals carrying out business, art, or professional activities will be able to count on a tax credit (for the 2020 tax period) equal to 50 percent of the costs of sanitizing

environments and work tools incurred and documented up to a maximum of 20,000 euros for each beneficiary.

The Decree encourages sanitation of the workplace as a measure to contain the COVID-19 virus.

The maximum overall spending limit will be 50 million euros for the year 2020.

All the measures of the Decree are subject to monthly monitoring by the competent administrations in agreement with the Ministry of Economy and Finance, which can make changes in order to optimize the allocation of available resources.

Prime Minister Conte declares that he is aware of the urgent need to rebuild the country's economic and social fabric, severely damaged by this emergency situation and that this decree "will not be enough" to achieve the goal.

The Government is already working on the second set of measures for April that will have "a double impact compared to the old financial one" in hopes that the rest of Europe will soon follow the example that Italy has set for the rest of the world.

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