

SUBJECT	LEGAL CHANGE	ACTION REQUIRED
<b>Fixed term and agency contracts</b>		
<b>Introduction of stricter controls</b>	<p>In July 2018, stricter rules were introduced on fixed-term employment contracts and agency workers. The new rules increase the restrictions on the use of these kinds of contracts with regard to their numbers, duration, grounds, etc.</p> <p>The transition period for the new rules ended on 31st October 2018 when the Ministry of Labour issued a note clarifying how the new regulation should be interpreted.</p> <p>Effective date: November 1st, 2018.</p>	<p>(1) Assess the current status of your fixed-term employment contracts and agency contracts in place.</p> <p>(2) Make necessary changes to the contracts for any new employees (fixed-term employment) or agency workers hired in 2019, to ensure compliance with the new rules.</p>
<b>Unfair dismissal</b>		
<b>New rules increase the penalty for unfair dismissals</b>	<p>New rules increase the penalty payable for the unfair dismissal of employees hired after 7th March 2015. In addition the Constitutional Court has removed the automatic calculation of remedies for unfair dismissals.</p> <p>Previously the penalty was two months' salary for each year of service, with a minimum of 4 and a maximum of 24 months' salary.</p> <p>Now, for unfair dismissal of employees hired on or after 7th March 2015, the penalty can be between 6 and 36 months' salary. The precise amount will be determined by the judge taking into account all circumstances of the dismissal and the conditions of the employee.</p> <p>Effective date: September 2018.</p>	<p>(1) Seek assistance to negotiate settlement agreements with employees hired on or after 7th March 2015, in case of dismissal.</p> <p>(2) Monitor court decisions in the coming months to verify the criteria most commonly used for quantifying the indemnity due in case of unfair dismissal.</p>
<b>Retirement age</b>		
<b>New rules provide the opportunity of an earlier retirement</b>	<p>New rules on retirement and, in particular, the so-called 'Quota 100' are expected to be introduced in 2019. This should enable employees aged 62 or more with 38 years of social security contributions to retire five years prior to expectations, but with a penalty on the pension amount payable.</p> <p>Effective date: To be confirmed.</p>	<p>The new rules may be an opportunity for companies that wish to reduce their personnel or foster a generational turnover to address an aging workforce.</p>
<b>State aid</b>		
<b>Sanctions for companies that receive State aid and later move their business</b>	<p>New rules state that companies that move their business outside the European Union within five years of receiving State aid are liable to pay back what they received and pay a penalty equal to between two and four times the amount received as State aid. Further sanctions are provided for companies that received State aid to develop a specific plant and then move their business anyway.</p> <p>Effective date: July 14th, 2018.</p>	<p>Before moving any activity outside Italy in 2019, companies should carefully assess if they have received State aid in the last five years and are therefore liable for the payment of sanctions.</p>

This is a high level general update only. Legal advice should be obtained on specific circumstances.