

The Relaunch Decree: what changes for Labour Law

The Relaunch Decree (Decree Law no. 34 dated May 19th, 2020) is, in chronological order, the third major intervention by the Italian Government to tackle the economic consequences of the Covid-19 emergency, after the Cura Italia Decree and the Liquidity Decree, and provides for a number of labor-related and economic provisions aimed at supporting companies and individuals in the resumption of their activities following the withdrawal of the emergency measures relating to the spread of the Covid-19 virus.

Firstly, the Relaunch Decree has extended the Covid emergency ordinary wage guarantee (so-called "CIGO") period up to a total of 18 weeks, providing for 5 additional weeks to be used in the period from February 23rd, 2020, to August 31st, 2020, subject to the full usage of the previous nine weeks, and additional four weeks to be used from September 1st, 2020, to October 31st, 2020.

Moreover, the Relaunch Decree has also extended the additional temporary wage guarantee period (so-called "CIG in deroga") up to a total of 18 weeks, providing for 5 additional weeks to be used in the period from February 23rd, 2020, to August 31st, 2020, subject to the full usage of the previous nine weeks, and additional four weeks to be used from September 1st, 2020, to October 31st, 2020.

Both in the case of the emergency CIGO and the CIG in Deroga, the requests for extension of the aforementioned period may be filed directly to INPS without the need to carry out another information, consultation and joint examination procedure with the relevant trade unions.

Dismissal's ban extension

The Cura Italia prohibited all Italian companies (and branches) to dismiss any employee for

economic, technical or organizational reasons (so-called “ETO” reasons) and to activate any collective dismissal procedure until May 16th, 2020. Through the enactment of the Relaunch Decree the Government decided to extend the ban on ETO dismissals for additional three months, namely until August 19th, 2020.

Moreover, the Relaunch Decree has introduced a provision allowing all employers who have terminated an employment for ETO reasons in the period from February 23rd, 2020, to March 17th, 2020, to withdraw the termination. Such withdrawal, however, is subject to the request by the employer to access one of the above-mentioned wage guarantee funds from the date on which the dismissal would have been effective. In this case, the employment relationship is deemed as restored without interruption and without any charges or sanctions for the employer.

Smart working provisions

The Cura Italia already provided that work from remote (so-called “smart working”) could be carried out for the entire duration of the state of emergency (i.e. initially July 31st, 2020) by employers to every employment relationship, even in the absence of any individual agreement.

Moreover, the Cura Italia underlined that mandatory communications provided for by the Law could be sent online using the documentation made available on the site of the National Institute for Occupational Accident Insurance (so-called “INAIL”).

The Relaunch Decree confirmed the above, stating that no individual agreement will be required for any smart working employment until December 31st, 2020.

Furthermore, the Relaunch Decree provides that until the end of the emergency, working parents with at least one child under the age of 14, as far as there is no other parent in the

household who is non-working or benefiting from income support measures, have the right to carry out smart working, and provided that it is compatible with their working performance.

Other guarantee funds and subsidies for companies to avoid redundancies

In order to enforce the Convention, dated March 30th, 2020, entered into by the Italian Banking Association and the trade unions before the Minister of Labor, on the provision of advance payments in favor of employees who have access to wage guarantee funds, the Relaunch Decree established the creation of a Guarantee Fund for access to the above-mentioned advance payment.

Moreover, the Relaunch Decree empowered the Regions, the Autonomous Provinces, the other territorial authorities and the Chambers of Commerce to adopt specific aid measures to support the economy during the emergency period. Such aid will be granted - through ad hoc schemes targeted at companies particularly affected by Covid-19 - in order to contribute to 80% of wage costs, including social security contributions, for a period up to 12 months.

These companies will be defined based on the sectors or regions where they operate or on the basis of their dimension.

Fixed-term contracts extension or renewal

The Relaunch Decree provided, by way of derogation from the ordinary rules governing fixed term employments, for the possibility to renew or extend until August 30th, 2020, all existing fixed-term employment agreements even in the absence of the specific objective needs required by the Law.

Special parental leave

Lastly, the Relaunch Decree provided for a special parental leave equal to 12 days of paid leave to be used in May or June 2020.

Moreover, the Relaunch Decree also provides for up to 30 days of special leave at 50% of pay for working parents with children below the age of 12 to be used from March 5th, 2020, to September 30th, 2020.