



Payroll and HR News & Alerts

Welfare And Social Security Benefits

RECOGNITION OF SICKNESS BENEFITS FOR RETIRED WORKERS

With Circular No. 57 dated 11 March 2025, INPS has provided guidance regarding the recognition of sickness benefits under the social security system for workers who are already receiving a pension and enter into a new employment relationship.

In summary, pensioners who start a new dependent employment relationship may be entitled to sickness benefits, provided that these are foreseen by the applicable regulations. This benefit exclusively compensates for the loss of earnings from the new employment while maintaining the rules on the incompatibility between pension income and employment income.

It is important to note that sickness benefits cannot be combined with a disability pension; if a person begins a work activity, the disability pension is revoked, and the person assumes the status of a worker only.

Lastly, for retirees enrolled in the “Gestione Separata” scheme, there is no provision for sickness or hospitalization benefits, nor are there any related additional contributions.

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Conversion Into Law of The 2025 “Mille Proroghe” Decree

Clients are informed that Law No. 15 of 21 February 2025, which converts into law—with amendments—Decree Law No. 202/2024 (the so-called “Mille Proroghe” Decree), was published in Official Gazette No. 45 dated 24 February 2025. Below is a summary of the main labor-related provisions:

RE-ADMISSION TO THE “ROTTAMAZIONE-QUATER”

Article 3-bis, paragraphs 1 and 2, allows for the re-admission to the “Rottamazione-quater” scheme, limited to debts already included in previously submitted declarations, for taxpayers who, as of 31 December 2024, have lost the benefit of the settlement due to failure, insufficient, or late payment of the due installments. To this end, interested taxpayers must submit a re-admission request by 30 April 2025, exclusively via electronic means, in a manner to be defined by the public collection agent on its website within 20 days from the date the Conversion Law enters into force.

FIXED-TERM CONTRACTS WITH INDIVIDUAL REASONS

Article 14, paragraph 3, extends until 31 December 2025 the possibility to justify fixed-term employment relationships lasting more than 12 months with individual reasons, in the absence of specific provisions in collective agreements. These reasons must be of a technical, organizational, or productive nature.

GPS And Data Privacy

In Newsletter No. 533 of 21 March 2025, the Italian Data Protection Authority (Garante) reported that it had sanctioned a transport company for unlawfully monitoring employees during their working hours through a GPS system installed on company vehicles. Specifically, the GPS system continuously tracked location data, speed, mileage, and vehicle status (e.g., ignition on/off), in violation of privacy regulations and contrary to the provisions of the authorization issued by the local Labor Inspectorate. That authorization had required the anonymization of collected data and the implementation of technological measures to limit the collection of unnecessary or excessive personal data not relevant to safety and organizational purposes.

Additionally, there were serious shortcomings in the information provided to employees, particularly concerning how the data was processed and the fact that drivers of geolocated vehicles could be directly identified. Moreover, the data was retained for over five months, breaching the principles of data minimization and storage limitation as outlined in the EU Regulation.

In addition to the financial penalty, the Garante ordered the company to provide adequate information to employees and to adjust its GPS data processing activities in line with the guarantees outlined in the authorization issued by the Labor Inspectorate.

Tax Incentive for Returning Researchers

The Revenue Agency, in Response to Ruling Request No. 67 of 7 March 2025, clarified that the favorable income earned by researchers returning to Italy from abroad is not taken into account when determining a family member's overall income.

According to this interpretation, a returning researcher may be considered a dependent of their spouse for tax purposes if the taxable portion of the income earned from their professional activity is less than €2,840.51.

In this case, the Revenue Agency concluded that if the applicant's total gross income (before deductibles) does not exceed €2,840.51, they may be treated as a dependent of their spouse. Consequently, the spouse will be entitled to claim the relevant tax deductions provided under Article 12, paragraph 1 of the Italian Income Tax Code (TUIR).

Tax Relief for Returning Workers

The Revenue Agency, in Responses to Ruling Requests No. 53/E/2025 and No. 66/E/2025, provided various clarifications regarding the complex tax relief scheme for returning workers. The key points are summarized below:

- According to Response No. 53/E/2025, the minimum period of residence abroad required to qualify for the new inpatriate regime is seven tax years if there is continuity between the employer abroad (company/group) during the year prior to returning to Italy and the employer in Italy after the transfer. The fact that the worker may have carried out self-employment before returning to Italy is irrelevant for this purpose.
- Response No. 66/E/2025 confirms that, under the new regime, it is no longer necessary to demonstrate a "functional" link between the transfer of tax residency to Italy and the start of an income-generating activity in Italy. This is a departure from the requirements under the previous inpatriate regime. The qualifying criteria do not need to be met at the time of return but may be fulfilled at a later stage. In such cases, the taxpayer may apply the new scheme for each tax year in which the required conditions are met, even if only partially.

For more information, please contact HRIT for a tailored consulting service.

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