



Payroll and HR News & Alerts

Welfare and Social Security Benefits

INCREASE IN PARENTAL LEAVE ALLOWANCE FOR 2025: INPS INSTRUCTIONS

With circular no. 95 of May 26, 2025, INPS has provided administrative and operational instructions regarding the parental leave allowance for employed workers, following the amendment to Article 34, paragraph 1, of Legislative Decree 151/2001, introduced by Article 1, paragraph 217, of Law 207/2024. For the year 2025, this amendment has increased the parental leave allowance to 80% for a maximum of 3 months for each parental couple, provided that the months of parental leave are taken within the first 6 years of the child's life or within 6 years of the child's entry into the family in case of adoption or foster care, and in any case, no later than the child's 18th birthday.

Therefore, if the child was born, adopted, fostered/placed before January 1, 2025, the right to the 80% parental leave allowance is granted for a maximum of 3 months (in application of the Budget Laws for 2023, 2024, and 2025) if at least one employed parent has completed the period of maternity or, alternatively, paternity leave after December 31, 2024. Otherwise, they are entitled to only 2 months at 80% allowance. If, however, the child is born, adopted, fostered/placed from January 1, 2025, the right to the 80% parental leave allowance is granted for a maximum of 3 months regardless of the use of maternity or paternity leave, provided that there is an employment relationship at the time of use.

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The parental leave application must be submitted exclusively online through one of the following channels:

- via the institutional portal www.inps.it, if in possession of a digital identity (SPID of at least level 2, CIE 3.0, or CNS), using the specific services accessible from the home page via the path "Lavoro" > "Congedi, permessi e certificati" (Work > Leaves, permits, and certificates);
- via the Multichannel Contact Center, by calling the toll-free number 803.164 (from a landline) or the number 06 164.164 (from a mobile network, at a cost based on the provider's tariff);
- via Patronage Institutes, using the services they offer.

The circular also provides some examples and indicates the codes to be reported in the UniEmens flow.

METASALUTE: 2025 FLEXIBLE BENEFIT ASSIGNABLE TO THE FUND

Metasalute, with circular no. 1 of May 12, 2025, has announced that for the year 2025 as well, workers in the metalworking and plant installation industry and the gold and silverware sector who are members can choose to allocate the €200 amount provided by the flexible benefit to the Fund. This activates an additional health plan available from June 1, 2025, to May 31, 2026, for the primary member and their dependent family members registered with the Fund.

Youth Bonus - INPS Operational Instructions

Following the issuance of the implementing decree by the Minister of Labour and Social Policies, in concert with the MEF - concerning the total contribution exemption for private employers who, until December 31, 2025, hire or convert a fixed-term employment contract into a permanent one (including part-time), young people who, at the date of hiring/conversion, have not yet turned 35 and have never been employed on a permanent basis – INPS has provided operational instructions through circular no. 90/2025.

GENERAL INFORMATION

The aforementioned benefit applies to all private employers and concerns the hiring of workers with the qualification of blue-collar workers, white-collar workers, or middle managers, excluding personnel with a managerial qualification. Domestic work contracts and apprenticeship relationships are excluded. For the latter contractual type, it is specified that the presence of such relationships prior to the incentivized hiring/conversion does not prejudice the eligibility for the exemptions in question, provided that the apprenticeship period did not continue as an ordinary permanent employment relationship at the end of the training period. Finally, hiring with an intermittent or on-call contract is not among the incentivized types, whereas permanent hires for the purpose of staff leasing are included, even if the leasing is provided to the user on a fixed-term basis.

The beneficiaries are all private employers, regardless of whether they are entrepreneurs, including employers in the agricultural sector, but not Public Administrations.

The conditions for entitlement concern workers who, at the date of the incentivized hiring or conversion, have not yet reached the age of 35 (meaning an age less than or equal to 34 years and 364 days) and have never been employed on a permanent contract throughout their entire working life.

It is recalled that the incentive amounts to 100% of the total social security contributions payable by employers, excluding premiums due to INAIL, for a maximum of 24 months and up to a maximum amount of €500 on a monthly basis for each worker and, in any case, within the limits of authorized spending. In relation to the single Special Economic Zone (SEZ) for Southern Italy (Abruzzo, Molise, Campania, Basilicata, Sicily, Puglia, Calabria, and Sardinia), the above limit is raised to €650 on a monthly basis for each worker concerned. Only this latter measure, as it is aimed at a specific audience and differentiated in amount for employers, is subject to the authorization of the European Commission.

Regarding the timing, it is indicated that permanent hires and conversions of fixed-term employment contracts to permanent ones, carried out by private employers from September 1, 2024, to December 31, 2025, will benefit from the measure. There is a difference for hires made at a site located in the single SEZ for Southern Italy; for these cases, the relevant period will be from January 31, 2025, the date of authorization of the measure by the European Commission, until December 31, 2025.

THE MEASURE OF THE BENEFIT

Given that the benefit is equal to the exemption from payment of 100% of social security contributions payable by employers, for a maximum period of 24 months from the date

of the incentivized event, up to a maximum amount of €500 on a monthly basis, it is indicated that in the case of employment relationships established and terminated during the month, this threshold must be pro-rated using the measure of €16.12 (€500/31) for each day of use of the contribution exemption. In cases of part-time employment relationships, the maximum amount of the benefits must be proportionally reduced.

The period of use of the incentives can be suspended exclusively in cases of compulsory absence from work for maternity; in this case, a temporal deferment of the period of enjoyment of the benefit is therefore permitted. It is recalled that the exemption is excluded for certain forms of minor social security contributions and for INAIL premiums.

It should be noted that the incentive for hiring young people is granted within the limits of the specifically allocated annual resources; for this reason, INPS monitors compliance with these spending limits. If the monitoring activity reveals, even prospectively, that the spending limit has been reached, INPS will not accept further communications from employers for access to the incentives.

CONDITIONS FOR ENTITLEMENT

It is provided that the right to the benefit is subject to compliance with the general principles on hiring incentives, governed by Article 31 of Legislative Decree 150/2015, and compliance with the rules for the protection of working conditions and compulsory insurance for workers; it is also subject to compliance with the provisions of Article 1, paragraph 1175, of Law 296/2006.

Regarding the worker's age requirement, 35 years of age (meaning an age less than or equal to 34 years and 364 days), this is required only at the date of the first incentivized permanent hiring/conversion. This worker, throughout their working life, must also have never been employed on a permanent basis. INPS provides a utility on its website that gives information regarding the existence of permanent employment relationships: www.inps.it, accessible at the following path: “Lavoro” > “Strumenti” > “Vedi tutti gli strumenti” > “Rapporti a tempo indeterminato – Verifica” (Work > Tools > See all tools > Permanent relationships – Check).

On this point, it is highlighted that there is no right to the exemption, among other cases, even where the previous permanent employment relationship was terminated for failure to pass the trial period or due to the worker's resignation.

Attention must also be paid to a disqualifying cause, linked to the impossibility of entitlement to the benefit, which occurs if there has been a dismissal for justified objective reason by the employer in the 6 months preceding the incentivized hiring in the same production unit, or in the 6 months following if it concerns a worker with the same qualification and in the same production unit.

The circular, moreover, also addresses some practical operational cases; for their discussion, reference is made to the official text.

In general, this is a generalized incentive, i.e., potentially aimed at all private employers operating in every economic sector of the country, whose production units are located in any area of the national territory. The regulation of the aforementioned exemption, therefore, cannot be subsumed under those governed by Article 107 of the TFEU.

The benefit aimed specifically at employers operating in the regions of the single SEZ for Southern Italy, however, is configured as a selective measure which, as such, requires the authorization of the European Commission for its operation. The Commission, with a decision of January 31, 2025, has authorized the grant of the exemption in question for permanent hires/conversions to be made by December 31, 2025. This means, however, that, given the provisions of the EU Regulation, the incentivized hiring must result in a net employment increase, calculated in Annual Work Units (AWU), according to the

conventional criterion of EU law. For this assessment, the average number of annual work units of the year preceding the hiring must be compared with the average number of annual work units of the year following the hiring.

COEXISTENCE WITH OTHER INCENTIVES

The incentive in question cannot be combined with other exemptions or reductions in financing rates provided for by current legislation. It is confirmed, however, that it is possible to first benefit from the incentive provided by Law 92/2012 for a fixed-term employment relationship, and then from the incentives under discussion for the conversion to a permanent contract, while it will not be possible to overlap it with the so-called "decontribuzione sud" (Southern Italy contribution relief). The benefit is not cumulative with the incentive for hiring disabled workers, nor with the incentive for hiring beneficiaries of the NASpI unemployment benefit.

Examples of other cases are explained in the text of the circular.

APPLICATION FOR EXEMPTION

To obtain the benefit, the employer must submit an application for admission to INPS, using exclusively the online application form available on the institutional website www.inps.it, in the section called "Portale delle Agevolazioni (ex DiResCo) - Incentivi Decreto Coesione – Articolo 22- Giovani" (Benefits Portal (formerly DiResCo) - Cohesion Decree Incentives – Article 22 - Youth). The form is available on the website from May 16, 2025. The application can be submitted for both hires/conversions already made and for relationships not yet established. In contrast, for hires made by employers operating in the regions of the single SEZ for Southern Italy, given their selective nature on a territorial basis which therefore constitutes state aid, the application can be submitted exclusively for employment relationships not yet in progress.

INPS, once the applications are received, for both ongoing relationships and for employment relationships not yet established, will verify the value of the benefit through its central information systems to assess whether there are sufficient resources. Thereafter, in the event of a positive outcome, it will provide a confirmation of acceptance of the application and will proceed, if necessary, to register the benefit in the National Register of State Aid.

In the case of a request for a hiring yet to be made, INPS calculates the amount of the benefit due, pre-allocates the resources, and sends a communication by certified email (PEC) or by ordinary email if a PEC address is not available, and a notification in the "MyINPS" area, inviting the interested party to establish the employment relationship and consequently fulfill the mandatory communication obligation within the peremptory term of 10 days.

Women's Bonus

With circular no. 91/2025, following the issuance of the implementing decree by the Minister of Labour in concert with the MEF, INPS illustrates the exemption from payment of 100% of social security contributions payable by private employers for a maximum period of 24 months for the permanent hiring of disadvantaged women, carried out by December 31, 2025. This was introduced by Article 23 of Law Decree 60/2024, converted, with amendments, by Law 95/2024, with the aim of promoting equal opportunities in the labor market for disadvantaged female workers, including within the single Special Economic Zone for Southern Italy. Domestic work contracts and apprenticeship relationships are excluded from the benefit. The exemption is granted on the condition that the permanent employment contract concerns women of any age who, at the date of hiring, meet one of the following requirements:

- have been without regularly paid employment for at least 24 months, residing anywhere;
- have been without regularly paid employment for at least 6 months and are resident in the regions of the single Special Economic Zone for Southern Italy;
- perform professions or work activities in economic sectors characterized by a pronounced gender employment disparity, identified annually by Ministerial Decree.

The recognition of the exemption is subject to the requirement of a net employment increase, calculated based on the difference between the number of workers employed in each month and the average number of workers employed in the previous 12 months (for employees with part-time work contracts, the calculation is weighted based on the ratio between the hours agreed upon and the normal full-time working hours). For the purpose of verifying this requirement, decreases in the number of employees that occurred in subsidiary or associated companies pursuant to Article 2359 of the Civil Code, or those controlled by the same person, even through an intermediary, shall not be taken into account.

The measure of the exemption is equal to 100% of the total social security contributions payable by employers, excluding premiums and contributions due to INAIL, up to a maximum amount of €650 on a monthly basis for each female worker and, in any case, within the limits of authorized spending and in compliance with the procedures, territorial constraints, and eligibility criteria provided for by the National Program for Youth, Women, and Work 2021-2027. The contribution rate for calculating pension benefits remains unchanged.

The benefit in question, as provided by paragraph 2, Article 23, of Law Decree 60/2024, applies in compliance with EU Regulation 651/2014, which concerns the following so-called disadvantaged women:

- without regularly paid employment for at least 24 months, residing anywhere;
- employed in professions or work activities in economic sectors characterized by a pronounced gender employment disparity referred to in Article 2, point 4, letter (f), of Regulation 651/2014/EU.

Conversely, for "women without regularly paid employment for at least six months, residing in the regions of the single Special Economic Zone for Southern Italy," the grant of the exemption is subject to the authorization of the European Commission, which arrived with decision C(2025) 649 final of January 31, 2025, authorizing the grant of the exemption for permanent hires to be established by December 31, 2025.

SUBJECTIVE PROFILES

The contribution exemptions in question are granted to all private employers, regardless of whether they are entrepreneurs, including employers in the agricultural sector.

The contribution exemptions in question are granted only for permanent hires, made by December 31, 2025, of women of any age, who, alternatively, at the date of hiring:

- are very disadvantaged as they have been without regularly paid employment for at least 24 months, residing anywhere;
- are without regularly paid employment for at least 6 months and are resident in the regions of the single Special Economic Zone for Southern Italy, eligible for funding under the European Union structural funds (territories of the Regions of Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sicily, Sardinia);
- are disadvantaged as they perform professions or work activities in economic sectors characterized by a pronounced gender employment disparity, identified annually by Ministerial Decree.

INCENTIVIZED EMPLOYMENT RELATIONSHIPS AND DURATION OF EXEMPTIONS

The contribution exemptions are granted only for permanent hires made by December 31, 2025, including in the case of part-time work contracts and for employment relationships established in implementation of the close associative bond with a work cooperative.

Hiring with an intermittent or on-call contract, even if stipulated on a permanent basis, is not among the incentivized types. Furthermore, the benefits cannot be applied in cases of the establishment of occasional work services governed by Article 54-bis of Law Decree 50/2017.

The contribution exemptions are also granted for permanent hires for the purpose of staff leasing, even if the leasing is provided to the user on a fixed-term basis.

➊ CONTRIBUTION EXEMPTION FOR WOMEN WITHOUT REGULARLY PAID EMPLOYMENT FOR AT LEAST 24 MONTHS, RESIDING ANYWHERE

The incentive is granted in accordance with the provisions on aid for "very disadvantaged" workers, for hires made from September 1, 2024, to December 31, 2025, for a duration of 24 months from the date of hiring.

➋ CONTRIBUTION EXEMPTION FOR WOMEN WITHOUT REGULARLY PAID EMPLOYMENT FOR AT LEAST 6 MONTHS, RESIDING IN THE REGIONS OF THE SINGLE SEZ FOR SOUTHERN ITALY

The incentive can be applied to permanent hires made from January 31, 2025, until December 31, 2025, for 24 months from the date of hiring.

➌ CONTRIBUTION EXEMPTION FOR WOMEN, RESIDING ANYWHERE, EMPLOYED IN PROFESSIONS OR SECTORS IDENTIFIED ANNUALLY

The incentive is applicable to permanent hires made from September 1, 2024, to December 31, 2025, for 12 months from the date of hiring.

Finally, the period of use of the exemptions in question can be suspended exclusively in cases of compulsory absence from work for maternity, including cases of early interdiction from work, allowing, in this case, a temporal deferment of the period of enjoyment of the benefit.

STRUCTURE AND MEASURE OF THE EXEMPTIONS

The benefits are equal, without prejudice to the contribution rate for calculating pension benefits, to the exemption from payment of 100% of the total social security contributions payable by private employers, up to a maximum amount of €650 on a monthly basis for each female worker. For employment relationships established and terminated during the month, this threshold must be pro-rated using the measure of €20.96 (€650/31) for each day of use of the contribution exemptions. In cases of part-time employment relationships, the maximum amount of the benefit must be proportionally reduced.

The benefits are granted within the limits of the specifically allocated resources and in compliance with the procedures, territorial constraints, and eligibility criteria provided for by the National Program for Youth, Women, and Work 2021-2027.

The Institute monitors compliance with the spending limits.

CONDITIONS FOR ENTITLEMENT

The right to the exemptions is subject to compliance with the provisions of Article 1, paragraph 1175, of Law 296/2006, without prejudice to the right to benefits in the event of subsequent regularization of contribution and insurance obligations, as well as of ascertained violations.

The contribution exemptions are not granted if one of the following conditions occurs:

- the hiring constitutes the fulfillment of a pre-existing obligation;
- the hiring violates a right of first refusal;
- at the employer or user with a staff leasing contract, there are ongoing work suspensions related to a corporate crisis or reorganization;
- the female workers were dismissed in the previous 6 months by an employer who, at the time of dismissal, had substantially the same ownership structure as the hiring employer or the user of the leased staff, or is in a relationship of connection or control with the latter.

NET EMPLOYMENT INCREASE

For the legitimate recognition of the benefits in question, it is also necessary to respect the specifically provided condition consisting of the realization of the net employment increase calculated based on the difference between the workers employed in each month and the average number of workers employed in the preceding twelve months.

The number of employees is calculated in Annual Work Units (A.W.U.).

Pursuant to Article 2, point 32, of Regulation 651/2014/EU, the net employment increase must be understood as "the net increase in the number of employees in the establishment concerned compared to the average over a reference period, after having subtracted the number of jobs suppressed during the same period from the number of jobs created. The number of full-time, part-time and seasonal employees shall be calculated taking into account fractions of annual work units".

The employer must verify the actual workforce present in the 12 months following the incentivized hiring and not an "estimated" employment. Therefore, the net employment increase for the subsequent 12 months must be verified taking into account the actual average workforce at the end of the 12-month period and not the "estimated" workforce at the time of hiring. If at the end of the year following the hiring a net employment increase in terms of A.W.U. is found, the monthly installments of the incentive that may

have already been enjoyed are "consolidated"; otherwise, the incentive cannot be legitimately recognized, and the employer is required to return the individual installments of the incentive, possibly already enjoyed in the absence of compliance with the required requirement, through the regularization procedures.

Compliance with the possible requirement of the net employment increase must be verified in concrete terms, in relation to each individual hiring for which the incentive is intended to be used.

The loss of the increase causes the loss of the benefit for the reference calendar month; the possible restoration of the increase for subsequent months allows, however, the enjoyment of the benefit from the month of restoration until its original expiry, but does not allow the recovery of the lost benefit.

For the exemptions in question, for the purpose of calculating the employer's workforce, only the "decreases" in the number of employees that occurred in controlled, associated companies, or in any case belonging to the same subject, even through an intermediary, are excluded.

EMPLOYER'S OBLIGATIONS

The employer requesting the contribution exemptions must submit an application for admission to the benefits to INPS, using exclusively the online application form available on the institutional website www.inps.it, in the section called "Portale delle Agevolazioni (ex DiResCo) - Incentivi Decreto Coesione – Articolo 23- Donne" (Benefits Portal (formerly DiResCo) - Cohesion Decree Incentives – Article 23 - Women).

With specific reference to the exemption for permanent hires of women employed in professions or work activities in economic sectors characterized by a pronounced gender employment disparity and the exemption for permanent hires of women without regularly paid employment for at least 24 months, residing anywhere, it is specified that the application for recognition of the measure can be submitted for both hires already made and for relationships not yet established. Conversely, the application for recognition of the exemption for the permanent hiring of "women without regularly paid employment for at least six months, residing in the regions of the single Special Economic Zone for Southern Italy," can be submitted exclusively for employment relationships not yet in progress.

In particular, it is highlighted that if the application for recognition of the incentives in question is sent for an ongoing hiring, with the consequent indication of the relative mandatory communication, INPS provides, by means of a communication at the bottom of the same telematic form, the outcome of acceptance with recognition of the amount due.

Conversely, if the request for recognition of the incentives in question is sent for a hiring not yet carried out, INPS calculates the amount of the benefit due, pre-allocates the resources and sends a communication by certified email (PEC) or by ordinary email, if a PEC address is not available, and a notification in the "MyINPS" area, inviting the interested party to establish the employment relationship and consequently fulfill the mandatory communication obligation within the peremptory term of 10 days.

The transitional period for the taxation of company cars for mixed use

Please be advised that Law 60/2025, converting Law Decree 19/2025, has inserted paragraph 48-bis into Article 1 of Law 207/2024 (the so-called 2025 Budget Law), which specifies that "The application of the discipline dictated by Article 51, paragraph 4, letter a), of the aforementioned consolidated text of income taxes, referred to in Presidential Decree no. 917 of December 22, 1986, in the text in force on December 31, 2024, remains firm for vehicles granted for mixed use from July 1, 2020, to December 31, 2024, as well as for vehicles ordered by employers by December 31, 2024, and granted for mixed use from January 1, 2025, to June 30, 2025".

Privacy Guarantor: No to employee geolocation

Clients are hereby informed that the Privacy Guarantor, with a provision of March 13, 2025, has sanctioned (with a fine of €50,000) a public employer (Regional Agency for the Development of Calabrian Agriculture) that was tracking the geographical position of about 100 employees during work performed in agile (remote) mode.

The investigation revealed that the Agency was monitoring its employees to verify the exact correspondence between their geographical location and the address declared in the individual smart working agreement, also based on specific targeted control procedures: the staff, chosen at random, were contacted by telephone by the control office with the request to activate the geolocation of their PC or smartphone, clocking in with a special application, and to declare immediately afterwards, via email, the place where they were physically located at that precise moment. This request was then followed by the Agency's verifications and any disciplinary proceedings. All this was done in the absence of a suitable legal basis and adequate information notice.

The various needs to control the observance of the remote worker's duties of diligence - the Guarantor recalls - cannot be pursued, remotely, with technological tools that, by reducing the person's space of freedom and dignity in a mechanical and inelastic way, involve a direct monitoring of the employee's activity not permitted by the Workers' Statute and the constitutional framework.

Furthermore, the documents did not show evidence of a data protection impact assessment for the processing of geolocation data of employees working in agile mode: Article 35 of the Regulation establishes that "where a type of processing in particular using new technologies, and taking into account the nature, scope, context and purposes of the processing, is likely to result in a high risk to the rights and freedoms of natural persons, the controller shall, prior to the processing, carry out an assessment of the impact of the envisaged processing operations on the protection of personal data".

New Category Entitled to Targeted Placement

Article 5 of Law 63/2025 has identified a new category of individuals entitled to mandatory placement, who are beneficiaries of precedence over any other category and with preference, given equal qualifications.

The Law, in Article 4, identifies them as those who have been victims of damaging events resulting from total or partial collapses of road or motorway infrastructure of national importance, equating them with victims of terrorism and organized crime.

More specifically, the beneficiaries are to be identified among:

- the spouse, parents, children, brothers, and sisters of the person who lost their life as a consequence of the aforementioned damaging events, as well as the other party of a civil union or the stably cohabiting person linked by an affective relationship;
- relatives or in-laws who were tax dependents of the deceased person in the 3 years preceding the event;
- anyone who suffers a permanent disability greater than 50% as a result of injuries sustained in consequence of the aforementioned damaging events.

It is specified that those who contributed to the production of the events themselves or contributed to the commission of crimes related to them are excluded from the benefits introduced by Law 63/2025.

Finally, an annual expenditure of €100,000 is authorized, starting from 2025, for the granting of scholarships reserved for orphans and children of the victims of the damaging events listed in Article 4 of Law 63/2025. The scholarship, exempt from taxation, can be granted for each year of primary and secondary school (first or second level) and university courses.

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

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