

# Payroll and HR News & Alerts



JULY 2025

**HR**  **IT**

HR • ACCOUNTING • TAX

# Payroll and HR - News & Alerts

## 7/2025

**Ai gentili Clienti**  
**Loro sedi**

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## TAXES, CONTRIBUTIONS AND PREMIUMS

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### YOUTH BONUS: UPDATED REQUIREMENTS AND OPERATIONAL GUIDELINES

INPS, with message no. 1935 dated 18 June 2025, announced that legitimate use of the social security contribution exemption under the “Youth Bonus”, provided for by Article 22, paragraph 1, of Decree-Law 60/2024, for hires or contract conversions carried out starting from 1 July 2025, is subject to compliance with the requirement of **net job growth**.

As a result, the application form already in use for the request of the "Youth" exemption under the Cohesion Decree has been updated with the inclusion of the following declaration, to be made pursuant to Article 47 of Presidential Decree no. 445/2000:

“The legitimate use of the exemption under Article 22, paragraph 1, of Decree-Law 60/2024, for hires/contract conversions carried out starting from 1 July 2025, is subject to the achievement and maintenance of net job growth.”

## NEW NASPI RULES – INPS GUIDELINES

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With the 2025 Budget Law, the Legislator introduced a new provision concerning NASpI. Through the recent Circular no. 98/2025, INPS provides the related guidance.

The aforementioned legislative intervention effectively adds a new contributory requirement for access to NASpI benefits, in relation to unemployment events occurring from 1 January 2025 onward. Therefore, this provision applies exclusively to NASpI applications submitted following involuntary termination occurring on or after said date.

In essence, the new legislation stipulates that, for events of involuntary termination occurring from 1 January 2025, the applicant must prove at least 13 weeks of contributions since the last termination of an open-ended employment relationship interrupted by resignation or mutual termination. This applies when such voluntary termination took place within the 12 months preceding the involuntary termination of the employment relationship for which the NASpI benefit is being requested.

It is clarified that cases of voluntary termination which **do not** trigger the effect of the new rule include resignations for just cause, resignations during the protected period of maternity and paternity, as well as mutual terminations carried out within the mandatory procedure pursuant to Article 7 of Law no. 604/1966.

INPS further specifies that, while the voluntary termination by resignation or mutual agreement must refer to an open-ended employment relationship, the subsequent involuntary termination, for which the NASpI benefit is being requested, may refer to either a permanent or a fixed-term employment relationship.

Regarding the calculation of the 13 weeks, for purposes of NASpI entitlement, all paid weeks are considered valid, provided the minimum weekly threshold is met, as well as weeks that are valid for fulfilling the contribution requirement. Specifically, the following are considered valid:

- social security contributions, including the NASpI portion, paid during the subordinate employment relationship;
- credited notional contributions for mandatory maternity leave if contributions were already paid or due at the beginning of the leave, and parental leave periods, provided they were properly compensated and occurred while the employment relationship was ongoing;
- periods of work abroad in EU or convention countries where totalization is allowed;
- periods of leave from work due to a child's illness up to 8 years of age, within the limit of 5 working days per calendar year.

It is finally reiterated that the newly introduced changes refer exclusively to the new requirement of 13 weeks of contributions that the insured must meet, as described above, and do **not** in any way affect the calculation of the **amount or duration** of the NASpl benefit, which remains governed by the ordinary rules in force.

## INCREASE OF PARENTAL LEAVE ALLOWANCE

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With Circular no. 95/2025, INPS provided instructions regarding parental leave allowance for employees, following the amendment to Article 34, paragraph 1, of Legislative Decree no. 151/2001, introduced by Article 1, paragraph 217, of the 2025 Budget Law. This amendment provides for:

- the increase of the allowance for the month of parental leave introduced by the 2024 Budget Law from 60% to 80% of the salary;
- the increase of the allowance for an **additional month** of parental leave from 30% to 80% of the salary.

These increases apply respectively to employees who finish maternity leave or, alternatively, paternity leave after 31 December 2023 and after 31 December 2024.

To access the increased allowance, parental leave periods must be taken **within the first six years of the child's life** (or within six years from the child's entry into the family in the case of adoption or foster care, and in any case not beyond the age of majority).

The increase applies **exclusively** to employees, excluding all other worker categories. Consequently, if one parent is an employee and the other belongs to a different work category, the 80% increase provided by the amended Article 34, paragraph 1, applies **only** to the employee parent.

The amendment made by the 2025 Budget Law does **not** add further months of paid parental leave, but instead raises the allowance:

- from 60% to 80% for the month introduced by the 2024 Budget Law;
- from 30% to 80% for an **additional** month, over and above the increases already introduced by the 2023 and 2024 Budget Laws.

Therefore, the 80% allowance applies for a maximum of **three months** per parental pair, provided those months are taken within the child's first six years of life. It also applies to adoptive or foster parents, where the three months must be taken within six years from the child's entry into the family, and in any case not beyond the child's coming of age.

Furthermore, the 80% allowance applies to **all forms** of parental leave use (full-time, in monthly or daily fractions, or on an hourly basis).

The three months payable at 80% cover both parents and may be used jointly or by only one of them. Alternating use of the leave between the two parents does not prevent them from using it on the **same days** and for the **same child**, as is generally allowed for all parental leave periods.



Parental leave for both parents, or for a "single parent", is thus compensated as follows:

- **One month** at 80% of salary, within the first six years of the child's life or from entry into the family in the case of adoption or foster care (2023 Budget Law);
- **An additional month** at 80% of salary, under the same time conditions (2024 and 2025 Budget Laws);
- **A further month** at 80% of salary, again under the same time conditions (2025 Budget Law);
- **Six months** at 30%, regardless of income level;
- **The remaining two months** are unpaid, unless the applicant falls under the income conditions provided for in Article 34, paragraph 3, of the Consolidated Text.

The provisions of the amended Article 34, paragraph 1, apply to parental leave periods taken from 1 January 2025 and concern exclusively parents who finish (even for a single day) maternity or paternity leave **after 31 December 2023**, for the entitlement to the 80% allowance for the month introduced by the 2024 Budget Law, or **after 31 December 2024**, for the additional 80% month introduced by the 2025 Budget Law.

It is clarified that these dates are not conditions of entitlement but only starting points for the new provisions. For determining the end of the maternity leave period, any postnatal extensions ordered by the ITL and unused pre-birth days must be included. It follows that:

1. **If the child was born or adopted, fostered/placed before 1 January 2023**, the right to 80% parental leave allowance is due **for a maximum of one month**, if at least one employed parent ended maternity or, alternatively, paternity leave **after 31 December 2022**. Otherwise, there is no entitlement unless one of the other conditions is met. If, however, the child was born or adopted, fostered/placed **from 1 January 2023**, the right to the 80% allowance for **one month** is granted regardless of the maternity or paternity leave taken, provided that an **employment relationship** is in place at the time the leave is used.
2. **If the child was born or adopted, fostered/placed before 1 January 2024**, the right to the 80% allowance for **two months** is due **if** at least one employed parent ended maternity or, alternatively, paternity leave **after 31 December 2023**. Otherwise, the right is limited to **one month** under the previous rules (point 1). If the child was born or adopted, fostered/placed **from 1 January 2024**, the right to **two months** at 80% is granted **regardless** of maternity or paternity leave usage, provided there is an employment relationship at the time of taking the leave.

3. **If the child was born or adopted, fostered/placed before 1 January 2025**, the right to the 80% allowance for **three months** is due **if** at least one employed parent ended maternity or, alternatively, paternity leave **after 31 December 2024**. Otherwise, the right is limited to **two months**, following the criteria outlined above. If the child was born or adopted, fostered/placed **from 1 January 2025**, the right to 80% allowance for **three months** is granted **regardless** of previous leave usage, provided there is an employment relationship at the time of taking the leave.

The **80% increase** is only recognized **during the use** of the three months of parental leave, which Article 34 of the Consolidated Text allocates to each parent as **non-transferable** and, in any case, **not beyond six years** from the child's birth or entry into the family in case of adoption or foster placement.

The **end date of maternity or paternity leave** of a parent enrolled in the Separate Management or in one of the special schemes for self-employed workers **is not relevant** for the recognition of the increased allowance, since the 2023, 2024, and 2025 Budget Laws refer only to the conclusion of maternity leave for **employees** and paternity leave for **employed fathers**.

It is reminded that the provisions of Legislative Decree no. 151/2001 represent the **minimum protection** for parental leave legally recognized for parents. The law also allows for **more favourable conditions** set by laws, regulations, collective agreements, or any other provision. Therefore, the increase to 80% parental leave allowance **is compatible** with any additional favourable treatment from those sources. Conversely, such benefits **cannot limit** the application of the statutory parental leave allowance.

The above provisions also apply to **adoption/foster care**, whether domestic, international, or pre-adoptive/provisional placement, starting from the child's **entry into the family** and for the following **six years**, and in any case **not beyond the age of majority**.

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

- the institutional portal [www.inps.it](http://www.inps.it), using digital identity (SPID level 2 or higher, CIE 3.0 or CNS), via the path "Work" > "Leaves, permits and certificates";
- Multichannel Contact Centre, by calling toll-free number 803.164 (from landline) or 06 164.164 (from mobile, with charges depending on the operator);
- through patronage institutions, using the services they provide.

Regarding the applicable tax regime, the allowance, provided in place of employment income, is subject to withholding tax as an advance payment pursuant to Article 23 of Presidential Decree no. 600/1973. In such cases, the Institute will, where due, carry out



year-end tax adjustment and issue to the taxpayer a tax certification valid for reporting purposes.

## NEW REGULATIONS ON WORKERS' PARTICIPATION IN COMPANY PROFITS

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By means of Law no. 76/2025, the Legislator introduced new provisions concerning workers' participation in the management, capital, and profits of enterprises.

The new legislation aims to encourage employee involvement in company life, considering various dimensions, in order to strengthen the relationship and cooperation between the parties. It includes:

- participation in **company management**, with the presence of employee representatives in certain company bodies;
- **economic and financial participation**, through both profit-sharing and equity participation via broad-based share ownership;
- **organizational participation**, involving employee representatives in organizational and production strategy.

Regarding **profit-sharing** (Article 5), the new provisions stipulate the following:

For the year 2025, **by way of derogation** from the standard rules provided under Law no. 208/2015 regarding performance bonuses, **a reduced tax rate of 5%** is granted for profit-sharing distributions to employees, provided the following conditions are met:

- a share of at least **10% of total company profits** is distributed;
- such distribution is carried out **under second-level collective bargaining agreements** (company-level or territorial);
- the **total annual amount** of profit distributed to each employee does **not exceed €5,000 gross**.

With regard to potential **employee share ownership** (Article 6), the law introduces participatory tools in company capital, such as **special classes of shares** to be individually allocated to employees. These shares are subject to specific rules concerning:

- their form;
- transfer procedures;
- rights associated with them,

naturally taking into account the provisions of the Civil Code on the matter.

In such cases, for the year 2025, any **dividends** paid to employees based on these shares, and **in substitution of performance bonuses**, are **50% exempt** from income tax, but **only up to a limit of €1,500 per year**.

## NEW DEVELOPMENTS IN IRPEF AND TAXATION OF EMPLOYMENT INCOME

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With Circular no. 4/E/2025, the Italian Revenue Agency provided operational guidelines on the tax changes introduced by the 2025 Budget Law concerning **IRPEF** and the taxation of **employment income**, as well as the amendments introduced by the enabling decree that revised its regulation.

### IRPEF MEASURES

The application of the **income brackets and tax rates** already established for 2024 becomes permanent:

- 23% for income up to €28,000;
- 35% for income over €28,000 and up to €50,000;
- 43% for income exceeding €50,000.

Also confirmed is the **increase** from €1,880 to **€1,955** of the deduction under Article 13, paragraph 1, letter a), first sentence of the TUIR, for taxpayers earning employment income (excluding pensions and equivalent benefits), and certain income assimilated to employment income, **if total income does not exceed €15,000**.

This change effectively expands the **no-tax area to €8,500**, aligning it with the threshold already in place for pensioners.

Since this modification applies only to the **first sentence** of Article 13, paragraph 1, letter a), TUIR, all other provisions in the same article remain unchanged. Notably, when calculating the amount of deductions, total income is considered **net of the value of the main dwelling and its appurtenances**.

To determine the **reference income** used for assessing eligibility for tax benefits—including the above deductions—also included are:

- income subject to **cedolare secca** (flat tax on rental income),
- income under the **flat-rate regime** for self-employed workers,
- the **ACE benefit** share (Allowance for Corporate Equity),
- and **tips** received by private-sector workers in the hospitality and food service sectors, subject to substitute tax.

Accordingly, the corrective mechanism for eligibility for the **additional tax credit ("trattamento integrativo")** is confirmed: for those earning up to €15,000 in total income, the tax credit can be granted if the **gross tax** exceeds the deduction under Article 13, **reduced by €75**, proportionally to the period worked in the year.

## NEW ALLOWANCE AND ADDITIONAL TAX DEDUCTION FOR EMPLOYEES

The 2025 Budget Law introduces further **favourable measures for employees** (excluding pensioners). In particular:

- For taxpayers with **total income not exceeding €20,000**, a **non-taxable amount** is granted. This is calculated by applying a **percentage** to the employment income, which **varies depending on the income level**.

The annual employment income must be projected over a full year for determining the applicable percentage. In case of **multiple employment contracts**, overlapping days should be **counted only once** when calculating the theoretical annual income.

- An **additional tax deduction** is granted for taxpayers with **total income over €20,000 and up to €40,000**, equal to:
  - **€1,000** for income between €20,001 and €32,000,
  - and gradually decreasing until it reaches zero at **€40,000**.

To determine eligibility for these benefits, the **reference income** must be adjusted by:

- **adding** the exempt portion of income under the **"impatriates" regime** and the **returning researchers** regime;
- and **excluding** the income from the taxpayer's **main residence and appurtenances**.

Once the applicable percentage is identified, it is applied **only to the taxable portion** of the employment income subject to taxation in Italy.

## EMPLOYER OBLIGATIONS AND TAX CREDIT MECHANISMS

The **withholding agents (sostituti d'imposta)** shall automatically apply the above benefits when disbursing wages, **without requiring any request from the employee**.

The **non-taxable amount and the additional deduction** must be allocated by the employer:

- starting from the **first available pay period** following either:
  - the **entry into force** of the 2025 Budget Law, or
  - the **publication date** of the circular in question,

and must include the **installments due for prior months**. If this is not possible, the benefits must be granted in the following months or, at the latest, during **year-end payroll reconciliation**.

In calculating the non-taxable amount:

- the employer must determine the applicable **percentage** based on the **theoretical annual employment income** (i.e., annualized);
- the amount due is then computed by applying this percentage to the **actual income paid monthly**.

Employers must perform eligibility checks based on:

- forecasted annual income and applicable deductions, referring to the amounts and values to be paid during the year;
- any **data provided by the worker**, such as previous **Certificazione Unica (CU)** for other employment relationships in the same year.

If a worker has held **multiple employment relationships** during the year with different employers, they may **inform the current employer** of the income received from the previous jobs to allow proper calculation of the benefit, by submitting the relevant **CUs**.

The **new employer** must use these data for accurate **payroll adjustments** and to ensure proper application of the tax benefits. If no such documentation is provided, the employer must perform the calculations **based solely on the income data in its possession**.

In cases where the employee **simultaneously holds multiple part-time jobs**, only **one employer** may apply the tax benefits. The employee must:

- identify the employer designated to apply the provisions;
- provide all necessary income and working day data;
- and inform the other employers **not to apply** the benefits.

If the employee explicitly requests **non-application** of the benefits, the employer must comply and retain documentation for possible audits.

To benefit from the **deduction**, the employee must have sufficient **gross tax liability**. If only partially sufficient, the deduction is granted **within the available limit**.

In the absence of a statutory rule establishing **priority among tax deductions**, the employer must follow general rules: all eligible deductions are **summed together** and then subtracted from gross tax **up to the available amount**.

These benefits must also be reported in the **CU (Certificazione Unica)**. If the employee is not subject to withholding tax (e.g. **domestic workers**) and has no withholding agent, they may claim the benefits in their **tax return**.

Likewise, if the employer does not apply the benefit at year-end—for example, due to **employment termination**—the employee may still claim it in their **annual return**, provided they meet the substantive requirements.

Employers must verify entitlement during the **final payroll reconciliation**. If it turns out that the benefit was **partially or entirely undue**, they must proceed with **recovery**.

If the amount to be recovered exceeds **€60**, recovery is carried out in **ten equal monthly installments**, starting from the first applicable pay period.

If the employee was mistakenly granted the **non-taxable amount**, but is entitled to the **additional deduction**, the employer recovers only the **net difference**. If this net amount exceeds €60, it is also recovered in ten monthly installments.

In case of **employment termination**, any undue tax benefits must be recovered **in full** during the final settlement, regardless of amount. If recovery is not possible at that stage, the employee must pay the amount by **15 January of the following year**.

If the employee received undue benefits and **employer recovery is no longer possible**, the taxpayer must **repay the full amount** in their tax return, including the option to pay in **installments** as allowed by law.

For each non-taxable amount disbursed, the employer accrues a **corresponding tax credit**, which can be **offset** against any debit shown in the **F24 payment form**, using any section of the form.

With Resolution no. 9/E of 31 January 2025, the Revenue Agency has established the **specific tax codes** to be used for this offset.

## FAMILY-RELATED TAX DEDUCTIONS

With regard to **family-related deductions**, the 2025 Budget Law provides that the **deduction for dependent children** applies only to taxpayers who have:

- children (including those born out of wedlock and legally recognized),
- adopted or foster children,
- children affiliated or in guardianship,
- or children cohabiting with the deceased spouse,

provided such children are:

- **at least 21 years old but under 30,**
- **or 30 or older and with a certified disability.**

Compared to the previous regime, this represents a change: the deduction now applies **only** to children **aged 21 to 29**, introducing a new **age ceiling**.



Since deductions are calculated **on a monthly basis**, the deduction is due **from the month** in which the child turns 21 until the **month before** the 30th birthday.

Additionally, the deduction applies **without age limit** for each **disabled dependent child aged 21 or over**.

Subject to the above age criteria, the 2025 Budget Law also extends the deduction under **Article 12, paragraph 1, letter c) of the TUIR** to:

- **affiliated children**, and
- **children of a deceased spouse** who **cohabit with the taxpayer**.

In these cases, however, the taxpayer **may only claim the child-related deduction**, and **not** the deduction for a dependent spouse, even if more favourable. This rule does **not** apply to the **surviving parent** who **does not cohabit** with the child.

It is further clarified that the deduction for the child of the deceased spouse **may also be claimed** by the **other (living) parent**, according to the **standard allocation rules**.

The deduction for **other dependent relatives** is now **restricted** to **cohabiting ascendants only** (e.g., parents). The former rules allowed deductions for:

- legally separated spouses,
- parents and closest ascendants,
- sons/daughters-in-law,
- in-laws,
- siblings,
- and grandchildren.

As a result, from **1 January 2025**, deductions and deductions for expenses incurred for **other relatives** listed under **Article 433 of the Civil Code** are no longer allowed, except where they apply to **cohabiting dependent ascendants** and **non-separated dependent spouses**.

## WELFARE BENEFITS AND FAMILY DEFINITION

The **welfare benefits** governed by **Article 51 of the TUIR** and other related provisions are understood to apply **only** to the **family members** listed in **Article 12 of the TUIR**.

Therefore, welfare benefits provided by the employer are **excluded from taxable income only** if granted to:

- legally married, **non-separated spouses**,

- **each child**, including:
  - legally recognized children born out of wedlock,
  - adopted, affiliated or foster children,
  - and children cohabiting with the deceased spouse,
- and **ascendants**.

Any welfare benefits granted to persons **not falling within these categories** must be treated as **taxable income**.

Importantly, **child-related tax benefits and deductions** continue to apply regardless of age, provided the **income thresholds** are met (where required).

Lastly, **family-related deductions do not apply** to taxpayers who are **not citizens of Italy, an EU Member State, or a country adhering to the EEA Agreement, with respect to their family members residing abroad**.

## WITHHOLDINGS AND REFUNDS FROM FORM 730

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The **employer (withholding agent)** must apply the **tax adjustments resulting from Form 730** directly in the employee's payslip, **provided** the accounting results of the tax return (**modello 730-4**) have been received via the **Italian Revenue Agency's electronic services**.

Accordingly, beginning with **July 2025 payroll**, the employer will proceed with:

- refunding any IRPEF and other taxes resulting from the 730-4 form, or
- withholding the amounts or instalments (if instalment payment was requested) due in relation to:
  - **balance payments** and **first advance payments** of IRPEF,
  - **flat tax (cedolare secca)**,
  - **regional and municipal IRPEF surcharges**,
  - **20% advance payment** on certain types of income subject to separate taxation,
  - **advance payment of municipal IRPEF surcharge**, and
  - **substitute tax on performance-related bonuses**.

The withholding agent **does not process** either the payment or the refund of any single tax or surcharge if the amount indicated in the tax return is **equal to or less than €12**.

For **pensioners**, such operations are carried out **starting from August or September**, even if instalment payments have been requested.

If the **July payroll** is insufficient to cover the amounts due, the **residual amount**, increased by **interest for insufficient payroll coverage**, will be withheld in the following months, **until the end of the tax year**.

In cases provided by law, the **Revenue Agency may perform preventive audits** on the submitted 730 form. Any resulting **refunds** are paid **directly by the Agency**, following completion of such audits.

As above, where payroll is insufficient, the residual refund amount—plus interest—is carried over to subsequent months until fully settled within the same fiscal year.

In **November**, the employer must **withhold the second or only instalment** of **advance payments** due for **IRPEF** and **flat tax (cedolare secca)**.

If the taxpayer wishes to have the **second or only advance payment** of IRPEF or cedolare secca **reduced or cancelled** (e.g., due to high deductible expenses and anticipated lower tax liability for the following year), they must **submit a written request by 10 October**,

expressly indicating the amount they consider actually due, assuming **personal responsibility** for the declaration.

## MAIN COLLECTIVE BARGAINING DEADLINES – JULY 2025

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Below are the main updates in collective bargaining for the month of **July 2025**.

### **INDUSTRIAL CHEMICAL SECTOR – AGREEMENT DATED 15 APRIL 2025**

- **National collective agreement renewal contribution:** €25
- **Minimum monthly wages:** Level A1: €2,627.52

### **EXECUTIVES – TERTIARY SECTOR – AGREEMENT DATED 12 APRIL 2023**

- **Minimum monthly wages:** €4,340

### **TERTIARY SECTOR – CONFCOMMERCIO – AGREEMENT DATED 22 MARCH 2024**

- **One-off payment:** Level 1Q: €303.81

HRIT is available for further clarification.

Kind regards,

HRIT

*09/07/2025*