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ITALY'S BUDGET FEATURES EMPLOYMENT, PENSION CHANGES

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Italy's budget features changes to parental leave, employment incentives, an early retirement scheme and a minimum income.

- ***Parental leave.*** New fathers must take five days of paternity leave — up from four. Expectant mothers don't have to start their required five-month maternity leave until after the birth as long as there are no health risks. Flexible working requests from employees with disabled children and made by mothers within three years following maternity leave will be considered first.

- ***Incentives for hiring young or disabled employees.*** Employers will be exempt from social security contribution exemptions — up to €8,000 — if they hire young employees meeting certain requirements. Also, incentives are available for employers that hire disabled employees, but depend on the type of disability.

- ***Early retirement scheme.*** Employees who are 62 years old and have 38 years of contributions — called the "quota 100" will be eligible to retire early on a reduced pension. This change, effective 1 Apr 2019, rolls back a 2011 law that increased the retirement age to 67 years. In addition, a special early retirement scheme allows eligible female employees to take early retirement on a reduced pension. Eligible women must be at least 58 years old (or 59 if self-employed) and registered with the compulsory general insurance scheme and must have paid at least 35 years' contributions as of 31 Dec 2018. These changes were included in Decree No. 4, published in the Official Gazette 28 Jan 2019.

- ***Minimum income.*** A universal basic income scheme for the poor and job seekers will be implemented.

RELATED RESOURCES

- Decreto No. 4 (Italian) (Official Gazette, 28 Jan 2019)

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