LP ADVISORY

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IN THIS EDITION

1 Work-life balance

TO ALL CUSTOMERS

1.1 Incentives for part-time work for parents

In order to promote work-life balance, working parents with at least three children residing in the household, until the youngest child reaches the age of ten or without any age limits in the case of children with disabilities, are given priority in converting their employment contract from full-time to part-time, whether horizontal or vertical, or in the adjusting of the percentage of work in the case of a part-time contract, which results in a reduction in working hours of at least forty per cent.

In order to encourage the application of this criterion, private employers who allow employees to convert their contracts without a reduction in overall working hours are granted, for a maximum period of twenty-four months from the date of contract conversion, exemption from paying 100 per cent of the total social security contributions payable by employers, excluding premiums and contributions due to INAIL, up to a maximum of €3,000 per annum, recalculated and applied on a monthly basis.

The rate used to calculate pension benefits remains unchanged.

The exemption does not apply to domestic employment and apprenticeship relationships and cannot be combined with other exemptions or reductions in financing rates provided for by current legislation.

1.2 Enhanced parental leave

The amendment, intended to promote parenthood, concerns the extension of parental leave eligibility from 12 to 14 years of age of the child or 14 years from entry into the family in the case of adoption or foster care, in accordance with the procedures set out in Article 32 of Legislative Decree No. 151/2001 (Consolidated Law on Maternity).

1.3 Leave for children's illness

The rules governing leave for employees whose children over the age of three are ill have also been amended.
Such leave, which is available for the same number of days and may be taken alternatively between parents, is increased from five to ten working days per year, as the maximum limit of such leave available to each parent, and the scope of application is extended with reference to minors between the ages of 8 and 14.
There is no entitlement to remuneration for this leave, with only social security coverage through the crediting of notional contributions (so-called "contribuzione figurativa").

1.4 Replacement of workers on maternity leave

In order to promote work-life balance and ensure gender equality in the workplace, it is possible to extend the employment contract of a worker - hired on a fixed-term basis, including through a temporary employment agency, in order to replace workers on maternity or parental leave pursuant to Legislative Decree No. 151 of 2001,for a further period of cover for the 'replaced worker' not exceeding the child's first year of age.

1.5 Contribution exemption for working mothers

The partial exemption from social security contributions for female employees and self-employed workers who are mothers of two or more children, provided for in the 2025 Budget Law, is postponed to 2027.

1.6 Bonus for working mothers

For the year 2026, pending the implementation of the above contribution exemption, working mothers with two children, whether employed on a fixed-term or permanent basis, or self-employed and registered with compulsory self-employed social security schemes, including professional pension funds, with an annual income from employment not exceeding €40,000,

shall be granted a non-taxable and non-contributory amount of €60 per month for each month or portion of a month of employment or self-employment.
This sum is paid by INPS until the youngest child reaches the age of ten, upon request by the interested party.
The same sum is also granted to working mothers, whether employed or self-employed, with three or more children until the month in which the youngest child reaches the age of 18, to be paid to working mothers with an annual income from employment not exceeding €40,000, provided that the employment is permanent. The bonus is paid in a single instalment with the December 2026 monthly payment.

2 Supplementary pension schemes

2.1 Supplementary pensions and new deductibility thresholds

Starting from the 2026 tax period, the income tax deduction threshold for contributions paid by the worker and the employer or client, whether voluntary or due under collective agreements or contracts, including company agreements, to supplementary pension schemes is increased from €5,164.57 to €5,300. Consequently, workers in their first employment after 2006 and, limited to the first five years of participation in supplementary pension schemes, are allowed, in the twenty years following the fifth year of participation in such schemes, to deduct from their total income contributions exceeding €5,300 by an amount equal to the total amount of contributions that were deductible in the first five years of participation but not actually paid, and in any event for an amount not exceeding half of the aforementioned annual limit.

2.2 New hires and tacit consent for participation in supplementary pension schemes

From 01/07/2026, first-time employees in the private sector will be automatically enrolled in supplementary pension schemes.
To this end, the rules governing the procedures and effects of tacit or automatic enrolment are revised, establishing:

- a reduction from six months to sixty days of the period after which tacit consent applies, with enrolment in the supplementary pension scheme and the related payments starting from the date of employment after the aforementioned period, rather than from the month following the expiry of the aforementioned period. Within sixty days of recruitment, the worker may, however, opt out of automatic enrolment by making a free choice or by retaining their severance pay in accordance with the regime set out in Article 2120 of the Italian Civil Code.
- with regard to the criteria for identifying the supplementary pension scheme, the tacit transfer applies to the collective pension scheme provided for in collective agreements or contracts, including regional or company agreements. If there are multiple pension schemes, the supplementary pension scheme of destination is the one to which the largest number of workers have subscribed.

- for tacit membership, the statutes and regulations of supplementary pension schemes must stipulate that contributions and provisions relating to severance pay paid as a result of non-explicit membership must be invested in prudent investment paths or lines characterized by diversified risk profiles and potential returns, based, in particular, on the investment time horizon and the age of the member.

The employer's obligations to provide information to its employees remain unaffected.
The employer is required to provide the employee with information on the collective agreements applicable to supplementary pensions.
For employees who are not in their first job, the employer is required to verify any previous choice by obtaining a specific declaration from the employee.

3 Pension changes

3.1 Increase in age requirements for retirement from 2028

The budget gradually aligns the requirements for old-age pensions with the increase in life expectancy.
From 2027, it will be possible to retire at 67 years and one month (and 20 years of contributions) and from 2028 at 67 years and three months. The increase will not apply to workers who perform heavy or particularly strenuous and demanding work.

3.2 INPS treasury severance pay – expansion of the audience

From 01/01/2026, employers who reach or exceed (or have reached or exceeded) the threshold of fifty employees in the years following the start of their business, taking as a reference the annual average workforce in the calendar year preceding the pay period in question, will also be required to pay the accrued and provisioned severance pay.
Limited to the two-year period 2026 and 2027, the obligation does not apply if, in the same calendar year, the number of employees is below 60.
Furthermore, from 01/01/2032, employers with 40 or more employees will also be required to pay severance pay contributions to the INPS Treasury Fund, without prejudice to the above reference to the annual average for the year preceding the current year.
Currently, for employers already in business on 31/12/2006, the size limit in question is calculated by taking as a reference the annual average number of employees in 2006; for the remaining employers, the reference is the annual average number of employees in the calendar year in which they commenced their business.

3.3 Incentive to postpone retirement

The Budget Law extends the scope of the incentive for employees in the public and private sectors who intend to continue working once they have met the requirements for retirement.

The extension of this possibility concerns individuals who, in 2026, will have accrued the right to early retirement based on the contribution seniority generally required for the recognition of early retirement, irrespective of age.

3.4 Advance Pension Payment (APE)

The benefit for individuals who, at the age of 63 years and 5 months, meet one of the conditions laid down by law (unemployment, care for a family member with a disability requiring intensive support, reduced working capacity due to severe disability, employees in strenuous jobs) is extended until 31 December 2026.

This benefit consists of an allowance equal to the monthly pension amount calculated at the time of access to the benefit, up to a maximum of €1,500, which may not be combined with other income support benefits related to involuntary unemployment, paid upon reaching the age of 63 years and 5 months until the pension requirements are met.

3.5 Early settlement of NASpI

The self-employment incentive will no longer be paid in a single instalment but in two instalments, the first equal to 70% of the total amount and the second equal to the remaining 30%, to be paid at the end of the maximum duration of NASpI benefits and in any event no later than six months from the date of submission of the application for advance payment, subject to verification of non-re-employment and entitlement to a direct pension, except for the ordinary disability allowance.

The Firm remains at your disposal for any further clarification or assistance.