

# COVID-19

## **Conversion into law of Decree Sostegni-bis: main new labour and employment law rules for companies**

Law no. 106 dated 23 July 2021, converting Decree Law no. 73 of 25 May 2021 (Decree Sostegni - bis), was published in the Italian official journal on 24 July.

Among other things, the conversion law introduced the possibility for collective bargaining agreements to identify specific circumstances under which fixed-term agreements may be entered into for periods exceeding 12 months or extended or renewed beyond the regular 12-month term.

Specifically, pursuant to the new provisions, national, territorial or company bargaining agreements entered into by the comparatively more representative trade union associations on the domestic territory, and corporate collective bargaining agreements entered into by in-house trade union representatives, may introduce additional reasons for entering into fixed-term employment agreements for a term of more than 12 months, or for renewing or extending the fixed-term agreement beyond the regular 12-month period. In accordance with the law, this will be possible only until 30 September 2022 and in any event, the maximum duration of fixed-term employment agreements will not exceed 24 months.

Finally, the conversion law confirmed the changes introduced by Decree Law no. 99 of 30 June 2021 (the “Work and Businesses” Decree - Decreto Lavoro e Imprese), which we summarize below:

- 17 weeks of income-support benefits, without payment of additional contributions, to be taken in the period between 1 July and 31 October 2021, for employers in the textile industry, in the clothing, leather and fur articles industry and in the manufacturing of leather and similar articles (Ateco 2007 codes nos. 13, 14 and 15);
- extension of the ban on dismissals for employers in the above industries until 31 October 2021, with the exceptions provided by the earlier emergency rules (change of contract with rehiring of staff, bankruptcy, liquidation, corporate collective bargaining agreements, definitive cessation of business activities);

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- additional 13 weeks of income-support benefits to be taken by 31 December 2021 for employers who qualify for the CIGO (Cassa Integrazione Guadagni Ordinaria - ordinary wage guarantee fund) and are not eligible for other income-support benefits, with the extension of the ban on dismissals throughout the period in which such benefits are paid, subject to the exceptions provided by the earlier emergency rules;
  - six-month extension of the CIGS (Cassa Integrazione Guadagni Straordinaria - extraordinary wage guarantee fund) in connection with a business crisis, subject to an arrangement with the Ministry of Labour, in the period between 30 June and 31 December, for companies in the air travel sector.

**For further information, please contact:**

**Pirola Pennuto Zei & Associati – Labour & Compliance team**

- ◆ *Avv. Roberta Di Vieto:* [roberta.di.vieto@studiopirola.com](mailto:roberta.di.vieto@studiopirola.com)
- ◆ *Avv. Giuseppe Merola:* [giuseppe.merola@studiopirola.com](mailto:giuseppe.merola@studiopirola.com)