

NEW MAXIMUM WAGES UNDER THE LABOUR REDUNDANCY, MOBILITY AND UNEMPLOYMENT COMPENSATION SCHEME

Pursuant to Article 1, subsection 27, of Italian law no. 247 of 24th December 2007, which enacts the Welfare Protocol, effective from 1st January 2008, the increase in the ceiling of wage, mobility and unemployment compensation benefits is established at 100% (vs. 80% up until 2007) of the increase deriving from the average annual variation in the ISTAT consumer price index.

Adjustments to the maximum wages to pay to employees entitled to wage, mobility and unemployment compensation for 2008, as communicated in Italian National Social Security Institute (INPS) circular no. 14 of 1st February 2008, are as follows:

ORDINARY AND EXTRAORDINARY SHORT-TIME ALLOWANCE (CASSA INTEGRAZIONI GUADAGNI ORDINARIA E STRAORDINARIA)

This corresponds to 80% of the reference pay, including any monthly additional pay accrual (13th month pay, bonuses, etc.), up to the following **ceilings**:

1st ceiling

Gross monthly pay **up to €1,857.48** (2007: €1,826.07)

	2008	2007
Gross monthly allowance	€858.58	€ 844.06
Monthly allowance net of social contributions (5.84%)	€808.44	€ 794.77

2nd ceiling

Gross monthly pay **over €1,857.48** (2007: € 1,826.07)

	2008	2007
Gross monthly allowance	€1,031.93	€ 1,014.48
Monthly allowance net of social contributions (5.84%)	€971.67	€ 955.23

MOBILITY ALLOWANCE

1st ceiling

For the first **12 months** this corresponds to 80% of the reference pay, including any monthly additional pay accrual (13th month pay, bonuses, etc.), up to the following **ceilings**:

	2008	2007
Gross monthly allowance	€858.58	€ 844.06
Monthly allowance net of social contributions (5.84%)	€808.44	€ 794.77

2nd ceiling

Gross monthly pay **over €1,857.48** (2007: €1,826.07)

	2008	2007
Gross monthly allowance	€1,031.93	€ 1,014.48
Monthly allowance net of social contributions (5.84%)	€971.67	€ 955.23

From the **13th month**, the mobility allowance is reduced by **20%** but the **5.84%** social security tax withheld is no longer applied. The allowance payable therefore corresponds to **80% of the gross monthly allowance**, specified as the ceilings contained in the above tables.

Note that the ceiling taken as a reference for paying the mobility allowance in subsequent years is that **effective on the date of firing**. It is therefore not subject to subsequent annual adjustments in accordance with the ISTAT variation index (as is the case with redundancy), when the worker is entitled to ordinary or extended mobility compensation.

UNEMPLOYMENT ALLOWANCE

Article 1, subsection 25, of Italian law no. 247 of 24th December 2007 also increases the maximum payable period for ordinary unemployment compensation benefits with normal requirements (see article 19, first subsection, of Royal Decree Law no. 636 of 14th April 1939) **to eight months** for subjects **below the age of 50 years** and **twelve months** for subjects aged **50 years or over**. Moreover, for subjects who have been suspended and are not entitled to unemployment compensation, article 1, subsection 84, of law no. 247 of 24th December 2007 states that the ordinary unemployment allowance for 2008 shall be paid for **up to 65 days**, as already envisaged by decree law no. 35 of 2005.

This means that as from **1st January 2008**, unemployed workers of **below the age of 50** will be entitled to unemployment allowance for up to **8 months**, of which the first **6 months** payable at **60%** and the following **2** at **50%** of the average reference pay, including the monthly additional pay accrual (13th month, bonus, etc.). Unemployed workers aged **50 or less** will be entitled to an unemployment allowance for a maximum of **12 months**, of which the first **6 months** payable at **60%**, the following **2** at **50%** and the remaining **4** at **40%** of the average reference pay, including any monthly additional pay accrual (13th month, bonus, etc.), up to the following **ceilings**:

1st ceiling

Gross monthly pay **up to €1,857.48** (2007: € 1,826.07)

	2008	2007
Maximum monthly allowance	€858.58	€844.06

2nd ceiling

Gross monthly pay **over €1,857.48** (year 2007: € 1,826.07)

	2008	2007
Maximum monthly allowance	€1,031.93	€1,014.48

Ordinary unemployment allowance **is not** subject to the **5.84%** social security tax.

Metalworkers' Federation – Brescia