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**Fixed-term work and staff  
leasing: the new changes  
introduced by the 'Dignity'  
Decree**



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## SUBJECT

# Fixed-term work and staff leasing: the new changes introduced by the 'Dignity' Decree

Article 1 of the Decree-Law approved by the Council of Ministers on 2 July 2018 will shortly bring significant changes to the current regulatory framework on fixed-term work referred to in articles 19 et seq. of Legislative Decree no. 81 of 15 June 2015. While waiting for the measure to be published in the Official Journal, we highlight the changes that will be introduced, while noting that further changes are likely to be made when the decree itself is converted into law. The current regulatory framework does not provide for a transitional period, so that, for example, with regard to the renewal and extension of fixed-term employment contracts, the decree-law will also apply immediately to employment contracts in force when the decree itself comes into effect.

## 1. Specification of the maximum term and duration

Article 19, paragraph 1 of the aforesaid Leg. Decree no. 81 of 15 June 2015, states that 'an employment contract may specify an end date not exceeding thirty six months'. The decree-law will replace this provision, by providing that a term may be added to an employment contract without giving any reason, as long as its duration does not exceed 12 months. A term of more than twelve months, but in any case not more than twenty four months, may be applied only when at least one of the following conditions is met: a) 'temporary and objective requirements, not related to the ordinary activities, for replacing other workers'; b) 'requirements connected to significant and non-programmable temporary increases in the ordinary activity'.

The decree provides that, without prejudice to the provisions of the applicable Collective Labour Agreement, the total duration of several fixed-term employment relationships between an employer and a worker as a result of a succession of contracts may not exceed the limit of twenty four months (operating only with reference to fixed-term contracts concluded to perform tasks of the same level and legal category, and regardless of the period of interruption between one contract and another). The calculation of this maximum duration will continue to include the periods of mission completed between the same employer and worker as part of the staff leasing process, provided that the missions involve tasks of the same level and legal category. If this limit is exceeded as a result of a single contract or a succession of contracts, the existing fixed-term employment contract will be converted into an open-ended contract from the date of its expiry.

The decree did not amend article 19, paragraph 3, of Leg. Decree no. 81 of 15 June 2015 that, notwithstanding what has just been stated regarding the maximum duration, allows stipulating an additional fixed-term contract between the same employer and worker with a maximum duration of twelve months, provided that it is concluded at the Territorial Labour Inspectorate.

## 2. Written document

Article 19, paragraph 4 of Leg. Decree no. 81 of 15 June 2015 is replaced in full. The new version states that 'with the exception of employment relationships lasting no more than twelve days, the indication of an end-date shall be of no effect if it does not result from a written document'. Furthermore, a copy of this document must be given to the worker within five working days after the start of employment.

Unlike the previous legislation, in the event of renewal or extension, even of a contract in force at the date of entry into force of the Decree-Law in question, the written document must specifically indicate the requirements referred to in letters a) and b) above.

The employer shall be exempt from deducting these requirements in the individual employment contract when its extension does not exceed the total period of twelve months.

### 3. Extension and renewal

With regard to extension and renewal, the new article 21, paragraph 1 of Leg. Decree no. 81 of 15 June 2015, provides that the contract can be renewed only in accordance with the requirements set out in letters a) and b). As already mentioned, the extension will be allowed:

- freely within the first twelve months and, subsequently, only in the presence of at least one of the requirements referred to in letters a) and b);
- only when the initial duration of the contract is less than 24 months and, in any case, for a maximum number of four times over a period of 36 months. If the limit of four extensions is exceeded, the contract will be converted into an open-ended contract from the date on which the fifth extension comes into effect.

It should be noted that the provision for the conversion of a fixed-term contract into an open-ended contract does not change if said open-ended contract is concluded

- within 10 days of the expiry of a previous fixed-term contract with a duration of less than six months;
- within 20 days of the expiry of a previous fixed-term contract with a duration of more than six months.

As already mentioned, the provisions on extension and renewal will also apply to fixed-term contracts in force when said decree law comes into effect.

### 4. Additional contribution

Article 2, paragraph 28 of Law no. 92 of 28 June 2012 provides that an employer who establishes an employment relationship not of an indefinite duration is required to pay an additional contribution of 1.4 % of the taxable wage for social security purposes. Article 3, paragraph 2 of the Decree-Law provides that this contribution is to be increased by 0.5% each time a fixed-term contract is renewed.

### 5. Annulment

An appeal against a fixed-term contract no longer has to be lodged within one hundred and twenty days of the termination of the contract, but within the extended period of 180 days.

### 6. The fixed-term employment contract in the context of staff leasing

Article 34, paragraph 2, first sentence of Leg. Decree no. 81 of 15 June 2015 provides that in the case of hiring for a fixed-term, the employment relationship between the staff leasing agency and the worker is subject to the regulations on fixed-term employment, with the exception of the following articles:

- 19, paragraphs 1, 2 and 3 on the specification of the maximum end-date;
- 21, on extension and renewal;
- 23, on the total number of fixed-term contracts;
- 24, governing preferential rights.

The Decree-Law will completely replace this provision, establishing that the fixed-term employment relationship between an agency and a worker will be subject to the rules governing fixed-term contracts, with the exception of the rules relating to: i) the total number of fixed-term contracts and ii) the preferential rights.

In particular, the fixed-term contract concluded by a staff leasing agency:

- must take into account the requirements referred to in letters a) and b) above, where the duration exceeds 12 months and may not have a duration exceeding 24 months;
- the total duration of fixed-term relationships may not exceed the limit of 24 months;
- at least 10 days must pass between the conclusion of one fixed-term contract and another, or at least 20 days in the case respectively of a contract with a duration of less than or equal to six months or a contract with a duration of more than 6 months;
- the requirements referred to in letters a) and b) of paragraph 1 must be taken into account at each renewal or extension;

- up to four extensions will be allowed (extensions made before the entry into force of the Decree-Law must also be taken into account);
- shall entail the payment of the additional contribution referred to in paragraph 4 above at the time of each renewal.

We remain at your disposal for any further information.  
Best regards

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