

## HTLC NETWORK S.A.

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Dear Customer,

Subject: COVID emergency 19 - Updates and social safety nets

To face the health, economic and financial emergency from Coronavirus, the Italian Government with the Decree of the President of the Council of Ministers n. 18 of 17/3/2020, introduced a series of provisions in support of workers and businesses. Among the various provisions, in Articles 19-22 contains the most incisive measures.

These are **salary integrations** implemented in a "**special edition**" which, compared to their standard version, while maintaining their name and purpose, have been extended to more employers and made easier to use precisely because of the exceptional nature of the COVID-19 event. In relation to the sector of activity, National Collective Agreement applied and to the company size considered as number of employed workers, the social safety nets in question can be divided into:

- Ordinary layoffs (CIGO);
- Bilateral sector solidarity fund (FBL);
- Supplementary wage fund (FIS);
- Exemption layoffs (CIGD).

Considering in fact an average monthly remuneration, the four possible solutions represent alternatives through which the worker will be able to receive, for the entire suspension period of the relationship, a subsidy equal to about 70% of the net remuneration relating to hours not worked. The company, for its part, for the same period, will instead be able to achieve savings on suspended personnel costs of 100%.

The following diagram summarizes a situation for an employee in the Tertiary sector, with activities suspended for the entire month:

|                                    | Normal activity | Suspension at zero hours |
|------------------------------------|-----------------|--------------------------|
| <b>Gross salary</b>                | <b>1.620</b>    | <b>1.620</b>             |
| <b>Absence</b>                     | 0,00            | <b>1.620</b>             |
| <b>Integration ER charge</b>       | 0,00            | 0,00                     |
| <b>F.I.S. contribution</b>         | <b>152,44</b>   | 0,00                     |
| <b>Integration on Inps charge</b>  | 0,00            | <b>939,89</b>            |
| <b>Irpef/Individual income tax</b> | <b>156,73</b>   | 0,00                     |
| <b>Net salary</b>                  | <b>1.310,83</b> | <b>939,89</b>            |
| <b>Lost net salary</b>             | 28,30           |                          |

Common features of all types are:

- ✓ Validity throughout the national territory;
- ✓ The applicability for business suspensions / reductions from 23.2.2020 to 31.8.2020;
- ✓ The duration for a period of up to 9 weeks;
- ✓ The use for all employers, even with only 1 employee, and belonging to any sector (excluding housework).

At the moment, procedural, bureaucratic and IT completion procedures are underway by the bodies in charge, which will allow the requests to be routed correctly, predictably within the first week of April 2020.

In case of interest for our administrative assistance and consultancy, our operators will be available for a personalized estimate of time and procedures, following the signing of the attached mandate, to be considered as an integration and reference to the existing service agreement only for this extra-routine procedure.

In the case of customers without a recurring assistance contract, our commercial area will be able to send a proposal for non-recurring activities only.

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Access to the measures may take place according to the following provisions:

| Assistance kind | Affected companies  | Duration                              | Info and Labour Unions discussion          | Labour Unions Agreement           | 90 days seniority requirement              | Kind of application procedure                                | Application deadline   | Payment kind                          | Additional contribution on company charge  |
|-----------------|---|---------------------------------------|--|-----------------------------------|--|--|--|---------------------------------------|--|
| <b>CIGO</b>     | Industry in general   | 9 weeks, within 20/8/2020             | Yes, electronic within 3 days from request | No                                | No   | Ticket Inps (Covid 19 emergency)                             | End of the 4 <sup>th</sup> month from the suspension starting date | Direct payment on demand (SR100 form) | No   |
| <b>FSB+set</b>  | Companies over 5 employees, not covered, but with active solidarity funds | As foreseen from the Bilateral Entity | Yes, according to sector ruling            | Yes (electronic standard version) | According to Bilateral Entity instructions | Ticket Inps (Covid 19 emergency)                             | End of the 4 <sup>th</sup> month from the suspension starting date | Direct payment on demand (SR100 form) | According to Bilateral Entity instructions |
| <b>FIS</b>      | Companies over 5 employees, not covered, but with active solidarity funds | 9 weeks, within 20/8/2020             | Yes, electronic within 3 days from request | No                                | No   | Ticket Inps (Covid 19 emergency)                             | End of the 4 <sup>th</sup> month from the suspension starting date | Direct                                | No   |
| <b>CIGD</b>     | Companies with less than 5 employees; Companies only with CIGS            | 9 weeks, within 20/8/2020             | Regional master agreement                  | No                                | No   | Regional web site (ex. Lombardy GEFO), booked by Inps ticket | End of the 4 <sup>th</sup> month from the suspension starting date | Direct                                | No   |

In case of doubts about the measurable measure, our staff can verify it with a simple phone call.

With reference to the authorized periods and in consideration of the reasons of the emergency that characterize it, the payment of the additional contribution, foreseen in the measure of 9, 12 or 15 percent (article 5 of Legislative Decree 148/2015), does not apply.

In relation to the procedures for requesting the appropriate shock absorber for the case, generally the union agreement is not necessary, except for the access to the service by the sector FBLs for which accelerated (telematic) forms are still provided.

Unlike the agreement, the union information and consultation phase remains mandatory, except in the case of exclusion for the CIGD, given that the regional agreement that replaces its value.

The transmission of the request, according to the competent institution, must be made through the INPS social security drawer (so-called Ticket request); or, for the CIGD, through the company's regional location node (e.g. GEFO to request CIGD in Lombardy) which, in turn, will inform INPS for the release of the credit.

The mandatory deadline for transmission remains for all the end of the 4th month following the start of the suspension.

In relation to the operations, unfortunately until the related IT systems of the relevant entities are updated and, in relation to the CIGD, finalized the decrees of allocation of resources by Region, it will not be possible to submit individual requests. Finally, not having the Decree 18 replaced the articles. 15 and 17 of the previous Decree 9 of 2 March, companies with operating units located or with workers domiciled in the so-called areas red (Municipalities of Bertinico, Casalpusterlengo, Castelgerundo, Castiglione D'Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini and Vò) and yellow (Regions of Lombardy, Veneto and Emilia-Romagna) are awaiting further clarification in accordance with the standards.

It is therefore believed that the right to request in advance and pending the release of the distribution of CIGD resources mentioned above, 1 additional month of CIGD with the specific reason referring to the previous Decree 9/2020 is reserved. In this case, however, it seems that the amount of leave / leave accrued on the date of suspension of work must be used in advance.

To complete the cases outlined above, the institute of CIGO and CIGD will also be granted to all those companies that currently have CIGS procedures in progress in order to interrupt their commencement and calculation in the maximum periods of use.

Our operators remain available for any clarification useful for any decision to start the procedures.

Milan, 23/3/2020

HTLC Network S.A.  
Administration Area

