Labor Regulations and Standards - Italy

Working Hours, Leave Policies, and Contract Termination

This document provides a detailed overview of the key labor regulations in Italy, focusing on working hours, leave entitlements, and procedures for contract termination. The information is based on the national framework, primarily governed by the Italian Civil Code and the Workers' Statute (Law No. 300/1970), supplemented by various legislative decrees and National Collective Bargaining Agreements (CCNL).

Working Hours

Italian law establishes clear guidelines for standard working hours, overtime, and special work periods to ensure employee well-being and fair compensation.

Maximum Weekly Hours

The standard working week in Italy is legally defined as **40 hours**. While this is the benchmark, National Collective Bargaining Agreements (CCNL) may establish shorter working weeks for specific sectors.

The absolute maximum duration of the working week, including overtime, cannot exceed an average of **48 hours** over any four-month period. This reference period can be extended to six or even twelve months by specific CCNLs under certain technical or organizational conditions.

Overtime

Overtime work is defined as any work performed beyond the standard 40-hour week (or the shorter duration set by a relevant CCNL).

- **Limits**: The annual limit for overtime is typically set at **250 hours** per employee. However, CCNLs can modify this limit.
- Compensation: Overtime work must be compensated with a premium pay rate, which is determined by the applicable CCNL. Common synthetic rates are:
 - Daytime Overtime (first 8 hours weekly): 115% 130% of the regular hourly rate.
 - Nighttime Overtime: 130% 150% of the regular hourly rate.
 - Holiday/Sunday Overtime: 140% 160% of the regular hourly rate.
- **Authorization**: Employees generally cannot refuse to work overtime unless there is a justified and proven reason.

Night Work and Weekends

- Night Work: A "night worker" is defined as an employee who
 works at least three hours during the night period (typically from midnight to
 5:00 AM) on a regular basis. Night work is subject to specific health and
 safety regulations, and workers are entitled to periodic medical checks.
 Compensation is higher than for daytime work, as dictated by the CCNL.
- Rest Periods: Employees are entitled to a minimum of 11 consecutive hours of rest every 24 hours. Additionally, every employee is entitled to a weekly rest period of at least 24 consecutive hours, usually coinciding with Sunday.

Probation Period

The probationary period (*periodo di prova*) allows both the employer and the employee to assess the working relationship before it becomes permanent.

Maximum Legal Duration

The maximum duration of a probation period is stipulated by law and further detailed in CCNLs. It cannot exceed:

- 6 months for executives and high-level managers (*dirigenti*).
- **3 months** for white-collar employees (*impiegati*).
- **1 month** for blue-collar workers (*operai*), though often extended by CCNLs.

The specific duration must be agreed upon in writing in the individual employment contract before the start of employment.

Conditions and Rights During the Period

During the probation period, the employee is entitled to the **same rights and subject to the same duties** as a permanent employee, including salary, social security contributions, vacation accrual, and sick leave.

Termination During Probation Period

Either party may terminate the employment contract at any time during the probation period **without cause and without a notice period**, unless the applicable CCNL specifies otherwise. The termination must be communicated in writing but does not require a formal justification.

Annual Leave

Employees are legally entitled to paid annual leave (*ferie*) to ensure proper rest and recovery.

Minimum Mandatory Days

The legal minimum is **four weeks (26 working days if based on a six-day week)** of paid annual leave per year. National Collective Bargaining Agreements (CCNLs) frequently provide for additional days based on seniority or job level.

Accumulation and Usage

Leave is accrued on a monthly basis. Employees must take at least **two consecutive weeks** of their annual leave within the year of accrual, if requested. The remaining two weeks must be used within the **18 months** following the end of the year of accrual. The employer sets the holiday schedule based on business needs while taking employee preferences into account.

Financial Compensation

Untaken mandatory annual leave **cannot be paid out** in lieu of time off during the employment relationship. Financial compensation is only permitted upon the termination of the contract for any leave days accrued but not taken.

National Public Holidays

Italy recognizes a number of national and religious public holidays.

List of Official Holidays

There are approximately 11 official public holidays in Italy:

1 January 1: New Year's Day (*Capodanno*)

2	2	January 6: Epiphany (<i>Epifania</i>)
3	3	Varies: Easter Monday (Lunedì dell'Angelo)
4	4	April 25: Liberation Day (Festa della Liberazione)
5	5	May 1: Labour Day (Festa del Lavoro)
6	6	June 2: Republic Day (Festa della Repubblica)
7	7	August 15: Assumption of Mary (Ferragosto)
8	8	November 1: All Saints' Day (Ognissanti)
9	9	December 8: Immaculate Conception (Immacolata Concezione)
10	10	December 25: Christmas Day (Natale)
11	11	December 26: St. Stephen's Day (Santo Stefano)

In addition, each city observes a holiday for its patron saint (e.g., St. Ambrose in Milan on December 7th).

Compensation for Working on Holidays

If an employee is required to work on a public holiday, they are entitled to their regular day's pay plus a **premium rate for the hours worked**, as specified by the relevant CCNL.

Special Leave

Employees are entitled to various forms of special paid leave for specific personal circumstances.

Sick Leave

In case of illness, the employee is entitled to paid leave. The cost is covered partially by the employer and partially by the **National Institute for Social Security (INPS)**. A medical certificate from a qualified doctor is mandatory from the first day of absence.

Maternity/Paternity Leave

- Maternity Leave: Pregnant employees are entitled to 5 months
 of mandatory paid leave, typically taken 2 months before the expected birth
 date and 3 months after. This period is paid by INPS at 80% of the
 employee's standard salary.
- Paternity Leave: Fathers are entitled to 10 days of mandatory paid leave to be taken within 5 months of the child's birth.

Bereavement Leave

Employees are generally entitled to **3-5 working days** of paid leave in the event of the death of a spouse, partner, or close relative (e.g., parent, child, sibling).

Contract Termination

The termination of an employment contract is strictly regulated to protect employees from unfair dismissal.

Justified Causes

An employer can only terminate an employment contract for a justified reason. The main categories are:

- **Just Cause** (*Giusta Causa*): Dismissal without notice due to a severe breach of contract by the employee (e.g., theft, violence, insubordination) that makes the continuation of the relationship impossible.
- Justified Subjective Reason (Giustificato Motivo Soggettivo): Dismissal with notice due to a significant, but less severe, breach of contractual obligations by the employee.
- Justified Objective Reason (Giustificato Motivo Oggettivo):
 Dismissal with notice due to economic, technical, or organizational reasons

related to the company's activity (e.g., redundancy).

Notice Periods

When a contract is terminated for a justified reason (subjective or objective), the employer must provide a notice period (*periodo di preavviso*). The length of the notice period is determined by the applicable CCNL and depends on the employee's job classification, role, and length of service. It typically ranges from **15 days to 4 months**. If the employer does not provide notice, they must pay the employee an indemnity in lieu of notice.

Severance Pay

Upon termination of employment for any reason (including resignation), employees are entitled to a mandatory severance payment known as **Trattamento di Fine Rapporto (TFR)**. This is a form of deferred compensation. For each year of service, the employer sets aside an amount equal to the employee's annual gross salary divided by **13.5**. This fund is revalued annually and paid out in a lump sum at the end of the employment relationship.

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