

Dear clients:

Object: From 1 September, facilitated recruitment of young people, women and in Special Economic Zones (SEZ).

Starting from 1 September, employers have new bonuses available for stable employment of young people, women and for companies of the SEZ (Special Economic Zones) thanks to three incentives provided by the Cohesion Decree.

These bonuses complete the new employment aid package wanted by the Meloni government and the Minister of Labor, Marina Calderone, focused on categories considered more disadvantaged.

Particular attention is addressed to Southern Italy, with the exemption from contributions for the SEZ and the extension until December 2024 of the contribution exemption for the South, awaiting a review announced by the government in recent months.

Furthermore, with the first part of the tax reform comes a new exemption: a maxi-deduction up to 120%, which can rise to 130% for hiring certain categories of workers.

This bonus, already operational, applies retroactively to hiring made from 1 January 2024.

Young people

The Cohesion decree introduces a new bonus for young people hiring, which replaces all previous benefits for youth employment.

Private employers who, from 1 September 2024 to 31 December 2025 hire under-35-year-olds with an open-ended contract (who have never had a contract of this type or transform previous fixed-term contracts), will be totally exempt from their social security contributions up to 500 euros per month for each worker (excluding INAIL premiums and contributions).

If the recruitment takes place in Abruzzo, Molise, Campania, Basilicata, Sicily, Puglia, Calabria and Sardinia, the exemption increases up to 650 euros per month.

Domestic work and apprenticeship contracts are excluded, but the incentive applies in case of previous hiring with an apprenticeship contract not continued in an ordinary permanent relationship.

This bonus is compatible with the maxi-deduction up to 130% provided by the tax reform for new hiring.

Companies requesting the bonus must not have carried out any layoffs in the six months preceding the subsidized hiring; if they fire in the six months following the start of the bonus, the benefit is revoked and the bonus recovered.



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Women

From 1 September 2024 to 31 December 2025, private employers who hire disadvantaged women with a permanent contract obtain total exemption from social security contributions for 24 months, up to a maximum of 650 euros per month (excluding premiums and INAIL contributions).

The bonus is intended for women of any age without a regularly paid job for at least 6 months and residing in the Southern regions, or for women who have been unemployed for at least 24 months wherever they reside.

It was specified that the incentive is also available to women unemployed for at least six months who work in sectors with a female employment rate at least 25% lower than the male one. In this case too domestic work contracts are excluded.

SEZ

The third bonus is the Sez bonus and is aimed at hiring carried out in the period from 1 September 2024 to 31 December 2025, of permanent workers, over 35 years of age, who have been unemployed for at least 24 months, in an office located in southern SEZ. In this case there will be the total exemption from social security contributions for 24 months, up to a maximum of 650 euros per month (excluding premiums and INAIL contributions).

The SEZ bonus too does not apply to domestic work contracts.

Under 35

To encourage youth employment, a bonus is already operating for unemployed people under 35 who start an entrepreneurial activity between 1 July 2024 and 31 December 2025, in the sectors of new technologies, digital and ecological transition.

This incentive provides total exemption from social security contributions for private employers, up to a maximum of 800 euros per month for each employee under 35 hired on a permanent basis in the same period (excluding INAIL premiums and contributions).

The benefit lasts up to three years and in any case no later than 31 December 2028 and is not valid for domestic work.

Furthermore, the businesses started by these young entrepreneurs can request a contribution of 500 euros per month from the INPS for a maximum of three years (until 31 December 2028), a sum which is not subject to taxation.



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Self-employed - freelance Central Northern Italy

The Cohesion decree also supports self-employment in the freelance and entrepreneurial activities, through two measures: Self-employment in Central Northern Italy and *Resto del Sud 2.0*.

These interventions are addressed to young people under 35 in difficulty or on margins, including the unemployed, inactive, and beneficiaries of the Gol program (Employability Guarantee for Workers).

There is non-refundable for training, assistance with initial planning, tutoring to improve skills and incentives in the form of non-refundable vouchers.

With Self-employment in Central and Northern Italy, it is possible to obtain up to 30.000 euros to purchase the goods, tools and services needed to start an independent, entrepreneurial or professional business, whether individual or collective.

The amount rises to 40.000 euros for innovative, technological, digital purchase of goods and services, or those that improve environmental sustainability or energy saving.

Alternatively, it is possible to receive aid under *de minimis regime* for expenses up to 120.000 euros, with a non-repayable contribution equal to 65% of the investment.

For expenses between 120.000 and 200.000 euros, the non-repayable contribution is 60%.

Resto al Sud 2.0 - Start-up voucher for activities in the South

With Resto al Sud 2.0, businesses in South can receive a start-up voucher up to 40.000 euros for the purchase of goods, tools and services necessary to start the business, which can reach up to 50.000 euros if innovative goods and services are purchased.

Non-repayable aid up to 75% is provided for expenses up to 120.000 euros, while for expenses between 120.000 and 200.000 euros the aid decreases to 70%.

The beneficiaries will have to contribute financially to the costs of the investments, with variable percentages depending on the location of the entrepreneurial activities.

Super deduction

Maxi tax discount of 120% for those who hire

A maxi-tax discount of 120% is already operating for companies and professionals who hire permanent workers, which increases to 130% for some categories deserving of greater protection.



The super tax discount of 120% on labor costs applies to all businesses, regardless of their corporate form, and to self-employed workers and professionals for the tax period after 31 December 2023.

The benefit concerns new hires with permanent contracts, contributing to the determination of income.

A greater deduction is foreseen for new hires of workers belonging to the protected categories listed in Legislative Decree no. 216 of 2023 on the revision of Irpef, such as disabled people, young people under 30, mothers with at least two children, women victims of violence, former beneficiaries of guaranteed minimum income, and disabled people.

In this case, the labor cost deduction rises to 130%.

People without business income, such as agricultural entrepreneurs or those who carry out occasional commercial activities, and companies wound up or in crisis procedures are excluded from relief.

The deduction is valid only if the number of permanent employees at the end of the tax period following 31 December 2023 is higher than that of the previous period. 1.3 billion euros have been allocated to finance this relief.

Reliefs - Southern Contribution Relief, extension to 31 December

The South tax exemption is extended until 31 December 2024.

The six-month extension applies only to hires made by 30 June 2024, with a 30% exemption on social security contributions; does not apply to hires after June 30th.

The measure, originally scheduled until 2029 with decreasing intensity, depends on the approval of the EU Commission. It is addressed to private employers based in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily, excluding the financial and agricultural sectors and domestic work.

Currently, the contribution discount is 30% until 2025, decreasing to 20% in 2026-2027, and to 10% in 2028-2029, with no maximum per individual worker.

Companies access the benefit through monthly contribution reports (Uniemens flow) following the INPS instructions. Italy has asked for two changes to the existing regime: an increase in the budget by 2.9 billion (bringing it from 11.4 to 14.3 billion) and an extension of the contribution cut until 31 December 2024.

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