




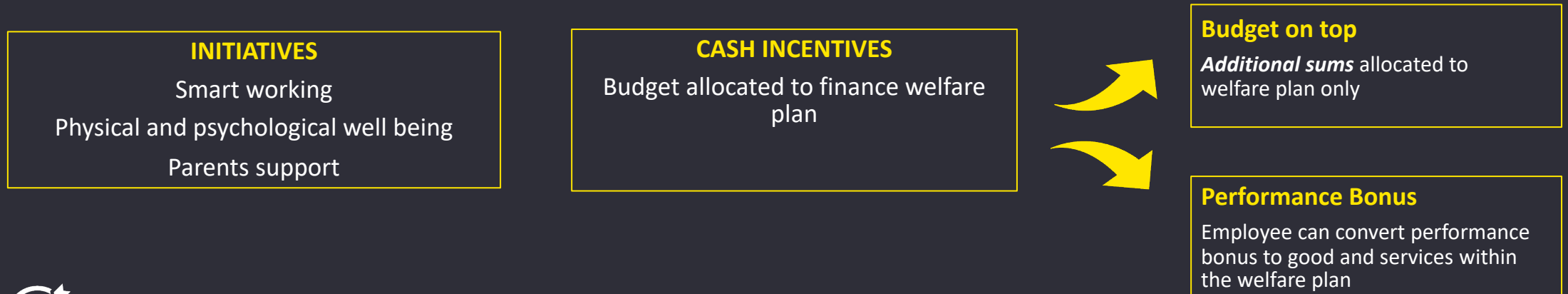
Using Welfare Plans to support Mothers & Families at work: overview of Italian favorable taxation and main trends



The better the question. The better the answer.
The better the world works.

Company Welfare Plans

Corporate welfare could be defined as a set of initiatives aimed to improve the general wellbeing of the employees. Welfare plans are valid instruments to integrate, in a flexible way , the employee's compensation package offering good and service that are normally purchased by the employee externally. These offers, under particular conditions, are tax exempted for the employee.



Employer benefits

- ↑ Employee satisfaction and wellbeing
- ↑ Productivity
- ↓ Labour costs - Turn over and absenteeism
- ↑ Employer branding, sustainability

Employee Benefits

- ↑ Purchasing power
- ↑ Work – life balance
- ↑ Trust and level of engagement
- ↑ Net in pocket

Corporate welfare: regulatory evolution

Since the late 90s, article 51 and article 100 provisions of the Italian Tax Code (TUIR) have been used as leverage for the first Corporate welfare plans to be developed. Under these articles some benefits, meaning sums of goods and services guaranteed to *all employees or categories of employees*, do not constitute employment income

2000-14

In the period 2000/2014, the **first Welfare plans** were developed, based on the few indications provided for by the Italian Tax Authorities through well-known Resolutions:

- 2004 medical check-ups
- 2007 categories of Employees
- 2012 *bonus sacrifice*
- 2014 ban on converting welfare benefits for money amounts

2016

L. 208/2015

Great breakthrough in welfare: possibility of converting the **performance bonus** - linked to increases in productivity, profitability, efficiency (within the limits of € 2,000 / 2,500 and income up to € 50,000) - with benefits pursuant to art. 51 TUIR if paid by virtue of Company agreements and regulations

- Possible **conversion of the performance bonus**
- Welfare **no longer just voluntary**
- New benefits under **art. 51 TUIR** (elderly and non self-sufficient family members and babysitters)

2017

L. 232/2016

- **Changes to the subjective requirements** and to the amounts related to the performance bonus conversion (€ 3,000 / 4,000 and income up to € 80,000 and reduction in % of the contribution due in some cases)
- **Extension of the welfare benefits** provided for by art. 51 TUIR

- Introduction of **welfare in National Collective Bargaining Agreements**
- **No deductibility limit for contributions** paid to the pension fund (performance bonus only)

2018

L. 205/2017

Measures aimed at **expanding the welfare benefits** that could be provided for:

- mobility
- health
- pension

2020

DL. 104/2020

Temporary modification to the limits to enjoy tax/social security exemptions on fringe benefits: only for FY2020 the limits will be € 516.46 (compared to regular limits of € 258.23 / year).



Extended also for
2021

Main areas of interest



Assistance to elderly and non self-sufficient family members

Services for home helps and carers, dedicated centers and support for the purchase of necessary devices



Education and childcare area

School fees, supplementary courses, babysitting



Mobility

Collective transport, public transport season ticket, Company car



Social security and healthcare insurance

Contributions to integrative pension funds and healthcare insurance



Work-life balance and wellness area

Travel, cinema, theater, gym, medical check-ups ...



Residual Fringe Benefits

Shopping vouchers, gift vouchers, PCs and phones ...



Welfare during Covid-19 outbreak - best practices

Welfare Aziendale dopo Covid-19. E il Provider diventa un "hub"

ABB and employees donate to the International Committee of the Red Cross

L'EMERGENZA CORONAVIRUS

Luxottica sceglie il welfare. E i manager si dimezzano la paga

Emergenza COVID-19: Boehringer Ingelheim Italia amplia la propria offerta di servizi per il welfare aziendale

- Attivato "Wellness Green Line", un numero verde di supporto psicologico per i propri dipendenti;
- Sottoscritta una copertura assicurativa di Assistenza COVID-19, che comprende un'indennità per ricovero e convalescenza e un'assistenza post-ricovero.

Welfare

Welfare aziendale dopo Covid-19, vince il "People Care"

Coronavirus, un milione per i tamponi e centomila mascherine da Autostrade e Atlantia

I finanziamenti destinati al San Martino, le protezioni saranno consegnate a Regione Liguria

Geox: retribuzione ridotta al 20% per finanziare piani di welfare aziendale

Welfare as an emergency response

The emergency led to a change in the actions taken by Companies for supporting their people.

Keyword

- People care
- Support to the *New Ways of working*



Income support policies

Wage supplement in case of Extraordinary Wages Guarantee Fund (*Cassa integrazione*) and voucher integration already provided for by the COVID-19 Decrees



Remodeling of the basket of benefits

Psychological support, sustainable reduced mobility



Health and insurance benefits

Serological tests, swabs, health policy extension



Solidarity

Solidarity holidays and donations



Support for families

Integration to babysitter vouchers, support in managing flexibility

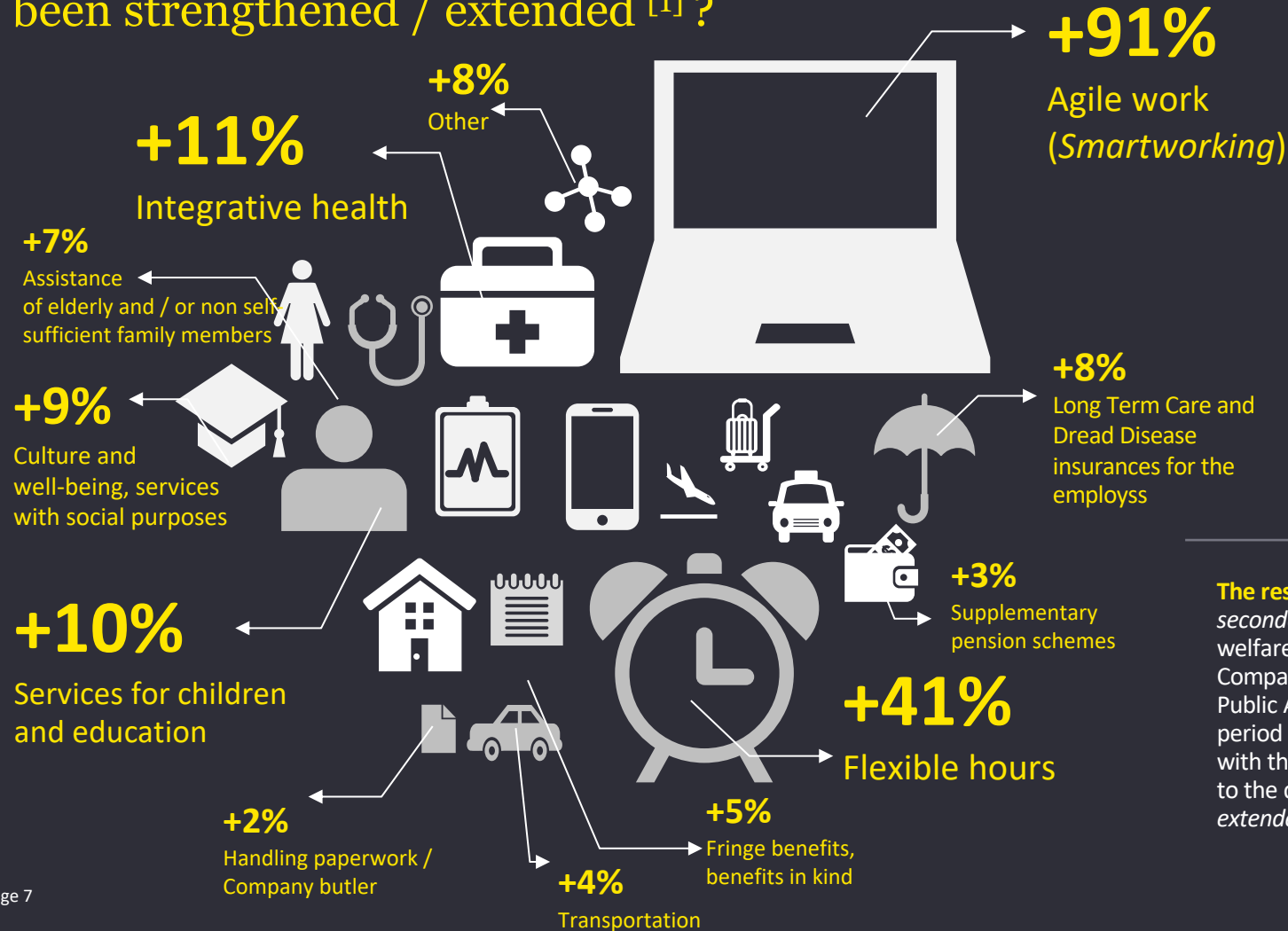


Support to the New ways of working

Technology, mobility, adequate smart working policies, training

Welfare and COVID-19: what changes?

In which areas have the existing welfare measures been strengthened / extended ^[1] ?



A new offer

Needs have changed, and the context has changed too. Following the Covid-19 crisis, many Companies have extended or strengthened their existing corporate welfare.

The research: is called "Open call for good practices", promoted by *Percorsi di secondo welfare*. It has circulated as a web survey on the status of Corporate welfare during COVID-19 outbreak. The respondents were 488 among Companies, Employers' Associations, trade unions, Third Sector entities and Public Administrations engaged in providing extraordinary welfare tools, in the period between March 26 and May 7, 2020 - a period of time largely coincident with the so-called "phase 1" of the crisis (11 March-3 May, 2020). The answers to the question "In which areas have existing measures been strengthened / extended?" (infographic) were 244 in total.

The main results

Financial sources

In most cases Financial sources are not sufficient for complex welfare plans
Only the 33% use the Performance Bonus (pdr) and the 47% does not have a 2nd level contract.



Necessary to optimize the dedicated resources in order to guarantee a complete offer and, at the same time, a greater economic sustainability of the plan

Communication

About the 55% of the interviewed declares that their employees does not use more that 75% of the welfare budget allocated.



It is necessary to build awareness campaigns, learning offers and to improved the internal communication

Offer

The 61% of the participants declares to have implemented initiatives in additional to the welfare plan already in place.

The 54% declares that no additional economical resources has been identifies as no additional actions has been done.

The 86% is aware that the employee's needs are changes and then the benefits offer should be updated

Listening

The 73% of the participants took actions to listen their employees.
Listening acts across the plan: it increase the effectiveness of the plan, stimulates trust and belonging sense



New Welfare: main changes

Sustainable Welfare

In this new context the welfare plans should be implemented having a particular focus on people care and on the financial capacity of the company

- New efficiency targets in case of Pdr
- Planning of new financial sources

With a *People – centered* vision it is fundamental to balance the parties needs. The welfare policies will be all the more effective the more they are targeted on real needs and more they are sustainable for the companies.

New Offer

People needs and context has changed welfare should be used as an instrument to support mothers and family

+ Health



+ Digital

+ Family support



+ Mobility