Italy

Payroll & Employment Law Guide

2026 Edition · Last updated September 22, 2026

DL 62/2026 salario giusto, INPS parameters, the CCNL system and 2026 incentives

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Overview

A reference for employing in Italy

The employment obligation begins when the INPS employer number and the INAIL risk position are opened. The distinction between a non-trading representative office and a branch with full payroll liability defines the scope of the tax and contribution registrations.

40h	CCNL	9.19%	43%
STANDARD WEEKLY WORKING TIME UNDER THE CIVIL CODE	SECTOR AGREEMENT THAT SETS THE PAY FLOOR	STANDARD EMPLOYEE INPS CONTRIBUTION RATE	TOP IRPEF INCOME TAX RATE

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	The employment obligation begins when the INPS employer number and the INAIL risk position are opened.
II	**Working Conditions and Leave Entitlements**	Working time and rest are set by statute, while their monetary value is set by the CCNL.
III	**Tax and Social Security**	The employer withholds IRPEF monthly and settles it at year end through the conguaglio fiscale.
IV	**Payroll Operations**	The cash payment ban, the Libro Unico del Lavoro and the mandatory CCNL code are the first items checked in an inspection.
V	**Hiring and Termination**	A UNILAV filing is made by 24:00 before the start date.
VI	**Compensation and Benefits**	Italy has no universal statutory minimum wage.
VII	**Visas and Work Permits**	EU, EEA and Swiss nationals need no work permit.
VIII	**Practical Notes and Common Pitfalls**	Pay floors, overtime multipliers, tredicesima, probation, notice and ROL leave change with the CCNL.
IX	**Incentives and Employer Support Schemes**	Italy has no general contribution reduction.

I

Setting Up and Doing Business

The employment obligation begins when the INPS employer number and the INAIL risk position are opened. The distinction between a non-trading representative office and a branch with full payroll liability defines the scope of the tax and contribution registrations.

FORMATION AND EMPLOYER REGISTRATION

STRUCTURE OR STEP	CAPITAL OR ACTION	AUTHORITY
S.r.l. standard	EUR 10,000; 25% paid	Notaio and Registro Imprese
S.r.l.s.	EUR 1 to 9,999.99; cash	Registro Imprese
S.p.A.	EUR 50,000; 25% paid	Notaio and Registro Imprese
Branch or representative office	Full liability or non-trading	Registro Imprese
Tax registration	P.IVA and codice fiscale	Agenzia delle Entrate
Employer registration	Matricola, PAT, DVR and RSPP	INPS and INAIL

Verify before payroll

Practical check: E-invoicing has been mandatory since January 1, 2024. An Employer of Record must use an authorised somministrazione agency. The legal bases are D.Lgs 276/2003, D.Lgs 81/2015 and, for safety duties, D.Lgs 81/2008.

II · WORKING CONDITIONS AND LEAVE ENTITLEMENTS

Working time and rest are set by statute, while their monetary value is set by the CCNL. Payroll must hold the statutory ceiling and the sector payment rule as separate parameters.

II

Working Conditions and Leave Entitlements

WORKING TIME AND LEAVE SUMMARY

TOPIC	DURATION OR RATE	APPLICATION
Weekly work	Normal 40; average cap 48 hours	D.Lgs 66/2003
Reference and rest	4, 6 or 12 months; 11 and 24 hours	CCNL affects period
Break and night work	10 min after 6 hours; night 7 hours	24:00-05:00
Overtime	250 hours a year	Premium in the CCNL
Annual leave	4 weeks; 20 working days	2 weeks, balance in 18 months
Sickness	First 3 unpaid; then 50% and 66.66%	INPS
Maternity and paternity	5 months at 80%; 10 or 20 days at 100%	INPS
Parental leave	6 months each; 9 paid	3 months at 80%

> Verify before payroll
> Parameter warning: Italy has 11 national holidays and 1 local saint's day. The parental leave use age rose from 12 to 14 on January 1, 2026. Confirm the current 80% application in the INPS circular.

III · TAX AND SOCIAL SECURITY

The employer withholds IRPEF monthly and settles it at year end through the conguaglio fiscale. Regional and municipal surtaxes vary by residence and must be tracked separately from central IRPEF.

IRPEF BANDS

ANNUAL TAXABLE INCOME	RATE
EUR 0 to 28,000	23%
EUR 28,000.01 to 50,000	33%
Above EUR 50,000	43%

III

Tax and Social Security

INPS CONTRIBUTIONS AND CALENDAR

ITEM	2026 VALUE	FILING OR PAYMENT
IVS total	33%	Employee 9.19%; employer 23.81%
NASpI and extra contribution	1.61% and 1%	Modello F24
Minimum base	EUR 58.13 daily; 1,511.38 monthly	UniEmens
Ceiling and extra threshold	EUR 122,295; EUR 56,224	Monthly threshold EUR 4,685
INAIL accident cover	4 to 130 per thousand	Employer-funded
F24 and UniEmens	16th; month end	Monthly

> Verify before payroll
> Watch out: INAIL autoliquidazione is due February 16, Certificazione Unica March 16 and Modello 770 October 31, 2026. The regional surtax is 1.23% to 3.33%, the municipal cap is 0.8%, and the regional amount is withheld in 11 instalments.

IV · PAYROLL OPERATIONS

The cash payment ban, the Libro Unico del Lavoro and the mandatory CCNL code are the first items checked in an inspection. Even an accurate calculation can attract a fine if the payment or record format is wrong.

IV

Payroll Operations

PAYMENT, RECORDS AND FILINGS

ITEM	RULE	RISK OR CHANNEL
Cash payment	Banned since July 1, 2018	EUR 1,000 to 5,000
LUL record	By the 16th; retained 5 years	EUR 150 to 6,000
Production on inspection	Signature is not proof	EUR 200 to 2,000
Contributions and incentives	UniEmens	INPS filing and offset
Hiring and termination	Comunicazioni Obbligatorie	Ministero del Lavoro
E-invoice and posting	SdI; UNIDistaccoUE	Tax authority; Ministry

> Verify before payroll
> Regulatory note: The CNEL alphanumeric CCNL code has been mandatory on the payslip, contract and filings since May 1, 2026. For EU, EEA and Swiss postings, the A1 certificate sets the contribution status. Regime impatriati eligibility is checked per employee under D.Lgs 209/2023.

V · HIRING AND TERMINATION

A UNILAV filing is made by 24:00 before the start date. Late filing carries a fine of EUR 100 to 500 per employee. Termination must be in writing, and notice and probation must be checked against the applicable CCNL.

V

Hiring and Termination

START, TERMINATION AND TFR

PARAMETER	RULE
Open-ended probation	Maximum 6 months; CCNL may shorten
Fixed-term probation	1 day per 15; maximum 15 or 30 days
Notice examples	10 days, 2 months or 4 months by CCNL
Annual TFR accrual	Gross divided by 13.5; 7.41%
TFR revaluation	1.50% plus 75% of FOI
Fondo Tesoreria	60 staff; automatic from July 1, 2026
Retirement	Age 67 with 20 years of pay-in

> Verify before payroll
> Practical check: Automatic fund enrolment can be refused within 60 days. Early retirement needs 42 years 10 months for men and 41 years 10 months for women. A disciplinary defence gets at least 5 days, and unjustified absence beyond 15 days affects NASpI entitlement.

VI · COMPENSATION AND BENEFITS

Italy has no universal statutory minimum wage. From 2026 the operative pay floor is the TEC, the total economic package set by the most representative CCNL in the sector. The legal basis is DL 62/2026 art. 5; it took effect on May 1, 2026 and was converted into law by L. 112/2026.

VI

Compensation and Benefits

CCNL MINIMUM PAY EXAMPLES

CCNL	2026 PARAMETER
Metalmeccanica, monthly gross range	EUR 1,784.94 to EUR 2,907.01
Metalmeccanica, June increase	EUR 53.17 at level C3
Metalmeccanica, welfare credit	EUR 250 a year
Terziario, level IV floor	EUR 1,292.46 from November 1, 2026
Terziario, number of salaries	14; Metalmeccanica pays 13

BENEFIT EXEMPTION CAPS

ITEM	2026 EXEMPTION CAP
Fringe benefit, no children	EUR 1,000 a year
Fringe benefit, with children	EUR 2,000 a year
Electronic meal voucher	EUR 10.00 a day
Paper meal voucher	EUR 4.00 a day
Performance bonus, substitute tax	1%; ordinary rate 10%
Performance bonus, annual cap	EUR 5,000
Performance bonus, income limit	EUR 80,000 in the prior year

> Verify before payroll
> Parameter warning: If the fringe benefit cap is exceeded the exemption is lost entirely; not just the excess but the whole benefit becomes taxable and contributory. The meal voucher regime is separate and the two do not consume each other.

VII

Visas and Work Permits

EU, EEA and Swiss nationals need no work permit. Third-country nationals fall under the Decreto Flussi quota. The Carta Blu UE remains outside the quota for qualified roles.

PERMIT AND POSTING SUMMARY

TOPIC	RULE
Decreto Flussi 2026-2028	497,550 entries in total
Annual quotas	164,850; 165,850; 166,850
Nulla osta and visa	Sportello Unico; Italian consulate
Permesso di soggiorno	Within 8 days of entry
Permesso unico lavoro	Effective May 22, 2026
Carta Blu UE	3 years study; 6-month contract; 5-year permit
Posting notification	Prior day 24:00; changes within 5 days

> Verify before payroll
> Penalty: A missing notification costs EUR 180 to 600. A non-genuine posting costs EUR 50 per worker per day, subject to a minimum of EUR 5,000 and a maximum of EUR 50,000.

VIII · PRACTICAL NOTES AND COMMON PITFALLS

Pay floors, overtime multipliers, tredicesima, probation, notice and ROL leave change with the CCNL. Operational control must combine that agreement layer with fixed-term limits and mandatory employment thresholds.

VIII

Practical Notes and Common Pitfalls

CONTRACT AND EMPLOYER CHECKS

TOPIC	RULE
Period needing no reason	First 12 months
Maximum total term	24 months; 4 extensions
Waiting period	10 days up to 6 months, 20 above
Additional NASpI	1.40%; 0.50% on renewal
15 to 35 employees	1 disabled employee
36 to 50 employees	2 disabled employees
Above 50 employees	7% of headcount
Prospetto informativo	By January 31

> Verify before payroll
>
> Watch out: A fifth extension makes the contract open-ended. Individual grounds were extended to December 31, 2026 by DL 95/2025. Pay must use an approved channel, LUL entries are due by the 16th, and the INAIL class and incentive eligibility must be checked monthly.

IX

Incentives and Employer Support Schemes

Italy has no general contribution reduction. Target-group schemes are limited by duration and cap. Standard employer INPS cost is 29% to 32% of gross; an eligible scheme can reduce it to zero within the cap, while the INAIL premium remains outside the exemption.

2026 INCENTIVE SUMMARY

SCHEME	CAP AND DURATION	MAIN CONDITION
Bonus Giovani	EUR 500; ZES 650; 24 months	Under age 35
Bonus Donne	EUR 650; ZES 800; 24 months	Disadvantaged woman
Bonus ZES	EUR 650; 24 months	Long-term unemployed
Bonus Stabilizzazione	EUR 500; 24 months	Conversion to open-ended
Bonus Madri	EUR 8,000 a year; 12, 18 or 24 months	Mother of three
Decontribuzione Sud PMI	20%; EUR 125; 2026 and 2027	Small firm in the south

> Verify before payroll
>
> Eligibility and offset: Relief can reach 100%. Net growth is measured against the prior 12 months and there must be no dismissal in the role within 6 months. Obtain the DURC, hire within 10 days of authorisation and offset through UniEmens.

ITALY PAYROLL DOSSIER · 2026

EOR & PAYROLL, HANDLED

Manage your Turkey & Europe payroll & employment from one centre with Datassist.

CCNL pay floors, INPS contribution bases, IRPEF withholding, TFR accruals, monthly UniEmens filings and work-permit duties have to run on one operating calendar. Datassist helps international employers manage Italian payroll and employment processes from a single centre.

Schedule a Meeting →

EOR
EMPLOYMENT UNDER ONE CONTRACT

1
ONE COMPLIANCE OPERATION

0%
MISSED PAYROLL DEADLINES