

## WORKING IN MILANO: Quick tips for Students - Part One

# MILANO&PARTNERS

In collaboration with:



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# Employment law in Italy

## Agenda

### **Working as an Employee**

Permanent contract (tempo indeterminato)

Fixed term contract (tempo determinato)

Temporary Agencies (interinale)

### **Working as a Self-employed**

VAT number (P.IVA)

Consultant contract  
(Co.Co.Co)



### **Temporary jobs/gig jobs**

How to work without P.IVA  
(Ritenuta d'acconto)

Occasional jobs (Libretto Famiglia, Presto)



# Working with a Study permit

As a Student You can work only **PART-TIME**, and, in any case, for a maximum of **1040 hours** per year:

20hours/week for 12 months

40hours/week for 6 months

Contract validity: it cannot exceed the validity of your student permit



# EMPLOYEE VS SELF-EMPLOYED



## Employee

- Someone who works under an employment contract
- Employee is paid by an employer with a wage or a salary
- The work organization is defined by the employer
- Workers/ blue collars, Clerks, Professionals/experts, Managers

## Self-employed

- Working for oneself as a freelance or the owner of a business
- Contract with a trade or business directly
- Organize the work independently
- Intellectual professionals: doctors, journalists, freelance workers, lawyers...
- Manual workers: plumbers, store-keeper, retailer



# EMPLOYEE VS SELF-EMPLOYED



## Employee

- The labor contract is regulated by the **National Agreement**
- **Social security** contribution are charged both to the employer and the employee
- **Income taxes and pension:** contribution payments are withheld by the employer every month
- If you have a job contract, you can register with the Italian Health System for free

## Self-employed

- **P.IVA** (VAT) when the activity is run on a regular basis
- Self employed professionals have usually their finances handled by an **accountant**
- **Income taxes:** tax declaration must be made by the person
- **Pension and social security:** contribution payment is mandatory and are charged on the person



# TEMPORARY JOBS / GIG JOBS

Working without P.IVA (VAT)

- When the activity is not run on a regular basis
- When an entrepreneurial organization is not needed

**! The criteria is qualitative not quantitative**  
(no limit to € 5,000.00)

Two ways:

**Selfemployed jobs** (lavoro autonomo occasionale)

e.g.: Graphic designer; web developer; Freelancer

Work as an **employee** not on a regular basis (lavoro occasionale accessorio)

e.g.: Baby-sitter; Delivery Rider; Cleaner/Housekeeper; Shop Assistant



# TEMPORARY JOBS / GIG JOBS

## Terms and Conditions in Written form

- content of the job
- compensation
- Recession

## The client

- Private person
- Legal entity

## The invoice

- Valid as Receipt of payment
- Must include the withholding tax (R.A.) of 20% in case of Legal Entity
- Revenue stamp of € 2,00 for invoices > € 77,47



# TEMPORARY JOBS / GIG JOBS

## Fiscal Treatment

Applies to the Income:

$$\begin{array}{rcl} \text{Revenue} & - & \\ \text{Direct cost (billing)} & = & \\ \text{Taxable income} & & \end{array}$$

No Tax is due up to € 4,800.00

## Social Security

- Mandatory for income > € 5,000.00
- 1/3 charged to the worker
- 2/3 charged to the Client
- Apply to Gestione Separata INPS
- Mandatory info to the Client





# Occasional job for private/families

- Baby-sitter, House keeping, Gardening, private lessons, ...
- Voucher (Libretto di Famiglia)
- Within the limit of:
  - € 5,000.00 per year
  - € 2,500.00 each client
  - ! Up to € 6,666.00 for student < 25 years old
- Voucher can be bought online on INPS website by the «utilizzatore»
- The student must sign up on INPS website (prestatore) with his SPID (Digital identity)



# VAT number

VAT number is mandatory when self employed activity is **run on a regular basis**

To get a VAT Number You MUST **convert your permit** from Study to Work  
(lavoro autonomo)

**HOW:** Apply online on Agenzia delle Entrate website ( AA9/12 Form)

**WHEN:** within 30 days since the beginning of the activity

**Which One:** If You are a Start Up You can choose the «Regime Forfettario» -  
(Turnover must not exceed € 65,000.00)

**Advantages:** Flat Tax at 15% ( 5% for the first 5 years !)



# Internship

Internship is one of the most common ways to enter in an organization

Learning through a working activity: **it is not a WORK contract**

**Maximum period:** 6 months

**Compensation:** min € 400 full time / € 300 part time

Insurance (through University/Agency)

Content/Objective



# Temporary employment (*Lavoro Interinale*)



Your **Direct Employer** is the Temporary Agency

Flexibility: workload, substitution, ...

Fixed term

Terms and Conditions must be equivalent to the other Employees



# THE EMPLOYMENT: TERMS AND CONDITIONS

## Employment letter

- Job position
- Location
- Starting date
- Salary
- National Agreement Grade
- Working hours
- Probation period

## National Agreement

- Grades
- Minimum wages
- Employer's and Employee's duties and obligations
- Disciplinary actions (notice)



# The salary issue

Minimum level is set by the National Agreement

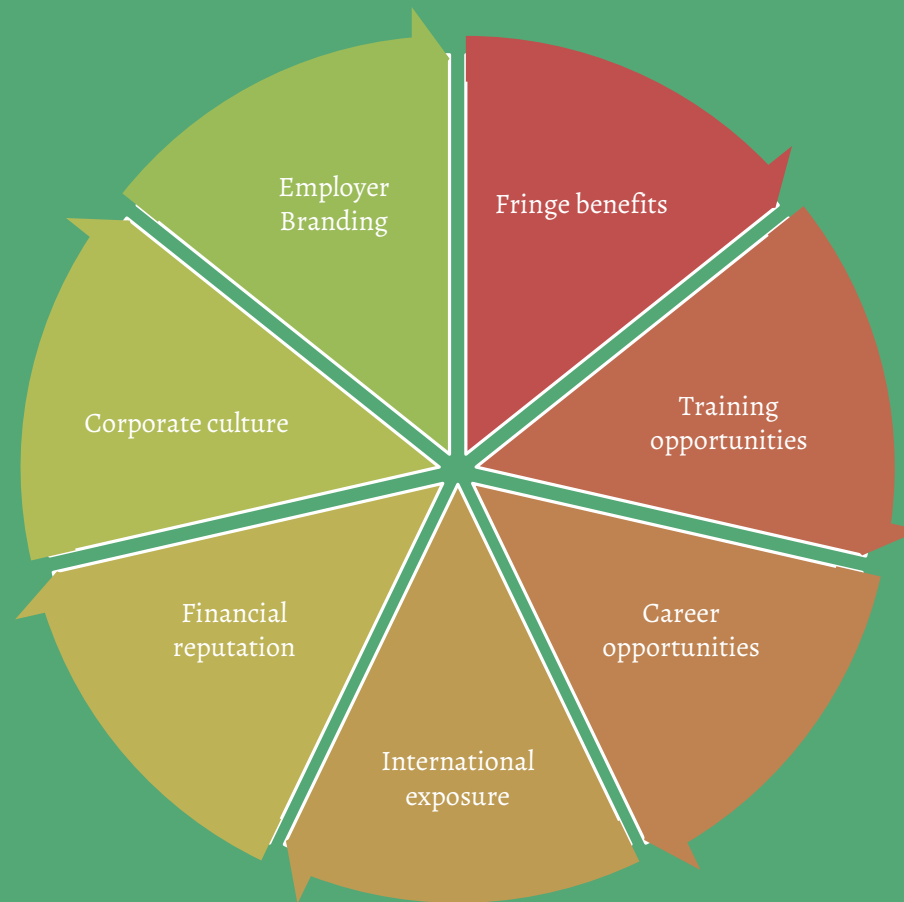
Small Companies can offer a higher salary (but less training opportunities)

The «entry level» salary for young graduate: some companies have specific policies for «talent»

See the «bigger picture»:  
- total reward compensation  
- look at the salary in 3 years perspective



# TOTAL REWARD: WHAT DOES IT MEAN ?



# HOW TO CHOOSE YOUR FIRST JOB: QUICK TIPS

1

Don't wait too long for the **ideal job**: it is easier to find a better job when you are working

2

Don't expect to find a job **immediately** after your course of studies: it can take months and don't demoralize yourself

3

**Use this time in a smart way**: don't remain «passive»(e.g. acquire additional skills)

4

Look for a job that can offer **training opportunities**: focus on competency improvement in the first years

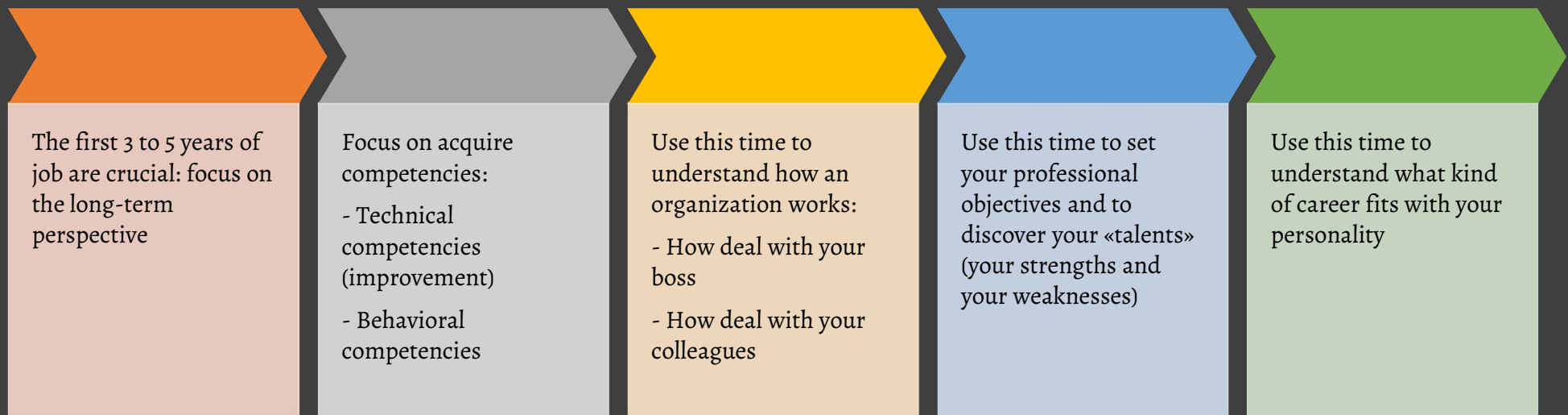
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Look for a «**good Boss**»





# THE FIRST 3 – 5 YEARS



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