

A GUIDE TO PAY AND BENEFITS FOR EMPLOYEES ON SHORT-TERM CONTRACTS, POST-DOCS AND SCHOLARSHIP HOLDERS

THE PAYROLL OFFICE



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Co-co-co: Employees on short-term contracts

Employees with “coordinated and continuous contracts” (so-called co.co.co) are those workers who, legally speaking, find themselves in an intermediary category between being a regular employee and being self-employed.

This kind of employee carries out his/her work autonomously, without any hierarchical limitations imposed by the employer. The framework of the contract is one of a single and continuous relationship with the employer who has the power to coordinate the collaborator's activity with the needs of the School.

From a fiscal point of view, the income received with a “co.co.co” short-term contract is assimilated to that of regular employment according to art. 50, c. 1, letter c bis of the Italian Presidential Decree 917/1986. From a National Insurance point of view, the income from a “co.co.co” is subject to contributions through the INPS Separate Management system according to art. 2, c. 26 of Law 335/1995.

Contributions are paid directly by the employer to the INPS Separate Management system; but in order for this to happen, the worker must first register on the INPS institutional website and request the PIN to access online services and subsequently register for the Separate Management of the National Insurance contributions.

For further information, you can consult the following links (only in Italian or German):

- PIN online
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50272>
- Register for the Separate Management of national insurance contributions
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50175>

Journalists who carry out their activity in SISSA in the context of their profession, can request SISSA to pay their social security contributions to the INPGI Separate Management system - National Institute for Welfare of Italian Journalists "Giovanni Amendola" instead of to INPS.

For further information on the INPGI Separate Management system see <http://www.inpgi.it/?q=node/767> (in Italian)

Co.co.co contracts are subject to INAIL insurance contributions (for workplace accidents) according to art. 5 of Legislative Decree 38/2000; the rate applied depends on whether the activities are carried out in an office or laboratory environment.

Furthermore, there is a premium for additional accident insurance coverage which is deducted from the payslip, as indicated in the employment contract. The daily premium is currently €0.0331 which is usually deducted from the first payslip of the year for the entire year. The contributions to the private insurance company are paid through SISSA according to the terms of the policy agreement.

In order to apply the correct taxation and national insurance contributions, please provide the following information when you fill out the personal data forms:



- If you have any other employment contracts and what type. Please note that employees of the public or private sector will pay lower INPS contributions for the co.co.co activity;
- If you are eligible for any personal or family allowances, if you have not already requested these from your main employer;
- If you request a fixed (higher) taxation rate, for example if you have other income you may wish to be taxed directly taking into consideration all income. In any case, an overall adjustment will be made in the yearly tax return declaration. The application of the allowances and the fixed rate are not compatible with each other.

The payslip

The gross remuneration indicated in the contract is subject to contributions for:

- National insurance (INPS) and workplace accidents insurance (INAIL)
- income tax (IRPEF)

With the INPS Separate Management system, the standard rate is currently 34.23%: of which the recipient pays 11.41% and the institution pays 22.82%; in the case of the reduced rate of 24%, the recipient pays 8% and the School 16%.

The INPS national insurance contribution also includes additional rates as follows:

- 0.72% for maternity allowance, family allowance, hospital stays, sick leave and parental leave, as set out by Article 59, c. 16, of Law no. 449/1997 and by art. 7 of the Decree of the Ministry of Labour and Social Security of the 12/07/2007.
- 0.51% for unemployment benefit as set out by art. 15 of the legislative decree n. 22 of 04/03/2015. This is applied to co.co.co contracts, post-docs and PhD students with scholarships who have involuntarily become redundant.

For further information please visit the following INPS links:

- Maternity and parental leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50586&lang=IT>
- Family allowance
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=51312&lang=IT>
- Sick leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50086&lang=IT>
- Unemployment
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50183&lang=IT>

Workplace accidents insurance (INAIL)

For office-based activities the contribution rate for INAIL insurance is currently 0.16% plus an additional 1% paid by the recipient and 0.32% + an additional 1% to be paid by the School.

For laboratory-based duties the rate the recipient pays is 0.20% plus an additional 1% and the School pays 0.39% plus the additional 1%.

The tax base is the gross amount, after national insurance and INAIL insurance contributions have been deducted. Personal income tax (IRPEF) is then applied to the taxable amount according to the progressive scale, or using the rate indicated by the employee in the event of a specific request.

Wages are paid according to the intervals agreed in the employment contract and if on a monthly basis, pay day is the 30th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, wages are paid a few days before the 25th.

A stamp duty of € 2.00 is applied to wages exceeding € 77.47.

On payday, the payslip is available for consultation online in UGOV: <http://go.sissa.it/cedolini>. You can access UGOV with your SISSA credentials (username – password, then select Human Resources/Documents/ Consultation Documents/Personal documents.

Taxable income and income tax rates (IRPEF)

IRPEF income tax is calculated according to progressive rates on the basis of the income received.

Current income tax rates:

up to € 15,000 23%

over € 15,000 and up to € 28,000 27%

over € 28,000 and up to € 55,000 38%

over € 55,000 and up to € 75,000 41%

over € 75.000 43%

You may request a fixed (higher) rate to be applied by SISSA, if you have income from other sources to take into consideration.

FOCUS ON NON-RESIDENT TAXATION AND DOUBLE TAXATION AGREEMENTS

Earnings received by individuals not resident in Italy for Italian tax purposes (those who spend less than 183 days a year in Italy) are subject to a withholding tax of 30% (DPR 600/73).

To avoid being taxed twice, you can apply to pay income tax only in your country of residence by making use of the relevant Double Taxation Agreement. More information is available on the website of the Ministry of Economy and Finance: <https://www.finanze.gov.it/opencms/it/fiscalita-comunitaria-e-internazionale/convenzioni-e-accordi/convenzioni-per-evitare-le-doppie-imposizioni/>

The Human Resources Office in SISSA is available to help you analyze the agreements individually, to provide support in collecting the documentation and to verify the feasibility of the request. If the documentation is valid, the administration can apply the ad hoc taxation agreement but it is **not obliged to apply them**. It is

however obliged to apply the provisions of Presidential Decree 600/73 in relation to the tax classification of the sums paid (to withhold 30%).

Attention: the individual agreements must always be analyzed, as it is not possible to make a generic reference to the OECD model. Normally it is necessary to acquire **certification from the competent foreign tax authority certifying the status of a tax resident in the other country** for the recipient of the sums.

Introduced in 2013: according to the Italian Inland Revenue Provision no. 2013/84404, for the application of double taxation agreements, the withholding agent must acquire and keep a standard form (attachment "D") which must be signed by the recipient and always accompanied by the above certificate of tax residency issued by the foreign tax authority. In the absence of this documentation the withholding tax of 30% will be applied and the recipient will then have to request reimbursement from the Pescara Operations Centre or benefit from any tax credit provided for in his / her country.

If it is possible to apply the Agreement against Double Taxation, the earnings will not be subject to income tax (IRPEF), only contributions for national insurance (INPS), and workplace accidents (INAIL).

Personal allowances (art. 13 D.P.R. 917/1986)

Definition

Deductions for employees or equivalent, which reduce the amount of tax that has to be paid:

Who is eligible

Individuals who receive income from employment and equivalent are entitled to a variable deduction from the amount of tax due, depending on the total income.

The deduction is inversely related to the income received in the calendar year and is related to the period of work performed during that year. In particular, the days for which the deduction is due coincide with those which gave the right to compensation and which have been subject to withholding tax, including holidays, weekends and other non-working days, excluding days for which no compensation is due.

Table

Total annual income Up to 8,000 €	€ 1,880
Total annual income included between € 8,001 and € 28,000	€ 978 + [902x (28,000 - total income) / 20.000]
Total annual income included between € 28,001 and € 55,000	€ 978 x [(55,000 - total income) / 27,000]
Over € 55,000	0

The Trattamento integrativo and the Ulteriore detrazione Law nr. 21/2020

The Law Decree n. 3 of 5th February 2020 converted into Law 21/2020, issued with the aim of implementing a review of the tax wedge, as governed by the 2020 Budget Law, has established new tax bonuses, a so-called "Supplementary treatment" and "Further deduction" which came into force from 1st July 2020. These new bonuses, which replace the so-called "Renzi" bonus (**), are not subject to income tax, they are calculated according to the period worked and are due from 1st July 2020.

The Trattamento integrativo is a tax credit of about 100 euros per month that the employer pays directly to the employee. The bonus due is paid by SISSA on a monthly basis or in the last payment, without the employee having to make a formal request for it.

The bonus is awarded only if the gross personal income tax is greater than the deductions for income from employment and equivalent (Article 13 of Presidential Decree 917/1986) and the annual taxable income is less than 28,000 euros.

The Ulteriore detrazione is up to those who have an income between 28.000,01 and € 40.000,00 euros. These people are entitled to a decreasing credit of 960 euros, as this credit is due for the part corresponding to the ratio between the amount of 28,000.00 euros, decreased by estimated total income, and the amount of 7,000.00 or 5,000.00 euros.

The formula used to calculate the Ulteriore detrazione is as follows:

- for income between € 28,000 and € 35,000
$$960 + 240 \times \frac{35,000 - \text{estimated income}}{7.000}$$
- for income between € 35,001 and € 40,000
$$960 \times \frac{40,000 - \text{estimated income}}{5.000}$$

During the tax adjustment, the actual income for the year is determined and then the amount paid for Trattamento integrativo/Ulteriore detrazione is recalculated. The recalculation may result in a debit or credit amount because the actual income may be different than the estimated one.

If you are aware that your estimated income (taxable income), including any other income from employment and equivalent in addition to that of SISSA, exceeds the abovementioned thresholds, you can inhibit the calculation of the Trattamento integrativo or the Ulteriore detrazione and ask to apply it only at the time of the tax adjustment or inhibit it altogether.

For the purposes of eligibility for these measures, the annual taxable income must be considered in addition to income from employment and equivalent, including income regarding flat rate tax.

In order to request the inhibition, it is sufficient to present an appropriate communication on the pre-filled form available on the SISSA website in the section Economic Treatment - Forms at the link <https://www.sissa.it/trattamento-economico/modulistica>.

(**) The so-called Renzi bonus, disciplined by D.L. 66/14, in force until 30/06/2020, was due to those who had a total annual taxable income less than 26,600.00 euros, considering two income brackets:

- an amount of 960 annual euros, relating to working days, for annual taxable incomes up to 24,600.00 euros
- the result of the following formula - $[960 \times (26.600 - \text{estimated annual income}) / 2.000]$ - relating to working days, for annual taxable incomes between 24,600.01 euros and 26,600.00 euros

End of year tax “balance”

At the end of the contract with SISSA, in conjunction with the last month’s salary and/or in December with the last salary of the fiscal year, the School will recalculate the IRPEF tax due on the earnings received to take into consideration any variations in the earnings over the year, for example, it may result:

- a tax credit in your favour; if the overall tax due is lower than the total tax already withheld, the tax will be returned to you with your last payslip;
- a tax debt; if the overall tax due is higher than the total tax already withheld; the difference will be deducted from your last payslip.

As well as the income tax (IRPEF) recalculation, the Trattamento integrativo/Ulteriore detrazione L.21 /20 is also recalculated and the additional regional and municipal taxes are applied.

Wage and Tax statement

The wage and tax statement (“CU”) is a document issued every year to employees with permanent or temporary contracts or similar, and to those who are self-employed.

Employers must provide their employees with the statement by the end of March each year. The income taken into consideration is that earned between 1st January and 31st December of the previous tax year.

The CU indicates:

- income paid in the previous year;
- tax withheld, allowances and tax deductions;
- national insurance and workplace accident insurance information.

In SISSA the CU is published by 31st March and is available for consultation online: <http://go.sissa.it/cedolini> see the section Human Resources / Documents Consultation / Personal Documents which can be accessed with your SISSA credentials (username - password) if you have an active contract in March. Those who have terminated their activity in SISSA will receive the CU Statement by e-mail. It is also possible to consult the "information for the taxpayer" that is attached to the Certification.

The CU tax statement must be kept safely. In the case of sole income or exempt income (Post-docs and PhD grants for example) it is not necessary to submit the income tax return form “730”. However, it may be worth presenting the 730-tax return form if you have expenses to deduct such as medical costs, education and sports expenses for dependent children, insurance costs, interest on mortgages, etc...

Otherwise, the CU tax statement is used when submitting the 730/Unico tax return form online, which can be sent to the Inland Revenue office either independently, or with the help of a chartered accountant, or through a CAF (fiscal advice bureau) which charges a small sum to check the correctness of the tax return.

Tax assistance

The income tax return form “730” is for employees with permanent and fixed-term contracts or similar contracts such as co.co.co. By using this pre-filled form, the taxpayer does not have to perform any calculations him/herself and any tax adjustments due are made directly by SISSA from the month of July onwards.

The form is available on the Inland Revenue website (in Italian, German and Slovene) for information see:

<https://infoprecompilata.agenziaentrate.gov.it/portale/i-passi-da-seguire>

There are different ways to access the National Inland Revenue portal; either with a PIN code for online services (Fisconline) or a SPID identity (Public Digital Identity System) or a PIN issued by INPS or a National Services card issued by the Chamber of Commerce. Once connected to your personal area in the portal you can modify/confirm the information in the form and submit it. You can either send it online directly, or you can contact a CAF (fiscal advice bureau) or a chartered accountant for professional advice.

An employee with an active co.co.co. contract at the time of submitting the form, and for the following 3 months, may indicate SISSA as the withholding agent in the 730 form. In this way, the tax return adjustments can be refunded or withheld as necessary, directly by SISSA from the month of July onwards.

Who cannot use the 730-tax return form?

- employees who have additional income from business ventures or self-employment;
- those who are obliged to submit VAT or IRAP declarations or those who use the 770 form;
- non-residents;
- those in special forms of employment without withholding taxes (for example, home helpers and carers for the elderly);
- those submitting the declaration on behalf of a deceased person (if he/she was eligible for this form of tax return). **New rules for 2020:** the 730 form can be used by the heir instead of the former Individual Tax Return form. This applies to the 2019 tax year for those deceased 01.01.2019-30.09.2020. In this case, the 730 form cannot be submitted to the deceased taxpayer's former employer or to the heir's employer, but it must be submitted directly to the Inland Revenue.

Post-docs

Post-doctoral research fellowships are disciplined by art. 22 of Law 240/2010 and by SISSA's Regulations regarding the awarding of grants for carrying out research activities (D.D. 130 of 04/03/2016).

Post-doctoral research fellowships are exempt, from a fiscal point of view, from personal income tax (IRPEF) pursuant to art. 4 of Law 476/1984 and subsequent amendments thereto, but are subject to national insurance contributions (INPS Separate Management) according to article 2, paragraph 26 of Law 335/1995.

Contributions are paid directly by the employer to the INPS Separate Management system; but in order for this to happen, the post-doc must first register on the INPS institutional website and request the PIN to access online services and subsequently register for the Separate Management of the National Insurance contributions.

For further information, you can consult the following links (only in Italian or German):

- PIN online
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50272>
- Register for the Separate Management of national insurance contributions
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50175>

The payslip

The gross remuneration indicated in the contract is subject to contributions for:

- National insurance (INPS)

With the INPS Separate Management system, the standard rate is currently 34,23%: of which the recipient pays 11.41% and the institution pays 22.82%.

The INPS national insurance contribution also includes additional rates as follows:

- 0.72% for maternity allowance, family allowance, hospital stays, sick leave and parental leave, as set out by Article 59, c. 16, of Law no. 449/1997 and by art. 7 of the Decree of the Ministry of Labour and Social Security of the 12/07/2007.
- 0.51% for unemployment benefit as set out by art. 15 of the legislative decree n. 22 of 04/03/2015. This is applied to co.co.co contracts, post-docs and PhD students with scholarships who have involuntarily become redundant.

For further information please visit the following INPS links:

- Maternity and parental leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50586&lang=IT>
- Family allowance
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=51312&lang=IT>
- Sick leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50086&lang=IT>

➤ Unemployment

<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50183&lang=IT>

In addition, a premium for accident insurance coverage is deducted from the salary, as indicated in the contract. SISSA pays the insurance company with which it has stipulated a specific policy, in the manner agreed in the policy. The amount of the premium is currently €0.0331 per day. The yearly quota is usually deducted from the first payslip and is calculated taking into account the number of days from the start of the contract until 31/12 of that year (or until the end of the contract, if it ends before 31/12). This is repeated for the following year's coverage with the payslip of January and so forth.

Wages are paid on the 25th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, wages are paid a few days before the 25th.

A stamp duty of € 2.00 is applied to wages exceeding € 77.47.

Other taxable items

Health Insurance

Post-doctoral research fellows from both EU and non-EU countries can request reimbursement of the expenses incurred for taking out health insurance policies, but the amount reimbursable and the taxation varies:

The amount that SISSA can reimburse an EU post-doc is 2/3 of the insurance cost, up to a maximum of €1115. This is classified as a taxable item subject to personal income tax according to art. 50,1 c) of DPR n. 917/1986, however the post-doc contract is eligible for personal tax deductions (art. 13 of the same law), which reduce the amount of IRPEF that needs to be paid. The amount deductible varies in relation to the period of work with SISSA. The reimbursement will be calculated by the pay roll office.

The amount that SISSA can refund a non-EU post-doc is 100% of the insurance cost and is paid by the Accounts Office.

One-off payment

In the job offer description, a one-off payment may be foreseen to compensate extra costs at the beginning. The amount of €500 is offered to EU fellows and €1000 to non -EU fellows. The payment occurs together with the first payslip.

This form of financial support follows the same rules as the post-doc fellowship: it is exempt from personal income tax but subject to national insurance contributions (INPS Separate Management).

Maternity pay

As per art. 5 of the Decree of the Ministry of Labour and Social Security dd. 12.07.2007; post-doc research fellows are eligible for 5 months of paid compulsory maternity leave, if during the previous 12 months they were in work and made contributions to the INPS separate management system for a minimum of 3 months. During this time the research grant is temporarily suspended. SISSA integrates the maternity pay provided by INPS, so it reaches 100% of the fellowship amount SISSA, as foreseen by art. 22 c. 6 of Law 240/2010. Please note that there are no other forms of financial assistance available from SISSA for further maternity leave.

FOCUS ON MATERNITY/PATERNITY/PARENTAL LEAVE – INPS SEPARATE MANAGEMENT SYSTEM

Post-doc research fellows qualify for 5 months paid maternity leave, paid by INPS.

For further information please see:

<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50586&lang=IT>

Contribution for new mothers holding a research fellowship contract

Pursuant to the resolution of the Academic Senate and of the Board of Directors dated 07.07.2020, new mothers holding a research fellowship contract or enrolled in a PhD SISSA course are entitled to request a contribution after their return from the compulsory suspension for maternity leave. This contribution, granted at the request of the interested party upon presentation of "ISEE Minors", is paid monthly from the return from compulsory maternity leave and for a maximum of one year or until the beginning of the educational year useful for the insertion of the child at the SISSA nursery.

The amount is equal to € 500 for "ISEE Minors" with a value between 0 and € 25.000, and is equal to € 450 for "ISEE Minors" with a value between € 25.001 and € 30.000.

This contribution is classified as a taxable item subject to personal income tax according to art. 50,1 c) of DPR n. 917/1986, however the post-doc contract is eligible for personal tax deductions (art. 13 of the same law), which reduce the amount of IRPEF that needs to be paid.

Wage and Tax statement

The wage and tax statement (CU) is a document issued every year to employees with permanent or temporary contracts, or similar and to those who are self-employed.

Employers must provide their employees with the statement by the end of March each year. The income taken into consideration is that earned between 1st January and 31st December of the previous tax year.

The CU indicates:

- income paid in the previous year;
- tax withheld, allowances and tax deductions;
- national insurance and workplace accident insurance information.

In SISSA the CU is published by 31st March and is available for consultation online: <http://go.sissa.it/cedolini>

see the section Human Resources / Documents Consultation / Personal Documents which can be accessed with your SISSA credentials (username - password) if you have an active contract in March. Those who have terminated their activity in SISSA will receive the CU Statement by e-mail. It is also possible to consult the "information for the taxpayer" that is attached to the Certification.

The CU tax statement must be kept safely. In the case of sole income or exempt income (Post-docs and PhD grants for example) it is not necessary to submit the income tax return form "730". However, it may be worth presenting the 730-tax return form if you have expenses to deduct such as medical costs, education and sports expenses for dependent children, insurance costs, interest on mortgages, etc.

Otherwise, the CU tax statement is used when submitting the 730/Unico tax return form online, which can be sent to the Inland Revenue office either independently, or with the help of a chartered accountant, or through a CAF (fiscal advice bureau) which charges a small sum to check the correctness of the tax return.

Tax assistance

The income tax return form “730” is for employees with permanent and fixed-term contracts or similar contracts. By using this pre-filled form, the taxpayer does not have to perform any calculations him/herself and any tax adjustments due are made directly by SISSA from the month of July onwards.

The form is available on the Inland Revenue website (in Italian, German and Slovene) for information see:

<https://infoprecompilata.agenziaentrate.gov.it/portale/i-passi-da-seguire>

There are different ways to access the National Inland Revenue portal; either with a PIN code for online services (Fisconline) or a SPID identity (Public Digital Identity System) or a PIN issued by INPS or a National Services card issued by the Chamber of Commerce. Once connected to your personal area in the portal you can modify/confirm the information in the form and submit it. You can either send it online directly, or you can contact a CAF (fiscal advice bureau) or a chartered accountant for professional advice.

Post-docs who have an active contract both at the time of submitting the form and for the following 3 months, may indicate SISSA as the withholding agent in the 730 form only if you have a tax credit, as the research fellowship is not subject to personal income tax. Any tax returns will be refunded directly by SISSA from the month of July onwards.

Who cannot use the 730-tax return form?

- employees who have additional income from business ventures or self-employment;
- those who are obliged to submit VAT or IRAP declarations or those who use the 770 form;
- non-residents;
- those in special forms of employment without withholding taxes (for example, home helpers and carers for the elderly);
- those submitting the declaration on behalf of a deceased person (if he/she was eligible for this form of tax return). **New rules for 2020:** the 730 form can be used by the heir instead of the former Individual Tax Return form. This applies to the 2019 tax year for those deceased 01.01.2019-30.09.2020. In this case, the 730 form cannot be submitted to the deceased taxpayer’s former employer or to the heir’s employer, but it must be submitted directly to the Inland Revenue.

Scholarships

The fiscal legislation applicable to scholarships generally classifies them as taxable income (similar to income from employment) according to art. 50, paragraph 1, letter c) of the D.P.R. 917/1986. Therefore, the scholarship is subject to personal income tax (IRPEF). At the same time, however, it is possible to benefit from personal tax deductions pursuant to art. 13 of the D.P.R. 917/1986, that reduce the amount of IRPEF which needs to be paid.

Scholarships are not normally subject to national insurance contributions (INPS), but there are some exceptions, which include PhD scholarships.

Please find below further information about the taxation of scholarships.

Income tax exempt scholarships

PhD scholarships

PhD scholarships are governed by Law 398/1989 which states in article 6, paragraph 6, that they are eligible for the fiscal allowances foreseen by art. 4 of Law 476/1984 which implies that they are not subject to personal income tax (IRPEF). They are however subject to national insurance contributions (INPS Separate Management) according to article 2, paragraph 26 of Law 335/1995.

Contributions are paid directly by the employer to the INPS Separate Management system; but in order for this to happen, the PhD student must first register on the INPS institutional website and request the PIN to access online services and subsequently register for the Separate Management of the National Insurance contributions.

For further information, you can consult the following links (only in Italian or German):

- PIN online
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50272>
- Register for the Separate Management of social security contributions
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50175>

The payslip

The payslip shows the gross amount which is subject to contributions for:

- National insurance (INPS)

With the INPS Separate Management system, the standard rate is currently 34.23%: of which the recipient pays 11.41% and the institution pays 22.82%.

The INPS national insurance contribution also includes additional rates as follows:

- 0.72% for maternity allowance, family allowance, hospital stays, sick leave and parental leave, as set out by Article 59, c. 16, of Law no. 449/1997 and by art. 7 of the Decree of the Ministry of Labour and Social Security of the 12/07/2007.
- 0.51% for unemployment benefit as set out by art. 15 of the legislative decree n. 22 of 04/03/2015. This is applied to co.co.co contracts, post-docs and PhD students with scholarships who have involuntarily become redundant.

For further information please visit the following INPS links:

- Maternity and parental leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50586&lang=IT>
- Family allowance
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=51312&lang=IT>
- Sick leave
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50086&lang=IT>
- Unemployment
<https://www.inps.it/NuovoportaleINPS/default.aspx?itemdir=50183&lang=IT>

Scholarships are paid on the 25th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, scholarships are paid a few days before the 25th.

On payday, the payslip is available for consultation online in UGOV: <http://go.sissa.it/cedolini>. You can access UGOV with your SISSA credentials (username – password), then select Human Resources/Documents/ Consultation Documents/Personal documents.

PhD students can undertake part-time work such as the so-called 150h collaboration contracts, according to art. 11 c. 3 of the legislative decree 68/2012 on the basis of annual calls, which foresee an hourly rate which is tax exempt according to L. 390/1991.

In this case a stamp duty of € 2.00 is applied to wages exceeding € 77.47.

Other taxable items

Contributions and allowances for PhD students

During the PhD course, students can request various allowances and reimbursements from SISSA towards costs such as accommodation, laptops and healthcare insurance. These extra contributions are subject to personal income tax (IRPEF) as they are considered equivalent to income from employment according to article 50, paragraph 1, letter c), of Presidential Decree no. 917/1986. However, individuals who receive income from employment and equivalent are also entitled to tax deductions, according to art. 13 of the same decree.

Generally speaking, students still receive the contributions in full thanks to these deductions. It may happen that the first reimbursement is lower than the amount requested, but subsequently the tax due will be recalculated and compensated.

A stamp duty of €2.00 is applied to contributions exceeding €77.47.

Summary of the allowances and contributions available:

Allowance	Deadline for requests	Legal reference	Amount
Accommodation	Requests by 31/7 (and by 31/12 for contract renewals) Reimbursements by 30/9 (by 28/2 for contract renewals)	Board of Directors decision 30/10/2007	€ 100/month
Training III and IV year	Requests by 30/4 Reimbursements by 31/5 - Requests by 31/8 Reimbursements by 30/9	Decree 590 of 13/10/2017 - prot. 12620/17	€1000 for the entire PhD course
Laptop	Requests by 31/10 Reimbursements by 30/11	Board of Directors decision 05/04/2011	€400 for up to 24 months enrolment; € 300 from 24 to 36 months enrolment
Maternity/Paternity/Illness	Variable	Board of Directors decision 24/05/2000 & art. 22 Regulations PhD students SISSA	70% scholarship for 5 months per event
Return journey for non-EU students in III and IV year	Requests by 31/10 Reimbursements by 30/11	Board of Directors decision 27/09/2011	Max. € 500
Healthcare insurance (SSN) for non-EU students	Requests by 31/10 Reimbursements by 31/12	Board of Directors decision 22/05/2002	€49 first year €149.77 individual annual quota € 387.34 family annual quota
Other assistance	Upon request	Individual decrees	As determined by specific decree.
Support for new mothers	Upon request	Board of Directors decision 07/07/2020	€ 500 for "ISEE Minors" between 0 and € 25.000 € 450 for "ISEE Minors" between € 25.001 and € 30.000

Further information regarding PhD students can be found in the [SISSA Vademecum](#).

Research fellowships and scholarships for Post Graduate research

These grants are exempt from personal income tax (IRPEF) pursuant to Law 210/98 art. 4 paragraph 3; therefore, the gross and net remuneration coincide.

A stamp duty of €2.00 is applied to payments exceeding € 77.47.



Scholarships are paid on the 30th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, scholarships are paid a few days before the 25th.

The scholarship for post doc research may foresee the reimbursement of travel expenses. This reimbursement is subject to personal income tax (IRPEF) as it is considered equivalent to income from employment according to article 50, paragraph 1, letter c), of Presidential Decree no. 917/1986. However, individuals who receive income from employment and equivalent are also entitled to tax deductions, according to art. 13 of the same decree.

Wage and Tax statement

The wage and tax statement (CU) is issued every year to employees, and equivalent, with permanent and also short-term contracts and to those who are self-employed.

Employers must provide their employees with the statement by the end of March each year. The income taken into consideration is that earned between 1st January and 31st December of the previous tax year.

The CU indicates:

- income paid in the previous year;
- tax withheld, allowances and tax deductions;
- national insurance and workplace accident insurance information.

In SISSA the CU is published by 31st March and is available for consultation online for current PhD students: <http://go.sissa.it/cedolini> see the section Human Resources / Documents Consultation / Personal Documents which can be accessed with your SISSA credentials (username - password).

PhD students who have already terminated their studies, and other scholarship holders will receive their tax statement via email (SISSA will use the address provided in the personal data form). It is also possible to consult the "information for the taxpayer" that is attached to the Certification.

The CU tax statement must be kept safely. In the case of sole income or exempt income (Post-docs and PhD grants for example) it is not necessary to submit the income tax return form "730". However, it may be worth presenting the 730-tax return form if you have expenses to deduct such as medical costs, education and sports expenses for dependent children, insurance costs, interest on mortgages, etc.

Otherwise, the CU tax statement is used when submitting the 730/Unico tax return form online, which can be sent to the Inland Revenue office either independently, or with the help of a chartered accountant, or through a CAF (fiscal advice bureau) which charges a small sum to check the correctness of the tax return.

Tax assistance

The income tax return form "730" is for employees with permanent and fixed-term contracts or similar contracts. By using this pre-filled form, the taxpayer does not have to perform any calculations him/herself and any tax adjustments due are made directly by SISSA from the month of July onwards.

The form is available on the Inland Revenue website (in Italian, German and Slovene) for information see:

<https://infoprecompilata.agenziaentrate.gov.it/portale/i-passi-da-seguire>

There are different ways to access the National Inland Revenue portal; either with a PIN code for online services (Fisconline) or a SPID identity (Public Digital Identity System) or a PIN issued by INPS or a National Services card issued by the Chamber of Commerce. Once connected to your personal area in the portal you can modify/confirm the information in the form and submit it. You can either send it online directly, or you can contact a CAF (fiscal advice bureau) or a chartered accountant for professional advice.

If your scholarship is income tax exempt and you have an active contract both at the time of submitting the form and for the following 3 months, you may indicate SISSA as the withholding agent in the 730 form only if you have a tax credit, because from the scholarship (without IRPEF) you cannot deduct any costs. Tax return adjustments will be refunded directly by SISSA from the month of July onwards.

Who cannot use the 730-tax return form?

- employees who have additional income from business ventures or self-employment;
- those who are obliged to submit VAT or IRAP declarations or those who use the 770 form;
- non-residents;
- those in special forms of employment without withholding taxes (for example, home helpers and carers for the elderly);
- those submitting the declaration on behalf of a deceased person (if he/she was eligible for this form of tax return). **New rules for 2020:** the 730 form can be used by the heir instead of the former Individual Tax Return form. This applies to the 2019 tax year for those deceased 01.01.2019-30.09.2020. In this case, the 730 form cannot be submitted to the deceased taxpayer's former employer or to the heir's employer, but it must be submitted directly to the Inland Revenue.

Scholarships subject to income tax

Study grants and research training grants

Study grants and research training grants are taxable income (similar to income from employment) according to art. 50, paragraph 1, letter c) of the D.P.R. 917/1986. Therefore, they are subject to personal income tax (IRPEF). At the same time, however, it is possible to benefit from personal tax deductions pursuant to art. 13 of the D.P.R. 917/1986.

If the grant foresees the reimbursement of travel expenses, this is also subject to income tax and relative tax deductions.

Tax adjustments will be made with the last month's grant and any excess IRPEF paid will be returned. Furthermore, if the tax bonus *Trattamento integrativo* is due according to Law 21/20, this will also be paid.

A stamp duty of €2.00 is applied to payments exceeding € 77.47.

Scholarships and grants are paid on the 30th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, scholarships are paid a few days before the 25th.

Master's degree grants

The grants awarded as part of the master's degree courses held in conjunction with the University of Trieste are considered taxable income (similar to income from employment) according to art. 50, paragraph 1, letter c) of the

D.P.R. 917/1986. Therefore, they are subject to personal income tax (IRPEF). At the same time, however, it is possible to benefit from personal tax deductions pursuant to art. 13 of the D.P.R. 917/1986.

A stamp duty of €2.00 is applied to payments exceeding € 77.47.

Master's grants are paid on the 30th of each month. If this should fall on a non-working day, the pay is advanced to the first previous working day. In December, scholarships are paid a few days before the 25th.

The Master's degree students can also request a reimbursement for accommodation. This is also subject to income tax (IRPEF). Since these are very low amounts each month, to avoid a high tax debit at the end of the contract, SISSA applies a fixed income tax rate of 23% every month to the reimbursement of accommodation expenses.

Tax adjustments will be made with the last month's grant (of the year or of the whole grant if before 31/12) and any excess IRPEF paid will be returned. Furthermore, if the tax bonus *Tattamento integrativo* is due according to Law 21/20, this will also be paid.

Taxable income and income tax rates (IRPEF)

IRPEF income tax is calculated according to progressive rates on the basis of the income received.

Current income tax rates:

up to € 15,000 23%

over € 15,000 and up to € 28,000 27%

over € 28,000 and up to € 55,000 38%

over € 55,000 and up to € 75,000 41%

over € 75,000 43%

Scholarships are usually taxed at 23%.

Personal allowances (art. 13 D.P.R. 917/1986)

Definition

Deductions for employees or equivalent, which reduce the amount of tax that has to be paid:

Who is eligible

Individuals who receive income from employment and equivalent are entitled to a variable deduction from the amount of tax due, which depends on the total income.

The deduction is inversely related to the income received in the calendar year and is related to the period of work performed during that year. In particular, the days for which the deduction is due coincide with those which gave the right to compensation and which have been subject to withholding tax, including holidays, weekends and other non-working days, excluding days for which no compensation is due.

Table

Total annual income Up to 8,000 €	€ 1,880
Total annual income included between € 8,001 and € 28,000	€ 978 + [902x (28,000 - total income) / 20,000]
Total annual income included between € 28,001 and € 55,000	€ 978 x [(55,000 - total income) / 27,000]
Over € 55,000	0

The Trattamento integrativo Law nr. 21/2020

The Law Decree n. 3 of 5th February 2020 converted into Law 21/2020, issued with the aim of implementing a review of the tax wedge, as governed by the 2020 Budget Law, has established a new tax bonus, a so-called "Supplementary treatment" which came into force from 1st July 2020. This new bonus, which replace the so-called "Renzi" bonus (**), is not subject to income tax, it is calculated according to the period worked and is due from 1st July 2020.

The Trattamento integrativo is a tax credit of about 100 euros per month that the employer pays directly to the employee. The bonus due is paid by SISSA on a monthly basis or in the last payment, without the employee having to make a formal request for it.

The bonus is awarded only if the gross personal income tax is greater than the deductions for income from employment and equivalent (Article 13 of Presidential Decree 917/1986) and the annual taxable income is less than 28,000 euros.

(**) The so-called Renzi bonus, disciplined by D.L. 66/14, in force until 30/06/2020, was due to those who had a total annual taxable income less than 26,000.00 euros, considering two income brackets:

- an amount of 960 annual euros, relating to working days, for annual taxable incomes up to 24,600.00 euros
- the result of the following formula - [960 x (26.600-estimated annual income) /2.000] - relating to working days, for annual taxable incomes between 24,600.01 euros and 26,600.00 euros

End of year tax "balance"

At the end of the contract with SISSA, in conjunction with the last month's grant and/or in December with the last grant payment of the fiscal year, the School will recalculate the IRPEF tax due on the earnings received to take into consideration any variations in the earnings over the year, for example, it may result:

- a tax credit in your favour; if the overall tax due is lower than the total tax already withheld, the tax will be returned to you with your last payslip;
- a tax debt; if the overall tax due is higher than the total tax already withheld; the difference will be deducted from your last payslip.

As well as the income tax (IRPEF) recalculation, the Trattamento integrativo is also recalculated and the additional regional and municipal taxes are applied.

Wage and Tax statement

The wage and tax statement (CU) is a document issued every year to employees or equivalent, with permanent and also short-term contracts and to those who are self-employed.

Employers must provide their employees with the statement by the end of March each year. The income taken into consideration is that earned between 1st January and 31st December of the previous tax year.

The CU indicates:

- income paid in the previous year;
- tax withheld, allowances and tax deductions;
- national insurance and workplace accident insurance information.

The CU Statement will be sent to the e-mail address indicated in the personal data form.

The CU tax statement must be kept safely. In the case of sole income or exempt income (Post-docs and PhD grants for example) it is not necessary to submit the income tax return form "730". However, it may be worth presenting the 730-tax return form if you have expenses to deduct such as medical costs, education and sports expenses for dependent children, insurance costs, interest on mortgages, etc...

Otherwise, the CU tax statement is used when submitting the 730/Unico tax return form online, which can be sent to the Inland Revenue office either independently, or with the help of a chartered accountant, or through a CAF (fiscal advice bureau) which charges a small sum to check the correctness of the tax return.

Tax assistance

The income tax return form "730" is for employees with permanent and fixed-term contracts or similar contracts such as co.co.co./scholarship holders etc. By using this pre-filled form, the taxpayer does not have to perform any calculations him/herself and any tax adjustments due are made directly by SISSA from the month of July onwards.

The form is available on the Inland Revenue website (in Italian, German and Slovene) for information see:

<https://infoprecompilata.agenziaentrate.gov.it/portale/i-passi-da-seguire>

There are different ways to access the National Inland Revenue portal; either with a PIN code for online services (Fisconline) or a SPID identity (Public Digital Identity System) or a PIN issued by INPS or a National Services card issued by the Chamber of Commerce. Once connected to your personal area in the portal you can modify/confirm the information in the form and submit it. You can either send it online directly, or you can contact a CAF (fiscal advice bureau) or a chartered accountant for professional advice.

Scholarship holders who have an active contract both at the time of submitting the form and for the following 3 months, may indicate SISSA as the withholding agent in the 730 form. In this way, the tax return adjustments can be refunded or withheld directly by SISSA from the month of July onwards.

Who cannot use the 730-tax return form?

- employees who have additional income from business ventures or self-employment;
- those who are obliged to submit VAT or IRAP declarations or those who use the 770 form;
- non-residents;

- those in special forms of employment without withholding taxes (for example, home helpers and carers for the elderly);
- those submitting the declaration on behalf of a deceased person (if he/she was eligible for this form of tax return). **New rules for 2020:** the 730 form can be used by the heir instead of the former Individual Tax Return form. This applies to the 2019 tax year for those deceased 01.01.2019-30.09.2020. In this case, the 730 form cannot be submitted to the deceased taxpayer's former employer or to the heir's employer, but it must be submitted directly to the Inland Revenue.