

RESIGNATION, DISMISSAL AND TFR (Leaving Indemnity)

Resignation/Dismissal

Worker and employer are each free to bring the employment relationship to an end, provided he/she gives proper notice to the other party.

The period of notice of dismissal from an employment relationship involving a commitment of 24 hours a week or more must be:

- 15 calendar days if the worker has been with the same employer for up to five years;
- 30 calendar days if the worker has been with the same employer for more than five years.

In the case of an employment relationship involving a commitment of less than 24 hours a week, the period of notice must be:

- 8 calendar days if the worker has been with the same employer for up to two years;
- 15 calendar days if the worker has been with the same employer for more than two years.

These periods of notice are halved if it is the worker who chooses to leave.

An employer failing to give due notice must pay the worker an amount equal to the pay corresponding to the proper period of notice. If a worker leaves, on the other hand, and does not work out the period of notice then the amount he/she would have earned in that period shall be withheld.

NB: It is compulsory to state the employment's date of termination on the national insurance contributions [payment slip](#) (because payment must be made within 10 days of that termination).

Leaving Indemnity (TFR)

Domestic workers are always entitled to a Leaving Indemnity when the employment relationship comes to an end, even if the work is casual, occasional or for only a few hours a week, and whether the worker is dismissed or has chosen to leave. This Leaving Indemnity is payable even when the employment relationship is ended during a trial period.

The calculation of the Leaving Indemnity (Trattamento di Fine Rapporto or TFR) must take into account the monthly pay, the "13th month" and, in the case of a worker living in and entitled to two meals a day, the amount deemed to be paid in the form of board and lodging.

The calculation depends on when the employment relationship began. There have been three periods, with three different modes of TFR calculation:

- The first period was up to 31 May 1982;
- the second period was from 1 June 1982 to 31 December 1989;
- the third period is from 1 January 1990 onwards.

Part payment of TFR

The law allows for payment of the Leaving Indemnity in any year, if either the worker or the employer requests this and the other party agrees.

The law also provides that after eight years' service the worker is in any case entitled to advance payment of up to 70% of his/her accrued TFR.

Example: calculation of Leaving Indemnity (revised to 2008)

Consider an employment which began on 1 January 1997 and ended on 30 November 2007, at a total monthly pay of €800 (and assuming, just for simplicity, that this pay has not changed over the years): the calculation is as follows.

Calculation

€800 a month x 13 months = €10,400 (total annual pay)

€10,400/13.5 = €770.37 (TFR for year)

Cumulation and enhancement

The resulting amount is then cumulated with earlier years and enhanced according to the table below:

(for 2007, since the employment ended in November, only the period January-November is taken into account in the calculation).

The final result of this calculation, **9.735,80 €**, is the total TFR due to the worker in respect of the entire period of service.

Cumulative TFR Table (with annual enhancement coefficients)

Year	TFR for year	+ cumulative TFR to date, enhanced	Total	percentage enhancement	Cumulative TFR
1997	770,37		770,37	2,643947%	790,74
1998	770,37	790,74	1.561,11	2,626761%	1.602,12
1999	770,37	1.602,12	2.372,49	3,095745%	2.445,94
2000	770,37	2.445,94	3.216,31	3,538043%	3.330,10
2001	770,37	3.330,10	4.100,47	3,219577%	4.232,49
2002	770,37	4.232,49	5.002,86	3,504310%	5.178,18
2003	770,37	5.178,18	5.948,55	3,200252%	6.138,92
2004	770,37	6.138,92	6.909,29	2,793103%	7.102,27
2005	770,37	7.102,27	7.872,64	2,952785%	8.105,10
2006	770,37	8.105,10	8.875,47	2,747031%	9.119,28
2007	770,37	9.119,28	9.889,65	3,485981%	10.234,40
2008	770,37	10.234,40	11.004,77	3,036419%	11.338,92
2009	770,37	11.338,92	12.109,29	2,224907%	12.378,71
2010	706,17	12.378,71	13.084,88		

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