

WHEN AND HOW TO PAY THEM

When to pay national insurance contributions

National insurance contributions for each calendar quarter must be paid during the following periods:

- between 1 and 10 April, for the first quarter;
- between 1 and 10 July, for the second quarter;
- between 1 and 10 October, for the third quarter;
- between 1 and 10 January, for the fourth quarter.

National insurance contributions may not be paid earlier or later than these dates. If the last payment day is a Sunday or public holiday, payment may be made on the next working day. Failure to pay on time and in full will result in a fine levied by the INPS.

How to pay

From **1st April 2011**, national insurance contributions for domestic workers can be paid only in the following ways:

- **Using the MAV payment slip** (payment by notice). The NPS sends all employers of domestic work two MAVs for the payment of contributions concerning the first two quarters of 2011. The MAVs are already filled with the amount due. Should the elements for the calculation of contributions have changed (e.g., a variation in working hours), changes can be made on the site www.inps.it and get another MAV with the correct amount. After the first forwarding, those who intend to use the MAV for the payment of contributions, including employers who send new notices of hiring, can obtain the MAV payment slips by accessing the INPS site.
- Addressing the members of the circuit "**Reti Amiche**" and providing them the employer's tax code and the code of the employment relationship. The procedure will automatically calculate the amount of contributions depending on the data provided at the time of hiring or afterwards. Payment can be made at:
 - tobacco stores displaying the logo Servizi Inps
 - Unicredit bank branches
 - the Unicredit Spa internet site for customers registered with the online banking service.
- **Online on the INPS website** www.inps.it, payment by credit card.
- **Calling the Contact Center (toll-free number 803.164), payment by credit card.**

Whatever the mode chosen, using the employer's tax code and the code of the employment relationship, the total amount due for the maturing quarter is proposed, which is calculated on the basis of the data provided at the time of hiring or changed later with the appropriate communication. *Before confirming the amount, it is possible to ask the operator of the circuit "Reti Amiche" or the Contact Center's one - or the procedure, in the other modes of payment - an amendment of the elements that determine the calculation.* The new total amount to be paid will be automatically recalculated.

These payment systems allow to quickly verify the implementation of payments and to account the worker's position with the contributions.

It is possible to have **a second copy** of the receipt in order to give it to the worker. In case of payment by MAV, which doesn't issue the second copy of the receipt, at the top of the slip a statement is provided that the employer must complete with the inclusion of the date and his/her signature. As for the payment made by Contact Center, the receipt will be sent directly by the custodial bank to the e-mail address of the employer, who will subsequently receive two copies of the analytic receipt at his permanent address.

How to calculate the amount of due contributions

- The **amount** of the national insurance contribution due for each quarter is obtained by multiplying the hourly national insurance contributions by the number of hours paid in the relevant quarter (see below "Total hours pay during the quarter"). In order to calculate the hourly amount, the band must be located which corresponds to the **Effective Hourly Pay**, according to the attached tables (see below "Effective hourly pay"), and the corresponding **Hourly Amount**. *Example: with reference to an hourly pay of 8.66 euro (including the portion of 13th month's pay), the employer must pay for the year 2011 an hourly pay of 1.54 euro. The amount of the hourly contribution must be multiplied by the number of hours paid during the quarter.*

- **Total hours paid during the quarter:** the number of hours paid every week is to be multiplied by the number of weeks in the quarter that are in the verge of being paid. **NB: the reference working week runs from Sunday to Saturday**, so with each payment all hours paid during the weeks of the quarter that end with Saturday must be indicated. The hours paid in the days following the last Saturday of the quarter in question are added to those of the next calendar quarter.

Add up all the hours and fractions of an hour, then round up to a whole number of hours.

Not all quarters have 13 weeks (though 52 weeks = 1 year divided into four quarters = 13 weeks). The number of weeks depends on the number of Saturdays in the quarter. This is the number of weeks to which to refer for the payment of contributions.

Example: a domestic worker works 24 hours a week

24 hours x 13 Saturdays (13 weeks) = 312 (total hours worked in the quarter)

The hours worked in the days following the last Saturday of the quarter are regarded as belonging to the next calendar quarter.

- **Effective hourly pay:** it is obtained by adding together the monthly or hourly pay and a twelfth of the 13th month's pay. **Please note that the pay to be indicated at the time of hiring is the sum of the value paid in cash and the conventional value of board and lodging, when due.**

Example with hourly pay including only the 13th month's pay

Agreed hourly rate = € 8.00

Accrued "13th month" = € 8.00 / 12 = € 0.66

Effective Hourly Pay to be entered on the payment slip and considered in the choice of the pay band: 8.00 + 0.66 = € 8.66

Example with hourly pay including boarding and lodging

Agreed hourly rate = € 8.00

Board and lodging rate for 2011 = € 5.02

Hourly equivalent value of board and lodging: € 5.02 x 26 days / 170 hours = € 0.76

Accrued "13th month" = (€ 8.00 + € 0.76) / 12 = € 0.73

Effective Hourly Pay to be entered on the payment slip and considered in the choice of the pay band: 8.00 + 0.76 + 0.73 = € 9.49

The above examples refer to an hourly pay, since according to law the national insurance contribution to be paid to the INPS is always calculated on an hourly rate. If the wages are paid weekly, fortnightly or monthly, the employer must always recalculate the pay in terms of the hourly amount. He/she will then divide the wage paid during the period by the number of hours paid in the same period.

- **Cessation of the employment relationship:** in case of cessation of the employment relationship, the contributions for accrued but not used annual leave and for the notice of dismissal must also be paid. The payment must be made within 10 days from the date of cessation, taking into account the weeks that have to be paid and contributed, even though they don't correspond to the working activity. Failure to pay on time will result in a fine levied by the INPS.

IMPORTANT NOTICE

The compulsory notification of cessation must be done online, within five days, from the site www.inps.it, following the path Servizi Online>Per tipologia di utente>Cittadino>Lavoratori Domestici, or by calling the toll-free number 803.164.

- Along with national insurance contributions, the employer can also pay the contributions for contract assistance or for the financing of the bilateral fund, established by the signatories of the Collective Labour Agreement. He/she must indicate the reference number and the amount due to the organisation, to which he/she can turn for any problem regarding the payment.