

Domestic Work in Occupational Welfare

Access and benefits for employers of domestic workers

DOSSIER

15

THE VALUE OF DOMESTIC WORK

The economic and social role of families who employ domestic workers



Scientific Director

Massimo De Luca

This research project is an initiative by DOMINA, the Italian National Association of Families as Employers of Domestic Workers, signatory of the National Collective Agreement on Domestic Work (CCNL). This publication is a product of the DOMINA National Observatory on Domestic Work, with the scientific collaboration of the Fondazione Leone Moressa.



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STUDI E RICERCHE SULL'ECONOMIA DELL'IMMIGRAZIONE

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Presentation

by Lorenzo Gasparrini, Secretary General of DOMINA



A correct work-life balance is one of the main principles of existence for 21st century citizens. As we have highlighted in our previous research, domestic work is one of the main pillars enabling the reconciliation of work and family responsibilities in Italy. Today, the domestic sector is built on the role of families who, by their own means, finance and promote its progress. Over the years, however, the financial pressure associated with domestic labour has increased and is eroding the resources of households. We need measures to give new life to the sector and prevent families from being crushed by the costs of care. First of all, there is need for a new taxation system, without forgetting the existing resources. Sometimes, in addition to designing new solutions, it is necessary to study, convert and extend existing ones.

In order to be truly efficient, research must always be supported by comparison with other sectors. Benchmarking is one of the best marketing tools to identify both excellent and critical practices and processes, and to design new strategies, so why not use it to our advantage? The analysis carried out in this Dossier adopts this approach which allowed us to observe the current labour market. In particular, there is one aspect that seems to have an interesting potential in relation to the domestic sector, that is, occupational welfare, a globally widespread trend, especially in large companies. Although this resource cannot be integrated into the Italian National Collective Agreement on Domestic Work (CCNL), its potential is still undeniable. This study on occupational welfare aims to understand the scope of its use in relation to care work, both for companies and workers. As we already know, many domestic employers are workers themselves, but they are not aware of the possibilities offered by such resource. Companies, in turn, could use the opportunity to differentiate the range of benefits they offer and accordingly respond to an urgent need for care services that put employees at a disadvantage. Promoting work-life balance is a best practice to increase serenity and productivity.

Dossier 15

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OCCUPATIONAL WELFARE

The set of goods and services that companies may offer to employees and their families to supplement remuneration

Legal references to the Income Tax Consolidated Text, Articles 51 and 100

IN EUROPE



Anglo-Saxon liberal model. Strong occupational welfare, especially for work-life balance.



Very strong welfare state. Occupational welfare complementary to public welfare, generally included in collective bargaining.



OCIRP, private social security institution providing income support and training; CESU, corporate-funded vouchers for personal and household services.

BENEFICIARIES



COMPANIES Since 2016, tax benefits for those who provide occupational welfare have increased.



CORPORATE EMPLOYEES Services not subject to taxation, also extendable to family members.



TERRITORIES Services can be provided by affiliated local companies.

IMPACT ON THE DOMESTIC SECTOR



A CORPORATE EMPLOYEE



CAN BECOME EMPLOYER OF DOMESTIC WORKERS

BENEFITS

Tax exemptions on domestic workers' remuneration

OPPORTUNITIES

Services for corporate employees and their family members (highest demand in childcare and education services)

IMPACT ON THE SECTOR

- Ensuring traceable and certified services
- Fostering regularisation of domestic workers

To date, occupational welfare is not included in the National Collective Agreement on Domestic Work

COVID IMPACT



REGULATION

Decree-Law No. 104 of 14 August 2020, Article 112

Doubling for the threshold of occupational welfare in 2020



COMPANY AGREEMENTS

In February 2021, 57.2% of company agreements (declared at the Ministry of Labour) foresee occupational welfare schemes. Ministry of Labour data, 2020 (17% in 2016)



SPREAD

4 million employees in teleworking in Q2 2020 (19.4% of workers). In Q2 2019, 4.6% of the employed workforce worked from home



DOMINA
ASSOCIAZIONE NAZIONALE FAMIGLIE
DATORI DI LAVORO DOMESTICO

Firmataria del C.C.N.L. sulla disciplina del rapporto di lavoro domestico



FONDAZIONE
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STUDI E RICERCHE SULL'ECONOMIA
DELL'IMMIGRAZIONE

Objectives and methodology

In recent years, occupational welfare has become a reality for millions of workers, bringing concrete benefits for companies, workers and entire territories. 2016 is considered to be a watershed year; from that moment on the phenomenon, hitherto limited to a few sectors, was extended to a wide range of beneficiaries.

Five years later, it is now possible to draw a first balance on the application of occupational welfare tools in Italy. As shown by numerous studies, more and more companies and workers are benefiting from occupational welfare. This has some clear positive effects: access to numerous services, deductions from compulsory employers' social contributions, development of innovative services on the territory.

With this Dossier, DOMINA intends to investigate the topic from the specific point of view of families who employ domestic workers. In fact, occupational welfare is not limited to the well-known benefits such as shopping or fuel vouchers, but includes a very wide range of services and tools, as assistance to the elderly or persons dependent on care (e.g. housekeepers, carers, babysitters).

The Dossier provides an overview of occupational welfare in Italy, building on the main publications on the topic. It then explores current trends with reference to available data. Apart from focusing on the evolution of the phenomenon, the report analyses data on the use of occupational welfare in the household (e.g. for family assistance).

Finally, the research integrates three authoritative contributions. The first is signed by Edenred, one of the main providers of occupational welfare services, which presents the general characteristics of the phenomenon from the point of view of an entity that works with companies and beneficiaries on a daily basis.

The second contribution is provided by FIOM CGIL and FILCAMS CGIL. FIOM CGIL is the signatory trade union of the National Collective Agreement for the metalworking sector, the first contractual document which integrates occupational welfare. FIOM will present the point of view of employed workers as well as the history of the evolution of occupational welfare in Italy. FILCAMS CGIL, signatory of the National Collective Agreement on Domestic Work, will present the point of view of the domestic workers involved.

Lastly, the third contribution is signed by Gallas group, an agency specialised in the recruitment and selection of domestic workers and a possible provider of occupational welfare services.

The aim of the Dossier is to frame a rapidly expanding phenomenon, which many families have probably already heard about, while focusing on the aspects that might touch upon domestic work.

Occupational welfare in Italy: regulatory framework

At the beginning of the 21st century, the entire Western world underwent profound social and economic changes, resulting from trends that were already underway in the 20th century. While it is still challenging to fully understand these ongoing phenomena, it is clear that the challenges we are experiencing require substantial paradigm shifts. Just think of the demographic changes underway throughout Europe, and particularly in Italy (falling birth rates, rising life expectancy and an ageing population), or the changing role of women (their increased participation in the labour market), as well as the changes in family networks (less family members and different household structures compared to the past).¹

These trends had - and will increasingly have in the coming years - repercussions at economic and social level: labour market structures, social security systems and social mobility have been directly impacted. As for welfare, for some years now the debate - first at international level and recently also in Italy - has focused on the opportunity to integrate the traditional resources managed by the State (public welfare) with other instruments increasingly managed by companies or other private individuals (occupational welfare).²

In terms of studies and analyses on occupational welfare, in 2011 the working group *"Percorsi di secondo welfare"* [Occupational welfare pathways] was created to focus precisely on the analysis of this phenomenon. This working group is responsible for the publication of a biannual report on occupational welfare in Italy. The fourth and latest edition was published in 2019.³

Although public welfare still provides protection for most citizens (e.g. sickness and accidents benefits, disability allowances, unemployment benefits, allowances to reduce extreme poverty, pensions), ongoing social changes increase citizens' needs, with fewer resources available. For this reason, occupational welfare offers an opportunity to integrate and support

¹ cfr. DOMINA Observatory (2019), First Annual Report on Domestic Work in Italy, Rome.

² A mix of non-publicly funded social protection benefits and investment, provided by a wide range of economic and social actors connected in firmly rooted local networks, which are gradually taking over and complementing public welfare.

³ Maino F., Ferrera M. (2019) (edited by), *Nuove alleanze per un welfare che cambia. Quarto Rapporto sul secondo welfare in Italia 2019* [New alliances for a changing welfare. Fourth Report on Occupational Welfare in Italy 2019], Turin, Giappichelli.

public services, with a view to the interaction and synergy between public and private sectors.

The same authors of the report on occupational welfare underline that this cannot - and must not - be an alternative to public welfare, and that the way forward must be an efficient, effective and fair virtuous combination between public welfare (public and inclusive, adequately financed and appropriately balanced) and occupational welfare.

In the meantime, occupational welfare has moved beyond the pilot phase and is becoming increasingly structured as a widespread reality, both in terms of the number of sectors involved and its turnover.

We should start by defining the scope of occupational welfare. The Italian expression "*secondo welfare*" [occupational welfare] was first introduced in 2010 by Dario Di Vico, journalist of the Italian newspaper *Corriere della Sera*, in order to frame a new generation of social policies, developed outside the public sphere, which combines the experiences of local authorities, foundations and companies. Occupational welfare does not replace the welfare state, but complements and integrates it.

Occupational welfare remains a concept open to new actions and experiences. Currently, it generally includes:

- initiatives linked to local territories and communities;
- actions promoted by civil society or intermediary associations;
- actions based on synergies between public, private and non-profit actors;
- voluntary additional social protection coverage, especially in the field of pensions and health insurance;
- private welfare (e.g. insurance services);
- occupational welfare and benefits provided under contractual agreements.

This phenomenon originated in Anglo-Saxon countries (especially in the United States), where the welfare state is traditionally limited and where the market generally plays a significant role.

Even in Northern Europe, which is historically the cradle of the welfare state, additional social services started being developed in the 1990s as a supplement to public welfare. Differently,

in Mediterranean countries the welfare system has historically relied on the prominent role of families – who are at times truly overloaded.

Occupational welfare, the main subject of this Dossier, includes the set of goods and services that a company makes available to employees and their families as a supplement to remuneration.

The reference law in Italy is the Income Tax Consolidated Text (TUIR, 1986)⁴: the combination of Articles 51 and 100 provides for a favourable tax regime for amounts made available by the company to employees through particular categories of benefits. These include social security contributions and contributions for healthcare, education and training, scholarships, care services for elderly or dependent family members. The following do not contribute to generating income: i) the above-mentioned contributions paid by the employer or employee for an amount not exceeding EUR 3,615.20; ii) access to services made available to the employee and his/her family members by the employer; iii) sums and benefits paid by the employer to employees for their family members' access to education, training and scholarships, canteens services, for attending recreation centres, summer and winter camps as well as for care services addressed to elderly or dependent family members.

The first concessions on reduced social security contributions and tax reliefs linked to productivity gains were introduced in 2007 by the Prodi Government (Law 247/2007). This initiative was then overshadowed by the economic crisis and remained de facto stalled until 2015. The 2016 Stability Law (Law 208/2015) is seen as the turning point for occupational welfare: it restored the 10% reduced taxation on the personal income tax (IRPEF) for productivity bonuses up to EUR 2,000 gross (EUR 2,500 for companies that actively involve workers); the annual income threshold to access such benefits was raised up to EUR 50,000. The Stability Law entitled employers to provide benefits by means of identification documents in paper or electronic format reporting a nominal value (vouchers). This provision paved the way towards occupational welfare also for employers of smaller companies.

All observatories agree that occupational welfare is a beneficial measure for all actors involved. As previously mentioned, the term 'occupational welfare' identifies the provision of

⁴ Decree No. 917 of the President of the Republic of 22 December 1986.

services and goods with a social purpose. Before 2016, companies that voluntarily provided the above-mentioned services at their own expenses were allowed to deduct from their business income an amount not exceeding 5 per 1,000 of the expenditure for employee services resulting from the income tax return (Article 100 of the Income Tax Consolidated Text). For expenses incurred in accordance with provisions of contract, agreement or regulation determining the fulfilment of a negotiated obligation, the 2016 Stability Law provides for the full deductibility of the related costs borne by the employer pursuant to Article 95 of the Income Tax Consolidated Text.

In addition to the tax advantages for companies, workers also have access to significant benefits: if the cash bonus is replaced by in-kind services, it does not constitute income, nor is it subject to the 10% substitute tax.

First of all, we must not forget that an employee's salary is made up of several elements: direct remuneration consists of fixed pay (minimum pay, contingency allowance, extra allowance paid over minimum salary, etc.), variable pay (incentives, bonuses, profit-sharing, productivity bonuses) and severance pay.

To this, we must also add indirect pay, which may result from shareholdings and benefits. The notion of occupational welfare develops around the very term 'benefits' as it identifies a number of services and benefits made available by the employer to its employees in order to increase their well-being and - possibly - productivity, with tax benefits.

Tab 1. Remuneration structure

VARIABLE PAY (incentives, bonuses...)	DIRECT REMUNERATION	TOTAL REMUNERATION
FIXED PAY (payslip)		
BENEFITS (supplementary pension, company car, etc.)	INDIRECT REMUNERATION	
SHAREHOLDINGS		

Source: Fondazione Leone Moressa

To give an example, a performance bonus of EUR 1,000 for a worker would translate into about EUR 800 net if it were included in the payslip - as it is subject to company charges, taxes to be paid by the worker and social security contributions. If, on the other hand, it is offered in the form of welfare service, the worker receives a net amount of 100% of the bonus, as clarified above. Moreover, the benefits can also be extended to the worker's family members - even if they are not live in or dependent on the worker for tax purposes - namely parents, children, spouses, etc.

In addition, the positive impact on the territory should not be underestimated; service providers can be selected from local companies, bringing a real benefit to these realities.

Tab 2. Comparison between bonus included in the payslip or provided through occupational welfare

TOTAL EUR 1,000 IN THE PAYSIP	TOTAL EUR 1.000 IN WELFARE
COMPANY CHARGES, TAXES TO BE PAID BY THE WORKER, SOCIAL SECURITY CONTRIBUTIONS	EUR 1,000 NET AMOUNT PAID TO THE WORKER
EUR 800 NET AMOUNT PAID TO THE WORKER	

Source: Edenred

Actually, the services available to the worker can be provided through vouchers or 'reimbursement' of expenses incurred. This mainly applies to medical expenses, care of family members, education or public transport. Depending on the provider, workers are offered access to a wide range of benefits, from coverage for health and care expenses, to vouchers for travels, culture, shopping or fuel.

the recent health emergency caused by the COVID-19 pandemic has had an impact on the provision of occupational welfare. Article 112 of Decree-Law 104/2020 ('August Decree') provided for a doubling of the exemption threshold for occupational welfare (see table 3).

By amending Article 51, paragraph 3 of the Income Tax Consolidated Text, the tax exemption threshold for fringe benefits was increased from EUR 258.23 to EUR 516.46. This intervention was limited to the 2020 tax year only, yet it proves that the spread of occupational welfare benefits both the company that adopts it and the employee who benefits from it.

Tab 3. Decree-Law No. 104 of 14 August 2020

Article 112

Doubling of the threshold for occupational welfare in 2020

- 1. Limited to the tax year 2020, the amount of the value of goods sold and services provided by the company to employees that do not contribute to the generation of income pursuant to Article 51, paragraph 3, of Decree of the President of the Republic No. 917 of 22 December 1986, is raised to EUR 516.46.*
- 2. The costs arising from this Article, estimated at EUR 12.2 million for the year 2020 and EUR 1.1 million for the year 2021, shall be covered in accordance with Article 114.*

Occupational welfare in Europe

Given the high cost of labour, it is not surprising that occupational welfare has been a growing phenomenon in Italy since the adoption of the 2016 Stability Law. Against this backdrop, it is interesting to understand what the situation is like in other European countries.

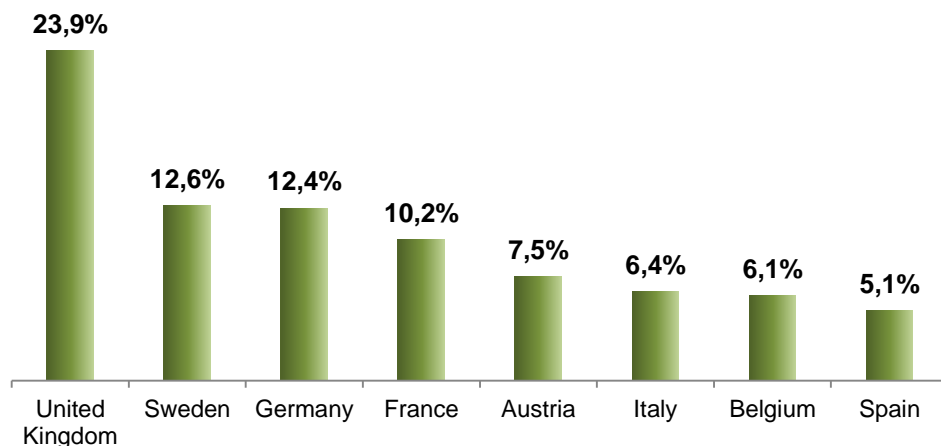
First of all, we should acknowledge that the phenomenon is widespread in many countries: better known as welfare mix, societal welfare, community welfare and others, the range of initiatives that we identify as occupational welfare are already present in many EU countries.⁵ However, it is not easy to find articles that explore the issue of occupational welfare and take a comparative approach at European level. The research "PROWELFARE - providing welfare through social dialogue: a new role for social partners?", carried out in 2013 with funding from the European Commission, allowed to map the set of welfare benefits and services provided by social partners or employers in some Member States.

First, we will analyse the level of voluntary private spending on welfare in the main European countries (source: OECD). Voluntary private spending on welfare as a percentage of total spending varies from 24% in the United Kingdom to 5% in Spain.

It is clear that countries with a liberal tradition, such as the United Kingdom, are pushing towards private welfare, while in Southern European countries (Italy and Spain), private spending on welfare is lower. Four European countries are analysed in detail below: France, Sweden, the United Kingdom, and Spain.

⁵ First report on occupational welfare in Italy, 2013. Maurizio Ferrera "*Secondo welfare: perché? Una introduzione*". [Occupational welfare: why? An introduction].

Fig 1. Private spending on total spending. 2017



Source: Fondazione Leone Moressa, based on OECD data

France. The first case study is about **OCIRP**, a French bilateral scheme aimed at providing income support and training funding. This is a private social protection institution that complements compulsory schemes and allows workers to access private welfare services defined within company or sectoral collective agreements. Workers can join OCIRP and benefit from the services offered under this scheme provided that the category/sector or company in which they work are included in the collective agreements. In other words, membership is only possible on the basis of contractual rules.⁶

In addition, the **pre-paid CESU** is a voucher entirely or partly financed by private or public companies and offered to their employees. It is used for personal or childcare services.

Sweden. Public welfare in this country has historically provided a wide range of services to citizens, assisting them at all stages of life and providing a high level of social protection. Accordingly, one could expect the scope of occupational welfare to be limited, but this is not

⁶ M. Faioli, L. Rebuzzini, *Conciliare vita e lavoro: verso un welfare plurale* [Reconciling work and life: towards multiple welfare schemes] Fondazione Giacomo Brodolini, Rome.

the case according to OECD data: voluntary occupational welfare (VOW) is considered complementary to the public welfare system. In most cases, measures are introduced through collective bargaining. This instrument mainly focuses on work-family balance, with measures targeted to the provision of additional help for families. The development of voluntary occupational welfare stems from the willingness of employers to make their business more attractive and of trade unions to balance the slowdown in wage growth by offering services or income support.⁷

United Kingdom. This country is characterised by the liberal welfare state, hence there are very few taxes, as well as few services provided. Basically, the goal is to fight poverty and address citizens' urgent needs. This explains why private expenditure on welfare is very high, as reported in the "PROWELFARE" study: companies manage the provision of these services, while trade unions only play a residual role. Companies can offer their employees competitive wages regardless of shortcomings in public welfare provision. Private welfare services particularly target the reconciliation of work and family life. Specific tax advantages are granted to companies for the provision of these services.

Spain. The "PROWELFARE" research shows that collective agreements in Spain offered some benefits already in the 1960s, but public welfare was considered to cover most citizens' needs. Public spending cuts gave new impetus to the introduction of voluntary occupational welfare in collective agreements, in particular with the laws that framed supplementary pension funds (1987) and introduced tax benefits for these funds (1995). In most cases, the provision of voluntary occupational welfare is guaranteed through sectoral or company collective agreements, but its development has suffered a setback due to the economic crisis. In fact, it is particularly widespread in the health sector, where voluntary private spending is higher than the average of other European countries analysed in the research. In most cases, it is provided in the form of income support for sickness or accidents. As regards the reconciliation of work and family life, extending maternity leave is the most common form of intervention.

⁷ PROWELFARE, 2013.

Data and trends of a growing phenomenon in Italy

In the Italian labour law, collective bargaining regulates work by defining the general principles of protection and remuneration. Collective bargaining in Italy can be conducted either in the form of national collective agreements (first level) or company or territorial collective agreements⁸ (second level).

National collective agreements establish the remuneration and regulatory principles applying to all workers in a given sector, as well as the matters delegated to company and territorial agreements.

Company or territorial collective agreements address specific business or local needs.

In order to fully access occupational welfare,⁹ services/benefits should be provided in the context of company or territorial agreements. Once undersigned, the contract must be presented within thirty days to the competent Territorial Labour Office, otherwise the tax relief or reduction will not be applied.

Following the publication of the Interministerial Decree of 25 March 2016 on tax deductions for productivity bonuses, the Ministry of Labour made available the procedure for the electronic filing of company and territorial agreements. Since there is an obligation to file the agreement in order to access the tax incentives, the Ministry has a complete database of welfare agreements for which the tax incentive is requested and analyses these data by issuing periodic reports.

We have analysed all reports published since 16 July 2016 and reported the most recent outcomes in table 4 (14 November 2018 – 15 February 2021). This official information allows to frame the phenomenon, understanding that data are not exhaustive as not all agreements are filed with the Territorial Labour Office.

⁸ Territorial welfare, on the other hand, is based on "territorial agreements" which provide for the activation of goods and services in favour of the staff of small and medium enterprises that do not have an internal union representation and, therefore, cannot benefit from the tax reliefs provided for by the regulation. *WELFARE AZIENDALE: APPROCCI E STRUMENTI* [Occupational welfare: approaches and instruments] IRS - Istituto per la Ricerca Sociale [Italian Institute for Social Research].

⁹ Article 95 of the Income Tax Consolidated Text.

Table 4 shows a gradual increase in the number of declarations of conformity (forms) drawn up in accordance with Article 5 of the Ministerial Decree of 25 March 2016. Instead, the number of declarations referring to active contracts (i.e. in force in the reference year) vary significantly within the time frame analysed. Most refer to company agreements, although territorial agreements are growing.

Tab 4. Declaration of compliance*

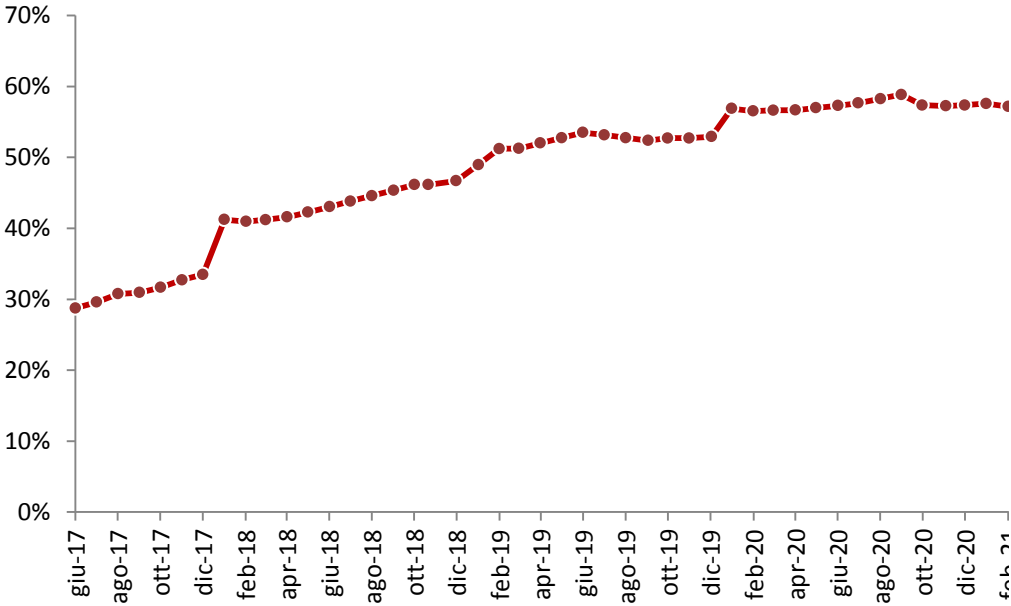
	Declaration of compliance	Active contracts	Company agreements	Territorial agreements
14-Nov-18	39,287	16,367	81.6%	18.4%
14-Dec-18	40,693	17,630	81.3%	18.7%
14-Feb-19	42,564	9,923	84.6%	15.4%
14-Mar-19	43,229	10,441	84.8%	15.2%
14-Apr-19	44,017	11,023	85.2%	14.8%
14-Jun-19	46,944	13,443	81.2%	18.8%
15-Jul-19	48,457	14,677	80.8%	19.2%
16-Sep-19	50,004	15,874	77.8%	22.2%
14-Oct-19	50,847	16,577	77.3%	22.7%
14-Nov-19	51,707	17,300	77.6%	22.4%
16-Dec-19	52,588	17,937	77.6%	22.4%
14-Jan-20	53,360	10,272	74.5%	25.5%
14-Feb-20	53,922	10,666	74.9%	25.1%
14-Mar-20	54,319	11,061	75.6%	24.4%
15-Apr-20	54,677	11,142	75.7%	24.3%
14-May-20	54,991	11,329	75.7%	24.3%
15-Jun-20	55,459	11,675	75.7%	24.3%
14-Jul-20	56,131	11,998	76.2%	23.8%
14-Sep-20	57,393	12,939	77.0%	23.0%
14-Oct-20	58,215	13,630	77.3%	22.7%
17-Nov-20	59,036	14,338	76.4%	23.6%
14-Dec-20	59,396	14,583	76.8%	23.2%
14-Jan-21	60,082	7,840	73.8%	26.2%
15-Feb-21	60,664	8,208	74.6%	25.4%

* List of monthly reports published by the Ministry

Source: Fondazione Leone Moressa, based on data from the Ministry of Labour and Social Policies

With a view to occupational welfare, figure 2 shows that 28.7% of active contracts in June 2017 were company or territorial agreements providing for occupational welfare. This share has been gradually increasing, reaching 57.2% in February 2021.

Fig 2. Time series on the impact of occupational welfare in active contracts



Source: Fondazione Leone Moressa, based on data from the Ministry of Labour and Social Policies

While the number of contracts has decreased as a result of the pandemic, those providing for occupational welfare have continued to grow.

This might also be linked to Article 112 of the August 2020 Decree which doubled the tax exemption limit for occupational welfare services and benefits for the 2020 tax period only (from EUR 258.23 to EUR 516.46).

The analysis of the growth of occupational welfare during 2020 clearly shows the impact of the Decree: in September 2020, the impact of occupational welfare in active contracts was close to 59%.

Tab 5. Occupational welfare in active contracts *

	Active contracts	Occupational welfare	Inc. occupational welfare in active contracts
Jan-20	10,272	5,843	56.9%
Feb-20	10,666	6,030	56.5%
Mar-20	11,061	6,265	56.6%
Apr-20	11,142	6,314	56.7%
May-20	11,329	6,455	57.0%
Jun-20	11,675	6,689	57.3%
Jul-20	11,998	6,918	57.7%
Sep-20	12,939	7,616	58.9%
Oct-20	13,630	7,820	57.4%
Nov-20	14,338	8,210	57.3%
Dec-20	14,583	8,365	57.4%
Jan-21	7,840	4,515	57.6%
Feb-21	8,208	4,692	57.2%

* List of monthly reports published by the Ministry

Source: Fondazione Leone Moressa, based on data from the Ministry of Labour and Social Policies

Regardless of the tax advantage, the provision of occupational welfare has steadily increased in recent years. The Ministry's latest report¹⁰ shows that 4,692 contracts currently provide for occupational welfare: this value is remarkable compared to July 2016, when the Ministry found just over 2,000 contracts providing for occupational welfare, with a 17% impact on the total.

As previously highlighted, these data are not an exhaustive measurement of occupational welfare as they do not take into account initiatives adopted by companies without signing and filing agreements, i.e. the so-called voluntary welfare. However, tax deductions applied to this kind of welfare should not exceed the limit of 5 per 1,000 of the total cost of labour, as provided for by Article 100, paragraph 1, of the Income Tax Consolidated Text, while welfare resulting from company collective bargaining is fully deductible.

¹⁰ February 2021.

For a more in-depth analysis, several research try to quantify the phenomenon through observatories or surveys sent to companies.

Table 6 shows the main outcomes of some of these studies. While exploring different contexts, they convene on the growth of occupational welfare and on its greater spread among larger companies.

Tab 6. Comparison of research on occupational welfare

SURVEY	METHODOLOGY	MAIN OUTCOMES
Cisl OCSEL Observatory (trade union) 2016, 2017, 2018	Observatory on second-level bargaining, analyses agreements signed by companies.	Spread of occupational welfare: the share of agreements increased from 22% in 2016 to 39% in 2018.
CONFINDUSTRIA 2018	Survey by the Confindustria research centre involving 4,207 companies, for a total of 726,642 workers.	57.6% of member companies provide at least one welfare service to their employees not in managerial positions.
Welfare Assolombarda Observatory (employers' association) 2017	Analysis of company agreements carried out in Assolombarda.	38% of company agreements signed in Assolombarda in 2017 provide for occupational welfare. They concern 25,000 workers.
Welfare Index PMI [SMEs] 2019	Welfare Index PMI, promoted by the insurance company Generali Italia with the participation of Confindustria, Confagricoltura, Confartigianato and Conprofessioni. It analyses the level of welfare in 4,561 small- and medium Italian enterprises.	In micro-enterprises (<10 employees), it rose from 6.8% in 2017 to 12.2% today. In small enterprises (10-50 employees) from 11% in 2016 to 24.8% today. In medium enterprises (51-250 employees) from 20.8% in 2016 to 45.3% today, with a particularly sharp increase in the last year.
4° Censis-Eudaimon Report on occupational welfare 2021	Censis-Eudaimon sample survey.	According to data from this sample survey, 87% of the organisations involved will increasingly depend on welfare in the near future.

Source: Fondazione Leone Moressa

Data provided by Confindustria show that occupational welfare is widespread among its member companies, 57.6% of which provide at least one service.

The Assolombarda Observatory also highlights the great share of company agreements among its members, covering a total of 25,000 employees.

The 5th OCSEL Observatory reports an increase in occupational welfare in recent years. The agreements surveyed by OCSEL show an impressive growth in welfare bargaining. While in 2015-16 23% of agreements included welfare services, in 2018 this percentage rose to 38%. There is no doubt, as repeatedly indicated in the agreements, that this growth has been favoured by tax and contributory benefits.

The Confindustria survey also highlights the higher prevalence of agreements in large enterprises: 21.3% of member companies finalise such agreements. The impact of company agreements is higher among employees than companies as they are more widespread in larger companies.

In the industry sector, excluding construction, the share of company agreements goes from 10.4% in companies with up to 15 employees, to 32.6% in companies with 16-99 employees, reaching 73.1% in those with 100 or more employees.

The 2019 Welfare Index PMI [SMEs] survey also reveals that larger companies are at greater advantage of finalising these agreements:¹¹ Larger companies remain at an advantage, with a 71% share of very active companies, well above all other segments.

A more recent survey by Censis-Eudaimon¹² estimates that if all companies in the private sector were to adopt occupational welfare measures, an overall economic value of about EUR 53 billion could be generated.

The same report shows that for 87.2% of companies, occupational welfare will be increasingly important in the future to improve the internal cohesion of their staff and to offer new skills. The Censis-Eudaimon report shows that, despite the pandemic, companies are positive about the near future and will also focus on occupational welfare. The surveyed companies reported that their priority will be to relaunch their business and win back their market by focusing on new opportunities (76%), followed by the development of a digital culture (36.2%) and increased attention to the needs of workers and their families, also by providing more occupational welfare services (27.6%).

¹¹ 2019 Report.

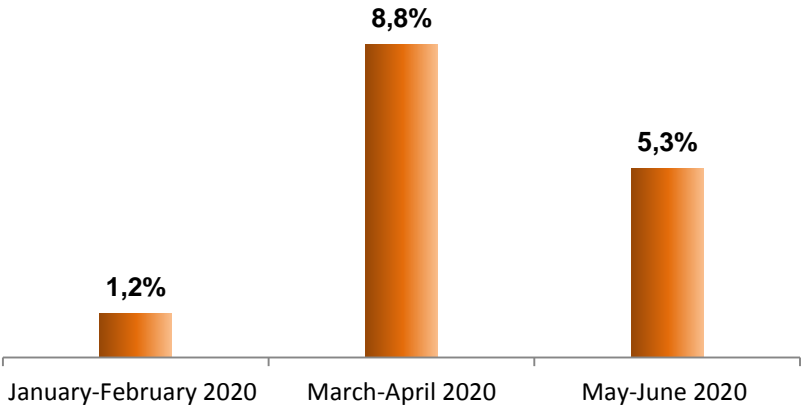
¹² 4° *Rapporto Censis-Eudaimon sul welfare aziendale. Imprese, lavoratori e welfare aziendale nella grande trasformazione post Covid-19*. [4° Censis-Eudaimon report on occupational welfare. Companies, workers and occupational welfare in the big transformation post COVID-19] Rome, 24 March 2021.

Overall, goods and services provided under occupational welfare regimes can be classified as follows:¹³ "money", i.e. in-cash family income support, "services" offered to support employees, and "time", i.e. work flexibility.

Remote working falls into the latter category, as it increases the work-life balance, allowing employees to better manage their daily activities. The pandemic has fostered remote working due to the lockdown restrictions imposed by the Government and the need for companies to ensure workers and consumers' safety.

The Italian National Institute of Statistics (ISTAT) has investigated the phenomenon of teleworking, which was extremely uncommon before the pandemic. In the months immediately preceding the crisis (January and February 2020), only 1.2% of employees worked remotely, excluding businesses where the work cannot be carried out outside the company premises.¹⁴ The impact of teleworking has increased sharply with the health crisis, reaching 8.8% of staff in remote work in March-April 2020.

Fig 3. Share of company staff in remote work on the total employed workforce



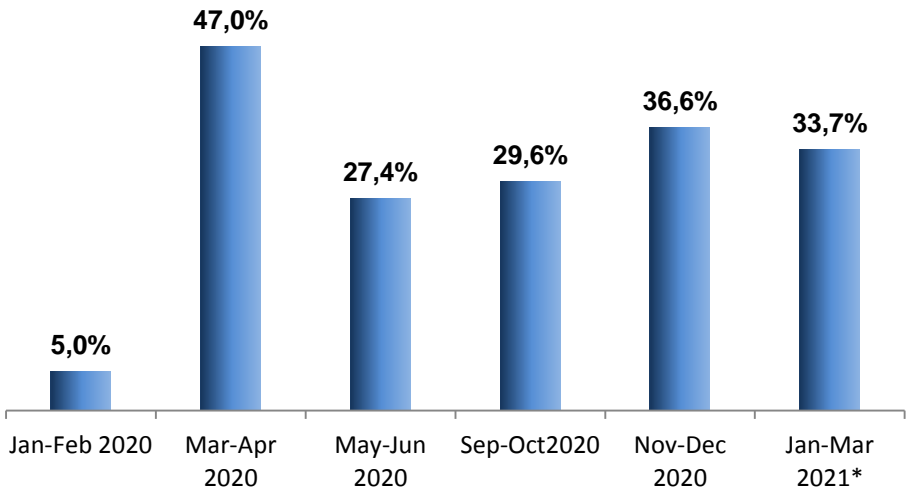
Source: Fondazione Leone Moressa, based on ISTAT data

¹³ *WELFARE AZIENDALE: APPROCCI E STRUMENTI*. [OCCUPATIONAL WELFARE: APPROACHES AND INSTRUMENTS]. *IRS - Istituto per la Ricerca Sociale* [Italian Institute for Social Research].

¹⁴ *Situazione e prospettive delle imprese nell'emergenza sanitaria COVID-19*. [Situation and perspectives of companies during the COVID-19 health crisis] ISTAT, 15 June 2020.

The pandemic has prompted companies to resort to remote work as never before. This has also enabled them to acquire the necessary elements to assess the effects of teleworking on various organisational aspects and business performance. An ISTAT survey¹⁵ points out that in January/February 2020 the share of teleworking in companies resorting to remote work was no higher than 5%. This share increased to 47% in March and April 2020, and then became stable at 30% in the months following the loosening of lockdown restrictions.

Fig 4. Share of teleworking in companies resorting to remote work



*Declared forecast. Survey concluded in November

Source: Fondazione Leone Moressa, based on ISTAT data

According to ISTAT, in Q2 2019 4.6% of the total employed workforce worked remotely, while in Q2 2020 this share rose to 19.4% of workers, for a total of over 4 million employed. In this context, the pandemic led to the promotion of occupational welfare at least for teleworking. This change seems to have become structural in some companies that continue to resort to remote work.

¹⁵ *Il mercato del lavoro 2020. Una lettura integrata.* [The labour market 2020. An integrated analysis] Ministry of Labour and Social Policies, ISTAT, INPS, INAIL and ANPAL.

Occupational welfare: personal and household services

Analysing the main trends in occupational welfare in Italy, it is easier to understand the link between this phenomenon and the domestic work sector. If, on the one hand, domestic employers cannot offer flexible benefit services to their employees in the same way as traditional companies, it must be considered that many of them are themselves employees outside the household.

The impact of occupational welfare on family dynamics is essentially twofold. First, many of the flexible benefits provided can also be used by the employee's family members. Moreover, some of these services are closely linked to care or assistance work (e.g. babysitting).

Occupational welfare services include, for example, health insurances, supplementary pensions, leisure services, shopping or fuel vouchers. With regard to family assistance, employees have the possibility to benefit from care services addressed to elderly or dependent family members, and these benefits are not subject to taxation.

A breakthrough in this context has been the introduction of paragraph 2 letter f-ter in Article 51 of the Income Tax Consolidated Text, which clarifies that the employee's income is not affected by the amounts and benefits provided by the employer to all employees or categories of employees for the use of care services for elderly or dependent family members as indicated in Article 12.

The same applies to education and training services, as stated in paragraph 2, letter f-bis: the amounts, services and benefits provided by the employer to all employees or categories of employees and addressed to their family members, as indicated in Article 12, for accessing education and training services, including early childhood education and care, supplementary services associated with education and training such as canteen services, as well as for attending recreation centres, summer and winter camps, and for scholarships awarded to the same family members.

These changes have encouraged the use of occupational welfare also for services related to the work-life balance or elderly care. Following, a summary scheme extracted from the practical guide *"Un welfare aziendale per imprese e territori"* [Occupational welfare for companies and territories] published by the Lombardy region and exploring the provision of personal and household services under occupational welfare schemes.

Tab 7. Research on occupational welfare

SERVICES	CONDITIONS	BENEFICIARIES
<p>EDUCATION AND TRAINING SERVICES (Art. 51, paragraph 2, letter f-bis) on the Income Tax Consolidated Text</p> <p>E.g.: early childhood education and care services (nursery schools, kindergartens and related expenditure); day-care centres, summer and winter camps, scholarships for family members, university fees, textbooks, babysitting (as a 'supplementary education service').</p>	<p>Only available for family members. In-cash payment as reimbursement of expenses ('refundable' welfare). Benefits may be granted voluntarily by the employer (then deductible from business income for up to 5 per 1,000 of expenditures on employed staff) or in accordance with contractual provisions, company agreements or regulations (then fully deductible).</p>	<p>While these services are offered to all or some categories of employees, only family members can benefit from them.</p>
<p>CARE SERVICES (Art. 51, paragraph 2, letter f-ter) on the Income Tax Consolidated Text</p> <p>Amounts and benefits paid by the employer for the use of care services for elderly or dependent family members.</p>	<p>Only available for family members. In-cash payment as reimbursement of expenses ('refundable' welfare). Benefits may be granted voluntarily by the employer (then deductible from business income for up to 5 per 1,000 of expenditures on employed staff) or in accordance with contractual provisions, company agreements or regulations (then fully deductible).</p> <p>Elderly people = over 75 y.o. (even self-sufficient).</p>	<p>While these services are offered to all or some categories of employees, only family members can benefit from them.</p>

Source: Fondazione Leone Moressa

We should now try to understand the spread of welfare services related to family assistance and work-life balance. The surveys on occupational welfare highlight some of these issues. With regard to assistance to elderly or dependent family members, the phenomenon is less widespread, yet it is growing and it is in fact ahead of its time.

As reported by the Italian National Foundation of Accountants, turning to letter f-ter) introduced ex novo by the 2016 Stability Law, we learn that the amounts and services provided for the use of care services for elderly or dependent family members will also represent benefits excluded from taxation for employees. Once again, this is a sign of the Legislator's willingness to adapt to changes in society, capturing an undoubtedly growing demand for services in a sector such as elderly care.¹⁶

In 2018, Confindustria was the first to report data on care services for the elderly. The spread of forms of assistance for elderly or dependent family members is limited to an average of 2.8%, but this share is likely to increase in the future due to both the recent extension of tax incentives applied to this form of welfare and the growing demand for care services as a result of population ageing. One in ten large companies already offers this type of benefit to employees.

Welfare services in the field of education and training and addressed to employees' family members is more widely used: 6% of the total of companies and 22% of companies with over 100 employees offer these services.

Occupational welfare linked to the care of family members is also growing according to the Italian Welfare Index PMI survey, but it is still in a pilot phase: in fact, only 2.2% of small and medium enterprises activated initiatives linked to care services in 2019.

Also, this survey frames a higher spread of services targeting the reconciliation of work and family life, with 59.2% of the surveyed enterprises having activated initiatives in this area. There is a wide range of possible actions, essentially of an organisational nature (such as time flexibility, work permits and remote working) or in the form of work facilitation. This is the key area where SMEs have strengthened their offer in recent years: in the first edition of the Welfare Index PMI run in 2016, the rate of enterprises offering these services did not reach 40% of SMEs.¹⁷

¹⁶ *La legge di stabilità 2016 spinge il welfare aziendale con la leva fiscale*. [The 2016 Stability Law pushes occupational welfare with fiscal leverage]. Manuela Sodini.

¹⁷ *Welfare Index PMI – Rapporto 2019* [SME Welfare Index – 2019 Report].

Tab 8. Share of enterprises providing care services for elderly and dependent family members to their employees not in managerial positions

Enterprise size	Spread %	Spread by "source"		
		Unilateral Decision	Included in company agreements	Included in the National Collective Agreement (CCNL)
1-15 employees	1.7	0.9	0.3	0.5
16-99 employees	2.6	1.1	0.9	0.6
100+ employees	10.0	3.5	4.6	2.6
Total	2.8	1.2	0.9	0.7

Source: Fondazione Leone Moressa, based on Confindustria data

Tab 9. Share of enterprises providing amounts and services in the field of education, training, leisure and scholarships for family members of employees not in managerial positions

Enterprise size	Spread %	Spread by "source"		
		Unilateral Decision	Included in company agreements	Included in the National Collective Agreement (CCNL)
1-15 employees	3.2	1.7	1.1	0.3
16-99 employees	6.2	2.3	2.1	1.8
100+ employees	22.1	9.5	9.9	3.9
Total	6.0	2.7	2.3	1.2

Source: Fondazione Leone Moressa, based on Confindustria data

Tab 10. Share of enterprises that launched initiatives in the field of assistance

	2016	2017	2018	2019
Enterprises with at least one initiative	0.1	1.1	1.7	2.2
Assistance to elderly and dependent family members	N.A.	1.0	1.2	1.2
Specialist childcare/paediatric services allowances	0.1	0.2	0.6	1.3

Source: Fondazione Leone Moressa, based on Confindustria data

These analyses reveal that raising awareness and applying occupational welfare is an opportunity for both companies and employees. Moreover, incentives for services related to the reconciliation of work and family life and care would also contribute to the regularisation of several niches in the domestic sector, also benefitting the State in terms of tax contributions. To confirm the benefits described so far in theory, the last section of this Dossier presents two contributions from a provider of occupational welfare services and a company that has benefitted from occupational welfare for years.

Insights

Contribution from Edenred, provider of occupational welfare services

In recent years, occupational welfare is becoming increasingly popular, also among small companies. What are the benefits? In terms of figures, what is the response of workers to joining occupational welfare schemes?

Occupational welfare has developed exponentially in recent years. It provides great value when it comes to meeting social needs, offering concrete solutions through a wide range of goods, services and benefits that significantly improve work-life balance, well-being and productivity.

However, the uptake of occupational welfare schemes on the Italian market stands at 17/18%; therefore only 3 million out of 18 million companies in Italy provide benefits (meal vouchers) for their employees. A large share of the market is still not familiar with these tools, leaving great room for growth and development. As Edenred, we estimate that there are still around 6/7 million companies that could be interested in implementing occupational welfare plans.

Welfare plans can be implemented by small, medium and large enterprises alike and, for the beneficiary workers, the great value of occupational welfare is its scalability. It can be designed to meet the needs of different workforces, and this flexibility makes it a dynamic instrument, hence suitable and adaptable to the emergence of new needs, which may concern additional or different categories of recipients.

Our 12,000 corporate clients choose us mainly for two reasons: the wide range of solutions we can create ad hoc for our companies and the expertise of our professionals.

What are the challenges of occupational welfare to the country-system as a whole? What is the relationship with the traditional (public) welfare system?

Welfare regulations have triggered a virtuous circle: not only do they introduce tax relief for the company and the employee, but they also generate an important cultural change, accelerating the spread of digital platforms and linking well-being to productivity.

With regard to welfare in the public sector, Edenred promoted the research "Il Welfare aziendale nelle utilities" [Occupational welfare in the utilities] carried out by the AASTER Consortium, in collaboration with UTILITALIA, the main association representing companies in the sector.

This study showed that 52.8% of the responding companies have implemented an occupational welfare plan and introduced a productivity bonus, resorting to the 2016 regulatory provisions as regards detaxation of bonuses. Moreover, 50% of utilities also allocate the company's tax advantage to the benefit of workers, and 33% have introduced occupational welfare plans. Thus, in general, this presents an interesting picture as for the relationship between the para-public sector and occupational welfare.

What does a provider offer to member companies? How can companies join these programmes?

First and foremost, adaptable solutions and personalised advice: there is no "one-size-fits-all" approach to occupational welfare, but targeted solutions for every company.

Edenred also has the widest network of stores and affiliated structures in Italy - with 32,000 partners nationwide - to ensure that welfare credit can be spent to the fullest extent possible, and offers an online management platform for customers, and a simple, user-friendly portal for employees.

Last but not least, Edenred offers wide-ranging consultancy services on communication and training for employees as well as dedicated assistance.

Possible services for workers include care for dependent family members (carers) and children (babysitters). This opportunity also contributes to fighting undeclared work. Do you think that families are familiar with this resource? How could this practice be better promoted?

Personal and household services are a growing sector that is increasingly in demand among employees, particularly as regards babysitter vouchers, access to nursery schools and reimbursement for carers. In order to meet the needs of their staff, our clients are in fact adapting the type of services offered to their employees, building on our support and

expertise. For this purpose, it is essential that the human resources department 'listen' to employees and rework welfare proposals that meet their needs, using internal communication vehicles to provide information on these benefits, which are crucial for a good work-life balance, and make them easily accessible.

How does occupational welfare comply with the National Collective Agreement on Domestic Work? In addition to the needs for cares and babysitters, does occupational welfare cover other professionals involved in the National Collective Agreement? Would you be able to give an indication, in terms of figures, of the people who already use occupational welfare in this sector?

With reference to domestic work, the current regulatory framework on occupational welfare essentially facilitates two professional figures: carers and babysitters. Most workers choose to receive welfare budget in the form of family assistance, underlining that the need to reconcile work and family life is increasing among Italian workers, especially women.

Besides domestic work, what are other welfare services to support family well-being? Would it be possible - and useful for the worker's well-being - to extend occupational welfare schemes to other figures included in the National Collective Agreement? If so, which institutional pathways should be taken?

Services aimed at family well-being mainly target childcare, education and training. More generally, personal and household services that contribute to the well-being of families and individuals at home, such as childcare and long-term care for the elderly and disabled, cleaning services, school support, home repair, gardening and IT support, all contribute to a better work-life balance, the creation of job opportunities for the relatively unskilled, and improvements in the quality of care. Based on the French model, a valuable regulatory intervention could be to extend occupational welfare to this type of service, for instance through the adoption of vouchers schemes which, as the European Commission has repeatedly stated, are effective to support the growth of personal and household services and to promote the fight against undeclared work, which is very widespread in this sector across all European countries.

In recent years, occupational welfare has become increasingly widespread, partly thanks to the tax benefits available to companies that participate in these welfare schemes. In your opinion, are there any 'social' or 'cultural' implications linked to the spreading of this resource?

The regulatory choice to facilitate flexible benefits through occupational welfare has affected collective bargaining; it shifted the balance from national to corporate bargaining. The decision to promote occupational welfare was made in this context.

This certainly has positive effects, but its success mainly relies on tax benefits: companies have the opportunity to pay wages in a form that is not subject to taxation and does not affect the cost of labour, which is higher in Italy than in other countries, while workers have the opportunity to access services.

Occupational welfare therefore meets these needs: if labour taxation were fairer, welfare would have resulted in a different success outcome.

Before occupational welfare, there were two different solutions for lower contributions and taxation: complementary healthcare and pensions. Occupational welfare emerged in this context.

In 2016, the National Collective Agreement of the metalworking sector represented a turning point as it provided for a portion of wages in flexible benefits, bridging company and national collective bargaining. As a result, all metalworkers - not only those involved in company bargaining - have a minimum share of flexible benefits, varying between EUR 150 and EUR 200 per year depending on the specific sector.

This now applies to the four contracts in the Italian metalworking sector: federmeccanica, SMEs, goldsmith sector, and metalworking cooperatives.

Moreover, companies can provide additional services or allow workers to convert the variable part of the bonus into services.

In your opinion, what are the main benefits for workers? Do you have data on workers' use of these services? Do you notice a preference for certain types of services over others?

For metalworkers, the choice is not always easy: wages are generally low, so consumption is mainly focused on essential goods. Under the Collective Agreement, all workers have access to supplementary pensions and supplementary healthcare. In addition, as part of the flexible benefits package, workers can choose to increase one of these two funds.

Moreover, the most used services include shopping or fuel vouchers, which are the simplest forms of welfare provided by small and micro enterprises. The demand is also high for services to support school expenses (nursery school fees, meal vouchers, university fees, book vouchers).

The pool of workers is very diverse due to various factors (geographical area, age, family structure), therefore not everyone has the same needs in terms of services.

How does occupational welfare comply with the requirements of the National Collective Agreement on Domestic Work?

With the exception of a few special cases, domestic work is currently excluded from occupational welfare. The opportunity to include domestic services under occupational welfare schemes should be considered.

A number of lessons could be drawn from current experiences.

For example, in March 2020, in response to the COVID-19 crisis, the AON Group introduced a specific policy which integrated a number of household services to the hospitalisation allowance and sickness benefits, such as family helpers, babysitting at home, taking minors to school, home shopping delivery, and pet sitting.

Another example is offered by Electrolux, which extended its occupational welfare services and offered the possibility to access family assistance services.

Do you believe it is significant to include elderly care and childcare among the services available? How could this be promoted and enhanced?

Domestic work is typically a poor sector. Contributions only cover essential social protection, not welfare. In order to cope with this difficulty, a bilateral body was established to offer additional services such as healthcare funds or training, but it does not have many resources

either (out of more than 850,000 workers, only 300,000 pay contributions to this bilateral body).

Considering that domestic employers are often employees themselves, what benefits can result from the use of occupational welfare services? Eventually, what could be the impact of occupational welfare on domestic workers?

Occupational welfare can contribute to identifying undeclared work. A positive example is the experience of the Sardinia region, which provides for the reimbursement of expenses incurred for the care of dependent persons, upon demonstration of regular payment of social security contributions. In fact, the share of undeclared work in Sardinia is currently very low.

One of the drivers of undeclared work in the domestic sector is certainly a cultural factor: although the cost of contributions is lower than in other sectors (EUR 1.10/hour for up to 24 hours worked, EUR 0.97/hour for additional hours, regardless of wage levels), it is estimated that 58% of employment relationships in the domestic work sector are undeclared.

Domestic work has always been considered a special employment relationship, since employers are represented by families. This resulted in domestic workers being forced into a status of under-protection.

Indeed, the low contribution rate results in the absence of social security coverage, including sickness benefits or parental leave. Also with a view to retirement, workers risk receiving low pensions – close to the minimum pension levels – even if they stayed in the labour market for 40 years.

What is the Gallas Group's experience with companies? When are these experiences successful?

Gallas Group worked with Electrolux in their offices in Porcia (PN) and Susegana (TV), where it set permanent information desks at the service of workers. This experience revealed that, while it is not necessary to establish permanent hubs in the company's premises, it can be useful to include assistance services into occupational welfare packages or into agreements with companies.

Under these agreements, the agency offers the company's employees discounted rates for the recruitment and selection of domestic workers (the domestic worker's remuneration follows the National Collective Agreement). It therefore becomes advantageous for the employee to access these services.

In your opinion, can certain characteristics of the company (e.g. size, sector) influence the success of or otherwise the experience with occupational welfare services?

Ninety-five percent of our offer focuses on family assistance (carers), with a small residual part dedicated to babysitters and housekeepers. For this reason, the ideal target group is represented by companies employing workers aged around 50-60, who generally have elderly parents in need of care.

In general, what do you think are the possible connections between occupational welfare and domestic work? What are the possible advantages?

This system brings benefits to all actors involved: the company offers an innovative service to its employees, showing an interest to meet their needs; the employee can benefit from discounted rates compared to services that they would access outside this system; the platform (provider) broadens the range of services offered; the agency benefits from a direct channel to acquire new clients.

In addition, this system has an overall societal effect as it promotes the regularisation of employment relationships.

In fact, undeclared work in this sector is not particularly advantageous for the employer, since the contribution rate is very low and the employer does not act as a tax withholding agent -the personal income tax (IRPEF) is paid by the employee. The high irregularity rate is mainly due to misinformation and not to any real economic advantage. For this reason, information may be the best tool for fighting undeclared work.

Conclusions

edited by lawyer Massimo De Luca, Director of the DOMINA National Observatory on Domestic Work

As our society continues to age, an increasing share of the working age population is faced with the growing challenges of caring for those who once cared for them. This is the so-called 'sandwich generation', which includes those individuals who are 'in between' younger and older generations.

This generation has expanded, and it would be more correct to say that it includes those in between the role of caring for children and for older parents. In Italy, 12,746,000 people between the age of 18 and 64 (34.6% of the population) take care of children under the age of 15, or sick, disabled or elderly relatives (ISTAT, *Report Conciliazione tra lavoro e famiglia* [Report on the Reconciliation between work and family life], 2018). Among these, almost 650,000 take care of minors and other family members at the same time. Among employed parents with children under the age of 15, 35.9% of mothers and 34.6% of fathers complain about difficulties in balancing their work and family life.

In the coming years, more and more families will have to deal with the costs of care, in terms of expenses and time; companies of all sizes will have to deal with the increasing effects of absenteeism or declining employee performance caused by stress.

Employers have an opportunity to respond to this need and differentiate themselves by providing care-related benefits. Many workers complain about the difficulty of balancing their work and personal life. Taking children to school or running errands for a sick family member are priority commitments that must be taken into account. It is no coincidence that the Government, in the first Decree adopted during the COVID-19 crisis (the 'Cura Italia' Decree), included paid leave for childcare, a babysitter bonus, and an increase in the number of paid days off (Law 104/92). These are indeed measures to promote the work-life balance; they are essential to support the family, the pillar of our society and the main provider of private care.

Why should we only support families in a moment of crisis instead of trying to anticipate and contain such crises? The burden of care on families, as highlighted several times in the study on the domestic work sector, is already unsustainable in many cases. Data show both the

current difficulties in meeting expenses and the exponential growth in the future need for family assistants.

The increase in occupational welfare services related to the domestic work sector is an opportunity that brings benefits to all stakeholders, i.e. government, companies and employees.

To date, the Government is saving around EUR 10 billion thanks to families who employ domestic workers. Without household investment, public spending on residential care for the elderly would reach EUR 31.3 billion, increasing by 45% the current EUR 21.6 billion expenditure.

All initiatives that can support the domestic work sector result in additional savings for the State and provide an incentive for the regularisation of domestic workers. Indeed, in order to qualify for company benefits, all work and care services need to be regularly declared.

The expansion of welfare services related to domestic work provide many advantages for companies. By offering these benefits, companies can achieve positive outcomes in terms of their workforce and productivity levels.

The development of services related to the domestic work sector can create a competitive advantage for the company, providing a real added value compared to other employers in the eyes of current and potential employees. Employer branding is one of the resources used by large companies to attract, select and retain the most competent workers. This strategy is based on the idea that the company should put the same commitment in retaining its workforce as in developing customer loyalty. What better way to achieve this than by meeting the real needs of employees?

When employees are faced with complex situations of caring for the elderly, the sick or the disabled, they face a moment of crisis. In such cases, they are more likely to be less productive due to stress, they may take more time off, be late for work, etc. This is an alarming factor for many companies, especially since lower productivity often means reduced profit.

Integrating care services in company benefit packages reduces stress, distractions and improves the work-life balance. Providing such benefits can also contribute to creating or strengthening the connection with the territory. It all depends on the company's creativity. There are a wide range of possible options:

- vouchers for housekeepers, carers and babysitters;
- partnerships with local nursery schools, residential care homes, local authorities;
- vouchers for the costs related to the administrative management of the domestic work relationship;
- help in finding resources and information on care;
- flexible working hours;
- teleworking;
- psychological help and support groups.

John Hopkins University, in its 'Family Programs', offers comprehensive elderly care packages in addition to the most common childcare services, in order to promote healthy ageing, tackle chronic diseases, and provide qualified counselling. It also offers seminars on legal aspects as well as dementia; resources for long-distance carers; subsidised care leaves, etc. The package offered by John Hopkins University, one of the first American universities to integrate care services in their occupational welfare schemes, is designed to ease the emotional, financial and practical challenges of caring for an ageing adult.

It is clear that there are many services available: companies, depending on their size and preferences, can create differentiated packages and modify them over time. Another advantage of welfare vouchers is that they are tax-free, so they do not add to one's employment income. This is positive for companies, but especially for employees, who see their purchasing power increase thanks to welfare vouchers. In addition to this economic benefit, there is also the social benefit resulting from welfare services accessible not only to the worker, but to his/her entire family, hence contributing to increase the much sought-after work-life balance. The domestic work sector would also benefit from greater regularisation. By reducing the share of undeclared work, domestic workers would also benefit from greater social protection, not to mention the resulting increase in public revenue.

The expansion of care services in occupational welfare packages is both a challenge and an opportunity to set in motion virtuous initiatives that should not be missed.

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THE VALUE OF DOMESTIC WORK

This Dossier explores the issue of occupational welfare and the benefits it brings to the domestic work sector, analysing the strengths and areas for improvement of an innovative resource for personal and household services.



The DOMINA Observatory is a study and data collection centre aimed at monitoring and studying activities, phenomena and trends in the domestic work sector, at national and local level. It was set-up in 2019 by DOMINA, the Italian National Association of Families as Employers of Domestic Workers (signatory of the National Collective Agreement on Domestic Work). The Observatory publishes the "Annual Report on Domestic Work" every year.



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