

# Italy's Constitutional Court lifts unfair dismissal indemnification cap

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Italy's Constitutional Court has found that the six-month indemnification cap, applicable to unfairly dismissed employees, is unconstitutional when used by firms with 15 or less workers.

The new ruling invalidates a provision of the Jobs Act which limited unfair dismissal compensation to between three and six months' salary for employees in small companies.

The court held that the fixed cap created too narrow a compensation range and was not a sufficient deterrent to unjustified dismissals. As a result, judges can now award employees hired after 7 March 2015 with higher compensation, ranging from six to 18 months' salary.

The judgment recommends that the Italian parliament redesign dismissal protections and consider that headcount can no longer be seen as the sole indicator of an employer's economic strength. "The decision stems from the observation that basing worker protection solely on the number of employees is an 'anachronistic' criterion," Failla & Partners' [Luca Failla](#) notes.

"The court has highlighted that this parameter can no longer reflect a company's true economic capacity. Indeed, a company with fewer than [...to continue reading this article please click here.](#)