

## Outlook

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Three developments will shape the Insubric economy in the coming decade. The first is demographic. The baby-boom generation on both sides of the border is retiring, while the Italian border provinces have low birth rates. Ticino's dependence on cross-border labour is likely to grow in health care, care for the elderly and skilled trades, while the pool of potential commuters shrinks. The second is fiscal. As the old cross-border workers retire, the share of new cross-border workers subject to Italian taxation will rise, the compensation payments will end in 2033 and the relative attractiveness of commuting will decline for some occupations. Employers may respond by raising wages, by recruiting in Italy beyond the twenty-kilometre zone or by relocating functions to Italy. The third is institutional. The new package of agreements between Switzerland and the European Union, the revision of the rules on unemployment benefits and the unresolved dispute over the Italian health levy will determine the terms on which the cross-border labour market operates. Chapter K.II takes up these developments in its scenarios for the financial centre.

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For the practitioner. Employers in Lugano who hire cross-border staff should check the following points. - Permit: a G permit for the employee, and, for non-EU nationals, the separate rules on third-country commuters. - Tax status: whether the employee is an old or a new cross-border worker or a nonqualifying commuter, which determines the source tax table (reduced tables R to V or ordinary tables). - Telework: no more than 25 per cent of annual working time from Italy under the protocol in force since 9 February 2026, and an A1 certificate under the framework agreement where telework exceeds 25 per cent for social security purposes. - Days of non-return: no more than 45 days per calendar year for professional reasons. - Minimum wages: the cantonal minimum wage and any applicable standard employment contract. - Vacancy notification: the duty to announce vacancies in occupations above the unemployment threshold. - Health insurance: the employee's choice between Swiss and Italian insurance within three months of starting work.

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