



II REPORT 2015

The Italian pension system
Financial and demographic trends of pensions and welfare

Edited by the Technical Scientific Committee of Itinerari Previdenziali

Itinerari Previdenziali, April 15 2015



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Introduction

This is the second year of publication of the Report "*The Italian pension system*". This Report is unique in providing an overview of the complex pension system in Italy. Until 2012, the Report was drafted by the Social Security Expenditure Evaluation Unit (Nuvasp) established by Act n. 335/1995 (Dini reform) and then it was sent to the Minister of Labour and through this to Parliament and to international institutions.

For a number of reasons, Nuvasp ceased its activity in May 2012.¹ This resulted in a gap that was only partially bridged by other publications. The effort to fill this void led to rebuild the database with a long and complex action of "*data entry*" and with the contribution of private players as well as with the addition of *welfare schemes* and *temporary benefit schemes*; this report was compiled with the voluntary help of several experts after processing the final tables. At the request of the TSC members (many of whom were members or collaborators of Nuvasp), this report is available for the Minister of Labour, for the institutions and for all stakeholders involved in the social security. The report is available in Italian and English.

The 2nd Report: This Report is based on the data from the financial accounts provided by the social security institutions. It illustrates the trends in pension expenditure, contributions and in the balance of public and private pension schemes that make up the mandatory pension system in Italy.

The observation period begins in 1989, the first year from which it is possible to make a comparative analysis on homogeneous time series². The retrospective analysis covers the period up to 2013, the last year in which data from disaggregated financial statements is available. The Report describes and evaluates, through ad hoc indicators, the trends of all the mandatory pension funds, both the public schemes which were integrated into INPS under the 2012 "*Save Italy*" decree, which has now become the only public social security system entity³ and the private schemes such as the the schemes for professionals in accordance with Legislative Decree n. 509 of 1994 and n. 103 of 1996. The first year in which the INPS consolidated accounts of all the schemes were drafted was 2013.

This "bird's eye view" does not include some benefits such as: the "life annuities" of Italian and European Members of Parliament and of regional council members or the benefits for the employees of institutions like the Constitutional Court, the Presidency of the Republic, the Chamber of Deputies, the Senate and others like the Sicily Region. Even though collecting this data is complicated, they are included in the Report, at least in terms of figures, amounts and items in the accounts.

The performance of these schemes is evaluated on the basis of some fundamental variables such as the number of activeworkers, pensioners, average contributions, average benefits, which determine the current account balance and the medium and long term outcomes.

¹ Resignation of the president and of the members with a letter sent to Minister Elsa Fornero, member of Nuvasp. In addition to monitoring and controlling pension expenditure, validating the transformation coefficients and coordinating the "*general registries of active workers, pensions and of pensioners*", il Nuvasp drafted the "*Report on the financial performance of the pension system*"; the last Report featured the data until 31 December 2010. In 2012, the large library of Nusvap was lost together with its enormous data bank created in over 15 years. Its web site too is no longer visible. It included the historical series of the reports and the database with the complete trends from 1989 to 2010.

² The data were processed to compare homogeneous time series. It was carried out by the Social Security Expenditure Evaluation Unit (NVSP), which operated from 1997 to May 2011 at the Ministry of labor and social policies.

³ Art. 21 of L.D. n.211 of 6/12/2011, transposed into Act n. 214 of 22 December 2011 "Urgent provisions for growth, equity and adjustment of public accounts".

The in-depth analysis of the results of the individual schemes is preceded by a general evaluation of the trends of the overall pension expenditure of the compulsory pension system in the time period considered.

On the basis of the results of the projections of the compulsory pension system, the Report also illustrates the trends of the ratio of total expenditure vs. GDP after 2013 in the short, medium and long term with reference to financial sustainability as well as to the adequacy of benefits.

The Report has some new features: the analysis of the trends for the *Welfare Scheme* (GIAS) and for the *Temporary Benefit Scheme* (GPT) in terms of fincome support benefits funded by the production sector and by taxes. In fact, they logically supplement the analysis of the overall expenditure for welfare and social security. The report also contains the calculation of the "**substitution rates**" with projections for different careers and economic scenarios on the basis of the existing legislation, which are innovative even in terms of their graphic content; it also includes a detailed analysis of the different types of pension and welfare benefits with their geographic distribution and an insight in the private pension schemes. Finally the Report features a qualitative and quantitative evaluation of the complementary and supplementary welfare measures and a general overview of the main regulatory changes and innovations proposed in 2013/2014.

1. The economic framework: growth, productivity and employment

The evolution in the economic outlook since last year's Report has required an update of the effects of the crisis. The expected exit from the recession at the end of 2014 did not come true. Clearly GDP is no longer decreasing at the same rate as before (in 2013 GDP dropped by 1.9% and in 2014 by an estimated 0.4%) but it is still going down. On the whole, at the end of 2014, real GDP was 9% lower with respect to 2007. However, nominal GDP too has a very unusual pattern with respect to the past: in the same period (seven years), it only grew by 0.6%, with a 3.6% drop in 2009 and a 1.1% reduction between 2011 and 2014. The nominal GDP trend is very important for the pension system. In fact, the notional capitalization rate of contributions is calculated on the basis of the five-year moving average of nominal GDP, which raises the question if this amount has to be reduced in case of a negative trend in nominal GDP (see point X of the Summary).

In these seven years, the GDP fall resulted in a drop in employment by about 1 million people, slightly more than half of them employed workers and the rest self employed workers. However, full-time jobs (the so-called labor units) went down by about 1.1 million vs. 575,000 employees. The difference is the result of part time workers and redundant workers. In any case, this reduction is proportionately much more significant for the self-employed, whose number was about 6 million in 2007, while employed workers amounted to 17 million. This has a clear impact on the pension schemes for the self-employed. In fact, the self-employed income before taxes between 2007 and 2014 plummeted by 11% in nominal terms versus the income of employees which grew by 6% in nominal terms. In seven years, the overall amount of social contributions increased only by 1.8%. Of course, the gross income rate in real terms had a different trend considering that, during the same period of time, prices increased by about 13%: -24% for the self-employed and -7% for employees.

Unlike the beginning of 2014, there is definitely a more positive outlook with the expected end of the recession and the beginning of recovery. Everything seems to promote this turnaround: the fall in oil prices which is boosting both household's disposable income and corporate margins; the depreciation of the euro with a positive impact on exports, even though this effect is dampened by the concurrent depreciation of emerging countries' currencies; the purchase of bonds on the secondary market by the

ECB for about two years and finally the small but positive role that the Expo-induced tourism can play in the Italian economy.

The exit from the recession will be gradual throughout 2015 and it is expected to continue in the next years with a growth rate between 1% and 1.5%, thus partially bridging the large gap between actual GDP and potential GDP (output gap) which has become wider in the last few years. In any case, by the end of this decade, GDP is very likely to return to the level of 2007. The crisis has had an impact not only on the level of actual GDP but also, at least in part, on the level of potential GDP. As a result, in the next decade, with the growing impact of the aging of the population and of the working population, it will be very difficult to have a long-term growth rate above 1% per year. This will be a major burden for pension, health and welfare expenditure given the resources that the system is expected to produce in that period.

Chapter 9 presents the projections (2015-2060) developed by Ragioneria Generale dello Stato (RGS) (General Accounting Office) related to the ratio of pension expenditure versus GDP. The trends described by RGS consider an annual GDP growth rate equal to 1.5% on average in the 45 years considered. From the point of view of the long-term macroeconomic equilibrium, an average growth rate by 1.5% coincides with the annual real rate of return on the basis of which the transformation coefficient is calculated together with other factors. This coefficient is used in the calculation of contributions for retirement purposes to transform the amount of contributions into an annual annuity according to the provisions of Act n. 335/1995. The pension expenditure/GDP ratio obtained by RGS can be considered optimistic; however, even though very long-term projections are not set in stone, the ones provided by RGS are the most reliable projections that can possibly be obtained.

2. Pension expenditure from 1989 to 2013

Considering all the compulsory pension schemes, the 2013 total pension expenditure amounted to 247.9 billion euros, with an increase by slightly less than 5 billion euros with respect to the previous year, equal to about 2%. Excluding the share transferred through GIAS from total expenditure, the total benefits amounted to **241.6** billion Euros, with an increase by about 3.5 billion euros vs. 2012, that is a lower percentage (+1,6%) with respect to the growing total expenditure.

The overall amount of contributions in 2013 was equal to 189.2 billion euros, with a reduction by about 1.1 billion euros vs. 2012. In 2013, the balance between contribution revenues and benefit expenditure was negative by 25.4 billion euros, minus 4.6 billion euros with respect to the previous year. The negative trend of contribution revenues, even if not significant, is a source of concern as to the effect of the poor employment results on the financial equilibrium of the pension system. In fact, since 1989, but also considering the period since 2008, the peak of the economic crisis, contribution revenues have always had a positive trend. In this connection, it is also important to stress that contribution revenues from the beginning of the period analysed up to the beginning of the crisis in 2007, had an annual average growth rate of 6.9% in nominal terms and of 3.5% net of changes in prices. Since 2008, the two variation rates have dropped to 1.8% and to 0.06% respectively in real terms.

In comparing these values, it is important to consider that in the first period of time, contribution revenues were also sustained by increases in the contribution rates, while since 2008 these rates have not changed.

However, in order to assess the overall performance of the pension system, it is important to consider not only expenditure but also this significant drop in contribution revenues.

Figure 2.1: Pension expenditure as a percentage of the public administration costs, net of interest expenditure (1989 - 2013)

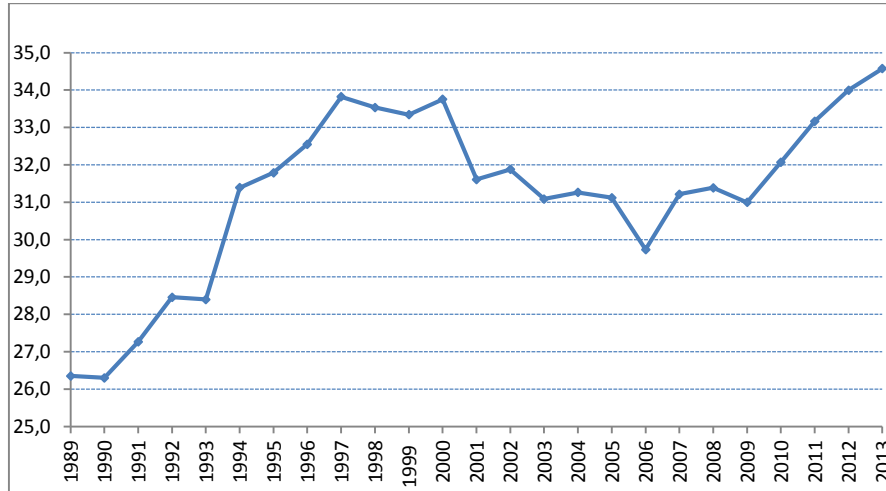
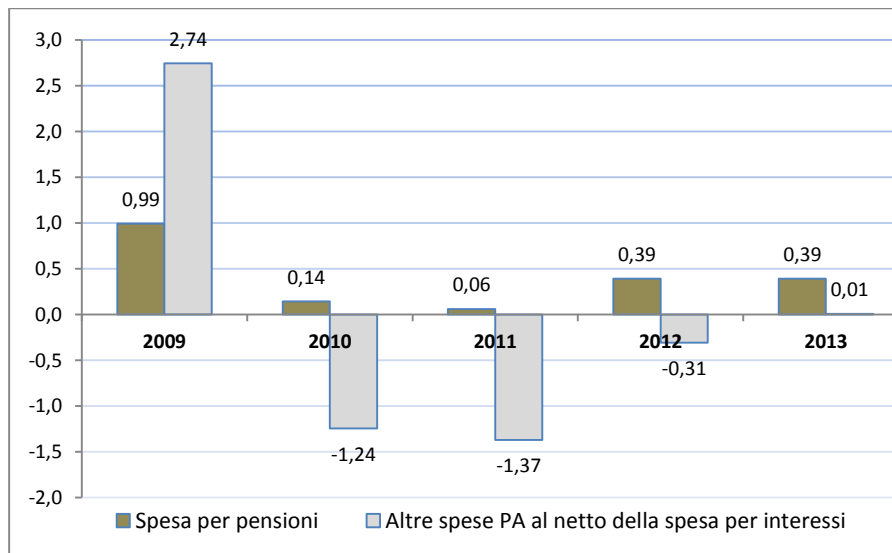


Figure 2.1 shows that since 2006 pension expenditure has grown with respect to the total expenditure of the public administration net of interest rates, increasing from less than 30% to almost 35% of the total, thus exceeding the level already reached between 1997 and the year 2000. The growth of pension expenditure as a percentage of total public expenditure is clearly shown in Figure 2.2, which indicates that several restrictive fiscal measures have managed to progressively reduce the GDP share of public expenditure, net of interest rates, while pension expenditure has continued to grow even though to a lesser extent.

Figure 2.2: Changes in the share of pension expenditure and public administration expenditure as a percentage of GDP

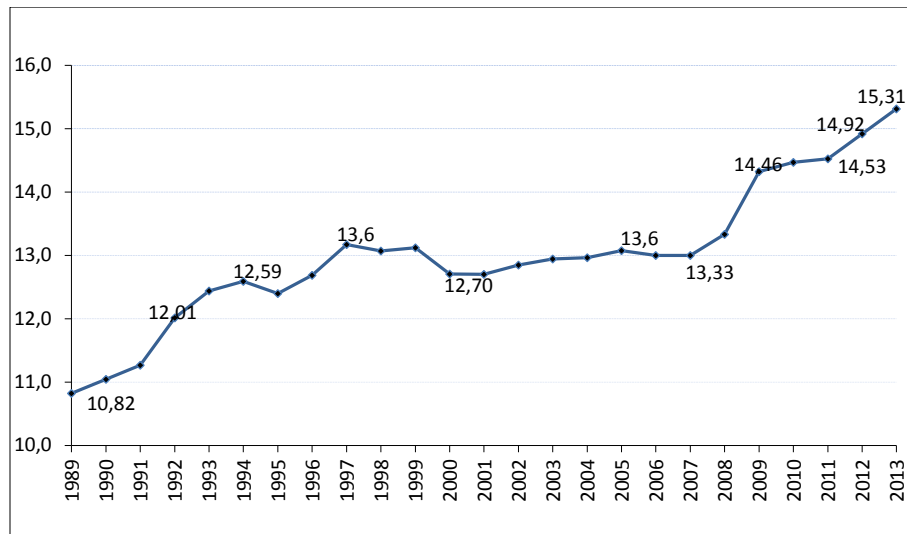


- Pension expenditure - Other PA expenditure net of interests

The most common indicator used for comparative analyses at the EU level is designed to assess the financial sustainability of the mandatory pension system, represented by the pension expenditure/GDP ratio (Figure 2.3). It shows that, in the years between 2008 and 2013, pension expenditure increased as

a percentage of GDP, calculated net of pensions and social allowances and gross of the welfare transfers from GIAS⁴.

Figure 2.3: Pension expenditure as percentage of GDP (1989-2013) (new series SEC 2010)



Considering the whole period indicated, starting from the first year, the ratio of pension expenditure to GDP increased. However, an more in-depth analysis shows that there are three distinct phases. From 1989 to 1997, there was a significant growth (from 11.2% to 13.6%) in the pension expenditure/GDP ratio. In this period, there was an opposite trend in 1995 due to the temporary halt to seniority pensions before the general reform of the pension system.⁵

In the second period, 1998-2007, the ratio of pension expenditure to GDP remained largely stable, with values ranging between 13.1% and 13.6%. This limited ratio was due to a different trend in the number and in the average amount of pension benefits paid, as a result of the legislative changes brought about by the reforms of the first half of the '90s. In particular, the increase in the number of beneficiaries slowed down because of more restrictive minimum age requirements and of the delayed payment of pension benefits that led to a gradual increase in the actual retirement age. The lower growth of pension expenditure was also due to the cumulative effects of the reform on disability pensions⁶ and especially to the change in the indexation of pensions that after 1993 only considered the consumer price trends and no longer the actual changes in wages⁷.

⁴ The share of pension expenditure as a % of GDP is slightly different with respect to the previous Report (Itinerari Previdenziali, *The Italian pension system*, June 24 2014) since it was recalculated on the basis of the new Istat PIL SEC 2010 series and reconstructed for the period 1989-2004.

⁵ See Art. 13, par. 1 of Act n. 724 of December 23 1994 (1995 Budget Law).

⁶ Act n.222 of 1984.

⁷ The change in the equalization system of pensions was envisaged in LD of december 30 1992, art. 11. Paragraph 2 of the same article envisaged other increases to be established by subsequent Budget Laws according to the economic situation and considering the objective to “stabilize at the current level the ratio of pension expenditure vs. gross domestic product” indicated under Art. 3, par. 1, of Act n. 421 of October 23 1992. In the following years, this part of the law was not implemented, while the new indexation criteria produced an adjustment lower than the inflation rate. In fact, pensions above a certain threshold were only partially adjusted to the consumer price index.

In this phase, the effect of the contribution-based system introduced with Act n. 335/95 was negligible because it came into force very gradually⁸ and for a limited number of people, at least at the beginning.

The graph shows that, in recent years, from 2008 to 2013, the ratio of pension expenditure to GDP grew significantly from 13.5% in 2007 to 15.3% in 2013, the highest growth rate⁹ with respect to other European countries. The following tables provides a clear picture of the most relevant trends in the pension expenditure/GDP ratio.

Current mean variations rates per year

	GDP	Pension expenditure		(b) - (a)	(c) - (a)
	(a)	gross of GIAS (b)	net of GIAS (c)		
mean 1989 – 1997	6,5	9.2	9.7	2.7	3.2
mean 1998 – 2007	4.0	3.8	3.8	-0.2	-0.2
mean 2008 – 2013	0.1	2.9	3.2	2.81	3.1

The table shows that the mean values of the variations substantially changed in the three periods considered. In the first period, pension expenditure per year increased more, plus 2.7% with respect to the average GDP growth (3.2% net of GIAS transfers). Instead, in the interval between 1998 and 2007, the growth in pension expenditure slowed down considerably, with an average variation per year of 3.8%, slightly below the growth of nominal GDP. This resulted in a substantial stability of the pension expenditure/GDP ratio.

Since 2008, pension expenditure in nominal terms has remained relatively low and slightly lower than the previous period. In this same period however, the GDP growth in nominal terms has been strongly affected by the long economic crisis and has dropped by about 0.1%, that is almost three percentage points below pension expenditure.

The different trends of pension expenditure and GDP in the three periods considered are clearly shown in *Figure 2.4* by the mean variations of these two parameters in real terms, by considering the changes net of the effect due to the increase in prices.

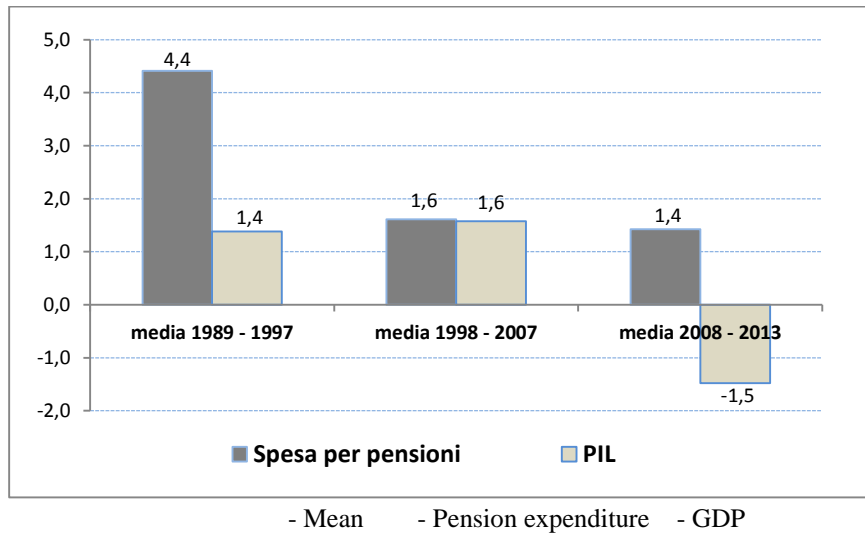
As illustrated, in the first period until 1997, the average increase in pension expenditure per year was much higher than the GDP growth rate (3%). From 1998 to 2007, the two parameters grew at the same average annual rates, as envisaged in the reforms of the 90's which were designed to stabilize this ratio.

After 2008, the situation changed once again and even though the real pension expenditure growth rate was lower (1.4% per year on average), the significant drop in GDP in real terms (-1.5%) significantly deteriorated this ratio.

⁸ In particular the protection of the actual contribution years and the decision not to apply the contribution based calculation for those who were above the 18 years of contributions on December 1 31 1995.

⁹ The data for international comparisons are published late and have methodological issues in terms of interpretation. Apart from this, the Eurostat data show in 2012 a pension expenditure/GDP ratio for Italy equal 16.6%, vs. a EU28 average of 13.2%. According to the Oecd database, the 2011 ratio for Italy is equal to 16%, vs. 8.4% on average in all Oecd countries.

Figure 2.4: Annual variation rates of GDP and of pension expenditure in real terms



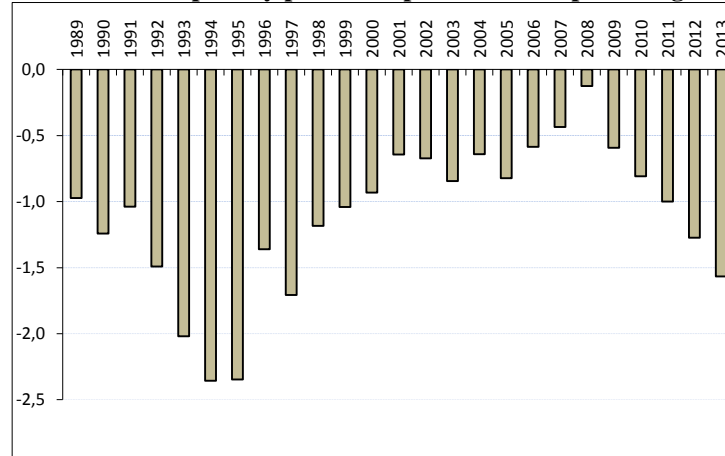
2.1 Some operating indicators

As already indicated, the long crisis in the last few years and the worst drop in GDP since the last war has significantly affected the sustainability of the pension system, with a decrease in contribution revenues that are closely related to the employment situation and to work-related income. This has diminished, at least in the short term, the effects of the reforms undertaken in the early '90s, whose main objective was to stabilize the ratio of pension expenditure to GDP.

The combined effects of the pension reforms implemented since 1993 and the economic cycles of the last two decades can be found in the results of the social security funds already examined not only in terms of pension expenditure but also of contribution revenues.

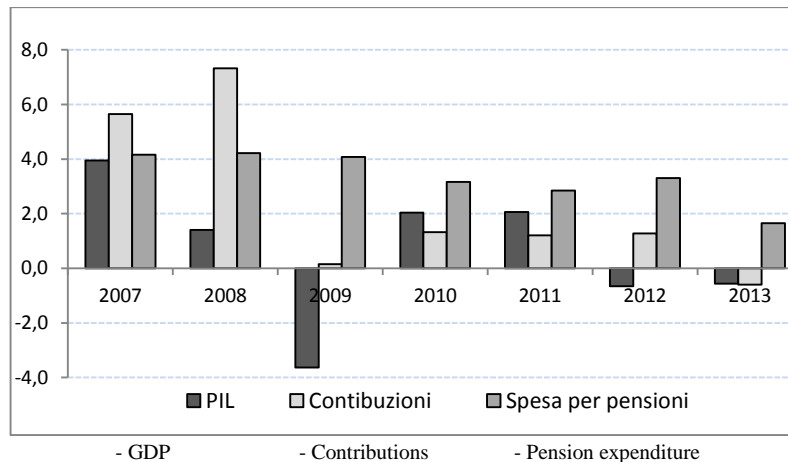
The major measures adopted to reform the pension system and to curb pension expenditure have had a clear effect on benefits. However, due to the slump in contribution revenues, they have not obtained the same result in the balance of the system. *Figure 2.5* shows that, in the initial phase until 1995, in which the negative ratio of contribution revenues vs. pension expenditure reached about 2.5% of GDP, the increase in contribution rates under the 1995 reform and the growth in the employment rate after the 1993 crisis considerably narrowed this gap, with a trough in 2008, with almost an equilibrium between contribution revenues and pension expenditure net of GIAS transfers. In the last years of this period, since 2009, the prolonged crisis has again widened this gap between pension expenditure and contribution revenues which went back to over 1.5% of GDP in the last year.

Figure 2.5: The compulsory pension expenditure as a percentage of GDP



The relationship existing between the economy in general and the performance of the pension system after 2007, that is in the years of the economic crisis (*figure 2.6*), can be assessed by looking at the limited variations in GDP and at its negative trends for three years as well as at pension expenditure which slowed down due to the reforms but without any cyclical effect. On the contrary, the contribution revenues had a pro-cyclical trend related to the GDP fluctuations but with some delays in line with the employment situation.

Figure 2.6: Annual rates of change in pension expenditure, contributions and GDP



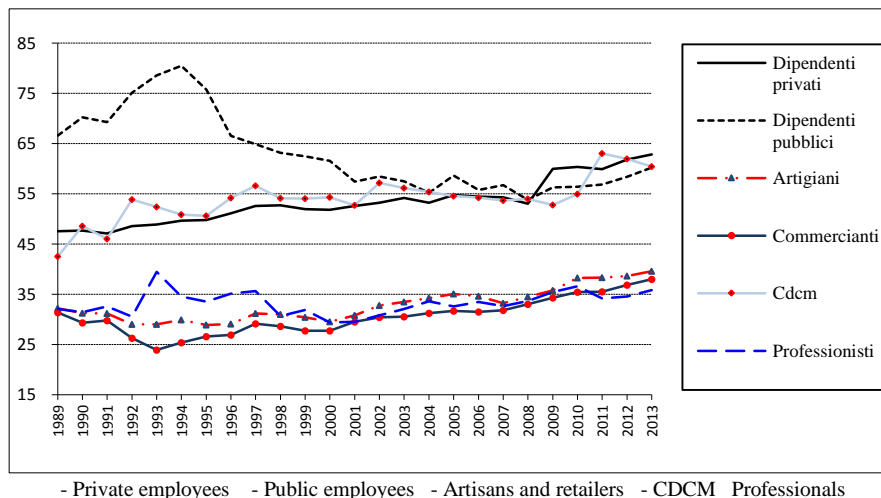
On the basis of these trends in 2013, the last year observed, total pension expenditure, which amounted to about 15.3% of GDP, was covered by contribution revenues (11.7 % of GDP) and by the transfers from GIAS (2.1%); the remaining difference, which represents the accounting deficit financed by general taxes, amounted to about 1,5% of GDP, i.e. 0.2% more than the previous year.

These considerations show that the contribution/benefit ratio, that is the amount of pension expenditure covered by contribution revenues, is a significant indicator of how the whole system performs.

In this regard, the trend of this ratio of contributions to benefits is important for the financial equilibrium of the schemes because it is linked to another two fundamental ratios, that is the ratio of the active workers' average income to their average pension and the ratio of active workers vs. the number of pensions paid.

The curves in *Figure 2.7* show that the ratios of the average pension to the average income of the main categories of members have progressively created two *clusters*.

Figura 2.7: Ratios of the average pension gross of GIAS transfers to the average income by category of members



The first cluster includes private and public employees in addition to agricultural workers (farmers and sharecroppers) and it has a ratio slightly above 60%. The second includes all the main self-employed categories, that is retailers, artisans, professionals, and the ratio ranges between 35% and 40%.

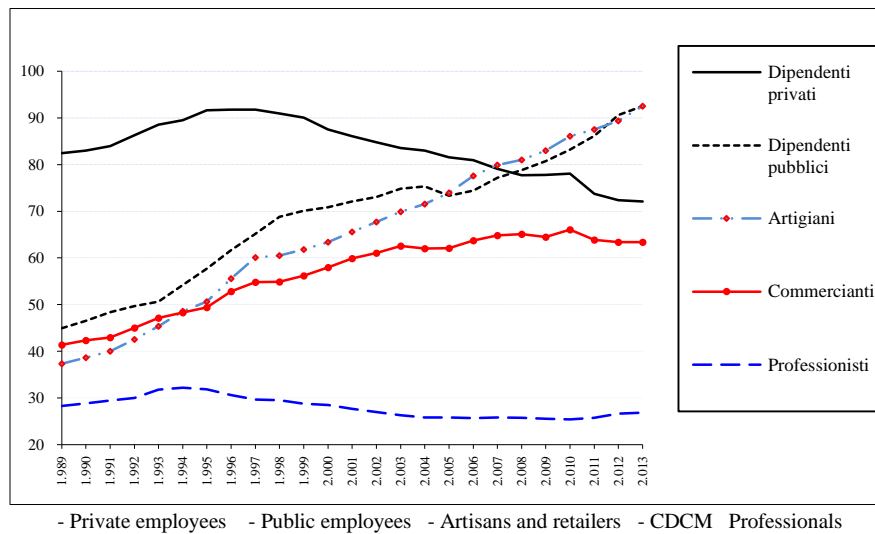
Except for agricultural workers who have a different system to calculate contributions¹⁰, with a less direct link between contributions and benefits, for the other categories the difference in the average pension/average income ratio depends on the one hand on contribution rates and, on the other, on the differences found in the financial equilibria of the different funds.

In this connection, it is important to stress that the latests reforms have progressively narrowed this gap in these rates. While there is no expected change in the contribution rate for employed workers, the rates for artisans, retailers and agricultural workers are expected to progressively increase up to 24% starting from 2018. Moreover, the atypical workers without other social security benefits already had an increase in their rate to 28% in 2014.

The other important ratio for the financial equilibrium of the pension funds, that is the ratio of the number of pensions to the number of active workers (*figure 2.8*), shows some differences in terms of levels and trends. Two very large schemes, the fund for private employees and that of civil servants show diverging curves. In the 90's, the former had a very high ratio of the number of pensions to the number of active workers; following the progressive increase in the retirement age, this ratio consistently dropped from a peak of 0.92% in 1996 to 20.72% in 2013. Instead, the number of public pensions steadily increased with respect to the number of active workers, ranging from an initial value of 0.45% to 0.92% in 2013, that is slightly less than one pension paid for each active worker.

¹⁰ The contributions of farmers, tenant farmers and sharecroppers and entrepreneurs are determined by multiplying their conventional average income by the number of days corresponding to the income bracket of each farm and by applying the predetermined percentage rate to the result. The conventional average income in 2014 was set by Inps at 54.65 € (apparently never changed afterwards), while for 2015 the rates (including the additional contribution of 2%) are equal to 22.8% for all enterprises, down to 21.8% for the subjects below 21 years and to 21.4% for the farms located in mountain areas or in marginal areas (19.5% for subjects below 21 years of age).

Figure 2.8: Ratio of the number of pensions to the number of active workers by category of members



Diverging curves do exist for the self-employed too. The curve of the artisans' fund is actually similar to that of public employees'. This ratio started from a lower level (0.37 in 1998), but it has always grew until the scheme ran for long enough for members to reach the retirement age requirements¹¹. In 2013, it reached 0.92, the same figure as the public employees'. The ratio of the number of pensions to the number of active workers systematically increased until 2010 for the retailers' fund even though at a slower pace. Insead, from that year onwards, there was a reversal of this trend, with a reduction by about 0.3% in the period until 2013.

The situation for professionals is completely different. Over these years, the schemes had an increase in membership for most categories. This resulted in a ratio equal to 0.27% in 2013, considering all the funds together ¹², i.e. a pension paid for each four active workers.

The following Table illustrates the effects of the diverging curves of these two ratios, average pension vs. average income and number of pensions vs. the number of active workers, on the accounting equilibrium of the various categories of members. This Table also shows the reverse value of the ratio of number of pensions vs. number of active workers, the regulatory contribution rate and the average pension/average income ratio that might ensure the funds' accounting equilibrium and the two actual rates net and gross of the pensions' share financed by the GIAS transfers¹³.

¹¹ The pension schemes for self-employed workers were set up under Act n. 463 of 1959 for artisans and under Act n. 613 of 1966 for retailers.

¹² The disaggregated analysis of the funds shows that the new membership trends are very different wity respect to the average.

¹³ For the accounting equilibrium of a scheme, contribution revenues (C) must be equal to pension benefits (P). Contribution revenues amount to $C = a.w.L$ (the contribution rate multiplied by the average income and by the number of active workers), while benefits come from $P = p.R$ (average pension/n. of pension ratio), the equilibrium implies that $a.w.L = p.R$. So the equilibrium ratio of the average pension to the average income is $p/w = a.L/R$.

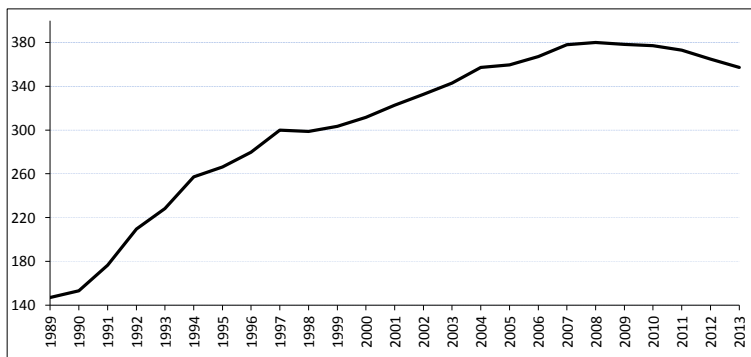
Equilibrium and actual values of the average pension/average income ratio (2013)

	L/R	regulatory rate	p/w equilibrium	p/w without Gias	p/w with Gias
private employees	1.39	33.0	45.76	51.78	62.84
public employees	1.08	33.0	35.66	60.21	60.21
artisans	1.08	22.65	24.49	34.47	39.60
retailers	1.58	22.74	35.89	33.66	37.99
professionals	3.72	15.0	55.84	35.84	35.85
atypical workers	5.18	28.0	144.99	9.96	10.67

On the basis of the regulatory rates, that is of the actual contributions paid out of the income of different categories, it is necessary to multiply by the ratio of active workers to number of pensions to obtain the average "equilibrium" pension/average income ratio, i.e. the one that ensures the equilibrium of the funds for each category. The last two columns feature the actual figures of the same ratio. They show that only professionals and atypical workers had actual values in 2013 below the "equilibrium" level, while the other categories had values above this threshold. This is true not only for the benefits calculated by adding the GIAS transfers, that is the pensions actually received whose extra amount is financed by the welfare fund and not by the income based contributions, but also for the benefits net of the GIAS transfers.

The previous figure and table do not include the trends and curves of the agricultural sector. In fact, this sector has an exceptional imbalance in the ratio of number of pensions to the number of active workers (*figure 2.9*). In 2008, it became so significant that each active worker financed almost four pensions.

Figure 2.9: Farmers, tenant farmers, sharecroppers (ratio of the number of pensions to the number of active workers)

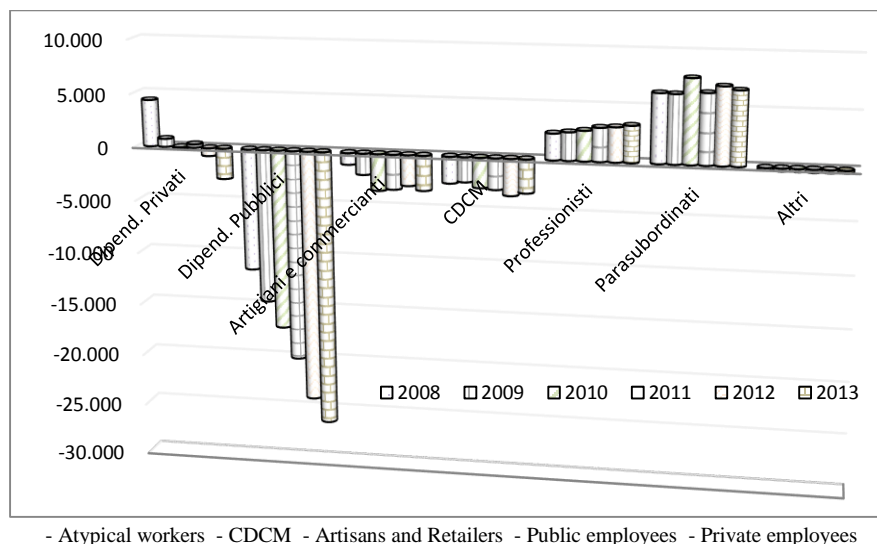


This sector experienced dramatic changes and a sharp reduction in the number of active workers in the last decades. As a result, social security in this field has not been funded through self financing but mainly through welfare transfers. In any case, Figure 2.9 shows that since 2008 a new phase has started in this sector with a slow but consistent re-equilibrium and with a drop in the ratio of number of pension to number of active workers from 3.80 to 3.57 in 2013.

As to the accounting equilibrium of the different pension schemes, the disaggregated balance of these funds show that the performance of these schemes have a different weight and role in determining the overall outcome. The results of the period 2008-2013 (*figure 2.10*) illustrate that there are two categories of funds, that of atypical workers and those of professionals, that have an increasingly positive effect on the overall performance of social security. On the contrary, the fund for private sector employees, the scheme with the highest number of members, is almost in equilibrium even though it deteriorated in the period at issue because of the decline in contribution revenues due to the difficult situation of employment.

Finally, there are three funds running a deficit. The fund for artisans and retailers that has shown a slight improvement in the six years of the crisis due to the increase in the contribution rate after the 2011 reform laws; the agricultural fund (CDCM) which continues to run a deficit because of the structural decline of this industry (low number of active workers and a high number of pensioners) and finally, the schemes of public employees that are running high and steadily growing deficits due to the drop in the number of active civil servants and, at the same time, of the fading effect of retirement age requirements¹⁴, with a widening gap between the number of pensions and the number of employees paying the contributions.

Figure 2.10: Accounting balances of the different categories of workers (2008-2013)



3. Results of the overall pension system in 2012 and of individual funds

After the long process of integration of the different pension schemes in Italy in the 1990's, the compulsory pension system now consists of the INPS funds and of the so-called privatized funds for professionals. In 2012, Act n. **214/2011** integrated the Inpdap scheme (the public administration scheme) and the Enpals fund for showbusiness and entertainment workers into INPS; before many other schemes had been integrated into Inps including Ipost (postal workers) and Inpdai (industry managers). So, 2013 is the first year in which INPS produced "consolidated accounts" whose data are used in this Chapter. The privatized schemes will be illustrated in the next Chapter.

¹⁴ The higher retirement age requirements initially produce a "number effect", that is a reduction in the retirement flows, which curbs pension expenditure. In a second phase, when the cohorts blocked by the new requirements reach the retirement age, there is an "amount effect", i.e. the new pensions to be paid are higher on average due to a longer contribution period, this boosting expenditure.

Table 1a¹⁵ shows the overall financial situation of the compulsory social security system with its benefits, contributions, balances and share of pension benefits transferred through GIAS. In order to finalize the quantitative analysis of the INPS funds, Chapter 6 illustrates the trends of the GPT funds and their main provisions and the Gias income-support measures. This table also shows the summary data of the funds for professionals that were privatized under Legislative Decree n. 509/94 and 103/96. These are included in the mandatory system but are independent and do not require any financial resources from the State budget. The detailed graphs of these private funds are displayed on a special web section of the Report.

In 2013, the pension expenditure of all the funds (net of the GIAS transfers as shown in tab.1a) amounted to **214,567 million Euros**, a **1.65%** increase compared to 2012, partly due to the adjustment of benefits to inflation¹⁶ and also to the so-called "*renewal effect*" linked to the physiological replacement of ceased pensions with the new ones.

In the same year, **contribution revenues**, including transfers to pay special benefits, tax deductions and contribution incentives, amounted to 17,453 million euros (excluding the additional contribution of 10,600 million euros paid by the State pursuant to Law n. 335/1995, for financing CTPS (the public employees occupational fund), with respect to 190,345 million euros in 2012, with a slight reduction by 0.6%. So there is a negative balance between contributions and benefits by **25,360 million euros** with a 22,2% increase vs. the balance of 20,741 million euros in 2012. So these rapidly growing imbalances are too high and worrisome: from 2 billion euros in 2008 to over 25 in 2013, with a double digit growth.¹⁷

Therefore, it is possible to draw the following conclusions:

a) According to the analysis of the data in **Table 1a** and of the pension fund for atypical workers and of the funds for professionals, there are 3 INPS schemes running a surplus: the fund for **retailers** with a surplus of **380 million euros**, the fund for **showbusiness and entertainment workers (ex ENPALS)** with **320 million euros** and the scheme of the so-called **atypical workers** with a surplus of **6,773 million euros**. This is a separate scheme founded in 1996. As indicated in Chapter 4, all the schemes for professionals (except for Inpgi and Cipag) run a surplus equal to 3,359 million euros. Except for the fund for retailers, these schemes still have a higher number of active members with respect to the number of pensioners who contribute to obtain 10,832 million euros' worth of surplus), thus curbing the overall negative balance between expenses and revenues to 25,360 million euros.

b) The deficit in the funds for public employees equal to 26,058 million euros has dropped since the revenues also include the additional contribution by the State to these schemes which amounts to 10,600 million euros. This can be defined as a deferred contribution in that the **State until 1996** was not obliged to transfer the contributions it paid to the schemes for public employees. This reduction has also a positive impact on the overall deficit of all the schemes.

c) However, in view of evaluating the performance of the overall pension system in Italy, it is important to stress that the actual figure related to contribution revenues includes the transfer from the GIAS and GPT Funds. The GIAS fund (illustrated in Chapter 3.6) is a tool to transfer the welfare resources financed by the State through general taxation and the GPT fund (illustrated in Chapter 6) is

¹⁵ Some data related to 2011 – 2012 slightly differ from the ones published in Report I, following some changes to the items in the accounts and to re-calculations.

¹⁶ The equalization increases are equal to 3% for pensions up to 1,443.00 euros per month, while no increase has been envisaged for pensions 1,486.29 euros per month and finally for pensions in between these two amounts, beneficiaries are entitled to € 1,486.29

¹⁷ Between 2009 and 2010 + 39,35%; 2011 vs. 2010 + 26,31%, 2012 vs. 2011 + 26,55%.

financed at 70% through the contributions paid by companies and by workers to the schemes for temporary benefits. Both funds adopt ad hoc measures to compensate for the loss of contribution revenues due to the deterioration of employment; their growing role shows that the crisis is deteriorating in Italy. So, in order to properly assess the overall economic situation in this Country and the ratio of contribution revenues to pension expenditure, it is essential to consider the these revenues net of welfare transfers equal to 12,841 million euros from GIAS and to 5,642 million euros from GPT.

The above-mentioned accounting situation has been caused by the unrelenting economic crisis which also continued in 2013, which led to a decrease in the contribution revenues and in the growth of wage and income levels, with a negative impact on benefits which require a greater support by the State. Therefore, there is a growing gap between the revenues coming from companies (workers and employers) and the total benefit expenditure.

This situation does not seem to be fully reflected in the analysis of the data on the number of active workers in Table 4a. According to INPS, this figure dropped from 24,392,300 in 2012 to 23,960,460 in 2013, down with respect to previous years. This is indicative of a negative employment situation, but it certainly does not account for the sharp increase in unemployment measured by ISTAT from the beginning of the crisis (2008), which reached **12.9%** in December 2014. It should be pointed out that the figure of active workers reported in the INPS financial accounts and in Table 4a, refers more to specific administrative/accounting requirements related to contributions (even a single contribution in the year is to be considered in the number of workers paying contribution) than to the actual number of workers. Table 11.1 is based on the Istat data on the workforce and it shows that the number of employed workers is equal to 22,425,212 (the lowest level since 2005). It would be desirable to make a better use of the "general registries of active workers" provided by Nusvap in 2011/12 to the government then in office. They should be used more effectively to assess, inter alia, the real employment situation in Italy¹⁸.

On the benefit side, the crisis speeded up the revision of the age and seniority requirements to be eligible (the so-called Fornero Law, n. 92/2012)) with a consequent reduction in the number of claims for benefits. However, the significant rise in retirement age produced the phenomenon of the so-called "**esodati**" (people who retired early without any pension benefits), 170,000 people who have become eligible for "safeguard" measures (*table 3.1*)¹⁹.

The number of outstanding pension benefits did not change (18,215,660) while the average nominal amounts of pensions continued to grow from 13,00 euros in 2011 to 13,400 euros in 2012 and to 13,780 in 2013. In real terms, this trend was not justified by the negative GDP in the two years considered.

When analyzing the different funds of the whole pension system, it is possible to highlight their significant differences, evaluate their future financial and economic prospects and identify the possible measures designed to further harmonize their rules.

¹⁸ The Government should encourage INPS to use "general registries" for its data processing system, considering the huge amount of information from production companies, so that procedures can catch the production and employment trends of the country.

¹⁹ The first so-called protection of "esodati" was introduced under the "Salva Italia" Decree (MD 1/6/2012) for 65,000 people; the second with the "*spending review*" (Act 135/2012 and MD 8/10/12) for 35,000 workers; the third protection measure for 16,130 workers was implemented with the "stability law" (Interministerial Decree 22/4/13). Later, with the 4th and the 5th measure, the protection was extended to another 22,000 people. In 2014, the number of protected workers was reviewed; the sixth measure was introduced by Act n. 147/2014 for 32,100 workers. In total, the number of workers protected by these measures amounts to 170,230 of whom about 98,000 have already obtained the Inps entitlement certificate and 64,077 receive pension benefits; of course, this is reducing the expenditure savings unrealistically planned by Minitser Fornero.

Table 3.1: "Esodati" and their safeguard measures

Categories	1° Safeguard	2° Safeguard	3° Safeguard	4° Safeguard	5° Safeguard	6° Safeguard	Total
<i>Category of workers</i>	<i>DI 201/2011 - Dm 1st June 2012</i>	<i>DI 95/2012 - Dm 8th October 2012</i>	<i>Law 228/2012 - Dm 2nd April 2013</i>	<i>DI 102/2013</i>	<i>Law 147/2013 - Dm 14 February 2014</i>	<i>Law 147/2014</i>	
<i>"Mobilità ordinaria"</i>	25,590		2,560			5,500	33,650
<i>Safety net for redundancies</i>		20,000 ¹					20,000
<i>"Mobilità lunga"</i>	3,460						3,460
<i>Funded by solidarity funds</i>	17,710	1,600					19,310
<i>Paying voluntary contributions</i>	10,250	7,400	7,590 ³		9,900	12,000	47,140
<i>Paying voluntary contributions mobilità ordinaria</i>			850		1,000		1,850
<i>dismissed</i>	950						950
<i>in leave</i>	150			2.500		1.800	4,450
<i>No longer working under an agreement with the employer</i>	6,890	6,000	5,130		900		18,920
<i>No longer working on the basis of a unilateral decision</i>				2,500 ¹	5,200	8,800 ²	16,500
<i>short-term contracts</i>						4,000	4,000
Total	65,000	35,000	16,130	5,000	17,000	32,100	170,230
Applications deadline	21/12/2012	21/05/2013	25/09/2013	27/02/2014	16/06/2014	05/01/2015	
Certified* pensions	64,374	17,114	7,344	5,870	3,294	0	97,996
Paid pensions*	44,114	9,593	5,981	1,399	2,990	0	64,077
Data from INPS, Min of Labour; * data updated to January 23 2015; 1) figure redetermined under Act 147/2014; 2) also including those who agreed to cease their work relationship with the employer; 3) Art. 1, par.191, od Act n. 147 of 2013 (2014 Stability law), increased by 6.000 units the number of those who voluntarily decided to continue and who have to be protected under the Interministerial Decree of April 22 2012.							

3.1 The schemes for private sector employees

In 2013, all the **funds for private sector employees** (see Table 1a) had a **negative balance of 2,837 million euros**, much worse than the negative balance of 2012 (732 million euros). In fact, these schemes had to pay 119,257 million benefits (117,770 million in 2012), but they received 116,420

million euros' worth of contributions, down with respect to 2012 (117,037 million) with a ratio of contributions to benefits lower than 100% (97.6%) as already happened in 2012 (99,.4%).

These general figures refer to the broad category of "private sector employees". This "category" includes the data on the occupational pension fund (FPLD), on the scheme for industry managers (former Inpdai) and on the former special funds (transportation, telephony, electricity) integrated into the FPLD fund but with separate accounts, as well as on other sectoral schemes (airlines and railways and other minor funds) managed with a separate accounting system within Inps; it also includes the data on the show business and entertainment scheme, formerly ENPALS which was merged into Inps as of 1/1/2012 and of the posts and telephony fund , ex IPOST, abolished on 31/5/2010 and transferred to Inps; finally, it features the fund for private sector journalists managed by INPGI (private law organization). The following paragraph 3.4 illustrates these funds (except for the fund for private sector journalists illustrated in Chapter 4) which have an INPS separate account.

In 2013, the Fund of public credit institutions ceased to have a separate accounting system. This Fund, launched under Law Decree n. 357 of November 20 1990, ended its activities 31/12/2012.

It is sufficient to analyze the FPLD fund alone within the framework of private sector occupational schemes, net of the separate accounts of the former special funds, to show that this fund is the most important in this "category" with more than 90% of members and benefits paid. In the year 2013, there was a **positive balance of 9,942.7 million euros** given by the difference between 108,653.2 million euros' worth of contributions and 98,710.5 million euros' worth of benefits (*see Table B25.a*); in 2012, this positive balance was higher (12,362 million euros; *see Table B24.a*); in 2013, there was a slight increase in contributions (564.3 million euros) and a significant jump in benefits (2,983.6 million euros). In 2013, the role of GPT and GIAS in financing income-support benefits continued to grow due to the relentless economic crisis.

The former Special Funds merged into the FPLD with a separate account showed a growing negative balance of **4,007.5 million euros** which significantly affected the overall balance of the FPLD; those who pay contributions to these special funds account for just 2% of active members.

However, the data on these former special funds do not include the contributions paid by the newly-hired staff of the companies operating in these sectors after the consolidation, with the exception of the transportation fund, as these workers directly become members of FPLD. Therefore, in this transitory phase, the progressive deterioration in the equilibrium of these special funds and the improvement of the FPLD is also partly explained by the above-mentioned transfer of contributions which, however, did not considerably improve the deficit of these funds.

3.2 The Fund for public employees (ex INPDAP)

Under the above-mentioned Art. 21 of D.L. 6/12/2011, transposed into Act n. 214 of 22/12/2011, INPDAP ceased to exist as a separate scheme and was integrated into Inps as of 1/1/2012. As of this date, the data for the fund for public employees are shown in the INPS general accounts. The major deficit of these funds further deteriorated the Inps accounts raising concerns among policy makers and the media. However it did not have an impact on the overall results of the compulsory pension system that had already anticipated this imbalance. In sum, **in 2013**, the deficit of these schemes amounted to **26,058 million euros**, net of 10,6000 million Euros' worth of additional contributions paid by the State, with **38,246 million euros'** worth of revenues **and 64,304 million euros'** worth of expenditure. The deterioration of the negative balance, compared to 2012, has been going on since 2009 and it has been caused by the reduction in the ordinary contribution revenues (-1,005 million euros) due to the

block to turnover and to the dwindling number of public employees paying contributions (-64,460 units) with a consequent decrease in the taxable income.

Pension expenditure increased by 2.05%, reaching 64,304 million euros with an increase by 1,289 million euros with respect to 2012 with the automatic adjustment of benefits. This was also due to the substitution effect between new pensions and ceased pensions, which resulted in an increase of the **average annual pension** to € 22,680 compared to 22,400 in 2012.

Moreover, Act n. 183/2011, article 2, paragraph 4, introduced a specific GIAS contribution to the funds for civil servants as of 2012. For this year, GIAS had to pay up to 6,698 million euros's worth of benefits vs. 8,073 million in 2013. Considering the total contribution by the State (10,600 million euros of additional contributions under Act n. 355/1995 and 8,073 million of benefits transferred to GIAS) the final balance was equal to 48,846 million euros' worth of revenues and 56,231 million euros' worth of expenditure, for a total difference of 7,385 million euros.

3.3 The Social security schemes for the self employed: artisans, retailers, farmers, tenant farmers and sharecroppers (CDCM)

Inps administers three schemes for the self-employed: artisans, retailers and farmers, tenant farmers and sharecroppers. The schemes for artisans and retailers show an imbalance between contributions and benefits which reached **3,240 million euros** with a 401 million increase vs. 2012. These funds still show an unrelenting economic and financial imbalance, partly as a result of the ongoing effect of Act n. 233/90, which introduced favorable rules for calculating pensions for these categories, totally disconnected from any actuarial mathematic calculations. This problem can be corrected in the next few years only with the full implementation of the calculation rules of the contribution-based system. In any case, there are still some differences in the accounting results of these two schemes. In 2013 the **Fund for artisans** had a negative balance equal to **3,619.8 million euros** deriving from 11,709.7 million euros' worth of benefits and from 8,089.9 million euros' worth of contributions, down by 13% vs. 2012 (3,203.8 million euros: 11,298.6 million euros of expenditure and 8,094.8 million euros' worth of revenues) due to rather stable revenues and to a 3.6% increase in benefit expenditure. Instead, the **Fund for retailers** showed a positive balance equal to **380 million euros** (9,908. million euros of contributions and 9,528.8 million euros of benefits) in line with the positive balance equal to 364.4 million in 2012 (9,312.7 million euros' worth of expenditure and 9,677.1 million euros' worth of contributions).

It is possible to understand the accounting differences of these two funds considering that the active worker/pensioner ratio for artisans is 1 pensioner every 1.08 active workers while for retailers it is 1 pensioner every 1.58 active workers.

The Fund for **Farmers, Tenant Farmers and Sharecroppers** (hereinafter CDCM) confirmed its structural imbalance also in 2013 due to the decline in the number of agricultural workers which fell to 457,261 (vs. 1,206,000 in 1989) and in particular to favorable social security provisions (very high benefits compared to the level of contributions, even though the contribution rate for members was adjusted in 2012). Net of the GIAS transfers directly allocated to pay the pensions accrued before 1/1/1989 (for a total of **2,346 million euros** in 2013), **the balance** between contributions and benefits amounted to – **3.116 million euros** in 2013 with respect to - 3,403 million euros in 2012, with a drop by 287 million due to the increase in tax inspections on contributions for an amount of 33 million euros and to the reduction of benefit expenditure by 256 million.

The **contribution revenues** equal to 1,162 million euros (1,129 million euros in 2012) managed to cover only about 1/3 of benefits (net of those paid by GIAS), which amounted to **4,277 million euros**.

The low level of contribution revenues depends on the low income of these workers, on their low contribution rate and on the difficult to recover some contributions which of course has an impact on the financing of this Fund.

In 2013, the pensions financed by the CDCM fund (paid as of 1988²⁰) amounted to **1,632,970**; one of the causes of the structural imbalance of this scheme is the negative trend of the ratio of active workers vs. pensioners which was equal to 1.53 in 1990 (i.e. 1.53 pensioners for each worker paying contributions); in 2000 this index rose to 3.1 (more than three pensions for every active worker) and in 2013 it reached 3.57 pensions for each active worker. **Therefore, on the whole, the pensions in the agricultural sector weigh on the general taxation for almost 5.5 billion euros every year.**

3.4 Minor schemes for private sector employees: clergy, show-business and entertainment (ex ENPALS), posts and telephony (ex IPOST), railways, journalists managed by INPGI

3.4.1 The clergy fund

The Clergy Fund is the compulsory scheme for old age, invalidity and survivors' pensions for Catholic priests and other religious persons not belonging to the Catholic Church. It is characterized by an anomalous structural imbalance but with a limited economic financial impact on this category of schemes. The fund has a low level of coverage from contribution revenues, accounting for 32% of pension expenditure net of GIAS transfers. In 2013, this fund had **33 million euros' worth of revenues** and **103 million euros' worth of pension expenditure**, net of GIAS transfers. So, in 2013 the accounting deficit net of GIAS transfers reached **70 million euros**.

3.4.2 The showbusiness and entertainment fund (ex ENPALS)

As mentioned earlier, Enpals was merged into INPS as of 01/01/2012. It manages two separate schemes: the fund for showbusiness and entertainment employees and the fund for professional athletes. In 2013, this Fund had a surplus of 320 million euros, with contribution revenues and membership fees amounting to **1,178 million euros** (1,165 million euros in 2012) and expenses amounting to **858 million euros** (847 million euros in 2012).

3.4.3 The posts and telephony fund (ex IPOST)

After the sweeping restructuring process that led to the privatization of the postal sector and to the establishment of Ente Poste Spa, Ipost was transferred to INPS. The 2013 accounts showed **1,697 million euros'** worth of expenses and 1,381 million euros' worth of revenues, with a negative balance equal to **316 million euros**, similarly to 2012 (306 million euros with 1,324 million euros of revenues and 1,630 million euros of expenditure).

3.4.4 The railways fund (FF.SS)

The broad and sweeping restructuring that led to the privatization of large state organizations had a major impact on the pension system as a whole, but the strongest effect undoubtedly came from the reform of the Italian railway company into FS Spa. In fact, the new fund merged into INPS was characterized by a completely imbalanced ratio of active workers (50,533 in 2013 vs. 57,100 in 2011 and 53,600 in 2012) to the number of outstanding pensions (228,590 in 2013 vs. 234,400 in 2011 and

²⁰ Come accennato, dal 2011 le pensioni liquidate fino al 31/12/1988 sono state poste a carico della GIAS e quindi il numero delle pensioni si riferisce solo a quelle liquidate dopo tale data.

232,000 in 2012). As a result, early-retirement plans were widely used thus transferring the burden of this restructuring effort on taxpayers. The fund had a very anomalous negative balance between contributions and benefits equal to 4,225 million euros, with benefits amounting to **4,896 million euros** and contributions equal to **671 million euros**.

3.4.5 The Fund for journalists (INPGI)

Journalists are covered by a dedicated fund called INPGI which replaces AGO. In 2013, the Fund had a slight imbalance with **revenues equal to 383.5 million euros** and **expenditure to 426.6 million euros**, similarly to 2012 with revenues amounting to 383.1 million Euros and slightly higher expenses equal to 408.6 million euros.

3.5 The Fund for atypical workers

The **separate scheme** set up within INPS under Art. 2, paragraph 26²¹ of Act n. 335/95 (Dini reform) for the so-called atypical workers had a significant positive contribution-benefit balance since it started operating only a few years ago. In **2013**, it amounted to 6,773 million euros, down with respect to 7,083 million euros in 2012, with **7,327 million euros' worth of contribution revenues and 554 million Euros' worth of benefit expenditure**.

The number of benefits paid (301,840) is still low and much lower than the number of active workers paying contributors (1,563 million workers).

Even the average amount is quite low (1.980 euros per year). In fact, this a recent fund established in March 1996 and therefore few contributions have accrued in this separate account.

In the meantime, the contribution rates have been raised (from 27% to 27.72% for all members and from 18% to 20% for pensioners and for the members of other schemes) as well as the maximum taxable income (from 96,149 euros to 99,034 euros). This has contributed to boosting the revenues up, thus improving the positive balance of the scheme.

3.6 The welfare and income support fund (GIAS)

Like the previous year, this report again focuses on the welfare and income support fund (hereinafter **GIAS**)²², which was set up within INPS under art. 37, paragraph 3, letter. D of **Act n.88/1989**. It is an accounting instrument to implement the rules governing **the welfare measures adopted by the State**. Since its inception, the regulatory framework and the implementation of this Fund have greatly evolved, extending its reach through different levels of society.

Most of these interventions are **financed by the state budget**. Part of the revenues comes from the contributions to be paid by employers and members, which amounted to **1,758 million euros** in 2013. Therefore, in 2013, the transfers paid by taxpayers amounted to **99,069 million euros** vs. 93,800 million euros in 2012 for the following purposes: **a)** pension benefits: 67,982 million euros; **b)** income support measures: 9,592 million euros; **c)** family support measures: 3,992 million euros; **d)** allowances

²¹ Quotation “As of January 1 1996, an ad-hoc Separate Account within Inps will provide a compulsory coverage for disability, old-age and survivors pensions to subjects who work as self-employed on a regular even if not exclusive basis as provided for under par. 1 of Art. 49 of the framework law on income taxes, approved by decree by the President of the Republic on December 22 1986, n. 917 , further amended and supplemented, and to atypical workers , as provided for under par. 2, letter a), of Art. 49 of the same law and to sales representatives as provided for under Art. 36 of Act n. 426 of June 11 1971. The subjects receiving grants or fellowships for a certain activity are not obliged to enroll.”

²² The data in this section and in Chapter 6 are derived from GIAS and GPT; often, “corrective items” are introduced which are not related to the disaggregated data.

deriving from the reduction in social charges (TBC and maternity leave): 677 million euros; **e**) transfers for incentives and other contribution rebates: 15,488 million euros; **f**) other measures: 1,338 million euros.

At present, the GIAS areas of intervention described in this Report can be summarized as follows:

A) Benefits:

- 1) **Share of benefits of other schemes** (INPS funds as of 1989 and INPDAP Funds as of 2012) in order to rebalance their accounts with a more clear-cut separation between social security and welfare measures.
- 2) **Welfare benefits** such as civilian disability benefits, carers' allowances, social pensions and allowances.
- 3) **Benefits to support employment during the economic crisis** even in areas not covered by ordinary instruments ((Derogation Redundancy Fund, Extraordinary Redundancy Fund, etc.) and provision of retirement contributions.

B) Revenues:

- 4) **Contributions to pension schemes** through rebates of social charges and other incentives equal to **12,841 million euros** down with respect to 13,290 million euros in 2012; charges for early-retirement, measures to support income and to offset lower revenues due to dwindling income levels in general for a total amount of **5,021 million euros** (4,785 million euros the previous year).
- 5) **Transfers to cover the deficit** (2012) of some INPS special funds (customs officials, staff dealing with excise taxes, dockworkers and former FF.SS. railway workers) amounting to **4,822 million euros** in 2013 vs. 4,407 million euros in 2012.

GIAS also provides benefits to support families, not only pensioners but also active workers for an amount equal to 3,525 million euros per year, of which 262 million euros to partly cover family allowances for pensioners and to 585 million euros for economic benefits for maternity leave and TBC.

GIAS operates within the framework of the pension sector both on the **revenue side to support the flow of contributions** and on that of the **benefit side**. Here follows the description of the measures undertaken as indicated under points 1) and 2), while point 3) is illustrated in Chapter 6 which analyses in depth the income support measures financed by GPT and by GIAS.

Point 1) refers to the following interventions:

a) pension charges (very high) as provided under the law and under some later provisions, such as the increased share of minimum benefits; a share of each pension paid by FPLD, by special funds and by the funds for retailers and artisans; benefits to CDCM before 1989; early retirements; the increase in the pensions for veterans and other minor charges, as follows:

- a share of each pension paid by the INPS funds equal to **18,374 million euros** in 2013 vs. 16,679 million euros in 2012.
- Pensions to CDCM paid before 1/1/1989 amounting to **2,364 million euros** in 2013 vs. 2,516 million euros in 2012.
- early retirements equal to **1,079 million euros** in 2013 down with respect to 1,241 million euros in 2012.

- the share of pensions under art. 1 of Act 59/1991, amounting to **1,003 million euros** in 2013, slightly lower than 1,011 million euros in 2012.
- additional benefits under art. 5. of Act 127/2007 equal to **960 million euros** in 2013, down with respect to 1,031 million euros in 2012.
- the share of disability pensions before Act n. 222/1984 amounting to **4,940million euros** vs. 4,750 million in 2012.

The overall financial quantification of all pension charges is illustrated in Table 1.a, for an amount equal to **33,292 million euros** in 2013 vs. **31,766 million euros** in 2012.

In addition to these charges, there are those related to the funds for civil servants (former INPDAP) as provided for under Act n. 183/2011 which established the GIAS transfers to these schemes, equal to 8,073 million euros in 2013 vs. 6,698 million euros in 2012.

The welfare benefits mentioned in point 2 include:

- Transfers to the specific "**Fund for pensions and carers' allowances for disabled civilians**" under former art. 130 of L.D. of 31/03/1998, whose statistical and financial aspects are analyzed in depth in Chapter 11, table 11.2.
- **benefits** related to social pensions, social allowances and surcharges, which are also analyzed in Chapter 11 (Table 11.2).

The overall financial quantification of these measures is equal to **21,623 million euros** in 2013 vs. 20,867 million euros in 2012.

Finally for direct and indirect "war pensions," until December 31 2013, the benefits provided amounted to 241,015 for a total amount of **1,390 million euros**, down with respect to the stock last year (261,435 pensions for an amount equal to 1,426 million euros). These benefits are allocated through a special fund of the Ministry of the Economy and Finance.

The final Chapter (Chapter 11, Summary and Conclusions) analyzes these figures because, if added to other GIAS transfers, they provide an important picture which often policy makers are not aware of.

For each compulsory pension scheme, *BOX 1* shows the amounts paid by GIAS in terms of "benefits" as well as transfers (together with the ones from GPT and from the Regions) that increase the "contribution revenues".

BOX 1

IMPORTI A CARICO GIAS PER PRESTAZIONI			TRASFERIMENTI DALLA GIAS E ALTRE GESTIONI		
	2012	2013		2012	2013
<i>(valori assoluti espressi in milioni di euro)</i>			<i>(valori assoluti espressi in milioni di euro)</i>		
DIPENDENTI PRIVATI	24.475,29	25.476,82	DIPENDENTI PRIVATI	17.777,88	16.738,77
Dipendenti Privati INPS	23.554,71	24.562,40	Dipendenti Privati INPS	17.747,10	16.716,82
FPLD	23.282,91	24.310,70	FPLD	17.410,54	16.391,31
TRASPORTI	41,53	40,26	TRASPORTI	122,15	121,70
TELEFONICI	25,23	25,20	TELEFONICI	1,77	1,64
ELETRICI	55,57	53,94	ELETRICI	3,50	3,49
VOLO	5,74	4,26	VOLO	34,22	35,24
IMPOSTE CONSUMO	5,93	4,38	IMPOSTE CONSUMO	158,09	154,71
CREDITO*	15,96	-	CREDITO*	7,55	-
FFSS	46,18	46,16	FFSS	0,00	0,00
INPDAI	75,66	77,50	INPDAI	9,28	8,73
Altri Fondi dipendenti privati	83,18	79,21	Altri Fondi dipendenti privati	26,89	18,04
ISTITUTO GIORNALISTI	2,00	0,00	ISTITUTO GIORNALISTI	0,00	1,00
ENTE LAVORATORI SPETTACOLO**	81,18	79,21	ENTE LAVORATORI SPETTACOLO**	26,89	17,04
Fondi Ex Aziende Autonome	837,40	835,21	Fondi Ex Aziende Autonome	3,89	3,91
IPOST	837,40	835,21	IPOST	3,89	3,91
DIPENDENTI PUBBLICI	6.698,14	8.073,63	DIPENDENTI PUBBLICI	67,45	88,76
CPDEL	162,13	82,95	CPDEL	49,04	69,14
CPI	0,29	0,60	CPI	0,48	0,22
CPS	7,73	10,12	CPS	14,57	17,85
CPUG	0,17	0,13	CPUG	0,00	0,00
CTPS	6.527,82	7.979,83	CTPS	3,36	1,55
AUTONOMI E PROFESSIONISTI			AUTONOMI E PROFESSIONISTI		
Autonomi Inps	7.252,10	7.754,05	Autonomi Inps	263,86	250,35
ARTIGIANI	1.662,07	1.745,95	ARTIGIANI	81,50	82,48
COMMERCianti	1.090,53	1.228,00	COMMERCianti	65,35	63,73
CDCM	4.499,50	4.780,10	CDCM	117,01	104,14
Liberi Professionisti	2,49	0,51	Liberi Professionisti	97,43	93,82
CASSE PRIV 509 ESCLUSO ENPAM	0,49	0,51	CASSE PRIV 509 ESCLUSO ENPAM	97,43	92,82
ENPAM	2,00	0,00	ENPAM	0,00	0,00
CASSE PRIV 103	0,00	0,00	CASSE PRIV 103	0,00	1,00
FONDO CLERO	11,89	10,04	FONDO CLERO	0,00	0,00
GESTIONE PARASUBORDINATI	28,71	39,34	GESTIONE PARASUBORDINATI	31,88	26,69
INTEGRATIVI INPS	11,44	11,33	INTEGRATIVI INPS	270,63	254,98
miniere	5,74	5,78	miniere	12,94	12,48
gas	0,84	0,83	gas	0,01	0,01
esattoriali	1,68	1,59	esattoriali	0,00	0,00
portuali	1,18	1,18	portuali (1)	53,88	50,97
enti disciolti	1,95	1,95	enti disciolti (2)	203,80	191,52
ENASARCO	0,05	0,00	ENASARCO	0,00	0,00
TOTALE	38.480,06	41.365,72	TOTALE	18.509,13	17.453,37
TOTALE GIAS al netto dei DIP_PUBBLICI	31.781,92	33.292,09			

*Fondo Credito confluito in FPLD nel 2013; ** Fondo Enpals Cumulativo di gestione spettacolo e sportivi; (1) Trasferimenti GIAS ai sensi dell'art. 13 DL 873/1986; (2) Trasferimenti da parte di altri enti previsto dai commi 5 e 6 art. 77 Legge 833/1978

4. *The Funds for Professionals*

This Chapter illustrates some indicators of the so-called "Privatized Pension Schemes" of professionals, subdivided into two main groups: the funds referred to in Legislative Decree no. N. 509/1994 which include the following entities: ENPAFL (Labour Consultants), ENPAV (Veterinary doctors), ENPAF (Pharmacists), Cassa Forense (Lawyers), INARCASSA (Engineers and Architects), Cipag (Surveyors and Evaluators), CNPR (Accountants and Auditors), CNPACD (Chartered Accountants), CNN (Notary Publics), ENPAM (Doctors) and INPGI (Journalists); the funds referred to in Legislative Decree n. 103/1996 which include: ENPAB (Biologists), ENPAIA (Agricultural Experts and land surveyors), EPAP (Agronomists and forestry experts, actuaries, chemists and geologists), EPPI (Industrial engineers and graduates), ENPAP (Psychologists) and INPGI (Journalists, Separate Account);

Unlike the public INPS schemes, these funds have their own reserves to fulfill their obligations in terms of pension benefits to be paid in the future to their members according to the *pay as you go* system like in the rest of the compulsory pension system. Inside the PAYG system, there are two methods of calculating the pensions paid by the funds referred to in Legislative Decree n. 509/1994 and by the funds referred to in Legislative Decree n. 103/1996.

The funds referred to in Legislative Decree n. 509/1994 calculate their benefits with the *income-based system*, that is on the basis of the average of the last years of income that, in some cases, cover almost the whole working life; the pension is calculated by multiplying the mean remuneration for pension purposes (RMP) by a coefficient related to the number of working years (for example: 30 years x 1.5% = a pension equal to 45% of RMP).

The funds referred to in Legislative Decree n. 103/1996 reevaluate their benefits according to the *contribution-based system*, by multiplying the individual contributions paid by members by the age-related transformation coefficient at the time of retirement.

The individual contributions consist of all subjective contributions and they are increased annually on a compound basis in accordance with the capitalization rate of the annual variation in nominal GDP. Any positive balance between the actual return on the investments and the capitalization accredited onto the individual accounts is put into a reserve fund to cover any possible negative balances.

Following the introduction by Nusvap of the obligation to draft financial statements with financial sustainability and actuarial projections with a 30-year horizon, with the addition of another 20 years if necessary, as provided for under the law of 2007 and of the extension of the projections to 50 years as indicated by art. 24 of the L.D. n. 206 of 2011 (referred to as "Save Italy" Decree) subsequently transposed into Act n. 214 of December 22, 2011, all the Funds provided for under L.D. n. 509/1994, except for Cassa Forense and Enpam, have introduced the *contribution-based method* with the strict implementation of the "pro rata" principle to protect vested rights.

Finally, these funds are financed by two main types of contributions: *subjective* contributions which are calculated as a percentage of the taxable income, ranging from 10% to 16% for the purpose of financing retirement benefits; *supplementary* contributions calculated on the basis of the turnover (and therefore on a higher amount) which vary between 2% and 4%; they are partly used to fund the welfare benefits paid to members and the operating costs and partly designed to increase the pension amount for each member. This second provision, introduced by the so-called "Lo Presti Law", aims to adjust and increase the future pension benefits to be paid by the funds referred to in Legislative Decree no. 103/1996.

Considering the period from 1989 to 2013, the **total number of active workers paying contributions** to the funds increased by approximately **136%** reaching **1.210.856** people. For the funds under

Legislative Decree n. 509/1994, (hereinafter "the 509"), the number of active workers amounted to **1,045,561** with a 24% increase compared to 2004 and a 1.3% increase with respect to 2012. While for the funds under Legislative Decree n. 103/1996 (hereinafter "the 103"), the number of active workers amounted to **165,295** with a 61% increase compared to 2004 and a 7.2% rise compared to 2012.

In the year under investigation, the **average contribution per year** was equal to **6,188.4** euros with a 3.7% increase vs. 2012, even though the two macro groups have different trends. In particular, for the 509, the average contribution per year was equal to **6,817.7** euros with an increase by 4/6% vs. 2012; for the 103 it was equal to **2,207.7** euros with a drop by 3.8% vs. 2012.

Considering the period 1989-2013, the **pensions paid** increased from 145,325 to **328,161**, with an increase by **118.7%**; the recently founded 103 only account for 15.8% of the total number of active workers and they paid a low number of benefits equal to about **10,301** in 2013. Considering the period between 2012 and 2013, the number of benefits paid by the 103 increased by 13.8%.

The **average pension** in 2013 amounted to **12,600 euros**, up by 2.4% vs. 2012. In detail, for the 509, the average pension in 2013 was equal to **12,941.1 euros**, up by 2.7% vs. 2012; for the 103, it amounted to **2,073.6 euros**, up by 8.9% with respect to 2012. For the 103, in most cases, the above-mentioned pension is only part of the overall pension paid to their members, since they also receive the compulsory benefits. In fact, these individuals are eligible for the first pillar pension even in other public schemes.

In 2013, **pension expenditure** reached **4,134 million euros** with an increase by 5.4% compared to 2012. The expenditure by 509 was equal to **4,113 million euros**, up by 5.3% compared to 2012, while for the 103, pension expenditure amounted to **21 million euros** with a 25% increase compared to 2012.

The following table illustrates the trends over time.

	Importo 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	4.113	5,29%	23,28%	65,41%	539,43%
Casse 103	21	25,03%	156,41%	1507,50%	2981,54%

- Funds 509 - Funds 301 - amount % variation in 2012 - over 5 years - over 10 years - baseline

The **contribution revenues** of the private pension funds amounted to approximately **7,493 million euros** in 2013 with an increase by 5.8% compared to 2012. The contribution revenues of the 509 amounted to **7,128 million euros**, with an increase by 6% compared to 2012, while the contribution revenues for the 103 amounted to **365 million euros** with an increase by 3.1% compared to 2012.

The following table illustrates the trends over time.

	Importo 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	7.128	5,98%	24,96%	76,58%	586,43%
Casse 103	365	3,07%	33,14%	82,64%	2064,83%

The balance between contribution revenues and pension expenditure amounted to about **3.36 billion euros**, with a 6.4% growth with respect to the previous year; in 2012, this balance was equal to **3.16**

billion euros. For the 509, in 2013 this balance amounted to **3.02 billion euros**, while for the 103, it was equal to **344 million euros**.

The following table illustrates the trends over time.

	Importo 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	3.015	6,93%	27,32%	94,52%	662,95%
Casse 103	344	1,96%	29,28%	73,10%	1938,11%

The ratio of active vs. retired members was equal to **0.27** (that is 3.7 active workers per each pensioner) with a 0.8 % increase compared to 2012. Specifically, for the 509, this ratio was equal to **030** (3.33 active workers per pensioner) with a **1.3%** increase vs. 2012, while for the 103, it was equal to **0.06** (16.66 active workers per pensioner), with an increase by 6.3% compared to 2012.

The following table illustrates the trends over time.

	Rapporto 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	0,304	1,25%	6,62%	6,14%	7,26%
Casse 103	0,062	6,27%	60,26%	328,95%	3688,63%

In 2013, **the average pension/average contribution ratio** amounted to **2.04** with a decrease by 1.23% compared to 2012 (the average pension was equal to 2.04 times the amount of the average yearly contributions) . Specifically, for the 509, in 2013 this ratio was equal to **1.90**, with a further drop by 1.9% compared to 2012, while for the 103, it was equal to **0.94** with an increase by 14.2% compared to 2012 but with a consistently diminishing trend over the years.

The following table illustrates the trends over time.

	Rapporto 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	1,898	-1,88%	-7,46%	-11,75%	-13,15%
Casse 103	0,939	14,15%	20,17%	105,19%	377,95%

In 2013, **the ratio of benefit expenditure vs. contribution revenues** amounted to **1.8** with an increase by 0.4% compared to 2012. Specifically, for the 509, in 2013 this ratio was equal to **1.73**, further up by 0.7% compared to 2012, while for the 103, it was equal to 17.08, down by 17.6% compared to 2012, but with a consistently diminishing trend over the years.

The following table illustrates the trends over time.

	Rapporto 2013	Variaz. % sul 2012	Variaz. % su 5 anni	Variaz. % su 10 anni	Variaz. % da inizio rilevazione
Casse 509	1,73	0,65%	1,36%	0,66%	7,35%
Casse 103	17,08	-17,56%	-48,08%	-44,80%	-30,67%

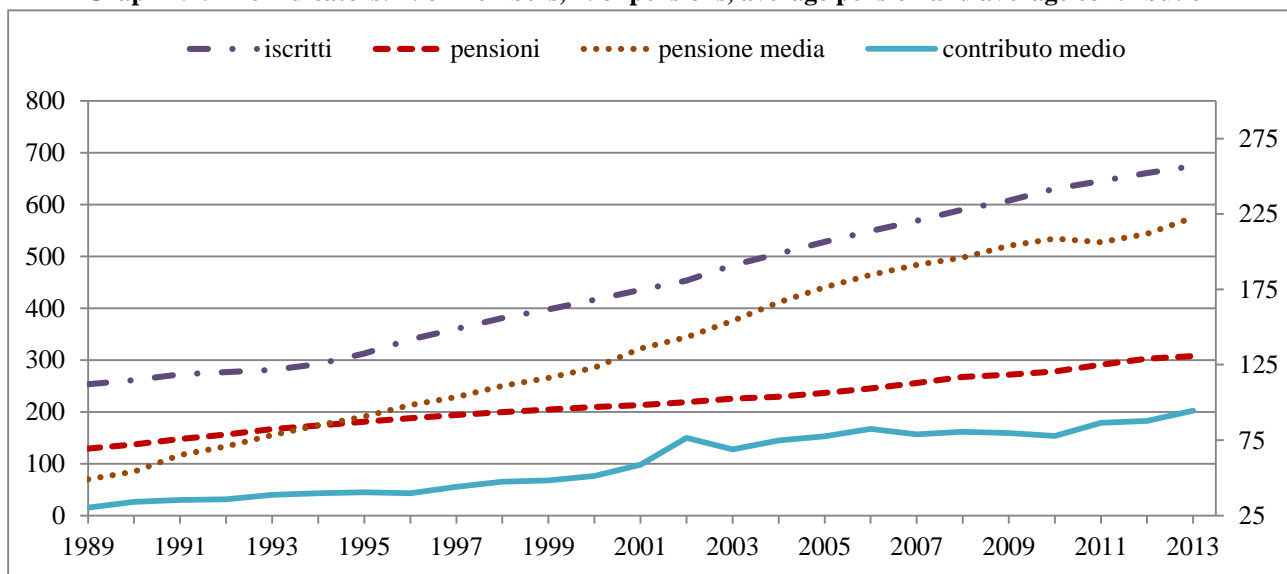
The following graphs and tables illustrate the trends of the parameters considered for the two macro groups: the privatized funds establishes under LD. n. 509/1994 and the funds established under LD n. 103/1996.

Table 4.1: The social security indicators of the privatized funds under LD 509/94

		ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM
Spesa per pensioni	Importo	88,31	34,75	162,74	705,53	431,22	437,47	209,56	227,40	190,35	426,66	1.199,47
	var.% da 2012	11,25%	6,44%	1,40%	5,20%	14,93%	3,85%	3,44%	6,69%	3,67%	4,42%	3,46%
	var.% da 2009	42,32%	851,08%	4,86%	19,03%	55,35%	24,73%	31,96%	28,54%	10,39%	23,25%	17,97%
	var.% da 2004	137,62%	1030,79%	15,99%	68,21%	126,23%	98,90%	116,55%	116,24%	36,28%	64,93%	40,10%
	var.% da inizio rilevazione	1108,20%	30471,27%	55,06%	1014,30%	1799,08%	1626,19%	2212,80%	1474,39%	280,11%	534,33%	331,49%
Entrate contributive	Importo	150,52	86,06	259,24	1.414,06	1.059,26	430,70	255,53	664,78	215,82	383,53	2.208,81
	var.% da 2012	22,61%	7,84%	1,99%	6,62%	14,70%	3,53%	0,49%	7,40%	9,81%	0,12%	2,69%
	var.% da 2009	54,31%	42,53%	-86,34%	60,11%	59,27%	8,62%	1,38%	21,21%	8,58%	-1,20%	12,69%
	var.% da 2004	89,22%	103,72%	-84,12%	162,10%	121,91%	72,99%	46,42%	131,41%	-6,11%	21,07%	55,33%
	var.% da inizio rilevazione	976,15%	2731,75%	-66,38%	1333,71%	1103,75%	516,40%	1037,90%	1201,39%	197,78%	302,42%	425,60%
Saldo entrate contributive/spesa per pensioni	Importo	62,21	51,31	96,50	708,53	628,04	-6,77	45,96	437,37	25,47	-43,13	1.009,34
	var.% da 2012	43,41%	8,81%	3,00%	8,07%	14,55%	29,50%	-11,06%	7,77%	97,04%	68,94%	1,78%
	var.% da 2009	75,29%	54,92%	-2,65%	143,93%	62,07%	-114,79%	-50,71%	17,71%	-3,27%	-202,67%	7,00%
	var.% da 2004	46,79%	165,62%	23,03%	490,10%	119,04%	-123,33%	-40,88%	140,16%	-71,76%	-174,23%	78,38%
	var.% da inizio rilevazione	831,63%	2241,81%	-6173,23%	1906,42%	861,92%	-115,20%	243,14%	1093,77%	13,73%	-253,78%	609,47%
Rapporto pensionati/attivi	Numero	0,33	0,23	0,31	0,14	0,11	0,30	0,28	0,11	0,53	0,48	0,50
	var.% da 2012	-10,89%	0,16%	-6,09%	-2,16%	11,87%	2,21%	4,13%	0,76%	-2,81%	9,11%	3,27%
	var.% da 2009	7,51%	0,03%	-11,61%	-12,64%	20,31%	12,36%	11,17%	1,85%	16,33%	35,98%	14,80%
	var.% da 2004	27,86%	-15,66%	-23,52%	-27,84%	8,39%	32,02%	82,49%	8,77%	19,45%	55,13%	22,23%
	var.% da inizio rilevazione	115,26%	-36,66%	-31,34%	-55,26%	-59,66%	118,94%	186,80%	-60,99%	1,89%	25,96%	74,75%
Rapporto entrate contributive/uscite per pensioni	Numero	1,70	2,48	1,59	2,00	2,46	0,98	1,22	2,92	1,13	0,90	1,84
	var.% da 2012	10,22%	1,31%	0,58%	1,35%	-0,20%	-0,31%	-2,85%	0,66%	5,92%	-4,12%	-0,75%
	var.% da 2009	8,43%	11,81%	-2,79%	34,51%	2,52%	-12,91%	-23,17%	-5,71%	-1,64%	-19,84%	-4,47%
	var.% da 2004	-20,37%	34,41%	2,18%	55,82%	-1,91%	-13,02%	-32,38%	7,01%	-31,11%	-26,59%	10,87%
	var.% da inizio rilevazione	-10,93%	-30,89%	61,75%	28,66%	-36,61%	-64,29%	-50,80%	-17,34%	-21,66%	-36,56%	21,81%
Rapporto pensione media/contributo medio	Numero	1,78	1,77	2,02	3,48	3,80	3,39	2,96	3,21	1,67	2,32	1,08
	var.% da 2012	1,82%	-1,45%	5,87%	0,85%	-10,43%	-1,86%	-1,15%	-1,41%	-2,86%	-4,41%	-2,44%
	var.% da 2009	-14,22%	-68,13%	-11,64%	-56,40%	-45,40%	-63,33%	-86,13%	-44,16%	-56,78%	-50,29%	-59,02%
	var.% da 2004	-1,79%	-11,79%	27,97%	-11,06%	-5,95%	-12,91%	-18,96%	-14,08%	21,51%	-12,18%	-26,21%
	var.% da inizio rilevazione	-47,85%	128,44%	-9,95%	73,70%	291,10%	27,91%	-29,13%	210,14%	25,29%	25,14%	-53,02%

- pension expenditure - contribution revenues - balance between contribution revenues and pension expenditure - pensioner/active worker ratio - ratio of contribution revenues to pension expenditure - average pension/average contribution ratio - number - % var since - % var vs. baseline

Graph 4.2: The indicators: n. of members, n. of pensions, average pension and average contribution

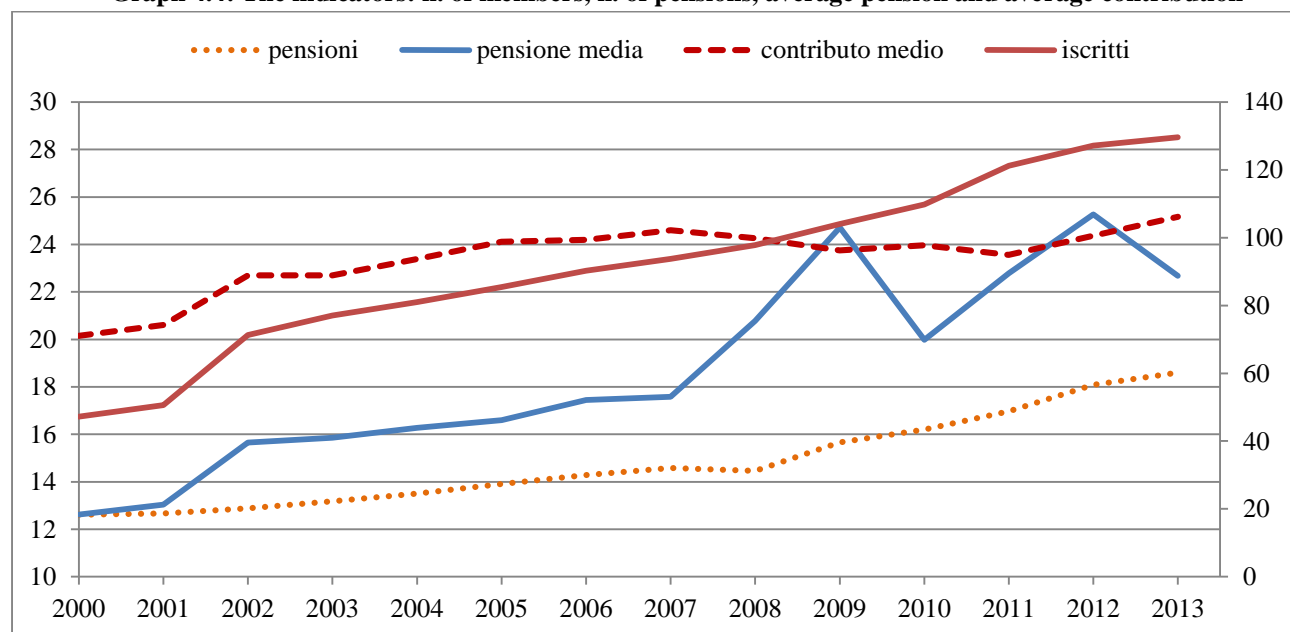


- members - pensions - average pension - average contribution

Table 4.3: The social security indicators of the privatized funds under LD 103/96

		EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA Agrotecnici	ENPAIA Periti Agrari	EPAP	INPGI 2
Spesa per pensioni	Importo	7,85	4,19	1,70	1,76	0,01	0,56	3,99	1,31
	var.% da 2012	37,23%	18,06%	22,34%	10,96%	-41,42%	1,29%	30,52%	7,60%
	var.% da 2009	155,81%	135,98%	220,97%	251,92%	-57,92%	42,21%	168,17%	137,68%
	var.% da 2004	1587,79%	1163,11%	3816,40%	3733,47%		403,79%	1732,95%	1038,32%
	var.% da inizio rilevazione						513,73%		46588,95%
Entrate contributive	Importo	68,73	89,02	68,21	33,10	1,75	7,59	53,57	42,95
	var.% da 2012	6,73%	6,00%	3,45%	9,54%	4,81%	1,60%	-1,91%	-6,12%
	var.% da 2009	22,87%	35,49%	92,10%	12,75%	30,21%	14,35%	4,13%	52,52%
	var.% da 2004	58,47%	100,62%	160,07%	52,84%	64,45%	39,53%	44,96%	107,29%
	var.% da inizio rilevazione	-6,98%	428,07%	1312,58%	11,42%	304,35%	95,60%	-46,92%	309,94%
Saldo entrate contributive/spesa per pensioni	Importo	60,88	84,82	66,52	31,33	1,74	7,03	49,59	41,65
	var.% da 2012	3,75%	5,47%	3,05%	9,46%	5,41%	1,63%	-3,83%	-6,49%
	var.% da 2009	15,16%	32,70%	90,16%	8,60%	32,19%	12,60%	-0,75%	50,82%
	var.% da 2004	41,89%	92,61%	154,02%	45,00%	63,28%	31,99%	34,97%	102,11%
	var.% da inizio rilevazione	-6,98%	403,19%	1277,48%	5,48%	5,03%	85,60%	-50,87%	297,59%
Rapporto pensionati/attivi	Numero	0,19	0,05	0,04	0,06	0,01	0,13	0,06	0,04
	var.% da 2012	75,03%	5,09%	7,84%	8,83%	100,00%	46,81%	14,99%	-1,20%
	var.% da 2009	156,07%	42,65%	46,34%	143,52%	209,05%	73,91%	72,13%	32,95%
	var.% da 2004	689,55%	186,05%	651,85%	897,37%		231,44%	431,56%	268,76%
	var.% da inizio rilevazione	2013,59%	699,06%	30814,95%	2883,58%		468,48%	2471,80%	1365,64%
Rapporto entrate contributive/uscite per pensioni	Numero	8,76	21,23	40,24	18,76	140,73	13,65	13,44	32,91
	var.% da 2012	-22,23%	-10,21%	-15,44%	-1,28%	78,94%	0,31%	-24,85%	-12,75%
	var.% da 2009	-51,97%	-42,58%	-40,15%	-67,96%	209,45%	-19,59%	-61,17%	-35,83%
	var.% da 2004	-90,61%	-84,12%	-93,36%	-96,01%		-72,30%	-92,09%	-81,79%
	var.% da inizio rilevazione								
Rapporto pensione media/contributo medio	Importo	0,60	0,94	0,65	0,92	0,58	0,57	1,23	0,72
	var.% da 2012	-26,54%	5,98%	9,66%	-6,92%	-72,06%	-10,24%	15,72%	16,01%
	var.% da 2009	-18,70%	22,09%	14,17%	28,17%	-89,54%	-28,49%	49,61%	17,22%
	var.% da 2004	34,90%	120,10%	100,29%	151,47%		8,93%	137,87%	48,92%
	var.% da inizio rilevazione	176,01%	293,44%						421,07%

Graph 4.4: The indicators: n. of members, n. of pensions, average pension and average contribution



The *total assets (equity)* of these funds amounted to about **51 billion euros** at the end of 2013. These assets were invested as follows: 10% cash, 28 government bonds and other bonds, 4% equities (shares), 28.8% mutual funds, 21% CIUs, 24% real-estate properties and shareholdings in real estate companies, 0.8% insurance companies and 13% other assets (credits, etc...). It is worth considering that **80.3%** of investments in treasury bills is accounted for by government bonds issued by the Italian State. In addition, 36.2% of the investments in CIUs has been allocated to real estate funds.

Here follows an analysis for each privatized scheme with a short and standardized comment on the main data (*for the trends of these funds see the detailed tables from 1b to 6d and the graphs on the website*).

4.1 The privatized funds under LD 509/94

Ente Nazionale di Previdenza e Assistenza per i Consulenti del Lavoro (ENPACL)

Ente Nazionale di Previdenza e Assistenza dei Veterinari (ENPAV)

Ente Nazionale di Previdenza e Assistenza dei Farmacisti (ENPAF)

Cassa Nazionale di Previdenza e Assistenza Forense (CNPAF)

Cassa Nazionale di Previdenza e Assistenza per Ingegneri ed Architetti liberi professionisti (INARCASSA)

Cassa Italiana di Previdenza e Assistenza Geometri liberi professionisti (CIPAG)

Cassa Nazionale di Previdenza a favore dei Ragionieri e dei Periti Commerciali (CNPR)

Cassa Nazionale di Previdenza e Assistenza dei Dottori Commercialisti (CNPADC)

Cassa Nazionale del Notariato (CNN)

Ente Nazionale di Previdenza ed Assistenza dei Medici e degli Odontoiatri (ENPAM)

Istituto Nazionale di Previdenza dei Giornalisti Italiani Gestione Sostitutiva (INPGI)

1) The Fund for labour consultants (ENPACL)

Benefits: ENPACL provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 12% for 2013 and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **65%**, that is **26,423 members** for a total amount of revenues equal to **150.521 million euros**, up by 22.6% vs. the previous year. In the same period, the *number of pensions paid* went from **2,457** to **8,729**, up by **255.3%**; the *pension expenditure* reached **88.307 million euros** with an increase by 11.3% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **62.214 million euros**, up by **43.4%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.33**, down by 10.8%. In 2013, *the ratio of contribution revenues to pension expenditure* reached **1.7**, with a 10.2% increase. In 2013, *the average pension* was equal to **10,116.5 euros**, up by 26.2%. In 2013, the *average contribution* was equal to **5,696.6 euros** with a 23.9% increase. In 2013, the *average pension/average contribution ratio* was equal to **1.78**, up by 1.8%.

2) The Fund for Veterinary Doctors (ENPAV)

Benefits: ENPAV is the compulsory fund of all certified veterinary doctors and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 12% for 2013 and from supplementary contributions equal to 2%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **104%**, that is **27,596 members** for a total amount of revenues equal to **86.057 million euros**, up by 7.8% vs. the previous year. In the same period, the *number of pensions paid* went from **4,856** to **6,258**, up by **29%**; the *pension expenditure* reached **34.748 million euros** with an increase by 6.4% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **51.309 million euros**, up by **8.8%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.23**, up by 0.16%. In 2013, *the ratio of contribution revenues to pension expenditure* reached **2.48**, with a 1.3% increase. In 2013, *the average pension* was equal to **5,528.7 euros**, up by 4.6%. In 2013, the *average contribution* was equal to **3,118.5 euros** with a 6.4% increase. In 2103, the *average pension/average contribution ratio* was equal to **1.77**, down by 1.5%.

3) *The Fund for Pharmacists (ENPAF)*

Benefits: ENPAF is the compulsory fund of all certified pharmacists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 12% for 2013 and from supplementary contributions equal to 4%. Under the regulation, the contributions have a flat rate which is decided by the Board of Directors every year.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **63%**, that is **86,395 members** for a total amount of revenues equal to **259.244 million euros**, up by 2% vs. the previous year. In the same period, the *number of pensions paid* went from **23,941** to **26,821 4,856**, up by **12%**; the *pension expenditure* reached **162.741 million euros** with an increase by 614% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **96.504 million euros**, up by **3%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.31**, down by 6.1%. In 2013, *the ratio of contribution revenues to pension expenditure* reached **1.59**, with a 0.58% increase. In 2013, *the average pension* was equal to **6,067.7 euros**, up by 4.3%. In 2013, the *average contribution* was equal to **3,000.7 euros** with a 6.4% increase. In 2103, the *average pension/average contribution ratio* was equal to **2.02**, down by 5.9%.

4) *The Fund for Lawyers (CNPAF)*

Benefits: CNPAF is the compulsory fund of all certified lawyers and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contribution revenues of this fund come from the compulsory contributions paid by its members, equal to 14% for 2013 (to grow to 15% in 20121) and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **335%**, that is **177,088 members** for a total amount of revenues equal to **1,414,057 million euros**, up by 6.6% vs. the previous year. In the same period, the *number of pensions paid* went from **13,033** to **25,362 4,856**, up by **94.6%**; *pension expenditure* reached **705.531 million euros** with an increase by 5.2% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **708.526 million euros**, up by **8.1%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.14**, down by 2.2%. In 2013, *the ratio of*

contribution revenues to pension expenditure (still very good) was **2.00**, with a 1.3% increase. In 2013, *the average pension* was equal to **27,818.4 euros**, up by 3.3%. In 2013, the *average contribution* was equal to **7,985.1 euros** with a 2.4% increase. In 2013, the *average pension/average contribution ratio* was equal to **3.48**, up by 0.85% (i.e. the average pension is 3.48 times the amount of average yearly contributions).

5) The Fund for Engineers and Architects (professionals) (INARCASSA)

Benefits: INARCASSA is the compulsory fund of all certified engineers and architects working as professionals and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contribution revenues of this fund come from the compulsory contributions paid by its members, equal to 14.5% for 2013 and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **323%**, that is **167,092 members** for a total amount of revenues equal to **1,059,262 million euros**, up by 14.7% vs. the previous year. In the same period, the *number of pensions paid* went from **10,489** to **17,886** up by **70.5%**; *pension expenditure* reached **431.224 million euros** with an increase by 14.9% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **628.032 million euros**, up by **14.5%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.11**, up by 11.9%. In 2013, *the ratio of contribution revenues to pension expenditure* was **2.46** with a 0.2% decrease. In 2013, *the average pension* was equal to **24,109.6 euros**, up by 1.3%. In 2013, the *average contribution* was equal to **6,339.4 euros** with a 13.1% increase. In 2013, the *average pension/average contribution ratio* was equal to **3.8**, down by 10.4%

6) The Fund for Surveyors (professionals) (CIPAG)

Benefits: CIPAG is the compulsory fund of all certified surveyors working as professionals and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contribution revenues of this fund come from the compulsory contributions paid by its members, equal to 11.5% for 2013 and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **63%**, that is **94,667 members** for a total amount of revenues equal to **430.698 million euros**, up by 3.5% vs. the previous year. In the same period, the *number of pensions paid* went from **7,941** to **28,394** up by **258%**; *pension expenditure* reached **437.468 million euros** with an increase by 3.9% vs. 2012. *The balance between contribution revenues and pension expenditure* reached - **6.770 million euros**, up by **29.5%** vs. the previous year (equal to 5.228 million euros). It is the only case with a negative balance. With respect to 2012, *the ratio of active workers to pensioners* was equal to - **0.3**, up by 2.2%. In 2013, *the ratio of contribution revenues to pension expenditure* was **0.98** with a 0.3% decrease. In 2013, *the average pension* was equal to **15,407 euros**, up by 1.9%. In 2013, the *average contribution* was equal to **4,549.6 euros** with a 3.8% increase. In 2013, the *average pension/average contribution ratio* was equal to **3.39**, down by 1.9%

7) *The Fund for Accountants (CNPR)*

Benefits: CNPR is the compulsory fund of all certified accountants working as professionals and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contribution revenues of this fund come from the compulsory contributions paid by its members, ranging from 8% to 15% for 2013, from solidarity contributions equal to 0.5% and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **58%**, that is **29,587 members** for a total amount of revenues equal to **255.526 million euros**, up by 0.5% vs. the previous year. In the same period, the *number of pensions paid* went from **1,810** to **8,209** up by **354%**; *pension expenditure* reached **209.536 million euros** with an increase by 3.44% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **45.963 million euros**, down by **11%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.28**, up by 4.1%. In 2013, *the ratio of contribution revenues to pension expenditure* was **1.22** with a 2.9% decrease. In 2013, *the average pension* was equal to **25,528.4 euros**, up by 0.9%. In 2013, the *average contribution* was equal to **8,636.4 euros** with a 2.1% increase. In 2103, the *average pension/average contribution ratio* was equal to **2.96**, down by 1.2%

8) *The Fund for Certified Accountants (CNPADC)*

Benefits: CNPADC is the compulsory fund of all certified surveyors working as professionals and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contribution revenues of this fund come from the compulsory contributions paid by its members, equal to 11% for 2013, and from supplementary contributions equal to 4%.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **527%**, that is **60,383 members** for a total amount of revenues equal to **664.777 million euros**, up by 7.4% vs. the previous year. In the same period, the *number of pensions paid* went from **2,631** to **6,431** up by **144%**; *pension expenditure* reached **227.405 million euros** with an increase by 6.7% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **437.372 million euros**, up by **7.8%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.11**, up by 0.8%. In 2013, *the ratio of contribution revenues to pension expenditure* was **2.92** with a 0.7% increase. In 2013, *the average pension* was equal to **35,360.7 euros**, up by 2.7%. In 2013, the *average contribution* was equal to **11,009.3 euros** with a 4.2% increase. In 2103, the *average pension/average contribution ratio* was equal to **3.21**, down by 1.4%

9) *The Fund for Notaries (CNN)*

Benefits: CNN is the compulsory fund of notaries and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members as a percentage of the fees for the number of registered deeds. For 2014, this rate is equal to 22% for deeds with a value up to 37,000 euros 2013 and to 42% for all the others. **The main**

indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **6%**, that is **4,761 members** for a total amount of revenues equal to **215.820 million euros**, up by 9.8% vs. the previous year. In the same period, the *number of pensions paid* went from **2,335** to **2,517** up by **7.8%**; *pension expenditure* reached **190.345 million euros** with an increase by 3.7% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **25.475 million euros**, up by 97% vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.53**, down by 2.8%. In 2013, *the ratio of contribution revenues to pension expenditure* was **1.13** with a 5.59% increase. In 2013, *the average pension* was equal to **75,623.9 euros**, up by 6.2%. In 2013, the *average contribution* was equal to **45,330.8 euros** with a 9.4% increase. In 2013, the *average pension/average contribution ratio* was equal to **1.67**, down by 2.9%.

10) The Fund of Doctors and Dentists (ENPAM)

Benefits: ENPAM is the compulsory fund of doctors and dentists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal in 2013 to 12.5% of a maximum taxable amount of 70,000 euros adjusted every year to the Istat index plus 1% on the income above this threshold.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **43%**, that is **354,993 members** for a total amount of revenues equal to **2,208.811 million euros**, up by 2.7% vs. the previous year. In the same period, the *number of pensions paid* went from **72,010** to **179,262** up by **149%**; *pension expenditure* reached **1,199.474 million euros** with an increase by 3.5% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **1,009.337 million euros**, down by **1.8%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.51**, up by 3.3%. In 2013, *the ratio of contribution revenues to pension expenditure* was **1.84** with a 0.8% decrease. In 2013, *the average pension* was equal to **6,691.2 euros**, up by 0.1%. In 2013, the *average contribution* was equal to **6,691.2 euros** with a 2.6% increase. In 2013, the *average pension/average contribution ratio* was equal to **1.08**, down by 2.4%.

11) The Substitutive Fund for Journalists (INPGI)

Benefits: INPGI is the compulsory fund of all employed journalists and reporters and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 31.83% subdivided as follows: 23.04% paid by the employer and 8.79% paid by the employees.

The main indicators for 2013: in the period 1989-2013, the *overall number of active workers paying contributions* increased by **65%**, that is **16,576 members** for a total amount of revenues equal to **383.529 million euros**, up by 0.1% vs. the previous year. In the same period, the *number of pensions paid* went from **3,822** to **7,964** up by **108%**; *pension expenditure* reached **426.656 million euros** with an increase by 4.4% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **-43.127 million euros**, up by **68.9%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.48**, up by 9.1%. In 2013, *the ratio of contribution revenues to pension expenditure* was **0.9** with a 4.1% decrease. In 2013, *the average pension* was equal to **6,691.2 euros**, up by 0.1%. In 2013, the *average contribution* was equal to **53,573.0 euros**

with a 0.3% increase. In 2103, the *average pension/average contribution ratio* was equal to **2.32**, down by 4.4%.

4.2 The privatized funds under LD 103/96

Ente Nazionale di Previdenza e Assistenza a favore dei Biologi (ENPAB)

Gestione Separata ENPAIA per Periti Agrari

Gestione Separata ENPAIA per Agrotecnici

Ente Nazionale di Previdenza e Assistenza Pluricategoriale (EPAP)

Ente Nazionale di Previdenza dei Periti Industriali e dei Periti Industriali Laureati (EPPI)

Ente Nazionale di Previdenza e Assistenza per gli Psicologi (ENPAP)

Ente Nazionale di Previdenza e Assistenza della Professione Infermieristica (ENPAPI)

Gestione Separata INPGI (INPGI 2)

1) The Fund for Biologists (ENPAB)

Benefits: ENPAB is the compulsory fund of certified biologists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013 and from the supplementary contributions equal to 2%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **48%**, that is **2,281 members** for a total amount of revenues equal to **33.096 million euros**, up by 9.5% vs. the previous year. In the same period, the *number of pensions paid* went from **16** to **712** up by **4.350%**; *pension expenditure* reached **1.764 million euros** with an increase by 11% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **31.332 million euros**, up by **9.5%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.06**, up by 8.8% (16.66 pensioners per each active worker). In 2013, *the ratio of contribution revenues to pension expenditure* was **18.76** with a 1.3% decrease. In 2013, *the average pension* was equal to **2,477.6 euros**, up by 14.7%. In 2013, the *average contribution* was equal to **2,694.9 euros** with a 4.3% increase. In 2103, the *average pension/average contribution ratio* was equal to **0.92**, up by 10%.

2) The Separate Scheme for Agronomists (ENPAIA)

Benefits: ENPAIA is the compulsory fund of certified agronomists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013 and from the supplementary contributions equal to 2%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **5.3%**, that is **3,219 members** for a total amount of revenues equal to **7.588 million euros**, up by 1.6% vs. the previous year. In the same period, the *number of pensions paid* went from **77** to **412** up by **435%**; *pension expenditure* reached **0.556 million euros** with an increase by 1.3% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **7.032 million euros**, up by **1.6%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.13**, up by 46.8% In 2013, *the ratio of contribution revenues to pension expenditure* was **13.75** with a 0.3% increase. In 2013, *the average pension* was equal to **1,349.8 euros**, down by 8.6%. In 2013, the *average contribution* was equal to **2,694.9 euros** with a 4.3% increase. In

2103, the *average pension/average contribution ratio* was equal to **0.92**, up by 10% (the average pension is more or less equal to the half of the average amount of contributions per year).

3) *The Separate Scheme for Agrotechnicians (ENPAIA)*

Benefits: The ENPAIA separate scheme for agrotechnicians is the compulsory fund of certified agrotechnicians and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013 and from the supplementary contributions equal to 2%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **46%**, that is **1,315 members** for a total amount of revenues equal to **1.753 million euros**, up by 4.8% vs. the previous year. In the 2008-2013 period, the *number of pensions paid* went from **2** to **16** up by **700%**; *pension expenditure* reached **0.012 million euros** with a decrease by 41.4% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **1.74 million euros**, up by **5.4%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.01**, up by 100% In 2013, *the ratio of contribution revenues to pension expenditure* was **140.73** with a 78.9% increase. In 2013, *the average pension* was equal to **778.5 euros**, down by 70.7%. In 2013, the *average contribution* was equal to **1.333 euros** with a 4.8% increase. In 2103, the *average pension/average contribution ratio* was equal to **0.58**, down by 72.1%.

4) *The Fund for miscellaneous categories (EPAP)*

Benefits: EPAP is the compulsory fund for certified agricultural and forestry experts, actuaries, chemists and geologists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013, from solidarity contributions equal to 0.2% and from the supplementary contributions equal to 2%.

The main indicators for 2013: in the period 2002-2013, the *overall number of active workers paying contributions* increased by **58%**, that is **27,466 members** for a total amount of revenues equal to **53.574 million euros**, down by 1.9% vs. the previous year. In the 2002-2013 period, the *number of pensions paid* went from **41** to **1663** up by **3956%**; *pension expenditure* reached **3.986 million euros** with an increase by 30.5% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **49.588 million euros**, down by **3.8%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.06**, up by 15% (16.6 active workers per each pensioner). In 2013, *the ratio of contribution revenues to pension expenditure* was **13.44** with a 24.9% decrease. In 2013, *the average pension* was equal to **2,396.7 euros**, up by 12.7%. In 2013, the *average contribution* was equal to **1,950.6 euros** with a 2.6% decrease. In 2103, the *average pension/average contribution ratio* was equal to **1.23**, up by 15.7%.

5) *The Fund for Industrial Technicians and Industrial Engineers (EPPI)*

Benefits: EPPI is the compulsory fund for certified industrial technicians and industrial engineers and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 12% in 2013 and from the supplementary contributions equal to 4%.

The main indicators for 2013: in the period 2002-2013, the *overall number of active workers paying contributions* increased by **16%**, that is **14,681 members** for a total amount of revenues equal to **68.731 million euros**, down by 6.7% vs. the previous year. In the 2001-2013 period, the *number of pensions paid* went from **47** to **2781** up by **5,817%**; *pension expenditure* reached **7.848 million euros** with an increase by 37.2% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **60.883 million euros**, up by **3.8%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.19**, up by 12.4%. In 2013, *the ratio of contribution revenues to pension expenditure* was **8.76** with a 22.2% decrease. In 2013, *the average pension* was equal to **2,822.1 euros**, up by 15%. In 2013, the *average contribution* was equal to **4,681.6 euros** with a 57.5.6% increase. In 2103, the *average pension/average contribution ratio* was equal to **0.6**, up by 14.4%.

6) *The Fund for Psychologists (ENPAP)*

Benefits: ENPAP is the compulsory fund for certified regional and provincial psychologists and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013 and from the supplementary contributions equal to 2%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **177%**, that is **45,194 members** for a total amount of revenues equal to **89,016 million euros**, down by 6% vs. the previous year. In the 2001-2013 period, the *number of pensions paid* went from **42** to **2263** up by **5,228%**; *pension expenditure* reached **4.194 million euros** with an increase by 18.1% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **84.823 million euros**, up by **5.5%** vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.05**, up by 5.1% . In 2013, *the ratio of contribution revenues to pension expenditure* was **21.3** with a 10.2% decrease. In 2013, *the average pension* was equal to **1,853.1 euros**, up by 4.1%. In 2013, the *average contribution* was equal to **1,969.7 euros** with a 1.8% decrease. In 2103, the *average pension/average contribution ratio* was equal to **0.94**, up by 6%.

7) *The Fund for Nurses (ENPAPI)*

Benefits: ENPAPI is the compulsory fund for nurses, paediatric nurses and health care professionals and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 13% in 2013 and from the supplementary contributions equal to 4%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **411%**, that is **30,868 members** for a total amount of revenues equal to **68,211 million euros**, down by 3.5% vs. the previous year. In the 2003-2013 period, the *number of pensions paid* went from **26** to **1,179** up by **4,435%**; *pension expenditure* reached **1.695 million euros** with an increase by 22.3% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **66.516 million euros**, up by 3.1% vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.038**, up by 7.8%. In 2013, *the ratio of*

contribution revenues to pension expenditure was **40.24** with a 15.4% decrease. In 2013, *the average pension* was equal to **1,437.7 euros**, down by 4.5%. In 2013, the *average contribution* was equal to **2,209.8 euros** with a 12.9% decrease. In 2013, the *average pension/average contribution ratio* was equal to **0.65**, up by 9.7%.

8) *The Separate Scheme for journalists INPGI (INPGI 2)*

Benefits: INPGI is the compulsory separate scheme for self-employed journalists and reporters and it provides retirement benefits (old-age, seniority, disability, indirect/survivors pensions) and welfare benefits (contingency benefits, maternity leave, supplementary health benefits and others) to all of its members.

Contributions: the contributions revenues of this fund come from the compulsory contributions paid by its members equal to 10% in 2013 and from the supplementary contributions equal to 2%. An additional contribution rate is allowed not lower than 5%.

The main indicators for 2013: in the period 2000-2013, the *overall number of active workers paying contributions* increased by **216%**, that is **30,271 members** for a total amount of revenues equal to **42,953 million euros**, down by 6.1% vs. the previous year. In the 2001-2013 period, the *number of pensions paid* went from **14** to **1,275** up by **9,007%**; *pension expenditure* reached **1.305 million euros** with an increase by 7.6% vs. 2012. *The balance between contribution revenues and pension expenditure* reached **41.648 million euros**, down by 6.5% vs. the previous year. With respect to 2012, *the ratio of active workers to pensioners* was equal to **0.042**, down by 1.2%. In 2013, *the ratio of contribution revenues to pension expenditure* was **32.91** with a 12.8% decrease. In 2013, *the average pension* was equal to **1,023.5 euros**, up by 4.6%. In 2013, the *average contribution* was equal to **1,418.9 euros** with a 9.9% decrease. In 2013, the *average pension/average contribution ratio* was equal to **0.72**, up by 16%.

5. *Analysis of the equilibrium rates of the pension system and of the individual pension funds*

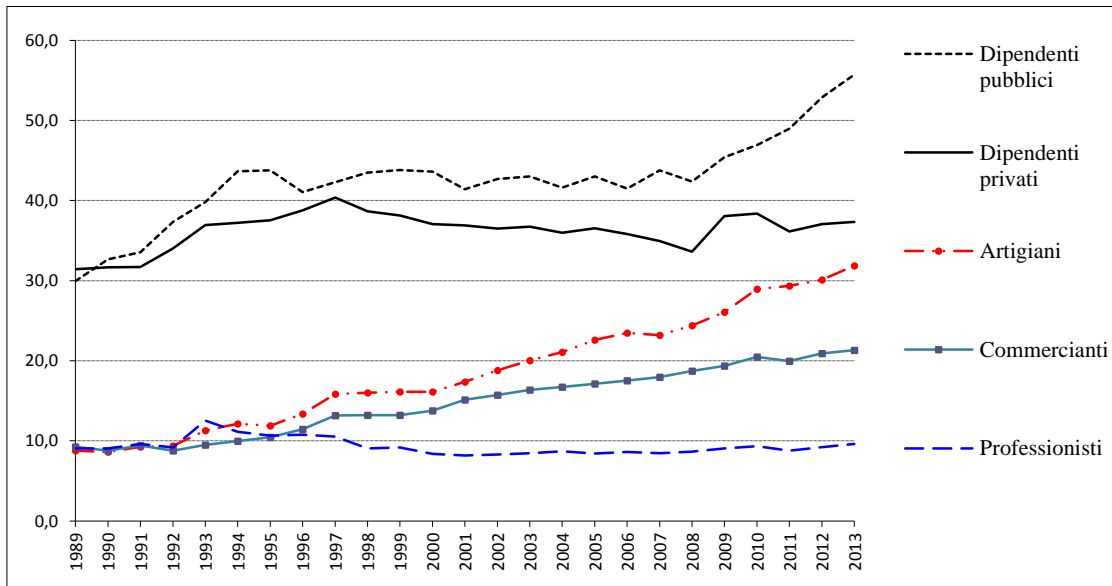
The accounting equilibrium rate is a theoretical indicator of the contribution rate to be applied to the taxable income of the members of the funds so that the contribution revenues balance the benefits provided by these funds²³.

If the theoretical contribution rate and the actual contribution rate coincide, the funds are financially in equilibrium. The larger the differences between these two rates, the greater the financial imbalance of these schemes.

²³ The "equilibrium accounting rate" determines the equilibrium between pension revenues and expenditure, that is when the contribution rate C is equal to the amount of benefits P . Since contribution revenues are equal to the ratio of the contribution rate to the contribution base (equal to the average income w multiplied by the number of workers L), while pension expenditure is equal to the ratio of the average pension p to the number of pensions paid R , the theoretical equilibrium accounting rate (α) is derived from:

$$C = P \quad \alpha \cdot w \cdot L = p \cdot R \quad \alpha = p/w \cdot R/L$$

Figure 5.1: Funds of different categories: equilibrium rates net of GIAS transfers



- Public employees - Private employees - Artisans - Retailers - Professionals

Figure 5.1 shows the trends in the equilibrium rates which refer to pension expenditure net of GIAS transfers. According to the assumption that the share of social security expenditure allocated to welfare measures should be funded by general taxes and that GIAS transfers have actually a welfare nature, the rates shown in Figure 5.1 represent the contribution rates in a pay as you go system which should levied on labor income in order to finance pension expenditure.

The graph shows that for private sector employees, the equilibrium rate has had a slow but progressive decline since 1998. In 2008 this rate was equal to 33.6%, very close to the regulatory contribution rate, due to the reduction of the ratio of the number of active workers to the number of pensions paid, but with a substantially stable average pension/ average income ratio²⁴. After 2008, the rate of equilibrium picked up again, albeit with fluctuating patterns. During the same period, the ratio of the number of pensions paid to the number of active workers further deteriorated especially in the last three years, while the average pension increased vs. the average income, a moderate and stable trend in the last few years. These two opposing trends may suggest that raising the retirement as provided for under the recent reforms had contrasting effects on the accounting equilibrium rate. On the one hand, this rate was partially reduced by the decrease in the number of pensions paid and, on the other hand, it went up due to the average increase in pension benefits which turned out to be higher than the average income of employees.

In the category of public employees, after an initial period of rapid growth in the equilibrium rate (from 30.0% in 1989 to 43.8% in 1995), this trend fluctuated but the rate was higher than the legal contribution rate.

These years were characterized by the steady increase in the number of pensions paid with respect to the number of active workers, also linked to the halt to new hirings and to the lower turnover of workers, which was more than offset by the decline in the average pension/average income ratio. Since 2009, however, both ratios have deteriorated and the equilibrium rate picked up again to reach about 55.7% in 2013.

²⁴ These two ratios are illustrated in Chapter 2.

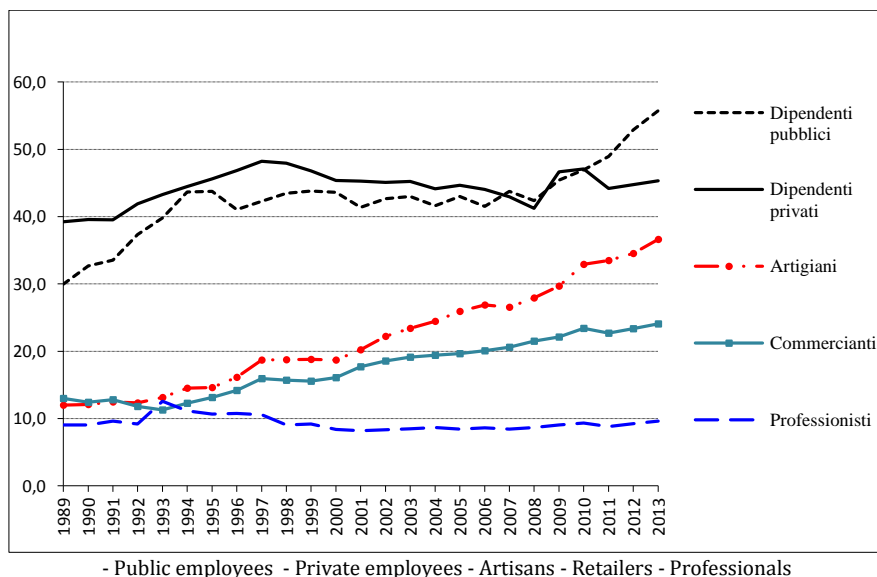
For the self-employed, Figure 5.1 illustrates that both for artisans and retailers, the equilibrium rate has gradually grown since the mid-nineties.

This trend is marked by a growing imbalance between revenues from contributions and benefits, resulting from the upward trend of both the average pension/average income ratio and the number of pensions/ number of active workers ratio. The "physiological" change in the retired population definitely helped boost the former ratio, even if with a modest growth. The ratio of the number of pensions paid vs. the number of contributors was considerably affected by the life cycle of the two funds, which were created in the late fifties and in the early sixties. In 1995, their life cycle had almost reached the working career span of the first insured workers. In particular, the high ratio of the number of pensions to the number of contributors had a stronger impact on the equilibrium rate for artisans than for retailers. Since 2004, this rate, without welfare transfers, has also exceeded the actual contribution rate, reaching 31.9% in 2013, compared to 21.3% for retailers.

The situation is different for the self-employed covered by the private professional funds. In fact, this category still benefits from a number of pensions paid/ number of active workers ratio that is still relatively low, which means that the equilibrium rates still remain slightly lower than 10%. Moreover, notwithstanding the reform efforts of the last few years, this category generally pays low actual contribution rates. As a result, the average pension/average income rate is rather small.

When the equilibrium rates include the GIAS transfers, as shown by **Figure 5.2**, there are no major changes in the trends in the period of time under consideration. The main reason is that the share of GIAS transfers of the total benefit expenditure was relatively constant over time. The major change is found in the equilibrium rates of the categories to which the transfers are allocated. In particular, the rate for private sector employees rose by about 8% on average (from 37.3% to 45.3% in 2013, while the rate for public sector employees did not change who did not benefit yet of the GIAS transfers in 2013. The equilibrium rates of artisans and retailers were also characterized by a significant upward trend by 4.7% and by 2.8% respectively.

Figure 5.2: Funds of different categories. Equilibrium rates including GIAS transfers



A special case is the Fund for farmers, tenant farmers and sharecroppers (CDCM). This fund has a structural imbalance of gigantic proportions due to the radical changes in the economy, to the gradual

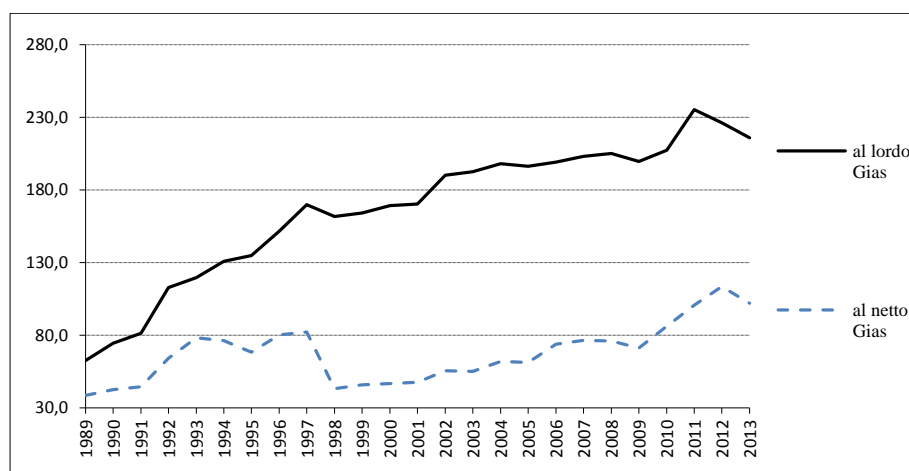
reduction in the number of people working in the agricultural sector and also to the legislation which was not always strict in calculating and granting pension benefits for to these workers.

The average pension would be very low without the GIAS transfers and, with respect to the income level, it would be similar to that of private sector employees.

As already illustrated in Chapter 2, an even greater imbalance can be seen in the ratio of the number of pensions to the number of active workers. In the last four years, this ratio showed a slight downward trend.

The significant imbalance in these crucial ratios for the financial results of this fund results in an extraordinarily high level of the hypothetical equilibrium rate (*figura 5.3*). Taking into account the benefits including the transfers from GIAS, this rate exceeded 230% in 2011 and dropped to 215.9% in 2013.

Figure 5.3: Fund for farmers, tenant farmers and sharecroppers: equilibrium rates



6. Income-support benefits: GPT (Temporary Benefit Scheme) and the GIAS transfers

In order to provide an exhaustive overview of the economic outlook of the Italian social security system, this Chapter illustrates the Temporary Benefit Scheme both in terms of **contribution revenues** from companies (which obviously have an impact on the final cost of labour) and of the income-support **benefit expenditure** (unemployment, sickness and maternity), of family-support measures (family allowances) and of transfers to supplement the pensions. The **Temporary Benefit Scheme** (hereinafter GPT), together with GIAS, as illustrated in Chapter 3.6 for income support benefits, is a fund for **employed workers**. It was established under Art. 24 of Act n. 88 of 1989 (*Restructuring of the National Institute of Social Security and the National Institute for Insurance against Accidents at Work*). The INPS Board of Directors may decide to use its surplus without paying the interest rates. This surplus is generally allocated to FPLD. GPT is funded by the contributions paid by companies, which were previously accruing in some funds and schemes now merged into GPT with their assets and liabilities.

These are the main benefits provided on the basis of particular requirements:

a) **benefits for unintentional unemployment in the agricultural and in the non-agricultural sector**; as of January 1 2013, Act 92/2012 (the so-called Fornero Reform) established two new monthly benefits to support the of income of the workers who unvoluntarily lost their job. **ASpI** (Assicurazione Sociale per l'Impiego) replaces the unemployment benefit while **Mini ASpI** supports unemployed precarious workers. As of January 2013, the following benefits have no longer been provided: ordinary

unemployment benefits not in the agricultural sector with standard requirements and with sub-standard requirements and the special unemployments benefits in the construction sector. *The mobility allowance granted by GIAS will be repealed on January 1 2017.*

These measures target all employed workers including apprentices and partners of cooperatives as well as employed workers in the creative industry.

These measures exclude the Public Administration employees, long-term employed agricultural workers, (still under the previous system) and the non EU workers who have a seasonal work permit.

These individuals must be involuntarily unemployed that is they must not have left their job or agreed to leave.

In 2013, the INPS guideline n. 14/2013 specifies the upper limits of this new unemployment benefit. The monthly for ASpI is equal to 1,152.90 euros. The income on the basis of which this unemployment benefit is calculated must be equal to 1,180.00 in 2013. The upper limit for Mini-ASpI 2012 covering the unemployment periods in 2012 must not exceed 931.28 euros and 1,119.32. The monthly allowance is reduced by 15% after the first six months and by another 15% after twelve months.

This benefits has the following duration:

- 2013: **eight months** for individuals below 50 years and **twelve months** for the others;
- 2014: **eight months** for individuals below 50 years and **twelve months** for those between 50 and 55 years of age, **fourteen months** for the others;
- 2015: **twelve months** for individuals below 50 years and **twelve months** for those between 50 and 55 years of age, **sixteen months** for the others;
- as of 2016: **twelve months** for individuals below 55 years and **eighteen months** for the other workers.

If the workers do not have the contribution requirements to be eligible for ASpI and have substandard requirements: (at least 13 weeks of contributions paid in the last 12 months) they can be eligible for **Mini-ASpI**. This allowance is calculated like ASpI and is provided for a number of weeks equal to the half of the weeks in which contributions were paid in the twelve months preceding the termination of employment. The ASpI and Mini-ASpI benefits are income taxed. the beneficiaries can request the CUD form from INPS and also tax deductions;

b) **the guarantee fund for termination of employment (TFR)** and the benefits for the last three months of remuneration in case of employers' insolvency, directly financed by a 0.20% contribution from companies;; f)

The table below shows the data of the accounts of the last five years.

c) **supplementary benefits for workers in the industry and in the construction sectors;**

d) **wage support benefits for agricultural workers;**

e) **the unified fund for family allowances;**

f) **sickness and maternity benefits** and any other *temporary* social security benefits other than pensions.

Table 6.1 shows the data of the financial accounts of the last 6 years.

The contribution revenues in **Table 6.1** under "*revenues and proceeds*" remained practically stable, albeit with some annual fluctuations, at about 18,900 million euros up to 2012 and then they increased by about 830 million euros in 2013.

Table 6.1 THE ECONOMIC SITUATION 2008 - 2013 (*)						
millions of euros						
Year	2008	2009	2010	2011	2012	2013
Revenues and proceeds	18,832	17,999	18,782	18,833	18,912	19,743
Other revenues	2,507	2,531	2,370	2,428	2,600	2,444
Total Value of production (A)	21,339	20,530	21,152	21,261	21,512	22,187
Institutional Expenditure	11,459	13,907	13,550	13,506	14,633	15,149
Other operating costs	4,472	7,117	6,934	6,394	7,901	6,654
Totale Costi della produzione (B)	15,931	21,024	20,484	19,900	22,534	21,803
Difference (A) - (B)	5,408	-494	668	1,361	-1,022	384

(*) gross of proceeds, extraordinary and ordinary financial charges and taxes

The **expenditure for institutional benefits** (expenditure) are shown in detail in *table 6.2*, while the transfers to FPLD, included in "*other operating expenses*", are shown in detail in *table 6.3*.

Under Guideline N. 11 of January 28 2013, INPS, illustrated the **automatic calculation** of the remunerations in the individual retirement accounts. Therefore, INPS decided to give up the *mean calculation system on the basis of the annual structured information and to refer to the standard income levels applicable when individuals do not work in line with the current legislation*.

Table 6.2 Expenditure on Institutional Benefits 2008 - 2013						
millions of euros						
Description	2008	2009	2010	2011	2012	2013
Family allowances	3,831	3,760	3,552	3,670	3,726	3,817
Wage supplementary benefits	365	1,755	1,141	769	1,044	1,146
Unemployment benefits	3,051	4,198	4,656	4,560	5,233	3,057
AspI						2,253
Sick benefits	2,165	2,079	1,992	2,053	2,044	2,017
Maternity benefits	2,038	2,124	2,088	2,216	2,284	2,292
Termination of employment benefits and other benefits	446	415	585	672	795	1,087
Total (A)	11,896	14,331	14,014	13,940	15,126	15,669
Recovery of benefits and other (B)	437	424	464	434	493	520
Total benefit expenditure (A - B)	11,459	13,907	13,550	13,506	14,633	15,149

During the period analyzed, the total benefit expenditure increased from 11,459 million euros to 15,149 million euros with a 32% variation; this increase was mainly due to the *unemployment benefits* that, accounted for 27% of total expenditure in 2008 and for 35%.

Table 6.3 Expenditure on additional benefits 2008 - 2013						
million of euros						
Description	2008	2009	2010	2011	2012	2013
Wage supplementary benefits:						
-industry	139	1.091	622	344	565	583
-construction	86	144	139	146	181	195
-stone works	4	7	7	8	9	10
Unemployment benefits	3,198	4,984	4,908	,907	5,941	
-Aspi						2,431
-Mini Aspi and agricultural workers						1,036
-other unemployment benefits						1,207
Total	3,427	6,226	5,676	5,405	6,696	5,462

In order to give an exhaustive overview of these *income-support benefits*, it is important to illustrate the benefits paid by GIAS, as briefly mentioned in Chapter 3.6, but without accounting data. In order to avoid duplications, the Report only refers to the income-support benefits provided by GIAS. As already mentioned, the Fund for support and welfare benefits to pension schemes (hereinafter GIAS) was set up under Article 37 of Act n. 88/89. As provided for under paragraph 3 letter D, it must bear the costs related to *contribution incentives* (reduction in social security contributions) in favor of particular groups of workers, sectors or territories, including training, solidarity and apprenticeship contracts, in addition to family allowances which are also paid by the state, as well as to extraordinary wage support and to special unemployment benefits (mobility allowance under Act 223/ as provided for under Acts n. 1115 of November 5, 1968 and n. 427 of August 6 1975 and under their amendments and additions, in addition to other *similar benefits to be provided by the State*.

Table 6.4 shows in detail the wage-support measures and the transfers to FPLD to cover these expenses. The unemployment benefits include: the share of the ordinary unemployment benefits not in the agricultural sector, the unemployment benefits introduced by Act 247/2007 in the agricultural sector, the special unemployment benefits in the construction sector and the allowances for socially relevant activities (ASU).

Table 6.4 GIAS transfers 2008 - 2013						
Expenditure on wage-support benefits						
milions of euros						
A) Benefits	2008	2009	2010	2011	2012	2013
Unemployment benefits	1.419	2,191	2,165	2,239	2,621	2,884
-Aspi and mini Aspi						1,586
-others						1,298
Mobility allowance	882	1,144	1,346	1,435	1,685	2,081
-ordinary	794	1,043	1,169	1,192	1,387	1,716
-derogation	88	101	177	243	298	365
Cigs benefits	508	1,121	2,173	1,981	2,449	2,811
-ordinary	396	825	1,608	1,386	1,634	2,038
-derogation	112	296	565	595	815	773

Other benefits	1	3	1	9	5	11
Total	2,810	4,459	5,685	5,664	6,760	7,787

B) Coverage and IVS	2008	2009	2010	2011	2012	2013
Unemployment benefits	83	316	188	197	271	142
Mobility allowance	679	815	951	1,039	1,219	1,391
-ordinary	617	742	830	896	948	1,088
-derogation	62	73	121	143	271	303
Cigs benefits	387	894	1,750	1,729	1,935	2,082
-ordinary	302	686	1,228	1,146	1,244	1,550
-derogation	85	208	522	583	691	532
Other benefits				6	0	0
Total	1,149	2,025	2,889	2,971	3,425	3,615

Table 6.5 illustrates the contribution charges for employers equal to 0.30% of the mobility allowance, to 0.80% for special unemployment benefits in the construction sector and to 0.90% (0.30% to be paid by workers) for extraordinary wage-support measures.

Table 6.5 - GIAS tranfers 2008 - 2013 Contributions paid by employers and by members million of euros						
Years	2008	2009	2010	2011	2012	2013
Mobility allowance	524	549	706	641	589	579
Cigs Bnefits (*)	1,041	977	1,066	1,071	1,085	1,110
Special benefits for construction workers	120	106	109	100	90	79
Totale	1,685	1,632	1,881	1,812	1,764	1,768

(*) the Cigs contribution rate is to be paid by the workers (0.30%)

Table 6.6 shows the contribution rates of GPT and GIAS.

Table 6.6

Tabella delle aliquote contributive per i principali settori di attività in vigore nel 2013																		
(valori percentuali della retribuzione imponibile)																		
Voci contributive Settore di attività	Aspi (*) (**)		garanzia TFR		CUAF		cig ordinaria		cig straordinaria		mobilità		indennità malattia		indennità maternità		Totale	
	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati
Industria in genere																		
fino a 15 dip.	1,61	1,61	0,20	0,20	0,68	0,68	1,90	1,90					2,22		0,46	0,46	7,07	4,85
Da 16 a 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68	1,90	1,90	0,90	0,90	0,30	0,30	2,22		0,46	0,46	8,27	6,05
più di 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68	2,20	2,20	0,90	0,90	0,30	0,30	2,22		0,46	0,46	8,57	6,35
Artigianato	0,70	0,70	0,20	0,20	0,00	0,00							2,22		0,00	0,00	3,12	0,90
Artigianato edile (***)	1,50	1,50	0,20	0,20	0,00	0,00	5,20	1,90					2,22		0,00	0,00	9,12	3,60
Artigianato lapidei	0,70	0,70	0,20	0,20	0,00	0,00	3,70	1,90					2,22		0,00	0,00	6,82	2,80
Credito e Assicurazioni	1,61	1,61	0,20	0,20	0,68	0,68									0,46	0,46	2,95	2,95
Commercio																		
fino a 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68							2,44	2,44	0,24	0,24	5,17	5,17
Da 50 a 200 dip.	1,61	1,61	0,20	0,20	0,68	0,68			0,90	0,90	0,30	0,30	2,44	2,44	0,24	0,24	6,37	6,37
più di 200 dip.	1,61	1,61	0,20	0,20	0,68	0,68			0,90	0,90	0,30	0,30	2,44	2,44	0,24	0,24	6,37	6,37
Commercio CUAF ridotta																		
fino a 50 dip.	0,48	0,48	0,20	0,20	0,00	0,00							2,44	2,44	0,00	0,00	3,12	3,12
Da 50 a 200 dip.	0,48	0,48	0,20	0,20	0,00	0,00			0,90	0,90	0,30	0,30	2,44	2,44	0,00	0,00	4,32	4,32
più di 200 dip.	0,48	0,48	0,20	0,20	0,00	0,00			0,90	0,90	0,30	0,30	2,44	2,44	0,00	0,00	4,32	4,32
(*) l'Assegno Sociale per l'Impiego comprende l'aliquota di 0,30% destinata al Fondo di rotazione ex art. 25 L. n. 845/1978 (***) la L. 92/2012 istituisce al comma 28 un contributo addizionale di 1,40% per i rapporti di lavoro subordinato non a tempo indeterminato con esclusione dei casi rientranti nel comma 29 (***) la voce comprende l'aliquota di 0,80% per il Trattamento speciale																		

7. The number of pension benefits by type, category, amounts and province

This chapter illustrates all pension benefits on the basis of the data from the **Central Registry of Pensioners and Pensions managed by Inps**. This registry is fed by the information all pension schemes are obliged to provide in terms of benefits paid.

Pensioners: In 2013, the number of *pensioners* receiving benefits from the Italian pension system was equal to **16,393,369**, **51.8% women** receiving 70% of survivors' pensions (amounting to 60% or less of the direct pension. (see table 7.1)

Pension benefits: In 2013 **23,322,278** were paid (of which **18,230,958** provided by the **IVS system**), plus **4,285,532 welfare benefits** (of which 3,206,535 disability pensions, 837,982 social pensions and allowances and 241,015 direct and indirect veterans' pensions) and **805,788 indemnity benefits** mainly from INAIL. The data presented in the Report is different from the data from Istat. Maybe this is due to different calculation methods. In this Report, the total number of benefits "outstanding as of December 31" is actually lower by 15,298 IVS pensions (18,215,660) and by 370,150 welfare benefits. (see table 7.2 and B25a)

Table 7.1 Number of pensioners and raw retirement rate in 2012 and 2013

Gender	N. of pensioners		Raw retirement rate	
	2012	2013	2012	2013
Men	7.819.793	7.725.296	27,07%	26,20%
Women	8,774,099	8,668.,073	28.49%	27.70%
Total	16,593,892	16,393,369	27.80%	26.97%

Table 7.2 Pension benefits and its total and average annual amount by type of pension in 2012-2013

Tipologia di pensione	2012						2013					
	Numero	%	Importo complessivo		Importo medio		Numero	%	Importo complessivo		Importo medio	
			Euro	%	Euro	N.I.(a)			Euro	%	Euro	N.I.(a)
Ivs	18.469.661	78,3	244.929	90,5	13.261	115,5	18.230.958	78,2	246.626	90,4	13.528	115,7
Vecchiaia	12.299.711	52,2	194.370	71,8	15.803	137,6	12.193.882	52,3	195.831	71,8	16.060	137,3
Invalidità	1.314.467	5,6	10.721	4,0	8.156	71	1.223.951	5,2	10.328	3,8	8.439	72,2
Superstiti	4.855.483	20,6	39.838	14,7	8.205	71,5	4.813.125	20,6	40.467	14,8	8.408	71,9
Indennitarie	827.272	3,5	4.515	1,7	5.458	47,5	805.788	3,5	4.532	1,7	5.624	48,1
Assistenziali	4.281.050	18,2	21.276	7,9	4.970	43,3	4.285.532	18,4	21.588	7,9	5.037	43,1
Invalidità civile	3.190.817	13,5	15.531	5,7	4.867	42,4	3.206.535	13,7	15.710	5,8	4.899	41,9
Pensioni sociali	828.798	3,5	4.318	1,6	5.210	45,4	837.982	3,6	4.488	1,6	5.356	45,8
Guerra	261.435	1,1	1.426	0,5	5.456	47,5	241.015	1,0	1.390	0,5	5.769	49,3
Totale	23.577.983	100,0	270.720	100,0	11.482	100,0	23.322.278	100	272.746	100,0	11.695	100,0

(a) Numero Indice Totale=100

Source: INPS - ISTAT.

The following tables show the detailed number of pensions (table 2) and the number of pensioners (table 3) by amount, by the annual total cost, of the amounts and by average amount. The pensioners receiving benefits above 3,000 € gross per month (about 39,000 € gross per year and about 1.800 € net per month) are equal to 600,000. The benefits calculated on the basis of the income of executives,

officials and managers (about 100,000 € gross per year, 51,000 net per year) are less than 33,000 because Italy is still developing and it has very high tax evasion. Another interesting finding is the number of pensions up to the minimum (495.43 €) which reach over 8 million but only with about 2.2 million pensioners; the same is true for the following amount bracket (up to 990 €); in total, the benefits below 1,000 € are almost 16 million but the number of pensioners is equal to a little bit more than 7 million, most of these with welfare pensions or with supplementary benefits, who paid very few or no contributions (and also taxes) in 65 years of their lives.

The **average pension**, often used for comparisons and analyses, can be easily obtained from tables 2 and 3 which show that there may be two different amounts: **a)** if the number of benefits is calculated (23,322,278), the average pension amounts to **11,695 €** per year, subdivided in 13 months; **b)** since the pensioners receiving these benefits are 16,393,369, the per capita average amount is equal to **16,638 €** per year (over 1,000 € per month) always in 13 months.

Of course, the second figure is more accurate even though the media and Istat too often adopt the first one (see the Istat report entitled: “4 pensioners out of 10 receive less than 1,000 euros”) dividing the pension amount (272,745,749) by the number of benefits and not by the number of pensioners.

Number of pensions per pensioner: The ratio of the number of benefits to the number of pensioners shows that in Italy, on average, **pensioner receives 1.422 pensions. 25,2% of pensioners have two pensions, 6.5% have three and 1.3% has 4 or more benefits.** Most of these additional pensions are survivors' pensions.

Number of benefits per capita: the ratio of the **number of benefits to the number of citizens** shows that **1 benefit is paid for each 2.57 citizens**, including children; this explains why pensions are an extremely sensitive issue because each average family receives at least 1 benefit. Moreover, the number of benefits is huge even though their amount is small. The number of benefits does not include the supplementary and welfare benefits provided by municipalities and provinces which are estimated to exceed 100.000.

Information and average pension: it is important to clarify that (as indicated in Chapters 3 and 11); about **5,100,000 welfare benefits are paid** (disability, carers, social; and veterans) and **4,640,000 pensions include supplementary benefits to the minimum or "social supplementary benefits"**. For most of these benefits, no contributions have been paid (or only low contributions for a few years). Therefore in calculating the average pension, it would be wise to remove these from the calculation because they are financed through taxes (it is a very significant figure). The above-messages lead citizens to believe that the system does not pay much so it is better to evade contributions. The truth is that over 53% of pensioners (6,850,000 if divided by 1,422) did not pay contributions in 65 years of life on (and no taxes) and the State provides them a great support, albeit for a limited amount, that is to be paid by young generations, thus increasing the already large public debt. This is a more educational message.

Finally, in calculating the average figures, it would be necessary to eliminate at least 740,000 benefits to individuals below **39 years** (minors or disabled or multiple survivors' pensions).

Tavola 2 - Numero di pensioni e importo complessivo lordo annuo per classi di importo mensile⁽¹⁾ - Anno 2013

Classi di importo mensile (escluso il rateo della tredicesima)		Numero di pensioni	Importo complessivo lordo annuo	Importo medio lordo annuo	
Fino a 1 volta il minimo	Fino a 495,43	8.124.603	31.777.483.037	3.911	
Da 1 a 2 volte il minimo	Da 495,43 a 990,86	7.853.475	67.383.883.372	8.580	
Da 2 a 3 volte il minimo	Da 990,87 a 1486,29	3.179.971	50.534.059.982	15.891	
Da 3 a 4 volte il minimo	Da 1486,30 a 1981,72	2.119.755	46.224.880.501	21.807	
Da 4 a 5 volte il minimo	Da 1981,73 a 2477,15	1.054.003	30.087.355.783	28.546	
Da 5 a 6 volte il minimo	Da 2477,16 a 2972,58	432.223	15.097.254.760	34.929	
Da 6 a 7 volte il minimo	Da 2972,59 a 3468,01	193.488	8.014.297.136	41.420	
Da 7 a 8 volte il minimo	Da 3468,02 a 3963,44	107.028	5.140.297.907	48.028	
Da 8 a 9 volte il minimo	Da 3963,45 a 4458,87	66.096	3.608.007.936	54.587	
Da 9 a 10 volte il minimo	Da 4458,88 a 4954,30	51.119	3.120.826.658	61.050	
Da 10 a 11 volte il minimo	Da 4954,31 a 5449,73	41.620	2.809.755.340	67.510	
Da 11 a 12 volte il minimo	Da 5449,74 a 5945,16	32.004	2.362.638.313	73.823	
Da 12 a 13 volte il minimo	Da 5945,17 a 6440,59	19.735	1.585.343.634	80.332	
Da 13 a 14 volte il minimo	Da 6440,60 a 6936,02	14.903	1.291.134.415	86.636	
Da 14 a 15 volte il minimo	Da 6936,03 a 7431,45	9.500	884.877.370	93.145	
Da 15 a 16 volte il minimo	Da 7431,46 a 7926,88	6.715	666.592.979	99.269	
Da 16 a 17 volte il minimo	Da 7926,89 a 8422,31	3.764	398.987.965	106.001	
Da 17 a 18 volte il minimo	Da 8422,32 a 8917,74	2.554	287.240.513	112.467	
Da 18 a 19 volte il minimo	Da 8917,75 a 9413,17	1.751	208.306.641	118.964	
Da 19 a 20 volte il minimo	Da 9413,18 a 9908,60	1.321	165.732.900	125.460	
Da 20 a 21 volte il minimo	Da 9908,61 a 10404,03	1.068	140.896.412	131.925	
Da 21 a 22 volte il minimo	Da 10404,04 a 10899,46	899	124.485.021	138.471	
Da 22 a 23 volte il minimo	Da 10899,47 a 11394,89	1.033	150.199.388	145.401	
Da 23 a 24 volte il minimo	Da 11394,90 a 11890,32	888	134.268.499	151.203	
Da 24 a 25 volte il minimo	Da 11890,33 a 12385,75	583	92.013.139	157.827	
Da 25 a 26 volte il minimo	Da 12385,76 a 12881,18	434	71.102.166	163.830	
Da 26 a 27 volte il minimo	Da 12881,19 a 13376,61	344	58.626.948	170.427	
Da 27 a 28 volte il minimo	Da 13376,62 a 13872,04	218	38.572.044	176.936	
Da 28 a 29 volte il minimo	Da 13872,05 a 14367,47	143	26.206.313	183.261	
Da 29 a 30 volte il minimo	Da 14367,48 a 14862,90	118	22.402.818	189.854	
Da 30 a 31 volte il minimo	Da 14862,91 a 15358,33	144	28.266.698	196.297	
Da 31 a 32 volte il minimo	Da 15358,34 a 15853,76	116	23.507.939	202.655	
Da 32 a 33 volte il minimo	Da 15853,77 a 16349,19	87	18.188.848	209.067	
Da 33 a 34 volte il minimo	Da 16349,20 a 16844,62	70	15.072.144	215.316	
Da 34 a 35 volte il minimo	Da 16844,63 a 17340,05	39	8.649.673	221.786	
Da 35 a 36 volte il minimo	Da 17340,06 a 17835,48	37	8.467.550	228.853	
Da 36 a 37 volte il minimo	Da 17835,49 a 18330,91	34	7.986.591	234.900	
Da 37 a 38 volte il minimo	Da 18330,92 a 18826,34	26	6.269.858	241.148	
Da 38 a 39 volte il minimo	Da 18826,35 a 19321,77	37	9.165.004	247.703	
Da 39 a 40 volte il minimo	Da 19321,78 a 19817,20	21	5.338.720	254.225	
Da 40 a 41 volte il minimo	Da 19817,21 a 20312,63	18	4.690.523	260.585	
Da 41 a 42 volte il minimo	Da 20312,64 a 20808,06	21	5.598.205	266.581	
Da 42 a 43 volte il minimo	Da 20808,07 a 21303,49	19	5.203.731	273.881	
Da 43 a 44 volte il minimo	Da 21303,50 a 21798,92	15	4.200.981	280.065	
Da 44 a 45 volte il minimo	Da 21798,93 a 22294,35	8	2.290.039	286.255	
Da 45 a 46 volte il minimo	Da 22294,36 a 22789,78	21	6.146.955	292.712	
Da 46 a 47 volte il minimo	Da 22789,79 a 23285,21	6	1.798.944	299.824	
Da 47 a 48 volte il minimo	Da 23285,22 a 23780,64	22	6.722.535	305.570	
Da 48 a 49 volte il minimo	Da 23780,65 a 24276,07	9	2.815.194	312.799	
Da 49 a 50 volte il minimo	Da 24276,08 a 24771,50	55	15	4.783.657	318.910
Oltre 50 volte il minimo	Oltre 24771,50	157	62.763.069	399.765	
Totale		23.322.278	272.745.656.749	11.695	

(1) Le fasce di reddito pensionistico sono determinate in base all'importo del trattamento minimo 2013 pari a 495,43 euro mensili

Fonte: Casellario Centrale dei Pensionati al 31.12.2013

Tavola 3 - Numero di pensionati e importo complessivo lordo annuo del reddito pensionistico per classi di reddito mensile⁽¹⁾ - Anno 2013

Classi di reddito pensionistico mensile (escluso il rateo della tredicesima)		Numero dei pensionati	Importo complessivo lordo annuo del reddito pensionistico	Importo medio lordo annuo del reddito pensionistico
Fino a 1 volta il minimo	Fino a 495,43	2.273.451	8.144.887.289	3.583
Da 1 a 2 volte il minimo	Da 495,43 a 990,86	4.964.643	45.190.666.289	9.103
Da 2 a 3 volte il minimo	Da 990,87 a 1486,29	3.787.923	60.390.136.918	15.943
Da 3 a 4 volte il minimo	Da 1486,30 a 1981,72	2.750.717	60.293.907.300	21.919
Da 4 a 5 volte il minimo	Da 1981,73 a 2477,15	1.296.574	37.025.401.594	28.556
Da 5 a 6 volte il minimo	Da 2477,16 a 2972,58	584.621	20.457.961.429	34.994
Da 6 a 7 volte il minimo	Da 2972,59 a 3468,01	273.007	11.311.124.205	41.432
Da 7 a 8 volte il minimo	Da 3468,02 a 3963,44	142.802	6.855.225.047	48.005
Da 8 a 9 volte il minimo	Da 3963,45 a 4458,87	84.748	4.623.963.003	54.561
Da 9 a 10 volte il minimo	Da 4458,88 a 4954,30	62.453	3.811.530.393	61.030
Da 10 a 11 volte il minimo	Da 4954,31 a 5449,73	48.881	3.299.189.797	67.494
Da 11 a 12 volte il minimo	Da 5449,74 a 5945,16	37.643	2.780.276.015	73.859
Da 12 a 13 volte il minimo	Da 5945,17 a 6440,59	24.377	1.958.072.485	80.325
Da 13 a 14 volte il minimo	Da 6440,60 a 6936,02	18.020	1.562.647.164	86.717
Da 14 a 15 volte il minimo	Da 6936,03 a 7431,45	12.038	1.121.691.555	93.179
Da 15 a 16 volte il minimo	Da 7431,46 a 7926,88	8.451	840.448.719	99.450
Da 16 a 17 volte il minimo	Da 7926,89 a 8422,31	5.346	566.946.093	106.051
Da 17 a 18 volte il minimo	Da 8422,32 a 8917,74	3.852	433.445.876	112.525
Da 18 a 19 volte il minimo	Da 8917,75 a 9413,17	2.802	333.363.052	118.973
Da 19 a 20 volte il minimo	Da 9413,18 a 9908,60	1.995	250.102.078	125.364
Da 20 a 21 volte il minimo	Da 9908,61 a 10404,03	1.590	209.793.445	131.946
Da 21 a 22 volte il minimo	Da 10404,04 a 10899,46	1.306	180.784.991	138.426
Da 22 a 23 volte il minimo	Da 10899,47 a 11394,89	1.141	165.592.809	145.130
Da 23 a 24 volte il minimo	Da 11394,90 a 11890,32	1.023	154.891.094	151.409
Da 24 a 25 volte il minimo	Da 11890,33 a 12385,75	732	115.370.427	157.610
Da 25 a 26 volte il minimo	Da 12385,76 a 12881,18	640	104.970.235	164.016
Da 26 a 27 volte il minimo	Da 12881,19 a 13376,61	515	87.780.858	170.448
Da 27 a 28 volte il minimo	Da 13376,62 a 13872,04	400	70.780.730	176.952
Da 28 a 29 volte il minimo	Da 13872,05 a 14367,47	256	46.963.324	183.450
Da 29 a 30 volte il minimo	Da 14367,48 a 14862,90	189	35.885.292	189.869
Da 30 a 31 volte il minimo	Da 14862,91 a 15358,33	178	34.950.306	196.350
Da 31 a 32 volte il minimo	Da 15358,34 a 15853,76	147	29.793.208	202.675
Da 32 a 33 volte il minimo	Da 15853,77 a 16349,19	107	22.391.215	209.264
Da 33 a 34 volte il minimo	Da 16349,20 a 16844,62	92	19.822.348	215.460
Da 34 a 35 volte il minimo	Da 16844,63 a 17340,05	76	16.827.033	221.408
Da 35 a 36 volte il minimo	Da 17340,06 a 17835,48	55	12.559.690	228.358
Da 36 a 37 volte il minimo	Da 17835,49 a 18330,91	60	14.104.166	235.069
Da 37 a 38 volte il minimo	Da 18330,92 a 18826,34	52	12.565.382	241.642
Da 38 a 39 volte il minimo	Da 18826,35 a 19321,77	38	9.415.970	247.789
Da 39 a 40 volte il minimo	Da 19321,78 a 19817,20	32	8.128.578	254.018
Da 40 a 41 volte il minimo	Da 19817,21 a 20312,63	28	7.287.739	260.276
Da 41 a 42 volte il minimo	Da 20312,64 a 20808,06	36	9.599.077	266.641
Da 42 a 43 volte il minimo	Da 20808,07 a 21303,49	21	5.758.226	274.201
Da 43 a 44 volte il minimo	Da 21303,50 a 21798,92	15	4.190.872	279.391
Da 44 a 45 volte il minimo	Da 21798,93 a 22294,35	13	3.729.422	286.879
Da 45 a 46 volte il minimo	Da 22294,36 a 22789,78	21	6.158.536	293.264
Da 46 a 47 volte il minimo	Da 22789,79 a 23285,21	8	2.404.239	300.530
Da 47 a 48 volte il minimo	Da 23285,22 a 23780,64	15	4.584.263	305.618
Da 48 a 49 volte il minimo	Da 23780,65 a 24276,07	13	4.069.256	313.020
Da 49 a 50 volte il minimo	Da 24276,08 a 24771,50	18	5.740.958	318.942
Oltre 50 volte il minimo	Oltre 24771,50	208	87.776.759	422.004
Totale		16.393.369	272.745.656.749	16.638

The average pension for men and women: statistically women account for **52.9% of pensioners** and receives average annual benefits equal **13,921 euros** vs. **19,686 euros of men**; over half of women (50.5%) receives less than 1,000 euros per month as against one-third (31.0%) of men. Survivors' pensioners amount to 4.5 million of whom 67.6% also receive other retirement benefits; women account for a large number of these subjects (equal to 32.9% of the total number of pensioners), and this number is growing with the increase in the number of per capita benefits: retired women account for 59.4% of the subjects receiving two pensions, for 70.5% of those who receive three and for 73.9% of those who receive four or more benefits. So stating in a non-analytical way (but with a simple division) that women receive significantly lower benefits with respect to men is correct from the formal point of view but not from the substantial and educational perspective. In fact, as already said, about 70% of survivors' pensions are paid to women. And, in the best scenario, survivors' pensions are equal to 60% of direct pensions under the law. So, it is clear that it would be better to compare benefits of the same type.

It is also well known that, for various reasons, in Italy both employment rates (especially in the South) and career levels underperform for women; however correct information would be helpful to reverse this negative situation.

The following tables (*from 7.3 to 7.6*) illustrate the distribution of the different types of pensions (seniority, old-age, disability and survivors) as percentage of the resident population by region up to December 31 2013. Retirement rates are related to the number of inhabitants and not to the number of employed subjects because this indicator is more consistent due to the high level of underground work in Italy.

Table 7.3 Distribution of seniority pensioners as % of the population by Region

Regions	Seniority	Population	N. of pensioners as % of the population
Piemonte	566,229	4,436,798	12.76%
Emilia Romagna	555,542	4,446,354	12.49%
Friuli V, Giulia	152,729	1,229,363	12.42%
Lombardia	1,138,211	9,973,397	11.41%
Veneto	543,864	4,926,818	11.04%
Trentino Alto Adige	115,040	1,051,951	10.94%
Marche	168,152	1,553,138	10.83%
Liguria	171,498	1,591,939	10.77%
Toscana	398,367	3,750,511	10.62%
Valle D'Aosta	13,458	128,591	10.47%
Umbria	91,328	896,742	10.18%
Abruzzo	113,753	1,333,939	8.53%
Molise	26,169	314,725	8.31%
Sardegna	126,887	1,663,859	7.63%
Lazio	393,475	5,870,451	6.70%
Puglia	266,753	4,090,266	6.52%
Basilicata	35,957	578,391	6.22%
Sicilia	262,788	5,094,937	5.16%
Calabria	101,995	1,980,533	5.15%
Campania	260,571	5,869,965	4.44%
Not distributed	0		
Abroad	65,521		
Total	5,568,287	60,782,668	

For seniority pensions, the Regions with the highest retirement rate (between 12.8% and 11%) are in the North Center of Italy: Piemonte, Emilia Romagna, Friuli Venezia Giulia, Lombardia and Veneto on top of the ranking.

The Center North Regions such as Liguria, Toscana, Emilia Romagna and Piemonte, provide the highest number of old-age pensions as % of the resident population (between 12.6% and 11.1%), with a shorter period of contributions on average with respect to their seniority, so the amounts are lower.

Instead, the South Regions provide the highest number of disability pensions as % of the number of inhabitants. Basilicata, Molise and Calabria rank at the top with a retirement rate above 4%.

Looking at the ratio of the number of pensions to survivors to the resident population, it is possible to realize that the highest retirement rates are in the Center North and in the South of Italy. Liguria and Friuli Venezia Giulia have the highest ratio, 9.34% and 8,61% respectively.

Table 7.4 Distribution of old-age pensions as % of the population by Region

Regions	Old-age	Population	N. of pensions as % of the population
Liguria	200,719	1,591,939	12.61%
Toscana	420,205	3,750,511	11.20%
Emilia Romagna	495,987	4,446,354	11.15%
Piemonte	492,366	4,436,798	11.10%
Friuli V, Giulia	133,225	1,229,363	10.84%
Umbria	96,448	896,742	10.76%
Marche	162,033	1,553,138	10.43%
Lombardia	1,019,037	9,973,397	10.22%
Molise	31,996	314,725	10.17%
Valle D'Aosta	12,774	128,591	9.93%
Basilicata	56,428	578,391	9.76%
Trentino Alto Adige	97,839	1,051,951	9.30%
Veneto	456,988	4,926,818	9.28%
Abruzzo	121,706	1,333,939	9.12%
Calabria	178,738	1,980,533	9.02%
Lazio	484,441	5,870,451	8.25%
Puglia	334,871	4,090,266	8.19%
Sardegna	118,810	1,663,859	7.14%
Campania	400,840	5,869,965	6.83%
Sicilia	341,716	5,094,937	6.71%
Not distributed	9		
Abroad	206,125		
Total	5,863,301	60,782,668	

Tabl 7.5 Distribution of disability pensions as %of the population by Region

Regions	Disability	Population	N. of pensions as % of the population
Basilicata	27,310	578,391	4.72%
Molise	13,525	314,725	4.0%
Calabria	81,739	1,980,533	4.13%
Sardegna	68,054	1,663,859	4.09%
Umbria	34,077	896,742	3.80%
Marche	58,539	1,553,138	3.77%
Abruzzo	47,673	1,333,939	3.57%
Valle D'Aosta	4,163	128,591	3.24%
Puglia	129,681	4,090,266	3.17%
Sicilia	140,056	5,094,937	2.75%
Campania	156,704	5,869,965	2.67%
Liguria	41,154	1,591,939	2.59%
Lazio	138,704	5,870,451	2.36%
Emilia Romagna	101,431	4,446,354	2.28%
Toscana	83,175	3,750,511	2.22%
Friuli V, Giulia	26,099	1,229,363	2.12%
Piemonte	76,646	4,436,798	1.73%
Trentino Alto Adige	17,849	1,051,951	1.70%
Veneto	66,166	4,926,818	1.34%
Lombardia	121,118	9,973,397	1.21%
Not distributed	1		
Abroad	17,714		
Totale	1,451,578	60,782,668	

Table 7.6 Distribution of survivors' pensions as a % of the population by Region

Regions	Survivors	Population	N. of pensions as % of the population
Liguria	148,762	1,591,939	9.34%
Friuli V, Giulia	105,815	1,229,363	8.61%
Umbria	74,667	896,742	8.33%
Molise	26,037	314,725	8.27%
Piemonte	359,934	4,436,798	8.11%
Marche	125,356	1,553,138	8.07%
Toscana	298,428	3,750,511	7.96%
Emilia Romagna	352,270	4,446,354	7.92%
Basilicata	44,667	578,391	7.72%
Abruzzo	102,140	1,333,939	7.66%
Valle D'Aosta	9,841	128,591	7.65%
Veneto	347,433	4,926,818	7.05%
Lombardia	702,256	9,973,397	7.04%
Calabria	137,682	1,980,533	6.95%
Sardegna	113,155	1,663,859	6.80%
Trentino Alto Adige	67,706	1,051,951	6.4%
Sicilia	323,423	5,094,937	6.35%
Lazio	371,467	5,870,451	6.33%
Puglia	257,035	4,090,266	6.28%
Campania	340,836	5,869,965	5.81%
Not distributed	1		

Abroad	150,240	
Total	4,459,151	60,782,668

Finally, *table 7.7* shows the first 20 Provinces classified according to the distribution of the four categories of pensions as % of the resident population.

Table 7.7 % distribution of seniority, old-age, disability and survivors' pensions by Province

Province	Seniority	Province	Old age	Province	Disability	Province	Survivors
Biella	35,3%	Savona	25.4%	Lecce	12.9%	Alessandria	18.8%
Ferrara	31.5%	Trieste	25.4%	Ogliastra	12.5%	Trieste	18.8%
Vercelli	30.8%	Genova	25.3%	Potenza	12.4%	Vercelli	18.7%
Cuneo	27.7%	Imperia	25.2%	Benevento	10.9%	Ferrara	18.7%
Cremona	26.9%	Alessandria	25.0%	Oristano	10.6%	Biella	18.7%
Ravenna	26.8%	Asti	23.5%	L'Aquila	10.3%	La Spezia	18.6%
Rovigo	26.4%	Firenze	23.3%	Medio Campidano	10.2%	Savona	17.9%
Asti	26.3%	Siena	23.3%	Sassari	10.1%	Genova	17.8%
Gorizia	26.3%	Ferrara	23.3%	Nuoro	9.9%	Gorizia	17.6%
Bologna	26.0%	Isernia	23.2%	Catanzaro	9.8%	Rovigo	17.4%
Piacenza	25.8%	Ravenna	23.0%	Reggio Calabria	9.7%	Belluno	17.4%
Novara	25.7%	Piacenza	22.9%	Pesaro-Urbino	9.6%	Piacenza	17.3%
Belluno	25.4%	Verbano Cusio Ossola	22.8%	Terni	9.4%	Massa Carrara	17.3%
Mantova	25.1%	Bologna	22.6%	Agrigento	9.3%	Pavia	17.2%
Savona	25.1%	Vercelli	22.3%	Messina	8.7%	Asti	17.2%
Lecco	25.1%	Lecco	22.2%	La Spezia	8.7%	Terni	17.2%
Alessandria	25.0%	Biella	22.1%	Isernia	8.7%	Grosseto	17.0%
Modena	24.9%	Livorno	22.0%	Macerata	8.5%	Verbano Cusio Ossola	17.0%
Udine	24.8%	La Spezia	22.0%	Campobasso	8.5%	Isernia	16.9%
Pavia	24.8%	Belluno	22.0%	Vibo Valentia	8.2%	Udine	16.7%

8. The complementary system in Italy : pensions, welfare and health care. Intermediated and out-of-pocket expenditure

Even though there are few incentives for supplementary health care due to the lack of an efficient regulatory framework, the so-called "supplementary or complementary welfare" paid by individuals and by families amounts to 54.7 billion euros in 2013, equal to 3.5% of GDP and to 960 euros *per capite*. The main components of complementary welfare can be found in health care, in complementary retirement and in measures for the elderly and households. (*Table 8.1*). The health care on top of the care provided by the National Health Service (SSN) is directly paid by citizens (the so-called *out of pocket* expenditure) with insurance policies through health funds and schemes. Over 300 subjects, so a very high number. With a more homogeneous legislation, this number would plummet to the advantage

for all. Total expenditure amounts to 31.3 billion euros but most costs are borne *out of pocket* by citizens (that is directly, without any entities or insurance companies).

Of the 31.3 billion euros' worth of private health expenditure, 84% is paid by families and by individuals. When they have a health problem, they search for treatments or solutions at any cost, with higher costs with respect to the ones that would be borne through Schemes, Funds and insurance companies. With respect to 2012, it is possible to see that the *out of pocket* overall health care expenditure dropped by about 1 billion euros (from 27.2 million euros in 2012 to 26.2 di 2013). This drop may be due to a more limited recourse to private treatments because of the complex economic situation and possibly to the lack of tax accounting of the amounts received by health-care professionals or facilities. Conversely, there is an increase by about 0.7 billion euros in intermediated health expenditure (from 3.3 billion euros in 2012 to 4 billion euros in 2013). This is a positive finding, even though there is still a very limited access to the protection against health and social adverse events through collective or individuals supplementary schemes. About 1 billion euros' worth of health and accident protection expenditure through Insurance Companies. Reducing the high *out of pocket* expenses and foster intermediated schemes would reduce the costs for families and individuals and families because the price of health services would be negotiated by Health Funds and Schemes with agreed health facilities; this would optimize the use of these health facilities and limit tax dodging and evasion.

The overall expenditure on domestic part-time or full-time work as percentage of the income of house helps multiplied by the number of the ones registered with Inps (830,000 people by about 13,500 euros per year Euro annui di compenso).?? House help or non sufficient people is bound to increase give the population changes (the overall aging of the population and a higher life expectancy of the elderly). However, the number of people working as house helps and as carers of non sufficient subjects is clearly underestimated, In fact, it is reasonable to imagine that a non negligible share of these people (especially by foreign people) is undeclared.

Table 8.1 Private complementary welfare expenditure in 2012 e 2013

Tipologia	2012			2013		
	in mln di €	in % del Pil	spesa pubblica	in mln di €	in % del Pil	spesa pubblica
Previdenza complementare	12.052	0,77%	1,50%	12.414	0,79%	1,55%
Spesa per sanità OOP	27.234	1,74%	3,40%	26.240	1,68%	3,28%
Spesa per assistenza LTC	10.000	0,64%	1,20%	11.000	0,70%	1,37%
Spesa per sanità intermediata	3.366	0,22%	0,42%	4.060	0,26%	0,50%
Spesa welfare individuale	1.000	-	-	1.000	0,06%	0,12%
Spesa totale	53.652	3,37%	6,52%	54.714	3,49%	6,82%

Source COVIP, ISTAT, RGS, Ministry of Health data processed by Itinerari Previdenziali

As to complementary retirement and its use, the data on the number of participants and the resources available for 2013 and 2014 (table 8.2) are as follows:

In 2013, there were 510 active complementary pension funds (719 in the year 2000 and over 1,000 euros in 1993). This number is far too high and it should be reduced to increase efficiency especially of the funds with less than 5,000 members. In 2013, the number of participants was equal to 6,203,763 with a 6.4% vs. the previous year.²⁵

²⁵ On 31/12/2004, the members of pension funds amounted to 2,748,000, the assets were equal to 39.56 billion euros and the number of funds was 737.

While the membership in negotiated funds and previous schemes dropped by 1%, there was a growth by 7.7% of open funds and by 20.1% of individual retirement accounts (PIP). The final data available for 2014 show that the membership in complementary pension schemes is equal to 6,584,983, with a 6.1% increase (see *table 8.2*).

**Table 8.2 Complementary pension system in 2012, 2013 and 2014:
n. of members and resources allocated to benefits**

	Adesioni				Risorse (in mln di €)			
	2012	2013	var.%	2014	2012	2013	var.%	2014
Fondi pensione negoziali	1.969.771	1.950.552	-1,0%	1.944.304	30.174	34.504	14,4%	39.645
<i>di cui: LDSP</i>	<i>1.813.998</i>	<i>1.789.895</i>	<i>-1,3%</i>	<i>1.771.831</i>				
Fondi pensione aperti	913.913	984.584	7,7%	1.053.139	10.078	11.990	19,0%	13.960
<i>di cui: LDSP</i>	<i>435.273</i>	<i>455.802</i>	<i>4,7%</i>	<i>473.583</i>				
PIP nuovi	1.777.024	2.134.038	20,1%	2.453.938	9.813	13.014	32,6%	15.773
<i>di cui: LDSP</i>	<i>1.101.193</i>	<i>1.310.404</i>	<i>19,0%</i>	<i>1.495.077</i>				
PIP vecchi	534.816	505.110	-5,6%	505.000	6.273	6.499	3,6%	6.500
<i>di cui: LDSP</i>	<i>178.139</i>	<i>171.974</i>	<i>-3,5%</i>	<i>171.000</i>				
Fondi pensione preesistenti	659.920	654.627	-0,8%	654.000	48.010	50.376	4,9%	50.380
<i>di cui: LDSP</i>	<i>632.902</i>	<i>627.773</i>	<i>-0,8%</i>	<i>627.000</i>				
Totale*	5.828.674	6.203.763	6,4%	6.584.983	104.401	116.443	11,5%	126.323
<i>di cui: LDSP*</i>	<i>4.160.898</i>	<i>4.355.970</i>	<i>4,7%</i>	<i>4.538.863</i>				

LDSP: lavoratori dipendenti del settore privato

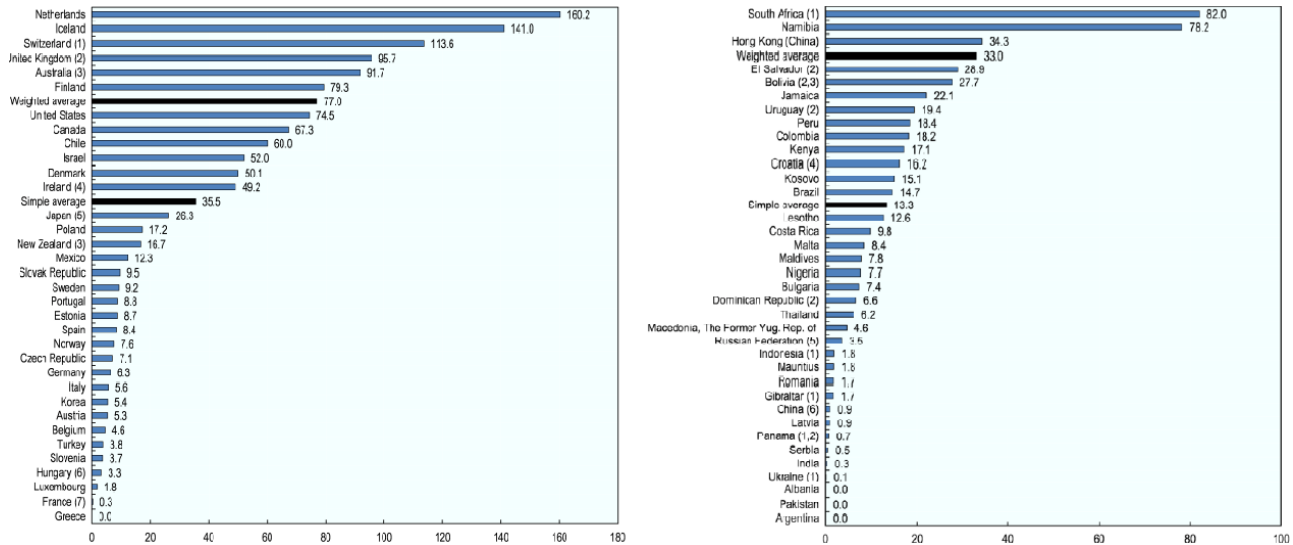
*Nel totale si include FONDINPS. Sono inoltre escluse dal totale aderenti le duplicazioni dovute agli iscritti che aderiscono contemporaneamente a PIP vecchi e nuovi. A fine 2013 circa 62.000 individui di cui 36.000 lavoratori dipendenti.

The resources allocated to benefits at the end of 2013 amounted to 116.443 billion euros, with an 11.5% increase vs. 2012 with positive variations for all kinds of funds, including PIP which grew by 32.6%. At the end of 2014, the overall assets of these funds amounted to 126.323 billion euros with a growth by 8.5% with respect to 2013.

So as to evaluate the spread of the complementary pension system, it is necessary to use the ratio of the assets of these funds to GDP; as compared to 2012, Graph 8.3 related to 2012 (the last available year) shows that there is still a lot to do to be in line with other advanced economic realities. The OECD data should be read with great attention in that some countries have compulsory or semi-compulsory complementary pension schemes and it is not clear which retirement schemes are included in the definition of *pension fund* by the OECD for calculation purposes (funds, trusts, private insurance, internal pension schemes). But is this GAP in the complementary pension system a question of money or of correct information and policies? The data published by Il Punto - Giornata Nazionale della Previdenza²⁶ reveal that the Italian population spent 87.4 billion euros on gambling, lotto and lotteries; 16.6 billion euros on card readers and quackers; 14.5 billion euros on private telephone calls (1.22 mobile phone per capita). According to the CENSIS data, even without absolute figures, the Italians also rank first in terms of cosmetic treatments. In sum, it is possible to do much more and, in this perspective, the State intervention at the educational and information level is crucial.

²⁶ See www.giornatanazionaledellaprevidenza.it

Graph 8.3 Pension funds' assets as % of GDP in the OECD and non-OECD countries in 2012



In view of revamping the complementary pension system in Italy, in 2014 several regulatory provisions were introduced (see the Exhibits). One is the MD n.166 of September 2 2014 by the Ministry of the Economy and Finance “*Regulation on the implementation of article 6, paragraph 5-bis of law decree n. 252 of December 5 2005, with provisions on the terms and conditions for investing the assets of pension funds and on possible conflicts of interest*”, replacing the MD 703 of 1996. The new Decree is more flexible with respect to the previous MD 703 and provides for a qualitative selection (and not merely a quantitative choice) of investment opportunities, according to the characteristics of each scheme. It also includes more stringent provisions on the conflict of interests at the funds' administrative, management and supervision level.

However, *in primis*, a negative outcome is expected to come from the 2015 stability law which allows employed workers to receive their termination of employment benefits (TFR) directly in their pay cheque for the three-year period 2015/2018 with ordinary taxes. *In secundis*, another negative result is expected to derive from the LD 66/2014 and from the 2015 stability Law which have increased the taxation on the yields obtained by pension funds from 11% (already increased to 11.5% by LD 66/2014) to 20%, retroactively as of January 1 2014, except for the share of returns on Treasury bills and on development investments to be illustrated in a new decree in 2015.

There are negative spin-offs resulting from the misuse of TFR and from higher taxes.

By comparing the pension benefits accrued in 20 years from a worker, only considering his or her own contributions (equal to 1% of his or her gross annual remuneration: 18,200 euros per year) with the benefits accrued by a worker with the same income level but who also adds his or her TFR, it is possible to realize that the former would have a negligible amount, equal to 4,445 euros while the latter would accrue 30,216 euros.

In order to simulate the impact of higher taxes on operating results, it is possible to start from a gross amount of 121,623.43 euros and see the effect of taxes, gradually growing from 12.5% (as if all the resources were invested on treasury bills) to 20% (in case of a fund investing all its assets on shares or bonds other than treasury bills). The difference is very significant.

The comparison between the 12.5% taxation (investment on treasury bills or similar instruments) and the 20% taxation (instruments other than treasury bills) shows that there is a significant difference in the "net" amount to be allocated to benefits equal to 3,055 euros, with 2.5% loss.

Taxation	"Net" Amount	Loss
12.5%	121,001	0.51%
14.0%	120,382	1.02%
15.5%	119,768	1.53%
17.0%	119,157	2.03%
18.5%	118,549	2.53%
20.0%	117,946	3.02%

Source: Data processed by Epheso for Itinerari Previdenziali

BOX 8.1

Purtroppo, in Italia lo sviluppo della previdenza complementare ha avuto l'andamento del "gambero" con progetti ambiziosi e arretramenti pericolosi; è quanto accaduto con la legge di stabilità 2014 che per favorire i consumi consente di mettere il TFR nelle buste paga dei lavoratori. Di un passo avanti e due indietro è costellata la difficile e breve vita della previdenza complementare. Si cominciò con il Decreto 124/93 che finalmente, dopo 20 anni di discussioni a vuoto, istituiva i fondi pensioni. Ma c'era un problema di finanza pubblica e così il prof. Andreatta introdusse "l'imposta preliminare" del 15% sui versamenti; in pratica chi versava 100 lire ai fondi pensione doveva darne 15 al fisco che poi le avrebbe restituite a fine carriera. Ciò provocò il blocco dei versamenti anche ai fondi preesistenti. Si dovette attendere il 1996/97 con Treu e Dini per far ripartire la complementare. Però all'alba del 2000 con decreto numero 47, Visco, eliminò il terzo pilastro, creò due tipologie di fondi pensioni non comunicabili tra loro e con regole e vigilanza diverse (consentendo ad alcune di queste forme assicurative di applicare agli iscritti commissioni iniziali del 70% e oltre) e impose sulle prestazioni una gravosa quanto macchinosa tassazione separata che di fatto ribloccò il tutto. Infatti i lavoratori si resero conto che a fronte della deducibilità dei contributi, avrebbero pagato, una volta andati in pensione, una imposta pari o maggiore di quella dedotta e in più avrebbero perso tutte le prestazioni sociali (integrazioni al minimo, coniuge a carico, maggiorazioni sociali, quattordicesima mensilità ecc) di cui beneficiano oggi oltre 8 milioni di pensionati su 16 milioni, e quindi preferirono non iscriversi. E così si è dovuto attendere il Decreto 252/05 per far ripartire la previdenza. E siamo al 2014 con il citato aumento della tassazione sui rendimenti e alla possibilità di non versare il TFR.

9. Trends in expected pension expenditure and projections in the medium and long term

What about the overall expenditure trends in the short, medium and long term? For the 2014 results, it was possible to use the INPS budget approved by C.I.V. don November 25 2014, while for 2015, it was possible to use the data of the INPS budget recently validated by C.I.V.; for the following years, the Report refers to the projections in the Economic and Financial Document (DEF) and by RGS. The data related to privatized funds were estimated on the basis of economic and population indicators.

The total **expenditure** for social security pensions net of GIAS transfers for 2014 is expected to reach approximately 206.7 billion euros and to 206.0 billion euros in 2015. In order to be comparable with the expenditure in 2013 (**214,567** million euros), these figures should be increased by about **3.9** billion annually to include the benefits provided by Funds for professionals including INPGI for employed journalists in 2014 and 4.1 in 2015. So there is apparently a slight reduction in the trend of benefit expenditure by 3.97 billion euros in 2014 and by 4.47 billion euros for this year. The Report offers a less optimistic forecast with respect to the official one, since the retirement rate data do not show any major drops and the substitution effect is expected to lead to an increase in the average pensions; this finding is in line with the medium to long term projections illustrated under the following paragraph. GIAS transfers are expected to increase from 33.292 billion euros in 2013 and from about 33.5 in 2014 to 34 in 2015.

It is important to add to the GIAS transfers **welfare pensions** for an amount of 21.8 billion in 2014 (including about 1 billion of benefits related to the "14th" month and to "additional measures" and of 21.95 in 2015. So, on the whole, expenditure is expected to reach 266 billion euros in 2015 as in 2014.

The **total contribution revenues**, net of the additional State contributions equal to **10.7 billion euros in 2014 and to 10.9 in 2015** are expected to reach 191.3 billion euros in 2014 and to 193.5 billion euros in

2015 (189.207 billion euros in 2013) which should include the revenues from Funds for Professionals (about 7.5 billion euros in 2014 and 7.6 in 2015). So the total revenues are expected to reach 201.1 billion euros in 2015 vs. 198.8 billion euros in 2014.

The **balance** showed a **12 billion euros' worth of deficit** in 2014 (less than half vs. 2013) and is expected to amount to 9 billion euros in 2015. Therefore the first estimates for 2014/15 show an improvement in the expenditure trend, with higher revenues and a better balance.

The IVS **number of pensions** at the end of 2013 amounted to **18,215,660** and is expected to stabilize to 18,200,000 on December 31 2014 and to 18,100,000 on December 31 2015. No change is expected in the number of welfare and indemnity benefits.

According to INPS, the **number of active workers paying contributions** was 23,960,460 in 2013 (22,312,000 according to Istat) and about 23,500,000 for 2014-2015. This drop is in line with the higher unemployment rate due to the economic crisis and does not reflect the early signs of recovery which started in December 2014.

The long-term projections of pension expenditure have to meet two requirements. On the one hand, they help adjust social security measures to regulatory reforms which show their effects over relatively long periods of time, given the way in which pension systems work²⁷. On the other hand, the use of long-term projections of pension expenditure is a well-established practice in comparing and coordinating the welfare policies of the twenty-eight member countries of the European Union.

It is in this context that two key reform objectives have been identified: the long-term financial sustainability of pension expenditure of the whole system and the adequacy of pension benefits at the individual level - with the relevant indicators to be used to measure the results achieved in the pursuit of the same objectives.

The main quantitative indicator on the adequacy of benefits is related to the so-called gross and net substitution rates, i.e. the ratio of the amount of pension that a "typical worker" receives vs. the last income received by this individual at the end of his or her working career. The analysis of the substitution rates is provided in a previous chapter of this report.

The financial sustainability of the pension system is evaluated at the EU level on the basis of the long-term projections on pension expenditure as a percentage of GDP.

The definition of the theoretical models, variables and assumptions underlying the projections is the result of a joint activity developed by an ad-hoc working group²⁸. In this context, in Italy, the models and the projections are developed by the General Accounting Office (RGS) and by the Ministry of

²⁷ This is specific aspect of the legal provisions on pensions is provided for by article 17, paragraph 7 of the accounting law (Act n. 196 of 31.12.2009), under which "the technical report attached to pension regulations must include" ... an analytical framework with at least 10 year projections on the variables related to beneficiaries...". See also: Servizio del Bilancio del Senato, *L'attività della Commissione bilancio. Aspetti metodologici della quantificazione e della copertura e sessione di bilancio*, "Elementi di Documentazione", n. 2, Rome, April 2013. .

²⁸ The *Working Group on Ageing* (WGA) is an ad hoc group of dealing with long-term projections of pension expenditure. It works within the framework of the *Economic Policy Committee* (EPC) that is the technical support body of the Council of economic and financial ministers (Ecofin). The methodological references and the results of the projections provided by the WGA can be found in: European Commission, *The 2012 Ageing Report: Underlying Assumptions and Projection Methodologies*, "European Economy", n. 4/2011; European Commission, *The 2012 Ageing Report. Economic and budgetary projections for the 27 EU Member States (2010-2060)*, "European Economy" n. 2/2012.

Economy and Finance. The following comments are therefore a summary of the results of the latest projections obtained with the RGS model which were published last year in June²⁹ together with a number of important methodological aspects.

In particular, the latest version includes the short-term macroeconomic assumptions in the DEF of approved by the Council of Ministers last June.

The projections are spread over a period of time up to 2060. They are based on the existing legislation up to June 2014 and include all the changes to retirement age and to the contribution period as well as the automatic adjustment of the transformation coefficients (Act n. 214/2011 and following provisions). However, they do not include the effects of the regulatory changes envisaged in the 2015 stability law (no sanctions for retirement before 62 years of age) and the measures to further increase the number of people protected (the so-called "esodati" illustrated in Chapter 3).

In line with the use of social expenditure projection models within the framework of the "open coordination method" among EU member states, the projections of the RGS model have been updated considering both the "baseline national" scenario and the "EPC-WGA baseline" scenario, with partially different assumptions, agreed at the European level, on the long-term variables.

In the "baseline national" scenario, the population trends follow the Istat 2011 assumptions which show: a) an increase in the fertility rate from 1.4 in 2010 to 1.6 in 2060; b) a life expectancy in 2060 of 86.2 years for men and 91.1 years for women; c) a migration flow of about 280 thousand people per year on average until 2020 before falling to around 200 thousand in 2050 and 180 thousand in the final years of the projection.

At the macroeconomic level, with the addition of the period covered by the 2014 DEF, the average GDP annual growth rate at constant prices in 2020-2030 is assumed to be about 2%, as a result of the partial bridging of the *output gap* during the years of the crisis; in 2030-2040, the population effect is expected to be felt and the average growth in real terms is deemed to fall to 1.6% and up to around 1% in the following decades. On the whole, the output trends (real GDP per worker) is expected to fluctuate around 1.5% for the whole period, thus offsetting most of the negative impact of unemployment on the GDP growth. The major reduction in the workforce due to population trends is partially offset by a drop in the unemployment rate dwindling from the all time 12.8% in 2015 to 5.5% at the end of the period considered. During the same period, the participation rate in the age group 15-64 years rises to 70.4%, an increase slightly under 5% compared to 2014 and the employment rate goes up from 56.8% to 66%.

Instead, for the age group 20-69, considered the most relevant working group for the changes to the retirement age requirements, this activity rate goes up to 74.4% in 2060, an increase by 11.1%.

In the EPC-WGA baseline scenario, the population parameters used are not very different while the net flow of migrants is higher for the whole period. At the same time, the real GDP growth rates are lower by around 1% on average per year, due to a more limited growth in employment.

The trend of the ratio of pension expenditure to GDP in the national baseline scenario is illustrated by the bold curve in **Figure 9.1**. The figure also shows how the projections based on different assumptions vary as a result of the regulatory changes that have taken place since 2004. The dotted line in the figure shows the projection made with the RGS model and according to the current regulation under by

²⁹ Ministry of the Economy and Finance - RGS, *Le tendenze di medio-lungo periodo del sistema pensionistico e socio-sanitario*, Report n. 15, Rome, June 2014.

Law no. 214/2012 and by the provisions to protect the so-called “esodati”, but with the parameters of the EPC-WGA baseline scenario, which was adopted by the European Union for comparative purposes.

The *curve shows in the initial part of the projection* an increase in the pension expenditure to GDP ratio. As mentioned in the previous section, the actual data taken from the financial statements confirmed this trend, that has characterized, to a different extent, all stages of the economic crisis, with a spike in 2008-2009, a slowdown due to a temporary economic recovery in 2010-2011, a further upward trend in 2012-2014. The projection confirms that the sharp reversal in the GDP trend significantly altered the expenditure/GDP ratio which is expected to be higher by about 2 compared to 2007, rising from 13.9% to 16%.

After 2015, the projection indicates a more favourable economic recovery. As a result, under the same regulatory framework, the ratio of pension expenditure to GDP is expected to go down over a period of about fifteen years, from 16.2% in 2013 down below 15% around 2030. This decline is due not only to the GDP upward trend but also to the reduction in pension expenditure coming from higher retirement age requirements and from the increase in the share of pensions calculated with the contribution-based method.

In the following fifteen years, 2030-2045, the projection points to a new phase of growth in the pension expenditure/GDP ratio up to about 15.6%. The reason for this increase is a positive change in the ratio of the number of pensions vs. the number of people employed and the effect of the longer working life which increases the average pension. This increase in expenditure is only partially offset by the higher minimum retirement age requirements and by lower benefits related to the gradual implementation of the defined contribution system over the entire working career.

After 2046, the expenditure/GDP ratio shows a steady decline down to 13.9% at the end of the period. This is essentially determined by the implementation of the contribution-based system, accompanied by a stabilization and then by a reversal of the trend in the ratio of the number of pensions vs. the number of workers, due to the progressive exit from the market of baby boomers and to the automatic adjustment of the minimum retirement age to changes in life expectancy.

The comparison clearly shows that each reform has significantly reduced expenditure in relation to GDP for periods that extend for about 30 years. In the transition period from Law no. 243 of 2004 to the next, the cost savings achieved are already visible in the five years from 2008 to 2012. The effects of the subsequent reforms are measurable as of 2013, with an very clear deterioration in the ratio of pension expenditure to GDP in the time interval until 2040. Specifically, the latest reform (Law no. 214/2012) has curbed this figure and has resulted in the de-indexation of pensions for 2012 - , 2013, thus going from 0.1% in 2012 to around 1.2 % in 2020, then decreasing to around 0.8 % in 2030 and to 0 around 2045.

The projection based on the scenario EPC-WGA baseline scenario shown in Figure 9.1 by the dotted line is quite different. These differences mainly depend on the different GDP trends resulting from the above-mentioned macroeconomic assumptions, which initially act on the denominator of this ratio, thus increasing the weight of pension expenditure and the number and the average amount of pensions with a delayed effect in the second half of the period.

In fact, it shows that pension expenditure to GDP is substantially in line with the projection of the national baseline scenario until 2025, while the same ratio is significantly higher for the subsequent period, thus increasing the weight of pension expenditure and the effect on the number and the average amount of pensions which is delayed to the second half of the period.

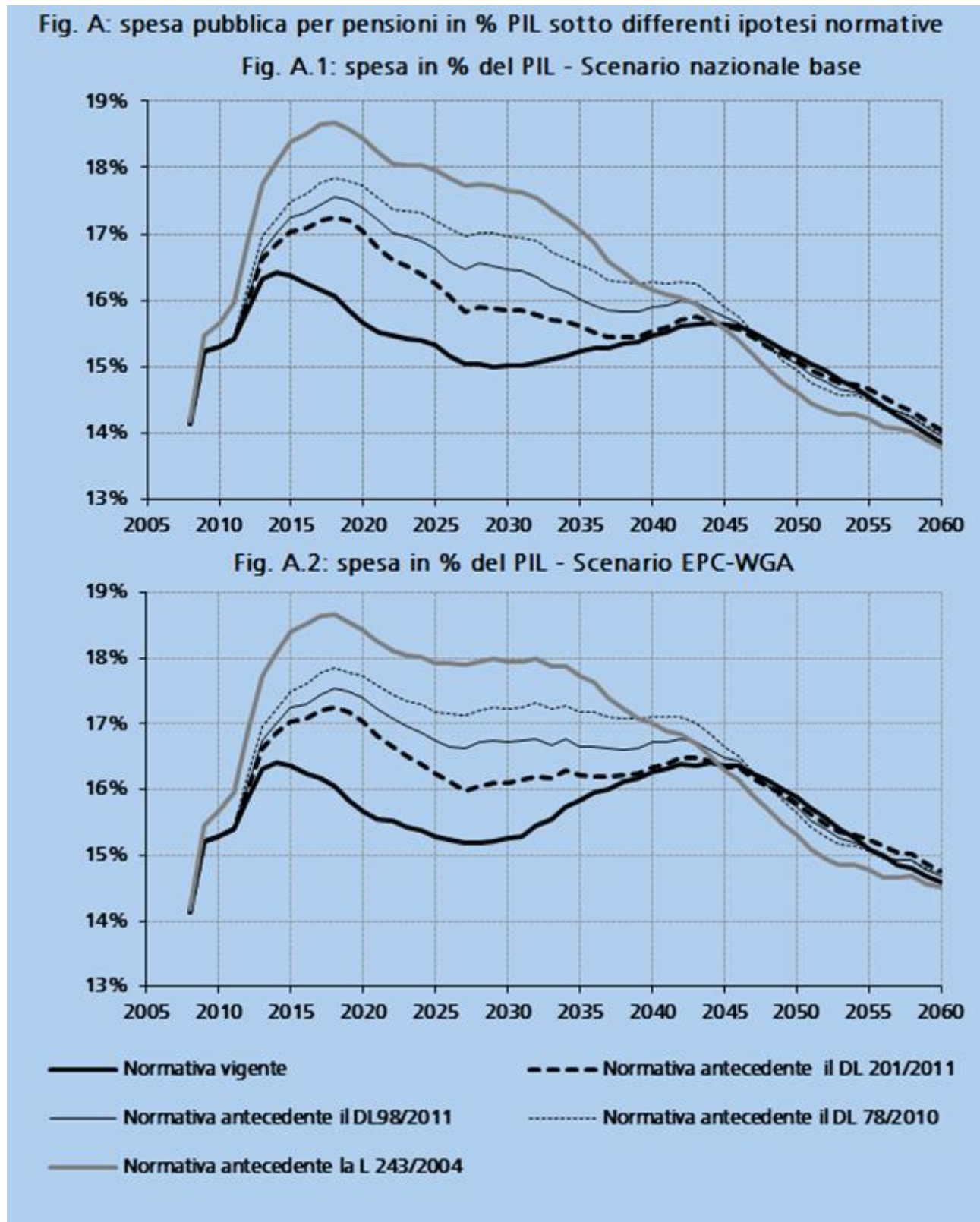
The relevance of the net savings obtained during the projected period described above can be better appreciated by approximately calculating the distance between the different curves, thus transforming the annual percentage differences in terms of GDP³⁰ in absolute values.

Considering the area between the curve related to the current legislation and the one related to the legislation before Act 243 of 2004, it is possible to see an average annual net saving by more than 24.2 billion euros at current prices and by about 20.4 billion euros at 2014 prices. On the basis of the same data processing method, it is also possible to calculate the increase in savings obtained with the last reform alone (Act n.214/2011) which results in an annual average of more than 8.1 billion euros over the period 2012-2060 at 2013 prices.

These figures are significantly lower considering not the "national baseline scenario", but the EPC-WGA baseline scenario. In this case, taking into consideration the overall effect of the reforms introduced from 2004 to 2012, the average annual net savings at constant prices in the period 2009-2060 amount to just below 10.1 billion euros compared to the 20.4 billion euros of the national scenario.

³⁰The nominal GDP figures until 2013 have been used for the calculations (Istat, national accounts) and they have projected the GDP growth until 2060 on the basis of an annual average growth rate equal to 1.5% in real terms and to 3.5% in nominal terms. The average real GDP growth rate per year is in line with the rate coming from the population and macroeconomic trends of the RGS model. The difference is that, while in the RGS model, the figure is the result of the growth periods characterized by different average values, the simulation uses an approximated constant value for the whole period. Net savings mean the algebraic sums of the annual balances derived from the pension expenditure/GDP ratios which can be obtained from the 2012-2060 projections (49 years) or from 2009-2060 ones (52 years).

Figure 9.1 Public pension expenditure as % of GDP under the regulatory changes and the “EPC-WGA baseline” hypotheses under the current legislation



10. Substitution rates for continuous and discontinuous careers in different economic scenarios

This section of this Report focuses on the so-called "substitution rates" that is the amount of benefits to be provided to workers on the basis of the amount of contributions paid. It is important to better explain the data related to substitution rates.

In fact, *substitution rates* can be gross or net; the *gross rates* are defined as the ratio of the annual amount of the first pension installment vs. the amount of the last salary (or income for the self-employed). They represent the change in the gross income of workers in the transition from their active life to retirement; the *net substitution rates* are calculated by expressing both the pension and the remuneration net of contributions and taxes and they are therefore an indicator of adequacy of benefits, in that they measure to what extent the workers' disposable income changes after retirement. The net substitution rates are significantly higher than the gross rates, when all the other conditions are equal, due to progressive personal income tax rates and to the calculation of contribution rates on the basis of the remuneration of active workers and not on the amount of the pension.

Table 10.1: Gross and net rates in the compulsory pension system

NET SUBSTITUTION RATES OF THE COMPULSORY PENSION SYSTEM - old-age pensions							
(ENTRY AGE 24 , GROSS INCOME 20,000)							
Year of birth	1968	1970	1972	1974	1976	1978	1980
Employed workers	72.90%	73.60%	74.30%	75.80%	76.70%	77.90%	79.10%
Self-employed workers	64.00%	65.10%	66.10%	67.90%	69.10%	70.20%	71.20%
Age + years of contributions until retirement	68.6/37.6	68.7/37.7	68.9/37.9	69.2/38.2	69.2/38.4	69.6/38.6	69.7/38.7
GROSS SUBSTITUTION RATES OF THE COMPULSORY PENSION SYSTEM - old-age pensions							
(ENTRY AGE 24 . GROSS INCOME 20.000)							
Year of birth	1968	1970	1972	1974	1976	1978	1980
Employed workers	63.10%	64.00%	64.90%	66.50%	67.40%	68.30%	69.20%
Self-employed workers	43.10%	44.10%	45.10%	46.60%	47.60%	48.60%	49.70%
Age + years of contributions until retirement	68.6/37.6	68.7/37.7	68.9/37.9	69.2/38.2	69.2/38.4	69.6/38.6	69.7/38.7

Table 10.1 shows gross and net rates, while the graphs only show the *net rates*, which are obviously more significant because they express the amount that can be "spent" by each pensioner.

The calculations refer to *employees* and *to the self-employed* that have two different substitution rates due to different calculation methods (33% for the former and 24% for the latter as of 2018) that has an impact on the gross and net pension amount.

These projections have been obtained by means of a proprietary computational program³¹ that takes into account: **1**) the pension reforms with higher retirement age and contribution seniority requirements [see Appendix I] ; as of 2019, the old-age pension requirement is 67 years of age, regardless of the type of calculation (mixed or contribution-based), of gender (men and women) and of the type of employment (employed, atypical, self-employed work); **2**) the adjustment of retirement age to the increase in life expectancy (according to an "automatic stabilizer"), including the adjustments of the previous period, which now are expected to grow steadily at a rate of about **2 months every two years**. The same indexation is also used for contribution seniority requirements; (The same indexation is also used for seniority requirements³²; **3**) the impact of the revision of the transformation coefficients provided for in Article. 1 par. 11. Act 335/95, as amended and supplemented by Art. 1, paragraphs 14 and 15 of Act 247/2007 as well as the effects of the measures contained in the reforms adopted in 2011, including those provided for in Decree 201/2011 as amended by Act 214/2011.

Since age and contribution requirements vary and they are no longer equal for all, while the intrinsic actuarial equity of the contribution-based calculation leads to homogeneous long-term results for the same age groups. Therefore, the graphic illustration of the expected substitution rates for different generations of workers shows the combination of age and years of contributions expected at retirement.

In order to calculate the "*net substitution rates*", different generational profiles (by year of birth), have been considered in different economic scenarios (increase in nominal GDP and individual wage increases with respect to prices), taking into account all expected changes related to a) increase in life expectancy which changes retirement requirements (age and contribution seniority) b) changes in actuarial coefficients by applying the rules of the contribution-based method (rate of adjustment on the basis of the five-year mean of nominal GDP). This approach has fixed the age of first employment at 24 and the growth of wages in the active period of life. These contribution-based calculations also include a period without contributions (approximately 15% of the entire working life) as consequence of the discontinuous and potentially unstable situation of newly hired workers in this specific historical moment in Italy and probably in the near future.

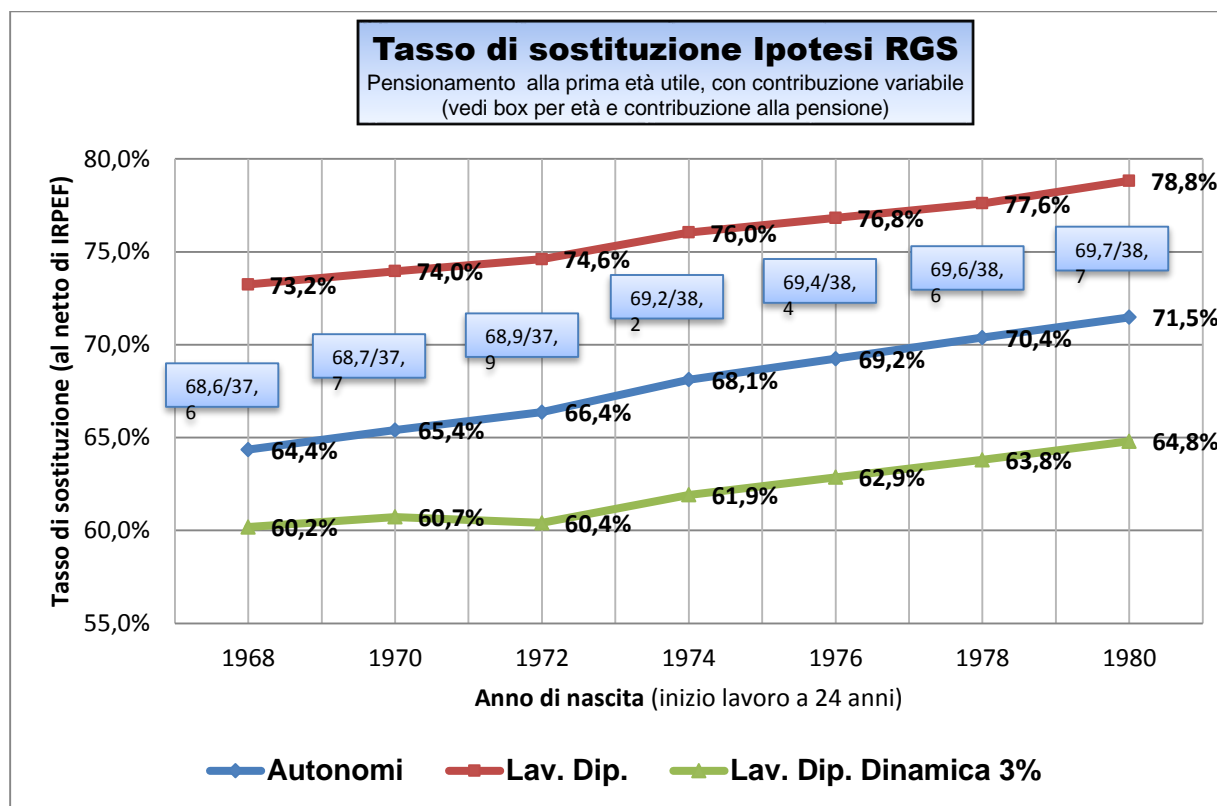
The most obvious result of these simulations is that, on the basis of the same calculation method, ***new generations achieve net substitution rates that tend to be more generous*** than the ones for the previous generations. This is definitely an interesting result and at the same time, it is counter intuitive and not in line with the "common opinion" of the media and of many social actors as well as of the people involved (especially young people) who think that they will not get any or a very low pension. The increase in the substitution rate is simply the result of the consistent increase in the retirement age and in the number of years of contribution. The 1980 generation will retire at an older age and with more years of contribution with respect to the 1968 one.

Below are the new graphs of the results of the following hypotheses about different macroeconomic scenarios. The first graph illustrates the official projections provided by RGS.

³¹ Calculation engine provided by Epheso I.A. Srl.

³² Parliament passed two agendas to separate contribution seniority from life expectancy since this double indexation of the Monti–Fornero law seems to be unconstitutional.

Graph 10.2: RGS - MEF official net substitution rates



Substitution rate RGS hypothesis - first retirement opportunity with variable contributions (see Box - retirement age and contributions)
 Year of birth (start of working life 24 years)
 Self employed Employees Employees 3% trend

Expected net substitution rates of private and public employees and of the self-employed. The calculation is made on the basis of the RGS official hypotheses, that is: with an expected growth in wages by 1.51% in real terms and a five-year average growth in GDP by 1.57% and an 2% inflation rate (with an associated reduction in the increase in productivity equal to 1.53% per year).

The third curve shows the same hypotheses, but with an individual trend equal to 3% instead of 1.51%. The age of entry into the labour market is 24 years with a contribution seniority characterized by 7 years of absence of contributions.

In order to better understand Graph 10.2, it is possible to make the following observations: **A first consideration** is related to different "career levels"; the higher the individual wage growth and the lower the substitution rate (although the absolute value of the pension may be higher than that obtained with lower career levels); for careers with an annual individual growth rate of 3% with respect to prices, the substitution rate is reduced by almost 15%. **The second consideration** is related to the "capitalization rate" used in the calculation method of contributions that is equal to the five-year mean of nominal GDP; obviously a lower GDP growth reduces the annual capitalization of the amounts gradually accumulated, with a slight reduction in the substitution rate. *The combination between GDP growth and individual growth rates has a very important effect on the expected substitution rates. The more the GDP growth is "similar" to the individual growth rates, the higher the substitution rates. Vice versa, top-level careers generate lower expected substitution rates.*

The third consideration is related to the increase in substitution rates that skyrocket for those born after 1972 and who began working after Act 335/95 (pure contribution-based system as of

1/1/1996); the contribution-based system greatly rewards the age requirements, so the later the retirement the higher the benefits.

Therefore, according to the data provided by RGS (graph 10.2), future pensions with respect to the the last salary, that is substitution rates seem more than good; they range from 73% to 79% for employed workers and from 64% to 71% for employed workers³³ with a minimum 60% for important careers (+3% real increase in annual remuneration). This is certainly a positive finding since these rates are among the highest in industrialized countries. However, all these projections consider a real GDP growth rate of 1.57%, a 2% inflation rate and a 1.57% individual wage increases in real terms (productivity equal to +1.53% per year). Once again it is important to look at some recent publications with common sense: but everything depends on the income level during the active working life; in fact the substitution rate may be 79.1% but if the income level is equal to 1000 € net per month for 13 months, the pension benefits amount to 791 € net per month for 13 months, so the level of benefits is not adequate.

But what really happened in the last few years? In the period since 2008, since the start of the major economic crisis at the end of 2008 (projection on the basis of consensus data), according to the Dini law, the real GDP growth rate was equal to 1.5%, so the real GDP growth rate should have been 10.984% (and even higher on the basis of the above-mentioned RGS hypotheses). Instead, the revaluation of contribution amounts in real terms has been negative and equal to -4.541%. So the revaluation of the contributions paid has actually been equal to -16%.

Table 10.3: Five-year variation of GDP

ANNO	PIL valori a prezzi correnti in mil. € (1)	DEBITO PUBBLICO Valori in mil. € (2)	Rapporto DEBITO/PIL	Variazione PIL nominale	Variazione % DEBITO PUBBLICO sull'anno precedente	INFLAZIONE (3)	Rendimento lordo annuo indice RENDISTATO (4)	Tasso annuo (%) di capitalizzazione (media quinquennale PIL nominale) (5)	% Rivalutazione reale del montante nell'anno; (G-I)
2008	1.632.933	1.671.001	102,33	1,41	4,10	3,30	4,46	3,26	-0,040
2009	1.573.655	1.769.254	112,43	-3,63	5,88	0,80	3,21	1,73	0,930
2010	1.605.694	1.851.256	115,29	2,04	4,63	1,50	3,96	1,61	0,110
2011	1.638.857	1.907.625	116,40	2,07	3,04	2,80	6,30	1,17	-1,630
2012	1.628.004	1.989.934	122,23	-0,66	4,31	3,00	3,66	0,17	-2,830
2013	1.618.904	2.069.841	127,85	-0,56	4,02	1,20	3,05	-0,19	-1,392
2014	1.615.700	2.135.000	132,14	-0,20	3,15	0,20	1,55	0,571	0,371
2015									
2016									
Media ultimi 3Y	1.628.588,33	1.989.133,33	122,16	0,2814	3,7917	2,3333	4,3347	0,3826	-1,9508
Media ultimi 5Y	1.613.022,80	1.917.582,00	118,84	-0,1500	4,3780	1,8600	4,0358	0,8975	-0,9625
Media ultimi 10Y	1.579.696,50	1.740.544,90	109,97	1,5548	4,0423	2,0700	3,9659	2,2958	0,2258
Media 1995-2013	1.394.799,32	1.522.600,42	109,17	2,8244	3,3655	2,2500	4,9526	3,7341	1,6025

FONTE: 1) Istat - PIL a prezzi correnti di mercato; serie SEC2010. 2) Banca d'Italia, Relazione Annuale; 3) Istat - Indici nazionali dei prezzi al consumo per famiglie di operai e impiegati; 4) Banca d'Italia - Bollettino Statistico dicembre di ciascun anno

Le medie sono calcolate considerando sino al 2013 compreso, ultimo dato utile non stimato ma a consuntivo

The situation of individual remunerations is not so positive either, because they have not increased much in the last few years (lower than expected by 1.51% and sometimes even lower) and with very limited growth potential in the next few years. This combined effect has two weaknesses: a) the true substitution rates should be revised downwards; b) the income and wage levels on the basis of which the projections are calculated are expected to be low and on average, for most workers (according to

³³ With respect to the projections in the 2014 Report, the substitution rates of the self-employed have slightly increased. This is mainly due to the increase in the contribution levels for artisans and retailers, +0.45% as of January 1 2015: their rate will rise from 22.20% to 22.65% for artisans and from 22.29% to 22.74% for retailers.

the data of the tax authorities) they are not expected to exceed 1100 € per month. 70% of 1100 euros is equal to 770 euros, that is a little bit over than the minimum pension.

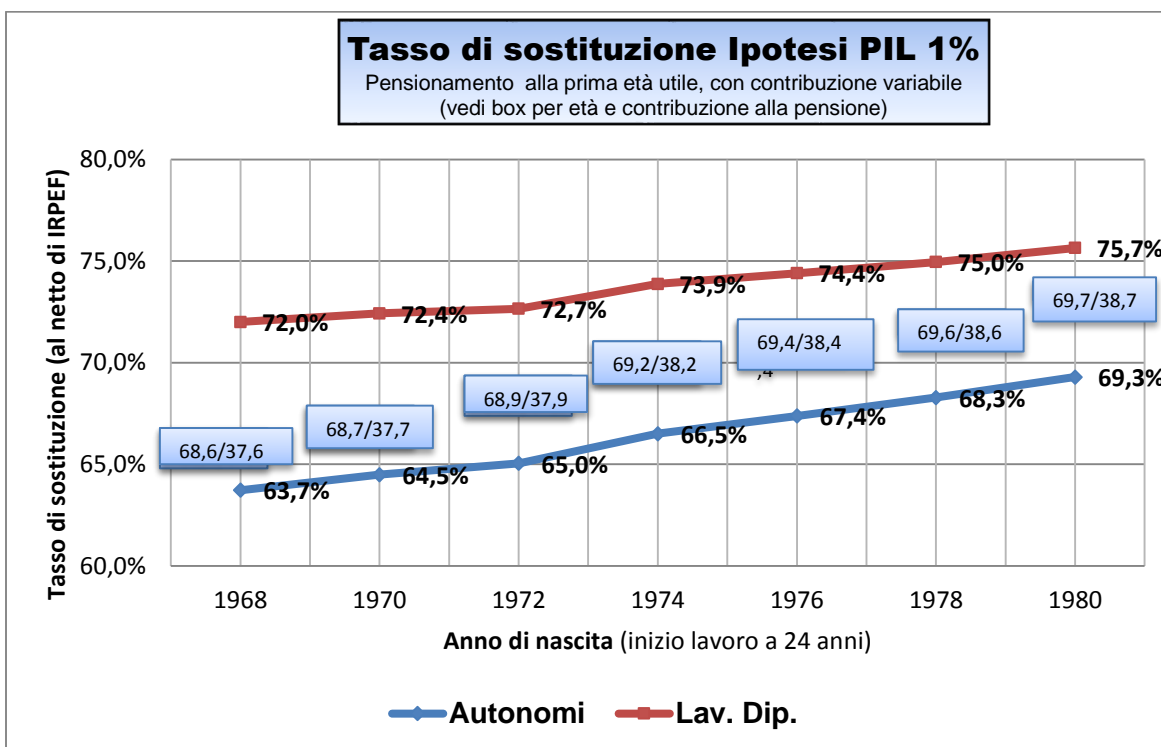
Moreover, it is necessary to consider that the subjects who started working as of January 1996 are not entitled to supplementary benefits above the minimum or to additional social benefits which today are provided to about 6 million pensioners out of 16.5 million (over 36%).

Graph 10.4 shows the effects of a reduction of the GDP growth to 1% per year in real terms instead of 1.57% as projected by RGS, with an individual trend equal to 1.2% per year in real terms vs. 1.51% projected by RGS.

In order to highlight the effects of the growth of GDP and of individual remuneration levels with respect to prices, **Graph 10.5** illustrates some projections with a hypothetical growth rate of GDP in real terms of 0.5% per year and of individual remuneration levels in real terms of 1.2% per year. In the hypothesis of 1% GDP rate scenario, it is clear to see that substitution rates decrease slightly with respect to the RGS ones, in the 0.5% GDP projection, they significantly go down by 8% for employed workers and by 6.8% for self-employed workers.

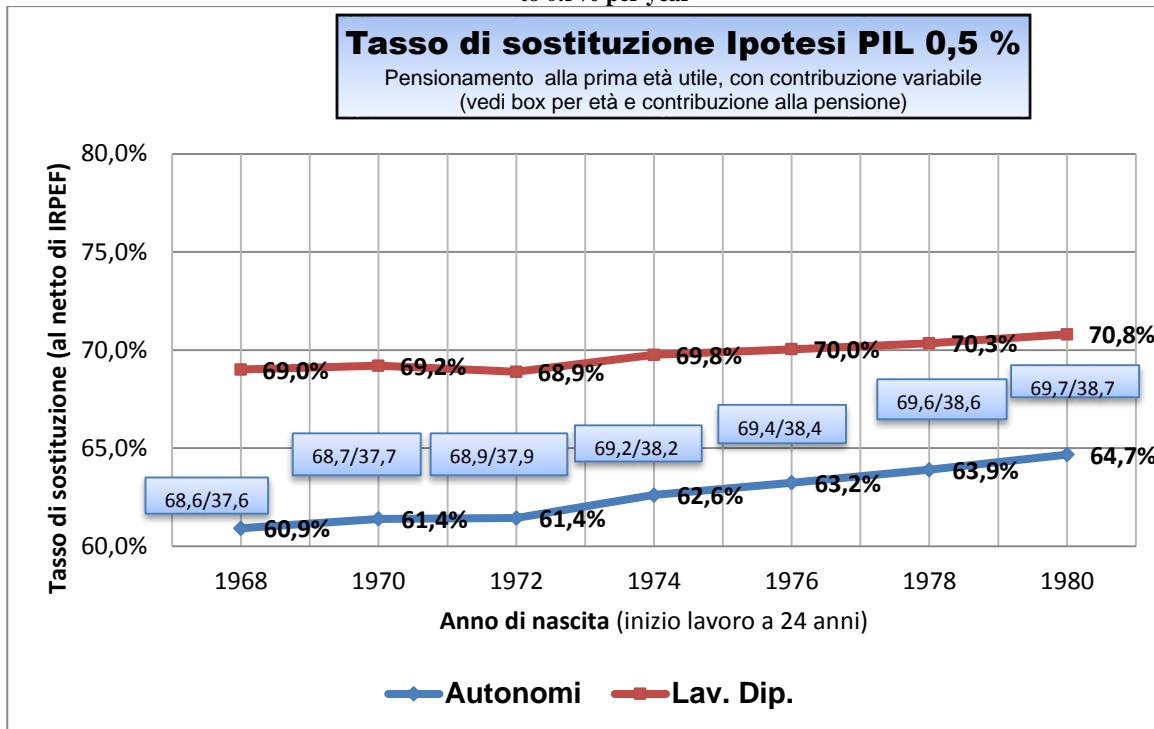
In order to perform a more exhaustive analysis, it is important to illustrate the substitution rates for atypical workers (former co.co.co). They started with a 10% contribution rate in 1996, over time their substitution rates were adjusted to the expected substitution rates of employed workers and they have become almost identical. As a result, the younger generations have a much higher coverage but with a contribution rate that has increased three times as much. (see **graph 10.6**)

Graph 10.4: Net substitution rates with expected GDP increase to 1% instead of 1.57%

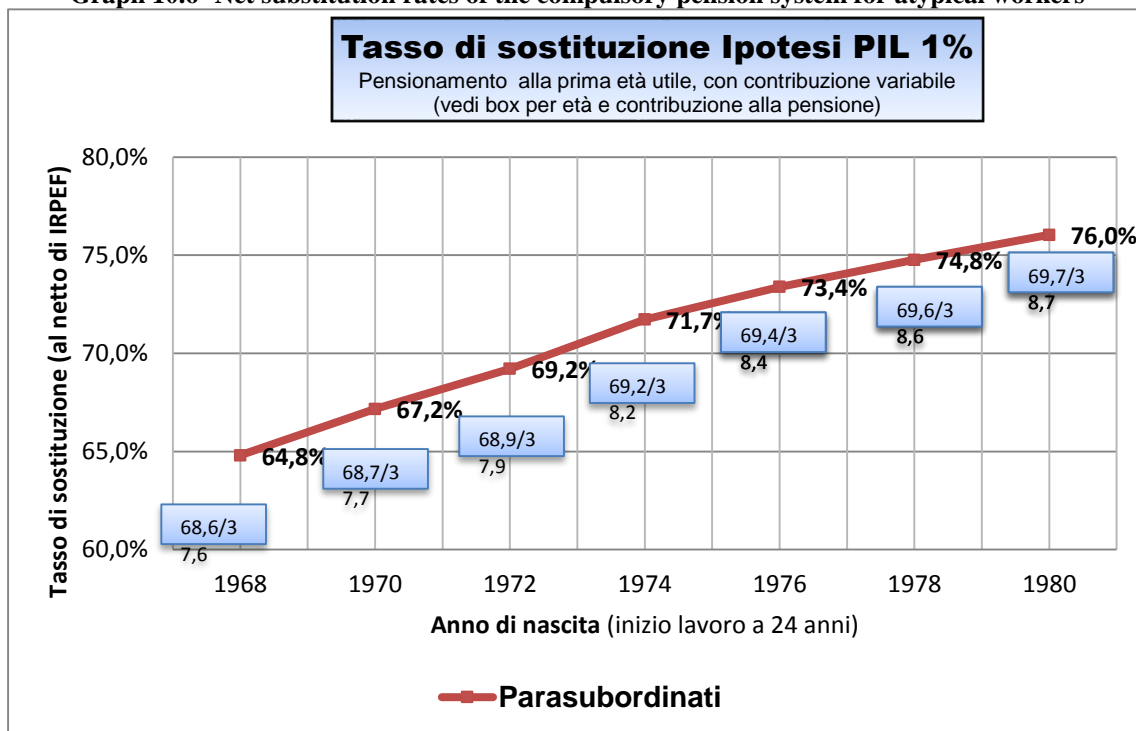


Expected net substitution rates of private and public employees and of the self-employed; hypothesis: expected growth of remuneration levels equal to 1.2% in real terms and a five-year average growth in GDP by 1% (and a related reduction in the growth rate of productivity).

Graph 10.5 - Net substitution rates of the compulsory pension system for private and public employees with a real GDP equal to 0.5% per year



Graph 10.6- Net substitution rates of the compulsory pension system for atypical workers



This is not a very nice prospect for future Italian pensioners who are going to be poor. Consequently, the absence of a welfare project may lead to wrong and erratic choices which may create strong social tensions at a time in which the public finance is hard pressed and the population in Italy is aging.

11. Summary and conclusions

This last Chapter summarizes the crucial points of the Report and proposes some reflections on this very complex economic and social theme.

Some preliminary considerations:

A) *A State without a welfare project*

One of the most relevant facts in the two years examined (2013/2014) is indeed the joint measure consisting of the increase in the taxes on the yields of pension funds and on the schemes for professionals and of the option of putting TFR in the paycheque. In fact, a well functioning pension system in a mature country requires a general **preliminary condition** and at least two fundamental **requirements**. The preliminary condition is to have a **welfare project**, which implies that policy-makers know in great depth the economic situation, the tax/contribution and population trends now and in the next 50 years at least (this data is available). Then the two fundamental requirements: **a) incentives** to the complementary system without which it is difficult to launch a complementary welfare system on the *Beveridge* model; **b) a consistent and effective communication and information** approach on the pension situation of all the citizens including young people post 1996. Without these two fundamental requirements the whole national welfare system may be at risk.

Incentives mean the return to tax rebates on the yields of the first pillar pension funds and on the schemes for professionals to 11% or even less, for the benefit of the Country 11%, and the taxation of accrued benefits when the whole amount is paid pensioners similarly to the funds managed in the other parts of the world. It is also necessary to eliminate double taxation on the pensions paid by the schemes for professionals. Taxes on the yields of pension funds have increased from 11% to 20% while the ones on the first pillar schemes have gone up from 12.5% to 26%. Finally, an irrevocable decision has been made to put TFR in the pay cheque for three years but with ordinary taxation instead of the more favourable one on pension funds, thus undermining 15 years of efforts to convince workers to use their termination of employment benefits as "savings" for their complementary retirement and also for a series of typical "needs".

Information mean that the Government tells the truths about future substitution rates, that is on the future pensions of the young; an orange envelope to identify the income after retirement which is not so high as indicated in the official projections³⁴. Using TFR for current expenses instead of promoting a sound retirement saving plan is the opposite of good information; it is counterproductive and politically short-sighted. It is crucial to have a retirement plan to supplement the public pension. But it is also fundamental to deal with health, housing problems or with unexpected expenditure or unemployment periods. In fact, according to the law, members of pension funds can take from all the retirement savings accrued (TFR, contributions and yields) at any time up to **75%** for serious health problem for themselves or their family members; after 8 years of membership, they can take up to **75%** to buy or restructure the house for themselves or their children and up to **30%** for any other reason (education, change in furnishings cars, etc.) Not only; in the case of unemployment of more than 48 years it is possible to get up to **50%** of the total savings and up to **100%** if the unemployment is longer than 48 months. So the funds can be considered as "**saving accounts**" that can be used to meet different needs; moreover the sums taken can be reinvested and in this case it is possible to recover the taxes. In OECD countries the average ratio of the pension funds' assets to GDP is equal to 77%, while it is equal to only **7%** in Italy!³⁵

³⁴ In Chapter 10, this point is analysed in depth, thus confirming the need to promote the complementary pension system.

³⁵ See Chapter 8.

Finally, from the **taxation** point of view, **TFR** in the pay cheque is more expensive with respect to TFR in the pension funds (with a substitutive tax between **15%** and **9%** on the basis of the membership years) or in the companies (separate taxation).

The risk is the failure of the “**confidence pact**” between workers and the State, which has a negative impact on the "intergenerational pact" which is the basis of the Italian pension system. Incentives were introduced to encourage workers to join pension funds through major tax rebates. Now rules are being changed and workers no longer believe policy-makers. In fact, in the future even the concessional taxation on final benefits, in the form of capital or annuity, may be raised from the current 9% to 15%.

B) Some explanations

Often the Italian pension and welfare system is described and evaluated with non evidence-based considerations; it is crucial to clarify some "rumours":

1) “welfare expenditure in Italy is low and lower than the European average”; it is not true because: **a)** out of a total public expenditure of 827.175 billion euros in 2013, including interests pension, welfare and health expenditure was equal to 398.91 billion euros, that is 48.22% of the whole; **b)** even calculating the social expenditure share of GDP according to the Eurostat method, this ratio is 29.7% in Italy vs. the average ratio of the 28 member countries, that is 29% and vs. the ratio of 15 countries, that is 29.8%. Moreover, total expenditure in Italy does not feature anything for housing (the only country together with Croatia, Bulgaria, Estonia, Lithuania, Slovenia, Serbia, Rumania and Portugal) and does not account for the large part of social expenditure by local authorities; including these two expense items, the ratio increases by about 1.2 %, making Italy one of the "more generous" countries in Europe.

2) “Italy does not spend anything on housing”; it is not correct because by calculating the expenditure to support housing policies as requested by the European accounting system, that is the difference between rents at market values and the ones actually paid by tenants, the amount related to low-income housing accounts for about 0.6% of GDP. If these are added to the housing provided by the municipal, former provincial and regional authorities etc. (often not regularly managed yet), this amount would exceed 1%.

3) “expenditure on pensions is too high and too low on other forms of welfare measures such as the ones for families and children, unemployment, social exclusion and housing”; it is not true. In fact, by reclassifying pension expenditure without non retirement charges related to family allowances, to additional pension benefits, to supplementary benefits to the minimum pension which are all linked to the income level of pensioners and/or of the family, and without the effects of more than 450,000 early retirements accounted for as pensions in Italy, while they are accounted for under "unemployment" in most countries, it is possible to realize that: **a)** support to families, to the elderly and the poor, individually or collectively (Eurostat item, *social exclusion*) and unemployment benefits increase with respect to GDP, thus reaching the European average; **b)** the item, pensions, goes down for two reasons; **the first** because by separating from pension expenditure (247.86 billion euros in 2013) GIAS transfers (from taxpayers) equal to 33 billion euros as a % of GDP in 2013 (1,618,900), expenditure drops 15.31% to 13.25% (- 2.06%); **the second** because in Italy pensions are taxed and therefore the 2013 expenditure went down by about **43 billion euros** up to about 205 billion euros, that is about **12.6% of GDP**.

4) “often an increase is suggested for low pensions”; the truth is that out of **16,393,369 pensioners** about **8,558,195** (that is **52.2%**) receive benefits that are totally or partially paid by taxes, like the 3,604,744 beneficiaries of supplementary benefits to the minimum pensions and the 1,038,069 beneficiaries of additional social benefits; together with the other 835,669 beneficiaries of social pensions who have not paid at least 15 years of contribution in 66 years and hence they have not paid taxes.

This is to be clearly evaluated because their pension is low but it is fully or partially paid by young generations who are not going to be so lucky.

5) *“there is little welfare in Italy”*; the truth is that in order to pay a record number of benefits **23,322,378 i.e. one each 2.57 inhabitants**, to provide welfare benefits and to cover the annual deficit (the difference between retirement contributions and expenditure) even intervenire la taxpayers have to pay an amount equal to **89.995 billion euros per year**, (5.77 points of GDP) higher than expenditure on interests ; and this burden is borne only by the ones who do pay taxes (which explains why taxes are so high).

6) *“direct taxes in Italy are paid by few people and so are contributions”*; according to official 51.8 million Italians pay on average direct income taxes for **923 euros per capita** (the health service alone costs over 1,800 euros each); **52.81%** of Irpef is paid by **13.62%** of tax payers and **27.3%** of Irpef is paid only by **3.18%** of tax payers; this is the main problem for the financing of social expenditure in Italy.

Conclusions

I. *The accounting framework*: in 2013 the *overall pension expenditure* (net of GIAS amounted to 33.292 billion euros) reached **214,567 million euros**, with a **1.62%** growth over 2012 (+ 3.3% vs. 2011 and + 6.2% growth vs. 2010. *Contribution revenues* from companies, from the Gias and GPT transfers, for tax deductions and contribution incentives (net of the State contributions to the Fund of Civil Servants, 10,600 million euros in 2013) reached 189,207 million euros, a slight decrease (- **0.56%**) compared to 2012 and 2.5% compared to 2010(+ 1.3% for 2012 vs. 2011 and + 2.5% for 2011 vs. 2010); unlike expenditure, these revenues are lower than inflation for the period, despite the contribution of the welfare funds.

The balance between income and expenditure was negative and the overall deficit reached **25.360 billion euros** in 2013 (+ 22% vs. 2012), which confirms the very negative trend which characterized the 2010/13 (the 2012 deficit was equal to **20.741 billion euros**, + 26.6% vs. 2011 and the 2011 deficit was equal to **16.389 billion euros** + 26.3% compared to 12.975 billion euros in 2010).

It is therefore a significant deterioration of the accounting situation, back to the balances of 1995. This situation largely depends on the negative impact of the economic crisis on employment with the reduction in the number of active workers (not fully accounted for by INPS as illustrated in Chapter 3) and a consequent drop in contribution revenues. But this is also due to the increase in the number of pension benefits at the end of 2013 equal to 18,215,660 (+85,160 vs. 18,130,500 at the end of 2012³⁶; they were 18,303,100 million in 2011 and 18,384,000 million in 2010).

The increase in pension expenditure is mainly induced by *the increase in the nominal average pension* in 2013, more than inflation as illustrated in *Table 4a*. *Disability pensions* continued to drop at 7%, after falling below 10% of total benefits in 2009-2010 and they now account for **6.2%**.

³⁶ For 2013, the Inps central archive– Casellario centrale dei pensionati – showed 23,322,378 benefits paid (23,431,00 in 2012); to understand this total figure, it is necessary to add to the number of benefits in the tables and in the comments (that is 18,215,660 IVS and 3,915,382 welfare benefits) 1,091,336 benefits including the INAIL indemnity benefits equal to about 805,788 and the supplementary benefits of many small and medium sized organisations (banks, land supervisory consortia, former funds of public entities).

II. *Observations on the deficit:* it is necessary to emphasize that without a significant surplus of the *funds for atypical workers* (+ 6,773 million euros in 2013 vs. + 6,444 million euros in 2012 and +7,083 million euros in 2012), of the *schemes for professionals* (+ 3,335 million euros in 2013 vs. + 3,090 in 2011 and + 3,178 million euros in 2012) and of the *retailers' funds*, (380 million euros), of the *funds for business and entertainment workers (former ENPALS)*, the overall deficit between revenues and expenditure would be significantly worse going from 25.360 billion euros to 36.192 billion euros.

Table 11.1 The social security system in figures

	1997	1998	1999	2000	2001	2002	2003	2004
Costo totale delle prestazioni(1)	122.948	122.818	128.463	132.039	138.128	144.249	151.080	158.035
Totale entrate contributive(1)	104.335	109.384	116.276	120.501	129.759	132.201	139.078	148.730
Saldo	-18.613	-13.434	-12.187	-11.538	-8.369	-12.048	-12.002	-9.305
Rapporto spesa totale / PIL	11,7	11,3	11,4	11,1	11,1	11,1	11,3	11,4
N° dei lavoratori occupati(2)	20.384.000	20.591.000	20.847.000	21.210.000	21.604.000	21.913.000	22.241.000	22.404.000
N° dei pensionati(3)	16.204.000	16.244.618	16.376.994	16.384.671	16.453.933	16.345.493	16.369.382	16.561.600
N° delle pensioni(3)	21.602.473	21.800.058	21.589.000	22.035.864	22.410.701	22.650.314	22.828.365	23.147.978
N° abitanti residenti in Italia(2)	56.904.379	56.909.109	56.923.524	56.960.692	56.993.742	57.321.070	57.888.365	58.462.375
N° occupati per pensionato	1,258	1,268	1,273	1,295	1,313	1,341	1,359	1,353
N° pensioni per pensionato	1,333	1,342	1,318	1,345	1,362	1,386	1,395	1,398
Rapporto abitanti / pensioni	2,634	2,611	2,637	2,585	2,543	2,531	2,536	2,526
Importo medio annuo pensione(3)	7.189	7.436	7.874	7.888	8.073	8.357	8.633	8.985
Importo corretto pro-capite(3)	9.583	9.979	10.380	10.609	10.995	11.581	12.039	12.558
PIL(4) (valori a prezzi correnti)	1.048.766	1.091.361	1.127.091	1.191.057	1.248.648	1.295.226	1.335.354	1.391.530

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Costo totale delle prestazioni(1)	164.722	170.457	177.540	185.035	192.590	198.662	204.343	211.086	214.567
Totale entrate contributive(1)	152.440	161.404	170.524	183.011	183.280	185.656	187.954	190.345	189.207
Saldo	-12.282	-9.053	-7.016	-2.024	-9.310	-13.006	-16.389	-20.741	-25.360
Rapporto spesa totale / PIL	11,1	11,0	11,0	11,3	12,2	12,4	12,5	13,0	13,3
N° dei lavoratori occupati(2)	22.563.000	22.988.000	23.222.000	23.404.689	23.024.992	22.872.328	22.963.750	22.885.000	22.425.212
N° dei pensionati(3)	16.560.879	16.670.893	16.771.604	16.779.555	16.733.031	16.708.132	16.194.948	16.533.152	16.393.369
N° delle pensioni(3)	23.257.480	23.513.261	23.720.778	23.808.848	23.835.812	23.557.241	23.700.000	23.400.000	23.322.278
N° abitanti residenti in Italia(2)	58.751.711	59.131.287	59.619.290	60.045.068	60.340.328	60.626.442	59.394.000	59.685.227	60.782.668
N° occupati per pensionato	1,362	1,379	1,385	1,395	1,376	1,369	1,418	1,384	1,368
N° pensioni per pensionato	1,404	1,410	1,414	1,419	1,424	1,410	1,463	1,415	1,423
Rapporto abitanti / pensioni	2,526	2,515	2,513	2,522	2,531	2,574	2,506	2,551	2,57
Importo medio annuo pensione(3)	9.239	9.511	9.822	10.187	10.640	11.229	11.410	11.563	11.695
Importo corretto pro-capite(3)	12.975	13.414	13.891	14.454	15.156	15.832	15.957	16.359	16.638
PIL(4) (valori a prezzi correnti)	1.490.409	1.549.188	1.610.305	1.632.933	1.573.655	1.605.694	1.638.857	1.628.004	1.618.904

(1) Nucleo di valutazione della Spesa Previdenziale fino all'anno 2010 – “Gli andamenti finanziari del sistema pensionistico obbligatorio al netto GIAS”

(2) Istat – “demo.istat.it”

(3) Inps – “Casellario Centrale dei Pensionati”

(4) Istat - SEC 2010

As to the fund for atypical workers (the so-called separate fund), it would be necessary to finalize the regulatory framework to ensure that it can be linked and integrated into the IVS system within INPS in terms of the five-year minimum requirement, of contributions and of the direct and indirect method for calculating benefits. Finally, given that the surplus of this fund is widely used to cover the deficit of other funds, it would be wise to apply interests on this surplus, for example at least equal to Italian BTPs; this would be more equitable for the young generations covered by this fund with respect to the beneficiaries of income-based benefits.

III. Expenditure and taxation: in Italy, (unlike other countries including Germany), retirement benefits are subjected to ordinary taxation also because contributions can be deducted from taxes. So it is necessary to be careful in calculating pension expenditure because it is *pre taxes*. the evaluation of the results must take into consideration that pension expenditure is gross of taxes: 42.9 billion Euros' worth of personal income taxes in 2012 and 3 billion Euros of additional income taxes. The 45.9 billion Euros' worth of tax revenues for the State are a giro account. Therefore, the expenditure of 211,103 billion Euros actually comes down to 165 billion Euros. If the actual pension expenditure is taken into consideration (net of taxes), the expenditure/GDP ratio, both gross and net of GIAS transfers, goes down by 3%, from 15% to 12% (even below 10% net of the Gias transfers).

In 2013, **43 billion euros'** worth of taxes were levied on retirement benefits (of active worker paying contributions). Since taxes are self-balancing items because pensioners only get the benefits net of taxes, the true expenditure for the State is not 247.86 billion euros (see *Table 1a*) but 205 billion euros. If the actual pension expenditure is taken into consideration (net of taxes), the expenditure/GDP ratio, both gross and net of GIAS transfers (33.4 billion euros), goes down by **3%, from 12.8% to 10.7%** , largely in line with European countries.

IV. As to taxation, the 8,558,195 welfare benefits (supplementary allowances, increases in social benefits and social pensions, disability and veterans' pensions, nearly 52 % of pensioners) are exempted from Irpef. Therefore, it is plausible to estimate that about 50% of the total income tax on pensions is paid by the 2,616,635 million pensioners with an average gross benefits in excess of 28,556 euros per year (*for a detailed analysis of pensions by amount see Chapter 7*).

BOX 11.1

It is important to discuss the so-called "*gold pensions*" which have been consistently reduced. Under the calculation system of the income-based system, the proportionality coefficient was reduced by 2% per year for an annual income above 44,000 euros and by 0.9%, for incomes above 82,000 euros or so (the substitution rate with 35 years of contributions goes from the usual 70% (2% x 35 years) for an income level up to 44,000 euros to about 50% for a gross income level of 120,000 euros (about a net income of 65,000)). In the last few years, solidarity measures have been introduced for these pensions through their partial or total de-indexation to consumer prices or through a solidarity contribution above a certain threshold. Even though the redistribution effects can be popular and may be justified by the fact that high income-based pensions sometimes are not strictly correlated to the contributions paid, the continuous changes to the rules create an uncertainty as to the future level of benefits. This may have a negative impact on the confidence of pensioners, which, in turn, may affect the contributions to be paid by active workers. If the level of pensions can be changed by law, paying contributions is risky and may be useless because the minimum or social pension is for everybody and without taxes. Finally, most "income-based" pensions are more generous because of wrong calculation methods, including welfare benefits such as supplementary benefits to the minimum pension, early retirement, special funds, baby pensions and so on and so forth; young generations subjected to contribution-based system will be able to have a decent pension if all income-based pensions pay a solidarity contribution with a progressive rate and with a limited duration in favor of them and for greater incentives for their complementary system.

V. The funds that contribute most to the deficit in 2013: in 2013, there are only 3 INPS schemes with a surplus: *the retailers' fund* with **380 million euros**, *the fund for business and entertainment workers (ex ENPALS)* with **320 million** and of *atypical workers* (separate account) with **6,773 milion euros**, in addition to the schemes for professionals (except for Inpgi and Cipag), with a surplus equal to 3,359 million euros. The funds that contribute most to the deficit are:

a. The fund for civil servants (ex Inpdap) showed a deficit of 26.058 billion euros in 2013, net of the additional State contribution (10.6 billion euros), much higher with respect to the previous years (16.88 in 2010 and 14.4 in 2009), always net of the additional State contribution.

b. The railway fund showed a significant deficit in 2013 equal to **4,225 million euros** (4,150.7 million euros in 2011 and of 4,167.6 million euros in 2012), but with a very low number of members (50,600 active workers and 228,590 pensioners (due to the perverse effect of early retirement). So Italians not only pay ordinary rates but they do pay an "extra ticket" per capita of over 70 euros per year.

c. The CDCM fund of self-employed agricultural workers showed a deficit between contributions and benefits, net of the transfers from GIAS, which bears the cost of the pensions to be paid (as of before 1/1/1989 for a total of 2,364 million euros) amounting to - 3,116 million euros. Therefore, the overall agricultural pension burden on the community is about **5.5 billion** euros each year.

d. The Fund for artisans showed a negative balance between contributions and benefits which reached **3,619.8 million euros** (3,203.8 in 2012; 3,430.3 million euros in 2011 and **3,269** million euros in 2010) mainly due to the ratio of active workers to pensioners under some new rules.

e. In general, all the so-called *Special Funds* integrated into FPLD account for less than 2% of the total number of workers enrolled in FPLD (which account for about 60% of the pension system) but they generated a deficit of **4,007.5 million euros**.

VI. *Expenditure paid through general taxation:* the Italian social security system provides that the share related to pensions be funded by an ad hoc rate, that is "*social contributions*". However, since total benefits exceed contribution revenues, the share of funding from general taxation can be calculated as follows.

In 2013, the overall deficit of the system amounted to **25.360 billion euros** with the addition of the *Gias transfers* equal to **33.292 billion euros** and the Gias share to support contribution revenues equal to **12.841 billion euros** and the State contributions to the fund for public employees (*Table 1a, note 1*, without which, the overall deficit would be even higher up to **10.6 billion euros**; finally, it is necessary to add the welfare benefits (*Table 11.2 in Chapter 3.6*) for a total of **21.738 billion euros** (including the fourteenth month and the additional amount). For 2013, there are no data on the share allocated to arrears estimated to be equal to 1 billion euros and 1.44 billion of arrears (93.116 billion euros excluding the 10.6 billion euros). So the total amount charged to general taxation amounted to 103.83 billion euros (93.23 billion euros excluding the 10.6 billion euros), i.e. **6.48%** of GDP (in 2012 this share was equal to 94.1 billion euros, considering the State contribution amounting to ando 10.500 billion euros). These figures should also include the expenditure incurred by local authorities that is difficult to calculate because of the problems related to the national accounts. *The share of welfare benefits on pensions* can be easily inferred from the Gias transfers to pension funds as illustrated in BOX 1 of Chapter 3.

VII. *Pensions and welfare benefits:* in order to illustrate the complete the welfare share of pensions, it is important to consider the total amount of welfare benefits: *social pensions and allowances, disability pensions and support benefits and veterans' pensions* (see *Table 11.2*). All these benefits were provided to 3,915,382 subjects with a total cost of 20.732 billion euros. *Disability pensions* increased from 841,725 in 2011 to the current 871,317; the same for *carers' benefits*

to 1,967,381 subjects. *Social pensions and allowances* slightly decreased (835,669) and so did veterans' pensions due to physiological reasons to 85,381 for direct pensions and 155,634 for indirect pensions (112,700 + 210,188 in 2009 and 105,678 + 198,362 in 2010).

For a more exhaustive analysis, it is necessary to add the following welfare benefits: **a) additional amount for pensions**, 735,111 benefits of which about 70% to women as provided for under the 2001 Budget law (Act n. 388 23/12/2000) for pensioners who receive no more than FPLD minimum benefits, for a cost equal to 111.9 billion euros; **b) pensions with social allowances** for subjects with low income; 1,038,069 benefits of which 70% to women with average annual amounts equal to 1,467 euros and a total cost of 1.52 billion euros; **c) the additional amount, the so-called fourteenth month** under Act n.127 of 7/8/2007 provided to pensioners above 64 years of age whose total income does not exceed 1.5 times the FPLD minimum pension for a total of 2,266,318 benefits, down with respect to 2012 (2,463,580 benefits) with an average amount of 394 euros; 77% of beneficiaries are women for a total cost of 893.5 million euros; **d) supplementary benefits to the minimum pension** paid to 3,604,744 (3,726,783 in 2012) for a total of 10.343 billion euros (10.58 in 2012). It would be useful to simplify this very high number of additional benefits.

On the whole, the number of welfare pensions in **2013** was equal to **3,915,382 + 4,642,813 subjects**, for a total **8,558,195 beneficiaries** (8,762,517 in 2011 and 8,716,181 in 2012) **that is 52.2% of pensioners**. The fourteenth month and the additional amount cannot be added as the number of benefits because in most cases, these subjects receive other welfare benefits. The total cost of these benefits was equal to **32,598.3 million euros in 2013 completely borne by tax payers**. Supplementary benefits to the minimum pensions are welfare measures but they are mutualistic; they are paid by individual schemes and therefore they cannot be added to other welfare transfers from GIAS. The trend of these benefits is decreasing and it confirms that new pensions replacing the cancelled ones are "heavier".

BOX 11.2

The impact of welfare on pension expenditure: these above-mentioned figures definitely show the need for a different allocation of interventions on the basis of the European accounting system (SESPROS); in fact, today a large part of the supplementary benefits to the minimum pensions and of additional social benefits are still classified as pension expenditure and not correctly classified as *family support measures* (like in many other countries) or as "*social exclusion*" according to Eurostat. Family allowances too are included in pension expenditure and are not considered as family support measures and the same for early retirement that is considered as an "*unemployment and income support*" item in Germany for example and as a pension item in Italy. Those who provide data to Eurostat should insist on the correct classification of expenditure to avoid stigmatizing Italy for its low position in the OECD and Eurostat rankings for measures to support families and their income, to fight against social exclusion and for housing and for its very high position in terms of pension expenditure. Supplementary benefits to minimum pensions, family allowances, additional social benefits and all these benefits correlated to income are provided to support families and to reduce poverty and social exclusion. Early retirement is just a "pension in disguise" to support income for workers who become redundant and/or have difficulty in finding another job.

Table 11.2 - Number of welfare benefits by total and average annual amount and by type of benefit - Benefits as of December 31 2012 and 2013

Type of benefit	Number		Annual amount (millions of euros)		Average annual amount (euros)	
	2012	2013	2012	2013	2012	2013
Disability pensions	857.725	871,317	2,953.9	3,077.6	3,444	3,532
Carers' allowance	1,923,896	1,967,381	11,520.9	11,274.4	5,988	5,731
PPensions and social allowances	848,716	835,669	4,779.7	4,990.0	5,632	5,971
War pensions	261,435	241,015	1,426.4	1,390.4	5,456	5,769
<i>Direct</i>	<i>91,510</i>	<i>85,381</i>	<i>874.2</i>	<i>862.1</i>	<i>9,553</i>	<i>10,097</i>
<i>Indirect</i>	<i>169,925</i>	<i>155,634</i>	<i>552.3</i>	<i>528.3</i>	<i>3,250</i>	<i>3,395</i>
Total	3,891,772	3,915,382	20,680.9	20,732.4	5,314	5,295
Other welfare benefits	8.147.722	7.644.242	13.255,9	12.871,4	1.627	1.684
of which:						
Supplementary benefits to minimum pensions	3.726.783	3.604.744	10.580,1	10.343,3	2.839	2.869
Additional social allowances	1.097.626	1.038.069	1.583,4	1.522,6	1.443	1.467
Fourteenth month	2.463.580	2.266.318	962,2	893,5	391	394
Additional amount	859.733	735.111	130,1	111,9	151	152

VIII. *The average pension:* The analysis of the tables attached to this Report and those found on the website, provides some information, subdivided into categories of workers, about the average pensions and of the ratio of the average pension to the average income. It is however important to consider that the INPS income-based pensions often benefit from welfare transfers; for example, the average pension of employed workers is influenced by the welfare measures (welfare pensions, supplementary and complementary benefits) and by the low level of contributions or by the failure to get contributions which reduce their amounts; the same is true for pensions of farmers and of self-employed workers. Even for the schemes for professionals, the previous calculation methods led to very generous benefits. The average amount of contributions for certain categories is even lower than the maximum deductible amount of 5,164 Euros provided for complementary schemes.

However, it is possible to make the following observations: a) with the same level of contributions, public employees and the members of special funds (transportation, telephony, sports, airlines, railways, have higher pensions vs. private sector employees who are members of FPLD; b) farmers, tenant farmers and sharecroppers benefit from higher pensions with respect to the ones paid to calculated on the basis of the contributions paid; c) over 50% of old-age pensions paid by INPS are supplemented and financed by tax payers.

Table 11.3 Mean pension amounts by category of workers

CATEGORIE DI LAVORATORI	Pensione Media 2012 (migliaia di €)	Pensione Media 2013 (migliaia di €)	Reddito Medio 2012 (migliaia di €)	Reddito Medio 2013 (migliaia di €)	Rapporto tra PM e RM 2012 %	Rapporto tra PM e RM 2013 %
NOTAI	71,35	75,69	84,79	101,13	84,15	74,84
GIORNALISTI	56,86	57,51	68,39	67,37	83,14	85,36
DIRIG AZIENDE EX INPDAI	49,83	49,92	160	156,56	31,14	31,89
Fondo VOLO	45,5	46,95	25,64	34,29	177,46	136,92
COMMERCIALISTI	34,43	35,37	63,29	60,94	54,40	58,04
AVVOCATI	26,16	27,89	47,01	45,49	55,65	61,31
LAVORATORI TELEFONICI	25,79	25,87	42,13	38,78	61,22	66,71
RAGIONIERI	24,42	24,12	59,58	57,03	40,99	42,29
INGEGNERI, ARCHITETTI	21,88	22,68	28,44	26,4	76,93	85,91
DIPENDENTI STATALI	23,66	23,96	58,75	39,76	36,14	54,00
EX FERROVIE dello STATO	21,23	21,47	40,93	41,75	51,23	50,61
LAVORATORI TRASPORTI	20,97	21,13	31,85	31,49	74,29	67,10
DIPENDENTI ENTI LOCALI	18,53	18,81	32,43	31,37	57,14	59,96
EX POSTE (IPOST)	17,63	17,84	27,35	28,7	64,46	62,16
LAVORATORI SPETTACOLO	15,55	15,85	14,99	15,76	103,74	100,57
GEOMETRI	14,46	14,77	21,97	20,84	65,82	70,87
DIPENDENTI PRIVATI (FPLD)	11,74	12,19	22,58	23,16	51,99	52,63
ARTIGIANI	10,69	11,06	20,65	20,72	51,77	53,38
COMMERCianti	9,8	10,15	20,44	20,37	47,95	49,83
CONSULENTI LAVORO	8,03	10,14	49,19	66,47	16,32	15,26
MEDICI	6,7	6,94	29,32	30,92	22,85	22,45
AGRICOLI CDCM	7,16	7,58	8,69	9,18	82,39	82,57
FARMACISTI	5,82	6,07	30,28	30,65	19,22	19,80
VETERINARI	5,25	5,88	17,16	16,92	30,59	34,75

NOTE: there are no figures related to the average pensions of members of the schemes of professionals established by L.D. 103/96 because these funds are too new and so they are not very significant. (1) Average pension gross of Gias

IX. The trend of the ratio of pension expenditure to GDP is expected to be positive in the coming years (see Chapter 9, figure 9.1). This ratio is expected to go down largely due to the economic situation and to a reduction in savings in the first 5 years, as provided for in the Monti-Fornero Law in that 170,000 “esodati” were “safeguarded” with the possibility to protect another 40,000.

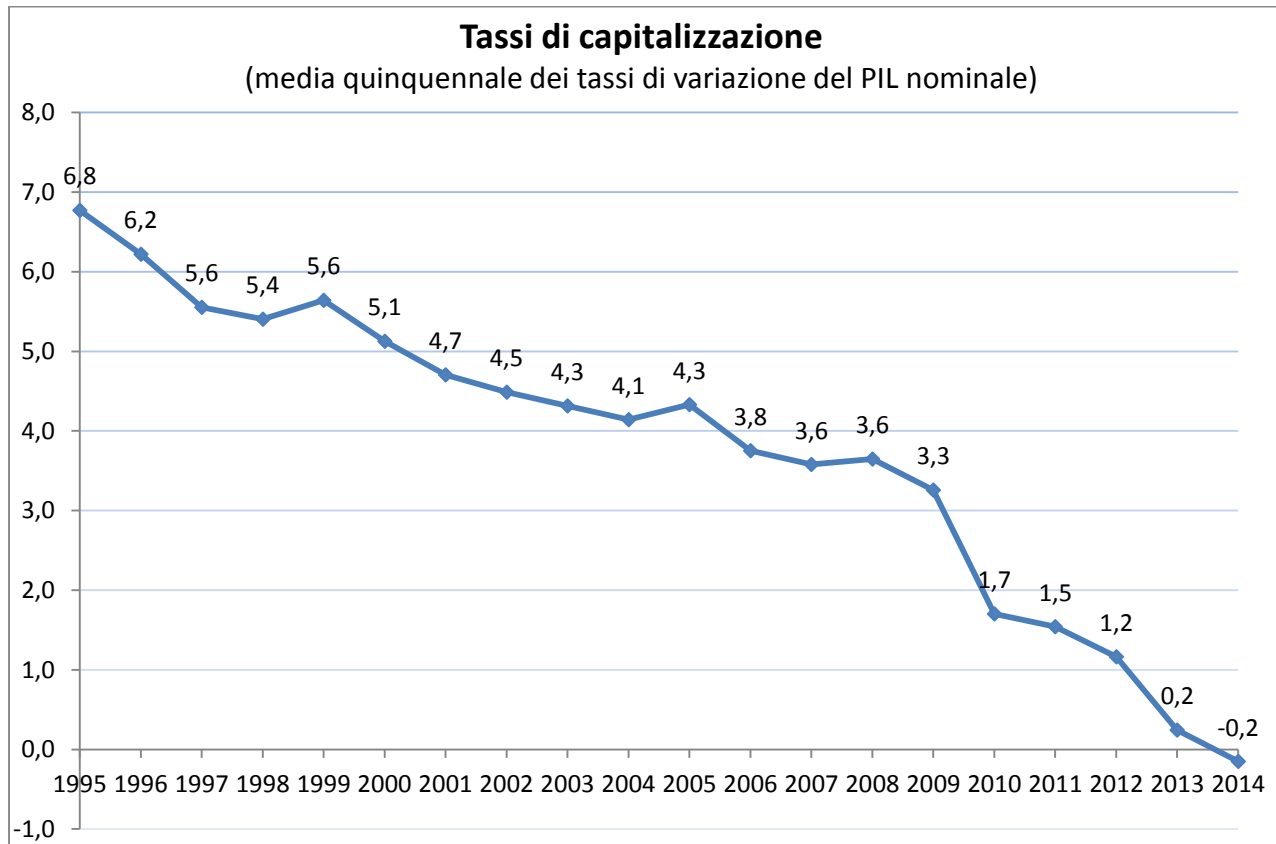
In any case, the two “*automatic stabilizers of social security expenditure*” (retirement age related to life expectancy with gender equality and three year and then two year adjustments of the “transformation coefficients” to life expectancy) can ensure the balance and the financial sustainability of the system, unless the Italian economy melts down with an increase in unemployment. Previous chapters already discussed the issue of the adequacy of benefits.

X. Revaluation of the contribution-based benefits: as illustrated in the graph below, the capitalization rate for the annual revaluation of contributions is equal to the five-year mean of nominal GDP growth.

In 2014, for the first time since the contribution based system started on 1/1/1996, this coefficient has been negative (- 0.17%). This amount in 2014 was not “devalued” but it remained fixed without any revaluation. It should be noted that from 1997 to 2010 the average 5-year growth of nominal GDP was always in line with the *Rendistat* yields (among the best in the last 15 years); since 2011, when the subsequent fall in GDP has had a major impact on the averaging process, the purchasing power of the amount has been consistently adjusted to lower rates with respect to inflation and it has gone down evaluation of these in real terms by 4.5%.

However for 2015, the amounts accrued are expected to have a positive capitalization rate (GDP average from 2010 to 2014) both in nominal terms + 0.571% and in real terms + 0.371. In fact, the five-year mean no longer include the very bad figure of 2009 (GD. – 3.52) but it features the 2014 one, – 0.40.

Figure 11.4 Five-year means of the nominal GDP variation rates



Capitalization rates (five-year means of the nominal GDP variation rates)

As previously stated, there is a lack of information about the pension situation in general and on the retirement prospects especially for young people; the blue envelope (the famous Swedish orange envelope) as the rest of the "general registers" are still missing. The only hope has come from DEF which has envisaged on page 185 that in 2014 an "information and transparency campaign on pensions" would be launched by the Ministry of Labour and by INPS. Hopefully this report, its conclusions and the above-mentioned campaign will improve the information "desert" which has characterized the long history of the Italian pension system.

Tab. 1.a - Entrate contributive e spesa per pensioni e integrazioni assistenziali (milioni di euro) (1)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Lavoratori dipendenti privati (a)													
- contributi	79.518	83.160	85.415	91.200	93.298	96.960	102.908	111.086	111.099	112.369	115.206	117.037	116.420
- prestazioni	82.644	85.728	89.706	94.075	97.409	99.417	102.837	106.767	110.360	112.541	114.880	117.770	119.257
- saldi	-3.126	-2.568	-4.292	-2.875	-4.111	-2.457	71	4.319	739	-172	326	-732	-2.837
2. Lavoratori dipendenti pubblici													
- contributi (2)	32.168	32.953	33.738	35.758	36.015	39.769	38.611	41.713	41.533	41.522	40.774	39.251	38.246
- prestazioni (3)	39.723	41.561	43.115	44.604	46.417	48.355	50.636	53.079	55.938	58.402	60.631	63.015	64.304
- saldi	-7.555	-8.608	-9.377	-8.846	-10.402	-8.586	-12.026	-11.366	-14.405	-16.880	-19.858	-23.764	-26.058
3. Lavoratori autonomi													
3.1. Artigiani e commercianti													
- contributi	10.846	11.155	11.543	12.124	12.894	13.543	15.911	16.456	16.567	15.867	16.748	17.772	17.999
- prestazioni	10.501	11.368	12.313	13.183	14.513	15.540	16.581	17.527	18.531	19.258	19.979	20.611	21.238
- saldi	345	-213	-770	-1.060	-1.618	-1.997	-671	-1.071	-1.964	-3.391	-3.231	-2.839	-3.240
3.2. Coltiv.diretti, coloni e mezzadri													
- contributi	1.048	1.022	1.040	1.034	1.034	1.025	1.006	1.013	1.036	1.054	1.067	1.129	1.162
- prestazioni	2.475	2.637	2.579	2.853	2.855	3.380	3.511	3.475	3.336	3.835	3.966	4.533	4.277
- saldi	-1.427	-1.615	-1.539	-1.818	-1.820	-2.355	-2.505	-2.463	-2.299	-2.781	-2.899	-3.403	-3.116
4. Liberi professionisti (b)													
- contributi	2.968	3.344	3.511	3.943	4.246	4.688	5.010	5.300	5.618	5.943	6.369	6.693	7.106
- prestazioni	1.859	1.981	2.097	2.254	2.408	2.570	2.719	2.870	3.028	3.169	3.279	3.515	3.746
- saldi	1.108	1.362	1.414	1.689	1.838	2.117	2.291	2.430	2.590	2.774	3.090	3.178	3.359
5. Fondo clero													
- contributi	28	29	30	30	30	30	31	31	32	32	31	33	33
- prestazioni	77	83	82	85	90	89	93	96	99	99	99	100	103
- saldi	-50	-54	-52	-55	-60	-59	-62	-65	-67	-66	-68	-67	-70
6. Gestione lavoratori parasubordinati (c)													
- contributi	2.559	2.924	3.179	3.923	4.156	4.559	6.215	6.570	6.589	8.117	6.922	7.550	7.327
- prestazioni	5	17	22	44	71	116	174	236	302	385	457	467	554
- saldi	2.553	2.907	3.157	3.880	4.085	4.443	6.041	6.334	6.286	7.732	6.466	7.083	6.773
7. Tot. Integrativi (Enasarco-Integrativi Inps)(d)													
- contributi	625	615	623	718	770	830	831	837	805	806	836	879	915
- prestazioni	843	874	900	938	959	990	989	984	995	998	1.052	1.076	1.087
- saldi	-218	-259	-277	-220	-188	-160	-157	-147	-191	-192	-216	-197	-173
TOTALE GESTIONI PENSIONISTICHE													
- contributi	129.760	135.201	139.079	148.730	152.444	161.404	170.523	183.006	183.279	185.710	187.954	190.345	189.207
- prestazioni	138.128	144.249	150.815	158.036	164.722	170.458	177.540	185.035	192.590	198.686	204.343	211.086	214.567
- saldi	-8.369	-9.048	-11.736	-9.306	-12.278	-9.053	-7.017	-2.029	-9.311	-12.975	-16.389	-20.741	-25.360
Quota Gias per le gestioni pensionistiche (4) (5)	26.891	28.677	29.280	29.816	30.100	30.913	31.766	32.626	32.782	33.577	33.705	31.782	33.292
SPESA PENSIONISTICA	165.019	172.926	180.094	187.852	194.821	201.370	209.306	217.661	225.372	232.262	238.048	242.868	247.859
Spesa pensionistica in % del PIL													
- al lordo Gias	12,70	12,84	12,94	12,96	13,07	13,00	13,00	13,33	14,32	14,46	14,53	14,92	15,31
- al netto Gias	10,63	10,71	10,84	10,91	11,05	11,00	11,03	11,33	12,24	12,37	12,47	12,97	13,25

(1) These are social security pensions (excluding welfare benefits such as social pensions and allowances, war pensions, disability pensions, carers' benefits) as well as indemnity benefits paid by INAIL. The contribution revenues of pension schemes include the transfers from the State (GIAS and GPT) and from the regions (very low figures) for retirement coverage, contribution rebates and incentives which amounted to 15,613 million euros in 2011, to 18,085 million euros in 2012 and to 17,453 million euros in 2013 (see Chapter 3). Benefit expenditure is net of transfers from the State (Gias) or from other schemes.

(2) The additional contribution by the State is excluded provided for under Act 335/95, which is mainly related to the pension fund of public employees, equal to 44 mln. in 1995, to 4,719 mln. in 1996, to 5,538 mln. in 1997, to 6,876 mln. in 1998, to 8,227 mln. in 1999, to 8,724 mln. in 2000, to 8,671 mln. in 2001, to 9,153 mln. in 2002, to 8,789 mln. in 2003, to 8,833 mln. in 2004, to 8,447 mln. in 2005, to 9,147 mln. in 2006, to 10,089 mln. in 2007, to 8,523 in 2008, to 9,104 in 2009, to 9,700 in 2010, to 10,350 in 2011, to 10,500 in 2012 and to 10,600 in 2013.

(3) In 2013, the benefits provided to civil servants amounted to 64,304 mln of which 8,073 mln were provided by GIAS, under former art.2, par. 4 of Act n.183/2011. For reasons of consistency with the historical series of previous years, the 2013 benefits included 8,073 mln euro's worth of GIAS transfers (this share was directly paid by the State in the past and now is accounted for as GIAS transfers by INPS). As a result, the actual amount of benefits paid by this scheme amounted to 56,231 million euro.

(4) The overall transfers of GIAS for pension benefits (33,292 million euro) must include the share of GIAS mentioned in footnote 3, so the total transfers from GIAS were equal to 41,365 million euro (33,292 + 8,073).

(5) The main interventions of GIAS are mainly targeted to early retirement, the "share" under Art. 37 of Act 88/89, the pensions to be paid in the year considered and disability pensions before Act 222/84. This last item comes from the new breakdown of social security and welfare expenditure as envisaged by Act 449/97, art.59. The GIAS disaggregated data are analysed in Chapter 3.

(a) the item "private sector employees" includes the members of FPLD, ENPALS, IPOST, INPGI Sostitutiva an of all the special funds under Tables B24 and B25, except for the members of the clergy fund

(b) the item includes all the schemes under L.Ds 509/94 and 103/96, except for INPGI Sostitutiva and ENASARCO (see tables 1.b, 1.c, 1.d), and also for FASC (the fund for shipping and hauling agents), ENPAIA (national fund of agricultural blue and white collars workers) and for ONAOSI (national assistance fund for the orphans of Italian medical and paramedical personnel).

(c) this scheme was set up in March 1996

(d) the INPS supplementary funds are: the gas fund, the tax collectors' fund and the miners' fund

Tab. 2.a - Incidenza percentuale dei saldi tra entrate e uscite sulla spesa per pensioni (1)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Lavoratori dipendenti privati	-3,78	-3,00	-4,78	-3,06	-4,22	-2,47	0,07	4,05	0,67	-0,15	0,28	-0,62	-2,38
2. Lavoratori dipendenti pubblici	-19,02	-20,71	-21,75	-19,83	-22,41	-17,76	-23,75	-21,41	-25,75	-28,90	-32,75	-37,71	-40,52
3.1. Artigiani e commercianti	3,28	-1,88	-6,25	-8,04	-11,15	-12,85	-4,04	-6,11	-10,60	-17,61	-16,17	-13,78	-15,25
3.2. Coltiv.diretti, coloni e mezzadri	-57,65	-61,24	-59,67	-63,74	-63,77	-69,68	-71,34	-70,86	-68,93	-72,51	-73,09	-75,08	-72,84
4. Liberi professionisti	59,62	68,74	67,44	74,94	76,33	82,38	84,28	84,67	85,55	87,55	94,24	90,43	89,67
5. Fondo clero	-64,17	-65,57	-63,80	-64,55	-66,96	-66,56	-66,73	-67,73	-67,98	-67,14	-68,31	-67,32	-67,86
6. Lavoratori Parasubordinati	46.902,20	17.559,17	14.117,84	8.877,43	5.726,29	3.815,43	3.472,11	2.686,00	2.078,45	2.009,08	1.415,51	1.516,77	1.222,85
7. Totale Integrativi (Enasarco-Integrativi Inps)	-25,83	-29,61	-30,82	-23,43	-19,65	-16,18	-15,92	-14,92	-19,16	-19,21	-20,51	-18,30	-15,88
TOTALE	-6,06	-6,27	-7,78	-5,89	-7,45	-5,31	-3,95	-1,10	-4,83	-6,53	-8,02	-9,83	-11,82

(1) Vedasi note in tab.1.a

Tab. 3.a - Rapporti tra entrate contributive e spesa per pensioni (valori percentuali) (1)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1. Lavoratori dipendenti privati	96,22	97,00	95,22	96,94	95,78	97,53	100,07	104,05	100,67	99,85	100,28	99,38	97,62
2. Lavoratori dipendenti pubblici	80,98	79,29	78,25	80,17	77,59	82,24	76,25	78,59	74,25	71,10	67,25	62,29	59,48
3.1. Artigiani e commercianti	103,28	98,12	93,75	91,96	88,85	87,15	95,96	93,89	89,40	82,39	83,83	86,22	84,75
3.2. Coltiv.diretti, coloni e mezzadri	42,35	38,76	40,33	36,26	36,23	30,32	28,66	29,14	31,07	27,49	26,91	24,92	27,16
4. Liberi professionisti	159,62	168,74	167,44	174,94	176,33	182,38	184,28	184,67	185,55	187,55	194,24	190,43	189,67
5. Fondo clero	35,83	34,43	36,20	35,45	33,04	33,44	33,27	32,27	32,02	32,86	31,69	32,68	32,14
6. Lavoratori Parasubordinati	47.002,20	17.659,17	14.217,84	8.977,43	5.826,29	3.915,43	3.572,11	2.786,00	2.178,45	2.109,08	1.515,51	1.616,77	1.322,85
7. Totale Integrativi (Enasarco-Integrativi Inps)	74,17	70,39	69,18	76,57	80,35	83,82	84,08	85,08	80,84	80,79	79,49	81,70	84,12
TOTALE GESTIONI PENSIONISTICHE	93,94	93,73	92,22	94,11	92,55	94,69	96,05	98,90	95,17	93,47	91,98	90,17	88,18

(1) Vedasi note in tab.1.a

Tabella 8.a: Ex Fondi Speciali - uscite ed entrate previdenziali (valori assoluti e percentuali)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Trasporti														
Uscite Previdenziali	(mln)	1.902	1.926	2.010	2.037	2.084	2.136	2.194	2.233	2.275	2.275	2.281	2.287	2.272
% di variazione		3,2%	1,3%	4,3%	1,4%	2,3%	2,5%	2,7%	1,8%	1,8%	0,0%	0,2%	0,3%	-0,6%
Entrate Previdenziali	(mln)	1.049	984	1.059	1.137	1.113	1.145	1.183	1.208	1.217	1.276	1.247	1.266	1.077
% di variazione		3,6%	-6,2%	7,7%	7,3%	-2,1%	2,9%	3,3%	2,1%	0,8%	4,8%	-2,3%	1,5%	-15,0%
Elettrici														
Uscite Previdenziali	(mln)	1.863	1.961	2.095	2.148	2.206	2.249	2.298	2.335	2.380	2.394	2.434	2.481	2.488
% di variazione		6,3%	5,3%	6,8%	2,5%	2,7%	1,9%	2,2%	1,6%	1,9%	0,6%	1,7%	1,9%	0,3%
Entrate Previdenziali	(mln)	1.502	1.463	746	616	688	636	588	715	612	609	650	573	566
% di variazione		-0,2%	-2,6%	-49,0%	-17,4%	11,8%	-7,7%	-7,5%	21,5%	-14,4%	-0,5%	6,7%	-11,8%	-1,2%
Telefonici														
Uscite Previdenziali	(mln)	1.109	1.168	1.244	1.349	1.435	1.512	1.595	1.674	1.741	1.775	1.805	1.828	1.855
% di variazione		8,0%	5,3%	6,4%	8,5%	6,4%	5,4%	5,5%	4,9%	4,0%	1,9%	1,7%	1,3%	1,4%
Entrate Previdenziali	(mln)	852	848	773	787	785	802	791	746	739	736	688	684	567
% di variazione		-5,5%	-0,5%	-8,8%	1,7%	-0,2%	2,2%	-1,4%	-5,6%	-0,9%	-0,4%	-6,5%	-0,5%	-17,2%
Impclai														
Uscite Previdenziali	(mln)	3.449	3.729	3.908	4.356	4.444	4.648	4.863	5.076	5.306	5.453	5.565	5.679	5.608
% di variazione		6,6%	8,1%	4,8%	11,5%	2,0%	4,6%	4,6%	4,4%	4,5%	2,8%	2,1%	2,1%	-1,3%
Entrate Previdenziali	(mln)	2.823	3.269	3.419	2.924	2.578	2.363	2.265	2.343	2.197	2.069	2.001	1.965	1.798
% di variazione		-2,0%	15,8%	4,6%	-14,5%	-11,8%	-8,4%	-4,2%	3,4%	-6,2%	-5,8%	-3,3%	-1,8%	-8,5%

Tab. 4.a - Contribuenti, numero pensioni, contribuzione media e pensione media

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NUMERO CONTRIBUENTI (mgl)													
<i>Lavoratori dipendenti privati</i>	12.518,73	12.719,82	12.847,14	12.896,70	12.984,24	13.070,30	13.307,82	13.443,00	13.289,75	13.101,55	13.678,61	13.670,96	13.460,01
<i>Lavoratori dipendenti pubblici</i>	3.283,00	3.283,00	3.250,00	3.270,72	3.395,00	3.412,00	3.384,00	3.360,00	3.333,80	3.292,10	3.233,54	3.104,03	3.039,54
<i>Artigiani</i>	1.839,91	1.848,24	1.862,43	1.892,51	1.902,17	1.881,49	1.893,68	1.901,97	1.889,65	1.856,00	1.849,83	1.817,90	1.772,68
<i>Commercianti</i>	1.796,09	1.817,81	1.832,99	1.910,78	1.974,23	1.992,29	2.023,29	2.044,21	2.085,65	2.081,12	2.156,67	2.178,32	2.193,12
<i>Coltiv.diretti, coloni e mezzadri</i>	623,51	599,41	576,01	553,26	535,57	519,09	500,26	486,45	477,02	469,94	463,30	459,76	457,26
<i>Liberi professionisti</i>	800,00	843,83	888,90	927,00	961,57	994,05	1.025,62	1.056,63	1.087,04	1.121,06	1.142,47	1.165,94	1.190,96
<i>di cui Medici</i>	303,64	307,56	314,91	320,58	327,56	332,83	337,80	342,26	346,26	348,85	353,17	354,55	354,99
<i>Fondo clero</i>	20,79	20,80	20,80	20,80	19,95	19,63	19,91	19,96	19,73	19,98	19,51	19,59	19,42
<i>Lavoratori Parasubordinati</i>	1.402,33	1.660,88	1.828,77	1.747,54	1.787,50	1.789,00	1.808,00	1.821,00	1.730,00	1.709,00	1.741,00	1.707,00	1.563,00
<i>Totale Integrativi</i>	302,67	303,60	304,43	301,49	299,31	295,65	293,60	288,84	279,56	279,34	274,09	268,77	264,49
NUMERO PENSIONI (mgl)													
<i>Lavoratori dipendenti privati</i>	10.775,75	10.777,44	10.728,15	10.699,70	10.590,22	10.573,07	10.521,07	10.448,98	10.337,23	10.221,81	10.085,71	9.894,94	9.707,72
<i>Lavoratori dipendenti pubblici</i>	2.366,21	2.397,25	2.431,68	2.464,28	2.490,12	2.539,50	2.612,10	2.648,09	2.690,51	2.738,60	2.784,71	2.812,72	2.812,58
<i>Artigiani</i>	1.207,17	1.251,24	1.302,02	1.353,89	1.407,11	1.459,88	1.512,82	1.541,06	1.568,63	1.597,19	1.618,28	1.624,42	1.639,47
<i>Commercianti</i>	1.076,39	1.110,53	1.147,23	1.185,66	1.226,20	1.269,26	1.312,22	1.330,73	1.344,72	1.374,82	1.378,07	1.381,28	1.389,69
<i>Coltiv.diretti, coloni e mezzadri</i>	2.012,88	1.994,36	1.974,51	1.975,89	1.926,04	1.905,41	1.890,91	1.848,42	1.805,04	1.772,32	1.728,80	1.677,80	1.632,97
<i>Liberi professionisti</i>	221,60	228,13	234,28	239,82	248,62	255,93	265,45	272,56	277,82	285,41	294,37	310,99	319,93
<i>di cui Medici</i>	121,32	125,46	128,87	132,45	137,91	141,39	146,54	148,79	152,31	156,05	162,39	173,37	179,26
<i>Fondo clero</i>	15,31	14,70	14,50	13,94	14,28	14,67	14,79	14,63	14,57	14,49	14,27	14,10	13,86
<i>Lavoratori Parasubordinati</i>	12,72	22,47	35,36	51,97	78,25	120,06	157,94	184,48	208,25	232,20	256,39	275,93	301,84
<i>Totale Integrativi</i>	143,89	146,81	148,74	150,04	151,71	151,87	151,11	149,64	148,85	147,69	136,36	138,30	154,32
CONTRIBUZIONE MEDIA (mgl €)													
<i>Lavoratori dipendenti privati</i>	5,60	5,79	5,89	6,29	6,38	6,56	6,95	7,40	7,20	7,41	7,31	7,27	7,42
<i>Lavoratori dipendenti pubblici</i>	9,80	10,04	10,38	10,93	10,61	11,66	11,41	12,41	12,46	12,61	12,61	12,65	12,58
<i>Artigiani</i>	2,94	2,94	3,02	3,07	3,18	3,41	4,06	4,17	4,17	3,96	4,08	4,41	4,52
<i>Commercianti</i>	3,00	3,11	3,20	3,28	3,43	3,55	4,04	4,14	4,14	4,07	4,21	4,41	4,49
<i>Coltiv.diretti, coloni e mezzadri</i>	1,51	1,53	1,62	1,67	1,73	1,77	1,82	1,86	1,94	2,01	2,05	2,20	2,31
<i>Liberi professionisti</i>	3,57	3,80	3,81	4,10	4,27	4,57	4,75	4,88	5,04	5,18	5,48	5,66	5,89
<i>di cui Medici</i>	3,62	3,68	3,83	4,44	4,57	4,91	5,19	5,34	5,66	5,89	6,04	5,07	6,07
<i>Fondo clero</i>	1,33	1,37	1,42	1,45	1,49	1,51	1,56	1,55	1,61	1,58	1,61	1,66	1,71
<i>Lavoratori Parasubordinati</i>	1,82	1,76	1,74	2,25	2,33	2,55	3,44	3,61	3,81	4,75	3,96	4,40	4,67
<i>Totale Integrativi</i>	2,02	1,98	2,00	2,33	2,53	2,76	2,78	2,85	2,83	2,84	3,00	3,22	3,41
PENSIONE MEDIA (mgl €) (1)													
<i>Lavoratori dipendenti privati</i>	9,02	9,42	9,81	10,19	10,50	10,83	11,20	11,57	12,12	12,36	12,67	12,89	13,40
<i>Lavoratori dipendenti pubblici</i>	16,10	17,07	17,15	17,73	18,18	18,70	19,36	19,84	20,79	21,31	21,85	22,36	22,68
<i>Artigiani</i>	6,73	7,18	7,59	7,96	8,32	8,66	9,02	9,37	9,80	10,03	10,41	10,69	11,06
<i>Commercianti</i>	5,97	6,36	6,75	7,11	7,48	7,82	8,17	8,50	8,93	9,14	9,53	9,80	10,15
<i>Coltiv.diretti, coloni e mezzadri</i>	5,10	5,35	5,60	5,79	5,97	6,15	6,34	6,52	6,79	6,91	7,03	7,16	7,58
<i>Liberi professionisti</i>	8,20	8,51	8,82	9,26	9,56	9,77	9,99	10,35	10,74	10,39	10,90	11,07	11,50
<i>di cui Medici</i>	6,07	6,18	6,25	6,43	6,44	6,32	6,31	6,53	6,63	5,65	6,65	6,70	6,94
<i>Fondo clero</i>	5,98	6,20	6,38	6,58	6,73	6,72	7,03	7,15	7,40	7,45	7,57	7,78	8,02
<i>Lavoratori Parasubordinati</i>	0,39	0,50	0,60	0,73	0,88	0,96	1,07	1,21	1,42	1,56	1,68	1,83	1,98
<i>Totale Integrativi</i>	5,75	5,87	6,10	6,29	6,27	6,39	6,45	6,52	7,45	6,66	6,41	6,60	6,99

(1) Importi delle pensioni in pagamento a fine anno

Tab. 5.a - Indici a base 100 dei contribuenti, numero pensioni, contribuzione media e pensione media

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NUMERO CONTRIBUENTI													
<i>Lavoratori dipendenti privati</i>	102,45	104,09	105,13	105,54	106,26	106,96	108,90	110,01	108,76	107,22	111,94	111,88	110,15
<i>Lavoratori dipendenti pubblici</i>	96,30	96,30	95,34	95,94	99,59	100,09	99,27	98,56	97,79	96,57	94,85	91,05	89,16
<i>Artigiani</i>	98,55	99,00	99,76	101,37	101,88	100,78	101,43	101,87	101,21	99,41	99,08	97,37	94,95
<i>Commercianti</i>	110,53	111,87	112,80	117,59	121,49	122,60	124,51	125,80	128,35	128,07	132,72	134,05	134,96
<i>Coltiv.diretti, coloni e mezzadri</i>	51,70	49,70	47,76	45,88	44,41	43,04	41,48	40,34	39,55	38,97	38,42	38,12	37,92
<i>Liberi professionisti</i>	158,15	166,82	175,73	183,26	190,09	196,51	202,75	208,88	214,89	221,62	225,85	230,49	235,44
<i>di cui Medici</i>	121,84	123,42	126,37	128,64	131,44	133,56	135,55	137,34	138,95	139,99	141,72	142,28	142,45
<i>Fondo clero</i>	81,08	81,12	81,12	81,12	77,81	76,56	77,65	77,85	76,95	77,93	76,09	76,40	75,74
<i>Lavoratori Parasubordinati</i>	167,14	197,96	217,97	208,29	213,05	213,23	215,49	217,04	206,20	203,69	207,51	203,46	186,29
<i>Totale Integrativi</i>	109,57	109,90	110,20	109,14	108,35	107,03	106,28	104,56	101,20	101,12	99,22	97,29	95,74
NUMERO PENSIONI													
<i>Lavoratori dipendenti privati</i>	106,96	106,97	106,49	106,20	105,12	104,95	104,43	103,71	102,61	101,46	100,11	98,22	96,36
<i>Lavoratori dipendenti pubblici</i>	154,32	156,34	158,59	160,71	162,40	165,62	170,35	172,70	175,47	178,60	181,61	183,44	183,43
<i>Artigiani</i>	173,19	179,52	186,80	194,25	201,88	209,45	217,05	221,10	225,05	229,15	232,18	233,06	235,22
<i>Commercianti</i>	159,94	165,01	170,47	176,18	182,20	188,60	194,98	197,73	199,81	204,28	204,76	205,24	206,49
<i>Coltiv.diretti, coloni e mezzadri</i>	113,59	112,55	111,43	111,51	108,69	107,53	106,71	104,31	101,86	100,02	97,56	94,68	92,15
<i>Liberi professionisti</i>	154,89	159,46	163,75	167,63	173,78	178,89	185,55	190,51	194,19	199,50	205,76	217,38	223,62
<i>di cui Medici</i>	168,48	174,22	178,96	183,93	191,52	196,34	203,51	206,62	211,51	216,71	225,50	240,76	248,94
<i>Fondo clero</i>	109,50	105,15	103,70	99,69	102,11	104,92	105,73	104,62	104,16	103,60	102,05	100,79	99,13
<i>Lavoratori Parasubordinati</i>	256,50	453,01	713,07	1.048,01	1.577,86	2.421,13	3.184,94	3.720,17	4.199,44	4.682,29	5.170,24	5.564,25	6.086,71
<i>Totale Integrativi</i>	154,57	157,71	159,77	161,17	162,97	163,14	162,32	160,74	159,89	158,65	146,48	148,57	165,77
CONTRIBUZIONE MEDIA													
<i>Lavoratori dipendenti privati</i>	228,73	236,27	240,48	256,84	260,43	267,82	283,61	302,24	294,06	302,37	298,60	296,92	302,84
<i>Lavoratori dipendenti pubblici</i>	278,53	285,33	295,09	310,77	301,55	331,32	324,33	352,90	354,13	358,53	358,44	359,45	357,68
<i>Artigiani</i>	285,66	286,06	293,53	298,38	309,54	331,18	394,32	405,44	405,14	384,59	396,75	428,60	439,21
<i>Commercianti</i>	290,02	300,96	308,94	316,60	331,95	343,20	390,27	399,94	399,85	392,89	406,86	426,44	433,85
<i>Coltiv.diretti, coloni e mezzadri</i>	400,33	404,41	429,03	442,02	457,93	467,96	482,34	491,46	513,52	530,37	198,10	212,82	223,52
<i>Liberi professionisti</i>	202,35	215,59	215,74	232,46	242,11	259,00	269,28	276,89	285,63	293,35	310,84	320,65	333,74
<i>di cui Medici</i>	214,73	218,43	227,14	263,03	270,75	291,19	308,02	316,64	335,67	349,17	358,13	300,45	359,75
<i>Fondo clero</i>	237,74	245,10	253,88	257,86	266,32	269,95	277,85	276,51	287,23	281,07	287,12	296,91	304,53
<i>Lavoratori Parasubordinati</i>	152,53	147,15	145,33	187,67	194,37	213,04	287,33	301,58	318,37	397,03	331,05	368,19	390,44
<i>Totale Integrativi</i>	169,18	165,53	167,74	195,55	211,68	231,04	233,12	238,81	237,12	237,92	251,56	270,03	285,73
PENSIONE MEDIA(1)													
<i>Lavoratori dipendenti privati</i>	195,58	204,19	212,71	220,90	227,72	234,93	242,96	250,87	262,77	268,04	274,69	279,49	290,60
<i>Lavoratori dipendenti pubblici</i>	187,31	198,56	199,55	206,23	211,54	217,49	225,19	230,85	241,81	247,90	254,18	260,17	263,85
<i>Artigiani</i>	238,17	254,40	268,86	281,76	294,60	306,72	319,41	331,99	346,95	355,25	368,54	378,47	391,53
<i>Commercianti</i>	223,22	238,08	252,61	265,95	279,75	292,47	305,71	318,18	334,19	342,06	356,73	366,52	379,67
<i>Coltiv.diretti, coloni e mezzadri</i>	168,16	176,55	184,74	190,80	196,87	202,82	209,03	215,00	223,89	227,84	231,85	235,94	249,95
<i>Liberi professionisti</i>	237,48	246,45	255,32	268,15	276,89	282,85	289,28	299,52	310,84	300,66	315,52	320,39	332,89
<i>di cui Medici</i>	237,33	241,81	244,41	251,45	251,86	247,11	246,56	255,26	259,19	221,05	260,02	262,02	271,23
<i>Fondo clero</i>	165,50	171,44	176,57	181,87	186,03	185,87	194,31	197,63	204,65	205,95	209,39	215,29	221,76
<i>Lavoratori Parasubordinati</i>	-	100,00	120,49	146,60	175,87	190,77	214,07	240,89	283,15	312,26	336,22	365,97	394,92
<i>Totale Integrativi</i>	180,30	183,91	191,10	196,99	196,45	200,21	202,30	204,37	233,36	208,62	201,03	206,80	218,94

(1) Importi delle pensioni in pagamento a fine anno

(*)

Tab. 6.a - Rapporto numero pensioni/contribuenti e pensione media/reddito medio

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
RAPPORTO TRA NUMERO PENSIONI E CONTRIBUENTI													
<i>Lavoratori dipendenti privati</i>	86,08	84,73	83,51	82,96	81,56	80,89	79,06	77,73	77,78	78,02	73,73	72,38	72,12
<i>Lavoratori dipendenti pubblici</i>	72,07	73,02	74,82	75,34	73,35	74,43	77,19	78,81	80,70	83,19	86,12	90,62	92,53
<i>Artigiani</i>	65,61	67,70	69,91	71,54	73,97	77,59	79,89	81,02	83,01	86,06	87,48	89,36	92,49
<i>Commercianti</i>	59,93	61,09	62,59	62,05	62,11	63,71	64,86	65,10	64,47	66,06	63,90	63,41	63,37
<i>Coltiv.diretti, coloni e mezzadri</i>	322,83	332,72	342,79	357,14	359,62	367,07	377,98	379,98	378,40	377,14	373,15	364,93	357,12
<i>Liberi professionisti</i>	27,70	27,04	26,36	25,87	25,86	25,75	25,88	25,80	25,56	25,46	25,77	26,67	26,86
<i>di cui Medici</i>	39,96	40,79	40,92	41,31	42,10	42,48	43,38	43,47	43,99	44,73	45,98	48,90	50,50
<i>Fondo clero</i>	73,66	70,69	69,72	67,02	71,57	74,74	74,26	73,30	73,83	72,51	73,15	71,95	71,39
<i>Lavoratori Parasubordinati</i>	0,91	1,35	1,93	2,97	4,38	6,71	8,74	10,13	12,04	13,59	14,73	16,16	19,31
<i>Totale Integrativi</i>	47,54	48,36	48,86	49,76	50,69	51,37	51,47	51,81	53,24	52,87	49,75	51,46	58,35
RAPPORTO TRA PENSIONE MEDIA AL NETTO GIAS E REDDITO MEDIO													
<i>Lavoratori dipendenti privati</i>	42,88	43,07	43,98	43,35	44,81	44,26	44,20	43,27	48,95	49,20	49,01	51,20	51,78
<i>Lavoratori dipendenti pubblici</i>	57,43	58,45	57,49	55,20	58,63	55,75	56,71	53,77	56,25	56,42	56,85	58,36	60,21
<i>Artigiani</i>	26,48	27,80	28,65	29,49	30,55	30,28	29,03	30,13	31,39	33,63	33,56	33,68	34,47
<i>Commercianti</i>	25,27	25,77	26,16	26,95	27,58	27,50	27,70	28,76	30,05	31,00	31,23	32,98	33,66
<i>Coltiv.diretti, coloni e mezzadri</i>	14,70	16,66	16,03	17,29	17,02	20,08	20,21	19,98	18,77	22,83	26,99	31,09	28,54
<i>Liberi professionisti</i>	29,48	30,76	32,07	33,56	32,55	33,45	32,63	33,62	35,41	36,60	34,14	34,55	35,84
<i>di cui Medici</i>	25,90	28,52	28,01	28,26	24,70	25,79	25,18	25,53	25,72	24,61	22,44	22,80	22,34
<i>Fondo clero</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lavoratori Parasubordinati</i>	2,72	5,10	4,55	5,96	6,17	5,99	6,56	7,53	8,31	9,42	9,97	9,29	9,96
<i>Totale Integrativi</i>	31,60	32,92	33,19	31,82	31,22	30,34	30,52	29,81	30,46	30,79	33,30	31,37	28,03
RAPPORTO TRA PENSIONE MEDIA AL LORDO GIAS E REDDITO MEDIO													
<i>Lavoratori dipendenti privati</i>	52,61	53,23	54,15	53,21	54,77	54,46	54,31	53,04	59,95	60,37	59,93	61,84	62,84
<i>Lavoratori dipendenti pubblici</i>	57,43	58,45	57,49	55,20	58,63	55,75	56,71	53,77	56,25	56,42	56,85	58,36	60,21
<i>Artigiani</i>	30,79	32,78	33,45	34,21	35,03	34,61	33,20	34,49	35,75	38,24	38,28	38,64	39,60
<i>Commercianti</i>	29,52	30,38	30,56	31,27	31,67	31,50	31,78	33,04	34,32	35,42	35,50	36,85	37,99
<i>Coltiv.diretti, coloni e mezzadri</i>	52,69	57,14	56,13	55,41	54,58	54,23	53,69	53,97	52,75	54,94	63,04	61,94	60,44
<i>Liberi professionisti</i>	29,49	30,77	32,09	33,58	32,56	33,46	32,64	33,63	35,42	36,62	34,17	34,57	35,85
<i>di cui Medici</i>	25,90	28,52	28,01	28,26	24,70	25,79	25,18	25,53	25,72	24,61	22,46	22,84	22,34
<i>Fondo clero</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lavoratori Parasubordinati</i>	2,72	5,10	4,55	5,96	6,17	5,99	6,59	7,65	8,59	9,84	10,50	9,86	10,67
<i>Totale Integrativi</i>	31,93	33,29	33,57	32,17	31,55	30,67	30,86	30,16	30,83	31,18	33,66	31,70	28,32

**Tabella B.24.a - Prestazioni e contributi del sistema pensionistico obbligatorio
(valori assoluti)**

Anno	uscite			entrate			
	numero di pensioni	pensione media	spesa al netto trasferimenti (1)	numero di contribuenti	contributo medio	redditi e proventi patrimoniali	contributi
	<i>mgl</i>	<i>mgl €</i>	<i>mln €</i>	<i>mgl</i>	<i>mgl €</i>	<i>mln €</i>	<i>mln €</i>
2012							
Dipendenti Privati	9.894,9	12,9	117.769,7	13.671,0	7,3	102,8	117.037,3
<i>Dipendenti privati INPS</i>	<i>9.690,8</i>	<i>12,8</i>	<i>114.883,8</i>	<i>13.215,8</i>	<i>7,3</i>	<i>22,4</i>	<i>114.163,9</i>
Fondo Pensioni Lavoratori Dip.	8.992,2	11,7	95.726,9	12.874,0	7,0	4,8	108.088,9
Fondo Trasporti	110,1	21,0	2.286,9	105,1	10,9	-	1.266,4
Fondo Telefonici	71,7	25,8	1.828,5	49,4	13,8	-	684,3
Fondo Elettrici	100,3	25,1	2.480,8	33,9	16,8	-	573,1
Fondo Volo	6,4	45,5	289,7	12,5	11,3	-	175,0
Fondo Imposte di consumo	8,8	17,7	153,1	0,0	20,0	-	0,6
Fondo Enti Pubblici Creditizi	44,0	-	1.542,3	51,1	13,2	17,6	681,4
Dipendenti delle FFSS	232,0	21,2	4.896,6	53,6	13,6	-	729,0
Istituto Dirigenti di Azienda	125,3	49,8	5.679,1	36,2	54,0	0,0	1.965,2
Altri Fondi Dip. Privati	63,5	20,5	1.256,1	308,9	4,9	51,2	1.549,5
Istituto Giornalisti	7,6	56,9	408,6	17,4	22,1	49,3	383,1
Ente Lavoratori Spettacolo	55,8	15,6	847,5	291,5	3,9	1,9	1.165,1
Fondi ex Aziende Autonome	140,6	17,6	1.629,9	146,3	9,0	29,1	1.323,9
Dipendenti delle Poste e Tel.	140,6	17,6	1.629,9	146,3	9,0	29,1	1.323,9
Dipendenti Pubblici	2.812,7	22,4	63.015,0	3.104,0	12,6	10,8	39.251,4
Cassa Dipendenti Enti Locali	1.053,4	18,5	19.530,0	1.280,5	10,6	0,6	13.552,6
Cassa Insegnanti di Asilo	14,8	16,6	239,6	32,2	7,5	5,8	242,0
Cassa Sanitari	66,2	51,9	3.434,9	114,1	29,8	6,2	3.395,7
Cassa Ufficiali Giudiziari	2,9	18,7	53,2	4,3	13,1	0,0	56,1
Dipendenti dello Stato	1.675,5	23,7	39.747,9	1.673,0	19,4	2,0	22.006,2
Autonomi e Professionisti	4.994,5	9,8	28.658,7	5.621,9	4,5	827,8	25.594,1
<i>Autonomi INPS</i>	<i>4.683,5</i>	<i>9,7</i>	<i>25.144,1</i>	<i>4.456,0</i>	<i>4,2</i>	<i>9,3</i>	<i>18.901,4</i>
Fondo Artigiani	1.624,4	10,7	11.298,6	1.817,9	4,4	0,8	8.094,8
Fondo Commercianti	1.381,3	9,8	9.312,7	2.178,3	4,4	8,1	9.677,1
Fondo CDCM (3)	1.677,8	7,2	4.532,9	459,8	2,2	0,4	1.129,4
Liberi Professionisti	311,0	11,1	3.514,5	1.165,9	5,7	818,5	6.692,7
Casse priv. 509 (escluso ENPAM)	129,0	17,6	2.339,0	660,4	6,2	474,6	4.192,3
ENPAM	173,4	6,7	1.159,3	354,6	6,1	259,9	2.151,0
Casse priv. 103	8,7	1,9	16,2	151,0	2,3	84,0	349,4
Fondo Clero	14,1	7,8	99,8	19,6	1,7	0,0	32,6
Gestione Parasubordinati	275,9	1,8	467,0	1.707,0	4,4	1.813,8	7.550,5
Totale Integrativi	138,3	6,6	1076,2	268,8	3,2	342,9	879,2
Sistema Pens. Obblig. di Base	18.130,5	13,4	211.086,4	24.392,3	7,1	3.098,1	190.345,1

(1) a carico dello Stato o altre gestioni (prevalentemente Gias pari a 23.405 mln. per FPLD, 1.662 per il fondo artigiani, 1.091 per il fondo commercianti, 4.499 per il fondo CDCM).

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.)

(3) Sono comprese 477,5 pensioni ante 1/1/1989 in carico alla GIAS

Tabella B.24.b - Prestazioni e contributi del sistema pensionistico obbligatorio
(valori in %)

Anno	Rapporto tra prestazioni e contributi	Rapporto contabile tra prestazioni e contributi (1)	Aliquota di equilibrio contabile (1)	Rapporto tra pensioni e contribuenti	Rapporto tra pensione media e contributo medio	Rapporto contabile pensione media e reddito medio (1)	Rapporto tra proventi patrimoniali ed entrate contributive (2)
2012							
Dipendenti Privati	143,1	100,6	37,1	72,4	139,0	51,2	0,1
<i>Dipendenti privati INPS</i>	143,3	100,6	37,3	73,3	137,2	50,8	0,0
Fondo Pensioni Lavoratori Dip.	131,2	88,6	32,9	69,8	126,8	47,2	0,0
Fondo Trasporti	203,5	180,6	68,3	104,8	172,4	65,2	-
Fondo Telefonici	271,6	267,2	87,9	145,1	184,1	60,5	-
Fondo Elettrici	445,3	432,9	138,0	295,9	146,3	46,6	-
Fondo Volo	209,9	165,5	90,4	51,1	324,1	177,1	-
Fondo Imposte di consumo	26.547,7	25.557,8	6.122,6	29.410,0	86,9	20,8	-
Fondo Enti Pubblici Creditizi	231,2	226,3	75,5	86,1	262,7	87,7	2,6
Dipendenti delle FFSS	678,1	671,7	223,2	432,9	155,2	51,6	-
Istituto Dirigenti di Azienda	294,2	289,0	98,1	346,2	83,5	28,3	0,0
<i>Altri Fondi Dip. Privati</i>	88,0	81,1	22,6	20,6	394,4	110,0	3,3
Istituto Giornalisti	107,2	106,7	34,4	44,0	242,2	78,1	12,9
Ente Lavoratori Spettacolo	81,6	72,7	19,4	19,2	379,8	101,3	0,2
<i>Fondi ex Aziende Autonome</i>	186,9	123,1	40,7	96,1	128,1	42,4	2,2
Dipendenti delle Poste e Tel.	186,9	123,1	40,7	96,1	128,1	42,4	2,2
Dipendenti Pubblici	160,5	160,3	52,9	90,6	176,9	58,4	0,0
Cassa Dipendenti Enti Locali	144,1	143,6	47,0	82,3	174,5	57,2	0,0
Cassa Insegnanti di Asilo	103,4	103,2	33,6	45,9	224,5	73,1	0,8
Cassa Sanitari	101,2	100,7	33,4	58,0	173,7	57,6	0,2
Cassa Ufficiali Giudiziari	94,8	94,8	30,9	66,7	142,1	46,3	0,0
Dipendenti dello Stato	180,6	180,6	59,8	100,2	180,3	40,4	0,0
Autonomi e Professionisti	142,3	112,0	23,1	80,3	139,4	28,7	3,2
<i>Autonomi INPS</i>	173,8	133,0	29,2	94,4	140,9	31,0	0,0
Fondo Artigiani	161,7	139,6	30,1	89,4	156,2	33,7	0,0
Fondo Commercianti	108,2	96,2	20,9	63,4	151,8	33,0	0,1
Fondo CDCM	892,1	401,3	113,4	364,9	110,0	31,1	0,0
<i>Liberi Professionisti</i>	53,3	52,5	9,2	26,7	196,9	34,5	12,2
Casse priv. 509 (escluso ENPAM)	57,1	55,8	9,4	19,5	285,7	48,0	11,3
ENPAM	54,0	53,9	11,2	48,9	110,2	22,8	12,1
Casse priv. 103	4,6	4,6	0,6	5,8	80,6	10,2	24,1
Fondo Clero	342,5	306,0	-	71,9	425,3	-	0,1
Gestione Parasubordinati	6,6	6,2	1,5	16,2	-	9,3	24,0
Totale Integrativi	125,5	122,4	16,1	51,5	237,9	31,4	39,0
Sistema Pens. Oblig. di Base	140,9	110,9	35,2	72,4	153,2	48,7	1,6

(1) a carico dello Stato o altre gestioni (prevalentemente Gias pari a 23.405 mln. per FPLD, 1.662 per il fondo artigiani, 1.091 per il fondo commercianti, 4.499 per il fondo CDCM).

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.)

**Tabella B.25.a - Prestazioni e contributi del sistema pensionistico obbligatorio
(valori assoluti)**

Anno	uscite			entrate			
	numero di pensioni	pensione media	spesa al netto trasferimenti (1)	numero di contribuenti	contributo medio	redditi e proventi patrimoniali	contributi
	<i>mgl</i>	<i>mgl €</i>	<i>mln €</i>	<i>mgl</i>	<i>mgl €</i>	<i>mln €</i>	<i>mln €</i>
2013							
Dipendenti Privati	9.707,72	13,40	119.256,82	13.460,01	7,42	136,36	116.419,91
<i>Dipendenti privati INPS</i>	<i>9.502,26</i>	<i>13,28</i>	<i>116.274,68</i>	<i>13.023,40</i>	<i>7,44</i>	<i>7,02</i>	<i>113.477,82</i>
Fondo Pensioni Lavoratori Dip.	8.851,08	12,19	98.710,52	12.744,65	7,24	7,00	108.653,18
Fondo Trasporti	108,41	21,13	2.272,08	104,60	9,13	-	1.076,54
Fondo Telefonici	73,17	25,87	1.854,78	46,70	12,10	-	566,55
Fondo Elettrici	99,87	25,32	2.488,41	33,20	16,95	-	566,22
Fondo Volo	6,44	46,95	293,79	9,60	11,53	0,00	145,91
Fondo Imposte di consumo	8,52	17,86	151,20	0,02	21,52	0,00	0,45
Fondo Enti Pubblici Creditizi (4)	-	-	-	-	-	-	-
Dipendenti delle FFSS	228,59	21,47	4.896,01	50,53	13,27	-	670,74
Istituto Dirigenti di Azienda	126,18	49,92	5.607,89	34,10	52,48	0,02	1.798,23
<i>Altri Fondi Dip. Privati</i>	<i>62,51</i>	<i>21,16</i>	<i>1.284,90</i>	<i>288,74</i>	<i>5,34</i>	<i>107,33</i>	<i>1.561,21</i>
Istituto Giomalisti	7,96	57,51	426,66	16,58	23,08	42,86	383,53
Ente Lavoratori Spettacolo	54,55	15,85	858,24	272,17	4,26	64,47	1.177,68
<i>Fondi ex Aziende Autonome</i>	<i>142,95</i>	<i>17,84</i>	<i>1.697,24</i>	<i>147,87</i>	<i>9,31</i>	<i>22,01</i>	<i>1.380,87</i>
Dipendenti delle Poste e Tel.	142,95	17,84	1.697,24	147,87	9,31	22,01	1.380,87
Dipendenti Pubblici	2.812,58	22,68	64.304,08	3.039,54	12,58	6,22	38.246,39
Cassa Dipendenti Enti Locali	1.052,24	18,81	19.935,25	1.239,41	10,36	0,63	12.834,69
Cassa Insegnanti di Asilo	14,84	17,20	255,77	30,85	7,25	0,02	223,63
Cassa Sanitari	67,20	52,70	3.545,84	109,72	30,37	4,72	3.332,55
Cassa Ufficiali Giudiziari	2,88	18,80	52,00	4,12	11,32	0,00	46,67
Dipendenti dello Stato	1.675,43	23,96	40.515,23	1.655,44	13,17	0,85	21.808,86
Autonomi e Professionisti	5.225,35	10,11	29.261,98	5.614,01	4,62	732,77	26.266,06
<i>Autonomi INPS</i>	<i>4.905,42</i>	<i>10,00</i>	<i>25.515,64</i>	<i>4.423,06</i>	<i>4,28</i>	<i>10,83</i>	<i>19.160,40</i>
Fondo Artigiani	1.639,47	11,06	11.709,68	1.772,68	4,52	1,17	8.089,88
Fondo Commercianti	1.389,69	10,15	9.528,76	2.193,12	4,49	8,99	9.908,83
Fondo CDCM (3)	1.632,97	7,58	4.277,20	457,26	2,31	0,67	1.161,69
<i>Liberi Professionisti</i>	<i>319,93</i>	<i>11,50</i>	<i>3.746,33</i>	<i>1.190,96</i>	<i>5,89</i>	<i>721,94</i>	<i>7.105,66</i>
Casse priv. 509 (escluso ENPAM)	130,63	18,65	2.487,33	673,99	6,59	374,36	4.535,96
ENPAM	179,26	6,94	1.238,28	354,99	6,22	258,43	2.208,81
Casse priv. 103	10,03	1,97	20,72	161,97	2,22	89,15	360,88
Fondo Clero	13,86	8,02	103,16	19,42	1,71	0,01	33,15
Gestione Parasubordinati	301,84	1,98	553,88	1.563,00	4,67	2.016,96	7.327,06
Totale Integrativi	154,32	6,99	1.087,19	264,49	3,41	298,27	914,57
Sistema Pens. Obblig. di Base	18.215,66	13,78	214.567,11	23.960,46	7,19	3.190,60	189.207,13

(1) a carico dello Stato o altre gestioni (prevalentemente Gias pari a 24.310,70 mln. per FPLD; 40,26 per il Fondo Trasporti; 25,20 per il Fondo Telefonici; 53,94 per il Fondo Elettrici; 4,26 per il Fondo Volo; 4,38 per il Fondo Imposte di Consumo; 46,16 per il Fondo Dipendenti delle FFSS; 77,50 per l'Istituto Dirigenti di Azienda; 79,21 per ENPALS; 835,21 per il Fondo IPOST; 1.745,95 per il Fondo Artigiani; 1.228 per il Fondo Commercianti; 4.780,10 per il fondo CDCM; 10,04 per il Fondo Clero; 39,34 per la Gestione Parasubordinati; 11,33 per i Fondi Integrativi INPS).

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.).

(3) sono comprese 429,3 pensioni ante 1/1/1989 in carico alla GIAS.

(4) il Fondo è confluito in FPLD.

Tabella B.25.b - Prestazioni e contributi del sistema pensionistico obbligatorio
(valori in %)

Anno	Rapporto tra prestazioni e contributi	Rapporto contabile tra prestazioni e contributi (1)	Aliquota di equilibrio contabile (1)	Rapporto tra pensioni e contribuenti	Rapporto tra pensione media e contributo medio	Rapporto contabile pensione media e reddito medio (1)	Rapporto tra proventi patrimoniali ed entrate contributive (2)
2013							
Dipendenti Privati	144,97	102,44	37,34	72,12	142,03	51,78	0,12
<i>Dipendenti privati INPS</i>	145,32	102,46	37,54	72,96	140,43	51,45	0,01
Fondo Pensioni Lavoratori Dip.	133,34	90,85	33,44	69,45	130,81	48,15	0,01
Fondo Trasporti	242,17	211,05	68,98	103,64	203,64	66,55	-
Fondo Telefonici	332,79	327,38	102,42	156,68	208,95	65,37	-
Fondo Elettrici	451,79	439,48	153,04	300,81	146,10	50,87	-
Fondo Volo	269,33	201,35	89,30	67,07	300,20	133,14	0,00
Fondo Imposte di consumo	34.421,17	33.451,32	13.745,55	40.590,48	82,41	33,86	0,42
Fondo Enti Pubblici Creditizi (4)	-	-	-	-	-	-	-
Dipendenti delle FFSS	736,82	729,94	232,04	452,36	161,36	51,30	-
Istituto Dirigenti di Azienda	317,71	311,86	105,04	370,03	84,28	28,39	0,00
<i>Altri Fondi Dip. Privati</i>	88,40	82,30	23,77	21,65	380,17	109,78	6,88
Istituto Giornalisti	111,54	111,24	38,21	48,05	231,54	79,53	11,18
Ente Lavoratori Spettacolo	80,77	72,88	20,01	20,04	363,63	99,82	5,47
<i>Fondi ex Aziende Autonome</i>	183,92	122,91	39,99	96,68	127,14	41,37	1,59
Dipendenti delle Poste e Tel.	183,92	122,91	39,99	96,68	127,14	41,37	1,59
Dipendenti Pubblici	168,13	167,74	55,72	92,53	181,28	60,21	0,02
Cassa Dipendenti Enti Locali	155,32	154,49	51,27	84,90	181,97	60,39	0,00
Cassa Insegnanti di Asilo	114,37	114,26	37,50	48,09	237,58	77,98	0,01
Cassa Sanitari	106,40	105,83	35,90	61,25	172,79	58,62	0,14
Cassa Ufficiali Giudiziari	111,42	111,41	36,59	69,73	159,78	52,48	0,00
Dipendenti dello Stato	185,77	185,76	61,55	101,21	183,54	60,81	0,00
Autonomi e Professionisti	142,80	111,41	23,50	81,09	137,38	28,98	2,79
<i>Autonomi INPS</i>	175,94	133,17	29,80	95,70	139,16	31,14	0,06
Fondo Artigiani	168,04	144,74	31,88	92,49	156,51	34,47	0,01
Fondo Commercianti	109,26	96,16	21,33	63,37	151,76	33,66	0,09
Fondo CDCM	856,44	368,19	101,94	357,12	103,10	28,54	0,06
<i>Liberi Professionisti</i>	53,44	52,72	9,63	26,86	196,27	35,84	10,16
Casse priv. 509 (escluso ENPAM)	55,99	54,84	9,89	19,38	282,92	51,01	8,25
ENPAM	56,06	56,06	11,28	50,50	111,02	22,34	11,70
Casse priv. 103	5,76	5,74	0,75	6,19	92,68	12,06	24,70
Fondo Clero	341,47	311,19	-	71,39	435,92	-	0,13
Gestione Parasubordinati	8,13	7,56	1,92	19,31	-	9,96	27,53
Totale Integrativi	121,78	118,87	16,35	58,35	203,74	28,03	32,61
Sistema Pens. Obblig. di Base	143,90	113,35	36,08	73,22	154,82	49,27	1,69

(1) il rapporto è stato calcolato tenendo conto degli importi di pensione media al netto dell'intervento GIAS. Per una valutazione complessiva degli interventi a carico GIAS confrontare la nota 1 della Tab. B25a.

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.).

(4) il Fondo è confluito in FPLD.

Appendix 1

A summary of the main adjustments and reforms of the pension system from 1992 to 2014; Retirement requirements under the current regulations after Act n. 214/2011

a) The Amato reform (Legislative Decree n. 503/1992) introduced: 1) the automatic equalization of pensions tied exclusively to the ISTAT consumer price index for blue and white collars; 2) the gradual increase in old-age pension requirement for private sector workers to 65 years for men and to 60 years for women, with the concurrent rise from 15 to 20 years in the minimum requirements for income-based pensions; 3) 35 years of contributions to be entitled to the old-age pensions in the public sector; 4) a halt to old-age pensions; 5) the introduction of new income requirements for supplementary benefits to the minimum pension.

b) Legislative Decree n. 373/1993 gradually expanded the period of time to determine the income to calculate the pension (from the last 5 years to the last 10 years).

c) Acts n. 537/1993 and n.724/1999 unified the rates of return of contributions per year and the taxable bases for the different pension schemes and (temporarily) halted old age pensions, as already done in 1992.

d) the Dini reform (Act n. 335/1995): 1) introduced a new contribution-based calculation system, with retirement age requirements between 57 and 65 years for both men and women; 2) new rules for seniority pensions (40 years of contributions at any age or at least 57 years of age and 35 years of contributions); 3) the increase in age requirements for seniority pensions, compared to the those set by law, on the basis of quarterly exit windows; 4) more stringent income requirements for supplementary benefits to the minimum pension.

e) The Prodi -Dini reform (Act n. 449/1997): 1) harmonized the seniority requirements of public and private sector employees and the contribution requirements for different professional categories; 2) introduced a temporary halt to the price indexation of pensions in excess of 3 million lira and a mechanism for decreasing the indexation rates of pensions. Such “cooling down” measures were later repealed by the Budget Law of 2001.

f) The Berlusconi reform (Act n. 243/2004) introduced a "bonus" mechanism, the totalization system and the rules governing the cumulation of pensions and income as well as: 1) an increase in early retirement age for the income-based, mixed and contribution-based schemes respect to the age of 65 years for men and to 60 for women; 2) measures to reduce from 4 to 2 the exit windows for early retirement resulting in a postponement of benefits by 9 and 15 months after reaching the minimum age requirements for employees and self-employed respectively ; 3) the possibility only for women to opt for the calculation-based system to retire with 35 years of contributions at the age of 57 years (58 for the self-employed) on an experimental basis until 2015.

g) Act n. 247/2007 introduced: 1) a more gradually increase in the retirement age through "steps" and "restricted quotas" on the basis of the sum between age and years of contributions; 2) measures to strengthened the contribution-based system introduced in 1995, by applying from 2010 (and then every three years) the new transformation coefficients defined in 2005; 3) more flexible totalization criteria..

h) Act n. 133/2008 established the full cumulation of old-age and early retirement pensions and of labor income.

i) Act n. 122/2010, (amended Law Decree n. 78/2010) has acted on:

- **the effective dates** which were made more stringent for workers fulfilling the minimum retirement requirements as of 1 January 2011, with a 1 delay of year for employees and of 1 year and a half for self-employed workers both in terms of early retirement (40 years of contributions) and of old-age pensions.

- **the adjustment of retirement age requirements**. The minimum age to be entitled to old age pension, early retirement pensions and social allowances is adjusted over time to life expectancy at age 65, as recorded by ISTAT in the previous three years. The adjustment to life expectancy is applied for the first time in 2015 and it cannot exceed 3 months. The next update is scheduled for 2019 and then every 3 years in order to harmonize the revision mechanism of retirement age requirements with that of the transformation coefficients in the contribution-based system.

- **the old-age retirement requirements for women in the public sector**. In the public sector, the old-age pension requirements for women (60 in 2009) was aligned to that of men as of 2012 (61 years in 2010-2011) instead of 2018 as previously provided for by Act n. 102/2009.

l) **Act n. 111/2011**, which transposed the amended Law Decree n. 98/2011 (Sacconi-Tremonti reform), intervened on:

- **the old-age requirements for women in the private sector**. The old-age requirement of women in the private sector was gradually aligned to that of men (and of women in the public sector) in the period 2020-2032.
- **the adjustment of age requirements to life expectancy** (old-age and early-retirement pensions and social allowance) as of 2015 was instead implemented as of 2013. This implied a further increase in the age requirement by 4 months as of 2016 (the date of the second revision).
- **early retirement with 40 years of contributions**. For the workers who retire early with 40 years of contributions regardless of age, the pension is paid with a three-month delay as of 2014 through the effective date mechanism even though the age and seniority requirements are met. (1 month in 2012 and 2 months in 2013).
- **the indexation of pensions**. For the period 2012-2013 and only for pensions 5 times higher than the minimum INPS benefits, pensions were not adjusted to the inflation rate except for the benefits three times lower than the minimum pension, which have a 70% indexation rate.

m) **Act n. 148/2011**, which transposed Law Decree n. 138/2011, which has once again acted on:

- **the old-age requirements for women in the private sector**. The alignment of the old-age requirement of women in the private sector to that of men (and of women in the public sector) came into force six years earlier, in 2014-2026 compared to the period 2020-2032.
- **the effective date system**. The delay in the payment of pensions with respect to the minimum age requirements through the exit windows was also extended to public school employees who were previously exempted.

n) **Act n. 214/2011**, which transposed the amended Law Decree n. 201/2011 (Monti-Fornero reform) established as follows:

- **the extension of the contribution-based system** to workers entitled to the income-based system who were previously excluded. The extension covers the periods of contribution as of January 1, 2012, according to the pro-rata principle.
- **the effective date system.** The effective date system was abolished and replaced by a related increase in the age and contribution seniority requirements. .
- **old-age pension requirements for women in the private sector.** The harmonization of the old-age retirement requirements for women in the private sector to that of men (and of women in the public sector) was further accelerated. The full equality will be reached by 2018 instead of 2026, as required by previous legislation.
- **social allowances.** In addition to the periodic adjustments to changes in life expectancy, the minimum age requirement for social allowances was increased by 1 year starting from 2018, making it fully in line with the minimum old-age pension requirements.
- **early retirement with combined age/seniority requirements.** Early retirement with the combination of age and seniority requirements was abolished in all pension schemes (it remains in force until 2015 for women who opt for the defined contribution system). The contribution-based system allows for early retirement only three years earlier than of old-age requirement, in addition to contribution seniority, as long as the subject has paid contributions for at least 20 years and with a monthly pension equal to 2.8 times the social allowances provided by Inps.
- **early retirement regardless of age.** In this case, the minimum requirement for men was further increased by 2 years and 1 month (1 year and 1 month for women). The share of the pension calculated with the income-based system is subjected to 1% penalty at 61 years and 2% at 60, with the addition of another 2% for each year of early retirement with respect to the 60-year requirement. This penalty is not applied to the subjects who fulfill the requirement by 31/12/2017.
- **the adjustment of minimum requirements.** The minimum contribution requirements for early retirement only based on seniority regardless of age is periodically adjusted according to life expectancy changes as of 2013, as already envisaged for old age pensions. As of 2021, all the pension requirements will be adjusted every two years instead of three years like for transformation coefficients.
- **contribution rates.** The contribution rates for self-employed workers have been gradually increased from 20% (20.3% for CDCM) in 2011 to 24% in 2018. Moreover, Act n. 183/2011 (Stability Law for 2012) had already increased by 1 % the rate for atypical workers up to 27% (18% for atypical workers already retired or members of another fund).
- **indexation of pensions.** For the period 2012-2013, the total amount of pensions 3 times higher than the minimum pension (about 1,400 Euros per month) were not adjusted to inflation.

- **solidarity contribution**. From January 1 2012 to December 31 2017, a solidarity contribution is to be paid by members and pensioners (with a pension equal to or greater than 5 times the minimum pension) of the former funds for transportation, electricity, telephony and of the aviation fund.

o) **Act n. 147/2013 (2014 Stability Law)** established as follows:

- **indexation of pensions**. For the three-year period 2014-2016, a new indexation system was introduced: 100% adjustment to the inflation rate for benefits equal to 3 times the minimum benefits provided by Inps; 95% for benefits equal to 3 and 4 times the minimum pension; 50% for benefits ranging from 5 and 6 times the minimum pension and 45% (40% for 2014 alone) for benefits amounting to 6 times the minimum pension . Moreover, this new revaluation method is no longer implemented in steps, but it is related to the whole amount and not only the part exceeding the guaranteed as in the past.
- **solidarity contribution**. For 2014-2016, the so called " gold-pensioners" must pay a solidarity contribution as follows: 6% of the part exceeding the annual amount equal to 14 times the Inps minimum pension; 12% for the part exceeding the annual amount equal to 20 times the minimum pension and 18% for the part exceeding the amount equal to 30 times the minimum pension.

p) **Act n.. 190/2014 (2015 Stability Law)** established as follows:

- **penalty for early retirements**: the reduction of the share of the early pension calculated with the income-based system (1% at 61 years of age and 2% at 60 years of age, plus 2% for each year before the 60 year of age requirement, was eliminated as of January 1 2015 for all the subjects who become entitled by 31/12/2017.
- **limits to high pensions**: following the extension of the pro-rata contribution-based method for everybody as of 2012, the overall amount of pension benefits cannot exceed the one that would be paid with the calculation method used before the Monti-Fornero reform. In sum, those who continue to work after 40 years of contributions cannot receive a pension higher than 80% of the average of the last remuneration period.

Requirements for seniority pension (or early pension)

<i>Retirement year</i>	<i>Età</i>			
	<i>Private sector employees</i>	<i>Public employees i</i>	<i>Protected categories *</i>	<i>Self-employed workers</i>
Up to 1995	35 years	20/25 years **	35 years	35 years
1996 - 1997	35 + 52 (36)	20/25 years **	35 + 52 (36)	35 + 56 (40)
1998	35 + 54 (36)	35 + 53 (36)	35 + 53 (36)	35 + 57 (40)
1999	35 + 55 (37)	35 + 53 (37)	35 + 53 (37)	35 + 57 (40)
2000	35 + 55 (37)	35 + 54 (37)	35 + 54 (37)	35 + 57 (40)
2001	35 + 56 (37)	35 + 55 (37)	35 + 54 (37)	35 + 58 (40)
2002	35 + 57 (37)	35 + 55 (37)	35 + 55 (37)	35 + 58 (40)
2003	35 + 57 (37)	35 + 56 (37)	35 + 55 (37)	35 + 58 (40)
2004 – 2005	35 + 57 (38)	35 + 57 (38)	35 + 56 (38)	35 + 58 (40)
2006 – 2007	35 + 57 (39)	35 + 57 (39)		35 + 58 (40)
2008 - 6/2009	35 + 59 (40)	35 + 59 (40)		35 + 60 (40)
7/2009 – 2010	35 + 60 (40) 36 + 59	35 + 60 (40) 36 + 59		35 + 61 (40) 36 + 60
2011	35 + 61 or 36 + 60 (40)	35 + 61 or 36 + 60 (40)		35 + 62 or 36 61 (40)
	All		Members post 31/12/1995	
2012	42.1 years (41.1 years women)		63 years **	
2013	42.5 years (41.5 years women)		63.3 years	
2014-2015	42.6 years (41.6 years women)		63.3	
2016-2018 ****	42.10 years (41.10 years women)		63.7	
2019-2020 *****	43.2 years (42.2 years women a		63.11	
2021-2022 *****	43.5 years (42.5 years women		64.2	
2023-2024 *****	43.8 years (42.8 years women)		64.5	
2025-2026 *****	43.11 years (42.11 years women)		64.8	
2027-2028 *****	44.2 years (43.2 years women)		64.11	
2029-2030 *****	44.4 years (43.4 years women)		65.1	
2035 *****	44.10 years (43.10 years women)		65.7	
2040 *****	45.2 years (44.2 years women)		65.11	
2045 *****	45.8 years (44.8 years women)		66.5	
2050 *****	46 years (45 years women)		66.9	

N.B. The alternative requirement independently of age between parentheses.

* Protected categories mean employed workers (and similar categories) and the so-called early active workers, that is people who paid a whole year of contributions for work before 19 years of age, who until 2005 had more stringent requirements.

** The requirements were equal to 20 years (19, years six months and 1 day for State employees and 25 years (24 years, 6 months and 1 day) for people working for local authorities and health organizations. In both cases, a 5 year reduction was envisaged for married women with dependent children.

*** With a minimum contribution period of at least 20 years (without transfers) and provided that the monthly amount of pension is at least equal to 2.8 times the social allowance.

**** The figures for 2016-2018 are adjusted to the ISTAT life expectancy established by MD of December 16 2014 (in the O.J. in December 2014).

*****the figures since 2009 have been adjusted to the life expectancy on the basis of ISTAT estimates.

Changes in Retirement age

<i>Retirement year</i>	<i>Age</i>		
	<i>Private employees</i>	<i>Public employees</i>	<i>Self-employed workers</i>
Up 1993	60 men and 55 women	60 men and women	60 men and 60 women
From 1/1/1994 to 30/06/1995	61 men and 56 women	65 men and 60 women	65 men and 60 women
From 1/7/1995 to 31/12/1996	62 men and 57 women	65 men and 60 women	65 uomini e 60 women
From 1/1/1997 to 30/06/1998	63 men and 58 women	65 men and 60 women	65 uomini e 60 women
From 1/1/1998 to 31/12/1999	64 men and 59 women	65 men and 60 women	65 men and 60 women
From 1/1/2000 to 31/12/2009	65 men and 60 women	65 uomini e 60 donne	65 uomini e 60 donne
2010 - 2011	65 men and 60 women	65 men and 61 women*	65 men and 60 women
2012	66 men and 62 women	66 men and women	66 men and 63.6 women
2013	66.3 men and 62.3 women	66.3 men and women	66.3 men and 63.9 women
2014-2015	66.3 men and 63.9 women	66.3 men and women	66.3 men and 64.9 women
2016-2017	66.7 men and 65.7 women	66.7 men and women	66.7 men and 66.1 women
2018	66.7 men and women	66.7 men and women	66.7 men and women
2019-2020 ***	66.11 men and women	66.11 men and women	66.11 men and women
2021-2022 **	67.2 men and women	67.2 men and women	67.2 men and women
2025	67.8 men and women	67.8 men and women	67.8 men and women
2030	68.1 men and women	68.1 men and women	68.1 men and women
2035	68.7 men and women	68.7 men and women	68.7 men and women
2040	68.11 men and women	68.11 men and women	68.11 men and women
2045	69.3 men and women	69.3 men and women	69.3 men and women
2050	69.9 men and women	69.9 men and women	69.9 men and women

* For public employed women the age requirement is 61 years as provided for Act n. 122/2010, following the decision of the European Court of Justice of November 13 2008 (case C-46/07) which recognized Inpdap, the pension fund of civil servants, as a professional scheme and so the different age requirement for women was deemed no longer legitimate.

** Under the Monti-Fornaro reform, the increase due to population changes ??? non dovessero arrivarci, as of 2022 the retirement age cannot be lower than 67 years of age.

*** The figures since 2009 have been adjusted to life expectancy on the basis of ISTAT estimates.

In depth focus 1: pension requirements under the current legislation

Similarly to most European countries, the Italian pension system provides for two retirement channels: old-age retirement with a minimum contribution requirement of 20 years and early retirement with an age requirement lower than the old-age pension requirement but more stringent contribution requirements.

Old-age retirement. In the Italian pension system, in 2012 the minimum age to be entitled to an old-age pension was equal to 66 years for men and women in the public sector and to 62 years for women in the private sector (63.5 years for self-employed women). The latter requirement has been gradually increased and will be fully in line with that of other workers as of January 1 2018. In 2018, the minimum age requirement for the social allowance will be raised by one year and will be equivalent to the minimum age requirement for old-age pensions.

In addition to the age requirement, the access to old age pensions requires a minimum contribution period of at least 20 years and, in the contribution-based system, a minimum pension equal to at least 643 euros per month in 2015 (equal to 1.5 times the social allowance in the same year), adjusted to the five-year mean of nominal GDP. This constraint ceases at a certain age, that is 4 years higher than that provided for old age pensions (70.3 years in 2015, 70.4 in the three-year period 2016-2018).

These requirements are adjusted over time according to changes in life expectancy. Around 2020, the minimum age for old-age pension is expected to be equal to 67 years for all workers.

Early retirement. The subjects with an age lower than that required for old-age pensions (the so-called 'early retirement') can retire with a minimum contribution period that in 2012 was equal to:

- 42.1 years (further increased by 1 month every year until 2014) for men;
- 41.1 years (further increased by 1 month every year until 2014) for women.;

The above contribution requirement is independent of age and it is adjusted to changes in life expectancy.

For workers enrolled for the first time in the public pension system as of 1996 (i.e. the workers entirely covered by the contribution-based method), there is an additional channel to be entitled to early retirement. They can retire at an age that is lower than that provided for old age pensions up to a maximum of 3 years with at least 20 years of contribution and a minimum amount of pension of no less than € 1,256 per month in 2015 (which corresponds to 2.8 times the social allowance in the same year). This amount has been indexed according to the five-year mean of nominal GDP. The constraint of a minimum pension, that is relatively high, actually replaces the minimum contribution requirement of 35 years provided for by the previous laws on the entitlement rules for early retirement in the contribution-based system. The threshold value was determined in order to ensure, on average, an equivalent age for retirement and to preserve the adequacy of benefits guaranteed by existing legislation.

The adjustment of the minimum requirements to life expectancy Since 2013³⁷, the minimum requirement for old-age pensions (and early retirement in the contribution-based system) and the

³⁷ The adjustment of requirements as of 2013 under the law (art. 12, co. 12-bis, of LD 78/2010, transposed and amended by Act 122/2010) was adopted at least 12 months before the beginning of the adjustment period, as provided by the Decree of December 6, 2011 published in the official Journal on December 13, 2011. This adjustment is equal to three months. In fact, the legal provision (art. 12, paragraph 12-ter of the above mentioned decree 78/2010, transposed and amended by act

minimum contribution requirement regardless of age for early retirement in all the three regimes, have been adjusted every three years according to the change in life expectancy at 65 years of age, as measured by ISTAT in the previous three years. As of 2019, the above-mentioned adjustment is provided every two years instead of three years.

The adjustment to changes in life expectancy is also applied to the minimum age to be entitled to *social allowance*.

As expressly provided by law, the procedure for the adjustment of the minimum requirements to changes in life expectancy falls entirely within the administrative framework, thus ensuring regular reviews and the compliance with deadlines.

This process is fully consistent with that provided for the adjustments of the transformation coefficients (art. 1, par. 6 of Act n. 335/1995, as amended by Act n. 247/2007). These adjustments are planned to be applied every two years as of 2019 for reasons of consistency.

The adjustment of the minimum pension requirements further strengthens the mechanisms in the pension system (including the revision of the transformation coefficients in the contribution-based system) designed to counteract the negative effects of the aging of the population on the financial equilibrium of the whole system. In addition, the adjustment of these requirements produces an increase in the average level of pension benefits, thus contributing to improving the adequacy of benefits especially in the contribution-based system.

Below are the tables with the minimum age and seniority requirements for early and old-age retirement and for social allowance, calculated on the basis of life expectancy trends underlying the central population assumptions recently produced by Istat with the 2011 baseline. Obviously, the actual adjustments will be evaluated ex-post by Istat according to the procedure provided by law. However, Act n. 2014/2011 provides for a guarantee clause for those who become entitled as of 2021, according to which the minimum requirement for old age pensions cannot be less than 67 years.

In depth focus 2: indexation

Seventeen years ago a mechanism was introduced to apply the full indexation of the lower pensions and of part of the higher pensions. In some periods, pensions have not been adjusted. This is what happened to the Istat indexation mechanisms in the last few years.

2009-2010. 100% adjustment to the cost of living index for the share of benefits 5 times higher than the minimum pension (up to 2,217.80 gross euros per month in 2009 and 2,288.80 euros in 2010); 75% adjustment to the share of benefits 5 times higher than the minimum pension (starting from 2,217.81 gross euros per month in 2009 and from 2,288.81 euros in 2010).

2011. After the three-year period, the situation went back to 2007, with the full adjustment of the benefits to the inflation rate; 100% indexation to the cost of living of the share of benefits up to 3 times the minimum pension (up to 1,382.91 gross euros per month); 90% of the share of benefits between 3 and 5 times the minimum pension (from 1,382.92 to 2,304.85 gross euros per month); 75% of the share 5 times higher than the minimum pension (from 2,304.86 gross euros per month).

2012 – 2013. The Monti government and its "Salve Italy" Law in late 2011 put a halt to equalization for pensions 3 times higher than the minimum benefits for 2012 and 2013; 100% indexation to the cost of living of the share of benefits 3 times higher than the minimum pension (up to 1,405.05 gross euros

122/2010) expressly envisaged that the first adjustment must not exceed three months, also in the presence of greater increase in life expectancy in the previous three years. This actually happened since this increase, referred to 65 years of age and to the average of the population between 2007 and 2010, was evaluated by Istat to be five months.

per month in 2012, and to 1,443.05 in 2013); pensions 3 times higher than the minimum benefits are not adjusted.

2014 - 2015. A new mechanism was introduced by the 2014 Stability Law for the three-year period 2014-2016, which established as follows:

- 100% indexation to the cost of living of the share of benefits 3 times higher than the minimum pension (up to 1,486.29 gross euros per month in 2014 and 1,502.64 in 2015);
- 95% of the share of benefits between 3 and 4 times higher than the minimum pension (between 1,486.29 and 1,981.72 euros in 2014 and between 1,502.64 and 2,003.52 in 2015);
- 75% of the share of benefits between 4 and 5 times the minimum pension (between 1,502.64 and 2,477.16 euros in 2014 and between 2,003.52 and 2,504.40 in 2015);
- 50% of the share of benefits 5 times higher than the minimum pension (between 2,477.16 and 2,972.58 in 2014 and between 2,504.40 and 3,005.28 in 2015);
- 45% (40% for 2014 alone) the benefits higher than 6 times the minimum pension (2,972.58 in 2014 and 3,005.58 in 2015).

As of 2017. As of 2017, the previous indexation system is planned to be reinstated, that is 100% adjustment to the cost of living index of the share of pensions 3 times higher than the minimum pension; 90% of the share between 3 and 5 times the minimum pension; 75% of the share 5 times higher than the minimum pension..

Revaluation in 2014

<i>Minimum pensions</i>	
Social Pension	€ 368.88
Social allowance	€ 447.61
Minimum benefit	€ 501.38
<i>...above the minimum</i>	
Pension amount as of December 2013	Increase
Up to € 1,487	+ 1.2% (100% Istat)
From € 1,487 to € 1,982	+ 1.08% (90% Istat)
From € 1,982 to € 2,478	+ 0.90% (75% Istat)
From € 2,478 to € 2,973	+ 0.60% (50% Istat)
Above € 2,973	0

Revaluation in 2015

Social pension	€ 369.63
Social allowance	€ 448.52
Minimum benefit	€ 502.39
<i>... above the minimum</i>	
Amount of pension up to December 2014	Increase
Up to € 1,502.64	+ 0,30 (100% Istat)
From € 1,502.64 a € 2,003.52	+ 0.285 (95% Istat)
From € 2003.52 to € 2,504.40	+ 0.225% (75% Istat)
From € 2,504.40 to € 3,005.28	+ 0.150% (50% Istat)
Above € 3,005.28	+ 0.135% (45% Istat)

In depth focus 3: gold pensions

The 2014 Stability Law, in addition to the new indexation rules, reintroduced the solidarity contribution on the so-called gold pensions which, in 2013, the Constitutional Court had repealed. This contribution is designed to finance subsidies to the poor, which, according to the Government, is expected to be compliant with the Constitution. It amounts to 6% for the share of benefits between 14 and 20 times the

minimum pensions up to 12% of the shares between 20 and 30 times the minimum pension and to 18% on the share of benefits 30 times higher. According to Inps, the pensions involved amount to over 29.000.

Gold Pensions 2014

Gross pension amount	Contributions to be paid
From 91160 euros to 130,228 (between 14 and 20 times the minimum)	6% of the amount exceeding 91,160
From 130,228 to 195,343 euros (between 20 and 30 times the minimum)	12% of the amount exceeding 130,228
Above 195,343 (above 30 times the minimum)	18% of the extra amount

Gold pensions 2015

Gross pension amount	Contributions to be paid
From 91,435 euros to 130,622 (between 14 and 20 times the minimum)	6% of the amount exceeding 91,435
From 130,622 to 195,932 euros (between 20 and 30 times the minimum)	12% of the extra amount
above 195.932 (above 30 times the minimum)	18% della quota eccedente

NOTE: The most equitable solution is a solidarity contribution from all income-based pensions proportional to the amount of benefits. for example, up to 700 € gross per month, 0.5% that is 3,5 € /month (three cups of coffe) and then progressively up to 8%; more from Bank of Italy type pensions, from special funds and from the annuities of regional councillors and members of parliament which are even more generous than the income-based ones. This does not violate the taxation equity principles, to comply with the Constitution and to reward the young generations who only have the contribution-based system because of trade unions and politicians who protected all those who had more than 18 years of contributions in 1995. Considering the **228 net billion euros'** worth of benefits to be paid, it is possible to raise over **6 billion euros** which should be allocated to reduce the budget debt for the sake of young people. If this measure is implemented for five years that to reduce the public debt, we would be very happy to participate in the readjustment of the country for the sake of young generations for whom the State has already abolished supplementary benefits or additional social benefits, without even informing them.

Appendix 2

The definition of pension expenditure in this Report and other definitions

There are several definitions of *pension expenditure* produced by a number of institutions. Each of them responds to specific goals and, in some cases, it depends on the availability of data. Below is a list of definitions currently in use and the explanation of the differences of *various expenditure aggregates*:

A) Istat Statistica – Istat-Inps Publication - "Retirement benefits": the benefits included in the aggregate

IVS pensions: invalidity, old age and survivors' pension benefits for workers who have fulfilled the age and contribution requirements (disability, old age and seniority benefits). In case of In case of death of the worker or the pensioner, these benefits may be paid to survivors (indirect pensions).

indemnity pensions: pensions for accidents at work and occupational diseases, including veterans' pensions and gold medal allowances. These pensions are designed to indemnify the subjects in case of different levels of disability or death (in this case benefits are paid to survivors) caused by an industrial accident. The right to these benefits and their amount are not related to the years of contributions but to the damage suffered and to salary.

welfare pensions: *pension benefits for veterans, for blind and for deaf individuals, for disabled people and social pensions or allowances to citizens over 65 years of age without or with insufficient income.* The main goal of these pensions is to guarantee a minimum income to people unable to obtain it due to congenital or acquired impairments or simply due to old age. In any case, these pensions are not linked to any contribution system. *They also include the carers' allowance* (which incidentally is not a pension) for people unable to deal with daily activities because of their age.

pensions of merit: life-annuities to veterans who received the Order of Vittorio Veneto award, the Medal award and the Cross for military excellence. These pensions are not linked to any contribution system.

pensions paid by private institutions: they do not include benefits paid in capital, since these benefits do not fall within the definition of "pensions"³⁸.

measured values: the number of pensions as of December 31 of each year and the expenditure expressed as the sum of the pension amounts in December multiplied by the number of months in which the payment of the benefit occurs (so-called "expenditure at year-end"). The monthly amount on December 31 includes: the basic amount, the increase related to the cost of living and to wage trends, family allowances and other allowances and arrears.

B) "Pensions and annuities" contained in the **General Report on the economic situation of the country** and in the **Accounts of Social Security**³⁹: benefits included in the aggregate.

This item includes IVS pensions, net of benefits and annuities resulting from industrial accidents (POS, IPSEMA, the military, etc.). Among IVS benefits, it includes the provisional pensions paid to the military directly by State and the pensions paid by constitutional bodies and by the Regions (in particular Sicily) to its former employees. It does not include veterans' pensions, welfare pensions (social pensions and allowances and disability pensions and allowances) and those of merit.

³⁸ Periodical and regular benefits paid by public administrations and by public and private entities.

³⁹ This aggregate is separately referred to all institutions and to individual public institutions. here only the latter is analysed.

Measured values: the expenditure is expressed as the sum of the actual payments net of family allowances, of recovery of benefits and of the proceeds from the non-cumulation rule.

C) Eurostat – Pension Expenditure: benefits included in the aggregate

The aggregate is largely equivalent to the definition of Istat Statistica, with the exception of carers' allowance paid to the disabled.

Old age and survivors functions; (sometimes misused as an indicator of pension expenditure): benefits included in the aggregate

The aggregate, often considered for international comparisons, is the sum of disbursements that Eurostat ranks in terms of *old age* and *survivors* function. In addition to direct expenditure on IVS pensions (with the exception of disability pensions paid before the retirement age and of the early retirement share classified under "Unemployment"), the *old age* function includes: the annual payments by private and public employers for termination of employment benefits (they are not pensions but disbursements by employers not necessarily linked to the old-age function, but to termination of employment⁴⁰), some expenses for services provided for the old-age function, supplementary pensions paid by private pension funds. In addition to IVS indirect pensions, the *survivors* function includes indirect veterans' pensions and indirect accident-related annuities.

Measured values: expenditure is expressed in terms of the sum of the actual payments (or benefits) net of family allowances, of the recovery of benefits and of the proceeds from the non-cumulation rule.

Old age, survivors and disability functions; (sometimes misused as an indicator of pension expenditure): benefits included in the aggregate.

The aggregate, often used in international comparisons, comprises the sum of disbursements that Eurostat ranks in terms of *old age*, *survivors* and *disability* function. In addition to direct expenditure on IVS pensions (with the exception of disability pensions below the retirement age and the early retirement share classified under "Unemployment" (as previously mentioned), the *old-age* function includes: the annual disbursements by private and public employers for termination of employment benefits TFR (which are not pensions but capital disbursements not necessarily linked to the old-age function, but to termination of the employment, as previously stated), some expenses for services provided to protect the old-age function, supplementary pensions paid by private pension funds⁴¹. In addition to IVS indirect pensions, the *survivors* function includes indirect veterans' pensions and indirect accident-related annuities. In addition to IVS disability and invalidity pensions below the retirement age, the *disability* function also contains benefits such as accident-related annuities, disability benefits (including the carers' allowance).

Measured values: the expenditure is expressed in terms of the sum of the actual payments (or benefits) net of family allowances, of the recovery of benefits and of the the proceeds from the non-cumulation rule.

D) The definition of this Report is identical to that used in the reports drafted until 2012 (2009/10) by the Pension expenditure evaluation unit (NVSP): benefits included in the aggregate

⁴⁰ In the private sector, for example, the average working period in the same company can be estimated to be about 7-8 years. On the whole, also considering the public sector, this figure as % of GDP is equal to about 1.3%.

⁴¹ The *survivors* and *disability* functions include shares of benefits paid by private organizations.

This report analyzes the structural and financial elements of the IVS mandatory pension system. The definition of pension expenditure includes: the provisional pensions paid to military personnel directly by the State but it does not include the pensions paid by the constitutional bodies and by the Regions (in particular Sicily) to its former employees. It also includes the benefits provided by some special funds integrated into INPS, such as Enpam and Enasarco.

Measured values

The expenditure is expressed as the sum of the actual payments net of family allowances, of the recovery of benefits and of the non-cumulation rule. Pension expenditure is shown both before and after the contributions from the State (GIAS and State contribution to the Fund for civil servants within INPDAP).

E) The State General Accounting Department (RGS): benefits included in the aggregate

The short and medium-terms projections of the pension expenditure/GDP ratio issued by the State General Accounting Department adopt a definition of pension expenditure, which includes IVS pensions, net of capital-based benefits, provided by public institutions (including the expenditure for provisional pensions paid to military personnel directly by the state, by the constitutional bodies and by the regions (in particular Sicily) to their former employees and social pensions (social allowances since 1995)). This last component is added because it is closely related to the aging of the population. The same aggregate is adopted in the projections on the accounts of the Public Administration published annually in the public finance official documents (in particular the DEF), with the breakdown of "social benefits" in "pension expenditure" and "expenditure on other social benefits in cash."

Measured values the aggregate expenditure is the sum of the actual payments, net of the recovery of benefits, of family allowances and of the proceeds from the non-cumulation rule.