

**REPORT n.8 2021**

# THE ITALIAN PENSION SYSTEM

Financial and demographic trends of the pension  
and welfare system in 2019

*Curated by the Research and Study Centre of Itinerari Previdenziali*



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# Table of content

<b>General table of contents .....</b>	<b>V</b>
<b>Index of tables and figures.....</b>	<b>IX</b>
<b>Introduction .....</b>	<b>11</b>
<b>1. The compulsory pension system from 1989 to 2019 .....</b>	<b>13</b>
1.1 Operating results .....	13
1.2 Operating results and pension expenditure/GDP ratio .....	15
1.3 Short-term projections.....	18
1.4 Capitalization rate of the amount of contributions .....	20
<b>2. The overall economic and financial results of the compulsory pension system and of its schemes in 2019.....</b>	<b>22</b>
2.1 Effects of Quota 100 and of other early benefits, the citizenship income and pension .....	22
2.2 The financial and economic results of the compulsory public pension system .....	
2.3 The INPS accounts and the compulsory pension system beneficiaries.....	27
2.4 Funds for private-sector employees .....	29
2.4.1 FPLD – Pension fund for employed workers.....	30
2.4.2 Show - business and entertainment fund (ex ENPALS). .....	30
2.4.3 Posts and telephony fund (ex IPOST).....	31
2.4.4 FF.SS Railways Fund.....	31
2.5 Funds for public-sector employees (ex INPDAP).....	32
2.6 INPS schemes for self-employed workers: artisans, retailers, farmers, tenant farmers and sharecroppers (CDCM) The INPS financial and economic situation .....	33
2.7 Minor schemes for private sector employees: aviation, consumer taxes, clergy funds and the occupational pension fund for journalists (managed by INPGI).....	35
2.7.1 Aviation fund. ....	35
2.7.2 Fund for consumer tax collectors.....	36
2.7.3 Clergy Fund.....	36
2.7.4 Occupational Fund for Journalists (managed by INPGI).....	36
2.8 Fund for atypical workers .....	36
2.9 The overall financial and economic situation of INPS and of its scheme.....	37
<b>3. Privatized Schemes for Liberal Professions: general framework and individual results in 2019.....</b>	<b>40</b>
3.1 General framework and main indicators .....	41
3.2 Analysis of each individual scheme and main indicators .....	45
3.3 Other sustainability indicators, operating costs and accounting data.....	49
3.4 Welfare benefits .....	52
3.5 Assets of Privatized Schemes and their evolution .....	54
<b>4. Accounting equilibrium rates.....</b>	<b>56</b>

<b>5. Schemes providing benefits other than pensions: GPT (Temporary Benefit Scheme) and GIAS (Welfare Support Scheme); active labour policies .....</b>	<b>62</b>
5.1 GPT and its Income support measures: number of beneficiaries by number of hours and benefit amounts .....	62
5.1.1 Beneficiaries of income-support measures: CIG, CIGS, Naspi and other benefits by number of workers, hours and amounts.....	69
5.2 GIAS, the scheme for welfare benefits and support to the INPS pension funds; definitions and measures.....	70
5.3 Active and passive labour policies: towards a new public-private model; the second pillar with solidarity, inter-professional and bilateral funds.....	77
<b>6. Pension benefits by type, amount, number, region, province and pensioners abroad .....</b>	<b>81</b>
6.1 Average pensions for different categories.....	95
6.2 Average effective retirement ages, their evolutions over time compared to European Union and with other OECD countries .....	96
6.3 Number of current pensions by retirement date, gender and type of benefits. Eliminated pension benefits.....	99
<b>7. The complementary welfare system in Italy: pension, health-care and LTC benefits (personal service).....</b>	<b>106</b>
7.1 Supplementary health funds.....	110
7.1.1 Non-self-sufficiency and LTC. ....	112
7.1.2 Individual <i>welfare</i> .....	115
7.2 The complementary pension system.....	115
7.3 Corporate welfare .....	116
<b>8. The welfare system in 2019, in 2020 and short and medium term projections .....</b>	<b>118</b>
8.1 Main indicators .....	118
8.2 The general accounts of social security (pension, health and welfare benefits) within the national accounts.....	121
8.2.1 Health-care expenditure.....	123
8.2.2 Reclassified pension benefit expenditure trends .....	124
8.2.3 Expenditure financed by general taxes and welfare benefits.....	126
8.3 How social expenditure is financed .....	130
8.4 The situation in 2020 and short term outlook .....	134

**Main statistical tables:** from 1a to 7a (special funds) and B30a, B30b - B31a, B31b

### ***Exhibits***

**Appendix 1:** Summary of the main revision and reform measures of the pension system from 1992 to 2020 and retirement requirements under the current legislation

**Focus 1:** Retirement requirements under the current legislation

**Focus 2:** Indexation of pensions

**Focus 3:** Evolution of contribution rates

**Focus 4:** The income-based and contribution-based calculation system and the use of coefficients

**Focus 5:** Historical series of cancelled, paid out and current pensions

**Appendix 2:** The definition of pension expenditure in this Report and other definitions

**Appendix 3:** The contribution-based calculation formula

## **Table of attachments on the [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it) website**

### **Compulsory pension system**

- Table 1a: Contribution revenues and expenditure on pension benefits and supplementary welfare benefits- Historical series from 1989 to 2000
- Table 2a: Revenue and expenditure balances as % of pension expenditure - Historical series from 1989 to 2000
- Table 3a: Ratios of contribution revenues vs. pension expenditure (%) - Historical series from 1989 to 2000
- Table 4a: Active workers paying contributions, number of pensions, average contribution and average pension - Historical series from 1989 to 2000
- Table 5a: 100-baseline indices of active workers paying contributions, number of pensions, average contribution and average pension - Historical series from 1989 to 2000
- Table 6a: Ratio of the number of pensions vs. the number of active workers paying contributions and of average pension (before and after GIAS transfers) vs. average income (%) - Historical series from 1989 to 2000
- Table 7a: Former special funds, expenditure and contribution revenues (in absolute and percentage values) - Historical series from 1989 to 2000
- Tables B1a - B29a: Details of number of pensions and number of active workers paying contributions, average pension, average contribution, total income and expenditure for each scheme - Historical series from 1989 to 2017
- Tables B1b - B29b: Details of benefit/contribution ratios, equilibrium rate; number of pensioners/active workers, average pension/average contribution, average pension/average income ratios for each scheme - Historical series from 1989 to 2017
- Table D1: Number of welfare benefits and their annual total and average amount, by type of benefit - Historical series of benefits from 2011 to 2019
- Tables: number of pensions by amount, total annual gross amount, average annual gross amount - Historical series from 2012 to 2018
- Tables: number of pensioners by amount, total annual gross amount, average annual gross and net amount - Historical series from 2012 to 2019

### **Detail of Pension Funds for Professionals**

- Table 1b: Contribution revenues and pension and supplementary welfare expenditure - Privatized schemes under Legislative Decree no. 509/94 - Historical series from 1989 to 2019
- Table 1c: Contribution revenues and pension and supplementary welfare expenditure - Privatized schemes under Legislative Decree no. 103/96 - Historical series from 1997 to 2019
- Table 1d: Contribution revenues and pension and supplementary welfare expenditure - Detailed analysis of the ENPAM scheme - Historical series from 1989 to 2018
- Table 2b: Income and expenditure balances with respect to pension expenditure - Privatized schemes under Legislative Decree n. 509/94 - Historical series from 1989 to 2019
- Table 2c: Income and expenditure balances with respect to pension expenditure - Privatized schemes under Legislative Decree n. 103/96 - Historical series from 2000 to 2019
- Table 2d: Income and expenditure balances with respect to pension expenditure - Detailed analysis of the ENPAM scheme- Historical series from 1989 to 2019
- Table 3b: Ratios of contribution revenues vs. pension expenditure (%) - Privatized schemes under Legislative Decree n. 509/94 - Historical series from 1989 to 2019
- Table 3c: Ratios of contribution revenues vs. pension expenditure (%) - Privatized schemes under Legislative Decree n. 103/96 - Historical series from 2000 to 2018
- Table 3d: Ratios of contribution revenues vs. pension expenditure (%) - Detailed analysis of the ENPAM scheme - Historical series from 1989 to 2019
- Table 4b: Active workers paying contributions, number of pensions, average contribution and average pension - Privatized schemes under Legislative Decree n. 509/94 – Historical series from 1989 to 2019
- Table 4c: Active workers paying contributions, number of pensions, average contribution and average pension - Privatized schemes under Legislative Decree n 103/96 - Historical series from 2000 to 2018
- Table 4d: Active workers paying contributions, number of pensions, average contribution and average pension - Detailed analysis of the ENPAM scheme - Historical series from 1989 to 2019
- Table 5b: 100-baseline indices and active workers paying contributions, number of pensions, average contribution and average pension - Privatized schemes under Legislative Decree n. 509/94 - Historical series from 1989 to 2019
- Table 5c: 100-baseline indices and active workers paying contributions, number of pensions, average contribution and average pension - Privatized schemes under Legislative Decree n. 103/96 - Historical series from 2000 to 2019
- Table 5d: 100-baseline indices and active workers paying contributions, number of pensions, average contribution and average pension - Detailed analysis of the ENPAM scheme - Historical series from 1989 to 2019

- Table 6b: Ratio of the number of pensions and number of active workers paying contributions and of the average pension vs. the average income (%) - Privatized schemes under Legislative Decree n. 509/94 - Historical series from 1989 to 2019
- Table 6c: Ratio of the number of pensions and number of active workers paying contributions and of the average pension vs. the average income (%) - Privatized schemes under Legislative Decree n. 103/96 - Historical series from 2000 to 2019
- Table 6d: Ratio of the number of pensions and number of active workers paying contributions and of the average pension vs. the average income (%) - Detailed analysis of the ENPAM scheme - Historical series from 1989 to 2019
- Charts related to the number of pensions, number of members, average pension and average contribution for the Privatized schemes under Legislative Decree n. 509/94 - Historical series from 1989 to 2019 for ENPACL, ENPAV, ENPAF, CASSA FORENSE, INARCASSA, CIPAG, CNPR, CNPADC, CASSA NOTARIATO, INPGI, ENPAM
- Charts related to the number of pensions, number of members, average pension and average contribution for the Privatized schemes under Legislative Decree n. 103/96 – Historical series from 2000 to 2019 for EPPI, ENPAP, ENPAFI, ENPAB, ENPAIA AGROTECNICI, ENPAIA PERITI AGRARI, EPAP, INPGI 2

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- Labour Market Observatory: "The trends in 2019 and projections for 2020. In depth analysis of the Italian labour market: general data, comparison with the EU and outlook for the next few years"
- Seventh Report "The financial and economic results of the Italian Social Security System. Financial and demographic trends of pension and welfare benefits for the year 2018"
- In-depth analysis: "Supporting the development of Italy: a really alternative choice? Institutional investors and alternative instruments for the real economy"
- Labour Market Observatory: "How an inadequate labour supply is hampering growth in Italy. Quantity and quality of Italian employment; analyses, reflections and proposals with an international comparative view"



## Tables and Figures

### Table

<b>Tab. 2.1</b>	Gender and mean age of subjects eligible for the measures updated to December 2019 .....	24
<b>Tab. 2.2</b>	Historical series of pensions paid between 2003 and 2019 .....	28
<b>Tab. 2.2.1</b>	Comparative historical series of welfare/pension benefits (2003-2019) .....	28
<b>Tab. 2.3</b>	Pensions on 1/1/2020 .....	33
<b>Tab. 2.4</b>	Pensions on 1/1/2020 by scheme .....	33
<b>Tab. 2.5</b>	Historical series of revenues, expenditure and operating results of the Funds for Artisans and Retailers ...	34
<b>Tab. 2.6</b>	Economic and financial results of the schemes managed by INPS .....	39
<b>Tab. 3.1</b>	General framework and main indicators in 2019 .....	41
<b>Tab. 3.2</b>	Economic and demographic indicators of the 509 Schemes in 2019 .....	47
<b>Tab. 3.3</b>	Recovered sums due to omissions, sanctions and interests for delayed payments by the 509 schemes in 2019 and in 2018 .....	47
<b>Tab. 3.4</b>	Economic and demographic indicators of Schemes under Leg. D. 103/1996 in 2019 .....	48
<b>Tab. 3.5</b>	Recovered sums due to omissions, sanctions and interests for delayed payments by 103/1996 funds in 2019 and 2018 .....	49
<b>Tab. 3.6</b>	Other indicators of Schemes under Leg. D. n. 509/1994 .....	50
<b>Tab. 3.7</b>	Other indicators for Schemes under Leg. D. n. 103/1996 .....	51
<b>Tab. 3.8</b>	Contributions and welfare benefits of Schemes under Leg. D. no. 509/1994 .....	52
<b>Tab. 3.9</b>	Contributions and welfare benefits of Schemes under Leg. D. no. 103/1996 .....	53
<b>Tab. 3.10</b>	Investments of Privatized Schemes .....	55
<b>Tab. 4.1</b>	Accounting equilibrium rates vs. the actual rate .....	56
<b>Tab. 5.1</b>	GTP in 2008-2019 - Economic situation .....	63
<b>Tab. 5.2</b>	GTP between 2008 and 2019; contributions paid by employers and members – Accruals. ....	65
<b>Tab. 5.3</b>	GPT between 2008 and 2019; active transfers from GIAS to GPT .....	65
<b>Tab. 5.4</b>	GTP between 2008 and 2019; accrued institutional benefit expenditure. ....	66
<b>Tab. 5.5</b>	GTP between 2008 and 2019; notional contribution expenditure .....	66
<b>Tab. 5.6</b>	GIAS between 2008 and 2019; wage support charges salario .....	68
<b>Tab. 5.7</b>	GIAS between 2008 and 2019; contributions paid by employers and employees .....	68
<b>Tab. 5.8</b>	Contribution rates for the main sectors in 2019 .....	69
<b>Tab. 5.9</b>	Safety net measure beneficiaries and charges in 2018-2019 .....	70
<b>Tab. 5.10</b>	Transfers from the State budget to GIAS .....	72
<b>Tab. 5.11</b>	Institutional benefits provided by GIAS .....	72
<b>Tab. 5.12</b>	The existing funds .....	77
<b>Tab. 5.13</b>	New functions and forms of financing of the private pillar .....	78
<b>Tab. 5.14</b>	Solidarity funds: contribution revenues and benefit expenditure in 2016-2019 .....	79
<b>Tab. 6.1</b>	Number of pensioners and raw retirement rate by gender, overall amount, number of pensions, number of pensions per pensioner, average annual amount of pensions and of pension income on December 31 2018 and 2019 .....	81
<b>Tab. 6.2</b>	Number of pensioners and pensions by category, annual rate of change on December 31 from 2008 to 2019 and rate of change of the period .....	82
<b>Tab. 6.3</b>	Pension benefits and their overall and average annual amount by type of pension in 2018 and 2019 .....	83
<b>Tab. 6.4</b>	Number of pensions and annual gross amount by monthly amount classes in 2019 .....	86
<b>Tab. 6.5</b>	Number of pensioners and the overall annual amount of their gross and net pension income by monthly gross income classes in 2019 .....	87
<b>Tab. 6.6</b>	Number of welfare benefits and their overall and average annual amount by type of benefit - Benefits on December 31, 2018 and 2019 .....	89
<b>Tab. 6.7</b>	Number of IVS pensions managed by INPS by category and region of residence on 31/12/2019 .....	91
<b>Tab. 6.8</b>	Number of IVS pensions provided by INPS out of the resident population by province and pension and total retirement rate in a descending order on December 31, 2019 .....	93
<b>Tab. 6.9</b>	Number of IVS pensions managed by INPS by province and pension category according to the ranking of all categories on December 31, 2019 .....	94
<b>Tab. 6.10</b>	Average pension amounts by category of workers .....	95
<b>Tab. 6.11</b>	Historical series 1997 - 2019. Mean age at retirement for newly paid INPS pensions (*) by retirement date, category and gender .....	100
<b>Tab. 7.1</b>	Private complementary and supplementary welfare expenditure from 2013 to 2019 .....	106
<b>Tab. 7.2</b>	Net and gross private expenditure on complementary and supplementary welfare in 2019 .....	108
<b>Tab. 7.3</b>	Number of funds in the Register for Health Funds, membership and general amounts .....	110
<b>Tab. 7.4</b>	Health funds' membership .....	111

<b>Tab. 7.5</b>	Welfare and LTC expenditure.....	114
<b>Tab. 7.6</b>	Complementary pension funds in 2017, 2018 and 2019: membership and resources allocated to benefits (% changes in terms of membership and resources in 2018- 2019).....	115
<b>Tab. 8.1</b>	Main indicators of the pension system.....	120
<b>Tab. 8.2</b>	The social security accounts within the national accounts.....	122
<b>Tab. 8.3</b>	Health expenditure from 2013 to 2019.....	123
<b>Tab. 8.4</b>	Pension expenditure as percentage of GDP.....	124
<b>Tab. 8.5</b>	Expenditure financed by general taxes.....	126
<b>Tab. 8.6</b>	Comparative analysis between the expenditure borne by general taxes and poverty.....	128
<b>Tab. 8.7</b>	Number of welfare benefits and subsidized pensioners.....	128
<b>Tab. 8.8</b>	Number of benefits paid in 2014-2019.....	130
<b>Tab. 8.9</b>	State revenues.....	131
<b>Tab. 8.10</b>	Short-term projections.....	138
<b>Tab. 8.11</b>	Trends of the citizenship income and pension applications.....	139
<b>Tab. 8.12</b>	Trends of Quota 100 and the women's option applications.....	140
<b>Tab. A.1</b>	Seniority (or early) pension requirements.....	168
<b>Tab. A.2</b>	Evolution of retirement age.....	169
<b>Tab. A.3</b>	Pension adjustment to inflation from 1996 to 2021.....	174
<b>Tab. A.4</b>	Reduction of pensions above 100,000 euros before taxes.....	175
<b>Tab. A.5</b>	Social allowances.....	176
<b>Tab. A.6</b>	Historical series of I.V.S. contribution rates and per capita contributions.....	178
<b>Tab. A.7</b>	Contribution rates and upper limits.....	180
<b>Tab. A.8</b>	Coefficients of transformation of the amount of benefits into annuities.....	182
<b>Tab. A.9</b>	Historical series of IVS pension benefits paid between 2003 and 2019 and retirement flows for the first three quarters of 2020 (INPS schemes only).....	183
<b>Tab. A.10</b>	Current pensions on 1/1/2020.....	184

## Figures

<b>Fig. 1.1</b>	Pension expenditure, contribution revenues and operating results.....	13
<b>Fig. 1.2</b>	Operating deficit as a % of pension expenditure.....	14
<b>Fig. 1.3</b>	Average rates of change in real terms.....	15
<b>Fig. 1.4</b>	Pension expenditure as percentage of GDP (SEC 2010).....	16
<b>Fig. 1.5</b>	Pensions: number, ratio vs. average income and real average value.....	17
<b>Fig. 1.6</b>	Pension expenditure with and without GIAS transfer as % of GDP.....	18
<b>Fig. 1.7</b>	Operating results as % of pension expenditure.....	20
<b>Fig. 1.8</b>	Nominal and real capitalization rate of the amount of contributions.....	21
<b>Fig. 3.1</b>	Indicators: number of members, number of pensions, average pension and average contribution in 1989-2019 for Schemes under Leg. Decree n.509/1994.....	43
<b>Fig. 3.2</b>	Indicators: number of members, number of pensions average pension and average contribution in 1989-2019, for Schemes under Leg. Decree n. 103/1996.....	44
<b>Fig. 4.1</b>	Accounting equilibrium rates net of GIAS transfers.....	60
<b>Fig. 4.2</b>	CDCM: equilibrium rates and number of pensions/number of active worker ratio.....	61
<b>Fig. 6.1</b>	Mean age at retirement for new INPS pensions (*) and old-age pension statutory retirement age requirements by gender and category in 1997-2019.....	96
<b>Fig. 6.2</b>	Effective average retirement age and statutory age requirements for new direct INPS pensions (*) by gender and category in 1997-2019.....	97
<b>Fig. 6.3</b>	Number of pensions on 1.01.2020 by retirement year - INPS, private sector.....	103
<b>Fig. 6.4</b>	Number of pensions on 1.01.2020 by retirement year -Schemes for public-sector employed workers (GDP) – Public sector.....	104
<b>Fig. 6.5</b>	IVS Pensions: percentage of pensions eliminated between their date of inception and 1.1.2020, versus the pensions paid out in the same year, broken down by category.....	105
<b>Fig. 8.1</b>	Statistical analyses – 2019 financial statements, 2018 tax year.....	132

## Introduction

The Report on the "*Italian pension system*", now in its VIII edition, is the only publication which provides a very broad overview of the complex pension system in Italy and a *reclassification of pension expenditure* within the national accounts in one single document. Therefore, these data can be used by analysts and policy makers to manage pension expenditure which accounts for over 56% of public expenditure as a whole.

Until 2012, an abridged version of this Report was drafted by the Social Security Expenditure Evaluation Unit (Nuvasp) under Act n. 335/1995 (Dini reform) and submitted every year to the Minister of Labour and then through the Minister to Parliament. For a number of reasons, Nuvasp ceased its activity in May 2012<sup>1</sup> and this void was only partially filled by other publications. In order to bridge this gap, a larger database was rebuilt through a long and complex "*data entry*" effort and the support of private players, with the addition of *welfare schemes* and *temporary benefit schemes* and the unique *cash flow Regionalization* technique. Since 2014, the task of processing the data and of drafting the Report has been fulfilled by the *Technical and Scientific Committee* and by the experts of the *Research and Study Centre of Itinerari Previdenziali* (many of whom were members or collaborators of Nuvasp). This report is made available to the Minister of Labour, to Italian and international institutions and to all social security stakeholders in Italian and English.

The *VIII Report* is drafted on the basis of the financial account data provided by pension institutions and funds. It illustrates the trends of pension expenditure, contribution revenues and the balance of the many compulsory public and private pension schemes in Italy. The observation period begins in 1989, the first year to allow for a comparative analysis on the basis of homogeneous time series<sup>2</sup>. The retrospective analysis is up to 2019, the last year for which there are available and complete data on the financial statements of the entities that make up the Italian system. This Report uses ad hoc indicators to describe and evaluate the trends of all mandatory pension funds, the public schemes integrated into INPS, the only public pension institution<sup>3</sup>, and the privatized professional pension schemes under Legislative Decrees n. 509 del 1994 and n.103 del 1996.

The performance of these schemes is evaluated on the basis of the main variables in terms of number of active members, number of pensioners, average contributions, average benefits and demographic and economic ratios which determine current account balances and medium and long term outcomes.

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<sup>1</sup> 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 pensioners*", Nuvasp drafted the "*Report on the financial performance of the pension system*"; the last Report featured data until 31 December 2010. In 2012, Nuvasp's large library 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.

<sup>2</sup> Nuvasp, which operated from 1997 until May 2012 within the Ministry of Labour and later the Itinerari Previdenziali Research and Study Centre reprocessed the data in order to compare homogeneous time series. The regionalization data have always been drafted by Itinerari Previdenziali on the basis of the INPS data.

<sup>3</sup> 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 national accounts".

The analysis of the results of the individual schemes is preceded by a general evaluation of expenditure trends of the compulsory pension system over a time period of **31 years (a unique approach)**. As a result, the Report is able to highlight short, medium and long term trends also in terms of financial sustainability, total expenditure/GDP ratio and adequacy of benefits.

Moreover, the Report analyses the ***Welfare Benefit Scheme (GIAS)*** and the ***Temporary Benefit Scheme (GPT)*** and their income support benefits funded by the production sector and by general taxes, INAIL's accounting data and health expenditure. It also features a particular insight on active and passive support measures for workers provided through solidarity, inter-professional and bilateral funds.

Finally, the Report calculates the "**substitution rates**" with projections for different careers and economic scenarios, and provides a detailed analysis of privatized pension schemes, a qualitative and quantitative picture of the complementary and supplementary welfare measures and a general overview of the main regulatory changes and innovations up to 2020.

This Report is available in paperback and in a more comprehensive digital form on [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it).

# 1. The compulsory pension system from 1989 to 2019

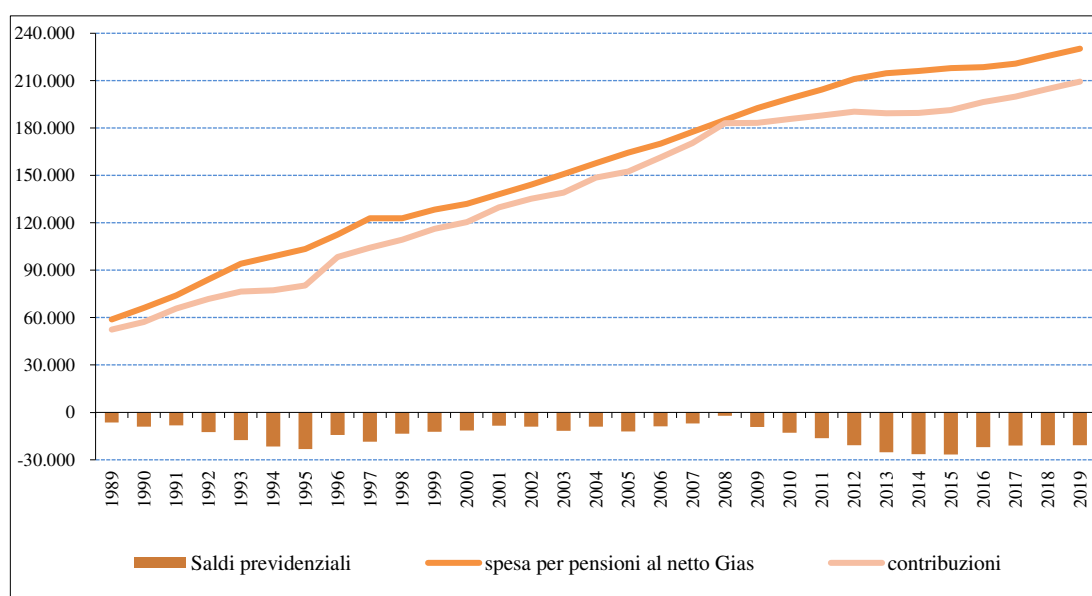
## 1.1 Operating results

The *total pension expenditure of compulsory schemes* (INPS funds and Privatized Schemes for Liberal Professions) amounted to **230.3 billion euros** in 2019, an increase by 4.66 billion euros (2.07%) compared to the previous year (table 1.a). Considering the welfare benefits financed by GIAS<sup>1</sup>, total pension expenditure amounted to 268 billion euros, + 2.5% growth vs. 2018<sup>2</sup>.

The different figures related to pension expenditure and to total pension expenditure show that, in 2019, GIAS provided a higher number of benefits, + 5.5% after three years of stability.

*Contribution revenues* amounted to **209.4 billion euros** in the same year, an increase by 4.65 billion euros, equal to 2.3%, very similar to the previous year. This confirms that, after the prolonged crisis of mid-2007, the increase in employment boosted contribution revenues in line with the growth rate of pension expenditure<sup>3</sup> (*figure 1.1*).

**Figure 1.1 – Pension expenditure, contribution revenues and operating results**



Balance; Pension expenditure net of GIAS transfers; Contributions

Due to these factors, in 2019 the *balance* between contribution revenues and pension benefit expenditure was negative by approximately **20.9 billion euros**. With the addition of the welfare

<sup>1</sup> As will be seen in greater detail in the following parts of the Report, these are often welfare benefits improperly accounted for as pension benefits.

<sup>2</sup> The definition of "total pension expenditure" is obtained from the notes to Table 1.a. The definition of "pension expenditure" adopted in this Report is the same as the one utilized by Nusvap which ceased to operate in 2012 and can be found in Exhibit 3, in the document of the Ministry of Economy and Finance (MEF) and of the General Accounting Office (RGS): *Medium- to long-term trends of the pension, social and health-care system. Forecasts developed with the models of the General Accounting Office updated to 2019*, Rome, July 2019, "Appendix A," Pension Expenditure: a comparison between different definitions", p. 290.

<sup>3</sup> In more detail, from 2008 to 2014, the overall variation in pension revenues in nominal terms was 3.6 %, which is equivalent to an annual average of just over half percentage point. Because price levels increased on average by about 2 % per year during the same time interval, in real terms, contribution revenues fell by an average of about 1.4% each year.

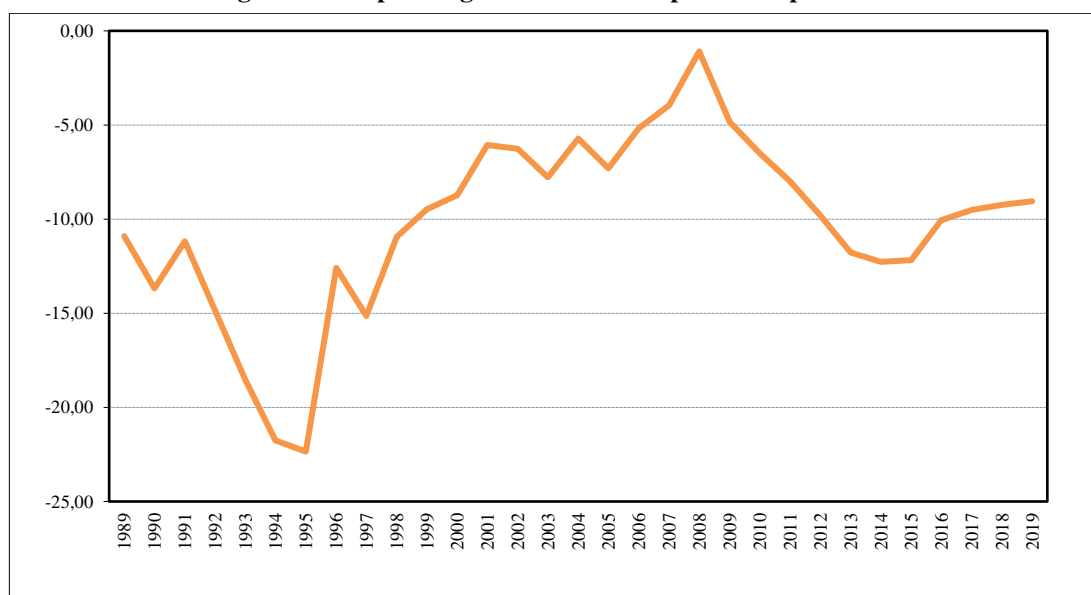
expenditure financed by GIAS, the negative balance not offset by contributions, i.e. by general taxes, reached **58.6 billion euros**, slightly below 3.3% of GDP.

As illustrated in the following chapters, most of this deficit is produced by some schemes suffering from structural imbalances and by the effects of questionable measures taken in the past. It is also important to stress that total expenditure not only includes welfare benefits but it is also calculated before taxes which amounted to about 52 billion euros in 2019.

Again in **figure 1.1**, the variables show that, over time, balances fluctuated and deteriorated until 1995, while, after the Dini reform (Act no. 335/1995), the growth of expenditure<sup>4</sup> slowed down. This trend, accompanied by over ten years of increasing contribution revenues<sup>5</sup> almost produced the economic and financial equilibrium in the pension accounts in 2008. However, the prolonged crisis started in the same year resulted in a further deterioration of these balances which was reversed only after 2015, thanks to a modest economic recovery.

Since contribution revenues and pension benefit expenditure are expressed in nominal values and are partly the result of price changes, it would be better to use an indicator based on relative values such as, for example, the share of operating deficits out of total pension expenditure.

**Figure 1.2 – Operating deficit as a % of pension expenditure**



**Figure 1.2** illustrates the curves of this ratio, similar to the histograms seen in the previous figure; however, according to the data reported in the different periods, the deficit trend was substantially different with respect to that of expenditure; in fact, although these deficits deteriorated in the years of the crisis (between 11.8% and 12.2% with respect to expenditure between 2013 and 2015), this ratio

<sup>4</sup> In the first years following the reforms, the most significant factors in slowing down pension expenditure growth were: i) changes to the pension indexation system; ii) more stringent retirement age requirements; iii) the reduction in the number of disability pensions following Act no. 222 of June 12, 1984.

<sup>5</sup> The annual averages of the 1998-2007 period were equal to 5.1% for contribution revenues and to 3.8% for pension expenditure.

was never so bad as in the early 1990s, with its negative peak in 1995, slightly below 22.3% of the entire pension expenditure.

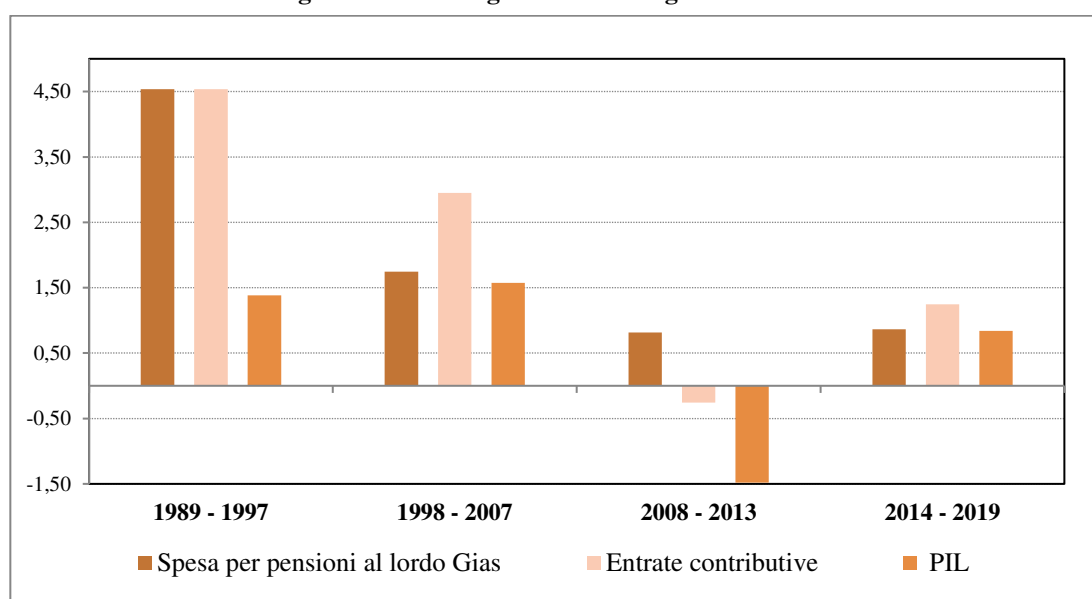
## 1.2 Operating results and pension expenditure/GDP ratio

The time period analyzed in this Report is subdivided into four phases (before the reforms of the 1990s; from these reforms until the outbreak of the mid-2007 crisis; the years of the crisis from 2008 to 2013; the most recent years). This approach provides a greater insight in the operating results of the public pension system as well as in the trend of pension expenditure.

**Figure 1.3** illustrates the annual rates of change of pension expenditure, contribution revenues and GDP in real terms; this makes them comparable in the different periods of time since they are not affected by the variation of the inflation rate<sup>6</sup>.

From 1989 to 1997, the real rates of change show that the average growth of GDP (+1.4%) was much lower than that of pension expenditure (+ 4.5%). In the same period, in a still expansive phase for employment, the rate of change of contribution revenues was close to the growth rate of pension expenditure, albeit with an initial financial imbalance that led to a progressive deterioration of operating deficits.

**Figure 1.3 – Average rates of change in real terms**



Pension expenditure before GIAS transfers; Contribution Revenues; GDP

<sup>6</sup> GDP was calculated through chained ISTAT values at 2015 prices, while pension expenditure and contribution revenues were deflated according to the ISTAT consumer price index for blue- and white-collar households.

In the following decade (1998-2007), the reforms led to a first significant containment of pension expenditure, which had grown at an average annual rate of around 1.7%, very close to the average rate of change of GDP (+1.6%) and much lower than the average rate of contribution revenues equal to 2.95%; in fact, since 1996, contributions rates had increased as provided for under the Dini Law, also through the transfer of some temporary benefit rates<sup>7</sup>. These trends led to a substantially stable ratio of pension expenditure vs. GDP throughout the decade and almost to the equilibrium in the pension accounts in 2008.

After 2008, although pension expenditure dropped even more from an annual average of 1.7 percent to 0.8 percent, this ratio was pushed up again by a major slump in the economy which led to an average annual reduction of GDP in real terms by nearly 1.5 from 2008 to 2013. Moreover, since contribution revenues were affected by the negative impact of the economic cycle on employment (- 0.26% on average per year in real terms), the operating balance of the pension system deteriorated even further.

More recently, after 2014, pension expenditure showed an annual growth rate almost identical to that of the previous period and the economy negotiated a timid recovery (+ 0.9% per year on average from 2014 to 2019 in real terms). So, this ratio experienced a slight reduction, but always at 2.5 % above the level reached before the economic crisis, both before and after the GIAS transfers.

Therefore, according to these data, the growth of pension expenditure slowed down over time due to the effect of the different reforms, but contribution revenues were far more unstable, since they fluctuated in line with GDP, given the cyclical nature of this flow of financing, thus worsening the financial imbalance of the pension system during the economic crisis.

Consequently, the more limited growth of pension expenditure due to the structural effects of the reforms had only a partial effect on the operating results of the pension system. In fact, revenues were negatively affected by the low or negative growth of GDP.

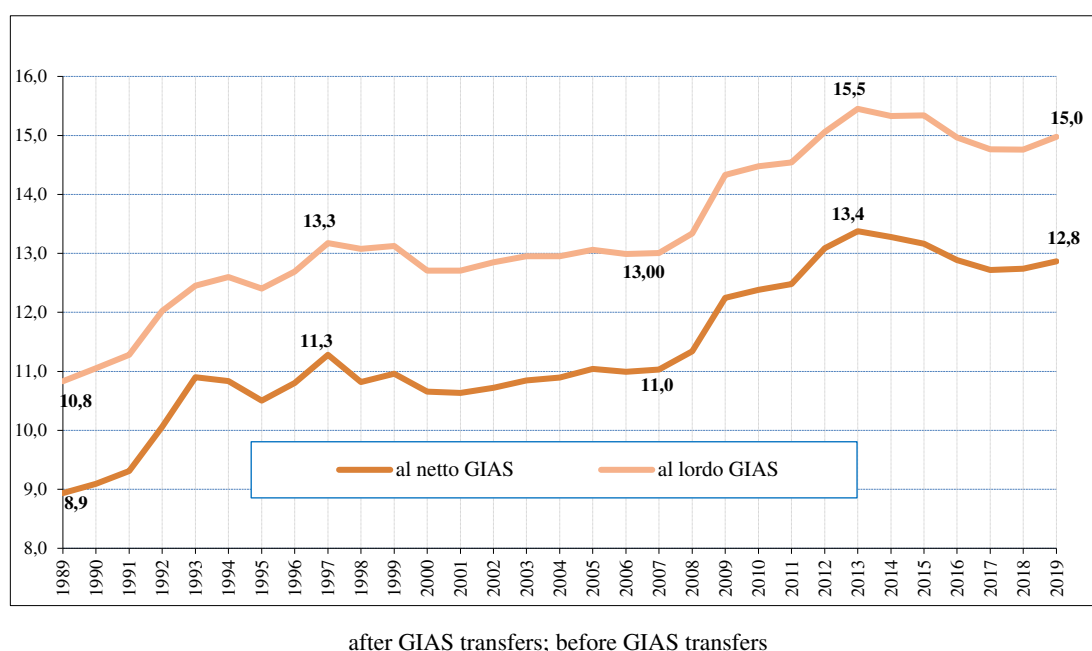
**Figure 1.4** shows the annual trend of the pension expenditure/GDP ratio for the entire 30-year period examined (1989-2019). In calculating this ratio, which is one of the main indicators adopted in the comparative analyses conducted at the EU level to evaluate the financial sustainability of pension systems, pension expenditure was measured before and after GIAS transfers.

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<sup>7</sup> See the Decree of February 21, 1996 (Exhibit1), published in the Official Journal - General Series - no. 83 of April 9, 1996, issued by the Minister of Labor and Social Security together with the Minister of Treasury.



**Figure 1.4 – Pension expenditure as percentage of GDP (SEC 2010)**



The graph shows that, over the entire period of time, pension expenditure increased with respect to GDP by more than 4%, that is from 10.8% in 1989 to 15% in 2019. The increase in this ratio was almost identical considering pension expenditure alone, i.e. net of the GIAS transfers, since these transfers appear to account for a fairly stable share of total expenditure, that is about 2% of GDP, slightly up only in the last five years.

However, the curves also show that the growth of pension expenditure with respect to GDP did not proceed at a constant rate. In fact, in looking at the different periods described above, it is possible to see that, up to 1997, this ratio rose rapidly from 10.8% to 13.2%<sup>8</sup> in less than a decade, while it stabilized around 13% in the following decade. During the crisis, this ratio picked up again, reaching 15.4% in 2013, i.e. with a growth rate by over 2% in six years. In the last five years, with the first signs of economic recovery, this ratio showed a slight but significant reversal of its trend, with pension expenditure falling by more than 0.5% with respect to GDP in 2018 (before GIAS transfers at 14.76%) and increasing again by about 0.2% in 2019, due to the higher number of early retirements caused the implementation of the “Quota 100” measure.

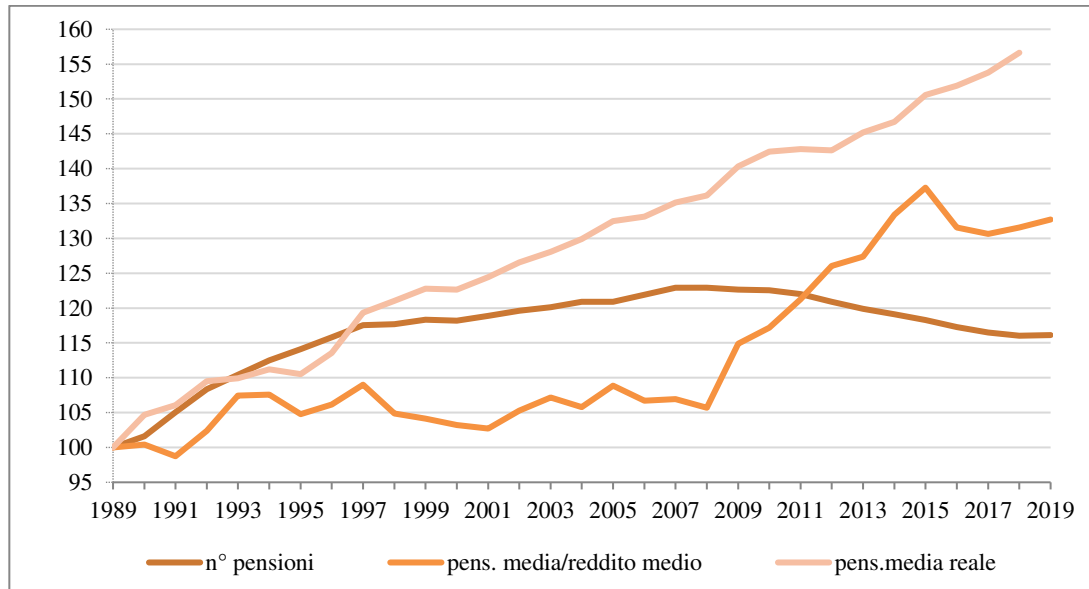
**Figure 1.5** shows the variables that had an impact on the growth of pension expenditure in the period analysed. The graphs show that the reform measures and their more stringent pension eligibility requirements contributed to significantly curbing the number of pensions provided up to 2007 and to progressively reducing it in the subsequent period<sup>9</sup>. Notwithstanding the limited adjustments

<sup>8</sup> The temporary reversal of this trend in 1995 was due to a halt to seniority pensions (Art. 13, paragraph 1 of Act no. 724 of December 23, 1994), which was lifted with the general reform of the pension system (Act no. 335/95).

<sup>9</sup> Figure 1.6 shows that the downward trend of the curve related to the number of outstanding pensions was apparently less significant in 2019 due to the early retirement flow produced by the implementation of “Quota 100”.

ofmbenefits, the average value of pensions in real terms showed a relatively steady growth throughout the period, twice the rate of GDP growth<sup>10</sup>.

**Figure 1.5 – Pensions: number, ratio vs. average income and real average value**  
(Index: 1989 = 100)



number of pensions; average pension/average income; average pension in real terms

The average pension trend is linked to the turnover of pensioners, i.e. phased-out pensions replaced by newly paid pensions with higher income levels and more structured careers, and to increasingly stringent retirement age requirements, with longer seniority profiles and hence with higher pension benefit calculation parameters.

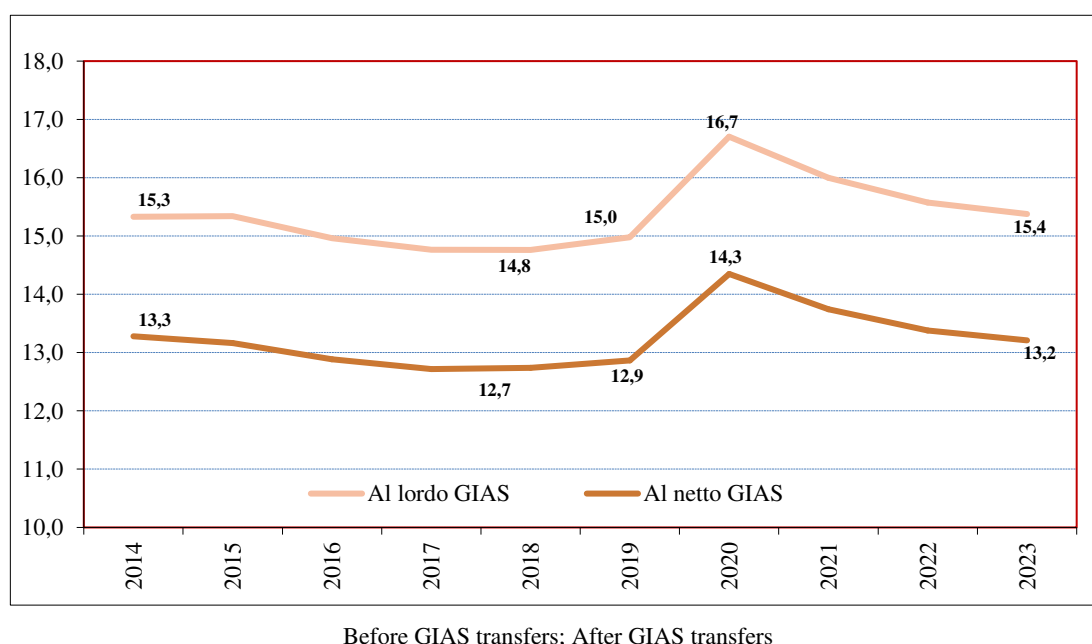
If we also look at the *average pension/average income ratio*, we can see that it remained almost constant for some time, but then had a significant growth from 2008 to 2015 during the crisis, with a deterioration of the economic situation which had a negative impact on the income of employed workers but not on pension benefits. In fact, for the most part, the benefits of outstanding pensions and of newly-paid ones are calculated considering a long part of the workers' career and therefore they are not closely linked to the economic cycle. For the same reasons, this trend has again changed in the last and moderately more expansive phase of the economy with its higher labour income levels.

### 1.3 Short-term projections

As already mentioned, unlike contribution revenues, pension expenditure is not very sensitive to the economic cycle. In fact, its pattern evolves over long periods of time with essentially linear growth trends and the slope of the curves is determined by exogenous demographic factors and by regulatory measures which generate longer-term effects due to the way in which they may be implemented. It follows that, while the long-term trends of the pension expenditure/GDP ratio can be better controlled through regulatory provisions (for example, the long-term effects of the contribution-based calculation method), the short to medium-term ones are substantially related to fluctuations in the economic cycle.

<sup>10</sup> From 1989 to 2019, the annual growth of the average pension was equal to 1.5 percent in real terms vs. the growth of GDP in real terms equal to 0.76 percent.

**Figure 1.6 – Pension expenditure with and without GIAS transfer as % of GDP**



**Figure 1.6** clearly shows this pattern for the pension expenditure/GDP ratio. The period taken into consideration is the decade that started in 2014, the year in which Italy emerged from the long recession triggered by the subprime financial crisis and then from the sovereign debt crisis in Europe, and that ends with a projection up to 2023<sup>11</sup>.

As seen previously (figure 1.4), in the years of the crisis the value of this ratio had risen considerably (around 2.5% in six years), above all due to the lack of nominal GDP growth (0%) in the 2007-2013 period, corresponding to an annual loss in its real value of just below 1.5%.

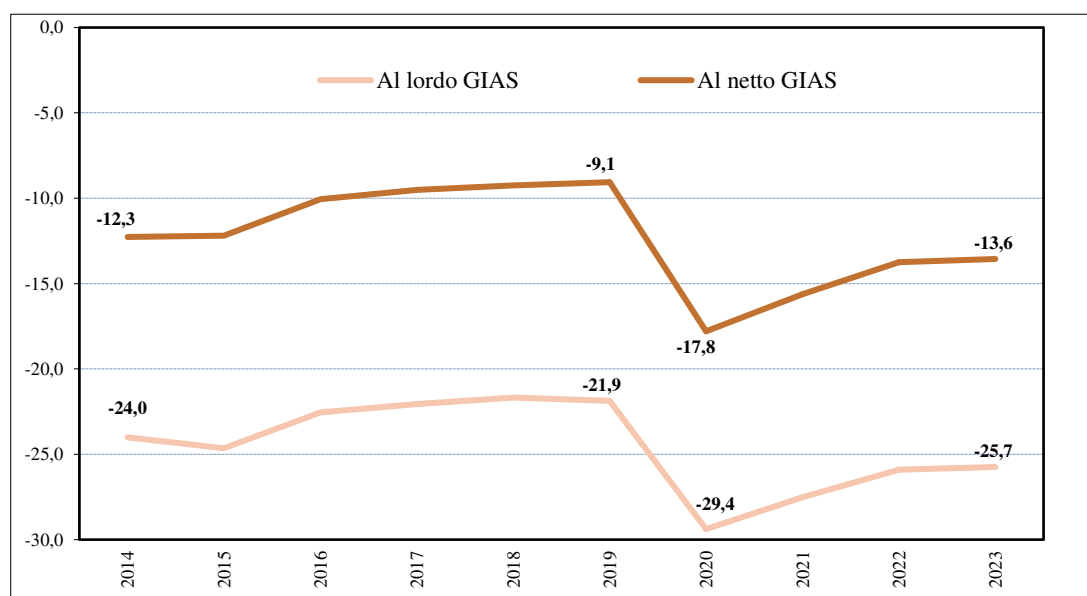
In the following five years until 2018, a modest economic recovery with a nominal GDP average growth rate of 1.8% (equal to 0.84% in real terms) was sufficient to reverse this trend. After 2018, the trend changed again; first to a limited extent (this ratio grew by around 0.2% in 2019), essentially due to the application of the early exit mechanism envisaged by the "quota 100" measure; then, with the forecasts incorporating the negative economic effects of the pandemic, the ratio shot up by 1.7%, considering pension expenditure before GIAS transfers, and by 1.4% taking into consideration pension expenditure in the strict sense. After the peak in 2020, according to the economic trends for the next three years projected by the Italian Ministry of the Economy, this ratio is expected to drop and go back to a higher level with respect to that reached after the recovery of the second half of the last decade and in line with the level obtained at the end of the crisis that began in mid-2007.

As noted above, the rate of growth of GDP has a significant and rapid impact on the operating results of pension funds, above all due to the negative consequences that the economic slump has on income and employment and hence on contribution revenues. This negative impact is clearly highlighted in

<sup>11</sup> The 2020-2023 projections of the two ratios "pension expenditure as a % of GDP" and "operating results (negative) as a % of pension expenditure" use the current GDP values obtained from MEF, (Rome, October 7, 2020). On the other hand, pension expenditure and contribution revenues are obtained from the 2019 values included in this Report by "Itinerari Previdenziali" supplemented by the rates of change of these two indicators derived from the aforementioned *DEF 2020 Updated Note*. Paragraph 4 in Chapter 8 of this Report provides a more articulated and established projection of social expenditure up to 2026, on the basis of the data from the database of the Itinerari Previdenziali Study and Research Center.

*figure 1.7*, which illustrates the trends in operating results before and after welfare benefits for the same period of time as in the previous figure. As can be seen, between 2014 and 2019, a moderate recovery led to a reduction in the pension expenditure/GDP ratio but also to an improvement in the still negative operating balances by over 3% with respect to pension expenditure and by 2% to pension expenditure before GIAS transfers.

**Figure 1.7 – Operating results as % of pension expenditure**



Before GIAS transfers; After GIAS transfers

These projections point to a sharp economic downturn due to the pandemic with a very heavy impact on operating results.

In particular, in 2020 the deficit is expected to grow by 8.7%, thus putting a heavy burden on expenditure net of welfare transfers and by over 29% with respect to total expenditure. In this case too, if we look at the factors underlying the growing imbalance in the accounts, we can see that pension expenditure is more or less the same as in the previous year but contribution revenues plummet (-7.2% in 2020 according to the forecasts), i.e. the variable most directly linked to GDP in terms of hours worked and income levels.

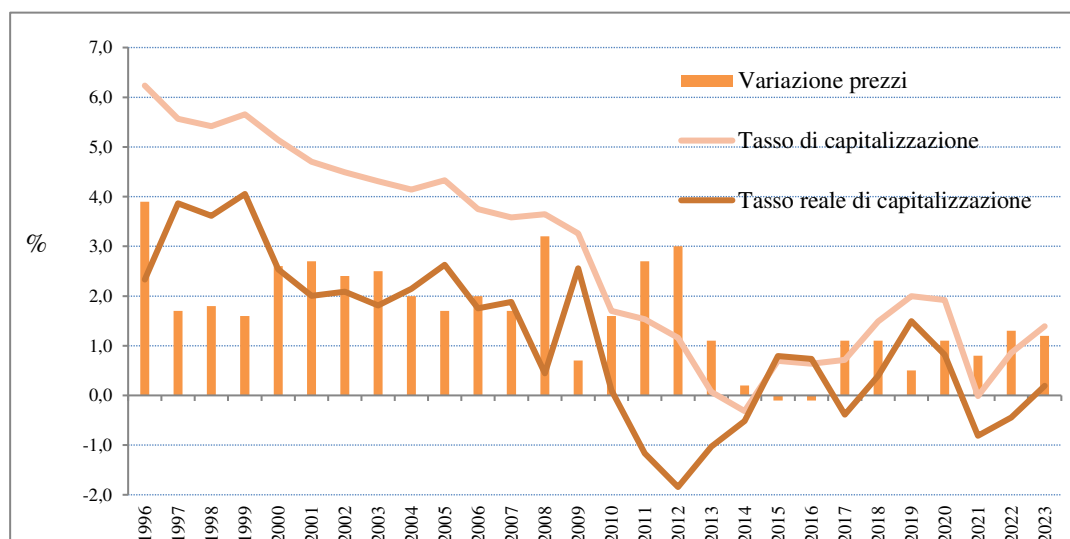
#### **1.4 The capitalization rate of the amount of contributions**

In addition to the short-term results and balances described so far, GDP has another important impact on the pension system, i.e. the future adequacy of pension benefits in a system in which an increasing share of pensions is calculated with the contribution-based system. In fact, with this calculation method, the growth of GDP, from which the capitalization rate derives, determines the final value of the amount of contributions<sup>12</sup> and hence the future amount of benefits according to the retirement age requirements and the transformation coefficients. *Figure 1.8* shows the capitalization rate of this amount in nominal and real terms as well as the consequences of the Italian GDP growth rate. This growth was not only

<sup>12</sup> Under the Dini reform of 1995, in the contribution-based system, the contributions paid each year are accumulated to create an amount annually adjusted according to a capitalization rate equal to the average of the nominal GDP variations over the previous five years (Paragraph 9, Art. 1 of Act no. 335/1995).

sluggish during the crisis, but, since the beginning of the new century, it has been consistently below the assumptions made when the new calculation method<sup>13</sup> was introduced. This Figure illustrates the annual effective rate until 2019 but also the expected rates until 2023, derived, as in the previous paragraph, from the projections of the last Economic and Financial Document Updated Note (NADEF 2020). It also includes the real figures obtained by deflating the nominal rates with the ISTAT price index for households of workers and employees (FOI without tobacco) until 2020 and with the GDP deflator for the years 2021-2023, also taken from the NADEF 2020.

**Figure 1.8 – Nominal and real capitalization rate of the amount of contributions**



Price variation; Capitalization rate; Real capitalization rate

According to these data, nominal capitalization rates remained above 3% until 2009 after the introduction of the new calculation method, before gradually turning negative in 2014<sup>14</sup> due to the long years of the crisis. With the slight economic recovery between 2015 and 2019, nominal capitalization rates turned back positive, but, in real terms, they remained below 1%, except for the period from 2018 to 2020. The projected rates are expected to be negative in 2021 and close to zero in 2022, only to return to a positive, albeit very slightly, only in 2023. More in general, if we consider the capitalization rates without price adjustments (dotted line), we can see that, since the beginning of the crisis, the real increase in the amount of contributions has proceeded slowly, with greater instability and a high number of years with negative results.

This low growth and greater cyclical instability need to be carefully considered by decisions-makers because it is the future adequacy of pension benefits that is at stake. These phenomena are beyond the control of the individual. On top of this, increasingly discontinuous working careers and/or low income levels may result in very high social risks especially for the new generations, such as the collapse of the intergenerational pact underlying Italy's pay-as-you-go pension system.

<sup>13</sup> In the simulations prepared for the Dini reform (Act no. 335/1995), the hypotheses formulated to obtain gross substitution rates higher than 65% for careers entirely calculated with the contribution-based system assumed: a) a contribution rate of 33%; b) retirement age at 63 years; c) a real GDP growth of 1.5%; d) wage increases 1% higher than GDP growth as a career effect.

<sup>14</sup> Decree no.65/2015, article 5, paragraph 1 established that: "in any case, the adjustment coefficient of the contribution amount shall not be less than 1, unless it is offset by subsequent adjustments".

## 2. The overall economic and financial results of the compulsory pension system and of its schemes in 2019

This Chapter provides an analysis of the 2019 accounting data of the Italian compulsory pension schemes managed by INPS, whose summary data are illustrated in Tables B.31.a and B.31.b; instead privatized schemes for liberal professions for professionals that also manage substitutive compulsory funds will be examined in Chapter 3<sup>15</sup>. Here is a caveat: while the accounting data (contribution revenues, benefit expenditure and balances) correctly represent the economic and financial trends of the individual schemes, the numbers of *active workers* provided by ISTAT differ from those shown in the following Chapters 6 and 8 since, the INPS schemes register even one contribution per year paid by an active worker, sometimes in several different funds, thus duplicating these positions; on the other hand, the numbers related to *pensions* mainly refer to the benefits provided and not to pensioners who may also benefit from two or more pensions as highlighted in chapters 6 and 8.

In 2019, the measures that had a particular impact on both welfare and pension expenditure derive were introduced by Law Decree no. 4/2019, Articles 14, 15 and 16, amended and transposed into Act 28/3/2019, namely the so-called Quota 100, the early pension benefits and the universal income (citizenship income), which also extends the pension-related measures adopted with the Budget Law no. 232/2016, Article 1, paragraphs from 179 to 186, and from 199 to 205, that is social APE, early workers and woman's option. In 2020, the event that most affected the pension and welfare system has been the Covid-19 pandemic, with no change in the retirement age requirements and a slight change in transformation coefficients. Before analyzing the accounting results of the pension system and of its schemes, the report provides a description of the events that characterized 2019 and that are going to have an effect for some years to come.

### 2.1 Effects of Quota 100 and of other early benefits, the citizenship income and pension in 2019

**Quota 100** - Often the Monti/Fornero reform champions criticize the introduction by the "yellow-green government" of the Quota 100 measure which, together with the citizenship income, was expected to have an impact on public finances for almost 90 billion euros equally distributed between the two measures, according to the technical report attached to the law, even if the actual cost is expected to be lower. However, in order to assess whether the Fornero reform worked, it is necessary to analyze what happened immediately after it was enacted back in 2012, when the same Monti government introduced the first and second "safeguard measures", as the rules to allow retirement with pre-Fornero requirements were called; and so on until the eighth safeguard measure in 2016. In total, **120,000** subjects were *safeguarded*.

Then, between 2014 and 2016, more than **45,000 women** retired with the extension of the "woman's option" (with 57 years of age and 35 years of contributions 58 years for self-employed women, fully based on the contribution system).

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<sup>15</sup> The compulsory system also includes the complementary or additional pension funds set up by INPS and by privatized schemes such as ENASARCO that provides pension benefits to commercial agents, ENPAIA that provides supplementary benefits to farm employees and FASC that provides benefits to shippers and haulers.

Probably, while realizing the technical and equity limits of the Fornero law, the different governments have not found the conditions to revise the reform and only provided for some exceptions. In 2017 and 2018, the rigidity of this reform generated so much pressure that a series of different measures were introduced since it was not possible to implement a ninth safeguard: APE (early retirement), strenuous jobs, early workers, thus making the system even more complicated due to the very different retirement rules based on the type of workers: a real pension jungle that had had been eliminated in twenty years of reforms. As a result, between 2017 and 2018, **97,000** beneficiaries of *social APE* (fully paid by the State) retired at 63 years of age and with 30 or 36 years of contributions (quota 93 or 99) were; **74,500** *early workers* retired with 41 years of contributions regardless of their age so many under Quota 100. In total, in **7 years**, around **340,000** workers benefited from far less stringent requirements with respect to those envisaged by the Fornero law, with a cost of **around 30 billion euros** (almost 25% of the savings envisaged by the reform).

This is the context that set the stage for Quota 100 (62 years of statutory age and 38 years of contributions). In 2019 alone, Quota 100 and the extension of the woman's option, social APE and early workers produced as many as **264,765 new pensions** with more favorable requirements; this number does not include 106,700 so-called early pension benefits (since the pension benefits are paid 2 months earlier with respect to the 3 month-window – as of the effective retirement date). In **8 years**, the subjects who managed to "escape" from the Fornero law amounted to **604,000** out of a total of 16 million pensioners, 75,000 per year!

As illustrated in Chapter 8, in 2018 all the conditions were actually there for a definitive revision of the pension legislation and for the separation of the pension system for the welfare system, since there the Government "contract" between the League and M5S parties was strong, with the right Ministers and Undersecretaries in the right places; but communication prevailed over substance. In its current form, Quota 100 is a debt-related and flawed measure at the expense of the younger generations: it does not cancel the Fornero reform, it does not provide retirement flexibility, it does not take young people into consideration; it is only an experimental and temporary measure (3 years for Quota 100 and 8 years for early workers and early pension benefits) after which the Fornero law will be again applicable; it does neither provide for any specific incentives for workers with health problems, dependent family members to be cared for, strenuous jobs, mobility or unemployment, nor for "*solidarity funds*" for the industry, retail, crafts and agriculture sectors (along the lines of those operating today for banks and insurance companies, which have allowed 80,000 workers to retire earlier, at 62 years of age and with 35 years of contributions, a measure fully financed by these funds without any cost for the State); just a "free-for all", also for subjects who were still able to work; it also reintroduced the income and pension cumulation ban, thus putting many new pensioners on the sidelines or on the undeclared market; it did not even worked as generational relay<sup>16</sup>.

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<sup>16</sup> Other measures such as **voluntary APE**, introduced with the 2017 Budget Law, have not been successful or popular due to its complexity and the strong reduction in its pension benefits; the same holds true for **Isopension** introduced by the Fornero Law for subjects working in enterprises with more than 15 employees that sign an early retirement agreement paid by the companies, (workers receive a monthly amount paid by their former employer, 7 years earlier with respect to the statutory old-age pension requirements until 2020 and subsequently 4 years earlier. The early retirements for strenuous jobs was more successful, but with a high cost for the State; it is a measure designed for workers who have carried out one or more jobs indicated in a special list (see the Appendix) for a period equal to at least half of their working life (or 7 years in the last 10) for retirements effective as of January 2018. The new requirements for these jobs in 2019 and until 2026 are



**Figures and costs** - After a sustained start with over three thousand requests per day, **Quota 100 applications have gradually dwindled**: the first one hundred thousand applications were submitted in the first nine weeks, while the next one hundred thousand were submitted in the following thirty-two weeks.

**Table 2.1 - Gender and mean age of subjects eligible for the measures updated to December 2019**

Benefici pensionistici	Istanze presentate			Numero Benefici Concessi			Età media alla data di decorrenza del beneficio		Durata media
	Donne	Uomini	Totale	Donne	Uomini	Totale	Donne	Uomini	
<b>Quota 100</b>	64.963	163.866	228.829	36.958	113.810	150.768	64	64	24 mesi
<b>Pensione anticipata</b>	77.115	124.826	201.941	37.972	68.805	106.777	62	62	3 mesi
<b>Opzione donna</b>	26.676		26.676	17.943		17.943	59		52 mesi
<b>Ape sociale</b>	44.296	72.969	117.265	19.547	35.227	54.774	63,8	64,1	36 mesi
<b>Lavoratori Precoci</b>	16.109	82.383	98.492	6.919	34.361	41.280	58,5	58,8	19 mesi
<b>TOTALE</b>	<b>229.159</b>	<b>444.044</b>	<b>673.203</b>	<b>119.339</b>	<b>252.203</b>	<b>371.542</b>			

*Pension benefits, Number of applications, Number of benefits granted, Mean age at the benefit effective date, Average duration; Men, Women, Total; Quota 100, Early pension benefits, Woman's option, Social APE, Early workers, Total*

***In the first weeks, there were more than three thousand applications per day but, for the rest of 2019, this figure ranged between 400 and 600 applications.*** In 2019, 150,770 pensions were provided on the basis of Quota 100, with average monthly benefits equal to 1,983 euros and 24 months earlier than the statutory age (*able 2.1*). This is followed by social APE with 54,770 applications and 3 years in advance with respect to the statutory age and by the measure for early workers with 41.280 applications and 19 months in advance with respect to the statutory age on average.

The total cost of all these measures is about **5 billion euros** compared with the **3.968 billion euros** provided for under the Decree; it is ascribed not only to Quota 100, but also to **social APE, early workers** and in part to the **woman's option**, whose financial effects in terms of cost are only due to cash advances that will be largely recovered in the following 10 years; for **early pension benefits** (with life expectancy adjustments frozen at 8 years, as in the case of **early workers**, until December 31, 2026), the cost, considering the quarterly windows, is related to only 2 months in advance with respect to the Fornero requirement until 2023; then it may rise if ISTAT registers a longer life expectancy.

Of course, 2019 does not discount any effects related to the COVID-19 pandemic; Chapter 8, section 8.4., will focus on these effects, especially for Quota 100, early workers and early pension benefits. Below are the other main measures launched in 2019.

**Citizenship Income** – It was established in 2019 under the same decree that launched Quota 100 with two objectives: to boost employment and reduce poverty, inequality and social exclusion. As for the first objective, the result was more than insufficient: only 39,760 subjects found a job, 65.2% with a short-term contract, 19.7% with a long-term contract, and 3.9% with an apprenticeship contract. This poor result was obtained even though 2,980 navigators were indeed hired to help these applicants get

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quota 97.6 with at least 61 years and 7 months of age and 35 years of contributions and early retirement for workers in these types of jobs with 66 years and 7 months of age (or with 41 and 42 years of contributions for women or men respectively); these heavy-duty occupations are indicated in Annex B of the Ministerial Decree referred to in Article 1, par. 153, of Act 205\2017.



a job; however, they remained inactive throughout 2019 and for most of 2020, without any governmental provisions and without any control by ANPAL (National Agency for Active Labor Policies) that had hired them and by the Regions that have never wanted them; however, even the inactive navigators were able to obtain the 600 euro bonus while continuing to receive over 2,000 euros gross per month despite their reduced workload. As for the second objective, here too the results are insufficient, because poverty can be reduced not only by providing financial support, but also through social support measures; in fact, most of these "poor " people suffer from addictions: alcohol, drugs, gambling, poor nutrition (obesity and anorexia), various forms of depression and so on; all functions unknown to navigators. As of December 31, 2019, according to INPS, the number of households that applied for the citizenship amounted to **1.64 million** (of which 88,000 being processed and 457,000 rejected or cancelled); in addition, 56,000 households lost their right to this benefit because they renounced it or lost their requirements. Therefore, at the end of 2019, the number of households receiving this support measure was equal to **1.04 million**, equal to **2.5 million individuals**, in addition to 44,233 households still benefiting from the inclusion income (REI). The average monthly amount was equal to 493 euros and the total expenditure to **3.8 billion euros** compared with the 5.894 foreseen by the law (over 7 billion for subsequent years).

**Citizenship Pension** - In addition to Quota 100, Law Decree no. 4/2019 introduced the citizenship pension. It is a form of citizenship income for pensioners over 67 who receive minimum supplementary, social, disability and survivor's benefits below the poverty threshold established by ISTAT, that is 780 euros for singles and 1,032 euros for couples, in 12 monthly installments (no 13th month allowance); beneficiaries also include seriously disabled or non-self-sufficient subjects even if under 67 years of age; individuals subjected to a judicial final sentence are not eligible for this measure.

The citizenship pension is calculated on the basis of the applicants' income, taking into consideration whether they own or rent a house and if they hold some securities which must not generally exceed 6,000 euros; in addition, their means tested (ISEE) must be less than 9,360 euros (if they live in a rented house) or 7,560 euros (if they own a house); the ISEE must be updated every 6 months. With the transposition of Law Decree no. 4/2019 into law, the citizenship pension becomes a real form of supplementary pension benefit: for example, if a pensioner receives 600 euros' worth of benefits, the citizenship pension provides 180 euros' with of supplementary benefits to reach 780 euros. At the beginning, these benefits had to be provided through the 2020 Citizenship Pension Card, a prepaid electronic card issued by Poste Italiane on which supplementary benefit sums had to be charged every month and a possible rent or mortgage contribution. However, under the INPS circular n.100 of July 5, 2019, beneficiaries ***are allowed to withdraw these sums entirely in cash*** at Poste Italiane offices and from banks. Therefore, they are no longer obliged to spend these sums only with the ***purchasing card*** made available at the time for the Citizenship Income and consequently there are no longer any limits and controls on spending (hence with the possibility to make unregistered expenses) or the mortgage or the rent installments. Previously, it was possible to withdraw cash from post offices and banks up to a maximum of 100 euros per day for singles and 250 euros for larger families; to purchase goods and services through the Mastercard circuit such as medicines, staple products, food, small and large household appliances, clothing (except for accessories or jewelry), furniture, toys, books, cell phones, smartphones, tablets; to pay household bills, car stamps (not insurance) and home maintenance items.

From April 2019 to June 2020, *the number of citizenship pensions provided was equal to 131,308*, for a total of 149,038 beneficiaries (usually dependents), with an average monthly amount of 240 euros and a total cost of about 500 million euros. This measure may produce some negative effects on contributions and on regular employment, since it distorts all the pension rules; it will suffice to think of an artisan who has paid contributions throughout his life and takes 850 euros' worth of gross pension benefits which, exceeding the no tax area, are subject to taxation, thus reducing it to no more than 8,000 euros per year.

On the other hand, the citizenship pension beneficiaries may also receive social allowances; so even if they have never paid any taxes and contributions, they may receive between 780 and 1,032 euros net per month, more than 1,400 for disabled persons. There is a clear disincentive to pay contributions and to have a regular job. Moreover, 780 euros is too high with respect to average wage levels and to average pensions calculated with the contribution-based method.

## **2.2 The financial and economic results of the compulsory public pension system**

The overall economic and financial performance of the compulsory pension system is shown in *Table 1.a* which illustrates benefit expenditure, contribution revenues, operating results and the benefits paid through the transfers from GIAS. Moreover, point 4 of *Table 1.a* provides the summary data of the "privatized" schemes (Legislative Decrees no. 509/94 and no.103/96) which belong to the mandatory system but with no financial support by the State budget (the detailed graphs can be viewed in the specific website section of this Report)<sup>17</sup>. As illustrated in the previous Chapter, in 2019, *pension expenditure* for all pension funds, net of GIAS transfers, was equal to **230,259 million euros** (225,599 million in 2018), with an increase by **2.06%**, half of which was due to the adjustment of annuities to inflation<sup>18</sup> and to the "renewal effect" linked to the replacement of ceased pensions (645.253 ceased pensions in the last 32 years) with new and higher ones on average. This effect is confirmed by the steady increase in the *average pension* levels mainly due to retirees' long careers and high contributions, whose average annual nominal amount for the entire public pension system rose for all INPS schemes (Tables B.31.a and B.31.b) and in general (Chapters 6 and 8, Table 8.2). With regard to the number of pensions provided, it should be noted that its downward trend of recent years came to a halt in 2019, with an increase from 17,388,280 in 2018 to 17,422,410 in 2019; this growth, albeit slight, discounts the effects of flexibility measures, in particular of Quota 100 introduced in 2019 and of the above-mentioned measures aimed at making retirement more flexible (8 "safeguard measures", social APE, facilities for early workers and those with strenuous jobs, woman's option).

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<sup>17</sup> See the [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it) web site

<sup>18</sup> Since 1997, numerous laws have provided for and then extended the reduction in the adjustment for pensions above the minimum; most recently, under the 2019 Budget Law, the indexation mechanism was further modified (for further details, see the table and description in Appendix 1).

<sup>19</sup> The transfers come from GIAS (financed by general taxation) from the Regions (very low amounts) and from the Temporary Benefits Fund, financed largely through the contributions paid by companies and workers to compensate for the lower contribution revenues deriving from contribution incentives, tax breaks, reliefs, greater flexibility for notional contributions due to unemployment and other contribution shortfalls highlighted in Chapters 5 and 8. Revenues do not include the additional contribution of 10,800 million euros by the State, pursuant to Act no. 335/1995, intended to finance CTPS (Pension Fund for Civil Servants).

In 2018, *contribution revenues*, including 14,531 million euros'<sup>19</sup> worth of transfers for notional charges, rebates and contribution incentives, amounted to **209,399 million euros**, compared to 204,750 million in 2018, an increase by **2.27%**. Therefore, as has been the case for many years now, the *balance between contributions and benefits* showed a *negative result* of **20,860 million euros**, almost identical to that of 2018 (**20,849 million**). It is important to stress that in 2019, compared to 2018, the growth of revenues (+2.27%) was higher than that of expenditure (+2.06%), due in part to the increase in the number of active workers paying contributions, which rose to 24,873,020 compared to 24,683,560 in 2018.

As to 2019, it is possible to make the following considerations about the deficit of individual schemes:

**a) Tables 1.a and B.31.a** show 4 INPS schemes with a surplus: **FPLD** with a surplus equal to 20,186 million euro (17,815 million euro in 2018)<sup>20</sup>; the **Fund for retailers** with a surplus of 880 million (652 million in 2018); the **Fund for show-business and entertainment workers** (ex **ENPALS**) with 400 million (vs. 301 million in 2018) and the **Fund for atypical workers** with a positive balance of 7,391 million euros, slightly up compared to 7,087 million euros in 2018; the substantial surplus of this separate scheme derives from its young age, having been established in 1996, and consequently from its low number of pensioners. The schemes for liberal professions too ran a surplus (see Chapter 3) with the exception of INPGI (the Fund for Journalists) with an overall positive balance of 3,843 million euros. These funds for atypical workers and professionals still have a good ratio of active workers vs. pensioners. The surplus of these (32,700 million) makes it possible to limit the total deficit between pension benefit expenditure and contribution revenues to 20,860 million euros. Without these surpluses, the deficit of the pension system would have reached **53,560 million**;

**b)** All the other schemes ran a deficit, especially the fund for public-sector employees with - **33,646 million**; this deficit would have been lower if revenues had included the additional contribution by the State to the pension funds for public-sector employees, which is equal to 10,800 million euros. The funds following in the deficit ranking are the ex Ferrovie dello Stato fund, the ex INPDAL funds, the fund for artisans and the fund for farmers, tenant farmers and sharecroppers.

### 2.3 The INPS accounts and the compulsory pension system beneficiaries

The previous paragraph provided the overall data of the national pension system; 96% of the Italian pension system is operated through INPS and the rest through privatized schemes and the occupational fund for journalists which falls within the framework of private-sector employees and so it is managed by INPGI. Instead, this paragraph is devoted to the INPS system as a whole and then to the analysis of its individual schemes.

In 2019, INPS paid out **623,027 pensions** for an annual amount of **9,697.5** million euros and **587,456 welfare pensions** for an annual amount of **3,237.9 million euros**; for statistical reasons, these data do not include the pensions paid by the former INPDAP fund. **Tables 2.2 and 2.2.1** show the trend over time of pension and welfare benefits paid by INPS between 2003 and 2019.

With regard to pensions, Table 2.2 shows that, in 2019, 29.1% of all benefits was paid as old-age pensions, 28.6% as seniority/early benefits, 9.3% as disability pensions and 33.0% as survivors'

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<sup>20</sup> As better explained later, FPLD is weighed down by the deficits of the special funds merged into it (a total of 8,627 million euros).

pensions. In the 2003-2019 period, disability pensions increased from 7% to 9.3%, while old-age and seniority/early pensions dropped p from 30.8% to 29.1% and from 33.4% to 28.6% respectively; instead survivors' pensions rose from 28.8% to 33%. So, welfare benefits grew more than pension benefits.

**Table 2.2 - Historical series of pensions paid between 2003 and 2019**

Year	Old-age pensions		Seniority/Early pensions		Disability pensions		Survivors' pensions	
	Number of Pensions	% of total pension benefits	Number of Pensions	% of total pension benefits	Number of Pensions	% of total pension benefits	Number of Pensions	% of total pension benefits
2003	236,967	30.8%	256,917	33.4%	54,074	7.0%	221,928	28.8%
2004	217,419	31.9%	221,056	32.5%	49,300	7.2%	192,968	28.3%
2005	246,058	36.2%	164,882	24.2%	58,159	8.5%	211,198	31.0%
2006	253,999	35.5%	213,933	29.9%	54,054	7.5%	194,086	27.1%
2007	240,115	36.4%	174,351	26.4%	55,086	8.3%	190,191	28.8%
2008	160,456	25.6%	213,274	34.0%	56,349	9.0%	197,790	31.5%
2009	207,919	36.4%	109,385	19.2%	53,208	9.3%	200,470	35.1%
2010	197,182	31.8%	174,729	28.2%	53,135	8.6%	194,596	31.4%
2011	145,375	26.9%	149,129	27.6%	49,030	9.1%	196,800	36.4%
2012	136,386	27.4%	111,688	22.4%	49,964	10.0%	200,107	40.2%
2013	140,344	27.4%	112,440	21.9%	54,747	10.7%	205,604	40.1%
2014	117,799	25.8%	83,681	18.4%	56,055	12.3%	198,244	43.5%
2015	126,608	23.1%	158,422	28.9%	56,255	10.3%	206,684	37.7%
2016	105,973	21.7%	127,626	26.1%	57,719	11.8%	197,619	40.4%
2017	136,364	24.4%	160,142	28.6%	56,414	10.1%	206,138	36.9%
2018	137,881	24.3%	169,566	29.9%	56,887	10.0%	203,026	35.8%
2019	181,459	29.10%	177,916*	28.60	57,926	9.3%	2015,726	33%

\* Including 1,413 early retirements. Source: INPS

**Table 2.2.1 - Comparative historical series of welfare/pension benefits (2003-2019)**

Year	Total A		Total B		Total A+ B
	Welfare benefits	% of the total	Pension benefits	As a % of the total	
2003	464,851	37.65%	769,886	62.35%	1,234,737
2004	449,783	39.79%	680,743	60.21%	1,130,526
2005	499,465	42.34%	680,297	57.66%	1,179,762
2006	488,962	40.58%	716,072	59.42%	1,205,034
2007	518,880	44.02%	659,743	55.98%	1,178,623
2008	561,497	47.21%	627,869	52.79%	1,189,366
2009	574,570	50.16%	570,982	49.84%	1,145,552
2010	507,859	45.04%	619,642	54.96%	1,127,501
2011	424,153	43.98%	540,334	56.02%	964,487
2012	516,566	50.91%	498,145	49.09%	1,014,711
2013	514,142	50.05%	513,135	49.95%	1,027,277
2014	538,037	54.14%	455,779	45.86%	993,816
2015	571,386	51.05%	547,969	48.95%	1,119,355
2016	557,946	53.30%	488,937	46.70%	1,046,883
2017	553,105	49.73%	559,058	50.27%	1,112,163
2018	567,934	50.03%	567,360	49.97%	1,135,294
2019	587,456	48.53%	623,027	51.47%	1,210,483

Source: INPS

The comparison between welfare and pension benefits in **Table 2.2.1** shows that in 2003, pension benefits accounted for **62.35%** of all the pensions paid out vs. **37.65%** of welfare benefits. This ratio changed in the following years until it was reversed in 2012 (50.91% of welfare benefits vs. 49.09% of pension benefits); in 2018, it was almost equal (50.03% welfare benefits versus 49.97% of pension benefits). Then it changed again with an increase in pension benefits (51.47% compared with 48.53% for welfare benefits), partly due to the effect of the flexibility measures already mentioned.

It is important to stress that, in the historical series in **Tables 2.1** and **2.2.1**, the welfare system does not include the benefits paid by the former INPDAP and former ENPALS schemes that do not provide these types of benefits. With regard to pension benefits, the data also include those provided by the former ENPALS fund (3,189), but for statistical reasons, they do not include those provided by the former INPDAP scheme (163,327); so, the total number of pension benefits paid out by INPS in 2019 was equal to 788,354.

Now the Report shifts its focus on the individual schemes managed by INPS and on their contribution revenues, benefit expenditure, accounting results and their main variables (number of members and pensioners, average pension).

## 2.4 Funds for private-sector employees

The funds for **private sector employees** (**Table 1a, n.1**) had an overall **positive balance** of **6,341 million euros** also in 2019, thus confirming the marked improvement already obtained in 2016; in fact, since then, there has been a positive trend in their contribution revenues (121,193 million euros in 2016, 123,732 million 2017, 126,622 million in 2018 and 130,113 in 2019) and also an increase, albeit slight, in their pension benefits (118,974 million in 2016, 120,124 million in 2017, 122,172 million in 2018 and finally 123,773 million in 2019). However, these figures are related to all the funds for private-sector employees that include the fund for employed workers in the private sector (FPLD), the fund for executives in the industrial sector (ex INPDAI), some former special funds (transportation, telephony, electricity) which were merged into FPLD with separate accounts and other schemes (Aviation fund, Tax consumption Fund, FF.SS fund and other minor schemes<sup>21</sup>) which are included in the INPS accounts but with a separate accounting system. The **aggregate data of the funds for private-sector employees** also include those related to the fund for show-business workers managed by former ENPALS merged into INPS in 2012, to the fund for postal workers previously managed by former IPOST abolished in 2010 and transferred into INPS and finally to the fund for **private-sector journalists**, managed by INPGI, which is a private law entity.

In this category, the number of subjects paying contributions was equal to 14,551,166 in 2019, in line with the trend of the last few years (14,265,746 in 2018 according to INPS). Instead, the number of pensions paid slightly decreased from 8,946,948 in 2018 to 8,842,040 in 2019. Finally, as already pointed out for the pension system in general, the average pension grew from 15,141 euros per year in 2018 to 15,421 in 2019. Here follows the analysis for each individual scheme:

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<sup>21</sup> The Gas Fund was abolished on 01/12/2015 under Act n.125/2015 and since then, no contributions and no pension benefits have been paid to and by this fund; a phasing-out scheme has been set up within INPS.

### 2.4.1 FPLD - Pension fund for employed workers

The *pension fund for employed workers* is the most important scheme in this "category", without considering the separate accounts of the former special funds merged into its system, with more than **90%** of members and benefits paid. In 2019 too, it had a *positive balance* of **21,186 million euros** (*Table B.31.a*), with contribution revenues amounting to **129.113 billion euros** including the income-support benefits provided by GPT (Chapter 5) and by GIAS in the form of notional contributions, and pension benefit expenditure amounting to **102.66 billion euros**.

However, the overall result of this fund was negatively affected by the *former Special funds* merged into its system with separate accounts: former INPDAI for executives, Transportation fund, Aviation fund and Electricity fund, which together accounted for a *negative balance* of **8,627 million euros** in 2019 (*Table. B.31. a*) even though their membership only accounted for **5%** of all private employed workers<sup>22</sup>. As a result, these outstanding issues led to a progressive deterioration of the overall financial situation of this fund; in fact, on 31/12/2017, FPLD had **100,100 million euro's** worth of deficit including the results of the former special funds (better illustrated in paragraph 2.9).

The deficits of the former special funds merged into FPLD were mainly caused by the higher benefits provided to their members with respect to those provided by FPLD, especially for the *longstanding pensions*; in fact, over time, starting from the Dini reform of 1995, several legal provisions have harmonized the rules of these funds, which previously were much more favorable with respect to those of FPLD in terms of lower contribution rates and pension benefits with higher rates of return. In any case, the average pension provided by these Funds is much higher than that provided by FPLD (14,130 euros/year) and ranges from 27,440 euros for the Electricity Fund to 52,250 euros for the former INPDAI Fund.

As already pointed out, the Transportation fund, even after its merger into FPLD, continues to have new members and provides more favorable conditions with respect to the other special funds; moreover, other relevant advantages with respect to the FPLD rules (for example the rules related to "travelling personnel") ceased or became at least less favourable as of 1/1/2014 due to the harmonization regulation issued to implement the Fornero law. Instead for the Electricity and Telephony funds, the newly-hired workers have been registered with FPLD since the year 2000.

Also for the former INPDAI fund dissolved in 2003, newly-hired workers pay their contributions to FPLD; this has led to not only to negative yearly results but also to the erosion of its initial wealth, with a ratio of active workers vs. pensioners of 0.20% (26,210 active workers paying contributions and 130,130 pensions).

### 2.4.2 Show-business and entertainment fund (former ENPALS)

The show-business and entertainment fund (ENPALS) was merged into INPS on 01/01/2012. It used to manage two separate schemes: **FPLS, the fund for show business and entertainment workers** and **FPSP, the fund for professional athletes**. Both provided benefits for all show business and

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<sup>22</sup> The high surplus of FPLD and the growing deficits of the special funds exclude depend on the fact that, with the exception of the Transportation Fund, the newly-hired workers in the companies registered with ex INPDAI, Electricity and Telephony funds, pay their contributions directly to FPLD, after the consolidation. Therefore, the gradual deterioration of the special funds and the improvement of FPLD is partly explained by this transfer of contributions, while pensions are still paid by these funds.

entertainment workers and professional athletes whether they were employed, self-employed or temporary workers, and all with the same contribution rates.

The former ENPALS Fund, which is part of the private employee sector, is one of the four Funds managed by INPS that runs a surplus (400 million euros in 2019 compared to 300 million in 2018) against 1.335 billion euros' worth of contribution revenues and 935 million euros' worth of pension benefit expenditure. On 12/31/2019, the number of active workers paying contributions was equal to 161,480 and the number of pensioners to 58,980; almost all current pensions (95.5%) are paid by the show-business and entertainment fund, while the ratio of active workers vs. pensioner ratio is among the best at a national level, with **2.73 active workers per pensioner (Table B.31.a-b)**.

#### **2.4.3 Post and Telephony Fund (ex IPOST)**

After the privatization of the postal sector and the establishment of Poste Spa, IPOST, which falls within the private employee category, was abolished and transferred to INPS. The 2019 financial accounts showed 1,210 million euros' worth of contribution revenues, compared to 1,005 million euros' worth of expenditure with a deficit of 795 million euros. In the last 10 years, the number of active workers paying contributions has steadily decreased while the number of pensioners has increased. So, in 2019, this resulted in a **ratio of the number of members vs. the number of pensioners** equal to 0.85% (less than 1 active worker per pensioner), with 131,000 active workers with respect to about 155,000 pensioners.

#### **2.4.4 FF.SS. Railways Fund**

Following the transformation of Ferrovie dello Stato (FF. SS) into Ferrovie Spa in the year 2000, the pension fund for railway personnel was merged into INPS as a special fund for the employed workers hired before April 1 2000, for those working for the Ferrovie S.p.A holding company, for the former employees transferred to public entities who had opted for the INPS Special Fund and for all the other subjects working for other railway operators. This new fund was already in the red before its consolidation into INPS and each year its major imbalance is **financed** by GIAS transfers paid by the State; in 2019, this deficit reached **4,376 million euros**.

This fund is characterized by a completely unbalanced ratio of **active members paying contributions**, equal to **35,580** in 2019 (57,133 in 2011 and 40,200 in 2018) vs. the **number of pensioners** equal to **212,260** (234,400 in 2011 and 214,270 in 2018).

This situation has been created by the extensive use of early-retirement plans to reduce costs and improve the company's efficiency, with the consequence of transferring the burden of the restructuring effort to taxpayers. It should be noted that in this case too, the entire early retirement expenditure is accounted for as pension expenditure and not as income support measures, family allowance or others, thus abnormally inflating the cost of pensions compared with the European average. Moreover, the subjects working for the FF.SS. Holding company have been registered with FPLD as of April 1, 2000 and not with the special fund.

## 2.5 Funds for public-sector employees (ex INPDAP)

INPDAP<sup>23</sup> was abolished on 1/1/2012 and merged into INPS; since then, the data for this Fund have appeared in a separate section of the INPS consolidated accounts. As a result of the significant deficit of these schemes, the INPS general financial results have deteriorated but without a major impact on the overall performance of the compulsory pension system which had already anticipated this imbalance.

In **2019**, the deficit of the funds for public-sector employees amounted to **33,646 million euros**, net of the 10,800 million euros' worth of additional contribution from the State, resulting from revenues equal to 30,887 million euros and expenditure to 73,533 million euros (including 11,495 million euros paid by GIAS, pursuant to Article 2, paragraph 4 of Act n0.183/2011. The deficit increased with respect to the two previous years (30,417 in 2017 and 30,578 in 2018). Pension expenditure grew by 4.02% with an increase by 2,842 million euros vs. 2018, due more to a substitution effect than to inflation. As already pointed out, in 2019, the benefits paid by GIAS amounted to 11,495 million euros against the 9,355 million euros in 2018. However, as was the case when INPDAP was an autonomous scheme, if the overall contribution by the State is taken into account, that is 10,800 million euros for the additional contribution provided under Act no. 355/1995 (the State did not pay any contributions until the establishment of INPDAP), the revenues would be equal to 50,687 million euros; the 11,495 million euros' worth of benefits transferred from GIAS are used to offset the costs for welfare benefits and the so-called baby pensions.

After the long-term halt to turnover in the public sector which led to a reduction in the number of active workers, for some years now, this turnover policy has been implemented with less stringent criteria; so, the number of active workers in this sector has remained almost constant since 2015; this happened also in 2019 (3,301,000 active workers) and therefore revenues remained at the previous level; instead, expenditure had a steady growth (from 66,871 million in 2015 to 67,621 million in 2016, 68,700 in 2017, to 70,691 in 2018 and finally to 73,533 in 2019); this significant growth in 2019 is due to the first implementation of the retirement flexibility measures, in particular "Quota 100", while the announced and still ongoing hiring in the public sector has not produced yet appreciable results. The consequences of the deficit of these funds are discussed in paragraph 2.9. In the same five-year period between 2015 and 2019, the number of pensions remained stable, except for a spike in 2019 (2,998,840 compared to 2,917,119 in 2018) explained by the first effects of "Quota 100". As to the breakdown of public pensions by category, **Table 2.3** shows that 57.7% of these are seniority and early retirement benefits, 13.7% old-age benefits, 7.3% disability benefits and finally 21.2% are survivors' pensions.

**Table 2.4** shows the data of the ex INPDAP individual schemes by number and annual amount of pension benefits as of 1/1/2020.

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<sup>23</sup> INPDAP, set up in 1994, was merged into INPS under Art. 21 of Legislative Decree no. 138/2011, transposed into Act no. 148/2011.



Table 2.3 - Pensions on 1/1/2020

Pension category	N. of pensions	As % of the total	Overall annual amount (millions of euros)	As % of the total
Old-age	410,226	13.7	12,228	16.3
Seniority/Early	1,726,568	57.8	48,198	64.1
Disability	219,002	7.3	5,485	7.3
Survivors <sup>7</sup>	646,616	21.2	9,219	12.3
<b>Total</b>	<b>2,990,412</b>	<b>100,0</b>	<b>75,130</b>	<b>100,0</b>

Table 2.4 - Pensions on 1/1/2020 by scheme

Schemes	N. of pensions	Overall annual amount (millions of euros)
C.P.D.E.L. (Local Authorities)	1,133,745	23,794
C.P.I. (Teachers)	16,397	314
C.P.S.	81,571	4,897
C.P.U.G. (Bailiffs)	3,076	64
C.T.P.S. (civil servants)	1,755,623	46,061
<b>Total</b>	<b>2,990,412<sup>24</sup></b>	<b>72,130</b>

It should be noted that C.T.P.S. alone, which manages the fund for public-sector employees, provides 58.7% of pension benefits for an amount equal to 61.3% of the total, while C.P.D.E.L. (local government employees) provides 37.9% of these pensions, that is 31.7% of the total.

## 2.6 INPS schemes for self-employed workers: artisans, retailers, farmers, tenant farmers and sharecroppers (CDCM)

In 2019, the funds for artisans and retailers showed **2,325 million euros** worth of *deficit* between contributions and benefits, worse than in 2016 (-2,226 million euros) and in 2017 (1,996 million euros), but better than in 2018 (-3,047 million euros), mainly attributable to the funds for artisans<sup>25</sup>. These two funds (mainly the fund for artisans) have been affected by the economic crisis, by market changes and in particular by the effects of Act no. 233 of 1990 which adopted the pension calculation rules of employed workers, thus generating very generous benefits not consistent with the contributions actually paid. However, while the fund for retailers has obtained better economic and financial results thanks to new members operating in the service and tourism sectors (a trend which may be seriously undermined by the lockdown effects in 2020), the fund for artisans is losing active workers every year, with a deterioration of its financial and economic situation; this is happening notwithstanding the replacement of older pensions with more favorable calculation rules with pensions with a greater correlation between contributions and benefits and the progressive application of the contribution-based calculation method. Some improvements have been also obtained for contributions thanks to the

<sup>24</sup> The overall data of the pensions for public-sector employees reported in *Tables 2.4, 2.5* and taken from the INPS “Summary statistics”, are related to January 1, 2020 and are slightly different with respect to those illustrated in *table B.31a*, taken from the exhibits to the 2019 financial accounts.

<sup>25</sup> In *table 1.a*, the data on artisans and retailers have been unified to be in line with the historical series of the 1989 general database, while they are illustrated separately in *tables 30a* and *30b*.

Monti-Fornero law, which provided for an annual increase in the contribution rate by 0.45% as of 2013; as a result, in 2019 the contribution rate for artisans rose to **24%** calculated on a corporate income up to 47,143 euros and to 25% above this limit. Retailers have the same contribution rates with an increase by 0.09% to be allocated to the fund for the rationalization of the retail network.

The **Fund for artisans** shows a persistent negative balance that was equal to of **3,204 million euros** in 2019, even if less significant than 3,699 million euros in 2018; in particular, expenditure amounted to 11,673 million euros, (-267 million euros) compared to the previous year and contribution revenues to 8,469 million euros (+227 million euros) vs. 2018. This improvement is mainly due to the increase in contribution rates, but the overall results of this fund (see paragraph 2.9) are still negative and reflect the combined effect of a consistently dwindling number of active workers from 1,772,677 in 2013 to the current figure of 1,552,773 (- 2.4%) and of a steady growth in the number of pensioners from 1,639,469 in 2013 to the current figure of 1,726,479 (+ 5.31%), who **have by now outnumbered active workers**.

The **Fund for retailers** continues to have positive results; in 2019, it obtained a positive balance equal to **880 million euros**, lower compared to 1,217 million euros in 2017 but higher with respect to 652 million euros in 2018. In detail, this fund featured **10,885 million euros'** worth of contribution revenues, up compared to 10.558 million euros of 2018, and **10,005 million euros'** worth of benefit expenditure (+ 69 million) with respect to 9,936 million euros in 2018. Moreover, the final results include the data of the separate account called "fund for the rationalization of the retail network" created with the Legislative Decree no. 207/1996; after amortizations and write-offs, this fund had a negative operating result of 2,785 million euros. Compared to 2018, the number of pensioners (1,443,224) and of active workers (2,044,000) did not change in a significant way with an active worker/pensioner ratio above the average, equal to **1.43 active workers** for each pensioner.

**Table 2.5** compares the trends of contribution revenues, pension expenditure and operating results of the funds for artisans and retailers for the last 5 years.

**Table 2.5 - Historical series of revenues, expenditure and operating results of the Funds for Artisans and Retailers**

		2015	2016	2017	2018	2019
<b>ARTIGIANI</b>	contributi	8.203	8.442	8.495	8.241	8.469
	prestazioni	11.849	11.733	11.708	11.940	11.673
	saldo	-3.646	-3.291	-3.213	-3.699	-3.204
<b>COMMERCianti</b>	contributi	10.312	10.727	10.906	10.588	10.885
	prestazioni	9.713	9.697	9.689	9.936	10.005
	saldo	599	1030	1.217	652	880

Artisans; Retailers; Contributions; Benefits; Balance

*Note: contributions mean contribution revenues including transfers net of income and yields from assets; benefits mean the pension installments paid by the fund*

**Fund for Farmers, Tenant farmers and Sharecroppers** - In 2019 too, this fund (CDCM) continued to have a structural imbalance due to a very low active worker/pensioner ratio and in particular to the old favorable and still applicable retirement provisions, with very high benefits compared to contributions, even though the contribution rates for members were re-calculated in 2012. Employment

in this sector continued to decline even in 2019, with 444,863 active workers against 1,206,000 in 1989, the baseline year for our analyses, a major drop by over 60%.

The *balance between contributions and benefits* amounted to **-2,380 million euros**, up with respect to 2,518 million in 2018, net of **1,131 million euros'** worth of transfers from GIAS which, as of 2011, has started paying the pensions accrued before 1/1/1989. *Contribution revenues*, equal to **1,322 million euros** (1,308 million euros in 2018), accounted for only **35.71%** of the **3,702 million euros'** worth of benefits (3,862 million euros in 2018), net of GIAS transfers. The low level of contribution revenues is due to the low and often flat income of these workers and hence to their low contributions, to contribution tax avoidance and evasion and to the recurring difficulty to recover some contributions, all of which of course have a negative impact on the operating results of this fund. At the end of 2019, the number of pensions paid by CDCM was equal to 1,356,328, including 201,101 pensions before 1/1/1989; the ratio of the number of pensions vs. that of active workers paying contributions, which was equal to 1.53 in 1990 (i.e. 1.53 pensions for each active worker), rose to 3.05 in 2019. Therefore, **4,833 million euros'** worth of pension benefits in the agricultural sector are paid by tax payers; this fund also featured a considerable *capital deficit* of **89,862 million euros** on 31/12/2019.

## **2.7 Minor schemes for private-sector employees: aviation, consumer taxes, clergy funds and the occupational fund for journalists (managed by INPGI)**

### **2.7.1 Aviation fund**

The Aviation fund is a special fund managed by INPS with accounting autonomy and it has replaced the general compulsory insurance (AGO) with social security protection for air flight personnel. In 1997, the very generous social security rules in this sector were harmonized with the more stringent AGO provisions, but they kept some particular features (for example the rate of return of contributions was 3% until 27/11/1988, 2.50% after this date until 31/12/1994 vs. the 2% rate for FPLD); in fact, its average pension is 45,650 euros per year (over three times as much that provided by FPLD). Furthermore, it has lower retirement age for old-age age pensions (- 5 years) and a reduction by 1 year for every 5 years of membership and by a maximum of 5 years in the age and contribution seniority requirements for early retirement. This fund has a very negative operational and financial situation because of the more generous benefits provided with respect to other schemes (which should be further revised) and because of the crisis in the airline sector and in particular for Alitalia, the main Italian carrier. In 2019, this fund featured a *negative balance* of **146 million euros** deriving from **176 million euros'** worth of *contribution revenues* and from **322 million euros'** worth of *benefit expenditure*. It has 12,160 members and provides 7,380 pensions.

In 2016, during the nth vain attempt to save the ailing company Alitalia, a special fund for air transport was set up (FSTA), which replaced a pre-existing special income support fund for air transport personnel; this new fund is activated in case of corporate crises in this sector to provide supplementary benefits, such as ASPL/NASPL and extraordinary redundancy fund benefits to both flight and ground personnel, with much more favorable conditions than ordinary income support measures. In fact, beneficiaries receive supplementary benefits up to 80% of their wages; the supplementary benefits for pilots exceed 10,000 euros per month and in some cases the limit is close to 30,000 euros. The Fund is financed by a contribution of 0.50% levied on taxable wages (2/3 borne by the company and 1/3 borne by the workers) but above all by a municipal surtax of 3 euros on boarding fees applied to each air

ticket. In sum, 97% of its revenues derives from this "levy"; in 2017 (the last available data), this tax produced revenues equal to **249.5 million euros** against only 7.2 million paid by companies.

### 2.7.2 Fund for consumer tax collectors

The fund for consumer tax collectors replaces the general compulsory insurance and provides pension benefits and termination of employment benefits (TFR). When municipal consumer taxes were abolished in 1973, tax collectors went to work for the Ministry of Finance or remained to work for municipalities. It is a fund about to end since it provides 6,890 pensions for an amount of 125 million euros in 2019, paid by the State (Art. 17 Presidential Decree no. 649/1972) and financed through GIAS transfers to offset its annual operating deficit.

### 2.7.3 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. At the end of 2019, the number of pensions paid was equal to 12,240 and the number of members was equal to 17,900 with a ratio of 1.46 active members per pensioner. This Fund is characterized by a low level of contribution revenues equal to less than one third with respect to pension expenditure net of GIAS transfers; in fact, in 2019, *contribution revenues* amounted to **31 million euros** against **91 million euros'** worth of *pension expenditure*, again net of GIAS transfers, with a *deficit* of **60 million euros**. The Fund is characterized by a structural imbalance, even if with a lower economic and financial impact on the pension "system" as a whole. It is important to stress that contributions are not correlated to remuneration or income, but they are pre-determined and the system is neither income-based nor contribution-based, but it is a defined-benefit scheme. Moreover, 70% of pensioners in the Clergy Fund have another pension provided by other schemes.

### 2.7.4 Occupational Fund for Journalists (managed by INPGI)

Since professional journalists are employed workers, they fall within the category of employed subjects, even if they are registered in an ad-hoc "*professional roster*" and therefore they must pay their contributions to INPGI which acts as a substitute for AGO. This fund belongs to privatized pension schemes illustrated in the next Chapter. In 2019 as in 2018, this fund was characterized by a negative result with a *deficit* of **178 million euros**, worse with respect to 167 million euros in 2018; its *contribution revenues* amounted to **360 million euros** and *pension expenditure* to **538 million euros**. For further details, see Chapter 3 and the tables in the web appendix.

## 2.8 Fund for atypical workers

In order to provide a pension benefits also to the so-called "atypical " workers, i.e. subjects who consistently but not exclusively worked as self-employed without a professional register and without any social security rights, a "*Separate scheme*" was set up within INPS under Art. 2, paragraph 26 of Act no. 335/95. This scheme has not been yet completely integrated with the general system even though it has been operating for many years now. In 2019, this fund had **1,330,000** members, up with respect to 1,303,000 in 2018 (+ 2.7%), 72% of them with temporary jobs (957,000) and 28% as self-employed professionals (372,400). In this case too, the number of atypical workers includes the subjects who, during the year, have paid at least one contribution to this scheme. Women account for

37.2% of temporary workers and for 44.4% of professionals and have a stated income that is approximately half that of men. Moreover, 24.4% of professionals and 47.5% of temporary workers do not earn any income other than that from their atypical form of work, while 24% of professionals and temporary workers have additional income; the former (the so-called exclusive) pay a contribution rate for disability, old-age and survivors' pension equal to 25% on their taxable income if they are self-employed and 33% if they have a short-term contract, in addition to a rate of 0.72% for non-pension benefits; the latter, pensioners or beneficiaries of other sources of income who are enrolled in other schemes (the so-called participants) pay a rate of 24%.

This fund has a *significant positive balance* between contributions and benefits, which was equal to **7,391 million euros** in 2019. This figure results from **8,572 million euros'** worth of *contribution revenues* and only from **1,181 million euros'** worth of *benefit expenditure*. This is the only compulsory scheme whose benefits are calculated exclusively with the contribution-based method. The number of benefits provided amounted to **472,434**, up with respect to 449,037 in 2018, and was still very low and far below the number of active workers paying contributions (1,303,000, as already mentioned). The average amount of benefits too was low (**2,710 euros per year**) because of the short contribution period (this fund was launched in March 1996) and of the low contribution rates which initially did not exceed 12% of its members' annual taxable income but which have now significantly increased.

This significant increase in the contribution rates with low benefits is an issue especially for young workers with term contracts; in fact, they have to pay higher contributions with respect to artisans and retailers, also considering that many of them are professionals without an official register who often work exactly like members of professional associations. So, the rate disparity is indeed very high, from an average of 14% for members of privatized schemes to about twice as much for those who are not in an official register.

## **2.9 The overall financial and economic situation of INPS and of its schemes**

After many years of positive financial and economic results (5,870 million euros in 2015 and 78 million in 2016), INPS ran into a deficit of 6,906 million euros in 2017. In truth, the 2015-2016 surpluses can be ascribed to a previous regulatory intervention (Act no. 147/2013) to finance 21,698 million euros' worth of deficit of former INPDAP, which was transferred to INPS on 1/1/2012. Without this law, INPS would have run a significant deficit, which was avoided in the subsequent years due to a budget advance of 61,787 million euros as provided for under Act no. 205/2017, Art 1. par 178-179. After all, on December 31, 2018, notwithstanding 7,839 million euros' worth of deficit due to the above-mentioned interventions, INPS had a surplus of 47,042 million euros. **Similarly, even though in 2019, it had a negative operating result of 7,283 million euros, its financial and economic result was equal to 39,759 million euros.** The 7,283 million euros' worth of deficit is the result of the deficit of most schemes, except for the fund for atypical workers with a surplus of **130,923 million euros**, the temporary benefit scheme with **204,452 million euros** and former ENPALS with **5,396 million**.

**Table 2.6** below illustrates the economic and financial performance of all the schemes managed by INPS, with their operating results in the 2015-2019 period and their financial and economic situation on December 31st of every year. As to the self-employed category, it is important to mention the fund for farmers, tenant farmers and sharecroppers, with a deficit of 89,862 million euros. This can be

explained by the continual drop in employment in this sector, with a ratio of 3.05 pensioners per active worker paying contributions, the worst in the INPS framework. The fund for artisans too has a very significant deficit (74,871 million euros) with very bad economic results in recent years; in fact, like the fund for farmers, tenant farmers and sharecroppers, it shows very worrying and consistent trends, such as drop in the number its active members and an increase in the number of its pensioners. The deficit of the scheme for public-sector employees (former INPDAD) is not so significant, albeit not negligible, which amounted to 22,245 million euros in 2019, with a negative operating result equal to 12,498 million. Paragraph 2.5 specifically highlights the critical factors affecting this scheme, in particular the halt to turnover in the public administration of the last few years.

As to the *schemes for private-sector employees*, essentially the FPLD and GPT schemes both financed by workers and companies, it should be noted that their relative financial balance over time has been obtained thanks to the use of the surplus of GPT (Temporary Benefits Scheme) analyzed in Chapter 5; in fact, despite the economic slowdown and the increasing burden of benefit expenditure, in 2019 it had a positive operating result of 5,583 million euros and a surplus of 204,452 million, thus offsetting the 100,100 million euros' worth of deficit of FPLD (and of its former Special Funds). Paragraph 2.1 has already highlighted that the accounting balance of balance of FPLD is strongly affected by the results of the former special funds. Table 2.6 shows the yearly results and the financial situation of each fund on 31/12/2019. The figures are very significant and range from 10,274 million for the former telephony fund to 40,421 million for the former INPDAI fund.

It is important to recall that the transportation fund is the only one that continues to have new members and hence has a more favorable situation even after its integration into the FPLD scheme; instead, it is clear that the other funds are bound to show negative annual results. In this connection, it no longer makes sense to manage these funds with a separate accounting system, precisely because the newly-hired workers in these sectors are enrolled in the FPLD scheme, which results in a deterioration of their operating results and financial situation.

A compounding effect has also come from the restructuring of important sectors of the Italian economy, improperly charged on the "national pension accounts", and not accounted for as income support measures. As already illustrated in the analysis of the individual schemes, these sectors include agriculture (INPS inappropriately financed the shift of Italy from agriculture to industry) steel, paper, ports (with subjects retiring even more than 10 years in advance) and important companies such as Fiat, Olivetti, Ferrovie dello Stato, Alitalia and Poste.

**Table 2.6 – Economic and financial results of the schemes managed by INPS**  
(millions of euros)

GESTIONE E FONDI	2014 - Consuntivo		2015 - Consuntivo		2016 - Consuntivo		2017 - Consuntivo		2018 - Consuntivo		2019 - Consuntivo	
	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2014	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2015	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2016	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2017	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2018	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2019
<b>GESTIONI PENSIONISTICHE AGO</b>												
<b>* FONDO PENSIONI LAVORATORI DIPENDENTI</b>	-7.378	-130.188	-8.775	-138.963	690	-138.274	2.743	-135.531	3.408	-103.367	3.267	-100.100
<i>Fondo pensioni lavoratori dipendenti</i>	485	-47.586	-556	-48.142	9.279	-38.863	11.249	-27.614	11.949	-15.665	12.016	-3.649
<i>Ex fondo trasporti</i>	-1.018	-18.921	-1.064	-19.985	-1.030	-21.016	-1.000	-22.016	-901	-16.225	-935	-17.160
<i>Ex fondo elettrici</i>	-1.982	-28.002	-1.921	-29.922	-1.945	-31.867	-2.085	-33.932	-2.157	-26.394	-2.202	-28.396
<i>Ex fondo telefonici</i>	-1.093	-5.466	-1.313	-6.779	-1.274	-8.053	-1.553	-9.406	-1.325	-8.920	-1.354	-10.274
<i>Ex Inpdai</i>	-3.770	-30.213	-3.921	-34.135	-4.340	-38.474	-4.069	-42.543	-4.158	-36.163	-4.258	-40.421
<b>Comparto lavoratori autonomi</b>												
<b>* GESTIONE COLTIVATORI DIRETTI, COLONIE MEZZADRI</b>	-4.209	-80.018	-3.897	-83.915	-3.212	-87.127	-3.078	-90.205	-2.892	-87.137	-2.724	-89.862
<b>* GESTIONE ARTIGIANI</b>	-5.748	-49.579	-6.510	-56.089	-5.269	-61.358	-5.532	-66.891	-6.502	-69.410	-5.461	-74.871
<b>* GESTIONE COMMERCianti</b>	-1.574	-1.630	-2.697	-4.327	-1.476	-5.803	-2.045	-7.848	-3.956	-11.497	-2.785	-14.281
<b>* GESTIONE PARASUBORDINATI</b>	7.646	96.676	7.556	104.232	6.777	111.010	5.779	116.789	6.908	123.696	7.226	130.923
<b>GESTIONI PENSIONISTICHE ESCLUSIVE DELL'AGO</b>												
<b>* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI DELL'AMMINISTRAZIONE PUBBLICA (*)</b>	-3.194	-4.812	-4.428	-5.740	-7.181	-12.921	-9.260	-22.181	-10.095	-9.746	-12.498	-22.245
<b>GESTIONI PENSIONISTICHE SOSTITUTIVE AGO</b>												
<b>* FONDO PREVIDENZA DAZIERI</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>* FONDO PREVIDENZA VOLO</b>	-180	-461	-132	-594	-155	-749	-162	-911	-148	-1.017	-149	-1.166
<b>* FONDO SPEDIZIONIERI DOGANALI</b>	0	13	0	13	0	13	0	13	0	13	0	13
<b>* GESTIONE SPECIALE PER IL PERS. DELLE FERROVIE DELLO STATO</b>	0	1	0	1	0	1	0	1	0	1	0	1
<b>* GESTIONE SPECIALE PER IL PERS. DELLE POSTE ITALIANE SpA</b>	-173	1.331	-261	1.069	-353	716	-350	366	-410	-44	-657	-701
<b>* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI EX ENPALS</b>	208	3.944	127	4.071	488	4.559	267	4.826	266	5.092	304	5.396
<b>GESTIONI PENSIONISTICHE INTEGRATIVE AGO</b>												
<b>* GESTIONE SPECIALE MINATORI</b>	-17	-579	-14	-593	-11	-604	-10	-614	-9	-581	-9	-590
<b>* FONDO PREVIDENZA GAS</b>	-6	137	-5	131	-3	129	-2	127	-10	117	-10	107
<b>* FONDO PREVIDENZA ESATTORIALI</b>	26	953	-64	890	40	929	31	960	44	1.004	43	1.047
<b>* GESTIONE SPECIALE ENTI DISCIOLTI</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>* FONDO PREVIDENZA PERSONALE ENTI PORTUALI GENOVA E TRIESTE</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>GESTIONI PENSIONISTICHE MINORI</b>												
<b>* FONDO PREVIDENZA CLERO</b>	-72	-2.157	-62	-2.219	-55	-3.274	-51	-2.325	-49	-2.216	-44	-2.260
<b>* ALTRE GESTIONI</b>	-2	-147	-4	-152	3	-148	-2	-149	1	-138	4	-135
<b>GESTIONE PRESTAZIONI TEMPORANEE</b>	2.230	183.726	2.687	186.413	3.401	189.814	4.098	193.911	4.957	198.869	5.583	204.452
<b>ALTRE GESTIONI MINORI</b>	-45	991	181	1.173	99	1.269	593	1.418	646	3.365	628	3.992
<b>ALTRE ATTIVITÀ</b>	0	207	0	467	0	895	-1	1.340	0	40	0	39
<b>Totale gestioni previdenziali</b>	<b>-12.485</b>	<b>18.407</b>	<b>-16.297</b>	<b>5.870</b>	<b>-6.220</b>	<b>78</b>	<b>-6.984</b>	<b>-6.906</b>	<b>-7.839</b>	<b>47.042</b>	<b>-7.283</b>	<b>39.759</b>

SCHEMES AND FUNDS, Accounting results, Operating result, Financial results, Economic result

AGO PENSION SCHEMES, \*PENSION FUND FOR EMPLOYED WORKERS, *Ex transportation fund, Ex electricity fund, Ex telephony fund, ex INPDAl*

*Self-employed workers*, \*FUND FOR FARMERS, TENTANT FARMERS AND SHARECROPPERS, \*FUND FOR ARTISANS, \*FUND FOR RETAILERS; \*FUND FOR ATYPICAL WORKERS - AGO EXCLUSIVE PENSION FUNDS, \*SPECIAL FUND FOR PUBLIC EMPLOYEES - AGO SUBSTITUTIVE PENSION FUNDS, \*FUND FOR CUSTOMS OFFICERS; \*AVIATION FUND; \*FUND FOR CUSTOMS SHIPPERS; SPECIAL SCHEME FOR FERROVIE DELLO STATO; SPECIAL SCHEME FOR POSTE ITALIANE SpA; SPECIAL SCHEME FOR EX ENPALS' EMPLOYEES – AGO SUPPLEMENTARY PENSION SCHEMES, SPECIAL SCHEME FOR MINERS, \*GAS FUND, FUND FOR TAX COLLECTORS; SPECIAL SCHEME FOR DISSOLVED ENTITIES, \*FUND FOR GENOA AND TRIESTE PORTS' EMPLOYEES - MINOR PENSION SCHEMES, \*CLERGY FUND, \*OTHER FUNDS - TEMPORARY BENEFITS SCHEME - OTHER MINOR FUNDS - OTHERS - Total

### 3. Privatized Schemes for Liberal Professions: general framework and individual results in 2019

In addition to INPS, the Italian first-pillar compulsory pension system also features schemes for certified professionals registered with ad hoc rosters. These schemes are managed as private entities as provided for under privatizations Decrees no. 509/94 and no. 103/96, which are mandatory for all certified professionals<sup>26</sup>.

Unlike public funds, these schemes have their own financial and economic resources, amounting to slightly less than 78 billion euros in 2019, which are used to pay pension benefits to their members but also to deal with population shocks or to retirement peaks. However, even though they have their own resources, all privatized pension schemes operate according to the *pay as you go system* like the compulsory pension system as a whole.

Again in 2019, unlike public pension funds that work on the basis on the *pro rata* contribution calculation system as of 01/01/2012, some schemes regulated by Legislative Decree 509/1994 calculated their benefits with the *income-based system*. In these cases, pension benefits are calculated by applying a “proportional” coefficient ranging from 2% to 0.9% of the mean remuneration for retirement purposes (RMP) for a number of years (more recently from the last 15-25 years to 30 years or even more). However, after the introduction of the accounting requirement with financial and actuarial sustainability at **50 years** (Art. 24 of Leg. D. no. 201 “Salva Italia” of 06/12/2011 transposed into Act no. 214 on 22/12/2011), some of these schemes have adopted the *contribution-based method* with calculation criteria that are sometimes different from the ones provided for under Act no. 335/95, but with the strict application of the *pro rata* principle to protect the accrued seniority; since these are “closed populations,” any specific reference to the category may be more of a risk than a benefit over time and, given the precedents, they should conform to public rules.

Instead, since their inception under Act no. 335/1995, the privatized schemes under Legislative Decree no. 103/1996 have calculated their benefits according to the *contribution-based system*. Pension benefits are calculated by multiplying the individual amount of contributions paid by members by an age-related *transformation coefficient* at the time of retirement, which considers the age at retirement and hence the residual life expectancy. The individual amount of contributions consists of all the subjective contributions paid by members, adjusted every year with the same criteria as the public system, that is by a compound interest, based on the average five-year rate of change of nominal GDP.

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<sup>26</sup> Privatized schemes: A) *Privatized schemes under Legislative Decree no. 509/1994*: ENPACL (Labor Consultants), ENPAV (Veterinarians), ENPAF (Pharmacists), Cassa Forense (Lawyers), INARCASSA (Engineers and Architects), CIPAG (Graduated Surveyors and Surveyors), CNPR (Accountants and Commercial Experts), CNPADC (Certified Public Accountants), CNN (Notaries), ENPAM (Physicians) and INPGI (Journalists, Substitute scheme); B. *Privatized schemes under Legislative Decree no. 103/1996*: ENPAB (Biologists), ENPAIA (Separate scheme for Agro-Technicians), ENPAM (Physicians) and INPGI (Journalists, Substitute Management). B) Institutions set up in accordance with Legislative Decree no. 103/1996: ENPAB (Biologists), ENPAIA (Separate scheme for Agro-Technicians), EPAP (multi-category: agronomists and forestry experts, actuaries, chemists and geologists), EPPI (Industrial Experts and Graduated Technicians), ENPAP (Psychologists), ENPAPI (Nurses) and INPGI (Journalists, Separate scheme). This analysis does not include the following 509 schemes: ONAOSI (it manages revenues in favor of orphans), ENASARCO, FASC and ENPAIA, which provide obligatory supplementary pension benefits in the form of annuities or capital and whose members receive mandatory pension benefits from other funds. For the same reason, the only ENPAM members considered only those in “A Quota”, that is free-lance professionals.



Moreover, in order to increase pension benefits, any positive differences between the financial yield of the assets under management and the capitalization accredited onto the individual accounts are placed into a contingency fund to be used in case of a negative balance. However, in the last few years, an increasing number of these schemes have been allowed by the supervising Ministries to adjust their individual contribution amounts to a higher rate with respect to the one established by law (five-year average of GDP), thus allocating part of the extra-yield accrued on these assets to their members.

These funds are *financed* by two main types of contributions: *subjective contributions* calculated as a percentage of the income for tax purposes, ranging from 10% to 16%, to finance retirement benefits; *supplementary contributions* calculated on the basis of the turnover (and therefore on a higher amount) which range between 2% and 5%; these are partly used to finance welfare benefits, operating costs and to supplement pension benefits for their members, when this is admissible.

### 3.1 General framework and main indicators

The number of active members paying contributions in the privatized schemes was equal to **1,332,886**, with a **134%** increase in the period analysed between 1989 and 2019. In 2019, the schemes under Legislative Decree no. 509/1994 (hereafter referred to as “the 509 schemes”) reached a number of active workers paying contributions equal to **1,131,993**, a yearly increase by 0.51% and by 120.8% compared to 1989. The schemes under Legislative Decree no. 103/1996 (hereafter referred to “the 103 schemes”) had **200,893** members with an annual increase by 2.94% and by 253.4% respectively as against the first year of the observation period (year 2000).

**Table 3.1 - General framework and main indicators in 2019**

CASSE	Numero contribuenti	Numero pensionati	Entrate contributive	Uscite per prestazioni	Saldo contabile	Patrimonio netto	Totale Attivo
Casse 509/94	1.131.993	410.929	8.725.702.821	5.521.539.422	4.673.774.420	68.250.010.815	70.718.111.032
Casse 103/96	200.893	19.329	518.527.834	56.862.170	194.069.638	2.393.990.811	7.050.453.191
<b>Totale Casse</b>	<b>1.332.886</b>	<b>430.258</b>	<b>9.244.230.655</b>	<b>5.578.401.592</b>	<b>4.867.844.058</b>	<b>70.644.001.626</b>	<b>77.768.564.223</b>

*Schemes 509/94, Schemes 103/96, Grand Total, Number of active workers paying contributions, Number of pensioners, Contribution revenues, Benefit expenditure, Accounting balance, Net Assets, Total assets*

The number of pensioners (which is generally the same as the number of pensions in these funds because there are no other types of annuities) increased from 145,428 to **430,258** over the 1989-2019 period (+ **195.9%**, 75% higher than the increase in the number of members); given their recent inception, the 103 schemes only accounted for 15.1% of the total number of active workers paying contributions and, in 2019, they provided a modest number of benefits equal to **19,329** (4.5% of the total). However, it is crucial to highlight that, in 2019, the number of benefits provided by these schemes increased over twice as much as that of membership, that is 6% against + 0.9%; the growth for the two categories was equal to 5.62% for the 509 schemes and to 9.50% for the 103 schemes.

As indicated in the table, in 2019, the *contribution revenues* of privatized schemes amounted to about **9.244.23 million euros**, with an increase by **3.8%** compared to 2018 (+3.6% last year). The contributions received by the 509 funds reached **8,726 million euros**, with an increase by 3.6% compared to 2018 (+3.5% last year), vs. **519 million euros** for the 103 schemes, with an increase by 7% compared to 2018 (+ 5.6% last year).

<b>ENTRATE CONTRIBUTIVE</b>	<b>2019 (mln euro)</b>	<b>Var. 2018-2019</b>	<b>Var. 2015-2019</b>	<b>Var. 2010-2019</b>	<b>Var. 1989-2019</b>
<b>Casse 509</b>	8.726	3,62%	16,42%	44,85%	740,26%
<b>Casse 103</b>	519	7,04%	25,47%	83,52%	159,51%
<b>Totale</b>	9.244	3,81%	16,89%	46,59%	775,97%

Contribution revenues, Millions of euros, 509 schemes, 103 schemes, Total

**Pension expenditure** reached **5,578 million euros** in 2019, an increase by **6.6%** vs. 2018 (+ 4.9% last year). The expenditure for the 509 schemes was equal to **5,522 million euros** with an increase by 6.5% compared to 2018 (+4.8% last year), vs. **57 million euros**’ worth of expenditure for the 103 funds with an increase by 15.69 % compared to 2018 (+ 13.1% last year). Of course, these data reflect the significant growth in the number of pensioners during the year.

<b>SPESA PER PENSIONI</b>	<b>2019 (mln euro)</b>	<b>Var. 2018-2019</b>	<b>Var. 2015-2019</b>	<b>Var. 2010-2019</b>	<b>Var. 1989-2019</b>
<b>Casse 509</b>	5.522	6,53%	21,29%	57,80%	758,32%
<b>Casse 103</b>	57	15,69%	75,91%	522,88%	4179,30%
<b>Totale</b>	5.578	6,62%	21,67%	59,01%	767,16%

Pension expenditure, Millions of euros, 509 schemes, 103 schemes

The **balance between contribution revenues and pension expenditure** remained practically stable with respect to 2018 at around **3.666 billion euros**, with a reduction by about 7 million equal to - 0.2 % (+1.9% last year). In 2019, the 509 schemes featured a balance equal to **3.204 billion euros**, down by 1% (vs. +1.49% last year), while the 103 funds had a balance of **462 million euros**, an increase by 6.06% compared to 438 million in 2018. The summary table below related to the accounting balances over time shows a more limited growth for the 509 schemes, with a slight drop in 2019, and a better but dwindling performance for the 103 schemes (*for these 3 parameters, please see tables 1b, 1c, 1d and 2b, 2c, 2d, in the exhibits to the Report published in the web section*).

<b>SALDO ENTRATE/USCITE</b>	<b>2019 (mln euro)</b>	<b>Var. 2018-2019</b>	<b>Var. 2015-2019</b>	<b>Var. 2010-2019</b>	<b>Var. 1989-2019</b>
<b>Casse 509</b>	3.204	-1,03%	8,88%	26,91%	710,86%
<b>Casse 103</b>	462	6,06%	21,19%	68,85%	132,60%
<b>Totale</b>	3.666	-0,19%	10,29%	38,79%	789,74%

Revenues/Expenditure, Ratio, Millions of euros, 509 schemes, 103 schemes, Total

The **total assets** of these pension funds, except for ENASARCO, FASC and ENPAIA, reached approximately **77.8 billion euros** at the end of 2019 with an increase by almost 5.3 billion, almost by 1 billion vs. the previous year<sup>27</sup>. The following paragraph 3.5 provides a brief description of the investment types and approaches also in the Italian real economy.

The **average annual contribution** amounted to **6,936 euros** in 2019, with an increase by **2.92%** compared to 2018. In particular, for the 509 schemes, the average contribution was equal to **7,708 euros**, with an increase by 3.10% compared to 2018; instead, for the 103 schemes, it amounted to **2,581**

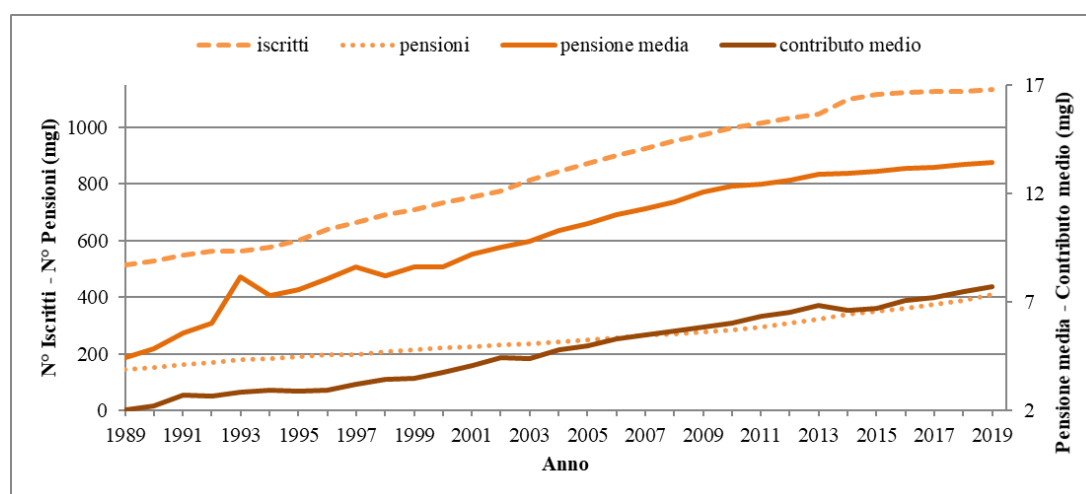
<sup>27</sup> The 103 schemes feature a lower net worth with respect to the total of their assets; this is due to the fact that these schemes do not enter the pension-related funds in the liabilities section of their accounts.

euros with a 3.99% growth with respect to the previous year. This means that the **average contributions** are not really high, especially in the case of the 103 funds, in particular if compared

those of the public system where self-employed workers (artisans, retailers and farming entrepreneurs) pay 24% on average, atypical workers (often uncertified self-employed professionals) over 27% and employed workers pay 33%. Consequently, if they are not supported by supplementary contributions and/or by extra yields, they will generate low pension benefits. In fact, many schemes have tried to solve this problem through a gradual increase in contribution rates for the coming years. (*see Figures 3.1 and 3.2*).

The **average pension** amounted to **12,965 euros** in 2019 (almost twice the average contribution) with an increase by 0.78% vs. 2018. For the 509 schemes, the average pension was equal to **13,436.7 euros** with an increase by 0.86% compared to 2018 (while the ratio vs. the average contribution dropped from 1.79 to 1.74 times); instead, for the 103 funds, it was equal to **2,942 euros** with a 5.65 % growth compared to 2018. The very low average pension benefits provided by the 103 schemes result from low contributions but also from the fact that these are supplementary benefits especially for older workers are eligible to first pillar pensions also in other public funds. (*For these first 4 indicators see tables 4b, 4c, 4d, 5b, 5c, 5d, in the exhibits to the Report published in the web section and the following Figures 3.1 for the 509 schemes and 3.2 for the 103 schemes*).

**Figure 3.1 – Indicators: number of members, number of pensions, average pension and average contribution in 1989-2019 for Schemes under Leg. Decree n. 509/1994**



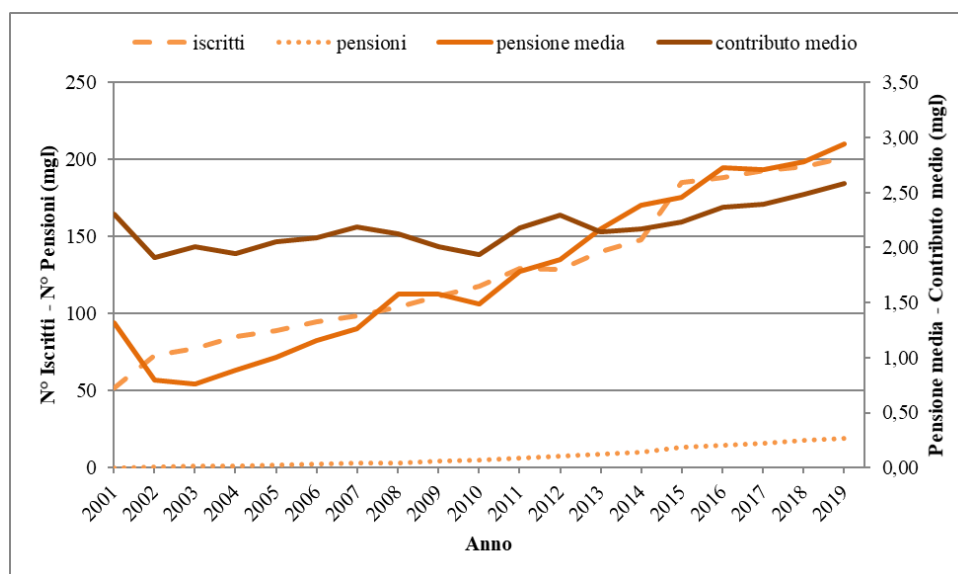
members; pensions; average pension; average contribution; year  
n. of members - n. of pensions (thousands); average pension - average contribution (thousands)

For the 103 Funds (*figure 3.2*), the number of pensions is always very low in relation to their membership, with a very favourable ratio of active workers vs. pensioners, even if it is going down (still more than 10 active workers per pensioner vs. 11 the previous year); the average pension and the average contribution mainly show the same growth trend but, in 2019, this ratio picked up again, albeit slightly, up to 1.139 after the slight reduction from 1.151 of 2016 to 1.131 in 2017 and to 1.127 in 2018.

*Figures 3.1 and 3.2* show the trend of the parameters mentioned above for the two macro-groups: the 509 and the 103 schemes. The graph related to the 509 schemes shows a substantially linear membership growth up to 2014, followed by a flattening of the curve, while pension benefits continued

to grow, with a peak in 2019 (almost 23,000 more vs. the previous year), due to longer life expectancy and to pension entitlements for more senior members (baby boomers).

**Figure 3.2 - Indicators: number of members, number of pensions average pension and average contribution in 1989-2019, for Schemes under Leg. Decree n. 103/1996**



Members; pensions; average pension; average contribution; year  
N. of members - n. of pensions (thousands); Average pension – Average Contribution (thousands)

The **ratio of the number of pensioners vs. the number of active workers** for these schemes was equal to **0.323** (i.e. 3.10 active workers per pensioner), that has been slightly deteriorating over time: from 0.255 pensioners per active worker in 1989 to 0.308 last year and up to the current figure. In detail, the ratio of pensioners vs. active workers was equal to **0.363** (2.8 active workers per pensioner) for the 509 schemes and to **0.096** (10.39 active workers per pensioner) for the 103 funds. The table below illustrates the trend of this ratio over time which is constantly and physiologically deteriorating due to the aging of the population and to the more mature nature of these schemes. (*for this ratio see tables 6b, 6c, 6d in the exhibits to the Report published in the web section*).

RAPPORTO PENSIONATI/ATTIVI	2019	2018	2015	2010	1989
Casse 509	0,363	0,345	0,313	0,284	0,283
Casse 103	0,096	0,090	0,071	0,060	0,002
Totale	0,323	0,308	0,278	0,254	0,255

Ratio of the number of pensioners vs. the number of active workers; 509 schemes; 103 schemes; Total

The **average pension/average contribution ratio** was about **1.869** in 2019, slightly down by 2% with respect to last year; the average pension changed from 191% of the amount of annual contributions in 2018 to 187% in 2019. In detail, this ratio was equal to **1.743** for the 509 schemes compared to 1.782 in 2018 and to **1.140** for the 103 funds, down with respect to 1.122 % of 2018. The following table shows the trend of this ratio over time. (*for this ratio, see tables 4b, 4c, 4d in the exhibits to the Report published in the web section*).

<b>RAPPORTO PENSIONE MEDIA/CONTRIBUTO MEDIO</b>	<b>2019</b>	<b>2018</b>	<b>2015</b>	<b>2010</b>	<b>1989</b>
<b>Casse 509</b>	1,743	1,782	1,941	2,043	2,186
<b>Casse 103</b>	1,140	1,122	1,103	0,760	0,239
<b>Totale</b>	1,869	1,909	2,082	2,192	2,387

Average pension/average; contribution ratio; 509 schemes; 103 schemes; Total

The **average pension/average contribution** ratio improved the economic sustainability of the system in 2019, with pension annuities equal to 1.87 times with respect to the contributions paid; this level, with around 37 years of contributions and a retirement age between 67 and 70 years, cannot apparently be reduced to ensure social sustainability.

The **ratio of contribution revenues vs. pension expenditure** was equal to **1.657** in 2019, down by about 2.6% with respect to the previous year. For the 509 schemes, this ratio amounted to **1.580** as against 1.625 in 2018; for the 103 funds, it was equal to 9.119, thus confirming its progressive reduction as of 2008 (vs 9.856 in 2018). The table below illustrates the trend of this ratio over time, highlighting a constant reduction for both macro-groups starting from 2015. (*for this ratio, see tables 3b, 3c, 3d, in the exhibits to the Report published in the web section*).

<b>RAPPORTO ENTRATE CONTRIBUTIVE/SPESE PENSIONISTICHE</b>	<b>2019</b>	<b>2018</b>	<b>2015</b>	<b>2010</b>	<b>1989</b>
<b>Casse 509</b>	1,580	1,625	1,646	1,722	1,614
<b>Casse 103</b>	9,119	9,856	12,785	30,950	968,052
<b>Totale</b>	1,657	1,702	1,725	1,798	1,640

Ratio of contribution revenues vs. pension expenditure; 509 schemes; 103 schemes; Total

### 3.2 Analysis of each individual scheme and main indicators

Before going into the details of sustainability indicators, it should be noted that several measures adopted envisage provisions that have an effect on economic and financial results and also on indicators; however, some of these rules have been cancelled following some legal actions brought by these schemes. **Tables 3.2 and 3.3** show the indicators related to *the sustainability of each scheme in the medium and long term*. The **first sustainability indicator** of expenditure in the medium and long term is the **pension balance**, i.e. the ratio of the revenues from subjective and supplementary contributions versus the cost of pension benefits. The calculation of this indicator also includes other revenues from contributions (in particular those related to recovered sums for omissions, penalties and interests for late payments totalling 155 million euros as indicated in **tables 3.3** for the 509 schemes and **3.4** and for the 103 funds). In addition to the pension balance as such, the Tables also show two fundamental sustainability indicators already discussed above: the demographic ratio of the number of pensioners vs. the number of active workers and the economic ratio of the average pensions vs. the average contributions. For all these indicators, they show the % rates of change at 1, 5 and 10 years and as of the inception of the schemes.

The **contribution revenues/pension expenditure ratio (table 3.2)** of the 509 schemes illustrates the difficult situation of the fund for journalists (INPGI); in fact, this ratio was equal to 0.67 and shows that contribution revenues were not sufficient to finance pension benefit expenditure.

This parameter was again deteriorating, albeit slightly (0.69 in 2018) notwithstanding the slower growth of pension expenditure, +1.55 compared to +3.14, due to effect of the reform which started in 2017<sup>28</sup>; instead, the crisis led to a reduction in contributions (-0.71 vs. -0.57). The funds for certified accountants, veterinary doctors and lawyers had a good expenditure/revenues ratio at around or above 2, with twice as high contribution revenues (2.9 times for CNPADC) compared to pension benefits; the other schemes featured an almost balanced situation, albeit slightly deteriorating, except for ENPAM with a drop by about 9% due to a growth in pension expenditure by 11.5% and in contributions revenues by 2%.

As to the **ratio of the number of pensioners vs. the number of active workers**, the best results were obtained by the fund for lawyers (Cassa Forense) and INARCASSA (21.52); less positive ratios were obtained by INPGI (67.06 pensioners per 100 active workers), by ENPAM (63.21) and by the fund for notaries (Cassa del Notariato) (51.55). Finally, only the fund for pharmacists managed to slightly improve this ratio compared to 2018 (from 26.06 to 25.76). The progressive worsening of this ratio is clearly due to the aging of the population or to contingencies such as the retirement of many National Health Service general practitioners who have not been adequately replaced, as unfortunately came out during the COVID 19 epidemic.

The **average pension/average contribution ratio** ranged from 0.98 (ENPAM) to 4.23 (Cassa Forense), with an average pension almost equal or higher than the average contributions; lawyers receive an average pension that is 4.23 times their average contributions (slightly down with respect to 4.38 in 2018 and to 4.24 in 2017); engineers and architects, from 3.04 in 2018 to 2.90 in 2019, chartered accountants less than 3 times as high and INPGI 2.23 times with respect to the average contributions of 2018. The remaining schemes have lower ratios with very limited downward and upward trends.

As to recovered contributions (*table 3.3*), they dropped by 55 million in 2018 for the 509 schemes (probably due to the good performance of the economy in 2017 and hence fewer difficulties in paying contributions); however, they started growing again in 2019 by 17 million because of the slump in the economy in 2018 and hence of problems in paying contributions.

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<sup>28</sup> For further details on the reform, please see Chapter 3 of the VI Report. Additional measures are designed to recalculate the average 2007-2016 remunerations only with the ISTAT adjustment, the introduction of a maximum contribution rate for new members and safeguard clauses for unemployed, redundant or mobility subjects. Finally, the “Lotti Decree” of May 2017 set new rules for early retirement, with the age of the applicant linked to the age for old-age pension requirement and 5 years as the earliest retirement window, in addition to partially funding safety net measures.



**Table 3.2 – Economic and demographic indicators of the 509 Schemes in 2019**  
(millions of euros)

		ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM
Spesa per pensioni	2019 (mln €)	129,11	47,03	153,04	862,04	704,16	504,15	235,60	297,98	211,81	537,75	1.838,88
	var. % 18-19	9,69	8,84	0,39	5,10	7,11	2,75	1,37	5,66	1,78	1,55	11,50
	var. % 15-19	26,85	26,21	-2,59	12,58	31,64	7,19	4,27	17,76	5,02	15,96	37,13
	var. % 10-19	94,79	62,61	-1,23	38,43	135,56	34,07	37,67	56,19	20,70	45,36	76,15
	var. % 89-19	1.666,41	5.446,10	45,81	1.261,49	3.001,07	1.889,31	2.500,15	1.962,99	322,97	699,49	1.261,49
Entrate contributive per pensioni	2019 (mln €)	179,14	121,37	266,66	1.696,66	1.128,17	546,45	296,00	866,39	294,15	360,34	2.970,38
	var. % 18-19	2,38	6,20	-0,03	7,67	5,78	6,79	-4,85	4,92	0,37	-0,71	1,81
	var. % 15-19	5,87	26,63	1,87	11,95	14,58	16,81	5,75	18,71	11,50	2,59	25,03
	var. % 10-19	59,34	80,77	3,15	57,77	70,67	40,07	14,34	57,77	57,77	57,77	44,61
	var. % 89-19	1.180,78	3.893,70	157,98	1.620,24	1.182,05	682,07	1.218,11	1.620,24	1.620,24	1.620,24	606,82
Saldo pensionistico	2019 (mln €)	50,04	74,34	113,62	834,61	424,01	42,30	60,40	568,41	82,34	-177,40	1.131,51
	var. % 18-19	-12,65	4,60	-0,58	10,45	3,66	100,84	-23,21	4,54	-3,10	6,47	-10,80
	var. % 15-19	-25,80	26,89	8,55	11,30	-5,71	-1.774,01	11,99	19,21	32,53	57,69	9,35
	var. % 10-19	8,42	94,51	9,72	84,38	17,09	199,91	-31,15	55,67	181,87	-1.230,24	12,01
	var. % 89-19	649,26	3.292,86	-7.250,47	2.263,47	549,42	-5,00	350,89	1.451,42	267,57	-732,59	695,35
Rapporto tra entrate contributive e spesa per pensioni	2019	1,39	2,58	1,74	1,97	1,60	1,08	1,26	2,91	1,39	0,67	1,62
	2018	1,49	2,64	1,75	1,92	1,62	1,04	1,34	2,93	1,41	0,69	1,77
	2015	1,66	2,57	1,67	1,98	1,84	0,99	1,24	2,88	1,31	0,76	1,77
	2010	1,70	2,32	1,67	1,73	2,21	1,04	1,51	2,91	1,17	1,04	1,97
	1989	1,91	3,58	0,98	1,56	3,88	2,76	2,48	3,51	1,45	1,42	1,51
Rapporto pensionati/attivi*100	2019	42,98	24,68	25,76	12,01	21,52	45,00	39,17	12,24	51,55	67,06	63,21
	2018	40,66	23,12	26,06	11,89	20,25	42,54	37,69	11,63	52,82	64,95	59,66
	2015	36,25	21,03	28,60	11,65	16,41	37,17	29,65	10,76	54,17	57,29	53,08
	2010	27,57	22,80	33,81	16,09	8,89	27,54	22,90	10,50	41,44	38,80	44,73
	1989	15,35	35,95	45,22	32,01	26,54	13,70	9,67	27,30	51,89	38,14	28,90
Rapporto pensione media/contributo medio	2019	1,68	1,57	2,23	4,23	2,90	2,05	2,03	2,81	1,40	2,23	0,98
	2018	1,65	1,64	2,19	4,38	3,04	2,25	1,98	2,94	1,34	2,25	0,95
	2015	1,66	1,85	2,10	4,34	3,31	2,70	2,72	3,22	1,41	2,30	1,06
	2010	2,14	1,89	1,77	3,60	5,09	3,50	2,89	3,27	2,07	2,47	1,14
	1989	3,41	0,78	2,25	2,01	0,97	2,65	4,17	1,04	1,33	1,85	2,29

Pension expenditure; Contribution revenues for pension benefits; Pension balance; Pension expenditure/Contribution revenues ratio;  
Pensioners/Active workers ratio; Average pension/Average contribution ratio

**Table 3.3 - Recovered sums due to omissions, sanctions and interests for delayed payments by the 509 schemes in 2019 and in 2018 (millions of euros)**

	2019	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	TOTALE 509
Contributi prestazioni pensionistiche		179,1	121,4	266,7	1.696,7	1.128,2	546,5	296,0	866,4	294,1	360,3	2.970,4	8.725,7
Recuperi per omissioni, sanzioni ed interessi per ritardati versamenti.		2,1	1,1	0,5	27,9	28,9	14,0	33,1	6,5	0,0	5,1	16,3	135,5
Percentuale		1,18%	0,92%	0,17%	1,65%	2,56%	2,56%	11,18%	0,75%	0,00%	1,43%	0,55%	1,55%

	2018	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	TOTALE 509
Contributi prestazioni pensionistiche		175,0	114,3	266,7	1.575,8	1.066,5	511,7	311,1	825,8	293,1	362,9	2.917,7	8.420,5
Recuperi per omissioni, sanzioni ed interessi per ritardati versamenti.		7,4	0,7	0,2	21,7	31,9	4,9	18,5	4,9	0,0	6,9	22,4	119,4
Percentuale		4,23%	0,63%	0,09%	1,38%	2,99%	0,95%	5,93%	0,59%	0,00%	1,90%	0,77%	1,42%

Contributions for pension benefits; Sums recovered due to omissions, sanctions and interests on delayed payments; Percentage

**Table 3.4** shows the same indicators for the privatized schemes under Legislative Decree 103/1996. Given their recent inception, their pension benefits are still very few, so the *expenditure/revenues ratio* was generally very positive, although slightly diminishing following the aging and the retirement of their older members. This ratio ranged from 5.36 (more than 5 times with respect to benefits) for industrial experts (EPPI) to almost 13 times for psychologists (ENPAP) and to 10.5 times for biologists (ENPAB).

The funds for nurses (ENPAPI) and for agricultural technical experts (ENPAIA AGR.) had very positive, but not very significant, ratios equal to 19.11 and to 112.8 respectively: the first influenced

by the possibility for nurses to work under short-term contracts as of 2013 and the second by its recent start in 2008 and by its limited number of pensions (42) (*Tables 4-103* on the web). It should be noted that this ratio improved from 7.86 to 8.40 for the separate scheme for journalists (INPGI 2).

**Table 3.4 - Economic and demographic indicators of Schemes under Leg. D. 103/1996 in 2019**  
(millions of euros)

		EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2
Spesa per pensioni	2019 (mln €)	20,02	11,16	4,77	5,56	0,03	1,21	8,76	5,36
	var. % 18-19	18,23	19,96	14,70	21,48	36,01	13,58	13,59	-0,50
	var. % 15-19	80,88	81,96	87,54	118,61	71,99	59,99	63,81	36,73
	var. % 10-19	429,28	1.189,84	505,00	663,42	950,02	187,98	376,16	661,65
	var. % 89-19	4.204,83	3.261,12	10.917,64	11.989,26	-	991,74	3.929,82	4.572,57
Entrate contributive per pensioni	2019 (mln €)	107,39	143,65	91,13	58,47	3,35	8,49	61,05	44,99
	var. % 18-19	8,37	10,36	-2,20	10,43	11,49	1,06	10,39	6,33
	var. % 15-19	32,01	42,76	8,76	39,64	46,53	3,74	14,98	6,94
	var. % 10-19	99,45	99,90	120,48	88,98	130,76	0,79	17,42	98,32
	var. % 89-19	147,60	223,75	247,46	170,01	214,10	56,13	65,20	117,13
Saldo pensionistico	2019 (mln €)	87,37	132,50	86,36	52,90	3,32	7,29	52,29	39,64
	var. % 18-19	6,34	9,62	-2,99	9,38	11,31	-0,75	9,88	7,33
	var. % 15-19	24,32	40,21	6,30	34,53	46,33	-1,96	9,51	3,89
	var. % 10-19	74,53	86,61	113,00	74,53	129,16	-9,00	4,26	80,30
	var. % 89-19	103,63	200,86	229,82	103,63	211,32	36,75	42,33	92,35
Rapporto tra entrate contributive e spesa per pensioni	2019	5,36	12,87	19,11	10,51	112,79	7,05	6,97	8,40
	2018	5,85	13,99	22,42	11,56	137,60	7,92	7,17	7,86
	2015	7,35	16,41	32,95	16,45	132,39	10,87	9,93	10,74
	2010	14,24	83,07	52,44	42,45	513,22	20,13	28,26	32,26
	1989	1320,09	1812,15	1441,19	2634,81	-	49,26	1290,36	4102,59
Rapporto pensionati/attivi*100	2019	36,03	7,17	6,67	10,67	2,03	20,23	9,74	5,64
	2018	32,35	6,75	6,07	10,21	2,48	21,99	9,13	5,33
	2015	24,39	5,81	4,43	7,06	1,31	14,56	7,27	4,15
	2010	8,13	3,60	2,97	3,01	0,37	7,90	4,16	3,35
	1989	-	-	-	-	-	-	-	-
Rapporto pensione media/contributo medio	2019	0,52	1,08	0,78	0,89	0,44	0,70	1,47	2,11
	2018	0,53	1,06	0,74	0,85	0,29	0,57	1,53	2,39
	2015	0,56	1,05	0,68	0,86	0,58	0,63	1,39	2,24
	2010	0,86	0,33	0,64	0,78	0,52	0,63	0,85	0,92
	1989	-	-	-	-	-	-	-	-

Pension expenditure; Contribution revenues for pensions; Pension balance; Ratio of pension expenditure vs. contribution revenues;  
Ratio of the number of pensioners vs. the number of active workers; Average pension/average contribution ratio

Therefore, also the ratio of the **number of pensioners** vs. the **number of active workers** was clearly very positive; except for the two special and very small ENPAIA funds, this ratio ranged from 5.64 pensioners per 100 active workers for the INPGI separate scheme to 6.67 for the fund for nurses (ENPAPI) up to a maximum of 36.03 retirees per 100 active workers in the fund for industrial experts (EPPI); the other schemes had a ratio equal to or lower than 10 pensioners. Obviously, over the years, the number of pensioners is bound to grow and so will this ratio.

Finally, the **average pension/average contribution ratio**. Except for the two special ENPAIA funds, this ratio shows that the average pension was higher than the average contributions by 2.11 times for journalists (the INPGI separate scheme), by 1.47 times for the multi-category fund (EPAP) and by 1.08 times for psychologists; with respect to the previous year, this ratio was lower for the first two funds while it was slightly higher for the fund for psychologists.



Other schemes featured a good and stable ratio lower than 1 and generally stable with respect to 2018, with a slight growth for industrial experts whose average pension reached 52% of the average contributions, for nurses at 72% and for biologists 89%.

As regards the recovered sums (*table 3.5*), in 2019 these sums remained substantially unchanged for all 103 schemes with a slight increase both in absolute value (+ 1 million) and a negligible reduction as percentage of contributions (- 0.01%), a sign of the ongoing contribution issues but also of more careful administrative controls.

**Table 3.5 - Recovered sums due to omissions, sanctions and interests for delayed payments by 103/1996 funds in 2019 and 2018 (millions of euros)**

2019	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE 103
Contributi prestazioni pensionistiche	107,4	143,7	91,1	58,5	3,3	8,5	61,1	45,0	518,5
Recuperi per omissioni, sanzioni ed interessi per ritardati versamenti.	3,3	5,4	6,5	0,2	0,0	0,1	1,7	2,6	19,9
Percentuale	3,12%	3,77%	7,08%	0,33%	0,95%	1,30%	2,83%	5,73%	3,83%

2018	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE 103
Contributi prestazioni pensionistiche	99,1	130,2	93,2	52,9	3,0	8,4	55,3	42,3	484,4
Recuperi per omissioni, sanzioni ed interessi per ritardati versamenti.	3,3	5,1	6,4	0,2	0,0	0,2	2,0	1,8	18,9
Percentuale	3,32%	3,91%	6,84%	0,36%	1,00%	2,39%	3,54%	4,22%	3,91%

Contributions for pension benefits; Sums recovered due to omissions, sanctions and interests on delayed payments; Percentage

### 3.3 Other sustainability indicators, operating costs and accounting data

The *second long-term sustainability indicator* is the *overall balance of all income, benefit expenditure and operating expenses*, which gives the most exhaustive picture of the situation of individual Schemes. Therefore, as of 2014, some additional parameters have been added to the data related to contribution revenues and pension expenditure, that is all the accounting items of these funds: other revenues (welfare contributions, asset management yields and extraordinary revenues) and other costs (welfare benefits, operating and extraordinary expenses). This makes it possible to obtain their **accounting balance**, that is their overall financial and operating results so as to monitor their performance over time<sup>29</sup>.

In 2019, this balance had a significant growth for both categories of schemes, in particular for the 103 funds where it more than doubled. In detail, for the 509 funds, the accounting balance increased by 1.54 billion euros, equal to 49% with respect to the previous year; this was determined by the higher income generated by the assets under management (+54%) due to the very positive trend of the markets and the increase in the value of securities, notwithstanding INPGI's significant losses largely due to the imbalance between contribution revenues and pension benefits which were slightly higher also in 2019.

<sup>29</sup> Just a reminder: as to the 50-year sustainability projection under Art. 24, par. 24 of the Monti-Fornero Law no. 214/2011, the authors do not agree on the condition (also questionable from a technical point of view) for these funds to always have a positive balance without taking into account the income from their assets and without being able to use part of the same assets to offset temporary increases in pension expenditure, as frequently happens during an economic crisis or employment changes. The question is what the use of assets is, which are continuously growing, thus creating serious problems of profitability and maintenance of real values.

The growth of the balance was even stronger for the 103 funds, practically 2.3 times with respect to 2018: 209 million euros vs. 89 million. Like for the 509 schemes, this result derives from the higher income from the assets under management.

Finally, the Report also provides the ratio of operating costs vs. the so-called *production value* (the sum of total revenues and expenditure). In 2019, this ratio had a moderate reduction for the 509 schemes from 2.63% in 2018 to 2.59% thanks to stable expenditure and the increase in the production value boosted by asset yields. The operating expenses of all the 103 funds went up (especially those of ENPAPI related to 2017 since its 2018 accounting data were not available), bringing this ratio from 5.03% to 5.07%. **Tables 3.6** and **3.7** below show these indicators: contributions for pension and welfare benefits, other proceeds, pension and welfare benefit expenses, costs, accounting balance, operating expenses and their impact on the value of production.

**Table 3.6 - Other indicators of Schemes under Leg. D. n. 509/1994**  
(millions of euros, as % of the production value)

	ENPACL	ENPAV	ENPAF	CF	RCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	TOTALE
Contributi prestazioni pensionistiche	179,14	121,37	266,66	1.696,66	1.128,17	546,45	296,00	866,39	294,15	360,34	2.970,38	8.725,70
Contributi prestazioni assistenziali	25,37	2,44	4,97	72,33	10,18	12,91	18,38	13,40	3,11	24,40	14,58	202,07
Rendimenti gestione e altre entrate	35,35	31,76	118,99	495,94	495,94	72,36	110,84	485,43	53,84	71,29	1.021,72	2.993,47
Totale ricavi	239,87	155,56	390,62	2.322,09	1.634,29	631,73	425,22	1.365,22	351,10	456,03	4.006,69	11.978,41
Spesa prestazioni pensionistiche	129,11	47,03	153,04	862,04	704,16	504,15	235,60	297,98	211,81	537,75	1.838,88	5.521,54
Spesa prestazioni assistenziali	6,62	6,00	11,76	94,67	29,91	7,11	6,05	22,52	42,07	18,08	127,33	372,12
Spese funzionamento altre uscite	23,54	41,92	33,71	94,28	94,28	75,83	119,48	184,90	36,76	71,53	301,45	1.077,67
Totale Costi	159,26	94,95	198,50	1.384,30	828,35	587,09	361,13	505,40	290,64	627,35	2.267,66	7.304,63
Saldo contabile	80,61	60,61	192,11	937,78	805,94	44,63	64,09	859,82	60,46	-171,32	1.739,03	4.673,77
Totale ricavi + prestazioni	375,59	208,60	555,42	3.278,80	2.368,35	1.142,99	666,87	1.685,71	604,98	1.011,85	5.972,90	17.872,06
Spese di funzionamento	12,10	13,08	13,88	58,23	34,45	27,35	22,24	74,32	10,41	25,76	170,91	462,72
Incidenza sul valore della produzione	3,22%	6,27%	2,50%	1,78%	1,45%	2,39%	3,33%	4,41%	1,72%	2,55%	2,86%	2,59%

Pension benefit contributions; Welfare benefit contributions; Revenues from assets under management and other sources; Total revenues; Pension benefit expenditure; Welfare benefit expenditure; Operating costs; Other expenses; Total Costs; Accounting balance; Total revenues + benefits; Operating expenses; Effect on the production value

In order to have a more exhaustive picture it is useful to provide an analysis, albeit short, on the number of members over the years. The latest data<sup>30</sup> related to 2018 show that this growth was boosted by the progressive increase in the number of active pensioners, which was almost twice as high as that of active workers (2.8% compared 1.30%), thus confirming that was not a short-term trend. In fact, since 2015, this increase has been equal to 102.41% and to 23.51% respectively. At the end of 2019, active pensioners accounted for 45.2% of all subjects paying contributions.

The possibility to pay contributions even after retirement is the result of recent reforms that have gradually increased the component of personal contributions in the calculation of pension benefits and

<sup>30</sup> Source: IX AdEPP Report on the private pension system.

of the recurring economic and financial crises with their consequence in terms of doubts and fears for the future.

**Table 3.7 - Other indicators for Schemes under Leg. D. n. 103/1996**

(millions of euros, as % of the production value)

	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE
Contributi prestazioni pensionistiche	107,39	143,65	91,13	58,47	3,35	8,49	61,05	44,99	518,53
Contributi prestazioni assistenziali	0,03	10,77	2,26	2,55	0,02	0,00	0,48	2,84	18,95
Rendimenti gestione altre entrate	67,50	96,28	101,80	23,42	1,50	4,49	79,63	45,12	419,73
Totale ricavi	174,91	250,70	195,19	84,44	4,87	12,99	141,16	92,95	957,21
Spesa prestazioni pensionistiche	20,02	11,16	4,77	5,56	0,03	1,21	8,76	5,36	56,86
Spesa prestazioni assistenziali	2,40	17,25	5,80	4,26	0,03	0,07	2,19	0,69	32,69
Spese funzionamento e altre uscite	117,03	177,81	193,92	60,37	4,44	10,72	84,44	10,02	658,76
Totale Costi	139,44	206,22	204,49	70,20	4,50	12,00	95,40	16,07	748,31
Saldo contabile	35,47	44,48	-9,30	14,24	0,37	0,99	45,76	76,88	208,90
Totale ricavi + prestazioni	197,33	279,11	205,76	94,26	4,93	14,27	152,12	98,99	1.046,76
Spese di funzionamento	5,59	11,71	13,08	7,61	0,82	1,00	4,79	8,47	53,07
Incidenza sul valore della produzione	2,83%	4,19%	6,36%	8,07%	16,73%	6,99%	3,15%	8,55%	5,07%

Contributions for pension benefits; Contributions for welfare benefit contributions; Revenues from assets under management and other sources; Total revenues; Pension benefit expenditure; Welfare benefit expenditure; Operating costs and other expenses; Total Costs; Accounting balance; Total revenues + benefits; Operating expenses; Effect on the production value. \* Same as 3.6 + 2 decimals for uniformity with 3.6

The demographic analysis of membership shows a slight reduction in the age group up to 30 years (6.8% from 7% in 2017), no major changes in the 30-40 age group at 21.5%, the further drop in the 40-50 age group (from 28.8% to 28.2%), the significant decrease in the 50-60 age bracket (from 26% to 24.9%) and the growth for the last two groups: 60-70 years of age (from 13.3% to 15%) and over 70 years (from 3.4% to 3.6%). The reduction in the 50-60 age bracket in favour of the 60-70 group is probably due to the fears generated by the difficult economic situation which has led the newly eligible subjects to postpone their retirement. These trends are due to pension reform measures, such as more stringent retirement age requirements and the greater balance between pension benefits and contributions, to the ageing of the population and to the decrease in the number of university students.

The number of women continued to grow from 37.9% in 2018 to 39.8% out of the total number of members with a mean age of 45 vs. 50 for men. More in detail, the analysis of the age brackets shows that, for professionals under 40 years of age, the number of women increased even further from 48% in 2017 to 53% of the total. Instead, the differences become increasingly marked in older age groups, dropping to 25% between 60 and 70 years of age and to 14% above 70. Gender differences disappear for new members, with 51% of women with an age difference: 32 years of age for women and 35 for men.

The average number of professionals every one thousand inhabitants is about 27 and some regions are close to this figure: from 22 in Trentino-Alto Adige to 31 in Lazio. The central regions of Italy have

the highest numbers of professionals: 29 in Tuscany, 30 in Umbria, 28 in Marche and 31 in Lazio, as already illustrated.

### 3.4 Welfare benefits

All these funds have actually introduced other benefits in addition to traditional pensions, such as welfare benefits to support their members, their families and their profession. Each scheme has tried to meet the needs and the requirements of its members by expanding and structuring their welfare benefits more efficiently. Considering the wide range of these welfare benefits, ADEPP has classified them in 5 categories: *maternity benefits – support benefits for members – professional support benefits – safety net measures - health policies*.

The total amount of these benefits was much lower than volume of pension benefits paid and they are mainly provided by the 509 schemes. In 2018, the most popular benefits were the ones related to *professional support, members' support* and *maternity* (the lowest of the last 7 years). It should also be noted that these benefits do not affect the sustainability of these schemes as they are partly financed by ad-hoc contributions and partly by supplementary contributions and, above all, they do not entail permanent future commitments.

The comparison with the 2018 data shows that contributions and benefits are substantially stable, with a slight reduction in contributions (- 6 million) and a slight increase in benefits. As to the welfare benefits provided by the 509 schemes, in 2019, ENPACL, INPGI, CIPAG and CNPR were the only funds that financed these benefits through specific contributions.

**Table 3.8 - Contributions and welfare benefits of Schemes under Leg. D. no. 509/1994**  
(millions of euros)

2018	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	Totale
Contributi prestazioni assistenziali	24,97	2,38	5,65	77,21	14,15	13,87	17,12	13,20	2,19	22,94	14,58	208,28
Spesa prestazioni assistenziali	5,63	5,76	11,69	90,54	31,35	7,90	6,21	22,07	39,43	21,03	121,99	363,60

2019	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	Totale
Contributi prestazioni assistenziali	25,37	2,44	4,97	72,33	10,18	12,91	18,38	13,40	3,11	24,40	14,58	202,07
Spesa prestazioni assistenziali	6,62	6,00	11,76	94,67	29,91	7,11	6,05	22,52	42,07	18,08	127,33	372,12

Contributions for welfare benefits; Welfare benefit expenditure

Moving on to the 103 schemes, the data shows that in 2019 too, welfare benefits were mainly provided by ENPAP and that only the separate scheme for journalists was able to finance them through specific contributions.

**Table 3.9 - Contributions and welfare benefits of Schemes under Leg. D. no. 103/1996**  
(millions of euros)

2018	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	Totale
Contributi prestazioni assistenziali	0,0	9,7	2,3	2,4	0,0	0,1	1,0	2,0	17,6
Spesa prestazioni assistenziali	3,1	16,2	5,3	3,9	0,0	0,1	2,2	0,7	31,4

2019	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	Totale
Contributi prestazioni assistenziali	0,0	10,8	2,3	2,6	0,0	0,0	0,5	2,8	18,9
Spesa prestazioni assistenziali	2,4	17,3	5,8	4,3	0,0	0,1	2,2	0,7	32,7

Contributions for welfare benefits; Welfare benefit expenditure

At the outbreak of the SARS-CoV-2 pandemic at the beginning of 2020, all the schemes promptly introduced new types of welfare measures to support their members and families. In fact, alongside the interventions put in place by the Government for certified professionals, often confused and with an uncertain time frame, these schemes immediately launched various welfare initiatives to manage the emergency. Immediate actions were activated: a) stop or postponement of payments and charges in order not to burden members, b) help in case of contagion or quarantine, c) management of contingent problems including low liquidity with bank credit facilities and d) health coverage through insurance policies. In addition, in order to make up for bureaucratic inefficiencies, they paid these incentives launched by the State directly to their members. As of mid-August, they had provided 479,340 COVID-19 bonuses for an amount of 534.371 million, all paid in advance, of which around 243 million euros were reimbursed in September 2020.

However, it should be pointed out that some problems may arise in relation to the halt to the payment of contributions in 2020, which may have a negative impact on the 2020/21 accounting balances. The supervising Ministry of the economy and Labour Ministry voiced their concern; in fact, the delayed payment of contributions until next year to these private and autonomous entities, but which fall within the national accounts, may result in an increase in the country's debt. An unnecessary concern compared to the huge new public debt, over 100 billion euros with respect to the few million euros' worth of debt for these funds that, moreover, do not receive any subsidies and support from the State and are often overtaxed by the tax authorities.

### 3.5 Assets of Privatized Schemes and their evolution<sup>31</sup>

At December 31, 2019, the assets of the 19 privatised schemes amounted to **77,768,564,497 euros**. This means that the resources available to these institutional investors continued to show a considerable growth by approximately 5.2 billion euros in absolute terms (4.5 for the 509 schemes and 0.47 for the 103 schemes) and by 7.2% (6.9% for the 509 schemes and 10.7% for the 103 funds)<sup>32</sup>. These assets are managed directly through the acquisition of securities UCITs, policies and Sicavs and indirectly through mandates. In this connection, the "2019 Budget Law", under Article 27, has increased the percentage to be allocated to qualified investments from 5% to 8% of the assets. However, the Decree pursuant to paragraph 3 of Article 14 of the aforementioned Legislative Decree no. 98/2011 is still pending. Its aim is to regulate the financial investments of pension funds, conflicts of interest and the custodian banks, also taking into account the principles set out in Articles 6 and 7 of Legislative Decree no. 252 of December 5, 2005 and in line with Legislative Decree no. 166 of September 2, 2014.

The analysis of the 77.769 billion euros' worth of surplus of the 19 privatised schemes (70.718 for the 509 schemes and 7.050 for the 103 funds) clearly shows a preference for direct investments, accounting for 77.03% of the total (75.20% for the 509 schemes and 95.48% for the 103 funds). This is due to the capacity of these schemes to operate as autonomous institutional investors and, therefore, to directly manage complex financial instruments. In absolute terms, out of the 77.769 billion euros' worth of assets, direct investments amount to 59.908 billion euros (53,176,505,241 for the 509 funds and 6,732,021,760 for the 103 schemes), while indirect mandated investments amounted to 17.86 billion euros (up with respect to 15.70 billion euros in 2018), out of which the 509 schemes accounted for 17.54 and the 103 funds for 0.32).

**Table 3.10** shows for each Fund the asset classes (absolute and percentage figures) where the 59.9 billion euros are invested directly; UCITs (31.8%) and AIFs (21.8%) were the most prominent forms of investment in the portfolios of these schemes and together they accounted for 53.6% of the assets invested directly. The 509 schemes invested more on UCITs (31.3% compared to 22.2% in AIFs) and the 103 funds too invested more on UCITs rather than of AIFs (35.4% and 18.9% respectively).

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<sup>31</sup> For the analysis of the assets of these Schemes and their evolution, please see the VII Annual Report "Italian Institutional Investors: members, resources and managers in 2019" on the [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it) website.

<sup>32</sup> Art.1, par. 182, of the "2018 Budget Law", (Act no. 205 of December 27, 2017) clarified that these Schemes, now entitled to reclaim their rights, are the owners of the resources entrusted by them to third parties; in any case, these assets are separated from and independent of those of the management companies and cannot be reallocated for other purposes or be seized by the creditors of management companies or by their representatives, nor can they be involved in their insolvency procedures.

**Table 3.10 - Investments of Privatized Schemes (millions of euros)**

Cassa	Inv. immobiliari		Investimenti monetari		Investimenti obbligazionari		Investimenti azionari		Investimenti OICR		Polizze assicurative		Investimenti FIA		Investimenti E TF		Altre attività		Investimenti diretti totale
	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo	Perc.	Importo
CIPAG	190,19	7,5%	62,74	2,5%	0,00	0,0%	111,28	4,4%	747,58	29,6%	0,00	0,0%	373,37	14,8%	0,00	0,0%	1.039,83	41,2%	2.524,99
CNN	171,84	12,3%	146,98	10,5%	132,51	9,5%	0,38	0,0%	470,34	33,6%	14,29	1,0%	396,88	28,4%	19,99	1,4%	46,34	3,3%	1.399,54
CNPADC	321,49	3,6%	1.728,49	19,2%	531,94	5,9%	225,00	2,5%	4.073,62	45,1%	52,43	0,6%	877,74	9,7%	440,43	4,9%	774,14	8,6%	9.025,28
CNPR	124,01	7,3%	116,03	6,8%	67,68	4,0%	62,97	3,7%	54,50	3,2%	32,00	1,9%	787,72	46,1%	7,49	0,4%	456,68	26,7%	1.709,08
CF	53,09	0,4%	723,01	5,3%	2.605,92	19,1%	1.533,09	11,2%	4.470,16	32,8%	0,00	0,0%	2.053,25	15,1%	369,73	2,7%	1.826,05	13,4%	13.634,30
ENARCASSA	17,51	0,2%	447,62	4,6%	1.477,11	15,3%	983,12	10,2%	4.047,52	41,9%	0,00	0,0%	1.292,49	13,4%	0,00	0,0%	1.387,29	14,4%	9.652,66
ENPAF	116,84	4,3%	412,33	15,3%	1.215,67	45,1%	125,73	4,7%	487,38	18,1%	0,00	0,0%	224,89	8,3%	28,21	1,0%	84,56	3,1%	2.695,61
ENPAM	895,19	10,2%	310,86	3,5%	95,00	1,1%	235,00	2,7%	1.218,70	13,8%	220,30	2,5%	4.472,56	50,7%	0,00	0,0%	1.366,33	15,5%	8.813,94
ENPACL	32,76	2,4%	55,93	4,1%	123,47	9,1%	88,97	6,6%	529,78	39,1%	13,00	1,0%	320,78	23,7%	0,00	0,0%	190,39	14,0%	1.355,08
ENPAV	103,87	12,4%	88,13	10,5%	105,07	12,5%	7,63	0,9%	227,93	27,2%	8,44	1,0%	150,06	17,9%	49,97	6,0%	97,59	11,6%	838,71
INPGI	5,18	0,3%	35,53	2,3%	0,00	0,0%	0,00	0,0%	323,57	21,2%	0,00	0,0%	866,84	56,8%	0,00	0,0%	296,19	19,4%	1.527,31
<b>Totale 509</b>	<b>2.031,98</b>	<b>3,8%</b>	<b>4.127,66</b>	<b>7,8%</b>	<b>6.354,38</b>	<b>11,9%</b>	<b>3.373,16</b>	<b>6,3%</b>	<b>16.651,08</b>	<b>31,3%</b>	<b>340,46</b>	<b>0,6%</b>	<b>11.816,59</b>	<b>22,2%</b>	<b>915,81</b>	<b>1,7%</b>	<b>7.565,39</b>	<b>14,2%</b>	<b>53.176,51</b>
Ente nazionale di prev	2,87	0,7%	108,07	26,0%	80,06	19,3%	2,22	0,5%	60,27	14,5%	0,00	0,0%	91,82	22,1%	0,89	0,2%	69,12	16,6%	415,33
Ente nazionale di prev	25,47	2,4%	56,69	5,5%	5,00	0,5%	4,19	0,4%	212,38	20,4%	34,47	3,3%	433,39	41,7%	0,00	0,0%	268,16	25,8%	1.039,75
EPAP	14,03	1,3%	26,58	2,5%	155,41	14,5%	0,00	0,0%	714,77	66,5%	7,99	0,7%	64,22	6,0%	10,00	0,9%	81,40	7,6%	1.074,40
EPPI	48,68	2,8%	23,59	1,4%	434,25	25,3%	10,00	0,6%	774,91	45,2%	0,00	0,0%	184,61	10,8%	0,00	0,0%	238,67	13,9%	1.714,71
ENPAPI	0,00	0,0%	83,03	5,4%	490,38	31,8%	33,48	2,2%	35,32	2,3%	81,25	5,3%	407,08	26,4%	227,60	14,8%	183,60	11,9%	1.541,75
ENPAIA Periti Agrari	0,00	0,0%	10,48	25,3%	15,19	36,7%	1,50	3,6%	2,28	5,5%	0,00	0,0%	3,87	9,3%	1,87	4,5%	6,25	15,1%	41,45
ENPAIA Agrotecnici	6,58	3,6%	53,13	28,9%	40,72	22,2%	20,00	10,9%	28,35	15,4%	0,00	0,0%	16,42	8,9%	0,00	0,0%	18,40	10,0%	183,62
INPGIGS	0,00	0,0%	61,90	8,6%	0,00	0,0%	0,00	0,0%	551,94	76,5%	0,00	0,0%	68,35	9,5%	0,00	0,0%	38,84	5,4%	721,02
<b>Totale 103</b>	<b>97,63</b>	<b>1,5%</b>	<b>423,47</b>	<b>6,3%</b>	<b>1.221,01</b>	<b>18,1%</b>	<b>71,40</b>	<b>1,1%</b>	<b>2.380,23</b>	<b>35,4%</b>	<b>123,70</b>	<b>1,8%</b>	<b>1.269,77</b>	<b>18,9%</b>	<b>240,37</b>	<b>3,6%</b>	<b>904,43</b>	<b>13,4%</b>	<b>6.732,02</b>
<b>TOTALE CASSE</b>	<b>2.129,61</b>	<b>3,6%</b>	<b>4.551,13</b>	<b>7,6%</b>	<b>7.575,39</b>	<b>12,6%</b>	<b>3.444,56</b>	<b>5,7%</b>	<b>19.031,30</b>	<b>31,8%</b>	<b>464,17</b>	<b>0,8%</b>	<b>13.086,36</b>	<b>21,8%</b>	<b>1.156,18</b>	<b>1,9%</b>	<b>8.469,82</b>	<b>14,1%</b>	<b>59.908,53</b>

Scheme; Total 509; Total 103; Grand Total; Real-estate investments; Monetary investments; Bonds; Equity; UCITS; Policies; AIFs; ETFs; Other assets, Total direct investments

Finally, some hints on the investments in the domestic "real economy", i.e. those designed to support the Italian economy in general and, in particular, to boost employment and professional development for the members of these schemes. The total of real-estate and other Italian alternative investments (AIFs), institutional investments in Cassa Depositi e Prestiti, shares in listed and unlisted Italian companies (net of the ones invested in the Bank of Italy) and Italian corporate bonds and Minibonds, amounted to 17.2 billion euros (15.5 billion for the 509 schemes and 1.6 billion for the 103 funds), equal to **22.06%** of total assets, a significant growth with respect to 15.57 in 2018 and very high if compared to other investors such as pension funds.

## 4. Accounting equilibrium rates

Since pensions funds know how many pensioners they have, the benefits they are entitled to as well as the amount of their income on the basis of which contributions have been paid, the contribution rate that should be applied to reach an equilibrium between contribution revenues and benefit expenditure is generally defined as the “accounting equilibrium rate<sup>33</sup>” In other terms, if the accounting equilibrium rate is the same as the actual contribution rate, the funds have balanced results. A positive difference between these two rates means a negative balance; instead if the actual contribution rate is higher than the accounting equilibrium rate, the balance is positive.

**Table 4.1 - Accounting equilibrium rates vs. the actual rate <sup>(\*)</sup>**

Categories	2012					2019				
	$\hat{a}$	$p/w$	$R/L$	$q$	$d$	$\hat{a}$	$p/w$	$R/L$	$Q$	$d$
Private-sector employed workers	37.1	0.51	0.72	0.99	0.22	34.3	0.56	0.61	1.04	-1.25
Public-sector employed workers	52.9	0.58	0.91	0.62	19.95	62.3	0.69	0.91	0.57	26.95
Artisans	30.1	0.34	0.89	0.71	8.80	33.5	0.30	1.11	0.69	10.39
Retailers	20.9	0.33	0.63	1.03	- 0.61	22.6	0.32	0.70	1.07	-1.48
CDCM (farm workers)	113.5	0.31	3.65	0.25	85.23	72.2	0.24	3.05	0.34	47.50
Professionals	9.2	0.35	0.27	1.91	- 8.33	10.7	0.34	0.32	1.81	-8.70
Atypical workers	1.5	0.09	0.16	16.17	-22.85	4.1	0.12	0.36	8.06	-28.84
Supplementary funds	16.6	0.36	0.46	0.85	2.52	15.5	0.30	0.51	0.99	0.22

(\*) The explanation of the symbols is in the foot note

**Table 4.1** illustrates the situation for the main categories for the years 2012 and 2019, by taking as a reference pension expenditure net of welfare transfers (GIAS), since these are not financed by contributions but by general taxes. The first column to the left shows for each year the theoretical accounting equilibrium rates ( $\hat{a}$ ) for each category of members and the last right column the differences ( $d$ ) between the accounting and the actual rates. A negative ( $d$ ) value refers to the categories with a surplus that would be in equilibrium even with lower rates; instead, a positive ( $d$ ) value shows to what extent the current rates should be increased to reach an equilibrium in the accounts.

The three central columns illustrate the structural ratios for each year  $p/w$  and  $R/L$ , whose product determines the accounting equilibrium rate, and the share ( $q$ ) of pension expenditure financed by contribution revenues. These figures determine the negative or positive gap between the actual rate and the accounting rate.

<sup>33</sup> List of variables:  $C$  contribution revenues;  $SP$  pension expenditure;  $Y$  taxable income;  $a$  average actual rate equal to the ratio between  $C$  and  $Y$ ;  $\hat{a}$  theoretical accounting equilibrium rate between revenues and expenditure;  $w$  average income;  $L$  number of active workers;  $p$  average pension;  $R$  number of pensions paid;  $q$  share of pension expenditure financed by contributions. Assuming that only pension-related items are considered, excluding welfare-related items (GIAS), administrative costs and the rate of return on assets, there is an equilibrium when contribution revenues are equal to pension benefit expenditure  $C = SP$  that is  $\hat{a} \cdot w \cdot L = p \cdot R$ , from which the theoretical accounting equilibrium rate is derived  $\hat{a} = p/w$ . Considering that  $q = (a \cdot L \cdot w)/(p \cdot R)$ , the actual rate and the accounting equilibrium rate have the following relation:  $a = \hat{a} \cdot q$ . Therefore, the percentage difference between these two rates is equal to  $d = \hat{a} \cdot (q - 1)$ .



The table clearly shows that there are clearly major differences among the categories and significant changes over time. Starting from the categories whose average actual rates are higher than their accounting equilibrium rates (i.e. those that feature  $d$  with a negative sign), it is possible to see that for two of them (the fund for atypical workers and the scheme for professionals), the still relatively low ratio of the number of pensions paid vs the number of active workers paying contributions ( $R/L$ ), is instrumental in their positive balance. In the case of *atypical workers*, this factor is compounded by their very limited average pension amount (around 11.5%) compared to their income on the basis of which contributions are levied, with the result that the current rate exceeds by more than 28% the rate which would be sufficient to finance benefits. This is the result of the particular evolution of this fund which is still relatively young compared to other compulsory pension funds<sup>34</sup> and which calculates its benefits entirely on the contribution-based method; moreover, following the changes in the labour contracts, it has had a growing number of young members over time.

However, the increase in the two  $p/w$  and  $R/L$  ratios from 2012 to 2019 and the concomitant reduction in  $q$  indicate that the equilibrium conditions of this fund are changing; in fact, even though the amount of contributions remains more than eight times higher than benefit expenditure, as the years go by, its positive impact on the economic and financial results of the entire pension system is bound to gradually diminish.

The aggregate data for the schemes for liberal professions show that these funds have a surplus but with some differences. In the seven years between the initial and final date of this comparative analysis, this table shows that the reform measures adopted by the individual schemes, generally designed to curb the growth of benefit expenditure (with a lower  $p/w$  ratio) and to increase the contribution rates, have, on the whole, succeeded in compensating for the increase in the ratio of pensioners vs. active workers ( $R/L$ ), a sign of their greater maturity<sup>35</sup>.

Another category of workers whose fund has with a higher actual rate with respect to its equilibrium rate, that is a still positive situation, is that of *retailers*. In fact, in addition to its relatively low average pension/average income ratio, that is a common feature for all self-employed categories including those with slightly higher average pension benefits, this category has experienced an increase in revenues due to the contribution rate increases introduced by the reforms; but, above all, since the beginning of the crisis, its employment rate has not gone down so much as that of *artisans*<sup>36</sup>. In fact, even though the fund for artisans has capitalized on higher contribution rates and hence on higher revenues and lower benefits on average due to the first effects of the change in the calculation method, it has been significantly affected by the deterioration in its ratio of the number of pensioners vs. the number of active workers paying contributions ( $R/L$ ); so, its accounting equilibrium rate grew by 3.4 % from

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<sup>34</sup> The Separate fund was established in 1995 for the compulsory retirement provision of atypical and self-employed workers with a VAT number (Art.2, par. 26, of Act no. 335/95).

<sup>35</sup> From 2012 to 2019,  $q$  had a slight drop, but since the schemes for professionals are required by the law to be self-financed,  $q$  cannot be less than 1. In addition, since the reforms led to an increase in the contribution rates for this category, the differential  $d$  between the actual rate and the accounting equilibrium rate went up.

<sup>36</sup> From 2008, the baseline year of our analysis, to 2013, the number of active workers paying contributions in the fund for retailers increased by nearly 35%. From that year, with its highest ever number of active workers paying contributions, to 2019, the number of active workers decreased by 6.8%. Still looking at the historical series 1989-2019, the all-time high in the number of active workers paying contributions for the fund for artisans was reached in 2008, with a moderate increase by 1.9% with respect to the baseline year. Since then, the loss has been consistently severe, up to -17.9 % in 2019 compared to 2008.

2012 to 2019 and its ability to finance its benefits with its contribution revenues diminished.

The main category with an equilibrium between contribution revenues and pension expenditure is that of *private sector employed workers* that accounts for over 50% of the entire public pension system in terms of number of active workers paying contributions and number of pensions paid. As illustrated in table 4.1 (particularly the drop in the accounting equilibrium rate with the associated change in sign of the *d* spread), the financial equilibrium of the funds for private-sector employed workers as a whole improved between 2012 and 2019. Their balance was mainly maintained thanks to their lower ratio of the number of pensions paid vs. the number of active worker paying contributions, which more than offset the relative increase in its average pension/average income ratio.

However, it is necessary to provide some clarifications with regard to the category of private-sector employed workers. In fact, it includes the main Italian pension fund, FPLD, accounting for 96% of all subjects employed by private companies, but also a series of smaller schemes that together account for the remaining 4%. By keeping FPLD separate from the other funds, it is possible to see that there are substantial differences between the two groups. Unlike FPLD, the other funds for this category of workers show a generalized and poor financial situation due, in some cases, to dwindling employment which has negatively affected their ratio of the number of active workers paying contributions vs. the number of pensioners; in other cases, this situation has been caused by the lack of financial equilibrium (disproportionate pension benefits with respect to contributions) existing at the time of their integration into INPS. The different ways in which these funds have been integrated into INPS do not make it possible to directly calculated the accounting equilibrium rate for each fund. In fact, they have lost their status as autonomous schemes, and, for some of them, benefit expenditure has remained in their separate accounts while their contribution revenues have been absorbed by the general occupational pension fund, FPLD. To at least partially remedy this information gap, we carried out our own data analysis, the results of which are reported in the footnote<sup>37</sup>. The economic and financial situation appears very varied for the funds of the remaining categories. *Supplementary funds* are seemingly not far from a break-even condition between income and expenditure, also with an improvement between the two years analysed mainly due to a reduction in their *p/w* ratio. However, the increase in their ratio

<sup>37</sup> In addition to ENPALS (entertainment, show business and sports workers), which has separate accounts and a very different situation from other minor funds, even if it is part of INPS, the remaining private-sector employed workers are registered in the following funds: Transportation; Telephony; Electricity; Aviation; Consumer Taxes; Public Credit organizations; FFSS Employees; Corporate Managers, Journalists; Funds for former autonomous companies (Posts and Telephony). An exact calculation of the disparities among these funds for private-sector employees is problematic because, as already mentioned in Chapter 2, the accounts of the former special funds exclude the contributions related to newly-hired workers, with the exception of the transportation fund; in fact, after the merger, these workers have been enrolled in the FPLD fund to which they pay their contributions while their pensions are paid by the individual funds.

Private-sector employees (2019)	<i>â</i> %	<i>p / w</i>	<i>R / L</i>	<i>Q</i>	<i>d</i> %
FPLD	30.6	0.53	0.57	1.02	- 0.71
Enpals	18.8	0.52	0.37	1.43	- 8.03
Other private-sector funds	57.9	0.85	0.68	0.88	14.38

The table shown here was elaborated by Itinerari Previdenziali; except for ENPALS whose data come from the fund itself, this table simulates the contribution revenues also for the subjects hired after the "other funds" were integrated into FPLD, and separates them from those of FPLD. On the basis of these corrections, in 2019, FPLD and ENPALS had an accounting equilibrium rate lower than the actual contribution rate, while the other private Funds had an imbalance that could be offset by raising the average rates they are currently applying by over 14%.

of the number of pensions vs. the total number of active workers paying contributions has not affected their share of expenditure financed by contributions, which rose to 99% during the period, thus bringing their actual contribution rate slightly below that of their accounting equilibrium rate<sup>38</sup>.

The gap between the accounting equilibrium rate and the actual rate is still very wide for the category of *agricultural workers* (CDCM), even though with a significant improvement in its financial equilibrium from 2012 to 2019, given their long-standing deficit situation. This is the result of a major drop in its accounting equilibrium rate (by over 41%), with a more limited difference with respect to its actual rate (*d*). In addition, the share of its expenditure financed by contributions rose by almost 10%, even though the benefits in this sector are still supplemented by welfare benefits. As repeatedly pointed out in the previous Reports, the agricultural sector has experienced dramatic structural changes over the last 70 years, with a very high number of pensions to be paid compared to the significant reduction in the number of active workers paying contributions. Therefore, it is important to highlight that the period from 2012 to 2019 showed a reversal of this very high ratio of the number of pensions vs. the number of active workers paying contributions (from 3.65 to 3.05). At the same time, the major drop in the value of the average pension compared to average income (from 31% to 23.7%) has contributed to the financial sustainability of the fund, but it also signals a growing problem in terms of adequacy of benefits, made even worse by the progressive growth in the share of pensions calculated with the contribution-based method.

The financial imbalance in the category of *public-sector employed workers* appears to be more limited in structural terms with respect to that of the fund for agricultural workers. However, during this period, its deficit had a marked deterioration and, due to the sheer size of this category of workers, this had the greatest impact on the negative balance of the whole pension system<sup>39</sup>.

Following the dwindling employment rate in the public sector and the still growing number of benefits paid<sup>40</sup>, in 2019 the number of pensions vs. the number of active workers paying contributions (*R/L*) almost reached 1, that is 1 pensioner for every active worker. Moreover, between 2012 and 2019, the average pension/average income ratio (*p/w*) for this category increased too due to its low income growth rather than to its average amount of pension benefits. The combined effect of these two ratios boosted the growth in its accounting equilibrium rate by 9.4% in this seven-year period, with a difference with respect to its actual rate by almost 27%.

**Figure 4.1** illustrates the trends of the accounting equilibrium rates of the main categories over a longer period than the 2012-2019 observed so far, except for those related to the fund for farmers described later in a separate Figure. The graphs show that, except for the funds for private-sector employees and the schemes for professionals, the other categories show different levels and rates of growth. Civil servants and artisans have the most imbalanced accounting equilibrium rates.

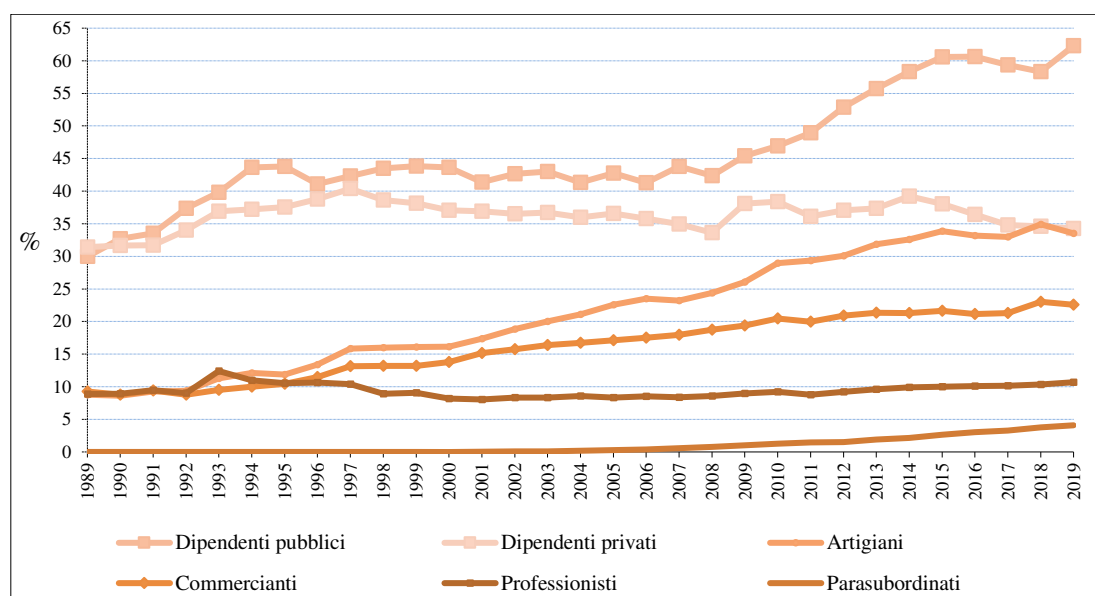
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<sup>38</sup> The list of supplementary funds is provided in note d of **table 1.a** ("Contribution revenues and pension and welfare benefit expenditure").

<sup>39</sup> The total balance of the pension system was -20.860 million in 2019, while that of the public-sector employees alone was -33.646 million (see. **table 1.a** mentioned in the previous note).

<sup>40</sup> The data of the whole period considered in this Report (1989-2019) show that the number of active workers paying contributions of the public-sector dropped to an all-time low of 3.040 million in 2014, after reaching an all-time high of 3.607 in 1993 and then it picked up again to 3.301 million in 2019. In 2019, the number of pensions paid to private-sector employed workers grew by 186,000 with respect to 2012.

**Figure 4.1 – Accounting equilibrium rates net of GIAS transfers**



Public-sector employees; Private-sector employees; Artisans; Retailers; Professionals; Atypical workers

As to the category of public-sector employed workers, after an initial period of growth, its equilibrium rate remained stable for a long period of time after the reforms of the 90's, but it was consistently higher than its actual contribution rate. Then, following the 2008 crisis and the restrictive measures taken by governments to reduce employment and curb wages in the public administration, its economic and financial situation deteriorated, with its equilibrium rate almost twice as high with respect to its actual contribution rate. In the last three years, up to 2019, this trend fluctuated and, at the moment, no progressive rebalance is to be expected, especially if the future scenario takes into consideration the possible negative consequences of the pandemic on income and employment.

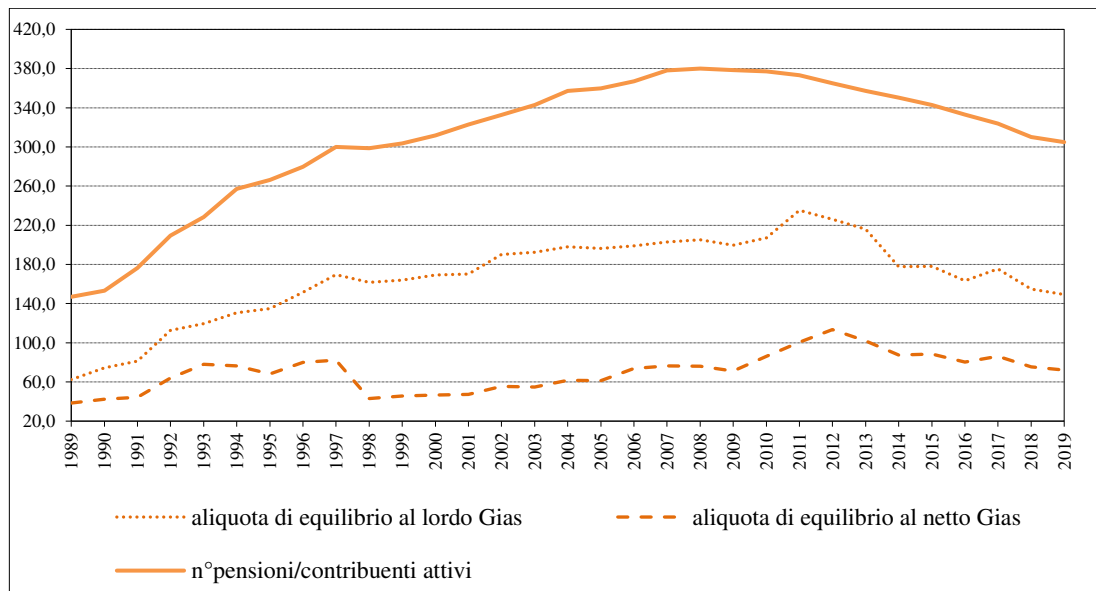
The funds for *retailers* and *artisans* show a gradual increase in their accounting equilibrium rates. The common cause of this trend is that the compulsory pension system for these categories of self-employed workers was established in the late 1950s, and so they started having retirement flows in line with their maturity level, that is with the average duration of careers, about the end of the century. The regulatory measures adopted in the last twenty-five years (more stringent retirement age requirements, gradual application of the contribution-based calculation method, gradual increase in contribution rates) managed to significantly curb this imbalance; the result was appreciable for retailers who maintained a positive balance, net of GIAS transfers; however, it was not so good for artisans; in fact in 2019, their fund had a ratio of pension expenditure vs. contribution revenues close to 1.38, even if considering pension benefits alone.

Since 1997, i.e. the years following the Dini reform, the heterogeneous funds for *private-sector employed workers* have shown a generalized progressive reduction in their accounting equilibrium rate, except for a significant reversal of this trend in the years of the crisis due to the drop in the number of active workers in this category, progressively offset by a mild economic recovery in the subsequent five years.

The schemes for *professionals* feature a relatively stable accounting equilibrium rate on average. After years of relative inaction, in the last fifteen years, these funds had to launch some reforms in order to

independently ensure their future financial stability, as required by the law. The equilibrium rate for the fund of *atypical workers* is still low, because it started to provide benefits after the year 2000. Even if this rate is growing, this fund, entirely operated with the contribution-based calculation method, is not expected to have an operating imbalance but, rather, some risks in terms of adequacy of benefits.

**Figure 4.2 - CDCM: equilibrium rates and number of pensions/number of active worker ratio**



equilibrium rate before GIAS transfers; equilibrium rate after GIAS transfers; n. of pension/n. of active workers ratio

Instead, some completely different considerations should be made about the agricultural sector. **Figure 4.2** illustrates the trends over time of the two accounting equilibrium rates before and after GIAS transfers. Moreover, it also shows the trends over time of the ratio of the number of pensions vs. the number of active workers paying contributions. The structural transformations of the agricultural sector that took place in Italy and its already-mentioned dramatic downsizing are clearly visible in these graphs. In 2008, the fund for agricultural workers reached the all-time high for this ratio with approximately 3.8 retirees for every active worker paying contributions, while in the two-year period, 2011-2012, the two accounting equilibrium rates, gross and net of GIAS transfers, rose to 235.2 and to 113.4 respectively, far too much for the autonomous financing capacity of this sector. The gap between these rates clearly shows that the support to pension benefits provided through welfare measures so as to counteract, at least in part, the disruptive effects of these structural transformations. Even disregarding the welfare component and limiting the analysis to pension flows, it is evident that this category has a substantial financial and operating imbalance, albeit with a significant increase in its share of pension expenditure financed by contributions, which rose from less than 19% in 1989 to around 35% in 2019. This growth is relevant for the future financial equilibrium of this fund but with some concern; in fact, this improvement is also due to a decrease in the amounts of benefits almost down to the poverty level, also following the adoption of the new calculation system.

## 5. Schemes providing benefits other than pensions: GPT (Temporary Benefit Scheme) and GIAS (Welfare Support Scheme); active labour policies

In addition to pension funds, the Italian social protection system provides a series of income-support benefits through its GPT scheme (Temporary Benefit Scheme) in case of unemployment, sickness and maternity and other benefits for workers and their families; it also provides most of the state-financed welfare benefits through its GIAS scheme; instead, other welfare benefits with a lower impact on the national accounts are managed by local authorities as illustrated in Chapter 8. Here is an analysis of the financial and economic results of these two schemes.

### 5.1 GPT and its income-support measures: number of beneficiaries by number of hours and benefit amounts

The **Temporary Benefit Scheme** was set up under Art. 24 of Act no. 88 of March 9, 1989<sup>41</sup>; it pooled together some pre-existing schemes and provides income-support benefits to *private-sector employed workers* in case of unemployment, sickness and maternity, it grants family allowances (ANF) and pays notional contributions for workers temporarily out of the labour market so as to protect their pension rights and value. It operates in synergy with FPLD (Occupational Pension Fund) within the same budget. Art. 21 of Act no. 88/1989 established the principle of solidarity within this *Compartment*, according to which, the INPS Board of Directors may resolve to use any operating surpluses of the GPT scheme, without paying any interests, to offset any deficit of the FPLD fund so as to ensure its economic and financial equilibrium. As a result of the above-mentioned reorganisation, as provided for under Article 24, par. 2 of Act no. 88/1989, GPT is financed by the contributions that enterprises previously paid to pre-existing funds and schemes whose assets and liabilities have been transferred to this ad-hoc scheme.

These are the main benefits provided to eligible workers:

- a) *NASpI benefits* <sup>42</sup>and *benefits against involuntary unemployment*;
- b) *guarantee fund for termination of employment benefits (TFR)* and the payment of the last three months of salary on behalf of the insolvent employer, financed directly by a 0.20% contribution paid by enterprises (the contribution does not include the amounts allocated to pension funds);

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<sup>41</sup> Act no. 88/89, which reformed INPS and reorganized the economic-financial structure of the main pension, welfare and income support schemes.

<sup>42</sup> NASpI (New Social Benefits for Employment) was introduced on 01/05/2015, under Leg. Decree no. 22 of 2015 to provide a monthly unemployment benefit to support the income of workers who involuntarily lost their job. NASpI is paid every month for a number of weeks equal to half the weeks of contributions of the last 4 years for at least 13 weeks of contributions against unemployment. The benefits are equal to 75% of the average monthly remuneration of the last 4 years, used to calculate the pension, if it is lower than 1,221.44 euros for 2019. If the average remuneration is higher than the amount indicated above, the benefits are equal to 75% of 1,208.15 euros, plus 25% of the difference between the average monthly remuneration and the above-mentioned amount established by the law. In any case, the benefits cannot exceed a maximum amount established by law every year, equal to **1,328.76 euros** in 2019, with a 3% reduction for each month starting from the first day of the 4<sup>th</sup> months in which the benefits have been received (see INPS circular letter no. 94 of 12/5/2015). The Mobility allowance (paid by GIAS) was abolished on 01/01/2017. NASpI is paid monthly for a number of weeks equal to half the number of weeks of contributions of the last 4 years. The calculation of its duration does not include the contribution periods that have already been calculated to provide unemployment benefits, and the same is true for the contribution periods that have produced early lump-sum benefits.

- (c) *supplementary income benefits for workers in the industry and construction sectors*;
- (d) *wage subsidies for agricultural workers*;
- (e) *single fund for family and household allowances*;
- (f) *sickness and maternity benefits* and any other form of *temporary* benefits other than pensions.

The analysis of income-support benefits, even if only targeted to employed workers, is particularly important both in terms of costs (see the table on the economic situation in Chapter 8) and for the "*citizenship income*" rules related to the integration into the labour market of unemployed subjects or of subjects who have lost their job and the payment of a subsidy of about 780 euros to be revoked if they reject a third job offer.

The analysis of the GPT accounts is illustrated below both in terms of *contribution revenues* generated by enterprises (with their clear impact on labour costs) and of income-support *benefit expenditure*. **Table 5.1** shows the economic situation of GTP for the last 12 years from 2008 to 2019.

**Table 5.1 - GTP in 2008-2019 - Economic situation (\*)** (millions of euros)

Anno	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Proventi e corrispettivi	18.832	17.999	18.782	18.833	18.912	19.743	19.994	20.208	20.805	21.719	22.514	23.545
Altri ricavi (**)	2.507	2.531	2.370	2.428	2.600	2.444	2.545	2.328	2.436	2.401	2.407	2.426
<b>Totale Valore della produzione (A)</b>	<b>21.339</b>	<b>20.530</b>	<b>21.152</b>	<b>21.261</b>	<b>21.512</b>	<b>22.187</b>	<b>22.539</b>	<b>22.536</b>	<b>23.241</b>	<b>24.120</b>	<b>24.921</b>	<b>25.971</b>
Spese per prestazioni istituzionali	11.459	13.907	13.550	13.506	14.633	15.149	14.267	13.534	15.006	15.055	14.841	14.835
Altri oneri di gestione	4.472	7.117	6.934	6.394	7.901	6.654	6.616	6.644	4.960	5.026	5.141	5.542
<b>Totale Costi della produzione (B)</b>	<b>15.931</b>	<b>21.024</b>	<b>20.484</b>	<b>19.900</b>	<b>22.534</b>	<b>21.803</b>	<b>20.883</b>	<b>20.178</b>	<b>19.966</b>	<b>20.081</b>	<b>19.982</b>	<b>20.377</b>
<b>Differenza (A) - (B)</b>	<b>5.408</b>	<b>-494</b>	<b>668</b>	<b>1.361</b>	<b>-1.022</b>	<b>384</b>	<b>1.656</b>	<b>2.357</b>	<b>3.275</b>	<b>4.039</b>	<b>4.939</b>	<b>5.594</b>
(*) Al lordo di proventi e oneri finanziari e straordinari e imposte di esercizio												
(**) Somme per sanzioni civili e Trasferimenti dalla GIAS (copertura mancato gettito per esoneri o riduzioni di aliquote contributive, variazioni dell'imponibile contributivo e minor gettito contributivo per integrazioni salariali)												

*Year, Proceeds and revenues, Other revenues (\*\*), Total value of production (A), Institutional benefit expenditure, Other operating costs, Total Costs of Production (B), Difference (A) - (B).* (\*) Before proceeds, financial and extraordinary charges and taxes (\*\*) Administrative sanctions and GIAS transfers (to finance the lack of revenues from contribution exemptions or incentives, changes in the taxable contribution base and lower contribution revenues for wage support benefits).

In the period examined, *contributions revenues*, which appear in **table 5.1** under the item "*revenues and proceeds*" (contributions from employers), remained stable at around 18,900 million euros until 2012 and then significantly increased as of 2013 due to the combined effect of the improved employment situation and the increase in gross wages for employed workers.

This growth continued over time also thanks to the introduction of two new types of contributions and to the changes in the contribution rates introduced in 2015 and related to supplementary wage benefits for all part-time and full-time employed workers, including those with a professional apprenticeship contract. This increase was significant between 2018 and 2019, equal to **4.6%** (compared to 3.7% in the previous two years).

The main contribution changes are summarized below:

- additional contribution of 1.40%, introduced by Art. 2, paragraph 28 et seq. of Act no. 92/2012, to be paid by employers for long-term contracts, with some exclusions;

- contribution for the interruption of employment relationships (so-called dismissal contribution), introduced by Article 2, paragraph 31 of Act no. 92/2012, to be paid by employers in all cases in which the termination of the work relationship makes the employed subjects theoretically eligible for the NASpI indemnity, even if they do not receive it. This contribution is equal to 41% of the monthly ASpI / NASpI<sup>43</sup> ceiling for the year;
- amended structure and extent of the additional contribution related to supplementary wage benefits, pursuant to art. 5 of Law Decree no. 148/2015; as of September 24, 2015, an additional contribution was introduced to be paid by the enterprises applying for supplementary wage benefits equal to:
  - a) **9% of the total remuneration** that the workers would receive for the hours they have not worked, relatively to the period of ordinary or extraordinary wage supplementation within the framework of one or more incentives, up to a limit of 52 weeks in a mobile five-year period;
  - b) 12% above the limit referred to in (a) and up to 104 weeks in a mobile five-year period;
  - c) 15% beyond the limit referred to in (b) in a mobile five-year period.

In particular, the new rule on this additional contribution (Law Decree no. 148/2015) features some innovative aspects: contributions are calculated on the basis of the overall remuneration that workers would have received for the hours not worked and no longer on the basis of the supplementary benefits paid; the contribution rate varies according to the amount of supplementary wage benefits provided during the mobile five-year period; in addition, the decree provides for the reduction and the adjustment of the ordinary contribution charges intended to finance CIGO (Ordinary Redundancy Fund), established by art. 13 of Law Decree no. 148/2015, also in relation to its actual use.

These are the following contribution rates for ordinary wage subsidies, effective as of 9/24/2015:

- a) **1.70%** of the taxable remuneration for retirement purposes for subjects working for industrial firms with up to 50 employees; for white collars and executives working in the stone and construction crafts industrial firms with up to 50 employees;
- b) **2.00%** of the taxable remuneration for retirement purposes for subjects working for industrial firms with more 50 employees; for white collars and executives working in the stone and construction crafts industrial firms with up to 50 employees;
- c) **4.70%** of the taxable remuneration for retirement purposes for subjects working for industrial firms and artisan companies in the construction sector;
- d) **3.30%** of the taxable remuneration for retirement purposes for workers in the stone and crafts industry.

**Table 5.2** shows, for each type of benefit and for the 2008-2019 period, the contributions revenues from employers and workers on the basis of the contribution rates illustrated in *table 5.8*; **table 5.3** shows the GPT contribution revenues generated by GIAS transfers to finance contribution rate changes, exemptions and reductions in some sectors or production categories as well as other benefits.

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<sup>43</sup> NASpI replaced ASpI and mini ASpI, introduced by the Fornero reform under Art. 2 of Act no. 92/2012 in case of unemployment starting from January 1, 2013.



**Table 5.2 - GTP between 2008 and 2019; contributions paid by employers and members**  
**Accruals (millions of euros)**

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trattamenti di famiglia	6.224	5.887	6.124	6.201	6.216	6.419	6.454	6.299	6.434	6.833	7.074	7.378
Trattamenti di integrazione salariale ordinaria	2.926	2.715	2.817	2.741	2.674	2.680	2.649	2.744	2.661	2.605	2.625	2.831
- edilizia	687	598	607	567	488	417	459	456	419	387	426	417
- lapidei industria	28	26	26	25	23	21	23	22	19	20	19	20
- lapidei artigianato	3	3	2	2	2	2	2	2	2	2	2	2
- industria	2.208	2.088	2.182	2.147	2.161	2.240	2.165	2.264	2.221	2.196	2.178	2.392
Cisao	37	34	38	37	40	38	40	44	41	45	46	50
Trattamenti di disoccupazione	3.784	3.802	3.948	3.947	4.042	128	135	160	157	150	150	155
Trattamenti di ASPI/NASPI						4.516	4.678	4.790	5.038	5.297	5.596	5.903
Trattamenti economici di malattia	4.214	3.962	4.197	4.247	4.223	4.243	4.351	4.468	4.745	4.968	5.179	5.402
Trattamenti economici di maternità	1.088	1.063	1.100	1.095	1.130	1.138	1.121	1.158	1.152	1.214	1.250	1.282
Trattamenti di fine rapporto e vari	580	554	582	582	606	599	601	610	646	664	686	709
Finanziamento fondo di garanzia per omessi o insufficienti contributi datoriali alla previdenza complementare	2	2	2	2	2	2	2	2	2	2	2	2
<b>Totale</b>	<b>18.854</b>	<b>18.018</b>	<b>18.808</b>	<b>18.852</b>	<b>18.932</b>	<b>19.763</b>	<b>20.032</b>	<b>20.275</b>	<b>20.876</b>	<b>21.778</b>	<b>22.608</b>	<b>23.712</b>

Description: Family allowances; Ordinary wage supplementary benefits: construction stone industry, stone craftsmanship industry, Cisao, Unemployment benefits, ASPI /NASPI benefits, Sickness benefits, Maternity benefits, Termination of employment benefits and other benefits, Guarantee Fund for omitted or insufficient contributions from employers to complementary pension schemes; Total

**Table 5.3 - GPT between 2008 and 2019: active transfers from GIAS to GPT (millions of euros)**

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trattamenti di famiglia	1.368	1.348	1.323	1.354	1.457	1.448	1.576	1.466	1.572	1.577	1.588	1.566
Trattamenti di integrazione salariale ordinaria	208	204	182	195	208	171	152	144	113	99	71	90
- edilizia	129	136	116	128	137	102	103	96	79	72	49	67
- lapidei industria	5	5	5	5	5	4	4	4	4	3	4	4
- lapidei artigianato	0	0	0	0	0	0	0	0	0	0	0	0
- industria	74	63	61	62	66	65	45	44	30	24	18	19
Cisao	64	81	66	66	71	68	72	73	77	79	82	82
Trattamenti di disoccupazione	165	184	158	164	174	116	59	62	65	68	69	71
Trattamenti di ASPI/NASPI						49	81	52	43	34	15	22
Trattamenti economici di malattia	648	649	580	590	631	540	557	494	486	471	458	511
Trattamenti economici di maternità												
Trattamenti di fine rapporto e vari	22	25	21	22	24	20	17	13	13	10	6	7
<b>Totale</b>	<b>2.475</b>	<b>2.491</b>	<b>2.330</b>	<b>2.391</b>	<b>2.565</b>	<b>2.412</b>	<b>2.514</b>	<b>2.304</b>	<b>2.369</b>	<b>2.338</b>	<b>2.289</b>	<b>2.349</b>

Description: Family allowances; Wage supplementary benefits construction, stone industry, stone craftsmanship industry, Cisao; Unemployment benefits; ASPI/ NASPI benefits; sickness, maternity benefits and termination of employment benefits and others, **Total**; **Note:** The data in table 5.2 regarding contribution revenues do not coincide, albeit slightly, with those in table 5.1; the same applies to table 5.3 in relation to the second item in 5.1. The difference can be explained as follows: the contributions reported in table 5.2 for each year are expressed gross of the corrective and compensatory items of current revenues amounting to -166 million euros in 2019 and differ from the proceeds and charges as these are net of this amount; the amounts relating to "Other revenues and proceeds" reported in table 5.1 include 77 million euros' worth of other revenues reported in table 5.3 for the year 2019

**Institutional benefits** (table 5.4) show an upward trend starting from 2008 (the beginning of the economic crisis) to 2013 and then a gradual reduction down to the level reached in 2015, that was below that of 2009. In particular, in 2015, accrued benefit expenditure decreased by 5.2% compared to the previous year while contribution revenues increased by 1.1%. Therefore, this scheme had a surplus of more than 2.3 billion euros. The benefit reduction in 2015 was mainly due to the combined accounting effect of the accruals at the beginning and at the end of the year caused by the elimination of the ASPI and Mini-ASPI benefits during the year and of the accruals for the provision of non-agricultural ordinary unemployment benefits still in force at the beginning of 2015. In 2016 and 2017, institutional benefit expenditure amounted to approximately 15,000 million euros. In 2018, there was a reduction in the overall benefit expenditure by about 1.4% and the same occurred in 2019.

In 2019, this scheme had **a positive balance of 5.6 billion euros** as the difference between total income equal to 25.971 billion euros and expenses to 20.377 billion euros; the increase was approximately equal to 13.2% compared to 4.9 billion euros in 2018. **Institutional benefit expenditure** (expenses) is analytically shown in **table 5.4**.

**Table 5.4 - GTP between 2008 and 2019; accrued institutional benefit expenditure** (millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Trattamenti di famiglia	3.831	3.760	3.552	3.670	3.726	3.817	3.676	3.611	3.733	3.693	3.580	3.341
Trattamenti di integrazione salariale	365	1.755	1.141	769	1.044	1.146	747	680	519	411	346	312
Trattamenti di disoccupazione e mini ASpl	3.051	4.198	4.656	4.560	5.233	3.057	1.855	1.102	1.113	1.215	1.133	1.256
Trattamenti di Aspl						2.253	3.401	2.301	311	31	14	8
Trattamenti di NASpl*								1.300	4.907	5.488	5.775	5.966
Trattamenti economici di malattia	2.165	2.079	1.992	2.053	2.044	2.017	1.950	1.958	2.036	2.157	2.234	2.334
Trattamenti economici di maternità	2.038	2.124	2.088	2.216	2.284	2.292	2.186	1.990	1.878	1.729	1.606	1.542
Trattamenti di fine rapporto e vari	446	415	585	672	795	1.087	1.042	1.253	1.217	1.047	891	816
<b>Totale (A)</b>	<b>11.896</b>	<b>14.331</b>	<b>14.014</b>	<b>13.940</b>	<b>15.126</b>	<b>15.669</b>	<b>14.857</b>	<b>14.195</b>	<b>15.715</b>	<b>15.772</b>	<b>15.579</b>	<b>15.575</b>
Recupero prestazioni e altro (B)	437	424	464	434	493	520	590	661	709	717	738	740
<b>Totale spese per prestazioni (A - B)</b>	<b>11.459</b>	<b>13.907</b>	<b>13.550</b>	<b>13.506</b>	<b>14.633</b>	<b>15.149</b>	<b>14.267</b>	<b>13.534</b>	<b>15.006</b>	<b>15.055</b>	<b>14.841</b>	<b>14.835</b>

(\*) Il trattamento NASpl è stato istituito, con decorrenza 1° maggio 2015, dal D.Lgs n.22/2015

*Description: Family allowances; Wage supplementary benefits; Unemployment benefits and Mini ASpl; ASpl benefits; NASpl (\*); sickness, maternity benefits and termination of employment benefits and others; Total (A); Recovered benefits and others (B); Total pension expenditure (A-B); \*NASpl was launched on May 1 2015, under Art. 12 Leg. Decree no. 22/2015*

In the period examined, benefit expenditure, net of recovered non-eligible benefits (item B in Table 5.4), went up from 11,459 million euros in 2008 to 14,835 million euros in 2019, a **29.5%** increase mainly due to the growing number of unemployment and NASpl benefits. In 2015, benefit expenditure dropped by 10.7% compared to the peak of 2013, as already explained above. In 2019, the costs for unemployment benefits accounted for 48.7% of total charges, while family allowances accounted for 22.5% of total institutional expenditure.

**Transfers** from GPT to FPLD to finance **notional contributions** are included in “**other operating charges**” (**table 5.1**) and account for the bulk of these charges. They are analytically illustrated in the following **table 5.5**.

**Table 5.5 - GTP between 2008 and 2019; notional contribution expenditure** (millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Trattamenti di integrazione salariale:</b>												
industria	139	1.091	622	344	565	583	278	342	297	229	77	119
edilizia	86	144	139	146	181	195	170	174	90	74	83	54
lapidei	4	7	7	8	9	10	9	8	5	5	4	2
<b>Trattamenti di disoccupazione</b>	<b>3.198</b>	<b>4.984</b>	<b>4.908</b>	<b>4.907</b>	<b>5.941</b>							
Aspi						2.431	3.882	2.759	364	46	23	11
Mini Aspl e agricoltori						1.036	585	350	12	3	2	2
NASpl (Art. 12, D. Lgs. 22/2015)*								953	2.553	3.116	3.364	3.436
<b>Altri trattamenti di disoccupazione</b>						1.207	604	436	443	428	435	499
<b>Totale</b>	<b>3.427</b>	<b>6.226</b>	<b>5.676</b>	<b>5.405</b>	<b>6.696</b>	<b>5.462</b>	<b>5.528</b>	<b>5.022</b>	<b>3.764</b>	<b>3.901</b>	<b>3.988</b>	<b>4.123</b>

*Description, Wage supplementary benefits: industry construction, stone works; unemployment benefits, Aspi, Mini Aspl and farmers, NASpl (Art. 12, Leg. Decree n. 22/2015)\*; Other unemployment benefits; Total; (\*) see note*

In this connection, in its Circular no. 11 of January 28, 2013, INPS illustrated the **automatic calculation** of notional remunerations to be linked to the events recorded in the workers' individual

accounts. INPS decided to give up the *average-based calculation method used to provide its annual structured information and, in line with the current legislation, to refer to the income levels that unemployed workers would have under normal employment conditions*. However, pursuant to Art. 4 of Act no. 218/1952 and subsequent amendments, an ad-hoc report is drafted and attached to the final accounts to show the methodologies, the technical bases and the amounts to be transferred by GPT and by GIAS to FPLD to finance periods of unemployment in the agricultural sector, NASpI and anti-tuberculosis benefits. NASpI benefits account for the largest part of these notional charges.

In order to have an exhaustive overview of *income-support benefits*, it is also important to consider the benefits paid by **GIAS** only for *income support* purposes (other GIAS measures are analyzed in the following section also from an accounting point of view); in particular, GIAS provides the following transfers to GPT:

- Sums to offset lower contribution revenues linked to contribution rebates, exemptions and incentives for particular categories of workers, sectors or enterprises (including training, solidarity and apprenticeship contracts);
- Part of the family allowances provided for under Act no.153/1988;
- Part of the family allowances to employed workers in the field of agriculture (Act no. 1038/1961; part of the ordinary unemployment benefits for agricultural workers as provided for under Acts no. 1115 of November 5, 1968 and no. 427 of August 6, 1975;
- Part of NASpI benefits.

Moreover, GIAS has to bear the expenses for *institutional extraordinary wage support benefits*, *mobility allowances* and *safety net measures* introduced under Law Decree no. 185 of November 29, 2008 (Anti-crisis Decree) transposed into Act no. 2/2009.

**Table 5.6** shows the wage-support measures and the transfers to FPLD to finance imputable contributions. The unemployment benefits mainly include: part of ordinary unemployment benefits not for the agricultural sector, ASpI, Mini-ASpI and NASpI benefits, the unemployment benefits introduced by Act no. 247/2007 for the agricultural sector, the special unemployment benefits in the construction sector and the allowances for socially relevant activities (ASU).

The 2019 accounting data related to benefit expenditure (**table 5.4**) and to contribution revenues (**table 5.2** and **5.3**) show the effects of the provisions introduced by Act no. 92 of June 28, 2012, which repealed the following benefits and their related contributions starting from January 1, 2017:

- ordinary mobility allowance;
- special unemployment benefits for the construction industry as provided for under Law
- Decree no. 299 of May 16, 1994, as amended by Act no. 451 of July 19, 1994; special unemployment benefits for the construction industry under Articles 9 to 19 of Act no. 427 of August 6, 1975.

Therefore, in 2019, the overall *expenses for income support benefits provided by GPT and GIAS related to their notional contributions* (sum of all the items in tables 5.4, 5.5, 5.6, sections A and B) amounted to **26,918 million euros**, net of the operating expenses of each scheme, compared to 26,588 million euros in 2018, an increase by 1.2%.

**Table 5.6 - GIAS between 2008 and 2019; wage support charges (millions of euros)**

A) Prestazioni	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Trattamenti di disoccupazione</b>	1.419	2.191	2.165	2.239	2.621	2.884	3.557	2.717	3.855	3.996	4.172	4.318
<i>AspI e mini AspI</i>						1.586	2.921	1.299	195	21	9	5
<i>NASpI*</i>								770	3.033	3.363	3.568	3.742
<i>altri</i>						1.298	636	648	627	612	595	571
<b>Indennità di mobilità</b>	882	1.144	1.346	1.435	1.685	2.081	2.284	2.108	1.462	863	58	100
<i>ordinaria</i>	794	1.043	1.169	1.192	1.387	1.716	1.980	1.888	1.334	776	47	97
<i>in deroga</i>	88	101	177	243	298	365	304	220	128	87	11	3
<b>Trattamenti Cigs</b>	508	1.121	2.173	1.981	2.449	2.811	2.914	1.856	1.499	892	522	511
<i>ordinaria</i>	396	825	1.608	1.386	1.634	2.038	2.195	1.489	1.300	772	503	474
<i>in deroga</i>	112	296	565	595	815	773	719	367	199	120	19	37
<b>Trattamenti diversi</b>	1	3	1	9	5	11	1	32	44	84	360	544
<b>Totale</b>	<b>2.810</b>	<b>4.459</b>	<b>5.685</b>	<b>5.664</b>	<b>6.760</b>	<b>7.787</b>	<b>8.756</b>	<b>6.713</b>	<b>6.860</b>	<b>5.835</b>	<b>5.112</b>	<b>5.473</b>
<b>B) Coperture figurative e IVS</b>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Trattamenti di disoccupazione</b>	83	316	188	197	271	142	92	67	34	23	12	1
<b>Indennità di mobilità</b>	679	815	951	1.039	1.219	1.391	1.462	1.412	1.107	701	194	40
<i>ordinaria</i>	617	742	830	896	948	1.088	1.228	1.249	1.013	637	186	38
<i>in deroga</i>	62	73	121	143	271	303	234	163	94	64	8	2
<b>Trattamenti Cigs</b>	387	894	1.750	1.729	1.935	2.082	2.034	1.608	1.315	676	481	428
<i>ordinaria</i>	302	686	1.228	1.146	1.244	1.550	1.540	1.358	1.182	595	468	422
<i>in deroga</i>	85	208	522	583	691	532	494	250	133	81	13	6
<b>Trattamenti NASPI</b>				6	0	0	0	0	1.521	1.813	1.960	2.018
<b>Trattamenti diversi</b>				6	0	0	0	0	0	0	0	0
<b>Totale</b>	<b>1.149</b>	<b>2.025</b>	<b>2.889</b>	<b>2.971</b>	<b>3.425</b>	<b>3.615</b>	<b>3.588</b>	<b>3.087</b>	<b>3.977</b>	<b>3.213</b>	<b>2.647</b>	<b>2.487</b>

(\*) L'articolo 1 del D.Lgs n.22 del 2015 ha istituito, dal 1° maggio 2015, una indennità mensile di disoccupazione denominata Nuova prestazione di Assicurazione Sociale per l'impiego (NASpI), in sostituzione delle indennità ASpI e Mni-ASpI introdotte dall'articolo 2 della legge n.92 del 2012.

A) Benefits: Unemployed benefits: ASpI and mini ASpI; NASpI\*, Others; Mobility allowances: ordinary, in derogation; CIGS benefits: ordinary, in derogation; NASpI benefits; Other benefits; Total \*On May 1 2015, Art 1 of Leg. Decree no. 22/2015 introduced a monthly unemployment benefit called New Social Security Employment Benefit (NASpI) to replace ASpI and mini ASpI benefits provided for under Art. 2 of Act no. 92 of 2012

**Table 5.7** illustrates the contributions paid by employers: 0.30% for the mobility allowance, 0.80% for special unemployment benefits in the construction sector and 0.90% (0.30% to be paid by workers) for extraordinary wage-support measures.

**Table 5.7 - GIAS between 2008 and 2019; contributions paid by employers and employees (millions of euros)**

Anni	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Indennità di mobilità	524	549	706	641	589	579	609	587	485	50	18	7
Trattamenti Cigs (*)	1.041	977	1.066	1.071	1.085	1.110	1.073	1.083	1.139	1.255	1.278	1.316
Trattamenti speciali edili	120	106	109	100	90	79	80	76	75	3	1	-
<b>Totale</b>	<b>1.685</b>	<b>1.632</b>	<b>1.881</b>	<b>1.812</b>	<b>1.764</b>	<b>1.768</b>	<b>1.762</b>	<b>1.746</b>	<b>1.699</b>	<b>1.308</b>	<b>1.297</b>	<b>1.323</b>

(\*) L'aliquota contributiva Cigs grava per un terzo a carico del lavoratore (0,30%)

Years; Mobility allowance CIGS benefits (\*); Special benefits for construction workers; **Total.** (\*) One third of the CIGS contribution rate is paid by workers (0.30%)

**Table 5.8** shows the contribution rates to be paid by enterprises for the GPT and GIAS schemes.

**Table 5.8 - Contribution rates for the main sectors in 2019 (as % of taxable remuneration)**

Voci contributive	NASPI (*) (**)		garanzia TFR		CUAF		cig ordinaria		cig straordinaria		indennità malattia		indennità maternità		Totale	
Settore di attività	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati	operai	impiegati
<b>Industria in genere</b>																
fino a 15 dip.	1,61	1,61	0,20	0,20	0,68	0,68	1,70	1,70			2,22		0,46	0,46	6,87	4,65
Da 16 a 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68	1,70	1,70	0,90	0,90	2,22		0,46	0,46	7,77	5,55
più di 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68	2,00	2,00	0,90	0,90	2,22		0,46	0,46	8,07	5,85
<b>Industria edile (***)</b>																
fino a 15 dip.	2,41	2,41	0,20	0,20	0,68	0,68	4,70	1,70			2,22		0,46	0,46	10,67	5,45
Da 16 a 50 dip.	2,41	2,41	0,20	0,20	0,68	0,68	4,70	1,70	0,90	0,90	2,22		0,46	0,46	11,57	6,35
più di 50 dip.	2,41	2,41	0,20	0,20	0,68	0,68	4,70	2,00	0,90	0,90	2,22		0,46	0,46	11,57	6,65
<b>Artigianato</b>	0,70	0,70	0,20	0,20							2,22				3,12	0,90
<b>Artigianato edile (***)</b>																
fino a 50 dip.	1,50	1,50	0,20	0,20			4,70	1,70			2,22				8,62	3,40
più di 50 dip.	1,50	1,50	0,20	0,20			4,70	2,00			2,22				8,62	3,70
<b>Artigianato lapidei</b>																
fino a 50 dip.	0,70	0,70	0,20	0,20			3,30	1,70			2,22				6,42	2,60
più di 50 dip.	0,70	0,70	0,20	0,20			3,30	2,00			2,22				6,42	2,90
<b>Credito e Assicurazioni</b>	1,61	1,61	0,20	0,20	0,68	0,68							0,46	0,46	2,95	2,95
<b>Commercio</b>																
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	2,44	2,44	0,24	0,24	6,07	6,07
più di 200 dip.	1,61	1,61	0,20	0,20	0,68	0,68			0,90	0,90	2,44	2,44	0,24	0,24	6,07	6,07
<b>Commercio CUAF ridotta</b>																
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	2,44	2,44	0,00	0,00	4,02	4,02
più di 200 dip.	0,48	0,48	0,20	0,20	0,00	0,00			0,90	0,90	2,44	2,44	0,00	0,00	4,02	4,02

(\*) La NASPI 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

(\*\*\*) nella NASPI la voce comprende l'aliquota di 0,80% per il Trattamento speciale

Contributions, NASpI, Termination of employment benefit guarantee, CUAF, ordinary CIG, extraordinary CIG, sickness benefits, maternity benefits Total Sector: blue collars, white collars, Industry: up to 15 employees, from 16 to 50 employees, above 50 employees, Construction (\*\*\*), Artisans, Stone work artisans (\*\*\*), Credit and Insurance, Retail sector, retail sector reduced CUAF; (\*) NASpI includes 0.30% to be allocated to the Revolving Fund former Art. 25 of Act no. 845/1978; (\*\*) Act no. 92/2012, par. 28, envisages a 1.40% contribution for long-term employment contracts except for the cases provided for under paragraph 29; (\*\*\*); In NASpI, this item includes 0.80% for special benefits.

### 5.1.1 Beneficiaries of income-support measures: CIG, CIGS, NASpI and other benefits by number of workers, hours and amounts

The first part of this Chapter was devoted to the GPT accounts, to income, expenditure and balance of the system of temporary benefits, as well as to contribution rates. This **new section** focuses on the beneficiaries of these benefits, on the number of workers involved and on the total number of hours for each type of benefit. This short analysis of the main safety net interventions<sup>44</sup> shows that:

- **Mobility benefits**, provided until 2017 for a cost equal to 1,563.8 million euros in 2017 (251.7 million euros in 2018 and 140.1 million in 2019) (including derogations and the notional imputed sums), then replaced by NASpI, were provided to 57% of beneficiaries above 55 years of age;
- **NASpI** (a new measure to fight unemployment and promote mobility) with an annual cost of 15,161.8 million euros in 2019, including notional contributions, had over **1.7 million beneficiaries** in 2018, 24% of them above 50 years of age;
- **Redundancy Fund** (ordinary, extraordinary, derogated and for agriculture), with a cost equal to 1,426.8 million euros in 2019 (including derogations and notional imputed sums), had over **600,000 beneficiaries** in 2018, not far from the statutory retirement age;
- Benefits under **Act no. 104/1992**, with a cost of 1,070.8 million euros in 2019 (including notional contributions) had about **500,000 beneficiaries**, mainly older workers who had to take care of their

<sup>44</sup> Source INPS: Statistical Observatory and 2017, 2018 and 2019 financial accounts.

parents and who were not eligible for social APE because they did not fulfil the 30-year contribution requirement.

In sum, about **3 million** workers benefited from social safety net measures in 2018 and 2019 (table 5.9); another **300,000** or so benefited from forms of early retirement between 2018 and 2019 as highlighted in the next section.

**Table 5.9 - Safety net measure beneficiaries and charges in 2018-2019** (millions of euros)

Tipo di ammortizzatore	Anno 2018				Anno 2019			
	Beneficiari	Prestazioni	Coperture figurative	Totale	Beneficiari	Prestazioni	Coperture figurative	Totale
<b>Cig ordinaria</b>		<b>333,2</b>	<b>164,5</b>	<b>497,7</b>		<b>303,2</b>	<b>175,5</b>	<b>478,7</b>
- edilizia		147,6	83,4	231,0		112,0	54,1	166,1
- lapidei industria		7,6	4,4	12,0		4,4	2,0	6,4
- lapidei artigianato		0,8	0,1	0,9		1,2	0,4	1,6
- industria		177,2	76,6	253,8		185,6	119,0	304,6
<b>Cig straordinaria</b>		<b>521,9</b>	<b>480,8</b>	<b>1.002,7</b>		<b>521,9</b>	<b>480,8</b>	<b>938,9</b>
- ordinaria		502,6	467,9	970,5		474,3	422,2	896,5
- deroga		19,3	12,9	32,2		36,9	5,5	42,4
<b>Indennità di mobilità</b>		<b>57,6</b>	<b>194,1</b>	<b>251,7</b>		<b>57,6</b>	<b>194,1</b>	<b>140,1</b>
- ordinaria		46,6	186,2	232,8		96,9	38,0	134,9
- deroga		11,0	7,9	18,9		3,1	2,1	5,2
<b>Indennità NASPI (*)</b>	<b>2.795.700</b>	<b>9.343,7</b>	<b>5.324,4</b>	<b>14.668,1</b>	<b>2.933.400</b>	<b>9.708,5</b>	<b>5.453,3</b>	<b>15.161,8</b>
<b>Art. 33, C. 1, 2 E 3, L. 104/1992 E Art. 20, L. 53/2000 (*)</b>		<b>823,5</b>	<b>215,7</b>	<b>1.039,2</b>		<b>849,3</b>	<b>221,5</b>	<b>1.070,8</b>
<b>Indennità APE SOCIAL (Art. 1, C 179-186, L. 232/2016)</b>		<b>330,4</b>		<b>330,4</b>		<b>523,9</b>		<b>523,9</b>
(*) Per beneficiari si intende: codici fiscali distinti di beneficiari con almeno un trattamento nell'anno								
Beneficiari della cassa integrazione ordinaria e straordinaria, oltre 150 mila soggetti per un periodo medio di 90 giorni								

Type of benefit, Year, Beneficiaries, Benefits, Notional sums, Total, Ordinary CIG, construction, stone work industry, stone work artisans, industry, Extraordinary CIG, ordinary, derogated, NASpI, social APE. Source: INPS (updated to December 31, 2019) (\*) Beneficiaries: distinct tax codes with at least one benefit per year; Beneficiaries of ordinary and extraordinary benefits: over 150,000 subjects for an average period of 90 days

## 5.2 GIAS, the scheme for welfare benefits and support to the INPS pension funds; definitions and measures

The **Welfare Benefit Fund** (hereinafter referred to as **GIAS**) was set up within INPS under Art. 37, paragraph 3, letter D of **Act no. 88/1989**. It is an *accounting instrument* designed to implement the rules governing *the welfare measures adopted by the State*. This is perhaps the most complex INPS pension scheme. Its regulatory and implementation framework has greatly evolved since its inception, extending its reach through different sectors and segments of society. The main difference between this fund and all the other INPS schemes is its perfect balance between revenues and expenditure; its operating result is always in equilibrium and the same holds true for its financial situation.

*Thanks to its detailed accounting data, it is possible to reliably separate pension-related measures from welfare measures*, with the former financed by the contributions paid by workers and employers (contributions) and the latter by general taxes.

***GIAS Revenues:*** The total transfers from the State to GIAS amounted to **114,207 million euros** compared to 105,660 in the previous year. ***The benefits provided are mainly financed through transfers from the State budget;*** a modest amount of benefits equal to **1,323 million** (slightly up compared to 1,296 million in 2018) comes from the revenues from the contributions paid by employers and workers to finance wage support measures and contribution incentives and **151 million** from the membership fees of some specific schemes.

The financial accounts show that, in 2019, the **value of production**, net of current revenue adjustments by **8,239 million euros**<sup>45</sup> in social security charge rebates, amounted to **107,825 million euros** (96,327 million euros in 2018), while the "cost of production" was equal to 107,813 million euros, with a break-even thanks to 12 million euros' worth of adjustments, extraordinary charges and operating taxes.

These State transfers are designed to finance the following charges:

- **pension expenditure: 78,428 million euros**<sup>46</sup>, up by 5,690 million euros vs. 72,738 in 2018;
- **wage-support measures: 7,106 million euros**, down by 23 million vs. 7,129 million euros last year; this change is due to the reduction of the contributions needed to finance extraordinary supplementary wage and mobility benefits;
- **family-support measures: 6,012 million euros**, + 3% vs. 5,835 million euros last year; this increase is due to <sup>[SEP]</sup>higher charges to finance fees for day-care centers for children;
- **benefits deriving from contribution incentives (TBC and maternity leave): 528 million euros** (-2.2% vs. 540 million in 2018), a drop due to lower contributions to finance these benefits;
- **contribution incentives and other facilities: 15,759 million euros** (-11.6% vs. 17,821 million in 2018); this reduction is linked to the provisions in force during the year related to the contributions to be paid by the State for newly hired workers;
- **other measures: 2,558 million euros** (+ 59% vs. 1,603 million euros in 2018); this growth is mainly due to the current legislation on the State contributions.
- For ***citizenship income and pensions: 3,879 million***. This is the new item included in the GIAS budget to finance the charges introduced under Act no. 26/2019 which transposed Law Decree no. 4 of 28/01/2019.

**Table 5.10** shows the time series of the transfers of financial resources from the State to GIAS in the 2011-2019 period.

<sup>45</sup> GIAS supports the national production system by **reducing social charges**. The amount of these State transfers is indicated under the item: "Corrective and compensatory revenue items"; in the year under review, it reached **8,239 million euros**, with a reduction by 2,758 million with respect to the previous year (10,997 million). This drop mainly refers to the halt to the possibility for employers to be exempted from the charges related to the newly-hired workers with long-term contracts (three-year rebate, Act no. 190/2014) and from the 40% payment provided for under Act no. 208/2015 (two-year rebate). In the INPS accounting system, the incentivized contributions are charged before calculating these rebates even in the presence of net revenues; therefore, the GIAS accounts analytically report these amounts according to the law, but they do not provide any indication related to the beneficiary funds. Pension funds are estimated to receive over 50% of these sums.

<sup>46</sup> The amount borne by the GIAS for the year 2019, transferred to the funds to finance pension charges, amounted to 78,428 million euros; it is broken down as follows: pension schemes: **37,961 million euros** (see Box 1 and table 1a), plus **11,495 million** for the former INPDAP funds; share of expenses for social allowances, social pensions and related additional benefits paid in the year: **4,720 million**; **18,459 million euros**'s worth of charges for the fund of disabled civilians and **4,555 million euros** to finance the operating deficits of some INPS special funds (customs officers, consumer tax collectors, Trieste and Genoa dockers and workers of former FF.SS.); other expenses.



**Table 5.10 – Transfers from the State budget to GIAS (millions of euros)**

	oneri pensionistici	mantenimento del salario	interventi a sostegno della famiglia	prestazioni economiche derivanti da riduzioni di oneri previdenziali	sgravi di oneri sociali e altre agevolazioni	interventi diversi	reddito di cittadinanza e pensione di cittadinanza	TOTALE TRASFERIMENTI DAL BILANCIO DELLO STATO
2011	58.271	6.360	3.411	688	14.031	1.141	-	83.902
2012	63.804	8.333	3.671	696	16.018	1.278	-	93.800
2013	67.982	9.592	3.992	677	15.488	1.338	-	99.069
2014	67.454	10.387	3.856	656	14.832	1.255	-	98.440
2015	72.172	8.794	4.033	622	15.897	2.155	-	103.673
2016	70.971	8.695	4.502	603	21.203	1.400	-	107.374
2017	72.699	8.067	5.485	583	21.014	2.302	-	110.150
2018	72.738	7.129	5.835	540	17.821	1.603	-	105.666
2019	78.428	7.106	6.012	528	15.759	2.558	3.879	114.270

Pension charges, Wage support measures, Family support measures, Benefits from social charge reduction, Social charge reductions and other incentives, Other measures, TOTAL TRANSFERS FROM THE STATE BUDGET

**Pension benefit expenditure** is the amount of the costs incurred by this scheme to finance “*institutional benefits*” classified by type, before recovered non-eligible benefits; in particular, the figure related to **pension charges** includes the transfers for all the schemes (**BOX I**) but also welfare benefit expenses (social pensions and allowances and extra benefits for people over 65). **Table 5.11** shows the historical series of the institutional benefits provided in the 2011-2019 period broken down by type of measure.

On the basis of the current regulatory framework, the **pension-related** measures adopted by GIAS are designed to deal with the complex issue related to the separation between the pension and the welfare system as follows:

- a) payment of pension benefits on behalf of pension funds at times of no contribution or reduced contribution revenues, in order to maintain their economic and financial equilibrium (Box I);
- b) direct payment of pension benefits for some categories (CDCM pensions before 1989, benefits to employed workers of former ENPAO, disability pensions before Act no. 222/1984 and others);
- c) direct provision of welfare benefits such as disability benefits for civilians, carers’ allowances, social pensions and allowances, the fourteenth month and additional amounts.

**Table 5.11 – Institutional benefits provided by GIAS (millions of di euros)**

	oneri pensionistici (comprendono i pensionamenti anticipati)	di cui oneri per pensionamenti anticipati	oneri per il mantenimento del salario	oneri per interventi a sostegno della famiglia	oneri per riduzioni di contributi previdenziali	oneri diversi	reddito di cittadinanza e pensione di cittadinanza	TOTALE PRESTAZIONI ISTITUZIONALI
2011	37.849	1.328	5.664	3.098	577	6	-	47.194
2012	42.845	1.241	6.760	3.286	593	7	-	53.491
2013	46.071	1.079	7.787	3.525	585	9	-	57.977
2014	45.956	1.203	8.756	3.408	567	8	-	58.695
2015	50.550	1.477	6.713	3.573	542	14	-	61.392
2016	49.515	1.666	6.862	4.057	532	10	-	60.976
2017	50.638	1.915	5.835	4.809	523	10	-	61.815
2018	50.695	2.255	5.112	5.243	490	11	-	61.551
2019	54.780	5.009	5.474	5.195	482	587	3.825	70.343

Pension benefit charges (including early retirement), charges for early retirement, Wage support benefit charges, Charges for family support measures, charges for contribution incentives, other charges, citizenship income and pension, TOTAL INSTITUTIONAL CHARGES



Under Act no. 88/1989 and many other legal provisions, GIAS has to provide the following **support measures** listed below according to their economic relevance:

- **share of each monthly pension installment**<sup>47</sup> equal to **21,409 million euros**, compared with 20,967 million euros in 2018, net of 2,491 million euros' worth of benefits paid to retired civil servants registered with former INPDAP;
- share of pension benefits under Art. 1 of Act no. 59/1991(**yearly pensions**), equal to **506 million euros**, down compared to 567 million in 2018;
- **additional benefits** under Art. 5. of Act no. 127/2007 (*fourteenth month*) amounting to **1,595 million euros**, down compared to 1,689 million in the previous year;
- share of **disability pensions** before Act no. 222/1984 amounting to **5,444 million euros** vs. 5,332 million euros in 2018;
- **early retirement benefits** equal to 3,769 million euros (up from 2,225 million in 2018, of which 831 for former INPDAP), net of 1,240 million euros' worth of installments paid on behalf of ex INPDAP.

These charges also include: the *current direct pensions paid to farmers, tenant farmers and sharecroppers with effect as of 01/01/1989 and their survivors' pensions* amounting to **1,297 million euros**, a significant decrease compared to 1,475 million in the previous year; the *pensions of the abolished ENPAO institution and the life annuities paid to former employees of the central and local public administrations*. The overall and detailed quantification of all pension charges in financial terms - net of recovered non-eligible benefits - is shown in **Table 1.a** and in **Box 1** of this Report, for an overall expenditure equal to **37,961 million euros** compared to 35,824 million in 2018.

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<sup>47</sup> The so-called "*share of the monthly pension*" is provided for under Act no. 903 of July 21, 1965, which set up a *Social Fund* financed under the provisions of Article 1 of Act no. 153 of 1969, to be borne entirely by the State as of January 1, 1976, amounting to 12,000 lira per month for each pension; this amount was adjusted by Act no. 910 of December 26 1986, up to 100,000 lira per month for each pension, and, in line with Article 37 of Act no. 88 of 1989, this share was transferred to GIAS. Under this law, this amount is adjusted every year with the Budget Law, according to the consumer-price index variations for households of blue and white collar workers calculated by ISTAT. Act no. 67 /1988 extended this measure to the schemes for self-employed workers (artisans, retailers and farmers). Then, Act no. 335/1995, under Art. 3, par. 2, innovated the annual adjustment criteria, envisaging a 1% increase of the annual variation of the ISTAT index. Finally, Act no.183/2011, (art.2, par. 4) expanded its scope, envisaging a contribution from the State also for the pension benefits provided by the ex INPDAP funds to civil servants. Actually, the income-based calculation method does not include an additional share for the subjects who receive a pension above the minimum benefits also because the income-based calculation method (2% each year with a maximum of 40 years, that is 80% of the average pensionable remuneration [RMP] - 70% with 35 years – with an RMP calculated on the basis of the income stated in the last 10 years for employed workers and 15 years for self-employed workers) was also prone to avoidance and abuses, resulting pension benefits higher than contributions. See the results from the "2001 Brambilla Commission" in GAO, Ministry of Labour and [www.itineriprevidenziali.it](http://www.itineriprevidenziali.it). With the Amato reform and the later reforms (1994 Berlusconi, 1995 Dini and 1997 Prodi reforms), the reduction of the alignment criteria, the longer calculation period for RMP and the introduction of the contribution-based method (in 2020, the income-based pension beneficiaries are estimated to account for less than 10% while all the others will have their benefits calculated with the mixed or contribution-based method), pension benefits are increasingly correlated with the contributions paid; so this share, that should be completely reviewed, will be used to finance the costs of supplementary minimum benefits for specific categories of pensions and for those provided with the income-based or mixed system; the number of these types of benefits is bound to decrease over time also with the growth of the contribution-based component.

These charges must also include:

- 1) those related to the funds for public employees (ex INPDAP) introduced by Act no. 183/2011 which, as previously stated, provided for GIAS transfers also for these schemes for an amount of **11,495 million euros** compared to 9,355 million euros in the previous year.
- 2) the direct provision of welfare benefits to finance ***social pensions, allowances and additional social benefits*** as provided for under Art. 38, letter a, of Act no. 488/2001 to subjects above 65 years of age without any income. In 2019, these charges amounted to **4,720 million euros** (net of recovered benefits equal to 133 million), similarly to the costs incurred in the previous year. On January 1, 2020, the number of ***social pensions*** was equal to **27,609 (3,804 for men and 23,805 for women)**, with an average annual amount of **459 euros** compared with 35,191 benefits at the beginning of the previous year. In 2019, no pensions were paid because there were practically no more entitled subjects in this group; On January 1, 2020, the number of ***social allowances***, which replaced ***social pensions*** under Act no. 353/1995, was equal to 769,118 (290,001 for men and 479,117 for women), showing a reduction by 1.8% (-14,467 allowances) compared to the number reported at the end of the previous year. This figure includes the social allowances resulting from the transformation of the pensions paid to disabled civilians and the hearing and speech-impaired subjects when they reached their statutory retirement age requirements for the old-age pension. The average social allowance is equal to **452 euros** per month.
- 3) ***pensions and carers' allowances for disabled civilians***: under former Art. 130 of Legislative Decree no. 112/1998, an ad-hoc fund was set up within INPS, financed through GIAS transfers, designed to pay welfare benefits to disabled civilians and to hearing, speech and visually impaired individuals (***pensions and carers' allowances for disabled civilians***). The financial resources transferred to the specific ***Fund for pension benefits and carers' allowances to disabled civilians*** (former Art. 130 of Law Decree of 31/03/1998), amounted to **18,459 million euros** vs. 17,991 in 2018. These resources were used to finance **3,551 million euros'** worth of pension benefits to disabled civilians, **349 million** to the blind and **64 million** for the hearing and speech impaired subjects. Moreover, GIAS provided carers' allowances to the same categories for a total of **14,417 million euros (13,468 for disabled civilians, 810 for the blind and 139 for the hearing and speech impaired)**. On January 1, 2020, the total number of benefits (pension benefits and carers' allowances) was equal to 3,233,711 euros; of these, 1,015,128 were paid to pensioners, who received an average amount of 296 euros per month; 2,218,583 to subjects eligible for allowances, who received an average amount of 434 euros per month and 461,120 to subjects entitled to pension benefits and allowances, who received an average of 754 euros. A significant amount of ***non-eligible benefits*** was recovered equal to **403 million euros** in 2019, down with respect to 446 in 2018 (- 9,7%).
- 4) ***veterans' pension benefits*** (direct and indirect), amounted to 146,573 in 2019
- 5) (vs. 161,181 in 2018), for an annual amount of **1,142 million euros**, down with respect to 1,200 million euros in the previous year; these sums are allocated through a specific chapter of the Ministry of the Economy and Finance.

*The GIAS transfers to offset the revenues of the INPS funds, classified under the "**miscellaneous operating charges**" item, amounted to **35,882 million**, a slight increase compared to 35,094 in 2018. In addition to the aforementioned transfer of **18,459 million** to the fund providing pension benefits and allowances to disabled civilians, GIAS provides other aggregate support measures, listed according to their economic relevance, in order to finance:*

- a) the loss of contribution revenues due to rate exemptions and reductions for an amount of **6,558 million euros**;*
- b) the operating deficits of the fund for former consumer tax collectors, the fund for the Genoa and Trieste Port consortium personnel, the fund for former customs agents, the fund for the FF.SS. spa personnel and the separate scheme for public-sector employees pursuant to Art. 2, paragraph 5, of Act no. 183/2011, for a total of **4,555 million euros**;*
- c) invalidity, old-age and survivor pension insurance related to wage and family-support periods and economic benefits following the reduction of social security charges for an amount equal to **3,052 million euros**.*

**Box 1** shows the ***GIAS measures*** for each compulsory pension scheme, that is its “share of benefits” and its transfers (together with the ones from GPT and from the Regions) which increase “contribution revenues”.

### Box 1 - GIAS measures

IMPORTA CARICO GIAS PER PRESTAZIONI				TRASFERIMENTI DALLA GIAS E ALTRE GESTIONI						
(valori assoluti espressi in milioni di euro)				(valori assoluti espressi in milioni di euro)						
	2017	2018	2019		2017		2018		2019	
	TOT.	TOT.	TOT.		GIAS	Altri Enti/Gestioni/ Stato	GIAS	Altri Enti/Gestioni/ Stato	GIAS	Altri Enti/Gestioni/ Stato
DIPENDENTI PRIVATI	27.295,88	27.376,42	28.787,50	DIPENDENTI PRIVATI	9.043,97	4.607,53	8.204,82	4.768,46	8.423,15	4.955,27
Dipendenti Privati				Dipendenti Privati						
INPS	26.380,77	26.438,86	27.642,55	INPS	9.018,71	4.607,53	8.180,85	4.768,46	8.397,80	4.952,53
FPLD	25.939,16	26.073,16	27.222,52	FPLD	8.847,32	4.571,79	8.041,39	4.745,83	8.266,90	4.929,71
TRASPORTI	47,89	42,36	46,45	TRASPORTI	118,23		117,66		116,18	
TELEFONICI	89,08	67,29	51,16	TELEFONICI	1,67		1,60		1,61	
ELETTRICI	65,95	51,66	48,34	ELETTRICI	1,44	5,13	1,44	2,28	1,44	3,26
VOLO	21,49	18,83	16,34	VOLO	42,58		11,30		4,29	
IMPOSTE CONSUMO	4,70	4,07	3,74	IMPOSTE CONSUMO	0,00		0,00		0,00	
CREDITO*				CREDITO*						
FFSS	73,67	59,20	91,32	FFSS	1,86	30,04	1,86	19,80	1,86	18,98
INPDAI	138,84	122,28	162,68	INPDAI	5,61	0,56	5,61	0,55	5,52	0,58
Altri Fondi dipendenti privati	81,51	85,55	96,89	Altri Fondi dipendenti privati	21,52	0,00	20,19	0,00	19,98	2,74
ISTITUTO GIORNALISTI	0,00	0,00		ISTITUTO GIORNALISTI						
ENTE LAVORATORI SPETTACOLO**	81,51	85,55	96,89	ENTE LAVORATORI SPETTACOLO**	21,52		20,19		19,98	2,74
Fondi Ex Aziende Autonome	833,60	852,01	1.048,06	Fondi Ex Aziende Autonome	3,74		3,78		5,37	
IPOST	833,60	852,01	1.048,06	IPOST	3,74		3,78		5,37	
DIPENDENTI PUBBLICI	9.613,18	9.355,25	11.495,45	DIPENDENTI PUBBLICI	92,53	33,87	92,93	20,63	92,93	15,63
CPDEL	330,69	404,25	790,75	CPDEL	34,22	13,95	34,22	10,37	34,22	5,86
CPI	3,57	4,49	10,76	CPI	0,60	0,16	0,60	0,14	0,60	0,09
CPS	73,56	78,02	161,46	CPS	8,53	10,66	8,53	8,96	8,53	8,16
CPUG	1,02	1,08	1,64	CPUG	0,15	0,01	0,15	0,00	0,15	0,00
CTPS	9.204,34	8.867,42	10.530,84	CTPS	49,03	9,09	49,43	1,16	49,43	1,52
AUTONOMIE PROFESSIONISTI				AUTONOMIE PROFESSIONISTI	280,54	88,86	420,32	86,45	575,92	0,00
Autonomi Inps	8.137,16	8.282,28	9.019,96	Autonomi Inps	280,54	0,00	420,32	0,00	575,92	0,00
ARTIGIANI	2.564,04	2.748,92	3.351,72	ARTIGIANI	114,79		195,90		269,90	
COMMERCianti	1.472,44	1.494,66	1.698,68	COMMERCianti	108,15		178,94		257,72	
CDCM	4.100,68	4.038,70	3.969,56	CDCM	57,60		45,48		48,30	
Liberi Professionisti	0,35	0,05		Liberi Professionisti	0,00	88,86	0,00	86,45	0,00	0,00
CASSE PRIV 509				CASSE PRIV 509						
ESCLUSO ENPAM	0,35	0,05		ESCLUSO ENPAM		88,86		86,45		
ENPAM	0,00	0,00		ENPAM						
CASSE PRIV 103	0,00	0,00		CASSE PRIV 103						
FONDO CLERO	10,05	9,97	12,47	FONDO CLERO						
GESTIONE PARASUBORDINATI	126,98	145,18	131,33	GESTIONE PARASUBORDINATI	134,07		317,86		395,68	
INTEGRATIVI INPS	11,87	10,21	10,15	INTEGRATIVI INPS	0,04	81,48	0,04	76,72	0,06	72,41
miniére	5,73	5,59	5,57	miniére	0,04	11,19	0,04	11,00	0,05	10,45
gas	1,43	1,05	1,81	gas	0,00		0,00		0,00	
esattoriali	1,49	1,43	1,36	esattoriali	0,00		0,00		0,00	
portuali	1,18	0,80	0,55	portuali (1)	0,00		0,00		0,00	
enti disciolti	2,04	1,33	0,86	enti disciolti (2)		70,29		65,72		61,96
ENASARCO	0,00	0,00	0,00	ENASARCO						
TOTALE	45.195,48	45.179,37	49.456,86	TOTALE	9.551,15	4.811,74	9.035,97	4.952,27	9.487,74	5.043,32
TOT. GIAS al netto dei DIP. PUBBL.	35.582,30	35.824,12	37.961,41	TOTALE	14.362,88		13.988,25		14.531,05	

BENEFIT TRANSFERS FROM GIAS (millions of euros in absolute terms), TRANSFERS FROM GIAS AND OTHER SCHEMES (millions of euros in absolute terms); Other funds/Scheme/State, INPS PRIVATE EMPLOYEES FPLD TRANSPORTATION TELEPHONY ELECTRICITY AVIATION CONSUMER TAXES, CREDIT\*, FFSS, INPDAI, Other funds: JOURNALISTS, SHOW BUSINESS; Funds for former autonomous entities: IPOST; PUBLIC EMPLOYEES; SELF-EMPLOYED AND PROFESSIONALS; INPS self-employed workers: artisans, retailers CDCM; Liberal professions: 509 schemes, excluding ENPAM, ENPAM, 103 schemes, Clergy Fund, Fund for Atypical Workers, INPS supplementary funds, Miners, Gas Workers, Tax collectors, Dockers, Dissolved entities TOTAL, TOT. GIAS net of Public Employees; \*Credit fund integrated into FPLD in 2013; \*\*ENPALS fund including show business and sports; (1) GIAS transfers under Art. 13 LD no. 873/1986; (2) transfers from other entities as provided for under paragraphs 5 and 6 Art. 77 Act no. 883/1978.

### 5.3 Active and passive labour policies: towards a new public-private model; the second pillar with solidarity, inter-professional and bilateral funds

With regard to what has been briefly illustrated in section 5.1.2, it can be argued that the early retirement of certain categories/types of workers (subjects who are difficult to reintegrate into the new production processes for family, health/fatigue-related reasons) is beneficial for the production system; for this reason, the current early retirement system should be entirely reviewed given its negative impact on public expenditure, through well-established instruments (redundancy funds for banks and insurance companies), now also available for the production and distribution sectors; these measures allow subjects close to their statutory retirement age, now 67, to leave the labour market earlier (maximum 5 years) in a more rational way and without a negative impact on national accounts. This mechanism supplements and/or replaces public interventions and can be implemented by using the existing instruments such as *solidarity*, interprofessional and bilateral funds so as to create a "*second pillar*" of a private nature (similarly to pension and health funds); however, this system must be significantly rationalized to become efficient, because it is far too extensive and with too many duplications.

#### *Rationalization of the existing funds*

Over time, many funds have been set up by the social partners and financed by employers and sometimes by workers, with the aim to provide new complementary forms of protection in addition to the ones provided by the State<sup>48</sup> (*table 5.12*).

**Table 5.12 - The existing funds**

Ente/Organismo	Fini istituzionali	Massa monetaria movimentata nel 2019
<b>13 Fondi di solidarietà</b>	Gestiscono forme di tutela per i lavoratori di alcuni settori (credito, poste, ferrovie, assicurazioni, trasporto aereo, marittimo ed ex esattorie) con la finalità di erogare assegni straordinari di sostegno al reddito, interventi formativi e di riqualificazione professionale, nonché, in particolare per il settore credito e trasporto aereo, di erogare un assegno straordinario alla maturazione del diritto a pensione con 5 anni di anticipo.	Entrate a carico dei datori e dei lavoratori: <b>1.928 milioni di euro</b> , di cui 1.494 milioni si riferiscono al Fondo credito  Spese per prestazioni e contribuzione correlata: 1.765 milioni di euro, di cui 1.455 si riferiscono al Fondo credito
<b>Fondo di integrazione salariale</b>	Garantisce prestazioni integrative per i lavoratori delle aziende che occupano mediamente più di 5 dipendenti appartenenti a settori per i quali non siano stati stipulati accordi per la costituzione dei Fondi di solidarietà ovvero che non rientrano nell'ambito di applicazione della Cig.	Entrate a carico dei datori di lavoro e dei lavoratori: <b>491.000 euro</b>  Spese per prestazioni e contribuzione correlata: 34.000 euro
<b>19 Fondi interprofessionali</b>	Svolgono attività di formazione continua nei diversi comparti dell'industria, dell'agricoltura, del terziario e dell'artigianato.	Il gettito deriva dall'applicazione sul monte salari di un'aliquota dello <b>0,30%</b> a carico delle aziende Gettito totale: <b>1.074 milioni di euro</b> , di cui versato ai Fondi per la formazione continua: 750 milioni
<b>105 Enti bilaterali</b>	Assicurano prevalentemente servizi di formazione nonché, in alcuni casi ancora molto limitati, integrazione delle prestazioni a sostegno del reddito liquidate da INPS, mentre circa 10 Enti offrono integrazione delle prestazioni sanitarie erogate dal SSN	Versamenti effettuati dalle oltre 1,2 milioni di aziende aderenti: <b>950,5 milioni di euro</b> , per una popolazione di 6,3 milioni di lavoratori

**13 Solidarity funds.** They provide forms of protection for workers in some sectors (credit, posts, railways, insurance, air and sea transportation and former tax collectors) through special income support, training and retraining measures; for the credit and air transportation sectors in particular, they provide a special allowance, 5 years in advance with respect to the retirement eligibility criteria. They have **1,928 million euros'** worth of contribution revenues per year, of which about 1,494 million for the credit fund, and **1,765 million euros'** worth of pension benefit expenditure, of which 1,455 million for the credit fund; **19 Inter-professional funds.** They carry out training activities in the industry, agriculture, service and craft sectors. Their revenues come from charging **0.30%** to the whole amount of wages and salaries paid by employers and amount to **1,074 million euros**, of which about 750 million euros for life-long training; **105 Bilateral funds.** They carry out life-long training activities in different industry, agriculture, service and craft sectors and, in some but still very limited cases, they provide supplementary sums to the income-support benefits paid by INPS; about 10 of these funds provide supplementary benefits to the health benefits provided by the NHS. Contributions paid by over 1.2 million member companies for more than **950.5 million euros** for a population of about 6.3 million workers.

<sup>48</sup> Act no. 662 of 1996 introduced some experimental and sectoral non-compulsory solidarity funds within INPS, on the basis of ad-hoc collective bargaining agreements with the aim to provide specific benefits.

This shows that there is an over proliferation and overlapping of measures targeted to the same categories of subjects; so, it is necessary to review the number and scope of these funds in order to rationalize the resources and channel them to more relevant social purposes; in fact, these funds have high operating costs due their separate governance structures which ultimately weigh on beneficiaries; moreover, there is no effective control by a "super-partes" body which may ensure a unified and efficient management and operating approach. It also points out that, if there are further interventions with an impact on labour costs, these funds already have about 5 billion euros per year, much more than the cost of social APE and of the measures related to heavy and arduous jobs.

### **Possible solutions**

The structure and functions of these funds may be redesigned in view of active and passive labour policies, including more flexible exit strategies from the labour market. To this end, legislative initiatives and/or memorandums of understanding may be adopted together with the social partners to set up **a multi-functional fund for each economic macro sector** (agriculture, industry, retail, credit, insurance, etc.); this can be achieved by **aggregating/merging** the **bilateral funds** designed to transfer health benefits to the existing health funds for each category (as is already the case) so that, with a different institutional structure, they can continue to be financed by their member companies to provide incentives for training, life-long learning and retraining of workers, income-support measures complementary to public ones, and early-retirement services similarly to the redundancy funds for the banking and insurance sectors (**table 5.13**).

**Table 5.13 – New functions and forms of financing of the private pillar**

Nuovi soggetti	Finalità istituzionali	Finanziamento
<b>Fondi di secondo pilastro, privati per politiche attive e passive: operatività:</b> <b>a)</b> formazione, <b>b)</b> formazione continua <b>c)</b> riconversione produttiva <b>d)</b> sostegno al reddito <b>e)</b> politiche di solidarietà <b>f)</b> fondo anticipo pensione	Formazione professionale compresa quella oggi svolta dai fondi Interprofessionali; Trattamenti di sostegno del reddito Assegno straordinario per pensionamenti anticipati, secondo il modello già utilizzato per i Fondi di solidarietà operanti nel settore credito. <b>Sono escluse le prestazioni di sanità integrativa, di previdenza complementare</b>	Contribuzione versata agli Enti Bilaterali - risorse che già pervengono ai Fondi esubero, assicurate dai datori di lavoro e, in parte, dai lavoratori, nei settori ove esistono; - ripristino della ex contribuzione per mobilità (0,30% del monte redditi) soppressa dal 2017 con la legge 92\2012 che assicurava un gettito di circa 600 milioni di euro/anno; - finanziamento destinato oggi ai Fondi interprofessionali, (0,30% del monte salari di cui alla legge 388\2000 e n. 30\2003), che comporta un gettito di oltre 1.000 milioni di euro/anno; - parte delle contribuzioni versate attualmente agli Enti bilaterali; - risorse risparmiate dal minor ricorso agli attuali strumenti di ammortizzatori sociali o dalla razionalizzazione delle forme di pensionamenti anticipati in essere; - eventuali altre risorse aggiuntive a copertura

New Entities, Institutional objectives, Forms of financing; **Second pillar private funds for active and passive labour policies:** training, life-long learning, retraining, income-support measures, solidarity initiatives, early-retirement; Vocational training including that currently provided by the inter-professional funds; wage-support measures, extraordinary early-retirement allowance according to the model of solidarity funds already operating in the credit sector. **Health and complementary pension benefits are excluded.** Contributions paid by bilateral funds: - resources already allocated to redundancy funds by employers and, in part, by workers in the sectors where they already exist; reinstatement of the former contribution for mobility (0.30% of total income) abolished in 2017 under Act no. 92/2012, with about 600 million euros' worth of revenues per year; - part of the contributions currently paid to bilateral funds; - savings obtained from a more limited use of the current safety net packages or from the rationalization of the existing forms of early retirement; - other possible additional resources.

These funds may have the following features: **a)** in the first phase, they may be used only for companies with **more than 15 employees** so as to limit the charges for smaller production enterprises; **b)** the

beneficiaries would be identified on the basis of ***a priority scale based on the social APE model*** and within a maximum annual limit of entitlements set by the Government; **c)** early retirement may be allowed not earlier than ***five years before the statutory age requirements for ordinary pensions***; **d)** the benefits would be paid for **13 months** according to the calculated benefit amount, as if the workers had already reached their statutory retirement age and contribution length requirements on the date in which they leave their job; at the end of the period, INPS would take over as provider of the statutory benefits; **e)** **employers** would finance this allowance through ***notional contributions*** for the whole period for which it is granted, until the beneficiaries reach their statutory pension requirements (related to contributions); **f)** beneficiaries would be ***obliged to engage in community services for at least 20 hours per week***, insured by Inail, so as to avoid the psychological problems that may arise if they leave the labour market when they are still "young"; in this way, they would give back to the community according to their skills and experience (**table 5.14**).

**Table 5.14 – Solidarity funds: contribution revenues and benefit expenditure in 2016-2019**  
(millions of euros)

	2016				2017				2018				2019			
FONDI DI SOLIDARIETÀ	Entrate contributive a carico dei datori di lavoro e dei lavoratori	Entrate a carico dello Stato e addizionale comunale diritti d'imbarco	Spesa per prestazioni	Spesa per contribuzione correlata	Entrate contributive a carico dei datori di lavoro e dei lavoratori	Entrate a carico dello Stato e addizionale comunale diritti d'imbarco	Spesa per prestazioni	Spesa per contribuzione correlata	Entrate contributive a carico dei datori di lavoro e dei lavoratori	Entrate a carico dello Stato e addizionale comunale diritti d'imbarco	Spesa per prestazioni	Spesa per contribuzione correlata	Entrate contributive a carico dei datori di lavoro e dei lavoratori	Entrate a carico dello Stato e addizionale comunale diritti d'imbarco	Spesa per prestazioni	Spesa per contribuzione correlata
POSTE	16		0	0	22		0	0	19		0	0	17		22	0
TRIBUTI ERARIALI	0		29	11	4		22	7	1		16	5	15		11	3
FERROVIE	111		73	32	58		41	14	46		29	12	39	24	42	16
ASSICURATIVI	46		28	12	58		36	15	65		40	18	80		50	22
SETTORE MARITTIMO (SOLIMARE)	9		0	0	3		0	0	3		0,012	0	3		0,064	1
TRASPORTO PUBBLICO	27		0	0	18		0,1	0,1	17		0,27	0,16	18		0	0
CREDITO COOPERATIVO	26	0	25	8	40	4	28	12	51	8	38	17	62	5	44	19
CREDITO ORDINARIO	697	0	525	180	678	53	514	218	1.017	207	858	369	1.342	152	1.007	448
TRENTINO	0		0	0	6		0	0	4		0	0	5		0,121	0,014
BOLZANO	0		0	0	3		0	0	6		0	0	6		0	0
ORMEGGIATORI	0,2		0	0	0,2		0	0	0,16		0	0	0,185		0,003	0
TRASPORTO AEREO	6	228	91	0	7	250	124	7	7	263	116	13	8	152	71	9
TOTALE FONDI senza FIS	938,20		771	243	897,20	307	765,1	273,1	1.236,16	478	1.097,28	434,16	1.595,19	333	1.247,19	518,014
FONDO INTEGRAZIONE SALARIALE (FIS)	384		2	1	455		31	18	467		12	8	491		23	11

Contribution revenues from employers and employees, revenues from the State and additional municipal flight tax, benefit expenditure, contribution-related expenditure. Solidarity Funds, Posts, Tax collectors, railways, insurance, maritime sector (Solimare), public transportation, cooperative credit institutions, ordinary credit institutions, Trentino, Bolzano, dockers, air transportation; Total without Supplementary Wage Fund (FIS), FIS

### ***Towards Redundancy Funds***

As evidence of what has been illustrated above, redundancy funds are gradually and increasingly present in the Italian regulatory framework. In fact:

- under Art. 22 of Act no. 26 of March 28, 2019, which transposed Law Decree no. 4/2019, workers are allowed to retire five years earlier than their statutory retirement age as already happens with the existing Solidarity Funds (banks, insurance, transportation, etc.); moreover, these funds can provide for their workers in different sectors with an additional option, that is to retire 3 years earlier with respect to the Quota 100 eligibility requirements.
- under Art. 26 quarter of Act n. 58 of June 28, 2019, an ad-hoc contract allows subjects to retire five years earlier with respect to their statutory requirements if they work for enterprises with at least 1,000 employees, which intend to engage in a process of technological renewal, reindustrialization and reorganization. The workers who have a minimum of 5 years before their statutory old-age pension requirements and already have a minimum contribution period of 20 years and who are entitled to early retirement (excluding Quota 100) can be dismissed or allowed to retire with this social security option. Finally, this package may also be granted through

bilateral solidarity funds, if already established or in the process of being established, without having to amend their statutes.

These provisions clearly show that, except for unemployed subjects who can no longer be reintegrated into the production system, early retirement measures are essentially *borne by employers*; therefore, solidarity/redundancy funds now really are the most suitable instruments for these purposes and should be more extensively used and specifically regulated also in view of the revision of the whole system of bilateral funds<sup>49</sup>. This is even more crucial now in view of the bleak economic outlook emerging from the COVID-19 pandemic and its effects on the equilibrium of national accounts.

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<sup>49</sup> For more in-depth details of bilateral funds, see Report VI of 2018 and VII of 2019.



## 6. Pension benefits by type, amount, number, region, province and pensioners abroad

After the analysis of pension benefits provided by individual schemes, here the Report focuses on the type, number and average amount of pension benefits taken from the compulsory information submitted by all public and private pension funds to the *INPS Central Registry of Pensioners and Pensions*. These data do not include the benefits paid by constitutional bodies and entities or the life annuities for former members of parliament (Chamber of Deputies and Senate) and for regional councilors; in fact, this information is not present in the Registry and, in 2019, life annuities were significantly revised.

### Pensioners

In 2019, the longstanding drop in the number of pensioners in the Italian pension system came to a halt with an increase from 16,004.503 to **16,035.165**, with **51.9%** of women accounting for over 87%<sup>50</sup> of survivors' pensions (with benefits ranging from 60% and 30% according to their income). So, the system experienced a growth in the number of pensioners by 30,662 with respect to 2018, with a **0.19%** rate of change; the number of retired women dropped by 34,133 with respect to the previous year, while the number of retired men grew by 64,795. The significant decrease in the number of retired women did not stop and was mainly due to the effects of the 2011 reform and the addition of 1 year to the old-pension age requirements in 2018 (in 2017 it was 65 years and 7 months) designed to apply the same age requirements for both genders (the requirement for men was 66 years and 7 months). In 2019, the old-age retirement age requirement for both genders was risen to 67 years. The raw retirement rate, given by the number of pensioners with respect to the total resident population, was equal to **26.62%** of the resident citizens, i.e. **one out of 3.77 resident citizens is retired** (table 6.1).

**Table 6.1 - Number of pensioners and raw retirement rate by gender, overall amount, number of pensions, number of pensions per pensioner, average annual amount of pensions and of pension income on December 31 2018 and 2019**

Sesso	Numero pensionati		Tasso di pensionamento grezzo <sup>(1)</sup>		Importo complessivo (milioni di euro)		Numero pensioni		Numero pensioni per pensionato		Importo medio annuo pensioni		Importo medio annuo redditi pensionistici	
	2018	2019	2018	2019	2018	2019 <sup>(2)</sup>	2018	2019	2018	2019	2018	2019	2018	2019
Maschi	7.644.630	7.709.425	26,02%	26,28%	163.980	168.884	10.140.621	10.214.642	1,33	1,32	16.171	16.534	21.450	21.906
Femmine	8.359.873	8.325.740	26,99%	26,94%	129.364	132.023	12.645.090	12.591.123	1,51	1,51	10.230	10.485	15.474	15.857
<b>Totale</b>	<b>16.004.503</b>	<b>16.035.165</b>	<b>26,52%</b>	<b>26,62%</b>	<b>293.344</b>	<b>300.907</b>	<b>22.785.711</b>	<b>22.805.765</b>	<b>1,42</b>	<b>1,42</b>	<b>12.874</b>	<b>13.194</b>	<b>18.329</b>	<b>18.765</b>

Gender/year, n. of pensioners, raw retirement rate (1), overall amount (millions of euros), n. of pensions, n. of pensions per pensioner, average amount of benefits per year, average amount of pension-related income per year; Men, Women, Total; *Source: INPS Central Registry of Pensioners and Pensions, the 2019 data are provisional; 1) n. of pensioners/resident population; 2) see table 6.3 for the breakdown of figures*

This drop in the number of pensioners had begun in 2009 and steadily continued until 2018 following the latest social security reforms which introduced new exit "windows" and gradually raised all age and contribution requirements. Between 2008 and 2019 (see **table 6.2**), the number of pensioners fell by 744,390, with a negative trend for the entire period of - 4.44%.

<sup>50</sup> As to the survivors' pensions provided directly by INPS, on 1/1/2020, out of a total of 4.310.768 pensions (INPS, ex Enpals and GDP), 3,760,450 women received survivors' benefits, equal to 87.2% of the total.

## Pensions

In 2019, the number of disability, old-age and survivors' pensions (IVS) and supplementary benefits had a downward trend with respect to 2018 (- 0,02% and - 2.38% respectively). Instead, welfare benefits had an upward trend by 0.93%<sup>51</sup>. In 2019, there was a slight growth in the total number of pensions equal to 22,805,765 with respect to 2018 (22,785,711); instead in the 2008-2019 period, their number decreased by 901,503, which corresponds to - 3.80% in the same time span (12 years). This latest change offset the negative trend of IVS pensions (- 5%) and of supplementary benefits (-26.50%) with respect to the general growth of welfare benefits, + 282,000 in the period considered with a positive change of 6.83% (*table 6.2*).

**Table 6.2 - Number of pensioners and pensions by category, annual rate of change on December 31 from 2008 to 2019 and rate of change of the period**

	Anni												Variazioni assolute e % del periodo 2019 /2008
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
<b>Numero pensionati</b>	16.779.555	16.733.031	16.707.026	16.668.584	16.593.890	16.393.369	16.259.491	16.179.377	16.064.508	16.041.852	16.004.503	16.035.165	-744.390
Variazione percentuale annua	-	-0,28	-0,16	-0,23	-0,45	-1,21	-0,82	-0,49	-0,71	-0,14	-0,23	0,19	-4,44
<b>Numero pensioni IVS (1)</b>	18.626.737	18.600.174	18.620.674	18.569.652	18.469.661	18.230.958	18.089.748	17.962.816	17.795.577	17.757.896	17.698.960	17.695.435	-931.302
Variazione percentuale annua	-	-0,14	0,11	-0,27	-0,54	-1,29	-0,77	-0,70	-0,93	-0,21	-0,33	-0,02	-5,00
<b>Numero pensioni indennitarie (2)</b>	951.264	907.501	880.129	847.569	827.272	805.788	786.059	767.844	748.471	732.593	716.213	699.202	-252.062
Variazione percentuale annua	-	-4,60	-3,02	-3,70	-2,39	-2,60	-2,45	-2,32	-2,52	-2,12	-2,24	-2,38	-26,50
<b>Numero pensioni assistenziali (3)</b>	4.129.294	4.216.007	4.147.165	4.135.541	4.138.303	4.132.262	4.166.498	4.195.364	4.242.824	4.316.520	4.370.538	4.411.128	281.834
Variazione percentuale annua	-	2,10	-1,63	-0,28	0,07	-0,15	0,83	0,69	1,13	1,74	1,25	0,93	6,83
<b>Totale pensioni</b>	23.707.295	23.723.682	23.647.968	23.552.762	23.435.236	23.169.008	23.042.305	22.926.024	22.786.872	22.807.009	22.785.711	22.805.765	-901.530
Variazione percentuale annua	-	0,07	-0,32	-0,40	-0,50	-1,14	-0,55	-0,50	-0,61	0,09	-0,09	0,09	-3,80

N. of pensioners, annual rate of change, N. of disability, old-age and survivors' pensions (1) N. of supplementary benefits (2), N. of welfare benefits (3); (1) *old-age/seniority/early pensions, invalidity/disability and survivors' pensions*. (2) *INAIL and ex IPSEMA annuities for work-related accidents and professional diseases*. (3) *Civil invalidity pensions, carers' allowances, social pensions/allowances and veterans' pensions*. Source: INPS, Central Registry of Pensioners; Provisional data for 2019.

### Types of pension, supplementary and welfare benefits:

In 2019, **22,805,765 pension benefits** were paid out, of which **17,695,435** were **IVS benefits** (INPS, ex ENPALS, schemes for public-sector employed workers (DPD), schemes for professionals and complementary pension funds), to which must be added **4,411,128 INPS welfare pensions**, of which 3,463,546 disability benefits for civilians, 801,009 social pensions and allowances, 146,573 direct and indirect veterans' pensions from the Ministry of the Economy and **699,202 supplementary benefits** from INAIL (*Table 6.3*).

It is important to stress that the data in this Report<sup>52</sup> differ from those of the INPS / ISTAT registry (*Table 6.3*) because they were extracted at different times: on 31/12/2019 from the INPS pension archive and in July 2020 from the Pension Registry. This may lead to differences in the number and amounts of pension benefits. For example, if some pensions accrued in 2019 and started to be paid out as of December 1, 2019, were processed, calculated and settled late in March 2020, they appear in the Pension Registry but they are not included among the outstanding pensions on 31/12/2019"; the same example applies, but with the opposite sign, for pensions to be eliminated. Another reason for the

<sup>51</sup> The data of the historical series related to welfare benefits, in particular for disabled civilians, are different from the ones published before 2018 because of a revision of the classification procedures implemented by INPS-ISTAT.

<sup>52</sup> See Tables B.30.a-b, B31a-b and 1.a.

difference between these two sources, which is only relevant for IVS pensions, is that the Pension Registry gathers data from all private and public schemes, including approximately 555,000 IVS pensions of the schemes for professionals, the pensions of complementary funds, of auxiliary military personnel and other IVS benefits. More precisely, in our Report, the total number of IVS outstanding pensions on 31/12/2019 is lower than that reported in the Pension Registry by 854,673 units, of which 229,839 benefits for disabled civilians and 4,282 benefits related to social pensions and allowances.

**Table 6.3** shows the overall annual amount of IVS pensions, equal to **272.661 billion euros**, - 4.6 billion with respect to 268.038 billion euros' worth of IVS pensions provided in this Report (**table 1a**); this is due to the reasons explained above, to the annual amount featured in the Registry which is a stock datum and does not coincide with the pension expenditure reported in the accounts (accounting data) and also because the IVS benefit amounts provided by the Registry include those related to some complementary schemes (occupational , open-ended and insurance funds) operating outside of the INPS system and of the schemes for professionals.

**Table 6.3 – Pension benefits and their overall and average annual amount by type of pension in 2018 and 2019**

Tipologia di pensione	2018						2019					
	Numero pensioni	%	Importo complessivo		Importo medio		Numero pensioni	%	Importo complessivo		Importo medio	
			milioni di euro	%	euro	N.L.			milioni di euro	%	euro	N.L.
Ivs	17.698.960	77,7	265.447	90,5	14.998	116,5	17.695.435	77,6	272.661	90,6	15.409	116,8
Vecchiaia	11.844.013	52,0	208.855	71,2	17.634	137,0	11.921.497	52,3	215.893	71,7	18.110	137,3
Invalidità	1.158.073	5,1	14.084	4,8	12.161	94,5	1.109.111	4,9	13.784	4,6	12.428	94,2
Superstiti	4.696.874	20,6	42.508	14,5	9.050	70,3	4.664.827	20,5	42.983	14,3	9.214	69,8
Indennitarie	716.213	3,1	4.176	1,4	5.830	45,3	699.202	3,1	4.127	1,4	5.902	44,7
Assistenziali	4.370.538	19,2	23.721	8,1	5.428	42,2	4.411.128	19,3	24.119	8,0	5.468	41,4
Invalidità civile	3.366.104	14,8	17.734	6,0	5.268	40,9	3.463.546	15,2	18.286	6,1	5.279	40,0
Pensioni sociali	843.253	3,7	4.788	1,6	5.678	44,1	801.009	3,5	4.691	1,6	5.856	44,4
Guerra	161.181	0,7	1.200	0,4	7.443	57,8	146.573	0,6	1.142	0,4	7.794	59,1
<b>Totale</b>	<b>22.785.711</b>	<b>100,0</b>	<b>293.344</b>	<b>100,0</b>	<b>12.874</b>	<b>100,0</b>	<b>22.805.765</b>	<b>100,0</b>	<b>300.907</b>	<b>100,0</b>	<b>13.194</b>	<b>100,0</b>

Type of pension: IVS pensions: Old-age Disability, Survivors' pensions; Supplementary and Welfare pensions; for Disabled Civilians, Social pensions; Veterans' benefits; N. of pensions Overall amount, millions of euros, Average amount. *Source: INPS Central Registry of Pensioners – The 2019 data are provisional*

### **Number of benefits, number of pensioners, average pension benefits and gross and net pension income (per capita):**

The amounts of pension benefits and of pension income are often extensively studied and analyzed; so, it is important to provide some clarifications for the sake of accuracy because both the gross average amount of pension benefits and the average gross and net per capita pension income per pensioner are fundamental to evaluate the *social adequacy* of benefits. **Tables 6.4 and 6.5** below illustrate in detail the number of pensions and the number of pensioners by amount with respect to minimum benefits (513.01 euros per month in 2019); in particular, **table 6.4** shows the number of benefits to be paid, illustrated in **table 6.3** above, before taxes (personal income taxes (IRPEF), additions, deductions and bonuses); instead, **table 6.5** shows the number of pensioners (number of subjects) with *their gross and net<sup>53</sup> overall pension income* for each amount class. **1) The average amount of pension benefits**, calculated on the total number of benefits (22,805,765), is equal to **13,194.35 per year before taxes** (1,015 euros per month before taxes for 13 months). **2) However**, since there are 16,035,165 pensioners

<sup>53</sup> INPS has estimated the amounts of pension income, net of ordinary IRPEF; the estimate of the net amounts does not include the additional regional and municipal taxes, bonuses, family and tax deductions. The accounting data are reported in Chapter 8. Pension income consists of the sum of pensions and benefits, including welfare benefits, received by each pensioner; as indicated in **table 8.1**, this means **1.422** pensions for each pensioner.

receiving these benefits, the average per capita pension income<sup>54</sup> is equal to **18,765 euros per year before taxes** (about 15,404 per year after taxes), i.e. **1,444 euros per month before taxes** (1,185 euros per month after taxes) again for 13 months. The latter figure is more accurate even if the former figure is more often used and inaccurately circulated, thus dividing total expenditure (303.907 billion euros) by the number of benefits and not by the number of pensioners. **Table 6.5** also shows an estimate of the tax burden on pension income, taking into consideration *personal income taxes (IRPEF)* on the 2019 pension income equal to **53.9 billion euros** out of approximately 300.907 billion euros' worth of gross pension expenditure; this would result in **an average total tax rate of 17.9%** (17.6% in 2018), thus reducing net pension expenditure to approximately 247.012 billion euros. Actually, the average tax rate is higher because all welfare and income-related benefits (about 7.4 million, therefore 32.4% of all pensions but 46.1% of pensioners) are not subject to personal income taxes (IRPEF), and the same applies to low pensions due to the "**no tax area**" and the tax deductions for low income levels on which only a 2% tax rate is levied up to 12,000 euros before taxes. In fact, according to the results of the survey on personal income taxes for 2018<sup>55</sup>, 47.6% of pensioners pay only 7.8% of IRPEF, while 33% pay more than 77.2%. Therefore, the predominant part of the tax burden (81.8%) is borne by 5.885 million pensioners, 36.7% of those with a pension income 3 times as high the minimum benefits, for an overall amount of about 190 billion euros out of 301 billion.

Instead, the number of *pensioners* with a pension income in excess of 3,078 euros per month before taxes (more than 6 times the minimum benefits) is equal to 955,666, 5.96% of the total, in line with the **average income** levels of over 590,000 executives, middle managers and managers currently working in the private sector; this confirms the adequate correlation between pension benefits and salaries. Another interesting finding is the **number of pensions 1 time higher than the minimum** (513.01 euros per month) which is just under 7.882 million, but the number of *pensioners* is about 2,254,372. The same is true for the next amount class (from 513.02 euros to 1,026.02 euros per month before taxes), with about 6.858 million pension benefits, but about 4.065 million pensioners. In fact, pension income is often cumulated for the same individual (32.7% of pensioners) with medium or high pension benefits and additional low benefits (shares of international pensions, supplementary pensions, carers' allowances, complementary pensions, survivors' pensions, etc.), which are added together and no longer classified as individual pension benefits (pension amount classes), **but as pensioners** and therefore as pension income classes (**table 6.5**) resulting from the aggregation of benefits and pension income; this places pensioners in higher pension-related income classes with respect to individual pensions that are placed in the lower classes.

In total, about 14.7 million benefits are up to two times with respect to minimum benefits (about 1,000 euros), equal to 64.6% of current pensions; however, the number of pensioners is about 6.3 million (39.4% of the total number of pensioners), most of whom receive welfare pensions (all or in part), so without contributions, (benefits for disabled civilians, social allowances, veterans' allowances or with additional social benefits, supplementary benefits, the 14th month allowance) or supplementary minimum benefits plus "the Berlusconi surcharge"<sup>56</sup> equal to 649.45 euros per month in 2019.

<sup>54</sup> The average annual pension income is equal to the sum of the amounts of all pension benefits received by a beneficiary per year, in the form of pensions, supplementary and/or welfare benefits.

<sup>55</sup> See the Observatory on public spending and revenues on the 2018 personal income tax statements, created by the Itinerari Previdenziali Research and Study Centre on [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it).

<sup>56</sup> Art. 38 of Act no. 488/2001.

Therefore, these subjects have paid few or no contributions during their active life (and at the same time have paid few or no taxes) and are supported by the community.

***From a technical point of view, it is wrong*** to say that 50% of pensions are lower than 500 euros per month and it is a great argument to promote tax dodging and evasion; why should young people pay contributions to INPS for over 38 years if the amount of benefits is so low? It is important to always refer to pensioners, that is to beneficiaries of one or more benefits, and to their pension income rather than to individual pensions.

***Number of pensions per pensioner*** - The ratio of the number of pensions vs. the number of pensioners shows that on average, each Italian pensioner receives *1.422* pensions, almost 1 and a half pension each. In 2019, **67.30%** of pensioners received *1 benefit*, **24.66%** received *2 benefits*, **6.76%** *3 benefits* and **1.28%** *4 or more benefits*.

In order to more have more accurate data on the average amounts of benefits, it is necessary to exclude welfare benefits (including supplementary minimum benefits, additional social benefits and the 14th month salary) from these calculations, since they are partially or totally financed by general taxes; this makes it possible to obtain the average amount only of pension benefits financed by contributions, thus avoiding the concern generated by mixing very heterogeneous benefits. For example, what is the point of calculating the mean between direct pension benefits and survivors' pensions which range from 30% to 60% of the amount of direct pension benefits correlated to the survivors' income and which are sometimes shared with other family members (spouses and children)? Or again, how to justify the inclusion in the mean of social pensions or allowances (377.44 and 457.99 euros per month respectively in 2019), of minimum supplementary benefits (513.01 euros), of the so-called "one million per month" benefits (649 euros), of the benefits for disabled civilians (285.66 euros per month), of carers' benefits (517.84 euros per month) or of the INAIL indemnities for industrial accidents or for occupational diseases (on average 454 euros per month)? Instead, it would be correct to separate all these data. In fact, by excluding the first two pension income classes (up to twice the minimum benefits, that is 1,026.02 euros per month before taxes) which typically have a full or partial welfare nature<sup>57</sup> for a total of 6,319,022 pensioners (against about 7.4 million supported beneficiaries), the average pension income (financed by contributions) of the remaining 9.7 million pensioners amounts to **26,082.16 euros** per year before taxes (against the official figure of 18,765.46 euros before taxes) equal to a net amount of about 20,688 euros per year.

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<sup>57</sup> Often, each pensioner receives two or more allowances (for example disability and carers' allowances, or minimum benefits and carers' allowances plus other additional benefits and, in some cases, also survivors' pension benefits).

**Table 6.4 – Number of pensions and annual gross amount <sup>(1)</sup> by monthly amount classes <sup>(2)</sup> in 2019**

Classi di importo mensile (importo diviso 13)		Numero di pensioni	Importo complessivo lordo annuo	Importo medio lordo annuo
Fino a 1 volta il minimo	Fino a 513,01	7.882.121	33.196.640.414	4.211,64
Da 1 a 2 volte il minimo	Da 513,02 a 1026,02	6.857.502	62.204.109.659	9.070,96
Da 2 a 3 volte il minimo	Da 1026,03 a 1539,03	3.441.104	57.223.955.234	16.629,53
Da 3 a 4 volte il minimo	Da 1539,04 a 2052,04	2.066.622	47.802.203.410	23.130,60
Da 4 a 5 volte il minimo	Da 2052,05 a 2565,05	1.284.714	38.175.084.411	29.714,85
Da 5 a 6 volte il minimo	Da 2565,06 a 3078,06	547.910	19.850.743.993	36.229,94
Da 6 a 7 volte il minimo	Da 3078,07 a 3591,07	258.864	11.111.979.179	42.925,93
Da 7 a 8 volte il minimo	Da 3591,08 a 4104,08	137.295	6.822.945.318	49.695,51
Da 8 a 9 volte il minimo	Da 4104,09 a 4617,09	85.462	4.830.949.991	56.527,46
Da 9 a 10 volte il minimo	Da 4617,10 a 5130,10	64.826	4.096.555.099	63.193,09
Da 10 a 11 volte il minimo	Da 5130,11 a 5643,11	53.036	3.709.374.064	69.940,68
Da 11 a 12 volte il minimo	Da 5643,12 a 6156,12	41.125	3.143.226.753	76.431,05
Da 12 a 13 volte il minimo	Da 6156,13 a 6669,13	25.312	2.105.028.150	83.163,25
Da 13 a 14 volte il minimo	Da 6669,14 a 7182,14	17.951	1.611.241.516	89.757,76
Da 14 a 15 volte il minimo	Da 7182,15 a 7695,15	12.878	1.243.763.605	96.580,49
Da 15 a 16 volte il minimo	Da 7695,16 a 8208,16	8.216	847.350.155	103.134,15
Da 16 a 17 volte il minimo	Da 8208,17 a 8721,17	4.988	547.665.383	109.796,59
Da 17 a 18 volte il minimo	Da 8721,18 a 9234,18	3.323	387.209.852	116.524,18
Da 18 a 19 volte il minimo	Da 9234,19 a 9747,19	2.210	272.205.050	123.169,71
Da 19 a 20 volte il minimo	Da 9747,20 a 10260,20	1.673	217.467.649	129.986,64
Da 20 a 21 volte il minimo	Da 10260,21 a 10773,21	1.323	180.680.944	136.569,12
Da 21 a 22 volte il minimo	Da 10773,22 a 11286,22	1.187	169.981.593	143.202,69
Da 22 a 23 volte il minimo	Da 11286,23 a 11799,23	1.032	154.773.073	149.973,91
Da 23 a 24 volte il minimo	Da 11799,24 a 12312,24	908	142.128.126	156.528,77
Da 24 a 25 volte il minimo	Da 12312,25 a 12825,25	677	110.478.147	163.187,81
Da 25 a 26 volte il minimo	Da 12825,26 a 13338,26	701	119.380.896	170.300,85
Da 26 a 27 volte il minimo	Da 13338,27 a 13851,27	563	99.354.254	176.472,92
Da 27 a 28 volte il minimo	Da 13851,28 a 14364,28	397	72.899.251	183.625,32
Da 28 a 29 volte il minimo	Da 14364,29 a 14877,29	312	59.159.099	189.612,50
Da 29 a 30 volte il minimo	Da 14877,30 a 15390,30	219	43.035.429	196.508,81
Da 30 a 31 volte il minimo	Da 15390,31 a 15903,31	180	36.587.563	203.264,24
Da 31 a 32 volte il minimo	Da 15903,32 a 16416,32	157	32.967.231	209.982,37
Da 32 a 33 volte il minimo	Da 16416,33 a 16929,33	124	26.868.150	216.678,63
Da 33 a 34 volte il minimo	Da 16929,34 a 17442,34	75	16.742.181	223.229,08
Da 34 a 35 volte il minimo	Da 17442,35 a 17955,35	88	20.230.948	229.897,14
Da 35 a 36 volte il minimo	Da 17955,36 a 18468,36	82	19.392.757	236.497,03
Da 36 a 37 volte il minimo	Da 18468,37 a 18981,37	59	14.349.334	243.209,06
Da 37 a 38 volte il minimo	Da 18981,38 a 19494,38	49	12.250.693	250.014,15
Da 38 a 39 volte il minimo	Da 19494,39 a 20007,39	43	11.022.001	256.325,61
Da 39 a 40 volte il minimo	Da 20007,40 a 20520,40	37	9.753.475	263.607,45
Da 40 a 41 volte il minimo	Da 20520,41 a 21033,41	27	7.278.239	269.564,41
Da 41 a 42 volte il minimo	Da 21033,42 a 21546,42	28	7.757.047	277.037,39
Da 42 a 43 volte il minimo	Da 21546,43 a 22059,43	24	6.811.678	283.819,90
Da 43 a 44 volte il minimo	Da 22059,44 a 22572,44	28	8.129.362	290.334,36
Da 44 a 45 volte il minimo	Da 22572,45 a 23085,45	22	6.511.053	295.956,96
Da 45 a 46 volte il minimo	Da 23085,46 a 23598,46	20	6.071.404	303.570,20
Da 46 a 47 volte il minimo	Da 23598,47 a 24111,47	19	5.884.735	309.722,91
Da 47 a 48 volte il minimo	Da 24111,48 a 24624,48	9	2.852.360	316.928,88
Da 48 a 49 volte il minimo	Da 24624,49 a 25137,49	21	6.802.514	323.929,22
Da 49 a 50 volte il minimo	Da 25137,50 a 25650,50	17	5.617.063	330.415,46
Oltre 50 volte il minimo	Oltre 25650,50	205	91.805.037	447.829,45
<b>Totale</b>		<b>22.805.765</b>	<b>300.907.254.526</b>	<b>13.194,35</b>

Monthly amount levels, N. of pensions, Overall annual gross amount, Average monthly gross amount; Up to 1 time the minimum benefits, From 1 to 2 times the minimum benefits, Total

**Table 6.5 – Number of pensioners and the overall annual amount<sup>(1)</sup> of their gross and net pension income by monthly gross income classes<sup>(2)</sup> in 2019**

Classi di reddito pensionistico mensile (reddito diviso 13)		Numero dei pensionati	Importo complessivo lordo annuo del reddito pensionistico	Importo medio lordo annuo del reddito pensionistico	Importo complessivo netto <sup>(3)</sup> annuo del reddito	Importo medio netto <sup>(3)</sup> annuo del reddito pensionistico	Aliquota IRPEF media
Fino a 1 volta il minimo	Fino a 513,01	2.254.372	8.484.212.763	3.763,45	8.484.212.763	3.763,45	0%
Da 1 a 2 volte il minimo	Da 513,02 a 1026,02	4.064.650	39.005.011.689	9.596,16	37.521.221.198	9.231,11	3,8%
Da 2 a 3 volte il minimo	Da 1026,03 a 1539,03	3.831.178	63.907.264.416	16.680,84	55.574.927.425	14.505,96	13,0%
Da 3 a 4 volte il minimo	Da 1539,04 a 2052,04	2.645.066	61.232.255.567	23.149,61	50.445.035.370	19.071,37	17,6%
Da 4 a 5 volte il minimo	Da 2052,05 a 2565,05	1.552.218	46.131.397.879	29.719,66	36.323.963.403	23.401,33	21,3%
Da 5 a 6 volte il minimo	Da 2565,06 a 3078,06	732.015	26.559.600.553	36.282,86	20.106.136.486	27.466,84	24,3%
Da 6 a 7 volte il minimo	Da 3078,07 a 3591,07	358.094	15.377.686.569	42.943,16	11.301.160.528	31.559,20	26,5%
Da 7 a 8 volte il minimo	Da 3591,08 a 4104,08	183.841	9.131.939.991	49.673,03	6.565.131.856	35.710,92	28,1%
Da 8 a 9 volte il minimo	Da 4104,09 a 4617,09	109.838	6.203.520.371	56.478,82	4.323.103.566	39.358,91	30,3%
Da 9 a 10 volte il minimo	Da 4617,10 a 5130,10	78.042	4.929.916.251	63.170,04	3.355.198.822	42.992,22	31,9%
Da 10 a 11 volte il minimo	Da 5130,11 a 5643,11	61.912	4.329.150.500	69.924,26	2.902.779.928	46.885,58	32,9%
Da 11 a 12 volte il minimo	Da 5643,12 a 6156,12	50.059	3.829.297.105	76.495,68	2.537.329.961	50.686,79	33,7%
Da 12 a 13 volte il minimo	Da 6156,13 a 6669,13	32.629	2.712.812.120	83.141,14	1.778.278.375	54.499,93	34,4%
Da 13 a 14 volte il minimo	Da 6669,14 a 7182,14	22.610	2.030.573.315	89.808,64	1.317.626.346	58.276,26	35,1%
Da 14 a 15 volte il minimo	Da 7182,15 a 7695,15	16.442	1.587.773.243	96.568,13	1.021.763.215	62.143,49	35,6%
Da 15 a 16 volte il minimo	Da 7695,16 a 8208,16	11.229	1.158.626.065	103.181,59	740.343.854	65.931,41	36,1%
Da 16 a 17 volte il minimo	Da 8208,17 a 8721,17	7.512	824.963.071	109.819,37	523.991.266	69.753,90	36,5%
Da 17 a 18 volte il minimo	Da 8721,18 a 9234,18	5.353	624.009.935	116.572,00	393.873.823	73.580,02	36,9%
Da 18 a 19 volte il minimo	Da 9234,19 a 9747,19	3.603	443.753.214	123.162,15	279.750.796	77.643,85	37,0%
Da 19 a 20 volte il minimo	Da 9747,20 a 10260,20	2.610	338.948.632	129.865,38	212.709.816	81.498,01	37,2%
Da 20 a 21 volte il minimo	Da 10260,21 a 10773,21	2.018	275.530.205	136.536,28	173.045.186	85.750,84	37,2%
Da 21 a 22 volte il minimo	Da 10773,22 a 11286,22	1.745	249.934.579	143.228,98	155.777.063	89.270,52	37,7%
Da 22 a 23 volte il minimo	Da 11286,23 a 11799,23	1.373	205.855.041	149.930,84	127.656.375	92.976,24	38,0%
Da 23 a 24 volte il minimo	Da 11799,24 a 12312,24	1.217	190.511.494	156.541,90	117.893.086	96.871,89	38,1%
Da 24 a 25 volte il minimo	Da 12312,25 a 12825,25	881	143.772.011	163.191,84	89.684.325	101.798,33	37,6%
Da 25 a 26 volte il minimo	Da 12825,26 a 13338,26	794	135.063.272	170.104,88	86.924.031	109.476,11	35,6%
Da 26 a 27 volte il minimo	Da 13338,27 a 13851,27	717	126.631.408	176.612,84	81.548.197	113.735,28	35,6%
Da 27 a 28 volte il minimo	Da 13851,28 a 14364,28	504	92.392.753	183.318,95	59.016.703	117.096,63	36,1%
Da 28 a 29 volte il minimo	Da 14364,29 a 14877,29	475	90.193.160	189.880,34	60.820.531	128.043,22	32,6%
Da 29 a 30 volte il minimo	Da 14877,30 a 15390,30	336	66.000.852	196.431,11	43.843.918	130.487,85	33,6%
Da 30 a 31 volte il minimo	Da 15390,31 a 15903,31	282	57.334.294	203.313,10	37.953.732	134.587,70	33,8%
Da 31 a 32 volte il minimo	Da 15903,32 a 16416,32	220	46.166.807	209.849,12	29.871.636	135.780,16	35,3%
Da 32 a 33 volte il minimo	Da 16416,33 a 16929,33	176	38.105.761	216.510,00	23.817.296	135.325,54	37,5%
Da 33 a 34 volte il minimo	Da 16929,34 a 17442,34	135	30.123.929	223.140,21	18.773.228	139.060,95	37,7%
Da 34 a 35 volte il minimo	Da 17442,35 a 17955,35	111	25.515.810	229.872,16	15.956.932	143.756,14	37,5%
Da 35 a 36 volte il minimo	Da 17955,36 a 18468,36	105	24.872.818	236.883,98	15.829.398	150.756,17	36,4%
Da 36 a 37 volte il minimo	Da 18468,37 a 18981,37	85	20.674.203	243.225,92	12.898.642	151.748,73	37,6%
Da 37 a 38 volte il minimo	Da 18981,38 a 19494,38	67	16.724.587	249.620,70	10.470.012	156.268,83	37,4%
Da 38 a 39 volte il minimo	Da 19494,39 a 20007,39	69	17.690.379	256.382,30	11.572.082	167.711,33	34,6%
Da 39 a 40 volte il minimo	Da 20007,40 a 20520,40	45	11.856.808	263.484,63	7.403.239	164.516,42	37,6%
Da 40 a 41 volte il minimo	Da 20520,41 a 21033,41	47	12.696.271	270.133,43	7.995.156	170.109,71	37,0%
Da 41 a 42 volte il minimo	Da 21033,42 a 21546,42	36	9.966.463	276.846,18	6.045.137	167.920,47	39,3%
Da 42 a 43 volte il minimo	Da 21546,43 a 22059,43	34	9.651.412	283.865,06	6.062.677	178.314,03	37,2%
Da 43 a 44 volte il minimo	Da 22059,44 a 22572,44	28	8.115.880	289.852,87	4.984.095	178.003,38	38,6%
Da 44 a 45 volte il minimo	Da 22572,45 a 23085,45	32	9.495.569	296.736,54	5.788.422	180.888,17	39,0%
Da 45 a 46 volte il minimo	Da 23085,46 a 23598,46	19	5.786.911	304.574,25	3.487.657	183.560,89	39,7%
Da 46 a 47 volte il minimo	Da 23598,47 a 24111,47	17	5.259.695	309.393,83	3.231.307	190.076,87	38,6%
Da 47 a 48 volte il minimo	Da 24111,48 a 24624,48	21	6.648.248	316.583,25	3.932.931	187.282,45	40,8%
Da 48 a 49 volte il minimo	Da 24624,49 a 25137,49	23	7.428.224	322.966,26	4.496.672	195.507,49	39,5%
Da 49 a 50 volte il minimo	Da 25137,50 a 25650,50	20	6.604.720	330.236,01	3.913.806	195.690,32	40,7%
Oltre 50 volte il minimo	Oltre 25650,50	260	117.937.713	453.606,59	72.560.536	279.078,99	38,5%
<b>Totale</b>		<b>16.035.165</b>	<b>300.907.254.526</b>	<b>18.765,46</b>	<b>247.011.792.804</b>	<b>15.404,38</b>	<b>17,9%</b>

Monthly pension income amount levels (divided by 13), N. of pensions, Overall annual gross pension income amount, Average annual gross pension income amount; Overall net annual pension income amount (3), Net average annual pension income amount (3), Average IRPEF rate; Up to 1 time the minimum benefits, From 1 to 2 times the minimum benefits, Total



*Notes to tables 6.4 and 6.5 - (1) The total amount per year is the result of the average pension per month paid on December 31 and the number of months per year for which benefits are paid (13 for pensions and 12 for carers' allowances); (2) Monthly pension amounts are determined on the basis of the 2019 minimum benefits equal to 513.01 euros per month (3) Estimated amounts. Source: INPS-2019 Central Registry of Pensioners.*

It is true that 39.4% of pensioners have pension-related incomes lower than 1,026.02 euros per month before taxes, but these are not strictly pension benefits but mainly welfare benefits. This reclassification of the average pension income should also include *age-related data* and, in calculating the means, approximately 610,000 pensioners under the age of 40 should be removed (orphaned minors, disabled people or survivors), who receive more than 968,000 benefits, 1.6 benefits per capita on average.

#### **Average amount of pension benefits and average gross pension income by gender**

According to the latest data of the Pension Registry, **women** account for **51.9% of all pensioners**, but receive **43.9% of the total amount of pension benefits before taxes** (168,884 million euros for men and 132,023 million euros for women). If welfare pensions and supplementary benefits are added to pensions benefits (a total 22,805,765 pensions) and if the pension indicator is replaced by the pensioner indicator, the annual pension income for women rises to **15,857 euros** and that of men to **21,906 euros**. **Retired women** have the highest number of *per capita* pensions: on average **1.51 pensions** compared to **1.32** for men. In fact, women account for 58.5% of beneficiaries of 2 pensions, for 68.8% of beneficiaries of 3 pensions and for 71% of recipients of 4 or more types of benefits. In 2019, the number of survivors' pensions was equal to 4,664,827, with about two thirds of pensioners (67.4%) also receiving other pension benefits; women accounted for 87.2% of all survivors' pensioners. Women also receive more benefits produced through "voluntary contributions" that are generally low because of very low contribution levels and of supplementary minimum benefits (women receive 82.8% of minimum benefits); they are also the main beneficiaries of additional benefits, additional social benefits (75.7%), the 14th month salary and the social card (SIA – Active Inclusion Support). Moreover, as previously pointed out, they are also beneficiaries of survivors' pensions from self-employed workers and old-age pensioners with supplementary minimum benefits and are entitled to a maximum of 60% of the direct pension. So, stating in a non-analytical way that women receive significantly lower benefits with respect to men is correct from a formal but not from a substantial point of view. In this case too, it would be better to compare benefits of the same type: seniority pensions with seniority pensions and old-age pensions with old-age pensions. It is also well known that, in Italy, women have lower employment rates (50.1 vs. 68 for men in 2019), especially in the South (33.2 vs. 56.6 for men), and career levels.

#### **Welfare benefits**

**Table 6.6** and **D1** (web attachment) show that, in 2019, **4.177 million** benefits had an *entirely welfare nature* (benefits for disabled civilians, carers' allowances, social and veterans' benefits) and another **7.005 million** were typically welfare benefits (supplementary minimum benefits, additional social allowances, additional benefits and the fourteenth month's salary), designed to supplement pension benefits. For benefits with a complete welfare nature no contributions have been paid; for benefits with a welfare component very low contributions have been paid and for a limited number of years. The number of benefits with an entire welfare nature is equal to **4,177,011**; however, in order to identify



the number of beneficiaries, it is necessary to subtract **408,806** duplicated benefits provided to retirees who receive disability and carers' benefits; so, by adding **606,266** pensioners only entitled to a disability pension with **1,809,721** subjects who receive only the allowance and with **408,862** recipients of both benefits, it is possible to obtain *a total number of disabled civilians* equal to **2,824,849**. It is necessary to add to these subjects the recipients of social pensions, social allowances and veterans' benefits for a total of **3,768,149** people *who are fully supported by the welfare system*.

By summing all the subjects who are fully supported by welfare benefits with IVS benefits with a partial welfare nature (supplementary minimum benefits and additional social allowances), net of duplications (the 14<sup>th</sup> month salary and the additional amount granted to individuals with no income), for a total of **3,629,826**, it is possible to reach a total of **7,397,975** pensioners who are fully or partially supported by the welfare system<sup>58</sup>, **46.1%** out of the *total number of pensioners* equal to **16,035,165** who do not pay or partially pay personal income taxes. Moreover, almost half, 48.5%, of the overall number of the INPS newly-paid pensions (1,210,483) in 2019 had a full welfare nature (pensions for disabled civilians, carers' allowances and social allowances); between 2014 and 2019, their number continued to grow by 9.2%, except for a slight drop in 2016 and 2017 (*see table 8.9*).

**Table 6.6 – Number of welfare benefits and their overall and average annual amount by type of benefit** Benefits on December 31, 2018 and 2019

Tipo di prestazione	Numero prestazioni assistenziali		Importo annuo (milioni di euro)		Importo medio annuo (euro)	
	2018	2019	2018	2019	2018	2019
Pensioni di invalidità civile	979.824	1.015.128	3.696	3.876	3.772	3.818
Indennità di accompagnamento	2.161.258	2.218.583	12.778	13.156	5.912	5.930
Pensioni e assegni sociali	818.776	796.727	4.676	4.661	5.711	5.850
Pensioni di guerra	161.181	146.573	1.199,7	1.142,3	7.443	7.794
dirette	62.707	58.973	762,6	736,9	12.162	12.495
indirette	98.474	87.600	437,1	405,5	4.439	4.629
<b>Totale</b>	<b>4.121.039</b>	<b>4.177.011</b>	<b>22.350,2</b>	<b>22.834,8</b>	<b>5.423</b>	<b>5.467</b>
<b>Altre prestazioni assistenziali</b>	<b>7.392.713</b>	<b>7.005.148</b>	<b>10.887,8</b>	<b>10.407,3</b>	<b>1.473</b>	<b>1.486</b>
di cui:						
Integrazioni al minimo	2.909.366	2.778.509	7.866,9	7.470,1	2.704	2.689
Maggiorazioni sociali	875.449	851.317	1.397,6	1.409,1	1.596	1.655
Quattordicesima	3.226.965	3.044.619	1.565,1	1.477,6	485	485
Importo aggiuntivo	380.933	330.703	58,2	50,5	153	153

Type of benefits; Number of welfare benefits; Annual Amount (millions of euros); Average annual amount (euros); pensions for disabled civilians; Carers' allowance; Social pensions and allowances; Veterans' pensions; Direct Indirect, Total; Other welfare benefits of which: Supplementary minimum benefits; Additional social benefits; Fourteenth month; Additional amount; Source: INPS pension archive and Central Registry of pensioners (veterans' pensions).

<sup>58</sup> The **4,177,011** benefits with a full welfare nature do not include the duplications related to the **485,862** subjects who, in 2019, simultaneously received both the civil disability pension and the carers' allowance have been eliminated. Again, in order to avoid duplications, only those receiving minimum benefits and social additional benefits have been counted as partially assisted, but not the following: a) 3,044,619 pensioners receiving the 14th monthly payment (an average of 485 euros in July), because many beneficiaries generally receive also other welfare benefits such as supplementary minimum benefits; b) the 330,703 additional sums allocated to subjects without income (153 euros at the end of the year); c) other welfare benefits such as the 159,000 citizenship pensions amounting to 234.17 euros per month on average in 2019. Therefore, the number of **7,397,975** fully or partially assisted beneficiaries may be underestimated.

### **Regional and provincial distribution of various types of pensions and pensioners abroad**

**Table 6.7** illustrates the distribution of the 16,840,762 different types of IVS pensions provided by INPS (seniority, old-age, disability and survivors' benefits), of which 16,457,195 on a regional level and 383,567 provided to residents abroad (INPS data on December 31, 2019)<sup>59</sup>. Each category of IVS benefit is calculated as a percentage of the total for each region, for Italy as a whole (97.7%), for foreign countries (2.3%) and, in **table 6.9**, for each province, excluding residents abroad.

The regions with the highest percentage of **seniority pensioners** (58.3%) and higher employment rates are in Northern Italy: Lombardy (20.2%), Veneto (10%), Emilia-Romagna and Piedmont (9.9%), which have the top positions in the ranking. The last positions are held by the regions of Central Italy: Umbria (1.6%) and of South Italy with very low employment rates: Calabria (1.9%), Basilicata (0.7%) and Molise (0.5%) and those with a special status: Sardinia and Trentino-Alto Adige (both at 2.2%) and Valle d'Aosta (0.3%), with the exception of Sicily (4.6%), which is in the middle of the ranking. 1.2% of the total seniority pension holders reside abroad. The same considerations more or less apply to **old-age pensions**; the Centre-North regions account for the largest number of old-age pensioners (68.1%) compared to the total of pensions in this category, such as Lombardy (17.2%), Lazio (8.5%), Emilia-Romagna (8.1%), Piedmont (7.9%), Veneto (7.6%), Tuscany (7%), while in the South, the first in the ranking is Campania (7.2%). The old-age pensions paid throughout Italy account for 96.7% and abroad for 3.3%.

On the other hand, the South of Italy features the highest number of disability pensioners (46%), with respect to the total for this category; out of 1000 benefits paid, 11.1 are paid in Campania, 9.8 in Apulia, and 9.1% in Sicily. In the Center-North, Lazio is on top with 9.6%. In the North, Lombardy accounts for 9.1% of disability pensioners but with over 10 million inhabitants (17% of the Italian population). As to **survivors' pensions**, the highest figures are found in Lombardy (16%), Lazio (8.5%) and Piedmont (8%); the data related to Lazio reflect the high number of civil servants. In general, out of 100 survivors' benefits provided in Italy and abroad, 46.9 are paid in the North, 19.5% in the Center and 30.6% in the South; the remaining 3% is provided abroad to surviving spouses.

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<sup>59</sup> The regionalization of the pension system is very important because often a large portion of pension imbalances arise precisely from regional deficits between contributions and benefits and between contribution-based and welfare pensions.

**Table 6.7 - Number of IVS pensions managed by INPS <sup>(1)</sup> by category and region of residence on 31/12/2019**

Regioni	Anzianità	in % sul totale	Vecchiaia	in % sul totale	Invaldità	in % sul totale	Superstiti	in % sul totale	Totale	in % sul totale
Piemonte	621.468	43,4%	409.678	28,6%	53.792	3,8%	345.809	24,2%	<b>1.430.747</b>	100,0%
Valle d'Aosta /Vallée d'Aoste	16.273	40,7%	11.289	28,2%	2.973	7,4%	9.443	23,6%	<b>39.978</b>	100,0%
Lombardia	1.264.948	43,0%	890.217	30,2%	99.623	3,4%	690.343	23,4%	<b>2.945.131</b>	100,0%
Trentino-Alto Adige /Südtirol	138.259	45,5%	85.527	28,1%	13.871	4,6%	66.414	21,8%	<b>304.071</b>	100,0%
Veneto	628.434	44,5%	393.681	27,9%	52.282	3,7%	336.312	23,8%	<b>1.410.709</b>	100,0%
Friuli-Venezia Giulia	173.363	42,6%	114.455	28,1%	18.656	4,6%	100.160	24,6%	<b>406.634</b>	100,0%
Liguria	187.492	35,7%	169.640	32,3%	30.049	5,7%	138.471	26,3%	<b>525.652</b>	100,0%
Emilia-Romagna	623.536	43,0%	418.437	28,8%	75.120	5,2%	333.734	23,0%	<b>1.450.827</b>	100,0%
Toscana	454.102	39,2%	363.662	31,4%	56.868	4,9%	285.073	24,6%	<b>1.159.705</b>	100,0%
Umbria	103.009	36,2%	82.632	29,1%	28.195	9,9%	70.463	24,8%	<b>284.299</b>	100,0%
Marche	194.283	39,1%	141.539	28,5%	39.914	8,0%	120.711	24,3%	<b>496.447</b>	100,0%
Lazio	448.444	33,1%	437.831	32,3%	105.572	7,8%	364.211	26,9%	<b>1.356.058</b>	100,0%
Abruzzo	130.007	35,0%	108.442	29,2%	33.254	9,0%	99.448	26,8%	<b>371.151</b>	100,0%
Molise	29.984	32,3%	28.566	30,8%	8.976	9,7%	25.267	27,2%	<b>92.793</b>	100,0%
Campania	299.197	26,6%	369.643	32,9%	121.072	10,8%	333.765	29,7%	<b>1.123.677</b>	100,0%
Puglia	296.624	30,6%	308.954	31,9%	107.489	11,1%	255.589	26,4%	<b>968.656</b>	100,0%
Basilicata	41.639	26,8%	52.038	33,5%	18.721	12,0%	43.122	27,7%	<b>155.520</b>	100,0%
Calabria	117.706	24,4%	165.897	34,4%	63.969	13,3%	134.725	27,9%	<b>482.297</b>	100,0%
Sicilia	290.266	28,2%	324.783	31,6%	99.614	9,7%	314.749	30,6%	<b>1.029.412</b>	100,0%
Sardegna	140.926	33,3%	118.097	27,9%	50.705	12,0%	113.703	26,9%	<b>423.431</b>	100,0%
<b>Italia</b>	<b>6.199.960</b>	<b>37,7%</b>	<b>4.995.008</b>	<b>30,4%</b>	<b>1.080.715</b>	<b>6,6%</b>	<b>4.181.512</b>	<b>25,4%</b>	<b>16.457.195</b>	<b>100,0%</b>
Estero	72.551	18,9%	170.312	44,4%	13.564	3,5%	127.140	33,1%	<b>383.567</b>	100,0%
<b>Totale</b>	<b>6.272.511</b>	<b>37,2%</b>	<b>5.165.320</b>	<b>30,7%</b>	<b>1.094.279</b>	<b>6,5%</b>	<b>4.308.652</b>	<b>25,6%</b>	<b>16.840.762</b>	<b>100,0%</b>

Regions Seniority; as % of the total; Old-age; Disability; Survivors'; (1) Including the Funds for Public Employees and ex ENPALS, excluding Schemes for Professionals. *Source: INPS Archive of Pensions*

**Table 6.8** illustrates, at the provincial level, the four categories of IVS pensions based on the ratio of the number of pensions vs. the resident population. For the whole national territory, the total average IVS retirement rate is **27.3%**. The average raw seniority retirement rate increased from 10% in 2018 to 10.3% in 2019, the old-age retirement rate dropped from 8.5% in 2018 to 8.3% in 2019 due to the addition of 5 months to the old-age pension age requirement which reached 67 years, now the same for men and women. Instead, disability and survivors' rates remained almost unchanged: 1.8% and 6.9% respectively.

The provincial detail of the total raw rate of "IVS pensions" vs. the "population", shows that the first 10 provinces with the highest number of pensions with respect to the population are all in the North: Biella (40%), Ferrara (38.2%), Vercelli (37.4%), Alessandria (35.6%), Rovigo and Savona (35.6%), Trieste (35.3%), Ravenna (35.2%), Asti (34.5%), Belluno (34.7%); by looking at the individual categories for these provinces, it is possible to see that the seniority pension rates, in particular, but also the old-age and survivors' pension rates are high, while the disability pension rates are low and range from 1.2% in Savona and Asti to 2.1% in Ravenna.

The lowest total IVS rates are in the South, where the population is younger and where welfare benefits prevail. The last 10 provinces are: Naples (16.5%), Catania (18.1%), Barletta-Andria-Trani (18.8%), Palermo (19%), Caserta (19.1%), Caltanissetta (20.3%), Crotone (20.8%), Ragusa (20.8%), Siracusa (20.9%) and Agrigento (22.1%). In the different categories, these last 10 provinces have a fairly uniform distribution of pensions with respect to their population in the three categories: seniority, old age and survivors; the percentage of disability pensions vs. the population is lower, ranging from 1.2% in Catania to 3% in Agrigento. The highest percentages for disability pensions compared to the resident population can be found in the South: Lecce (4.8%), Potenza and Reggio Calabria (4.3%), Nuoro (4.1%), Benevento (4%), Oristano (3.9%), Catanzaro (3.7%), L' Aquila (3.6%), Sassari (3.5%) and in two provinces in the Centre: Terni (3.8%) and Pesaro-Urbino (3.5%). The three provinces with the

lowest percentages of disability pensions compared to the resident population are Milan and Treviso (0.8%) and Lodi (0.9%).

**Table 6.9** shows the distribution in the Italian provinces of the four categories of pensions (IVS) and their percentage distribution within each category, sorted according to the ranking for all these categories. The top 10 provinces in the ranking by number of IVS pensions are: Rome, Milan, Turin, Naples, Bologna, Brescia, Florence, Bergamo, Genoa and Bari, also taking into account their large population. The 10 provinces with the lowest number of pensions are in descending order: Verbano-Cusio-Ossola, Matera, Gorizia, Rieti, Oristano, Vibo Valentia, Aosta, Enna, Crotone and Isernia.

### ***Pensioners residing abroad***

In total, there are 385,414 pensioners residing abroad<sup>60</sup>, of whom 48.2% are men and 51.8% women. Pensioners residing abroad receive 420,715 IVS benefits in the framework of the national system and of the international totalization system, with an average of 1.09 pensions per pensioner.

The number of pensioners residing abroad but who were born in Italy is equal to 333,933 (78.5%) and the number of those who were born abroad, three quarters of whom are women, is equal to 86,782 (21.5%). The average gross monthly pension income is very low, equal to 352.58 euros (343.51 euros per month for those who were born in Italy and 385.77 for those who were born abroad), since these pensions are mainly "pensions under the international totalization system" for Italians or foreigners who have paid part of their contributions in Italy and part abroad. The countries with the **highest concentration of INPS pensions paid to residents abroad** are: Germany (51,207 pensions), Canada (50,156), Switzerland (45,289), Australia (42,146), France (40,424), USA (33,918), Argentina (17,405), Belgium (13,165), former Yugoslavia (11,523), United Kingdom (11,323), Brazil (6,865), Venezuela (5,847).

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<sup>60</sup> For further insights, see also Report V 2018 - Chap. 7, § 7.4 "The Italian pension system - Financial and demographic trends for pension and welfare benefits in 2016" curated by the Study and Research Center of Itinerari Previdenziali.

**Table 6.8 - Number of IVS pensions provided by INPS<sup>(1)</sup> out of the resident population by province and pension and total retirement rate in a descending order on December 31, 2019**

Province (2)	Anzianità	Vecchiaia	Invalidità	Superstiti	Totale	Province(2)	Anzianità	Vecchiaia	Invalidità	Superstiti	Totale
Biella	19,2%	10,0%	1,4%	9,4%	<b>40,0%</b>	Oristano	9,8%	8,3%	3,9%	7,9%	<b>29,9%</b>
Ferrara	17,2%	10,1%	1,7%	9,3%	<b>38,2%</b>	Trento	13,2%	8,3%	1,4%	6,6%	<b>29,5%</b>
Vercelli	16,8%	9,6%	1,7%	9,4%	<b>37,4%</b>	L'Aquila	9,2%	8,7%	3,6%	7,9%	<b>29,4%</b>
Alessandria	14,0%	10,8%	1,8%	9,3%	<b>35,9%</b>	Chieti	10,9%	8,2%	2,3%	7,8%	<b>29,2%</b>
Savona	14,0%	11,2%	1,2%	9,2%	<b>35,6%</b>	Potenza	6,9%	10,0%	4,3%	8,0%	<b>29,1%</b>
Rovigo	15,5%	9,6%	1,7%	8,8%	<b>35,6%</b>	Monza e Brianza	12,4%	9,0%	1,0%	6,5%	<b>28,9%</b>
Trieste	13,9%	10,9%	1,4%	9,2%	<b>35,3%</b>	Vicenza	13,3%	7,9%	1,1%	6,6%	<b>28,9%</b>
Ravenna	15,4%	9,9%	2,1%	7,9%	<b>35,2%</b>	Teramo	10,3%	8,6%	2,4%	7,4%	<b>28,7%</b>
Belluno	15,2%	9,7%	1,3%	8,5%	<b>34,7%</b>	Benevento	8,1%	8,7%	4,0%	7,8%	<b>28,6%</b>
Asti	15,0%	9,8%	1,2%	8,5%	<b>34,5%</b>	Venezia	12,2%	7,7%	1,1%	7,3%	<b>28,3%</b>
Gorizia	14,7%	9,3%	1,7%	8,7%	<b>34,3%</b>	Viterbo	9,7%	8,3%	2,5%	7,7%	<b>28,2%</b>
Genova	12,0%	11,3%	1,9%	9,1%	<b>34,2%</b>	Lecce	6,7%	9,5%	4,8%	7,2%	<b>28,2%</b>
Udine	14,7%	9,5%	1,6%	8,5%	<b>34,2%</b>	Milano	11,6%	9,3%	0,8%	6,5%	<b>28,2%</b>
Macerata	13,6%	9,5%	2,6%	8,3%	<b>34,0%</b>	Verona	12,1%	8,3%	1,1%	6,6%	<b>28,1%</b>
Piacenza	14,0%	9,7%	1,9%	8,2%	<b>33,8%</b>	Lodi	12,7%	7,5%	0,9%	7,0%	<b>28,1%</b>
Siena	14,0%	10,0%	1,6%	8,2%	<b>33,7%</b>	Treviso	12,9%	7,8%	0,8%	6,4%	<b>27,9%</b>
Arezzo	14,0%	9,7%	2,2%	7,7%	<b>33,6%</b>	Bergamo	12,4%	8,1%	1,0%	6,4%	<b>27,9%</b>
Verbano Cusio Ossola	13,6%	10,1%	1,2%	8,6%	<b>33,4%</b>	Padova	12,3%	7,6%	1,0%	6,6%	<b>27,5%</b>
Terni	11,2%	9,9%	3,8%	8,6%	<b>33,4%</b>	Rimini	10,2%	9,0%	1,6%	6,6%	<b>27,4%</b>
Bologna	14,6%	9,4%	1,7%	7,5%	<b>33,2%</b>	Brindisi	9,1%	8,9%	2,4%	7,0%	<b>27,4%</b>
La Spezia	11,2%	9,6%	3,2%	9,0%	<b>33,1%</b>	Prato	10,7%	9,1%	1,1%	6,5%	<b>27,4%</b>
Forlì-Cesena	14,2%	9,5%	1,8%	7,4%	<b>32,9%</b>	Bolzano-Bozen	12,5%	7,6%	1,2%	5,7%	<b>27,1%</b>
Ancona	13,9%	9,2%	1,9%	8,0%	<b>32,8%</b>	Reggio Calabria	6,4%	8,8%	4,3%	7,4%	<b>26,9%</b>
Cuneo	15,6%	8,4%	1,1%	7,6%	<b>32,8%</b>	Brescia	11,9%	7,5%	1,0%	6,5%	<b>26,8%</b>
Pavia	13,8%	9,0%	1,5%	8,5%	<b>32,8%</b>	Sud Sardegna	8,7%	7,4%	3,1%	7,5%	<b>26,7%</b>
Grosseto	12,6%	9,2%	2,4%	8,5%	<b>32,7%</b>	Pescara	9,3%	7,8%	2,0%	7,3%	<b>26,4%</b>
Fermo	12,1%	10,0%	2,7%	8,0%	<b>32,7%</b>	Messina	6,8%	8,7%	3,5%	7,4%	<b>26,3%</b>
Cremona	15,0%	8,5%	1,1%	8,0%	<b>32,6%</b>	Vibo Valentia	6,8%	9,2%	3,3%	7,0%	<b>26,3%</b>
Imperia	11,5%	11,0%	1,7%	8,3%	<b>32,4%</b>	Matera	8,6%	8,2%	1,7%	7,3%	<b>25,8%</b>
Lecco	14,3%	10,1%	1,0%	7,1%	<b>32,4%</b>	Avellino	7,0%	8,4%	2,9%	7,2%	<b>25,5%</b>
Isernia	9,4%	10,8%	3,4%	8,7%	<b>32,2%</b>	Frosinone	8,8%	7,7%	1,7%	7,3%	<b>25,4%</b>
Novara	14,2%	8,9%	1,2%	7,9%	<b>32,2%</b>	Taranto	8,0%	8,6%	2,2%	6,7%	<b>25,4%</b>
Sondrio	13,6%	8,4%	2,0%	8,0%	<b>32,0%</b>	Sassari	7,9%	7,2%	3,5%	6,7%	<b>25,3%</b>
Perugia	11,9%	9,2%	3,0%	7,8%	<b>31,9%</b>	Catanzaro	6,3%	8,1%	3,7%	7,1%	<b>25,2%</b>
Pesaro-Urbino	11,7%	9,2%	3,5%	7,5%	<b>31,9%</b>	Cosenza	5,9%	9,1%	2,5%	6,8%	<b>24,4%</b>
Aosta	13,0%	9,0%	2,4%	7,5%	<b>31,9%</b>	Latina	8,1%	6,9%	2,2%	6,2%	<b>23,4%</b>
Ascoli Piceno	11,7%	9,1%	2,9%	8,1%	<b>31,8%</b>	Salerno	6,0%	8,0%	2,5%	6,7%	<b>23,2%</b>
Modena	14,0%	9,2%	1,5%	7,0%	<b>31,7%</b>	Foggia	6,7%	7,3%	2,6%	6,4%	<b>22,9%</b>
Mantova	14,3%	8,8%	1,0%	7,6%	<b>31,7%</b>	Cagliari	8,7%	5,9%	1,9%	6,0%	<b>22,5%</b>
Torino	13,5%	9,4%	1,2%	7,5%	<b>31,5%</b>	Trapani	6,2%	7,1%	2,3%	6,9%	<b>22,5%</b>
Pistoia	12,3%	9,8%	1,7%	7,6%	<b>31,4%</b>	Enna	6,2%	6,9%	2,0%	7,2%	<b>22,4%</b>
Firenze	12,6%	10,2%	1,1%	7,4%	<b>31,2%</b>	Bari	7,8%	6,7%	2,0%	5,9%	<b>22,4%</b>
Massa Carrara	10,9%	9,3%	2,2%	8,8%	<b>31,2%</b>	Roma	7,2%	7,4%	1,7%	5,9%	<b>22,2%</b>
Varese	13,5%	9,3%	1,0%	7,1%	<b>30,9%</b>	Agrigento	5,2%	6,8%	3,0%	7,1%	<b>22,1%</b>
Pordenone	13,9%	8,3%	1,5%	7,1%	<b>30,8%</b>	Siracusa	6,7%	5,8%	2,1%	6,3%	<b>20,9%</b>
Parma	12,7%	8,9%	1,7%	7,3%	<b>30,6%</b>	Ragusa	6,4%	6,6%	1,7%	6,2%	<b>20,8%</b>
Nuoro	9,3%	9,2%	4,1%	8,0%	<b>30,6%</b>	Crotone	5,0%	6,9%	2,7%	6,2%	<b>20,8%</b>
Lucca	11,7%	9,6%	1,3%	7,8%	<b>30,5%</b>	Caltanissetta	5,9%	5,7%	1,9%	6,9%	<b>20,3%</b>
Livorno	10,9%	9,8%	1,7%	8,0%	<b>30,4%</b>	Caserta	4,9%	6,4%	2,2%	5,6%	<b>19,1%</b>
Rieti	10,9%	8,9%	2,5%	8,1%	<b>30,4%</b>	Palermo	5,2%	6,4%	1,6%	5,8%	<b>19,0%</b>
Reggio Emilia	12,8%	9,1%	1,6%	6,8%	<b>30,3%</b>	Barletta-Andria-Trani	6,1%	5,6%	1,9%	5,3%	<b>18,8%</b>
Campobasso	10,1%	9,0%	2,8%	8,2%	<b>30,1%</b>	Catania	5,6%	5,7%	1,2%	5,6%	<b>18,1%</b>
Como	12,7%	9,1%	1,4%	6,8%	<b>30,0%</b>	Napoli	4,4%	5,3%	1,6%	5,1%	<b>16,5%</b>
Pisa	11,4%	9,7%	1,5%	7,4%	<b>30,0%</b>	<b>Italia</b>	<b>10,3%</b>	<b>8,3%</b>	<b>1,8%</b>	<b>6,9%</b>	<b>27,3%</b>

Provinces (2); Seniority; Old-age; Disability; Survivors'; (1) Including the Funds for Public Employees and ex ENPALS (2) Excluding residents abroad, the items that cannot be broken down and the schemes for professionals.

Source: INPS Archive of Pensions

**Table 6.9 - Number of IVS pensions managed by INPS<sup>(1)</sup> by province and pension category according to the ranking of all categories on December 31, 2019**

Province <sup>(2)</sup>	Anzianità	%	Vecchiaia	%	Invalidità	%	Superstiti	%	Totale	%
Roma	311.514	5,0%	320.670	6,4%	73.231	6,8%	256.115	6,1%	961.530	5,8%
Milano	380.255	6,1%	304.561	6,1%	24.976	2,3%	214.223	5,1%	924.015	5,6%
Torino	303.487	4,9%	211.614	4,2%	25.949	2,4%	169.059	4,0%	710.109	4,3%
Napoli	136.627	2,2%	164.647	3,3%	50.334	4,7%	157.883	3,8%	509.491	3,1%
Brescia	150.366	2,4%	95.696	1,9%	12.293	1,1%	82.132	2,0%	340.487	2,1%
Bologna	148.692	2,4%	95.408	1,9%	17.261	1,6%	76.762	1,8%	338.123	2,1%
Firenze	126.100	2,0%	102.299	2,0%	11.143	1,0%	73.790	1,8%	313.332	1,9%
Bergamo	138.651	2,2%	90.069	1,8%	10.818	1,0%	71.936	1,7%	311.474	1,9%
Genova	100.016	1,6%	94.517	1,9%	15.955	1,5%	75.665	1,8%	286.153	1,7%
Bari	97.703	1,6%	83.325	1,7%	24.478	2,3%	73.758	1,8%	279.264	1,7%
Varese	120.101	1,9%	83.355	1,7%	9.291	0,9%	63.377	1,5%	276.124	1,7%
Verona	112.741	1,8%	77.335	1,5%	10.542	1,0%	61.933	1,5%	261.671	1,6%
Padova	115.750	1,9%	71.208	1,4%	9.179	0,8%	61.794	1,5%	257.931	1,6%
Salerno	65.973	1,1%	87.793	1,8%	27.456	2,5%	72.618	1,7%	253.840	1,5%
Monza e Brianza	108.982	1,8%	79.151	1,6%	8.578	0,8%	57.093	1,4%	253.804	1,5%
Vicenza	114.670	1,8%	67.668	1,4%	9.648	0,9%	57.079	1,4%	249.065	1,5%
Treviso	114.208	1,8%	69.602	1,4%	7.303	0,7%	56.944	1,4%	248.057	1,5%
Venezia	104.146	1,7%	65.880	1,3%	8.986	0,8%	61.826	1,5%	240.838	1,5%
Palermo	64.642	1,0%	78.910	1,6%	20.321	1,9%	71.917	1,7%	235.790	1,4%
Modena	98.948	1,6%	65.196	1,3%	10.346	1,0%	49.562	1,2%	224.052	1,4%
Lecce	53.165	0,9%	75.496	1,5%	37.885	3,5%	56.667	1,4%	223.213	1,4%
Perugia	77.896	1,3%	60.482	1,2%	19.755	1,8%	51.053	1,2%	209.186	1,3%
Catania	62.155	1,0%	62.414	1,2%	13.076	1,2%	62.283	1,5%	199.928	1,2%
Cuneo	91.540	1,5%	49.473	1,0%	6.365	0,6%	44.800	1,1%	192.178	1,2%
Como	76.903	1,2%	54.881	1,1%	8.496	0,8%	41.103	1,0%	181.387	1,1%
Udine	77.253	1,2%	49.973	1,0%	8.359	0,8%	44.485	1,1%	180.070	1,1%
Pavia	75.239	1,2%	49.425	1,0%	8.142	0,8%	46.181	1,1%	178.987	1,1%
Caserta	45.441	0,7%	58.527	1,2%	20.526	1,9%	51.857	1,2%	176.351	1,1%
Cosenza	41.342	0,7%	63.615	1,3%	17.736	1,6%	47.857	1,1%	170.550	1,0%
Messina	42.008	0,7%	53.829	1,1%	21.534	2,0%	46.041	1,1%	163.412	1,0%
Reggio Emilia	67.991	1,1%	48.469	1,0%	8.247	0,8%	36.295	0,9%	161.002	1,0%
Trento	71.725	1,2%	44.920	0,9%	7.443	0,7%	36.048	0,9%	160.136	1,0%
Ancona	65.101	1,1%	42.980	0,9%	8.734	0,8%	37.451	0,9%	154.266	0,9%
Alessandria	58.827	0,9%	45.111	0,9%	7.371	0,7%	38.999	0,9%	150.308	0,9%
Taranto	45.569	0,7%	48.954	1,0%	12.641	1,2%	38.328	0,9%	145.492	0,9%
Reggio Calabria	34.658	0,6%	47.415	0,9%	23.163	2,1%	40.191	1,0%	145.427	0,9%
Bolzano-Bozen	66.534	1,1%	40.607	0,8%	6.428	0,6%	30.366	0,7%	143.935	0,9%
Foggia	41.007	0,7%	44.784	0,9%	15.761	1,5%	39.324	0,9%	140.876	0,9%
Parma	57.727	0,9%	40.297	0,8%	7.483	0,7%	33.206	0,8%	138.713	0,8%
Ravenna	59.896	1,0%	38.609	0,8%	8.031	0,7%	30.732	0,7%	137.268	0,8%
Latina	46.636	0,8%	39.819	0,8%	12.576	1,2%	35.945	0,9%	134.976	0,8%
Ferrara	59.248	1,0%	34.676	0,7%	5.946	0,6%	31.953	0,8%	131.823	0,8%
Mantova	58.807	0,9%	36.000	0,7%	4.034	0,4%	31.282	0,7%	130.123	0,8%
Forlì-Cesena	55.963	0,9%	37.513	0,8%	7.018	0,6%	29.288	0,7%	129.782	0,8%
Pisa	48.250	0,8%	40.874	0,8%	6.219	0,6%	31.254	0,7%	126.597	0,8%
Sassari	38.821	0,6%	37.129	0,7%	17.168	1,6%	31.789	0,8%	122.907	0,7%
Frosinone	42.782	0,7%	37.229	0,7%	7.990	0,7%	35.395	0,8%	123.396	0,7%
Lucca	45.532	0,7%	37.465	0,8%	4.996	0,5%	30.395	0,7%	118.388	0,7%
Novara	52.116	0,8%	32.875	0,7%	4.396	0,4%	28.957	0,7%	118.344	0,7%
Cremona	53.591	0,9%	30.574	0,6%	4.101	0,4%	28.535	0,7%	116.801	0,7%
Arezzo	47.911	0,8%	33.129	0,7%	7.440	0,7%	26.291	0,6%	114.771	0,7%
Pesaro-Urbino	41.872	0,7%	32.727	0,7%	12.540	1,2%	26.827	0,6%	113.966	0,7%
Chieti	41.600	0,7%	31.590	0,6%	8.624	0,8%	30.032	0,7%	111.846	0,7%
Lecco	48.138	0,8%	34.035	0,7%	3.328	0,3%	23.751	0,6%	109.252	0,7%
Brindisi	35.606	0,6%	34.693	0,7%	9.448	0,9%	27.138	0,6%	106.885	0,6%
Macerata	42.328	0,7%	29.788	0,6%	8.045	0,7%	25.898	0,6%	105.050	0,6%
Avellino	28.917	0,5%	34.768	0,7%	11.939	1,1%	29.928	0,7%	105.552	0,6%
Potenza	24.756	0,4%	36.004	0,7%	15.424	1,4%	28.866	0,7%	105.050	0,6%
Livorno	36.391	0,6%	32.791	0,7%	5.502	0,5%	26.751	0,6%	101.435	0,6%
Savona	38.308	0,6%	30.626	0,6%	3.409	0,3%	25.265	0,6%	97.608	0,6%
Cagliari	37.399	0,6%	25.488	0,5%	8.219	0,8%	26.021	0,6%	97.127	0,6%
Piacenza	40.305	0,7%	27.765	0,6%	5.308	0,5%	23.626	0,6%	97.004	0,6%
Pordenone	43.387	0,7%	26.024	0,5%	4.658	0,4%	22.297	0,5%	96.366	0,6%
Trapani	26.407	0,4%	30.504	0,6%	9.903	0,9%	29.388	0,7%	96.202	0,6%
Agrigento	22.439	0,4%	29.133	0,6%	12.966	1,2%	30.418	0,7%	94.956	0,6%
Rimini	34.766	0,6%	30.504	0,6%	5.480	0,5%	22.310	0,5%	93.060	0,6%
Sud Sardegna	30.421	0,5%	25.525	0,5%	10.770	1,0%	26.780	0,6%	92.571	0,5%
Pistoia	36.134	0,6%	28.712	0,6%	4.976	0,5%	22.327	0,5%	92.149	0,6%
Siena	37.147	0,6%	26.636	0,5%	4.325	0,4%	21.706	0,5%	89.814	0,5%
Catanzaro	22.419	0,4%	28.684	0,6%	13.201	1,2%	25.187	0,6%	89.491	0,5%
Viterbo	30.646	0,5%	26.378	0,5%	7.969	0,7%	24.296	0,6%	89.289	0,5%
Teramo	31.514	0,5%	26.321	0,5%	7.474	0,7%	22.825	0,5%	88.134	0,5%
L'Aquila	27.171	0,4%	25.848	0,5%	10.758	1,0%	23.417	0,6%	87.194	0,5%
Pescara	29.722	0,5%	24.683	0,5%	6.398	0,6%	23.174	0,6%	83.977	0,5%
Rovigo	36.196	0,6%	22.333	0,4%	4.029	0,4%	20.488	0,5%	83.046	0,5%
Siracusa	26.747	0,4%	22.936	0,5%	8.165	0,8%	25.179	0,6%	83.027	0,5%
Trieste	32.318	0,5%	25.508	0,5%	5.229	0,5%	23.342	0,5%	82.392	0,5%
Benevento	22.239	0,4%	23.908	0,5%	10.817	1,0%	21.479	0,5%	78.443	0,5%
Terni	25.113	0,4%	22.150	0,4%	8.440	0,8%	19.410	0,5%	75.113	0,5%
Asti	32.067	0,5%	20.890	0,4%	2.489	0,2%	18.202	0,4%	73.648	0,4%
Barletta-Andria-Trani	23.574	0,4%	21.702	0,4%	7.276	0,7%	20.374	0,5%	72.926	0,4%
La Spezia	24.582	0,4%	21.066	0,4%	7.073	0,7%	19.814	0,5%	72.535	0,4%
Grosseto	27.884	0,4%	20.204	0,4%	5.204	0,5%	18.854	0,5%	72.146	0,4%
Prato	27.702	0,4%	23.523	0,5%	2.735	0,3%	16.661	0,4%	70.621	0,4%
Belluno	30.723	0,5%	19.635	0,4%	2.595	0,2%	17.148	0,4%	70.101	0,4%
Biella	33.522	0,5%	17.457	0,3%	2.482	0,2%	16.352	0,4%	69.813	0,4%
Imperia	24.586	0,4%	23.431	0,5%	3.612	0,3%	17.727	0,4%	69.356	0,4%
Ragusa	20.423	0,3%	21.027	0,4%	5.458	0,5%	19.855	0,5%	66.763	0,4%
Campobasso	22.125	0,4%	19.580	0,4%	6.176	0,6%	17.989	0,4%	65.870	0,4%
Ascoli Piceno	24.091	0,4%	18.774	0,4%	6.016	0,6%	16.759	0,4%	65.640	0,4%
Lodi	29.309	0,5%	17.285	0,3%	1.956	0,2%	16.201	0,4%	64.751	0,4%
Vercelli	28.575	0,5%	16.344	0,3%	2.821	0,3%	15.967	0,4%	63.707	0,4%
Nuoro	19.244	0,3%	19.044	0,4%	8.447	0,8%	16.459	0,4%	63.194	0,4%
Massa Carrara	21.051	0,3%	18.029	0,4%	4.328	0,4%	17.044	0,4%	60.452	0,4%
Sondrio	24.606	0,4%	15.185	0,3%	3.610	0,3%	14.529	0,3%	57.930	0,4%
Fermo	20.891	0,3%	17.270	0,3%	4.579	0,4%	13.776	0,3%	56.516	0,3%
Caltanissetta	15.413	0,2%	14.755	0,3%	4.940	0,5%	17.905	0,4%	53.013	0,3%
Verbano Cusio Ossola	21.334	0,3%	15.914	0,3%	1.919	0,2%	13.473	0,3%	52.640	0,3%
Matera	16.883	0,3%	16.034	0,3%	3.297	0,3%	14.256	0,3%	50.470	0,3%
Gorizia	20.405	0,3%	12.950	0,3%	2.410	0,2%	12.036	0,3%	47.801	0,3%
Rieti	16.866	0,3%	13.735	0,3%	3.806	0,4%	12.460	0,3%	46.867	0,3%
Oristano	15.246	0,2%	12.911	0,3%	6.101	0,6%	12.374	0,3%	46.632	0,3%
Vibo Valentia	10.730	0,2%	14.417	0,3%	5.262	0,5%	10.958	0,3%	41.367	0,3%
Aosta	16.273	0,3%	11.289	0,2%	2.973	0,3%	9.443	0,2%	39.978	0,2%
Enna	10.032	0,2%	11.275	0,2%	3.251	0,3%	11.763	0,3%	36.321	0,2%
Crotone	8.557	0,1%	11.766	0,2%	4.607	0,4%	10.532	0,3%	35.462	0,2%
Isernia	7.859	0,1%	8.986	0,2%	2.800	0,3%	7.278	0,2%	26.923	0,2%
<b>Italia</b>	<b>6.199.960</b>	<b>100,0%</b>	<b>4.995.008</b>	<b>100,0%</b>	<b>1.080.715</b>	<b>100,0%</b>	<b>4.181.512</b>	<b>100,0%</b>	<b>16.457.195</b>	<b>100,0%</b>

Provinces (2); Seniority; Old-age; Disability; Survivors', Total; (1) Including the Funds for Public Employees and ex ENPALS (2) Excluding residents abroad, the items that cannot be broken down and the schemes for professionals;

Source: INPS Archive of Pensions



The top ten countries with the ***highest average gross monthly INPS pensions paid to residents abroad*** are: Cyprus (an average of 5,272 euros per month for 198 pensions), the United Arab Emirates (an average of 3,761 euros per month for 60 pensions), Portugal, which until 2019 adopted the most favorable tax policy for European pensioners (an average of 2,845 euros per month for 4. 070 pensions), Turkey (on average 2,335 euros per month for 123 pensions), Malta (an average of 1,844 euros per month for 242 pensions), China (an average of 1,617 euros per month for 69 pensions), Thailand (an average of 1,460 euros per month for 582 pensions), Tunisia (an average of 1,391 euros per month for 887 pensions), Israel (an average of 1,315 euros per month for 189 pensions), Monaco (an average of 1,269 euros per month for 611 pensions).

## 6.1 Average pensions for different categories

**Table 6.10** illustrates the average pension benefits and the average pension/average income ratio. The ranking is led notaries with 79,726 euros ‘worth of average pension benefits in 2019 (totally financed by contributions), followed by managers of public entities (52,249 euros), journalists (49,190), members of the aviation fund (45,620), accountants (34,908), telephone workers (26,738), lawyers 26,174) and civil servants (25,950). With regard to life annuities, pensions of institutional bodies and regions, see Reports VI and VII; the same holds true for pensions not yet harmonized with the general rules (Box 2, VII Report).

**Table 6.10 – Average pension amounts by category of workers**

CATEGORIE DI LAVORATORI	Pensione Media 2018 (1)	Pensione Media 2019 (1)	Reddito Medio 2018	Reddito Medio 2019	Rapporto tra PM e RM 2018 %	Rapporto tra PM e RM 2019 %
NOTAI	78.492	79.726	150.993	148.197	51,98	<b>53,80</b>
DIRIG AZIENDE EX INPDAI	51.640	52.249	163.745	162.533	31,54	<b>32,15</b>
GIORNALISTI	50.773	49.190	67.938	67.264	74,73	<b>73,13</b>
Fondo VOLO	45.536	45.620	35.237	35.682	129,23	<b>127,85</b>
COMMERCIALISTI	35.376	34.908	61.245	63.192	57,76	<b>55,24</b>
AVVOCATI	26.627	26.164	35.133	36.285	75,79	<b>72,11</b>
LAVORATORI TELEFONICI	26.556	26.738	39.664	40.068	66,95	<b>66,73</b>
DIPENDENTI STATALI	25.643	25.950	36.670	35.739	69,93	<b>72,61</b>
RAGIONIERI	24.436	24.139	59.723	61.110	40,92	<b>39,50</b>
EX FERROVIE dello STATO	22.883	23.409	43.532	42.777	52,57	<b>54,72</b>
LAVORATORI TRASPORTI	21.878	22.137	33.201	33.232	65,90	<b>66,61</b>
DIPENDENTI ENTI LOCALI	20.279	20.616	31.486	31.585	64,41	<b>65,27</b>
INGEGNERI, ARCHITETTI	19.028	19.171	25.041	26.700	75,99	<b>71,80</b>
EX POSTE (IPOST)	18.438	18.891	30.557	29.454	60,34	<b>64,14</b>
LAVORATORI SPETTACOLO	16.739	17.152	28.486	30.779	58,76	<b>55,73</b>
DIPENDENTI PRIVATI (FPLD)	13.723	14.131	24.117	24.194	56,90	<b>58,41</b>
GEOMETRI	13.571	13.530	26.713	25.499	50,80	<b>53,06</b>
ARTIGIANI	12.078	12.360	21.508	22.412	56,16	<b>55,15</b>
CONSULENTI LAVORO	11.385	11.717	69.310	71.826	16,43	<b>16,31</b>
COMMERCianti	11.264	11.508	20.647	21.673	54,56	<b>53,10</b>
AGRICOLI CDCM	8.221	8.408	11.266	11.532	72,97	<b>72,91</b>
MEDICI	7.516	7.806	43.691	45.079	17,20	<b>17,32</b>
VETERINARI	6.394	6.569	17.888	18.809	35,74	<b>34,92</b>
FARMACISTI	6.116	6.135	29.922	29.305	20,44	<b>20,93</b>

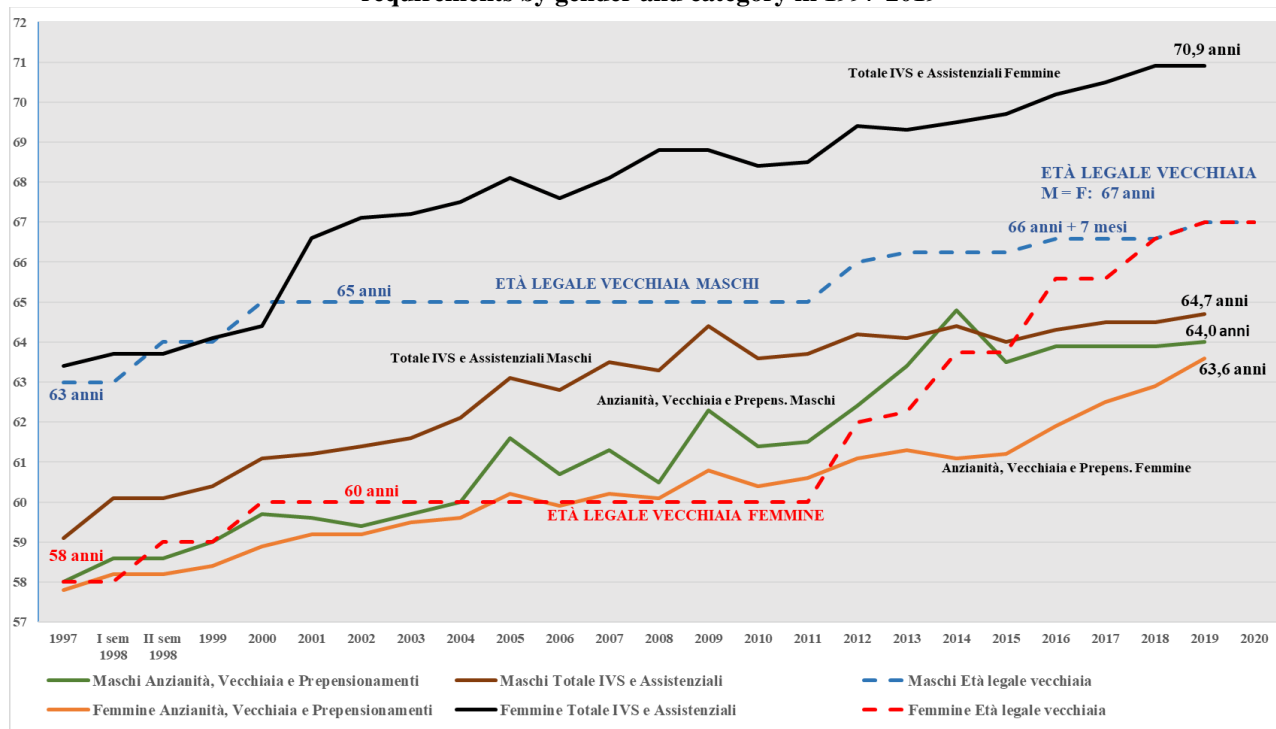
Categories of workers, Average pension, Average income, Average pension/average income ratio; NOTE: excluding the average pensions of professionals; Notaries, Ex INDPDAI executives, Journalists, Aviation fund, Chartered accountants, Lawyers, Telephony, Civil servants, Accountants, ex Ferrovie dello Stato, Transportation, employees with local authorities, Engineers and Architects, Show-business workers, Private –sector employed workers (FPLD), Surveyors, Artisans, Labour Consultants, Retailers, CDCM farmers, Doctors, Veterinary doctors, Pharmacists.

*NOTE: the average pensions of the professionals enrolled in the funds under Legislative Decree n.103/96 are not reported because these schemes are too young and therefore the figures are not very significant. (1) Average pension before GIAS transfers.*

## 6.2 Average effective retirement ages, their evolution over time compared to the European Union and with other OECD countries

One of the major problems of the Italian pension system is the very high number of exceptions envisaged by the law to the statutory retirement age requirements for certain categories of workers; the most infamous examples are baby pensions (1969), measures to retire even 10 years in advance with respect to these requirements, social APE in 2018, incentives for early workers, the extension of the women's Option, measures for arduous jobs and, last but not least, the "100 quota" allowing workers to retire up to 5 years earlier with respect to their statutory requirements; the average duration of pensions illustrated in the next section is a case in point. **Figure 6.1** highlights the historical trends from 1997 to 2019 related to the **average effective retirement ages** and the **statutory age requirements** for the new INPS old-age pensions in the private sector by gender and category<sup>61</sup>. In 1997, the **statutory old-age pension requirement** was 63 years for men and 58 for women, with at least 18 years of seniority, while, the average effective retirement age was 63.5 years for men and 59.3 years for women<sup>62</sup>.

**Figure 6.1 – Mean age at retirement for new INPS pensions (\*) and old-age pension statutory retirement age requirements by gender and category in 1997-2019**



Men: seniority; old age, early retirement; Women: seniority; old age, early retirement; Total IVS and welfare benefits for men; Total IVS and welfare benefits for women; seniority pension statutory age requirement for men; seniority pension statutory age requirement for women; \* Excluding the GDP fund and ex ENPALS that was included in 2019. Source: INPS – Observatory on pensions.

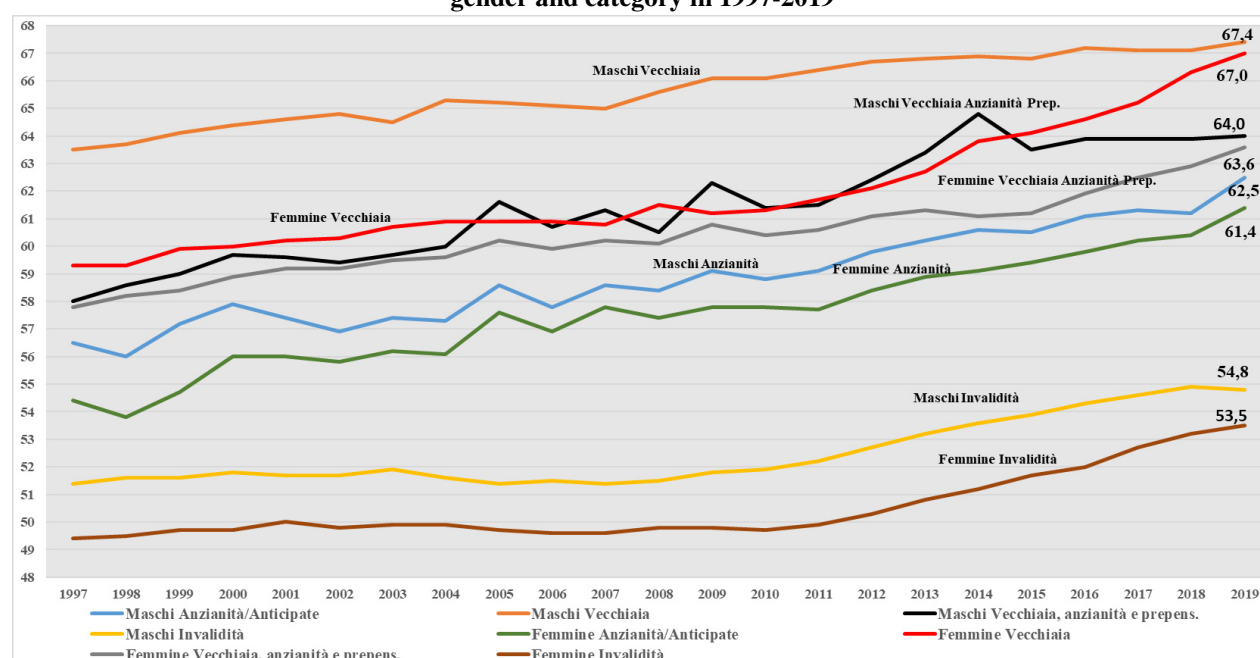
<sup>61</sup> The data were taken from the INPS archives on 1.1.2020 with the exclusion of the funds for public-sector employed workers (GDP) and ex Enpals. Starting from the year 2019, the new pensions paid by ex Enpals are included among those provided by INPS, while the outstanding pensions provided by ex Enpals are included among the INPS ones starting from 1.1.2020.

<sup>62</sup> The average age expressed in a decimal form is related to years and tenths of years. For example: 56.5 corresponds to 56 years and 6 months. tenths of year is 84 years, 3 months and 27 days, expressed in years, months and days.



In 2019, the statutory retirement age, now the same for men, women, public-sector and private-sector employed workers rose to 67 with a seniority of 20 years. Moreover, *the old-age pension average effective retirement age* increased slightly for men with respect to 2018 from 67.1 years to **67.4 years**, while for women it rose even more with respect to the previous two years: from 65.2 in 2017 and 66.3 years in 2018 to **67 years in 2019**. On average, this gender total climbed to **67.3 years**. In 2020 too, the old-age pension statutory age requirement remained at 67 with at least 20 years of seniority. In 2019, the average age for old-pensions alone was **67.3 years** (67.4 for men and 67 for women,) in line with the statutory retirement age requirements; men accounted for 71.5% of all new old-age and early retirement pensions paid out and women for only 28.5%; in 1997, the gender ratio with respect to the total for the same categories of pensions was 69.1% of new pensions paid to men and 30.9% to women. **Figure 6.2** shows the historical series from 1997 to 2019 of the *effective* average retirement ages for new direct pensions (old-age and early retirement, seniority /early retirement and disability)) paid in each year by pension category and gender for the INPS private sector.

**Figure 6.2 - Effective average retirement age and statutory age requirements for new direct INPS pensions (\*) by gender and category in 1997-2019**



Seniority /early retirement requirement for men; Disability retirement requirement for men; Old-age, seniority /early retirement requirement for women; Old-age pension requirement for men; Seniority /early retirement requirement for women; Disability retirement requirement for women; Old-age, seniority /early retirement requirement for men; old-age pension requirement for women; (\*) Excluding the GDP fund and ex ENPALS that was included in 2019. Source: INPS – Observatory on pensions.

In 1997, a *seniority pension* could be obtained with 35 years of contributions and at least 52 years of age or with 36 years of contributions at any age, with a mean age of 56.5 years for men and 54.4 years for women. For the 2019-2026 period, Art. 15 of Law Decree no 4/2019 froze contribution requirements for *early retirement independently of age* at 42 years and 10 months for men and at 41 years and 10 months for women, adding another 3 months to become eligible (quarterly exit window). As of April 1, 2019, the seniority/early retirement statistics also include "Quota 100", the new experimental pension measure from 2019 to 2021 (Art. 14 of Law Decree no. 4/2019), which requires at least 62 years of age and 38 years of seniority; the required age of 62 is not subject to life expectancy adjustments. However, "Quota 100" will be operational until 2026 for those who became eligible by

2021. An established early retirement channel is the so-called "*Women's Option*", experimentally launched in 2004 and extended from year to year; Art. 16 of Law Decree no. 4/2019 provided for 35 years of contributions and 58 years of age at retirement for employed women and 59 years of age for self-employed women. In 2019, also due to the effects of all these exit channels for *seniority/early retirement*, the average effective retirement age was **62.5 for men** and **62.2 for women, one year more with respect to 2018**. Of course, the retirement age would have been higher without exceptions.

If the whole *old-age dimension* is considered (*seniority, old-age and early retirement*), it is possible to see that, in 2019, the *average effective retirement age* was **63.9 years**; in calculating this parameter, the *age requirement for men* at **64.0** has more weight with respect to that of *women* at **63.6**; this is apparently low average retirement age for women is the result of a gradual increase in retirement age requirements that picked up momentum in 2014, resulting in a sharp drop in the number of old-age pensions for women and the use of the seniority/early retirement channel as an exit window, so a double channel; the result is that men, with longer periods of contribution and more continuous careers, can capitalize on this second opportunity, while women, generally with shorter contribution periods and who are more likely to retire with an old-age pension, have to work for a longer period of time before becoming eligible.

If, in addition to the *average effective retirement age for old-age or seniority/early retirement*, we take into consideration the *average effective retirement age for disability pensions*, i.e. the average effective retirement age for all direct pension benefits, the effective retirement age in 2019 was **62.8 years for men** and **61.9 years for women**, with an average of 62.6 years for both genders (in 2018 it was 62.6 years for men and 61 years for women, with a total mean of 62.2 years).

Finally, when analyzing the weighted average of the effective retirement age for *all pension categories*, including survivors' pensions and welfare benefits, the average retirement age in 2019 was **67.9 years**; **64.7 years for men** and **70.9 years for women**, the main beneficiaries of survivors' benefits.

ETÀ EFFETTIVA AL PENSIONAMENTO IVS DEL SETTORE PRIVATO				
Categoria delle pensioni IVS liquidate:	1997		2019	
	Maschi	Femmine	Maschi	Femmine
<i>Anzianità/anticipate</i>	56,5	54,4	62,5	61,4
<i>Vecchiaia</i>	63,5	59,3	67,4	67,0
<i>Prepensionamenti</i>	52,6	50,4	62,4	62,6
<i>Invalidità</i>	51,4	49,4	54,8	53,5
<i>Superstiti</i>	72,1	68,2	75,8	73,8
NUMERO DELLE PENSIONI IVS LIQUIDATE NEL SETTORE PRIVATO				
	1997		2019	
	Maschi	Femmine	Maschi	Femmine
<b>Totale pensioni IVS liquidate</b>	367.739	323.493	332.804	290.223

Effective retirement age in the private sector; Men, Women; Category of IVS pensions paid out: seniority/early retirement benefits, old-age pensions, early retirement, Disability pensions, Survivors' pensions; Number of IVS pensions paid out in the private sector, Total IVS pensions

### *The comparison with the European Union and other OECD countries*

The latest 2018 OECD data provide an estimate of the *average effective retirement age* for *direct pensions* (old age, seniority and disability pensions) in Europe and show that, in many EU countries, the effective average age is higher than in Italy (in 2018, 62.6 years for men and 61 years for women, with a single statutory retirement age of 66.58 years) and in others is lower.

**Portugal** has the highest effective retirement age at 68.5 years, with a single statutory retirement age for both genders of 65.2 years; on average, Portuguese workers remain active for another 3.3 years beyond the statutory age, while the effective retirement age for women is 65.4 years. Portugal is followed by **Sweden** with a single statutory age of 65, but with a higher effective retirement age: 66.4 for men and 65.4 for women; **Lithuania** (statutory age is 62.8 years) has an effective retirement age of 65.7 years for men and 64.7 for women, far above the statutory retirement age; **Estonia** which, despite a statutory age of 63, has an effective retirement age of 65.5 for men and 65.7 for women; **Ireland** (statutory retirement age of 66 years) has lower effective retirement ages with respect to the statutory requirements with 65.5 years for men and 64.1 years for women; **Germany** (statutory retirement age of 65.5 years) has an aging population but its public debt/GDP ratio is 50% lower than that of Italy and so it can maintain the stability of its social security system in the long term; according to the OECD, its effective retirement age is 64 years for men and 63.3 for women, from one and a half to two years below the statutory requirements; finally **Spain** (statutory retirement age of 65 years) but with an effective retirement rate of 62.1 years for men and 61.3 years for women.

In the case of Italy, the OECD still takes into consideration the differentiated statutory age of 2018 of 67 years for men and 66.6 for women, while the statutory retirement age requirements were unified for both genders to 66.6 years, then raised to 67 in 2019; moreover, it calculates that, in 2018, the effective retirement age was lower by over 4 years with respect to the statutory age requirements for the private and the public sector: 63.3 years for men and 61.5 years for women (in 2018, INPS reported 62.2 years for men and 61 years for women, with a single statutory age of 66.6 years). **France** (single statutory retirement age of 63.3) has a better demographic and debt situation than Italy and its effective retirement age is 60.8 years for men and women. According to the OECD, Germany (single statutory age of 65) has an effective retirement age of 63.6 years for men and 63.4 years for women.

Moving to other OECD countries, the effective retirement age in Asia is generally much higher than the statutory requirements. **Korea** (single statutory retirement age of 61.0 years) has one of the highest effective retirement age in the world with 72.3 years for both men and women; **Japan** (statutory retirement age of 65.0 years for men and 64.0 for women) has an effective retirement age of 70.8 and 69.1 years for men and women respectively. The American continent features the same trend: the **United States** (single statutory retirement age of 66.0 years) has an effective retirement age of 67.9 and 66.0 years for men and women respectively; in **Mexico** (single statutory retirement age of 65.0 years) men retire on average at 71.2 years and women at 66.5 years; in **Chile** (single statutory retirement age of 65.0 years), the effective age for men is 70.0 years and that for women is 66.7 years.

### **6.3 Number of current pensions by retirement date, gender and type of benefits. Eliminated pension benefits**

After the analysis of the average amounts of pensions among the different categories of workers and their average effective retirement age, this section provides the *historical series on disability, old-age and survivors' (IVS) pensions still in force on 1/1/2020, starting from the those provided in 1980 and in previous years*; they are classified for each year until 2019 to highlight their duration from their starting date until 1.1.2020. The result is 40 groups of former workers classified according to their retirement date (*duration equal to 39 years or more* for pensions starting from “1980 and previous years” up to a *duration of less than 1 year (0 years)*” for the ones starting from “2019”), by gender, type of scheme and category of benefits [old-age, seniority, early retirement, disability and survivors

(AVPIS)], with the indication of the mean age calculated by the INPS statistical observatories for men and women at the time of their retirement (the age is expressed in whole years or tenths of years).

**Table 6.11 - Historical series 1997 - 2019. Mean age at retirement for newly paid INPS pensions (\*) by retirement date, category and gender**

Anno di decorrenza della pensione	Sesso	Anzianità/Anticipata			Vecchiaia			Prepensionamenti			Totale Anzianità/Anticipata, Vecchiaia e Prepensionamenti			Invalidità			Superstiti			Pensioni/Assegni sociali			Invalidi civili			Totale categorie		
		Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media	Numero pensioni liquidate	Importo medio mensile	Età media
1997	Maschi	218.607	1.024,54	56,5	67.980	520,17	63,5	8.478	1.461,34	52,6	295.065	920,89	58,0	33.583	563,57	51,4	39.091	272,59	72,1	15.209	221,33	65,7	-	-	-	382.948	795,60	59,1
	Femmine	40.347	773,56	54,4	91.293	389,69	59,3	481	1.403,62	50,4	132.121	510,61	57,8	12.637	391,43	49,4	178.735	390,08	68,2	39.342	196,71	65,5	-	-	-	362.835	413,05	63,4
	Totale	258.954	895,44	56,1	159.273	445,38	61,1	8.959	1.458,24	52,5	427.186	794,00	57,9	46.220	516,50	50,9	217.826	369,00	68,9	54.551	203,57	65,5	-	-	-	745.783	609,48	61,2
1998	Maschi	119.788	1.173,18	56,0	67.477	538,95	63,7	3.241	1.541,89	51,7	190.506	954,81	58,6	32.106	586,96	51,6	37.316	278,14	72,2	18.501	231,16	66,0	-	-	-	278.429	773,62	60,1
	Femmine	25.755	955,48	53,8	103.543	396,64	59,3	285	1.375,60	51,3	129.583	509,86	58,2	12.141	421,41	49,5	168.109	401,48	68,5	40.255	221,82	65,5	-	-	-	350.088	421,63	63,7
	Totale	145.543	1.134,66	55,6	171.020	452,79	61,0	3.526	1.528,45	51,6	320.089	774,68	58,4	44.247	541,53	51,1	205.425	379,07	69,2	58.756	224,76	65,6	-	-	-	628.517	577,56	62,1
1999	Maschi	145.904	1.120,42	57,2	53.333	524,05	64,1	1.063	1.667,20	53,1	200.300	964,53	59,0	29.898	607,48	51,6	35.652	282,20	72,6	14.968	248,40	66,9	-	-	-	280.818	801,72	60,4
	Femmine	31.104	898,57	54,7	79.095	399,77	59,9	251	1.482,10	51,3	110.450	542,70	58,4	11.802	438,40	49,7	159.550	414,36	68,7	27.568	216,30	65,9	-	-	-	309.370	443,44	64,1
	Totale	177.008	1.081,44	56,7	132.428	449,82	61,6	1.314	1.631,85	52,7	310.750	814,60	58,8	41.700	559,63	51,1	195.202	390,22	69,4	42.536	227,59	66,3	-	-	-	590.188	613,92	62,3
2000	Maschi	132.072	1.123,60	57,9	60.602	495,43	64,4	6.512	1.130,39	54,4	199.186	932,70	59,7	31.962	629,81	51,8	38.153	288,28	72,6	22.404	243,89	67,2	-	-	-	291.705	762,32	61,1
	Femmine	26.717	892,47	56,0	87.315	448,45	60,0	2.675	802,27	51,9	116.707	528,28	58,9	12.930	459,94	49,7	171.545	425,55	68,9	29.503	220,75	66,0	-	-	-	330.685	444,88	64,4
	Totale	158.789	1.084,71	57,6	147.917	408,48	61,8	9.187	1.034,85	53,6	315.893	783,29	59,4	44.892	580,88	51,2	209.698	400,57	69,6	51.907	230,74	66,5	-	-	-	622.390	593,66	62,9
2001	Maschi	147.992	1.226,22	57,4	67.735	516,62	64,6	2.268	1.479,75	52,6	217.995	1.008,37	59,6	33.168	667,07	51,7	34.692	298,66	72,5	20.951	247,26	67,4	105.410	347,11	62,7	412.216	713,40	61,2
	Femmine	32.237	954,58	56,0	109.555	432,00	60,2	517	1.246,52	51,4	142.309	553,34	59,2	13.649	490,27	50,0	156.474	448,43	69,1	23.302	229,86	66,5	178.003	367,65	71,6	513.731	438,96	66,6
	Totale	180.229	1.177,63	57,2	177.290	464,33	61,9	2.785	1.436,45	52,3	360.304	828,65	59,5	46.811	615,53	51,2	194.166	421,25	69,7	44.253	238,09	66,9	283.413	356,87	68,3	925.947	561,14	64,2
2002	Maschi	163.651	1.269,01	56,9	77.538	534,93	64,8	1.972	1.719,78	52,4	243.161	1.038,58	59,4	35.144	692,54	51,7	38.019	314,25	72,8	18.219	272,77	67,3	151.873	355,96	63,3	486.416	715,15	61,4
	Femmine	38.834	952,03	55,8	123.133	445,55	60,3	185	1.412,29	51,7	162.152	567,95	59,2	14.745	525,62	49,8	167.774	471,20	69,5	23.409	254,59	67,0	255.736	369,30	71,6	623.816	447,73	67,1
	Totale	202.485	1.208,22	56,7	200.671	480,60	62,0	2.157	1.693,41	52,3	405.313	850,30	59,3	49.889	643,20	51,1	205.793	442,20	70,1	41.628	262,55	67,1	407.609	364,33	68,5	1.110.232	564,89	61,6
2003	Maschi	213.972	1.905,64	57,4	105.867	1.028,40	64,5	3.006	1.114,42	54,3	322.845	1.609,95	59,7	38.505	861,98	51,9	37.272	323,13	72,9	16.843	288,55	67,0	159.629	361,90	64,3	579.094	1.091,35	61,6
	Femmine	42.945	1.034,67	56,2	126.992	484,68	60,7	1.102	685,95	52,7	171.039	624,07	59,5	15.569	531,94	49,9	184.656	610,23	68,9	22.113	254,33	66,7	266.266	375,33	72,1	659.643	505,22	67,2
	Totale	256.917	1.760,05	57,2	232.859	739,97	62,5	4.108	999,48	53,7	493.884	1.268,53	59,7	54.074	766,96	51,3	221.928	562,01	69,5	38.956	269,12	66,8	425.895	370,30	69,2	1.234.737	778,22	64,6
2004	Maschi	173.515	1.438,13	57,3	90.955	580,86	65,3	612	1.348,81	53,4	265.082	1.143,78	60,0	34.665	714,95	51,6	35.609	326,27	72,9	15.759	302,20	66,9	154.744	370,49	65,1	505.859	794,08	62,1
	Femmine	47.541	1.082,35	56,1	125.600	475,76	60,9	252	893,76	51,8	173.393	642,68	59,6	14.635	530,25	49,9	157.359	512,75	69,8	20.375	268,20	66,6	258.905	384,09	72,5	624.667	487,92	67,5
	Totale	221.056	1.361,61	57,0	216.555	519,90	62,7	864	1.216,08	52,9	438.475	945,62	59,8	49.300	630,12	51,1	192.968	478,33	70,4	36.134	283,03	66,8	413.649	379,00	69,7	1.130.526	624,91	65,1
2005	Maschi	131.969	1.397,12	58,6	112.275	553,71	65,2	525	1.863,60	53,2	244.769	1.011,25	61,6	40.642	697,50	51,4	38.391	333,46	73,1	17.399	315,41	66,8	171.883	376,60	65,5	513.084	699,58	68,1
	Femmine	32.913	946,16	57,6	132.973	480,60	60,9	285	1.537,56	52,4	166.171	584,13	60,2	17.517	531,37	49,7	172.807	518,58	70,1	22.986	278,20	66,6	287.197	389,23	72,6	666.678	471,25	68,1
	Totale	164.882	1.316,69	58,4	245.248	514,07	62,9	810	1.748,88	52,9	410.940	838,54	61,0	58.159	647,46	50,9	211.198	484,93	70,6	40.385	294,23	66,7	459.080	384,62	69,9	1.179.762	570,55	65,9
2006	Maschi	164.518	1.493,80	57,8	109.275	511,31	65,1	435	1.955,33	53,2	274.228	1.103,03	60,7	37.440	709,55	51,5	35.849	339,07	73,3	15.893	321,58	66,9	173.267	384,14	66,1	536.677	769,31	62,8
	Femmine	49.415	1.142,78	56,9	144.106	492,74	60,9	183	1.558,44	52,3	193.704	659,57	59,9	16.614	530,76	49,6	158.237	534,37	70,4	20.170	287,41	66,7	279.632	395,19	72,5	668.357	504,88	67,6
	Totale	213.933	1.412,72	57,6	253.381	500,75	62,7	618	1.837,80	53,0	467.932	912,46	60,4	54.054	654,60	50,9	194.086	498,30	71,0	36.063	302,47	66,8	452.899	390,96	70,0	1.205.094	622,65	65,5
2007	Maschi	138.051	1.506,46	58,6	98.011	552,00	65,0	411	2.049,64	53,3	236.473	1.111,81	61,3	37.907	726,55	51,4	35.535	347,99	73,5	14.121	330,41	67,0	187.768	394,32	66,5	511.804	745,45	63,5
	Femmine	36.300	1.132,88	57,8	141.600	518,53	60,8	93	1.682,49	52,2	177.993	644,43	60,2	17.719	541,49	49,6	154.656	553,33	70,6	18.041	296,60	66,9	298.950	403,55	72,6	666.819	503,25	68,1
	Totale	174.351	1.428,68	58,5	239.611	532,22	62,5	504	1.981,89	53,1	414.466	911,09	60,8	55.086	668,90	50,8	190.191	514,96	71,1	32.162	311,45	66,9	486.718	399,99	70,3	1.178.623	608,42	66,1
2008	Maschi	167.764	1.667,29	58,4	69.145	560,67	65,6	406	2.196,81	53,7	237.315	1.345,77	60,5	38.862	722,24	51,5	36.980	352,43	73,8	17.066	346,15	67,0	204.937	400,51	66,5	535.160	837,99	63,8
	Femmine	45.510	1.261,78	57,4	90.795	531,65	61,5	110	1.756,48	52,6	136.415	775,78	60,1	17.487	535,30	49,8	160.810	564,48	71,0	19.942	310,20	67,2	319.552	410,30	72,6	654.206	524,70	68,3
	Totale	213.274	1.580,76	58,2	159.940	542,82	63,3	516	2.102,94	53,5	373.730	1.137,72	60,4	56.349	664,22	51,0	197.790	524,83	71,5	37.008	326,78	67,1	524.489	406,48	70,2	1.189.366	665,67	66,3
2009	Maschi	88.638	1.766,40	59,1	76.127	649,49	66,1	52	1.793,25	55,6	164.817																	

retirement age is higher than in the past; for the system to remain in equilibrium, it is also necessary to ensure a balanced relationship between the length of working life and the length of retirement to avoid affecting the workers (young people in particular) whose contributions are will be used to pay pensions benefits for future generations. If the retirement age is not correlated to life expectancy, there may be risks like the 40-year-long pensions provided many years ago and still being paid today; many workers have been allowed to retire young following the provisions enacted between 1965 and 1990 which allowed married women or with children working in the public sector to retire after 14 years, 6 months and 1 day of useful service, including maternity and university degree redemptions (for example, a graduated woman with two children could work for 8 years and then retire after paying few contributions); civil servants to obtain a baby pension after 19 years, 6 months and 1 day at 35/40 often with supplementary minimum benefits; employed workers of local authorities to retire after 25 years, with only 20-25 years of contributions always including degree, maternity and military service redemptions. Early retirement measures were used as social shock absorbers and their costs were charged as "pension benefits" and not as "income-support benefits", as many EU countries do, and as is the case for other types of social safety net measures. Finally, workers were entitled to a seniority pension before the age of 50 with 30 years of contribution and until 1981, the disability and inability benefit requirements were very relaxed. It will take many years to reduce these anomalies, that are still weighing down on the financial and economic health of the pension system; it is therefore imperative to avoid mistakes, including the 100 Quota measure.

All the pension benefits provided by the INPS pension funds and by the ex Enpals fund, included only in the last year of the series, are illustrated below; instead, the funds for public-sector employed workers (GDP) are discussed in a separate section. A more detailed analysis is provided for the pensions provided by the schemes for self-employed workers and of employed workers (FPLD - which also includes 4 separate schemes, the ex Inpdap, Electricity, Telephony and Transportation funds, and the substitutive fund of Ferrovie dello Stato).

On 1/1/2020, INPS was paying **502,327 pension benefits**, with a **duration of 39 years and more**, to men and women who retired back in **1980** or **earlier**. Last year, it paid 652,687 pension benefits with a reduction by about 23% (compared to 1.1.2019) equal to -150,000 benefits. In greater detail, **502,327 IVS benefits** of the **private sector** were provided to employed and self-employed subjects (artisans, retailers and farmers), of which 405,726 to women (80.8%) and 96,601 to men (19.2%). **Civil servants** received **59,536 pensions** with a duration of 39 years or more (66,827 on 1/1/2019), of which 40,297 were paid to women (67.7%) and 19,239 to men (32.3%).

The mean ages identified by the INPS Statistical Observatories<sup>63</sup> for subjects who have retired since 1980 and previous years, are the result of the weighted average ages of pensioners who are still alive, with different retirement durations (39 years or more). In the **private sector**, the average effective retirement period is 42.7 years, 40.7 years for men and 43.2 years for women due to the impact of the retirement age for disability and survivors' benefits; in the **public sector**, the average period is 41.9 years, 40.2 years for men and 42.7 years for women. With regard to these low retirement ages, it should be pointed out that older workers, retired 39 or more years ago with the highest age parameters and

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<sup>63</sup> Here, average ages are expressed in years and the decimal in tenths of a year. Therefore, an age of 84.3 expressed in tenths of a year, translated instead into years, months and days is equal to 84 years, 3 months and 27 days; an age of 87.4 expressed in tenths of a year is equal to 87 years, 5 months and 6 days.

already deceased, are not included into the calculation of the mean age, which is therefore lower every year; this is a snapshot of the average age profiles in 1980 and in earlier years of the youngest retirees who are still alive. Today the retirement age of workers who retired in 2019 (duration of 0 years) is higher because most of these subjects were still alive on 1.1.2020, but also because their pension eligibility criteria became more stringent after the reforms; the analysis for the private sector provides the following average age by category of AVPIS pensions (seniority, old age, early retirement, disability and survivors' pensions) for men who retired in 2019: 63, 66.1, 63.5, 56.1 and 73.9. and for women who retired in 2019: 63.3, 67.3, 63.8, 59.8 and 74.

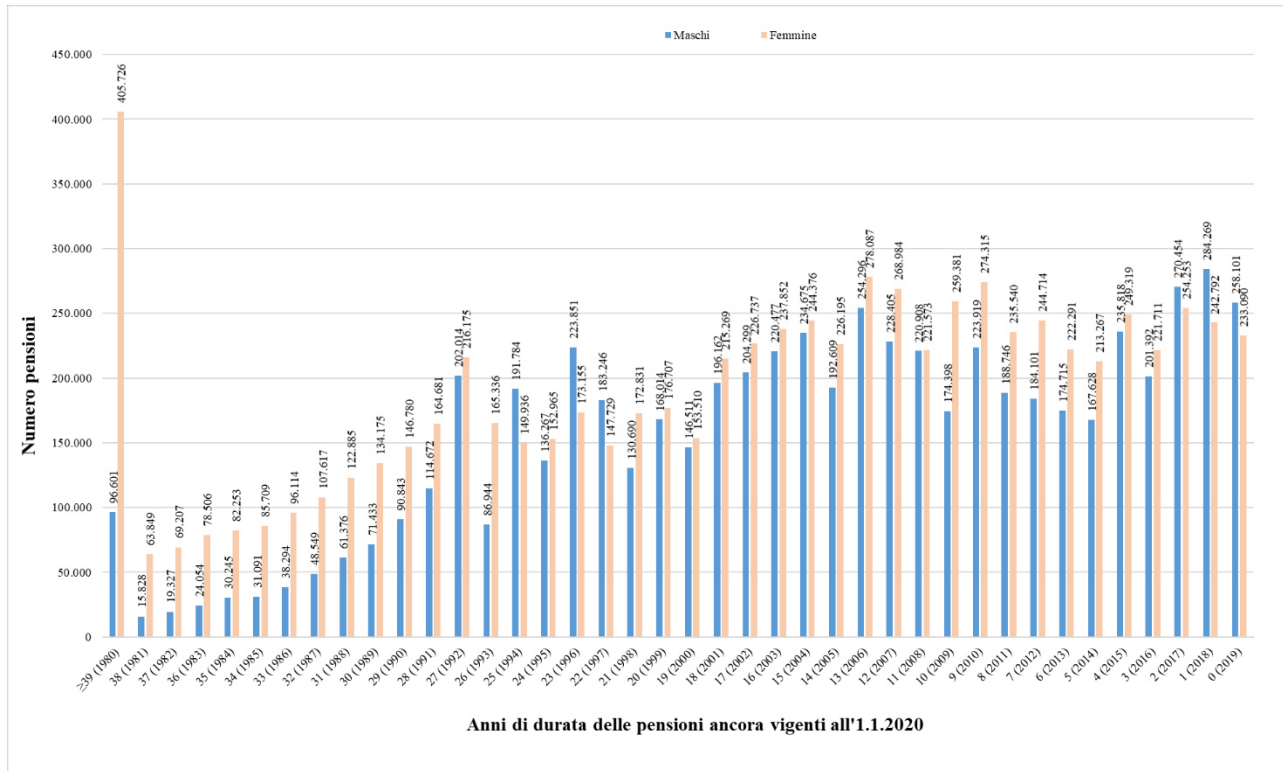
The duration of the pensions provided as of 1980 or earlier and still in force today, is on average about 45 years in the private sector and 45.3 years for men and 44.2 years for women in the public sector. At present, **6,269,674 IVS benefits** of the private and the public sector are paid for a period of **20 years or more**, accounting for **37.2% of all IVS pensions** (approximately 16.853 million). Women, who live longer, take the lion's share, with 79.4% of all IVS pensions with a duration of 39 years or more and with 64% of those with a duration of 25 years or more; these are mainly disability, survivors' and old age-pension benefits.

The analysis by category -AVPIS<sup>64</sup> - (see **Graph 6.3**) shows that, in January 2019, the private sector still featured more than ***224,000 pensions*** due to ***early retirement***, even with 10 years in advance with respect to the general requirements in force over time; early retirement measures were used very "extensively" until 2002 (the peaks occurred between 1984 and 1992, the year with the highest number) and then less extensively. The costs for early retirement have been accounted for as "pension" charges and not as "income-support" charges, as is the case for other types of social safety net interventions and in line with the practices adopted by many EU countries. Even the current INPS disability pensions (that also include the subcategories of disability allowance, invalidity pensions and inability benefits) have quite long durations (239,127 INPS pensions with a duration of 39 years or more, equal to 27.3% of the total). Survivors receive 4,310,768 pensions (including the subcategories "survivors of insured workers" and "survivors of pensioners" for the INPS schemes and for the fund for public-sector employed workers), of which 207,393 with a duration of 39 or more years (4.8% of the total) and 905,910 with a duration of 25 years or more (21% of all survivors).

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<sup>64</sup> For an analysis of individual schemes, see the 2018 Public Expenditure Observatory "The Average Duration of Pensions as of 1980 to 2018 by type, gender and schemes", available on the [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it) web site.

**Figure 6.3 – Number of pensions on 1.01.2020 by retirement year  
INPS, private sector**



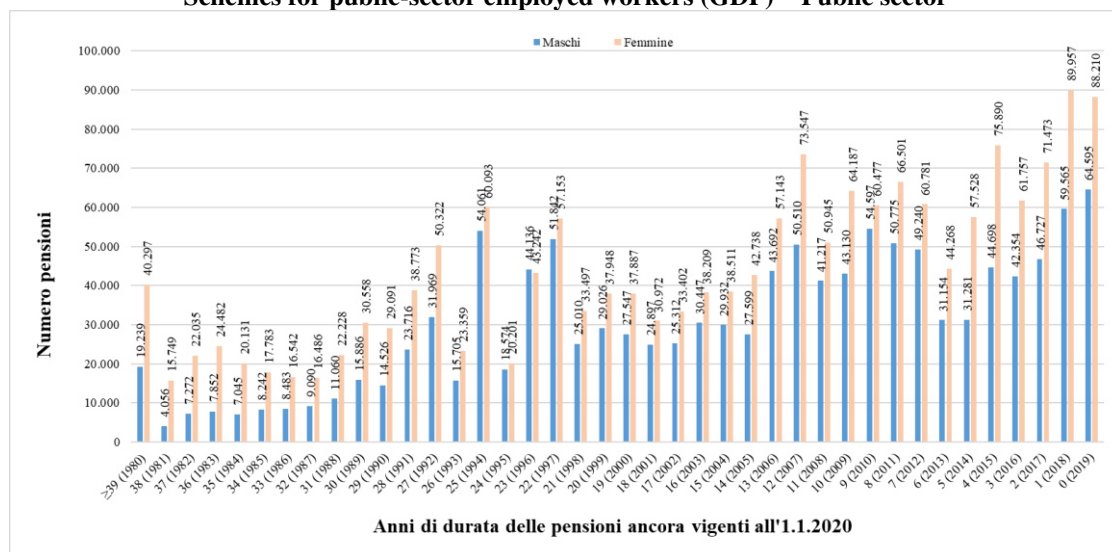
Women; Men; N. of pensions; Duration of outstanding pensions on 01.01.2020 in years

1986		1987		1988		1989		1990		1991		1992			
13.926	3.355	17.515	3.527	23.724	4.355	31.984	6.055	45.448	7.862	65.463	10.559	128.537	51.176		
9.627	54.031	12.796	63.259	18.078	74.204	22.864	83.554	31.152	94.775	36.453	101.861	40.662	110.916		
9.188	5.196	12.178	5.494	13.370	6.346	10.070	5.396	7.085	1.955	4.328	889	24.455	5.509		
2.962	2.525	3.263	2.507	3.193	2.469	3.322	2.577	3.519	2.649	3.744	2.692	4.187	2.635		
2.591	31.007	2.797	32.830	3.011	35.511	3.193	36.593	3.639	39.539	4.684	48.680	4.173	45.939		
38.294	96.114	48.549	107.617	61.376	122.885	71.433	134.175	90.843	146.780	114.672	164.681	202.014	216.175		
134.408		156.166		184.261		205.608		237.623		279.353		418.189			
1999		2000		2001		2002		2003		2004		2005			
123.887	28.160	101.253	23.330	132.248	30.927	136.563	36.408	144.649	39.786	153.033	46.021	104.350	28.818		
29.125	77.089	27.831	55.805	45.822	106.670	48.822	108.586	55.946	109.527	60.823	109.310	65.411	102.162		
2.189	1.055	3.059	1.022	2.203	339	1.621	151	837	101	349	150	440	182		
5.785	2.713	6.656	3.068	7.418	3.442	8.303	3.725	9.076	4.196	10.083	4.619	10.958	4.981		
7.028	67.690	7.712	70.285	8.471	73.891	8.990	77.867	9.969	84.242	10.387	84.276	11.450	90.052		
168.014	176.707	146.511	153.510	196.162	215.269	204.299	226.737	220.477	237.852	234.675	244.376	192.609	226.195		
344.721		300.021		411.431		431.036		458.329		479.051		418.804			
2012		2013		2014		2015		2016		2017		2018		2019	
87.961	29.550	70.174	34.035	45.035	43.351	101.243	60.774	84.994	40.381	118.949	45.637	121.991	45.609	154.652	54.020
57.567	82.415	63.972	51.587	77.483	26.479	84.028	33.153	65.343	26.420	92.662	40.239	99.218	27.560	50.055	28.501
2.524	301	1.289	285	1.047	371	1.058	260	775	147	1.247	166	1.750	103	1.151	49
15.536	6.069	17.248	6.671	20.450	8.451	22.438	9.501	22.201	10.054	26.073	12.989	28.368	14.657	23.299	13.031
20.513	126.379	22.032	129.713	23.613	134.615	27.051	145.631	28.079	144.709	31.523	155.222	32.942	154.863	28.944	137.489
184.101	244.714	174.715	222.291	167.628	213.267	235.818	249.319	201.392	221.711	270.454	254.253	284.269	242.792	258.101	233.090
428.815		397.006		380.895		485.137		423.103		524.707		527.061		491.191	

Source: INPS – Pension Observatory, INPS schemes on 1.1.2020



**Figure 6.4 - Number of pensions on 1.01.2020 by retirement year  
Schemes for public-sector employed workers (GDP) – Public sector**



Women; Men; N. of pensions; Duration of outstanding pensions on 01.01.2020 in years

	1980		1981		1982		1983		1984		1985		1986		1987		1988		1989		1990		1991		1992	
A	5.747	15.034	1.784	4.964	3.734	12.239	4.919	15.837	5.020	14.760	5.808	12.941	5.810	11.363	6.011	10.625	7.303	14.953	10.472	21.924	8.838	18.918	15.956	26.926	22.531	36.284
V	1.117	1.137	172	479	412	1.155	374	905	291	168	441	143	598	211	1.027	297	1.666	757	2.477	1.109	2.767	1.528	4.045	2.106	5.225	2.774
I	11.616	7.334	1.803	2.394	2.958	5.785	2.364	4.383	1.452	350	1.711	418	1.731	320	1.627	418	1.634	989	2.343	1.813	2.350	2.169	2.999	2.788	3.390	3.676
S	759	16.792	297	7.912	168	2.856	195	3.357	282	4.853	282	4.281	344	4.648	425	5.146	457	5.529	594	5.712	571	6.476	716	6.953	823	7.750
Tot	19.239	40.297	4.056	15.749	7.272	22.035	7.852	24.482	7.045	20.131	8.242	17.783	8.483	16.542	9.090	16.486	11.067	22.228	15.886	30.558	14.526	29.091	23.716	38.773	31.969	50.322
Tot. Gen	59.536		19.805		29.307		32.334		27.176		26.025		25.025		25.576		33.288		46.444		43.617		62.489		82.291	

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
A	6.302	8.909	43.551	44.161	10.041	6.170	35.847	28.621	42.908	40.661	17.671	17.423	21.508	21.342
V	5.336	3.007	5.885	3.658	5.088	3.747	4.695	3.681	4.891	4.391	3.401	3.544	3.775	3.823
I	3.218	3.413	3.676	3.525	2.413	1.977	2.426	1.297	2.731	1.788	2.473	1.494	2.170	1.434
S	849	8.030	949	8.749	1.032	8.307	1.168	9.643	1.312	10.313	1.465	11.036	1.573	11.349
Tot	15.705	23.359	54.061	60.093	18.574	20.201	44.136	43.242	51.842	57.153	25.010	33.497	29.026	37.948
Tot. Gen	39.064	114.154	38.775	87.378	108.995	58.507	66.974	65.434	55.869	58.714	68.656	68.443	70.337	

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
A	30.393	29.239	36.588	43.610	28.060	21.673	27.102	30.000	37.067	26.074	36.860	29.990	34.255	22.064
V	7.417	10.621	7.184	11.389	6.296	9.836	8.921	13.585	9.026	12.403	5.136	13.822	4.960	14.363
I	3.168	1.608	3.751	1.887	3.543	2.094	3.428	2.397	4.601	2.761	4.219	2.368	5.036	2.570
S	2.714	15.675	2.987	16.661	3.318	17.342	3.679	18.205	3.903	19.239	4.560	20.321	4.989	21.784
Tot	43.692	57.143	50.510	73.547	41.217	50.945	43.130	64.187	54.597	60.477	50.775	66.501	49.240	60.781
Tot. Gen	100.835	124.057	92.162	107.317	115.074	117.276	110.021	75.422	88.809	120.588	104.111	118.200	149.522	152.805

Source: INPS – Pension Observatory, funds for public-sector employed workers (GDP) on 1/1/2020

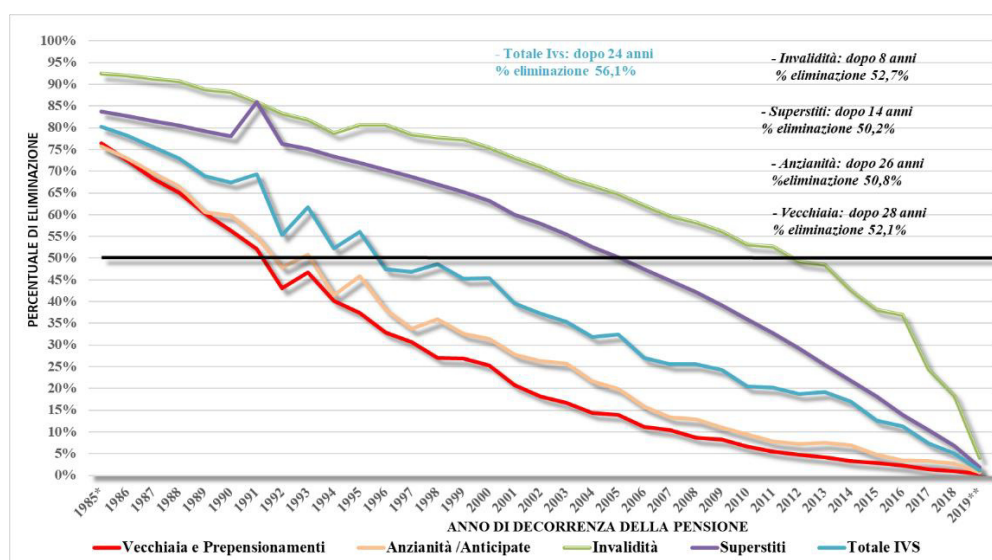
### ***IVS pensions eliminated between the year of their inception and January 1, 2020***

In addition to the duration of the pensions still in force as of January 1, 2020, we decided to look into the INPS archives to see the trend of the ***elimination of IVS pensions between the year of their inception and January 1, 2020*** (eliminations due to death, new marriage, survivors' death, administrative reasons). These data (**Figure 6.5**) are available for a 35-year period from 1985 to 2019 for the private and public sector funds: the occupational fund for private-sector employed workers, FPLD (excluding the schemes with separate accounts), the fund for self-employed workers and for public-sector employed workers, GDP. The balance between the IVS pensions eliminated and those still in force today is apparently ensured if the pensions starting from 1995 are considered as an average watershed, since more than half of them have been eliminated (56.1%) after about 24 years; we should bear in mind that, 24 years ago, the ***effective average age*** for IVS retirement was around **60-61 years**



with the *income based method*. As of today, for a **60-year-old** new retiree, the average expected duration of a *contribution-based* pension (average current value of direct and survivors' pensions for men and women) is estimated to be just over **22 years**; while for a **65-year-old**, the average expected duration of a contribution-based pension is estimated to be *just over 19 years*<sup>65</sup>. More generally, over the 35-year period observed, about 42% of all IVS pensions paid out were gradually eliminated, out of approximately 24.7 million, while about 58% were still in force on 1.1.2020. However, a period of 35 years, for which data are currently available, is not yet sufficient to ascertain the balance between the pensions currently in force and those eliminated, because of a lack of chronological data and data on minor schemes; in order to finalize this calculation, it is necessary to have further information with a more exhaustive observation period of around 40-50 years. In any case, it is already interesting to note that 52.7% of disability pensions are eliminated only **8 years after their effective inception**; 50.2% of survivors' pensions are eliminated **14 years after their effective inception**; 50.8% of old-age pensions, prevalently for men with 35-40 years of contributions, are eliminated **26 years after their effective inception**; 52.1% of old-age pensions, prevalently for women who have a seniority age of -5 years with respect to men at their effective date, are eliminated after **28 years from their effective date**. On average, 56.1% of all IVS pensions are eliminated after 24 years.

**Figure 6.5 - IVS Pensions: percentage of pensions eliminated between their date of inception and 1.1.2020, versus the pensions paid out in the same year, broken down by category**



Total IVS pensions: after 24 years elimination %; Disability pensions: after 8 years, elimination %; Survivors' pensions: after 14 years; seniority pensions: after 26 years, old-age pensions: after 28 years; Year of inception; Old-age and early retirement benefits; seniority/early benefits; Disability pensions, Survivors' pensions; Total IVS. Source: INPS - Pensions Observatory as of 1.1.2020 and Monitoring of retirement flows. (\*) Since 1985 it has included FPLD (excluding schemes with separate accounts), the scheme for self-employed workers and the funds for public-sector employed workers (GDP). (\*\*) Since 2019, former Enpals schemes have been included in the INPS funds

<sup>65</sup> In the penultimate revision of the 2019-2020 annuity transformation coefficients, the *divisor* related to 65 years of age, the reciprocal of the transformation coefficient, is equal to 19.064, expressed in tenths of a year, that is 19 years, 0 months and 23 days. In the latest 2021-2022 revision, the divisor related to 65 years, is equal to 19.157, i.e. 19 years, 1 month and 27 days. Consider that, in 2019, the remaining life expectancy at 65 years of age was 19.3 years for men (so on average a 65-year-old man hopes to live up to 84.3 years) and 22.5 years for women (on average a 65-year-old woman hopes to live to 87.5 years); it remained almost unchanged with respect to 2018 when both genders had an average life expectancy of 20.9 years (85 years, 10 months and 24 days).

## 7. The complementary welfare system in Italy: pensions, health- care and LTC benefits (personal services)

In 2019 in Italy, individuals and households spent over **98 billion euros** (Table 7.1), before tax rebates, to supplement public pension, healthcare and welfare benefits. Out of the total, **45.9% (45.2 billion euros)** accounted for health-care expenditure both direct (OOP) and intermediated by health funds and schemes (**5.2 billion**); **33.98 billion** to support "non-self-sufficient" subjects at home or in residential care; **16.1 billion** to create a complementary pension and **3.242 billion** for individual insurance policies.

**Table 7.1 - Private complementary and supplementary welfare expenditure from 2013 to 2019** (millions of euros)

Anni	2013	2014	2015	2016	2017	2018	2019		
Tipologia							Spesa privata	in % del Pil	in % spesa pubblica
Previdenza complementare	12.414	13.000	13.500	14.256	14.873	16.269	<b>16.134</b>	0,90%	1,85%
Spesa per sanità OOP*	26.240	30.000	32.287	32.081	35.989	40.065	<b>40.205</b>	2,25%	4,62%
Spesa per assistenza LTC**	11.000	9.280	8.900	8.900	10.700	33.982	<b>33.982</b>	1,90%	3,90%
Spesa per sanità intermediata***	4.060	4.060	4.300	3.689	4.901	4.902	<b>5.216</b>	0,29%	0,60%
Spesa welfare individuale****	1.000	2.567	2.963	3.008	3.087	3.096	<b>3.242</b>	0,18%	0,37%
<b>Spesa totale</b>	<b>54.714</b>	<b>58.907</b>	<b>61.339</b>	<b>62.054</b>	<b>69.550</b>	<b>98.314</b>	<b>98.779</b>	5,53%	11,34%
<p>* Il dato 2019 è quello rilevato da ISTAT secondo le nuove regole di verifica puntuale delle singole voci di spesa (ove conosciute e conoscibili) che compongono il paniere delle prestazioni normalmente ricondotte alla spesa OOP pari a 35.751 miliardi, <b>maggiorati dell'11,9% per tenere conto del sommerso e dell'inflazione</b>.</p> <p>** Dal 2015 il dato è calcolato con riguardo alla spesa per assistenza domiciliare e residenziale al netto dei valori dell'indennità di accompagnamento erogata da INPS; dal 2017, nei costi del badantato, si è tenuto conto anche della quota di TFR destinata ai "collaboratori domestici" con compiti di cura e assistenza regolarmente registrati presso INPS; dal 2018, il costo complessivo è anche al netto anche dell'intervento pubblico nel sostegno alla <b>spesa per ricovero in strutture residenziali</b> e delle <b>prestazioni di invalidità civile Inps</b>.</p> <p>*** Il dato, a partire dal 2018, non è più calcolato in funzione della percentuale di spesa sanitaria intermediata rilevata da OCSE, bensì sommando 2/3 della raccolta premi del ramo 2 danni - malattia ai costi per contributi ai fondi sanitari (quantificati forfettariamente, in assenza di dati ufficiali, aumentando la spesa effettiva dei fondi stessi del 20%; secondo un principio di economicità per cui i contributi dovrebbero essere più elevati delle spese di competenza).</p> <p>**** La voce tiene conto solo della raccolta premi del ramo assicurativo 1 danni- infortuni.</p> <p>Fonte: Elaborazione Itinerari Previdenziali su dati COVIP (Previdenza Complementare), ISTAT (Spesa sanitaria OOP), Ministero della Salute e ANIA (Spesa per sanità intermediata), INPS (Spesa per assistenza LTC), ANIA (Spesa per welfare individuale).</p>									

Years, type, complementary pension benefits, , OOP health expenditure\*, LTC expenditure\*\*, intermediated health expenditure\*\*\*, individual welfare expenditure \*\*\*\*, Total expenditure. The 2019 data come from ISTAT that processes them according to the new rules to accurately calculate individual items of expenditure (if known and possible to identify) that make up the basket of benefits normally related to OOP expenditure equal to 35.751 billion euros, + 11.9 to take into consideration undeclared sums and inflation; \*\* Since 2015, the data related to home and residential care expenditure have been calculated net of the carers' benefits provided by INPS. The year 2017 also includes the TFR for "domestic workers" registered with INPS with care and assistance duties in the cost of personal care services. Since 2018, the overall cost has been calculated net of public contributions to finance residential home expenditure and the INPS benefits for disabled civilians; \*\*\*As of 2018, these data are no longer calculated on the basis of the share of intermediated health-care expenditure identified by the OECD, but by adding 2/3 of the revenues from the health-care insurance line of business to the costs for the contributions to health-care funds (quantified on a flat-rate basis, in the absence of official data, by increasing by 20% their actual expenses; according to a cost-effective principle, on the basis of which contributions should be higher than accrued expenditure); \*\*\*\* This item only takes into consideration the revenues from non-life insurance premiums. Source: data from COVIP (Complementary pension system), ISTAT (OOP health expenditure), Ministry of Health and ANIA (Intermediated health expenditure), INPS (LTC health expenditure); ANIA (Individual welfare expenditure) processed by Itinerari Previdenziali.

As of the previous year, a new survey method has been used. So, the 2019 data related to OOP, intermediated and LTC expenditure are in line with those of 2018, but they are different from the ones of previous years due to this new evaluation model<sup>66</sup>.

### **Gross and net expenditure calculation method**

Since 2014 (the year in which this survey started), the most significant expenditure item has been and still is "direct" health-care expenditure by individuals and households (***OOP, out of pocket health-care expenditure***); this type of expenditure, which is not intermediation by health funds or insurance companies, amounts to 40 billion euros according to our estimates, with respect to 35.751 billion estimated and used by most research centers, which is certainly more reliable than the figure reported before 2016 (when ISTAT changed its evaluation approach, now linked to precise expenditure items); however, this figure is still underestimated because it is only related to "declared" expenditure items (traceable for tax purposes), without considering the significant "undeclared" items of private health-care expenditure. Therefore, we decided to increase the expenditure estimated by ISTAT by the undeclared share of the Italian economy (estimated by ISTAT to be **11.9%** for 2018, the latest available data); this figure is probably still lower than actual expenditure because the level of tax-dodging and evasion for health-care services as a whole (dentistry, physiotherapy, rehabilitation, home nursing and specialist services, etc.) may be higher than the average national figure, also considering the high demand for these services. Finally, it is important to recall that all the 2019 reference parameters, such as available income statements, IRPEF statements, inflation (+ 0.5%) and GDP grew with respect to the previous year.

These data refer to gross expenditure before the tax deductions and reliefs granted by the State for complementary and supplementary welfare expenditure. In 2019, individuals and households incurred a net pension, healthcare and welfare expenditure equal to approximately **77.3 billion euros** (if subdivided for the entire Italian population, it is equal to approximately **1,263 euros per capita per year** for each resident citizen), ***net of public measures and tax incentives (table 7.2)***

***OOP expenditure:*** According to the tax authorities<sup>67</sup>, the total medical expenses reported by the Italian population in their personal income tax statements to obtain the tax benefits in the form of deductions and detractions amount to 20.571 billion euros, of which 1.161 billion euros' worth of expenses declared for deductions and about 19.41 billion euros' worth of expenses declared for detractions. The total tax savings for households are estimated to be equal to **4.03 billion euros**, given by the sum of: **a)** 0.34 billion euros' worth of deductions, if a marginal personal income tax rate of 30% is applied for eligible subjects; **b)** 3.69 billion euros' worth of detractions, assuming a 19% tax rebate on total expenses, and therefore assuming that all the beneficiaries have a taxable income and that the tax is sufficiently large to be reduced by 19% of the expenses actually incurred (which is not always possible due to many subjects with no income).

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<sup>66</sup> In past years, our figure for OOP expenditure (the result of our evaluation model) was much higher than that reported by ISTAT, which recently increased its estimates, now closer to ours.

<sup>67</sup> These data refer to the 2018 tax statements for the 2017 tax year (survey of March, 28, 2019).

**Table 7.2 – Net and gross private expenditure on complementary and supplementary welfare in 2019**  
(millions of euros)

Anni	2019	
Tipologia	Spesa Privata Lorda	Spesa Privata Netta
Previdenza complementare	16.134	11.880
Spesa per sanità OOP	40.205	36.175
Spesa per assistenza LTC	34.127	24.005
Spesa per sanità intermediata	5.216	3.682
Spesa welfare individuale	3.242	2.800
<b>Spesa totale</b>	<b>98.924</b>	<b>78.542</b>
* Il dato “Spesa per assistenza LTC”, come si può verificare nella descrizione di dettaglio, è già depurato delle prestazioni per assegni di accompagnamento, pensioni di invalidità civile, della compartecipazione alla spesa per RSA da parte degli Enti Pubblici.		

Years, Private gross expenditure, Private net expenditure, Type, complementary benefits, OOP health expenditure, LTC expenditure, intermediated health-care expenditure, individual welfare expenditure, total expenditure; as can be seen in the detailed description, LTC expenditure does not include carers' allowances, pensions for disabled civilians, part of residential care expenditure shared with Public Entities.

Therefore, the estimated net OOP expenditure incurred by individuals and households and net of the tax rebates granted for this type of expenditure was equal to **36.175 billion euros** in 2019 (the difference between 40.205 billion euros' worth of gross OOP expenditure and 4.03 billion euros' worth of tax benefits).

The cost for the so-called intermediated expenditure related to the contributions to supplementary health funds and insurance premiums was equal to **5.2 billion euros**. Unlike the previous years and in line with 2018, this type of expenditure is no longer calculated on the basis of the percentage quantified by the OECD, but rather through an analytical approach, by adding **2/3** of the premiums of the **non-life/health insurance line of business** to the cost of contributions to the health funds in the Register of the Ministry of Health; in 2019, this figure amounted to 3.062 billion euros<sup>68</sup>, a conservative figure to avoid duplications, since part of these items may be related to the contributions paid to health funds that are reinsured in whole or in part through insurance policies. Since the Ministerial data on the revenues of health funds are not in the public domain, we have estimated a 20% increase in the benefit expenditure incurred by these funds in 2019 (the latest data disclosed by the Ministry date back to 2017)<sup>69</sup>. Also, considering that contributions to **health funds** that can be deducted or detracted as follows: employed workers registered with the funds can deduct **3,615.20 euros per year**, while the members of mutual aid companies can deduct a maximum of **19%** of their contributions for a maximum of **1,300 euros**. In order to calculate the total tax benefits related to health funds, it has been estimated that of the 5.2 billion euros' worth of intermediated expenditure, 2.6 billion are related to supplementary health funds, which can be fully deducted by employed workers, and the remaining 2.6 billion euros to the health funds mainly for self-employed workers (self-employed and freelance

<sup>68</sup> IVASS calculates only 1.4 billion of the non-life and health business lines and estimates the flow of contributions to health funds, including mutual-aid societies, to be equal to 2.9 billion, against 3.175 estimated by Itinerari Previdenziali.

<sup>69</sup> We chose to quantify the contributions of individuals and households to health-care funds, through a 20% flat-rate increase of the expenditure for these funds because, their revenues should logically be higher than their accrued expenses incurred in the year when these contributions have been collected; also by definition and according to a sound and conservative management style. The estimates were worked out by the Itinerari Previdenziali Study and Research Center, see also Report VII (Italian institutional investors: membership. resources and managers in 2019”.

professionals or non-dependent family members) who can deduct a maximum of **19%** and to insurance policies; clearly, this breakdown is actually not so rigid and employed and self-employed workers can be in both groups and many insurance policies are not even deductible, in fact, individual and collective policies can be deducted only up to a maximum of **19%**, if any.

Therefore, the cost of the tax rebates granted to members of these funds can be estimated to reach **520 million euros**, considering the weighted average of personal-income-tax rates in Italy and applying this figure to the estimated amount of contributions; then, if all the remaining members deduct the entire 19% out of 1,300 euros, which is not possible because not all subjects have a taxable income to deduct this entire amount, the State would lose 494 million euros' worth of tax revenues, that added to the previous ones, may reach **1.014 billion euros**. A lower figure than the one provided by the Ministry of Economy and Finance and equal to about 1/3 with respect to the savings obtained by the State to provide all the benefits paid by insurance companies and by health-care funds; eliminating supplementary health care is certainly counterproductive for the State and also anachronistic given its annual budget deficits, public debt and the aging of the Italian population that are bound to produce higher health and welfare costs. Finally, if the insurance health policies, purchased directly and not through health funds and equal to **1.9 billion euros'** worth of premiums, are fully reduced by 19% (which is not possible for the reasons already mentioned and due to the maximum ceiling of 530 euros to be detracted as provided for under the Consolidated Law on Income Taxes), net expenditure would fall by 0.36 billion euros, and the insurance-related expenses would be equal to 1.54 billion euros. Adding together the *net intermediated health expenditure items* (health funds and insurance policies), the total is **3.63 billion euros**.

*Net private LTC expenditure*, illustrated in table 7.2, amounted to **22.69 billion euros** in 2019, net of public funds for home and residential care support benefits to eligible subjects, and gross private LTC expenditure to over 33 billion euros.

In 2019, the *complementary pension system* featured a slight reduction in the flow of contributions to pension funds ( -0.8% vs, 2018), for a total equal to **16.1 billion euros**. Since these contributions can be deducted by members up to a maximum of **5,164.57 euros** per year, the latest tax data available show that the total deductions reached **4.25 billion euros**; so, the actual complementary pension expenditure was estimated at **11.88 billion euros**.

The premium income from insurance policies against accidents under the item *individual welfare expenditure* increased by 4.7% with respect to 2018 for a total of **3.2 billion euros**. If the policy covers a disability risk in excess of 5 % (due to any cause: illness or accident), an amount equal to 19% of the premium can be deducted from personal income taxes up to 1291.14 euros; however, since tax authorities do not provide precise details about the deducted amounts (the aggregated data refer to deductions for temporary-life insurance, disability and LTC policies for a total of 1.47 billion euros) and since not all accident-related policies can be deducted and, in any case, the premium paid for disability policies is often extended to the health component, the application of a 19% rebate on all premiums up to a maximum of 530 euros would result in a reduction in individual welfare expenditure down to 2.8 billion euros.

## 7.1 Supplementary health funds

Total private **health-care expenditure** amounts to about **45.42 billion euros**, the sum of 40.205 billion euros' worth of OOP expenditure and 5.216 (11.5%) billion euros' worth of expenditure intermediated through health funds, insurance companies, mutual-aid companies and others (*table 7.2*). *Table 7.3* provides the detailed performance of the Italian supplementary health funds registered with the Ministry of Health; it is important to recall that these funds are not obliged to join the Register, even though this is a necessary condition for their members or their members' employed workers and employers to deduct their contributions up to a maximum amount of 3,615 euros per year. According to the latest published data of 2017, the number of registered health funds was 311; even if no data were provided by the Ministry, their number was estimated to be 322 in 2019. The legal status of most health funds is that of non-recognized associations pursuant to Article 36 of the Italian Civil Code, similarly to mutual aid companies pursuant to former Act no. 3818/1886. The rest of the funds are recognized associations under former Article 12 of the Italian Civil Code (n. 6) and foundations.

**Table 7.3 – Number of funds in the Register for Health Funds, membership and general amounts**

Anno **	Fondi attestati	Tipo A	Tipo B	Totale iscritti	di cui dipendenti	di cui familiari	Ammontare generale	Ammontare parziale (20%) *	Ammontare parziale/ ammontare generale
2010	255	47	208	3.312.474	1.647.071	1.250.499	1.614.346.536	491.930.591	30,47%
2011	265	43	222	5.146.633	3.209.587	1.475.622	1.740.979.656	536.486.403	30,82%
2012	276	3	273	5.831.943	3.724.694	1.601.080	1.913.519.375	603.220.611	31,52%
2013	290	4	286	6.914.401	4.734.798	1.639.689	2.111.781.242	690.892.884	32,72%
2014	300	7	293	7.493.824	5.141.223	1.787.402	2.159.885.997	682.448.936	31,60%
2015	305	8	297	9.154.492	6.423.462	2.195.137	2.243.458.570	694.099.200	30,94%
2016	322	9	313	10.616.847	6.680.504	2.160.917	2.329.791.397	753.775.116	32,35%
2017	311	9	302	12.900.000	8.772.000	2.322.000	2.400.000.000	780.000.000	32,50%
2018	320	9	311	13.500.000	9.180.000	2.430.000	2.520.000.000	819.000.000	32,50%
2019	322	9	313	13.700.000	9.316.000	2.466.000	2.646.000.000	926.100.000	32,50%

Fonte: Dal 2017 i dati sono stimati sulla base di quelli del 2016, ultimo anno di rilevazione dei dati Anagrafe dei fondi sanitari a cura del del Ministero della Salute e in relazione alla partenza di un numero consistente di fondi contrattuali.

\*Ammontare delle prestazioni extra LEA che devono essere per legge almeno pari al 20% delle prestazioni totali;  
 \*\* L'anno indicato in tabella è quello fiscale di effettiva riconducibilità dei dati, che di norma vengono rilevati l'anno successivo a seguito delle dichiarazioni dei fondi (così, ad esempio, il dato "anno" 2016 è quello rilevato dal Ministero entro la fine dell'anno 2017). In verde i dati provvisori *in attesa di conferma da parte del Ministero della Salute*.

Year, Registered funds, Type A, B, total membership, employed workers, family members, general amount, partial amount (20%)\*, partial/general amount; Source: since 2017, the data have been estimated on the basis of the 2016 ones, the latest year in which the Ministry of Health provided the data from the Registry of Health Funds and when a significant number of contractual funds were launched. \* *Extra LEA benefits that must be equal to at least 20% of total benefits under the law*; \*\* *the year indicated in the table is the tax year, the actual year to which data are referred to, that are generally extracted a year later following the tax statements of the funds (for example, 2016 is the year examined by the Ministry of Health by the end of 2017); the green figures are estimates still to be confirmed by the Ministry of Health*.

According to the provisional data of the Ministry of Health, the amount of available resources increased to about **2.4 billion euros** in 2017, 780 million euros of which for LTC and dental services under the so-called "Turco" and "Sacconi" Ministerial Decrees, a growth in line with that of previous years. Since 2018, some important health funds have been launched, which resulted in an estimated amount of resources equal to **2.64 billion euros** in 2019. As to their membership, since there are no public data



from the Ministry, we have conservatively estimated that their number had a slight increase with respect to 2017 up to over **13.7 million members**.

A significant number that exceeds that of pension funds thanks to employment contracts which encourage employed workers and their family members to join health funds. Instead, it is crucial to overcome the discrimination between employed and non-employed workers in terms of tax incentives. In fact, in order to deduct these expenses from taxes, the latter can only join the A health funds (certified) and are entitled to refunding only for the services that are not provided by the National Health Service. But the data suggest that the Italian population does not seem to be too interested also because it is difficult to understand the essential levels of public services to be supplemented, provided by a health system that is different from one region to the other.

Unfortunately, supplementary healthcare continues to live in a regulatory vacuum, with a series of risks such as: the development of various forms of healthcare often created only to obtain tax incentives that cannot be obtained through directly acquired insurance policies, i.e. "health funds" designed to place a legal entity (the fund) between the user and the insurance company; the absence of transparency and asset management rules may raise critical issues vis-à-vis beneficiaries and the possible failure of one or more supplementary health funds, with a "reputational" blow to the entire sector; a substantial lack of supervision over the operations of these players, which may lead to insolvencies and unauthorized practices.

**Table 7.4 - Health funds' membership**

Anno	Lavoratori dipendenti	Lavoratori non dipendenti	Familiari lavoratori dipendenti	Familiari lavorat. non dipendenti	Pensionati	Familiari pensionati	Totale lavoratori	Totale familiari dei lavoratori	Totale pensionati (1)	Totale iscritti
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g=a+b</i>	<i>h=c+d</i>	<i>i=e+f</i>	<i>j=g+h+i</i>
2010	1.647.071	414.904	983.593	266.906	–	–	2.061.975	1.250.499	–	<b>3.312.474</b>
2011	3.209.587	461.424	1.264.534	211.088	–	–	3.671.011	1.475.622	–	<b>5.146.633</b>
2012	3.724.694	506.169	1.290.336	310.744	–	–	4.230.863	1.601.080	–	<b>5.831.943</b>
2013	4.734.798	539.914	1.373.444	266.245	–	–	5.274.712	1.639.689	–	<b>6.914.401</b>
2014	5.141.223	565.199	1.563.015	224.387	–	–	5.706.422	1.787.402	–	<b>7.493.824</b>
2015	6.423.462	535.893	1.862.206	332.931	–	–	6.959.355	2.195.137	–	<b>9.154.492</b>
2016	6.680.504	1.074.038	1.908.962	251.955	527.716	173.672	7.754.542	2.160.917	743.120	<b>10.616.847</b>
2017	8.772.000	1.290.000	2.322.000	258.000			10.062.000	2.580.000	903.000	<b>12.900.000</b>
2018	9.180.000	1.350.000	2.430.000	270.000			10.530.000	2.700.000	945.000	<b>13.500.000</b>
2019	9.316.000	1.370.000	2.466.000	274.000			10.686.000	2.740.000	959.000	<b>13.700.000</b>

(1) nmero di pensionati e loro familiari a carico; Fonte: elaborazioni su dati Anagrafe dei fondi sanitari del Ministero della Salute; in verde dati provvisori

Year, employed workers, non-employed workers, family members of employed workers, family members of non-employed workers, pensioners, family members of pensioners, total for workers, total for family members of pensioners, total for pensioners, total membership; (1) number of pensioners and their dependent family members. Source: data from the Registry of Health Funds processed by the Ministry of Health; the data in green are provisional.

The sound development of the supplementary healthcare sector can also help the public health system, through coordinated actions and agreements between the NHS and these funds, thus optimizing the work of professionals and the use of contractual providers of these funds for the provision of services. In some cases, supplementary health services can be directly refunded by the funds to agreed health networks, thus preventing "undeclared" treatment costs, but also curbing these costs since, on a scale level, these funds are more competent and incisive in managing the economic relations with professionals and facilities. Moreover, despite several measures adopted in 2018 and 2019 (see M.D. Lavoro 19/1/2018 and 4/7/2019), the construction of the so-called "third sector" has not been finalized

yet; this project is supposed to change the governance, transparency and democratic nature of the entities under the first book of the Civil Code that also operate in the supplementary health sector (excluding funds with a trade-union origin).

Finally, the serious regulatory and political problems besetting the supplementary healthcare sector were confirmed by a recent response to a request addressed to the Tax Authorities (no. 443 of October 6, 2020) which provides important clarifications on the tax treatment of the contributions paid by workers to health funds, which replaces the performance bonus. In that case, the Authorities actually seemed to close the door (in terms of benefits for workers) to the possibility for health funds to use the contributions received to underwrite a collective insurance policy for individual recipients of supplementary healthcare services; this may have significant effects for all the supplementary healthcare companies that are (improperly) "re-insured" (about 50%), a negative impact on employed workers who may risk losing the possibility to deduct these expenses from their taxes and on the whole sector due to a substantial loss of appeal also in terms of collective bargaining.

### 7.1.1 Non-self-sufficiency and LTC

Private expenditure on non-self-sufficient subjects is complex to evaluate in Italy; in fact, on the one hand, there are no reliable official data on the number of these subjects cared for in residential facilities or at home and, on the other, it is difficult to estimate the number of declared or undeclared family assistants or professional caregivers (carers) as well as the official number of hours worked, often much lower than their actual workload. In order to make up for these shortcomings, we had already changed for last year's Report the method to quantify the costs for home and residential care<sup>70</sup> with respect to the previous years<sup>71</sup>, by using different existing sources.

In Italy, the number of non-self-sufficient subjects over 65 years of age is estimated to be about 2.5 million and those in residential facilities as of 2015 to be about 288,000<sup>72</sup>; moreover, the COVID-19 pandemic data show that the number of non-self-sufficient individuals has significantly grown compared to 2015; considering all the facts illustrated above, if we multiply the estimated average cost of care in *residential facilities* equal to 2,000 euros per month (for a total cost of 24,000 euros per year) by 288,000, the total is equal to **6.912 billion euros**.

As to *home care expenditure*, in 2019, the number of domestic workers was equal to 848,987 compared to 859,233 last year<sup>73</sup>, of whom 407,422 care helpers, accounting for 47.99% (46.8% in 2018), about 5,000 more than in 2018. According to the latest estimates, the number of irregular carers, is around 700,000<sup>74</sup>. These calculations are based on the following sources of expenditure:

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<sup>70</sup> The cost for this item means the difference between home and residential care expenditure and the expense items paid by the State and by local authorities as well as the tax rebates for non-self-sufficient subjects and their family members.

<sup>71</sup> In the past, the estimated average cost per *caregiver* was multiplied by the number of domestic assistants registered with INPS, knowing that this registry also included domestic helpers whose number offset that of undeclared workers.

<sup>72</sup> Data from the ISTAT- Statistiche Report of December 31, 2015 – *Social-welfare and social-health care support measures*.

<sup>73</sup> Source: INPS – Statistiche in breve: Domestic workers, June 2020. The data are related to 2019.

<sup>74</sup> According to the Domina survey (National Association of Domestic Workers' Employers) "*The value of domestic work*", the total number of domestic workers in Italy is about 2 million (the number of undeclared workers is estimated to be about 60%).



- the cost borne by Italian households for declared care helpers; the average estimated cost per declared caregiver is 19,000 euros<sup>75</sup> (including termination of employment benefits, contributions and holidays) plus about 10,000 euros per year for undeclared helpers who assist the registered ones during their days off and holidays; so, the estimated expenditure for declared home care amounts to **11.815 billion euros**;
- the cost for full-time ***undeclared care helpers***: supposing they have an annual remuneration of 22,000 euros (including perks, without accommodation and food provided by households) multiplied by 700,000 helpers, the expenditure is estimated to reach **15.4 billion euros**.

By adding up the costs for residential care and for registered and unregistered carers, the total gross expenditure incurred by individuals and households on home and residential care amounts to **34.127 billion euros**. To obtain the value of net expenditure, it is necessary to subtract the following items:

- a) carers' allowances equal to 517.84 euros per month in 2019, for a total of 6,214 euros per year, received by 1,109,292 non-self-sufficient elderly people<sup>76</sup> for a total amount of **6.89 billion euros**; to these must be added pension benefits for disabled civilians (3,876 euros per year in 2019), 50% of which are estimated to be provided to non-self-sufficient subjects for an amount of **1.967 billion euros**;
- b) the regional voucher to supplement the monthly fee for residential care equal to about 10,000 euro per year (for about 50% of the 288,000 elderly subjects in residential care facilities, as estimated above) for an amount of **1.44 billion euros**.

There are also other tax deductions and detractions linked, for example, to expenses for the renovation of homes to adapt them to the needs of persons with disabilities and for health and mobility equipment; however, these expenses have not been included in the calculation of non-self-sufficiency, so we do not consider them here.

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<sup>75</sup> The amount of 19,000 was obtained by assuming a monthly salary of 1,500 euros including termination of employment benefits).

<sup>76</sup> See Chapter 6; 50% of 2,218,583 of carers' allowances are provided to non-self-sufficient elderly subjects.

**Table 7.5 – Welfare and LTC expenditure**

Non autosufficienza		
Spesa per residenzialità	Costo RSA	6.912.000.000
Spesa per assistenzialità	Costo Badanti Regolari	11.815.238.000
Spesa per assistenzialità	Costo Badanti Irregolari	15.400.000.000
<b>Totale Lordo</b>		<b>34.127.238.000</b>
Importi da sottrarre		
Indennità di accompagnamento		6.893.226.124
Pensione di invalidità		1.967.318.064
Sostegno regionale RSA		1.444.000.000
<b>Totale interventi pubblici</b>		<b>10.304.544.188</b>
<b>Spesa effettiva per le famiglie al netto degli interventi pubblici</b>		<b>23.822.693.812</b>
LTC		
LTC e Dread Disease Ramo IV		149.000.000
LTC ramo II danni		33.528.000
<b>Totale spesa netta privata per assistenza e LTC</b>		<b>24.005.221.812</b>

Non self-sufficiency, residential care expenditure, health-care expenditure, cost for residential care, cost of regular carers, cost for undeclared carers, Total before taxes; amounts to be subtracted, carers' allowances, disability pensions, regional residential care support benefits, Total for public interventions, actual expenditure for households net of public contributions; LTC, LTC and Dread Disease line of business, LTC and non-life line of business, total net private LTC and health-care expenditure.

The total benefits that are granted to households for various reasons amount to **10.3 billion euros**. So, the estimated cost incurred by Italian households is **23.83 billion euros**, excluding the costs for health care, pharmaceutical products and whatever is necessary for the elderly (e.g., diapers, wheelchairs and other equipment not always provided free of charge by local health authorities and municipalities); these costs are in any case included under OOP expenditure.

Finally, the LTC and Dread Disease premium income of **149 million euros** and the LTC non-life premium income of **33.528 million euros**<sup>77</sup> should be added to the net amount for a total net private health-care and LTC expenditure equal to **24 billion euros** (table 7.5).

Obviously, these data do not take into account the effects of the COVID-19 pandemic and its ensuing health and economic crisis, which may result in replacing declared work with completely or partially undeclared work (a lower number of declared working hours compared to the actual number of hours worked), also due to the lack of regular domestic workers. Moreover, the 2020 regularization of illegal aliens in Italy makes the evaluation of the number of domestic workers more difficult and even less transparent; in fact, many applications have been submitted to regularize domestic work but, as happened in 2012, the list of those registered with the INPS will soon be empty.

<sup>77</sup> Source ANIA – The Italian insurance sector in 2019-2020. For the LTC component, the available data refer to the first quarter of 2019 (16.764 million, + 1% vs. 2018) that was supposedly the same in the second.

### 7.1.2 Individual welfare

Individual welfare expenditure takes into account only the non-life premium income, equal to **3.242 billion euros**.

## 7.2 The complementary pension system

In 2019, complementary pension funds experienced a growth both in terms of assets and membership; their number of members reached **9.117 million**, **8.263 million** excluding members registered in more than one fund. With respect to 2018, there was a slight drop in the membership of occupational pension funds (+5.26% vs. + 7% in 2018 with respect to 2017) and a steady growth for open-ended funds (6.10%) and new-generation PIPs (4.4%); instead, there was a reduction in the number of schemes (-18 vs. the previous year, of which 16 pre-existing funds and 2 open-ended funds) due to mergers and incorporations, which is a good sign of strength for the system. The members of these schemes are mainly men, domiciled in the north and with an average age over 40, while the gender difference is less marked for PIPs.

The overall assets of these pension funds amount to **185 billion euros**, an increase by **10.75%** compared to the previous year. Occupational pension funds hold the second position in the ranking for assets allocated to benefits (56.136 billion euros), while pre-existing funds exceed 63 billion euros.

According to the OECD provisional data, at the end of 2019 the assets of pension funds in the countries of the area amounted to an all-time high of about 32 trillion dollars, 60.1% with respect to GDP (*see table 10.1*). At the end of 2019, over 90 percent of pension fund assets continued to be concentrated in just seven countries: United States, Great Britain, Australia, the Netherlands, Canada, Japan, and Switzerland. Italy remains still low in the OECD ranking in terms of number of pension funds; as to the 2019 ratio of total assets of pension funds vs. GDP, Italy ranked 25<sup>th</sup> with 8.6%, in the OECD area (losing two positions compared to 2018).

**Table 7.6 - Complementary pension funds in 2017, 2018 and 2019: membership and resources allocated to benefits**  
(% changes in terms of membership and resources in 2018- 2019)

Anni	Adesioni				Risorse destinate alle prestazioni			
tipo di fondi	2017	2018	2019	var.% 2019/18	2017	2018	2019	var.% 2019/2018
Fondi pensione negoziali	2.804.633	3.002.321	3.160.206	5,26%	49.456	50.410	56.136	11,36%
Fondi pensione aperti	1.374.238	1.462.072	1.551.223	6,10%	19.145	19.624	22.844	16,41%
Fondi pensione preesistenti	643.947	650.309	650.666	0,05%	58.996	59.699	63.513	6,39%
PIP nuovi	3.104.436	3.275.536	3.419.552	4,40%	27.644	30.704	35.478	15,55%
PIP vecchi	390.311	370.337	354.108	-4,38%	6.978	6.626	7.064	6,61%
<b>Totale*</b>	<b>8.299.835</b>	<b>8.740.239</b>	<b>9.117.463</b>	<b>4,32%</b>	<b>162.299</b>	<b>167.145</b>	<b>185.121</b>	<b>10,75%</b>
* I dati relativi al numero totale di posizioni in essere per gli anni 2016 e 2017 sono stati riallineati alla serie storica aggiornata da Covip nella Relazione per l'Anno 2018.								
** Nel totale si include FONDINPS. Sono inoltre escluse le duplicazioni dovute agli iscritti che aderiscono contemporaneamente a PIP "vecchi" e "nuovi"								

Years, Members, Resources allocated to benefits (type of fund, occupational funds, open-ended funds, pre-existing funds, new PIPs, old PIPs Total\*

\* The data on the outstanding positions in 2016 and in 2017 were realigned to the historical series updated by COVIP in the 2018 Report. \*\* The total includes FONDINPS. The total number of members does not include duplications, that is members who are in the new and in the old PIPs at the same time.

However, it is important to consider that, in some countries, the complementary pension system is compulsory and that public pensions have often particularly low substitution rates because of the longstanding presence of a sound private second and third pillar.

On a regulatory level, the IORP II Directive was transposed with Legislative Decree no.147/2018, with a significant impact for all corporate pension funds (occupational, pre-existing and open to collective membership). The effects of the transposition of this Directive are mainly felt in terms of governance and transparency, given its audit, risk management and actuarial requirements (for organizations taking biometric risks)<sup>78</sup>.

### 7.3 Corporate welfare

In order to provide a complete overview of the second and third pillar complementary welfare system, since 2017 we have started monitoring the so-called "corporate welfare" as provided for under the Budget Laws for the years 2017, 2018 and 2019. This is specifically targeted to employed workers and similar occupations (thus excluding self-employed and freelance workers). The current regulation is the result of several regulatory provisions starting from Act no. 208, Article 1, paragraphs 182-190 of December 28, 2015 (the 2016 Stability Law), then Act no. 232 of December 11, 2016, Article 1, paragraphs 160-162 (the 2017 Budget Law), Act no. 205 of December 27 2017, paragraphs 28 and 161 (the 2018 Budget Law) and finally by art. 55 of Law Decree no. 50/2017 (on productivity bonuses and incentives for companies involving workers in the organization of labour).

According to the definition of the Italian Association of Corporate Welfare – AIWA, corporate welfare consists of: *“Sums, goods, services and initiatives for workers in kind or in the form of refunds for socially relevant activities that are not considered (in whole or in part) as income components to be taxed”*. They are designed to curb tax and contribution costs (the so-called "wedge") for the employers and their workers who decide to adopt a new approach to the work contract, including well-being and welfare-related goods and services, especially when their employees are committed to the good performance of the company and to its productivity growth. The main corporate welfare objective is the possibility to convert the "productivity" bonus (money) into goods and services with "zero" taxes and contributions for employers and workers alike. These are the services that can be provided under corporate welfare contracts or agreements:

- contributions to supplementary health care plans;
- meal vouchers;
- financing of individual costs for collective transport and local public transport services;
- goods and services for educational, recreational, social assistance, health care and worship purposes;
- sums for educational and training services;
- cost-sharing for the care of elderly and/or non-self-sufficient family members;

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<sup>78</sup> On July 29, 2020, COVIP issued its supervisory instructions to clarify the main new regulatory provisions in this sector, their impact on the current structure of pension schemes, the changes required in terms of organization and documentation, and to specify the compliance timing and modalities. In addition, Ministerial Decree no. 108 of June 11, 2020 was issued on professionalism and integrity requirements, causes of ineligibility and incompatibility due to impeding situations and causes of suspension of subjects with administrative, management and control functions in complementary pension schemes, in line with Legislative Decree no. 147/2018.

- employers' contributions to LTC funds or to insurance policies against serious illnesses;
- complementary pension contributions;
- flexible and fringe benefits (including fuel cards or company cars, not necessarily included in the definition of welfare).

The available data only refer to the number of employment contracts envisaging these corporate welfare benefits, even though the actual number of contracts implementing these provisions is not known; according to the Ministry of Labour (see Report of May 14, 2020, there are about 8,000 collective agreements that provide for corporate welfare measures. According to the AIWA sample with about 20,000 employers and a pool of about 1.8 million workers, the two sectors mainly involved are the industry (47%) and service (27%) sectors; followed by professional firms (2%) and agriculture (1%). The total resources allocated to corporate welfare by the sampled enterprises amount to about 750 million euros. The most popular goods and services are: 1) childcare and educational services; 2) flexible benefits and leisure-time solutions; 3) supplementary healthcare benefits; 4) public transportation; 5) care for elderly or non-self-sufficient family members; 6) complementary pension benefits; 7) contributions and premiums for LTC and serious illnesses.

## 8. The welfare system in 2019, in 2020 and short and medium term projections

The final part of the Report focuses on the main variables of the pension system and then on the accounting data related to pension, welfare and health benefits within the broader scope of the 2019 national accounts. Many are historical data that allow for a comparative analysis, which is not always available for public accounts. The 2019 "snapshot" is followed by an overview of the main events of 2020, with the SARS-CoV-2 pandemic and its effects that will continue for some time in the future, and by short and medium term projections.

### 8.1 The main indicators for 2019 and their trends

First of all, a clarification about the different amounts provided in this Report; in 2019, pension benefit expenditure, including supplementary minimum benefits and the GIAS transfers for civil servants, amounted to **230.259 billion euros** (table 1a), plus **37.779 billion euros**’ worth of transfers from GIAS, i.e. welfare transfers to finance the IVS pension benefits provided by pension schemes for a total of **268.038 billion euros**. In table 6.3, the INPS-ISTAT data taken from the Central Register of Pensions show a total IVS pension expenditure of 272.661 billion, a 4.6 billion difference with respect to the total above; this is due to a different reference period and to some corrections in the calculations; so, the data are almost equivalent. Total expenditure, which also includes welfare and supplementary pensions, was equal to **300.907 billion** (table 6.3); if 268.038 is added to the figures reported in table 6.6 (33.242 billion), the total is 301.28 billion, thus making the two amounts almost identical; as illustrated, this shows the cost of the two components, that is pension and welfare benefits; these data are useful to adopt appropriate social policies and spending monitoring measures. The section below provides an overview of the main fundamental demographic and economic indicators for a pay-as-you-go pension system, analysed at the end of 2019 and their trend from the 1997-2019 period in the Itinerari Previdenziali database (*table 8.1*).

***Ratio of the number of active workers versus the number of pensioners*** – This fundamental ratio for a pay-as-you-go pension system, such as the Italian system, reached **1.4578**, compared to **1.4521** in 2018, that is almost 1 and a half active worker per pensioner; in this case too, notwithstanding the early-retirement measures adopted, this is an all-time high, very close to **1.5** that was indicated in the previous Reports as the threshold necessary to give greater stability to the system in the medium and long term. In particular, in 2019, the number of *pensioners* grew less than expected with the coming into force of Quota 100, but it stopped the reduction in their number that had started in 2008 (12 years); this means many longstanding pensions<sup>79</sup> (more than 35 years) have been eliminated. The number of pensioners increased by 30,662 in 2019, vs. 16,004,503 in 2018. INPS paid 535,573 new pensions, substantially in line with 2018 (537,160), however with a marked increase in early-retirement benefits (+29.4%) up to 196,857, while the number of old-age pensions dropped by 15.6% down to 121,495, due to the addition of five months to the old-age retirement age requirement, which has been 67 years of age since the beginning of last year. The number of *active workers* went up to **23,376,000** in 2019

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<sup>79</sup> See the “Observatory on public expenditure and revenues: “*The average duration of pensions*”; October 2018, created by the Study and Research Centre of Itinerari Previdenziali, web site [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it). On 31/12/2020, there were still about 509,000 benefits being paid after 39 years and about 6.3 million after more than 20 (see Chapter 6).

(almost 70,000 more in July 2019, with a total employment rate of 59.2% and + 136,000 with respect to 2018); at the end of 2019, the **total employment rate** was **59.1%** with an increase by 1.02% compared to the previous year; the **women's employment rate** was **50.1%** (49.6% in 2018) and that for subjects over 50 years with an all-time high of **61%**, f the result of pension reforms. However, the number of subsidized hours for redundant workers (CIG) increased up to 259.65 million (+ 20%) because of the reduction in employment in the last quarter of 2019, compared to 216 million in 2018; instead, the number of hours worked for employed workers was still 5% lower than in 2018 and the same was true for the annual number of hours worked per worker which dropped by 0.5% with respect to 1,291 in 2018 (this number should be equal to 1,700 without considering sickness leaves and other reasons for absence from work).

**Number of benefits for each pensioner** - In 2019, the number of **benefits**<sup>80</sup> provided rose to **22,805,765** (+ 20.05 vs 2018), due to the considerable growth of welfare benefits; one million below the peak of 2009 of 23,835,812; in 2018, the number of benefits had decreased by about 209,000 down to 22,785,711, slightly above the level of 2002 (22,650,314) but still far from the all-time low of 1975, with 16,076,304 benefits paid out. The number of pension benefits is decreasing while the number of welfare benefits is increasing, which is not a very positive trend and policy-makers should reflect upon the need for a database to monitor the welfare situation. As to the ratio of the number of pensioners vs. the number of benefits, each pensioner (per capita) receives **1,422 benefits** on average, slightly down with respect to 2018, also due to the growth in the number of pensioners. In practice, 27% of retirees (about 4 million) are recipients of two benefits, 6.8% (about 1.1 million) of three and 1.3% of four or more benefits, mainly survivors' and welfare benefits. The number of benefits was greatly increased in the last 9 years by the different governments, with the introduction of the above-mentioned early-retirement measures to bypass the Fornero reform requirements (8 safeguards, social APE, strenuous jobs that do not exist in the literature and so on) and of many "welfare" measures (14th month salary, inclusion income, citizenship income and pensions).

**Ratio of the number of benefits versus the population** - In 2019, one benefit was paid out **2,642 inhabitants**, slightly worse than in 2018 notwithstanding the diminishing population. A result similar to that of 2018. So, one benefit per household, which shows how sensitive Italian citizens are to the subject of welfare pensions/benefits. It is necessary to add to these benefits the citizenship income and the subsidies provided by municipalities, provinces and regions that are not known because of the lack of a welfare database; the estimate is 1 benefit out of 2.1 inhabitants.

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<sup>80</sup> We defined them as benefits and not as pensions because, as pointed out later, many are typical welfare measures not financed by contributions.

**Table 8.1 – Main indicators of the pension system**

ANNI	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Costo totale delle prestazioni (1)	122.948	122.818	128.463	132.039	138.128	144.249	151.080	158.035	164.722	170.457
Totale entrate contributive (1)	104.335	109.384	116.276	120.501	129.759	132.201	139.078	148.730	152.440	161.404
Saldo	-18.613	-13.434	-12.187	-11.538	-8.369	-12.048	-12.002	-9.305	-12.282	-9.053
Rapporto spesa totale / PIL	11,28	10,82	10,96	10,65	10,63	10,72	10,86	10,91	11,06	11,00
N° dei lavoratori occupati (2)	20.857.572	21.047.909	21.275.492	21.594.523	21.964.937	22.229.519	22.244.227	22.362.686	22.407.003	22.757.586
N° dei pensionati (3)	16.204.568	16.244.618	16.376.994	16.384.671	16.453.933	16.345.493	16.369.384	16.561.600	16.560.879	16.670.893
N° delle prestazioni (3)	21.627.338	21.606.330	21.589.018	21.628.910	22.192.130	22.650.314	22.828.365	23.147.978	23.257.480	23.513.261
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	58.751.711	59.131.287
N° occupati per pensionato	1,287	1,296	1,299	1,318	1,335	1,360	1,359	1,350	1,353	1,365
N° prestazioni per pensionato	1,335	1,330	1,318	1,320	1,349	1,386	1,395	1,398	1,404	1,410
Rapporto abitanti / prestazioni	2,631	2,634	2,637	2,634	2,568	2,531	2,536	2,526	2,526	2,515
Importo medio annuo pensione (3)	7.189	7.436	7.874	7.888	8.073	8.357	8.633	8.985	9.239	9.511
Importo corretto pro-capite (3)	9.583	9.979	10.380	10.609	10.995	11.581	12.039	12.558	12.975	13.414
PIL (4) valori a prezzi correnti in mln	1.089.869	1.135.499	1.171.901	1.239.266	1.298.890	1.345.794	1.390.710	1.448.363	1.489.725	1.548.473
ANNI	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Costo totale delle prestazioni (1)	177.540	185.035	192.590	198.662	204.343	211.086	214.567	216.107	217.895	218.504
Totale entrate contributive (1)	170.524	183.011	183.280	185.656	187.954	190.345	189.207	189.595	191.330	196.522
Saldo	-7.016	-2.024	-9.310	-13.006	-16.389	-20.741	-25.360	-26.512	-26.565	21.982
Rapporto spesa totale / PIL	11,03	11,34	12,24	12,38	12,48	13,08	13,37	13,28	13,16	12,89
N° dei lavoratori occupati (2)	22.894.416	<b>23.090.348</b>	22.698.718	22.526.853	22.598.244	22.565.971	22.190.535	22.278.917	22.464.753	<b>22.757.838</b>
N° dei pensionati (3)	16.771.604	<b>16.779.555</b>	16.733.031	16.707.026	1.668.584	16.593.890	16.393.369	16.259.491	16.179.377	16.064.508
N° delle prestazioni (3)	23.720.778	23.808.848	<b>23.835.812</b>	23.763.023	23.676.695	23.570.499	23.316.004	23.198.474	23.095.567	22.966.016
N° abitanti residenti in Italia (2)	59.619.290	60.045.068	60.340.328	60.626.442	59.433.744	59.685.227	60.782.668	60.795.612	60.665.551	<b>60.589.445</b>
N° occupati per pensionato	1,365	1,376	1,357	1,348	1,373	1,360	1,354	1,370	1,388	<b>1,417</b>
N° prestazioni per pensionato	1,414	1,419	1,424	1,422	1,419	1,420	1,422	1,427	1,427	<b>1,430</b>
Rapporto abitanti / prestazioni	2,513	2,522	2,531	2,551	2,510	2,532	2,607	2,621	2,627	<b>2,638</b>
Importo medio annuo pensione (3)	9.822	10.187	10.640	11.229	11.410	11.563	11.695	11.943	12.136	12.297
Importo corretto pro-capite (3)	13.891	14.454	15.156	15.832	15.957	16.359	16.638	17.040	17.323	17.580
mln)	1.609.551	1.632.151	1.572.878	1.604.515	1.637.463	1.613.265	1.604.599	1.627.406	1.655.355	1.695.590
ANNI	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Costo totale delle prestazioni (1)	220.842	225.593	230.259	237.000	242.500					
Totale entrate contributive (1)	199.842	204.710	209.399	204.000	209.000					
Saldo	<b>21.000</b>	<b>20.883</b>	<b>20.860</b>	<b>33.000</b>	<b>33.500</b>					
Rapporto spesa totale / PIL	12,72	12,78	12,88	14,53	14,02					
N° dei lavoratori occupati (2)	<b>23.022.959</b>	<b>23.240.000</b>	<b>23.376.000</b>	<b>22.640.000</b>	<b>22.800.000</b>					
N° dei pensionati (3)	16.041.852	<b>16.004.503</b>	<b>16.035.165</b>	<b>16.065.000</b>	<b>16.080.000</b>					
N° delle prestazioni (3)	22.994.698	22.785.711	22.805.765	23.000.000	23.000.000					
N° abitanti residenti in Italia (2)	<b>60.483.973</b>	<b>60.359.546</b>	<b>60.244.639</b>	<b>60.150.000</b>	<b>60.050.000</b>					
N° occupati per pensionato	<b>1,435</b>	<b>1,4521</b>	<b>1,4578</b>	<b>1,4093</b>	<b>1,4179</b>					
N° prestazioni per pensionato	<b>1,433</b>	<b>1,4237</b>	<b>1,4222</b>	<b>1,4317</b>	<b>1,4303</b>					
Rapporto abitanti / prestazioni	2,630	2,649	2,642	2,615	2,611					
Importo medio annuo pensione (3)	12.478	12.874	13.194							
Importo corretto pro-capite (3)	17.887	18.329	18.765							
PIL (4) valori a prezzi correnti in mln	<b>1.736.602</b>	<b>1.765.421</b>	<b>1.787.664</b>	<b>1.630.000</b>	<b>1.730.000</b>					

(1) Nucleo di valutazione Spesa Previdenziale fino al 2010; dal 2011 CSR Itinerari Previdenziali; Dati in verde = stime; evidenziati in giallo i migliori risultati; evidenziati in blu i peggiori.

(2) Istat – Rilevazione sulle forze di lavoro (serie storica aggiornata a settembre 2017) e demo.istat.it; (3) INPS, Casellario dei pensionati

(4) Istat - SEC 2010. Per il 2011 la popolazione rilevata il 9 ottobre 2011 è risultata pari a 59.433.744 mentre alle anagrafi risultavano 60.785.753 abitanti; a fine anno 59.394.207.

YEARS, Total cost of benefits (1) Total contribution revenues (1) Balance, Total expenditure/GDP ratio, N. of employed workers (2), n. of pensioners (3), n. of residents in Italy (2), n. of workers per pensioner, n. of benefits per pensioner, ratio of inhabitants vs. pensions, average pension amount per year (3), adjusted per-capita amount (3) GDP (4) at current prices in millions); 1) NUSVAP until 2010; as of 2011, Study and Research Centre of Itinerari Previdenziali; the data in green are estimates, the ones in yellow are the best results, in blue the worst; (2) ISTAT: Work force data (historical series updated to September 2017 and demo.istat.it); (3) INPS – Central Registry of Pensioners; (4) ISTAT – SEC 2010. For 2011, the population surveyed on October 9 2011 was equal to 59,433,744. While the registers reported 60,785,753 inhabitants; at the end of the year 59,394,207.

**Average pension/average income ratio** - The average pension amount is an indicator of the "social sustainability" (adequacy) of the system. As pointed out in Chapter 6, there are two ratios for calculating this parameter: the first is the ratio of total expenditure versus the number of benefits, that was equal to 13,194 euros per year in 2019 (12,874 in 2018), + 2.48% (+ 83% since 1997); the second ratio is certainly more significant because it divides total expenditure not by the number of benefits but by the number of retirees; in fact, as already illustrated, each pensioner receives 1.422 benefits on average. In this case, in 2019, the **actual average amount of pension income** rose to 18,765 euros per year, an increase by 2.28% compared to 2018, or 1,444 euros per month for 13 months, higher than the



salary of many active workers. Both ratios ensure the adequacy and social sustainability of the Italian pension-welfare system. *Tables 4.a, 5.a, and 6.a*, featured in the next Chapter, and *table 6.10* show the ratio of the stated average income for tax and social security purposes versus the average pension in detail; excluding privatized schemes, this ratio, before GIAS transfers (welfare measures to support pensions that often already have a welfare component) is around 70% for public and private-sector employed workers and between 38% and 49% for the self-employed (table 6.a). These tables illustrate the time series of this ratio by type of worker from 1989 to 2019 (31 years). Despite all the reforms designed to make benefits more in line with contributions, the system shows a marked improvement for all categories: for example, for private-sector employed workers, this ratio grew from 47.58% in 1989 to 69.43% in 2019, i.e. about 70% with respect to the average income of this category; this ratio did not change for public-sector employed workers who have always been entitled to high benefits with a limited correlation to contributions (linked to the salary of the last year of employment). This ratio improved also for artisans, retailers and free-lance professionals with 38.83% (vs. 32%), 37.78% (vs. about 30%) and 33.57% (vs. about 31%) respectively.

## 8.2 The general accounts of social security (pension, health and welfare benefits) within the national accounts

This section provides an overview of the overall welfare expenditure within the Italian national accounts so as to compare this item with the other main items and with GDP from 2012 to 2018, the last available consolidated accounts (*table 8.2*). The expenditure items included in the "*accounts of the social security system*" have been taken for *pensions* from *table 1a* of this Report; the amount of *healthcare expenditure* has been derived from the updated EFD of April 2020, while the *INAIL* data and the items related to *welfare* and *temporary benefits* managed by INPS are taken from their accounts. Welfare expenditure of local authorities has been estimated on the basis of the data from the General Accounting Office (RGS), ISTAT and from the Lombardy region. The remaining expenditure items have been extracted from the EFD and from the 2020 NadeF. Operating expenses and the items for public-sector employed workers have been re-aggregated on the basis of the distribution of these costs, as indicated in the note of table 8.2).

Public expenditure, including interests on the public debt, experienced a significant reduction thanks to the ECB monetary policies, reaching **870.742 billion euros**, + 1.5% with respect to 2018; the overall revenues amounted to 841.4 billion euros, so with a deficit of 29.3 billion equal to 1.64% of GDP. On the basis of these data, it is possible to make the following considerations: **a)** The reclassification of the entire public expenditure allows for dismissing the oft-reiterated narrative that welfare expenditure in Italy is much lower than in other EU countries; *social benefit expenditure* amounted to **488.336 billion euros** in 2019, equal to **56.08%** of the Italian public expenditure as a whole, with an increase by about 14 billion versus 2018; so, Italy is at the top of the ranking of EU countries and also globally, despite having a huge public debt; in fact, this type of expenditure was equal to **27.32%** with respect to GDP; moreover, it is necessary to consider other social benefits such as housing and "other" welfare benefits that, according to Eurostat, bring the total to around **30%**, i.e. one of the highest levels in the 27 EU member countries;

**b)** Compared to 2012, the increase was equal to 13% or about **56 structural billion** (about 3.3% of GDP), mainly attributable to welfare spending, which in this period went up by **34.6 billion**, or **61%**, while in the same period GDP increased by 10.8% and inflation by 6.9%;

c) Therefore, this growth was far greater than that of gross pension expenditure<sup>81</sup>, which rose by 9% during the period (less than GDP and slightly more than inflation), and that on healthcare, which increased by 4.5%;

d) A very significant figure if compared to the approximately 62 billion euros for schools, universities and research and to the 60 billion euros for capital expenditure; these data should be disclosed to politicians, but above all to voters, because, with each election (often 3 or 4 times a year) or every government (7 in the last 10 years), candidates promise increases in social spending with no rationalization ever, but only with additional outlays;

e) If social expenditure is related to the actual contribution and tax revenues, the incidence is equal to 58.04%.

Consequently, social expenditure is clearly growing, driven above all by welfare expenditure which, unlike pension expenditure, has no precise rules and no effective monitoring across the various central and local providers; a burden which will be difficult to sustain in the years to come. Individual expenditure items are examined in detail below.

**Table 8.2 - The social security accounts within the national accounts**

VOCI DI SPESA (in milioni)	ANNO 2012	2012 in % sul totale	ANNO 2013	2013 in % sul totale	ANNO 2014	2014 in % sul totale	ANNO 2015	2015 in % sul totale	ANNO 2016	2016 in % sul totale	ANNO 2017	2017 in % sul totale	ANNO 2018	2018 in % sul totale	ANNO 2019	2019 in % sul totale
PENSIONI <i>tab 1a (0)</i>	211.088	25.74%	214.626	26.21%	216.112	26.18%	217.897	26.22%	218.479	26.36%	220.843	26.08%	225.593	26.31%	230.259	26.44%
SANITA' (01)	110.422	13.47%	110.044	13.44%	110.961	13.44%	111.240	13.38%	112.504	13.58%	113.599	13.41%	115.410	13.46%	115.448	13.26%
Assistenza + inv. LTC + GIAS (1)	56.829	6.93%	63.203	7.72%	70.274	8.51%	77.121	9.28%	78.428	9.46%	80.862	9.55%	83.120	9.70%	91.426	10.50%
Prestazioni Temporanee (2)	22.534	2.75%	21.803	2.66%	20.883	2.53%	20.178	2.43%	19.966	2.41%	20.081	2.37%	19.982	2.33%	20.377	2.34%
Prestazioni INAIL (3)	10.409	1.27%	10.400	1.27%	9.927	1.20%	8.945	1.08%	9.379	1.13%	8.692	1.03%	8.778	1.02%	8.800	1.01%
Welfare Enti Locali (4)	9.690	1.18%	9.656	1.18%	9.696	1.17%	9.818	1.18%	9.900	1.19%	10.919	1.29%	11.000	1.28%	11.300	1.30%
Oneri gestione welfare (A)	11.292	1.38%	11.231	1.37%	9.764	1.18%	11.587	1.39%	10.173	1.23%	10.420	1.30%	10.592	1.29%	10.726	1.27%
Retrib. Dip. PA (5)	124.954	15.24%	123.433	15.07%	123.254	14.93%	121.121	14.57%	124.103	14.98%	127.106	15.01%	131.665	15.36%	131.087	15.05%
Spese funzionam. (6)	114.205	13.93%	119.272	14.56%	119.996	14.54%	115.977	13.95%	121.783	14.70%	122.028	14.41%	127.592	14.88%	129.918	14.92%
Spese conto capitale	64.532	7.87%	57.746	7.05%	60.290	7.30%	69.272	8.33%	57.521	6.94%	66.800	7.89%	58.954	6.88%	61.096	7.02%
INTERESSI	84.086	10.25%	77.568	9.47%	74.377	9.01%	68.018	8.18%	66.440	8.02%	65.457	7.73%	64.621	7.54%	60.305	6.93%
<b>Totale spesa prestazioni sociali</b>	<b>432.264</b>	<b>52.71%</b>	<b>440.963</b>	<b>53.84%</b>	<b>447.617</b>	<b>54.22%</b>	<b>456.786</b>	<b>54.96%</b>	<b>458.829</b>	<b>55.37%</b>	<b>465.416</b>	<b>54.96%</b>	<b>474.475</b>	<b>55.34%</b>	<b>488.336</b>	<b>56.08%</b>
<b>TOTALE SPESE FINALI</b>	<b>820.041</b>	<b>100%</b>	<b>818.982</b>	<b>100%</b>	<b>825.534</b>	<b>100%</b>	<b>831.174</b>	<b>100%</b>	<b>828.676</b>	<b>100%</b>	<b>846.807</b>	<b>100%</b>	<b>857.307</b>	<b>100%</b>	<b>870.742</b>	<b>100%</b>
Totale entrate	771.731		762.806		776.596		788.607		786.020		804.347		818.463		841.441	
SALDO negativo e incidenza sul PIL	48.310	3,0%	56.176	3,50%	48.938	3,01%	42.567	2,57%	42.656	2,52%	42.460	2,45%	38.844	2,20%	-29.301	-1,64%
PIL serie SEC 2010/incidenza	1.613.265	26,79%	1.604.478	27,48%	1.627.406	27,50%	1.655.355	27,59%	1.695.590	27,06%	1.736.602	26,80%	1.765.421	26,88%	1.787.664	27,32%

Expenditure items (millions), year 2012 as % of the total; Pensions table 1.a (0), health care + inv. LTC + GIAS (1), temporary benefits (2) INAIL benefits (3), welfare for local authorities (4), welfare operating charges (A), Remuneration of Civil servants (5), Operating expenses (6) capital expenditure, Interests, Total social welfare benefit expenditure Total expenses, Total revenues, Negative balance and as % of GDP, GDP SEC2010 series/incidence. The data related to the public accounts have been taken from the Economic and Financial Document approved by the Council of Ministers on April 24, 2020; the data in the table differ from those published in previous years because they take into account the changes indicated by subsequent EFDs. The GDP and deficit figures have been updated to the EFD of 24/4/2020. (0) The item "Pensions" taken from table 1a of this Report, includes: the GIAS transfers related to public-sector employed workers (equal to 11,495.45 million euros in 2019; supplementary minimum benefits for private-sector employed workers paid by the funds equal to 7,866.9 million euros; approximately 6,012 million euros' worth of family support measures (generally family allowances) financed by GIAS; (01) Healthcare includes 36.8 billion euros for personnel costs and 78.596 billion euros for "intermediate consumption and operating costs, which are separated (see notes 5 and 6). (1) It includes total GIAS transfers in table 1a (37.779 billion, in 2019 + welfare expenses and social pensions and allowances, disability and carers' benefits, veterans' pensions, + 14th month, the additional benefits and social additional benefits excluding supplementary minimum benefits (see table 6.6). 3,879 million euros for citizenship income and pensions in 2019; other charges for contribution rebates and other facilities equal to 23,996 million euros; (2) Expenses for temporary benefits including: family allowances, wage supplementary benefits, unemployment benefits, mini ASPI, ASPI, NASpI, sickness, maternity leave and TFR paid by GPT) and funded by employers' contributions and partly by GIAS transfers for mobility allowances, CIGS, and imputable funds for unemployment, mobility, CIG and CIGS or in derogation (sums not included in the GIAS figures under table 1a) table 5.1; (3) INAIL benefits have been taken from the final accounts; (4) RGS estimate and projections on the data of Lombardiasociale.it, excluding housing; (5) In the "employed work income" the remuneration cost of health personnel (see the specific table) is included in health expenditure and therefore it has been subtracted from the total remuneration of the employees of the Public Administration, the same for the staff (1/2 of item A, see note (01); (5) The EFD refers to "intermediate consumption" minus some health and other public funds' charges (1/2 of item A, see note (01). NOTE 1: The differences of figures 4 and 5 with respect to the EFD are due to the reclassification of some operating costs and remuneration expenses for employed workers of public entities (INPS and INAIL) and of private ones (privatized schemes), Ministries and institutional bodies (Chamber of deputies, Senate, Constitutional Court, Presidency of the Republic, Regions, Bank of Italy), that manage these benefits estimated by Eurostat to account for about 0.6% of GDP and that are added to the total social benefit expenditure (see item A). Moreover, health costs have been taken away (see 01).

<sup>81</sup> As illustrated later, pension benefits carry a significant tax burden, while welfare expenditure does not.

## 8.2.1 Health-care expenditure

Health expenditure is bound to grow in the future because of the pandemic of 2020, whose financial impact is discussed in Section 8.4, and of a significant aging of the population; hence with higher health-related and LTC expenses. Often public health is said to have been drastically curtailed; actually, as shown in **table 8.3** health expenditure has always had an upward trend with an increase by 5.3% from 2013 to 2019, slightly more than inflation (3.89%) reaching 115.448 billion euros; arguably, a modest growth considering the ageing population even if, during the same period, the census indicated that the population (net of illegal aliens) decreased from 60.78 million to 60.244.639 million (-0.9%). In particular, staff expenditure dropped both in absolute and real terms, while intermediate consumption and shopping expenditure through accredited service providers went up. The COVID-19 epidemic highlighted, on the one hand, the shortage of general practitioners, specialists, anaesthesiologists, and nurses who are becoming old and who are expected to retire in the coming years leaving many vacancies behind; in some regions including Piedmont and Lombardy, it showed, on the other, the poor performance of community health which has created many problems in the hospitals. Therefore, it will be necessary to recruit medical and nursing staff and adjust the zero-admission clause for specialties that does not allow for a correct "replacement rate" and forces many of our brightest graduates to go abroad to get specialized, with considerable costs for the community. Moreover, it is increasingly crucial to implement a framework law on supplementary health care to deal with the future challenges in an aging society; out of pocket expenditure is illustrated in Chapter 7 and it is consistently growing.

**Table 8.3 - Health expenditure from 2013 to 2019**

VOCI DI SPESA (in milioni)	ANNO 2013	2013 In % sul totale	ANNO 2014	2014 In % sul totale	ANNO 2015	2015 in % sul totale	ANNO 2016	2016 in % sul totale	ANNO 2017	2017 in % sul totale	ANNO 2018	2018 in % sul totale	ANNO 2019	2019 in % sul totale
Spesa per il personale	35.735	32,47%	35.487	31,96%	35.158	31,28%	34.907	31,45%	34.917	31,12%	35.540	31,21%	36.852	31,92%
Spesa per consumi intermedi	28.544	25,94%	29.579	26,64%	30.969	27,55%	31.586	28,46%	32.823	29,26%	33.533	29,45%	34.886	30,22%
Spesa per prestazioni acquistate da produttori e sul mercato (1)	39.365	35,77%	39.684	35,74%	39.744	35,36%	39.589	35,67%	39.565	35,27%	40.345	35,43%	40.584	35,15%
Altre componenti di spesa	6.400	5,81%	6.278	5,63%	6.537	5,82%	6.460	5,82%	6.298	5,61%	5.992	5,26%	3.126	2,71%
<b>Totale spesa sanitaria</b>	<b>109.614</b>		<b>110.961</b>		<b>111.240</b>		<b>110.977</b>		<b>112.185</b>		<b>113.869</b>		<b>115.448</b>	
incidenza % spesa sanitaria su spesa pubblica totale	<b>818.986</b>	<b>13,42%</b>	<b>825.420</b>	<b>13,44%</b>	<b>826.429</b>	<b>13,46%</b>	<b>830.111</b>	<b>13,37%</b>	<b>839.599</b>	<b>13,36%</b>	<b>853.618</b>	<b>13,34%</b>	<b>870.742</b>	<b>13,26%</b>
<b>INCIDENZA % su PIL serie SEC 2010</b>	<b>1.604.478</b>	<b>6,83%</b>	<b>1.627.406</b>	<b>6,82%</b>	<b>1.655.355</b>	<b>6,72%</b>	<b>1.695.590</b>	<b>6,55%</b>	<b>1.736.602</b>	<b>6,46%</b>	<b>1.765.421</b>	<b>6,45%</b>	<b>1.787.664</b>	<b>6,46%</b>

Expenditure items (millions), staff expenditure, intermediate consumption expenditure, benefits bought from producers and on the market (1), other expenditure components, total health expenditure, as a % of total public expenditure, as a % of GDP, SEC 2010 series. **NOTE:** Updated Data from the EFD of April 24, 2020 that slightly change the ones related to the previous EDFs; **(1)** This item includes: 7,559 million (7,581 million in 2018) for subsidized pharmaceutical expenditure; 6,696 million (6,821 million in 2018) for general practitioners; 26,329 million (25,943 million in 2018) acquired by accredited private providers for hospital, specialized, rehabilitation, supplementary care and other welfare benefits. The item "other expenditure components" had a significant reduction because of a different accounting modality adopted by INPS. The total figures may not coincide with the sum of the expenditure items since they are rectified in the subsequent EDFs.

## 8.2.2 Reclassified pension benefit expenditure trends

According to ISTAT and Eurostat data, Italy's pension expenditure is very high with respect to the European average; so, arguably it should be reformed and reduced; unfortunately, sometimes the extent of expenditure derives from the choices of Italian governments to allocate welfare benefits as pension benefits. In reality, on the basis of the aggregate data in *table 1.a*<sup>82</sup>, the total "*pension benefit expenditure*", i.e. the expenses financed by actual but even if insufficient contributions, amounted to **268.038 billion euros** in 2019, that is **230.259 billion euros** worth of *pension benefits* and **37.779 billion euros** of *GIAS transfers*.

***Pension benefit expenditure***- Pension expenditure including IVS benefits (disability, old-age and survivors' benefits) reached **230.259 billion euros** in 2019 against 225.59 billion in 2018, accounting for **12.88%** of GDP; **contribution revenues** amounted to **209.4 billion** against 204.7 in 2018 with an increase by 4.69 billion (+2.29%); contribution revenues do not include the **additional contribution of 10.8 billion euros** paid by the State, as provided for under Act no. 335/1995, to finance CTPS (Pension Funds for civil servants); the **negative balance** reached **20.86 billion euros**, returning to the 2012 level but still much above the average between 2000 and 2010. This negative result was exacerbated by the deficit of the scheme for public employees, equal to more than over **33 billion euros**, partially offset by the surplus of **6.3 billion** of the fund for private-sector employed workers and by **7.4 billion euros** for the fund of atypical workers (*table 1.a*).

**Table 8.4 - Pension expenditure as percentage of GDP**

Il bilancio delle pensioni previdenziali (dati in milioni di €)	2015	Inc % su PIL	2016	Inc % su PIL	2017	Inc % su PIL	2018	Inc % su PIL	2019	Inc % su PIL
Spesa pensionistica IVS (al netto GIAS)	217.897	13,19	218.504	13,00%	220.843	12,72%	225.593	12,78%	230.259	12,88%
Gias per pubblici dipendenti, integrazioni al minimo e maggiorazioni sociali per dipendenti privati	19.915		19.167		19.281		18.618		19.362	
Spesa pensionistica al netto assistenza, al lordo IRPEF	197.982	11,96	199.337	11,76%	201.562	11,61%	206.975	11,72%	210.897	11,80%
Imposte sulle pensioni	49.394		49.773		50.508		51.500		54.196	
Spesa pensionistica al netto assistenza e IRPEF	148.588	8,98	149.564	8,82	151.054	8,70%	155.475	8,81%	156.701	8,77%
Entrate contributive	191.333		196.552		199.842		204.710		209.399	
Quota GIAS e GPT sulle entrate contributive	15.032		15.276		14.363		13.988		14.531	
Entrate al netto della quota GIAS e GPT	176.301		181.276		185.479		190.722		194.868	
Saldo tra entrate e uscite nette, al lordo IRPEF	-21.681		-18.061		-16.083		-16.253		-16.029	
Saldo tra entrate e uscite al NETTO tasse	27.713		31.712		34.425		35.247		38.167	
PIL	1.655.355		1.695.590		1.736.602		1.765.421		1.787.664	
EUROSTAT: SPESA per PENSIONI VS (solo vecchiaia + superstiti) MEDIA UE28		12,60%		12,40%		12,20%				
EUROSTAT: SPESA per PENSIONI VS (solo vecchiaia + superstiti) ITALIA		16,60%		16,40%		16,20%				
2015: integrazioni al minimo 9,345 miliardi; maggiorazioni sociali 1,4 mld; GIAS dipendenti pubblici 9,170 mld. Tot. 19,915 mld										
2016: integrazioni al minimo 8,83 miliardi; maggiorazioni sociali 1,37 mld; GIAS dipendenti pubblici 8,967 mld. Tot. 19,167 mld										
2017: integrazioni al minimo 8,29 miliardi; maggiorazioni sociali 1,378 mld; GIAS dipendenti pubblici 9,613 mld. Tot. 19,281 mld										
2018: integrazioni al minimo 7,866 miliardi; maggiorazioni sociali 1,397 mld; GIAS dipendenti pubblici 9,355 mld. Tot. 18,618 mld; 2019 rispettivamente 7,866,9 e 14,531										
Nel 2014 secondo Eurostat - Istat, la spesa per VS (vecchiaia e superstiti) in EU a 27 è stata del 12,7%; in ITALIA 16,8%; al 15 settembre 2020 i dati relativi al 2018/19 da parte di Eurostat non sono disponibili										

Accounts of the pension system, as % of GDP, IVS pension expenditure (net of GIAS), GIAS transfers for civil servants, supplementary minimum benefits and additional social benefits for employed workers in the private sector, net welfare expenditure before personal income taxes, pension taxes, Pension expenditure net of welfare benefits and personal income taxes, Contribution revenues, GIAS and GPT shares of contribution revenues, revenues net of GIAS and GPT transfers, Balance between net revenues and expenses before personal income taxes, balance between revenues and expenses after taxes, GDP; Eurostat: VS pension expenditure (only old-age and survivors' pensions), mean in 28EU and in Italy; 2015: supplementary minimum benefits 9,345 bn.; additional social benefits 1,4 bn.; GIAS transfers for public employees 9,170 bn. Tot. 19,915 bn.; 2016: supplementary minimum benefits 8,83 bn.; additional social benefits 1,37 bn.; GIAS transfers for public employees 8,967 bn. Tot. 19,167 bn.; 2017: supplementary minimum benefits 8,29 bn.; additional social benefits 1,378 bn.; GIAS transfers for public employees 9,613 bn. Tot. 19,281 bn.; 2018: supplementary minimum benefits 7,866 bn.; additional social benefits 1,397; GIAS transfers for public employees 9,355 bn; Total 18,618 bn; 2019: 7,866.9 and 14,531 respectively; In 2014, according to Eurostat and ISTAT, expenditure on VS benefits (old-age and survivors' benefits) in EU 27 was 12.7%; in Italy 16.8%; on September 15, 2020, the 2018/19 Eurostat data were not available.

<sup>82</sup> The data result from the detailed analysis of the accounts of all pension funds.

Pension expenditure includes supplementary minimum benefits (7.47 billion euros), additional social benefits (1.409 billion euros) and GIAS transfers to the funds for public-sector employed workers (11.495 billion euros); it does not include welfare benefits (disability benefits, carers' and social allowances, social pensions and veterans' benefits), illustrated in table 6.6 in Chapter 6, supplementary benefits paid by INAIL and by the State (4.127 billion lire) and benefits and annuities paid by constitutional bodies and by the Regions (1.409 billion lire); so, in order to calculate the true pension expenditure for 2019 and previous years (*table 8.4*) we subtracted from the **230.259 billion euros** the **20.374 billion euros**' worth of GIAS transfers for public employees, of additional social benefits and of supplementary minimum benefits for the private sector which are only provided on the basis of income (there is therefore more than one reason to consider these items as welfare expenses that should be between family support items and social exclusion items in the EUROSTAT expenditure by function); moreover, INPS does classify these items as welfare expenses. So, net expenditure was equal to 210.897 billion euros, that is **11.8 %** of GDP, in line with the EUROSTAT mean. In order to obtain homogeneous data, it is also necessary to subtract from contribution revenues the transfers from GIAS and GPT (mainly for notional contributions) amounting to 14.531 billion euros in 2019; so, the contributions actually paid by workers and companies were equal to 194.868 billion. The deficit fell by 4.83 billion down to 16.029 billion euros. However, unlike in many EU or OECD member countries, Italian pensions are subjected to ordinary personal income taxes, just like any other form of income; in 2019, this tax burden was about **54 billion euros**. If we subtract taxes from pension expenditure net of welfare benefits, the real public pension expenditure falls to 156.7 billion, that is **8.77%** of GDP; it is true that workers and employers do not pay taxes on contributions (otherwise they would be subjected to double taxation), but the fact is that public expenditure is actually much lower than the nominal expenditure and that, in the end, personal-income-tax expenditure and revenues are mere inflows and outflows without any disbursements by the State.

As can be seen also considering the first ratio in table 8.4, equal to 12.88% for pension expenditure in Italy with respect to GDP, it is difficult explain why Italy is very far from the Eurostat estimates; in fact, according to this statistical organization, the ratio of the Italian pension expenditure, moreover for old age and survivors' benefits alone, versus GDP is 16.20% against an EU average of 12.20%. A political debate on this point is more urgent than ever, in order to avoid communicating wrong information to the other European partners<sup>83</sup>. The correct determination of these data is fundamental not to excessively overestimate this parameter, which leads the EU (but also rating agencies) to demand further cuts in pensions; the real very Italian issue is charging skyrocketing welfare measures as pension benefits. Moreover, pension expenditure, net of welfare expenditure, grew by 1.4% on average per year from 2010 to 2019; this means that pension expenditure is under control and the reforms have managed to stabilize it. For the sake of completeness, it should be pointed out that GIAS transfers are used to pay the pensions granted from 1960 to 1992 and not financed by contributions (baby pensions, early retirement even 10 years earlier with respect to the statutory age requirements, disability benefits, benefits for agricultural workers and so on); these grants had been promised by politicians but were largely curtailed under the provisions of Act no. 88/89 (see the duration of pensions in Chapter 6).

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<sup>83</sup> Report V of 2917 reclassified social expenditure which showed that the IVS pension expenditure as a % of GDP is in line with that of other European countries.



Finally, it should also be pointed out that pension taxes are not homogeneous in the EU or OECD countries, so it is necessary to calculate the pension actually received by pensioners and not their gross benefits, and the same holds true for family-support and social exclusion benefits that are often considered as pension benefits in Italy.

### 8.2.3 Expenditure financed by general taxes and welfare benefits

The Italian pension system is financed with a purpose tax, "*social contributions*", whose rate is 33% of the gross annual wages for public and private-sector employed workers, 24% for artisans, retailers and farmers, and 32% for atypical workers (for further details on contribution rates see the Appendix). Over the years, in addition to the pension benefits financed by contributions, the social security system has introduced a series of social benefits which were added and stacked in the law without any rationalization or effective controls; the result has been a significant increase in expenditure. In 2005, a proposal was put forward to set up a "*welfare registry*" similar to the well-functioning *registries for pensions* and *pensioners*; however, nothing has been done so far, with considerable problems related to the misuse of many welfare benefits as shown by the 2019 survey of the financial police (Guardia di Finanza). All these benefits are not financed by social contributions and they have to be paid through *general taxes*; they are generally managed by GIAS. **Table 8.5** shows the charges borne by general taxes, that is the annual transfers from the State budget to INPS under the Budget Law to pay for the expenses (mainly related to welfare) incurred by INPS on the basis of the current legislation.

**Table 8.5 – Expenditure financed by general taxes (millions of euros)**

<b>La spesa a carico della fiscalità generale</b> (dati in milioni di euro)	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Quota GIAS (tabella 1 a)	33.356,00	36.045,00	35.228,00	35.582,00	35.824,10	37.779,00
Quota GIAS gestioni ex Inpdap (tab 1a nota 3)	7.553,00	9.169,60	8.967,25	9.613,18	9.355,25	11.495,45
Prestazioni assistenziali (1)	23.233,00	23.532,00	24.022,40	25.133,80	25.312,90	25.772,00
Pensionamenti anticipati, esodati e varie	3.312,00	3.426,00	2.753,35	2.370,11	2.245,75	3.381,75
<b>Totale interventi per oneri pensionistici/assistenziali</b>	<b>67.454,00</b>	<b>72.172,60</b>	<b>70.971,00</b>	<b>72.699,09</b>	<b>72.738,00</b>	<b>78.428,20</b>
Sgavi e altre agevolazioni contributive a sostegno gestioni, a carico GIAS, + interventi diversi	16.087,00	18.052,00	22.603,00	23.315,91	19.424,00	18.317,00
Oneri per il mantenimento del salario per inoccupazione a carico GIAS	10.387,00	8.794,00	8.695,00	8.067,00	7.129,00	7.106,00
<b>Oneri a sostegno della famiglia</b>	<b>3.856,00</b>	<b>4.033,00</b>	<b>4.502,00</b>	<b>5.485,00</b>	<b>5.835,00</b>	<b>6.012,00</b>
Prestazioni economiche derivanti da riduzioni di oneri previdenziali (ex tbc)	656,00	622,00	603	583	540	528
Reddito e pensione di cittadinanza						3.879
<b>Totale a carico della fiscalità generale</b>	<b>98.440,00</b>	<b>103.673,60</b>	<b>107.374,00</b>	<b>110.150,00</b>	<b>105.666,00</b>	<b>114.270,20</b>
<b>Incidenza della spesa assistenziale su quella pensionistica pura (al netto delle imposte)</b>	<b>56,8%</b>	<b>59,89%</b>	<b>63,64</b>	<b>65,19</b>	<b>67,96</b>	<b>71,91</b>
Spesa pensionistica netta tasse ma al lordo Gias pubblici e integrazioni al minimo (per memoria)	173.207,00	173.113,00	168.731,00	168.957,00	174.093,00	178.259,00
<b>Contributo dello Stato per gestione statali</b>	<b>10.800,00</b>	<b>10.800,00</b>	<b>10.800,00</b>	<b>10.800,00</b>	<b>10.800,00</b>	<b>10.800,00</b>

GIAS share (table 1a), GIAS share of ex INPDAP funds (table 1a note 3), Welfare benefits (1), Early-retirement, esodati and others, Total measures to pay pension/welfare charges, Contribution incentives and other facilities paid by GIAS to support funds, Wage support charges paid by GIAS for non-active subjects, Family allowances, Charges to pay for contribution rebates (ex tbc), citizenship income and pensions, Total borne by general taxes, Ratio of welfare expenditure vs. pure pension expenditure (net of taxes), Pension expenditure net of taxes but before GIAS transfers to funds for public employees and minimum supplementary benefits, State contributions to funds for public employees. (1) The figure includes benefits for disabled civilians, carers' allowances, social pensions and allowances, veterans' pensions, additional social benefits, the fourteenth month salary and the additional amount; supplementary minimum benefits are excluded because they are paid by the individual schemes, even if partly refinanced by GIAS.

The first item in table 8.5 is “*measures to finance pension and welfare charges*” such as:

- a) GIAS transfers amounting to 37.779 billion euros (table 1.a) which include the "share of each pension paid" (see Chapter 5.2) especially for old pensions provided by the schemes for self-employed workers, by CDCM before 1989, by former entities such as Enpao for midwives, disability benefits before Act no. 222/1984, other charges related to early retirement following company restructurings (postal service, railways, airlines, iron and steel, paper industry, ports which, together, left over 7 billion lire's worth of liabilities per year) and baby pensions for civil servants. These are mainly *welfare* transfers for pensions provided before 1996 and which are not related to pension calculated with the contribution or mixed system, and not even the ones three times above the minimum benefits;
- b) the GIAS welfare transfers to the schemes for public-sector employed workers;
- c) welfare benefits extensively analysed in Chapter 6 (*table 6.6*);
- d) charges for early pensions, early retirement, safeguards for "esodati" and other advance benefits.

The second item is related to GIAS transfers to funds with *low contributions*, due to total or partial rebates (for example, the provisions under the Jobs Act or for the South of Italy) and the various contribution incentives granted by all governments as an alternative to tax deductions or tax credits; today these weigh heavily on the State budget for over **18.85 billion euros**, plus 4.123 billion euros provided by *GPT* (see table 5.5) and 10.8 billion given by the State to the pension fund for workers in the public administration to finance contribution rebates.

By now, *these amounts exceed the annual deficit of the system, undermining its medium-long term sustainability; so, we should reflect on this, especially now when thinking about new total reliefs for the South*, which will be discussed in the conclusions.

Then there are wage-support charges in the event of unemployment, support charges for low-income families (family allowances) and the ones related to citizenship income and pensions that have replaced inclusion income (REI).

Therefore, the total *cost of these welfare interventions financed through general taxes* amounted to **114.27 billion euros** in 2019 compared to 105.666 billion in 2018 and **110.15 billion** in 2017; as pointed out in last year's Report, the reduction in expenditure between 2017 and 2018 clearly was an "accounting artifice" because, in 2018, expenditure actually increased due to the introduction of inclusion income and the 14<sup>th</sup> month salary.

As illustrated in *tables 8.5* and *8.6*, the transfers borne by taxpayers increased from **73 billion** in 2008 to 114.27 in 2019, with a structural growth by over 41 billion and annual growth rate above 4%, well above inflation, GDP and even 3 times above the increase in pension expenditure; it is important to recall that this figure does not include the 10.8 billion euros paid by the State to rebalance the accounts of the pension fund for public-sector employed workers who were entitled to baby pensions and very favourable pension calculation methods; this expenditure accounts for **72%** of the *cost of pensions* net of personal income taxes and for about 7% of GDP, thus *reaching the amount of health expenditure*. The increase of expenditure borne by general taxes reached **263 billion euros** in the period between 2008 and 2019, a huge amount that could have been better allocated to training, research and development.

However, this huge "redistribution" of money was expected not so much to be "abolished", as someone claimed, but at least to significantly reduce poverty in absolute and relative terms. Instead, according to ISTAT, the opposite is true: absolute poverty almost doubled from 4% to 6.4% after a 7% peak in 2018 (from 2.11 million people to over 4.5 million) while relative poverty went from 6.5 million people

to almost 9 million. Clearly that something went wrong; so, poverty reduction policies should be carefully reviewed because this issue cannot be solved by handing out money but by providing real services able to lift many people (often suffering from addictions) out of poverty (often educational). Then welfare expenditure incurred by local authorities and directly provided to households should be added to these figures; in fact, these items are not included in welfare expenditure due to national accounting issues; however, on the basis of the RGS data (*table 8.2*), these expenses are estimated to amount to 10 billion euros, excluding tax reliefs, deductions and other tax rebates.

**Table 8.6 - Comparative analysis between the expenditure borne by general taxes and poverty**

Povert� assoluta	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Famiglie povere (in migliaia)	937	969	980	1.081	1.398	1.614	1.470	1.582	1.619	1.778	1.822	1.674
Persone (in migliaia)	2.113	2.318	2.472	2.652	3.552	4.420	4.102	4.598	4.742	5.058	5.040	4.593
% incidenza povert�	4,0	4,0	4,0	4,3	5,6	6,3	5,7	6,1	6,3	6,9	7,0	6,4
Povert� relativa	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Famiglie povere (in migliaia)	2.377	2.332	2.361	2.460	2.723	2.645	2.654	2.678	2.734	3.171	3.050	2.971
Persone (in migliaia)	6.505	6.249	6.657	6.652	7.684	7.822	7.815	8.307	8.465	9.368	8.987	8.834
% incidenza povert�	9,9	9,6	9,6	9,9	10,8	10,4	10,3	10,4	10,6	12,3	11,8	11,4
Spesa sociale a carico della fiscalit� generale	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	73.000	78.000	82.000	85.000	89.000	92.700	98.440	103.674	107.374	110.150	105.666	114.270
Incremento %		6,85%	5,13%	3,66%	4,71%	4,16%	6,19%	5,32%	3,57%	2,59%	-4,07%	8,14%

Absolute poverty, poor families (thousands), number of people (thousands), % of poverty, relative poverty, social expenditure financed by general taxes % growth

So, welfare expenditure is the real weak point of the social security system because it is regulated by an excessive number of laws and because it lacks a fundamental database for monitoring and combating abuses, and because; moreover, as already illustrated, every government or electoral campaigners always promise new benefits or the expansion of existing ones without any rationalization ever; *table 8.7* highlights the number of benefits that are detailed in *tables 6.6* and *D1* (2011-2019 historical series on [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it)); the first line includes benefits for disabled civilians, carers' allowances, social pensions and allowances and veterans' pensions; the second part of the table shows *other welfare benefits* (minimum supplementary benefits, additional social benefits and amounts).

**Table 8.7 - Number of welfare benefits and subsidized pensioners**

Il numero delle prestazioni assistenziali	2014	2015	2016	2017	2018	2019
Numero di prestazioni assistenziali	3.694.183	4.040.626	4.104.413	4.082.876	4.121.039	4.177.011
Altre prestazioni assistenziali	4.467.266	4.265.233	4.101.043	3.941.059	4.165.748	3.960.529
di cui integrazioni al minimo	3.469.254	3.318.021	3.181.525	3.038.113	2.909.366	2.778.509
<b>Totale pensionati assistiti</b> (al lordo delle duplicazioni)	<b>8.431.449</b>	<b>8.305.859</b>	8.205.456	8.023.935	8.286.787	8.137.540
<b>in % sul totale pensionati</b>	<b>51,86%</b>	<b>51,34%</b>	51,08%	50,02%	51,78%	50,75%
<b>Totale pensionati</b>	<b>16.259.491</b>	<b>16.179.377</b>	<b>16.064.508</b>	<b>16.041.852</b>	<b>16.004.503</b>	<b>16.035.165</b>
Le altre prestazioni assistenziali comprendono: le integrazioni al minimo, le maggiorazioni sociali e l'importo aggiuntivo; non considerano le prestazioni di 14 <sup>o</sup> mensilit� erogate solo ai pensionati assistiti.						

Number of welfare benefits, other welfare benefits, of which supplementary minimum benefits, total number of pensioners receiving welfare benefits (before duplications), as % of the total number of pensioners, total number of pensioners; *other welfare benefits include: minimum supplementary benefits, additional social benefits and amounts, but not the 14th month benefits paid only to assisted retirees.*



**Welfare benefits**, i.e. those totally financed by general taxes, were provided to **4,177,011 subjects**<sup>84</sup> in 2019, almost + 56,000 with respect to **38,163** in 2018 for a total cost per year of **22.834,8 billion euros**, 487 million more than in 2018 and with a steady growth over the last 8 years. The most significant growth was experienced by **pensions for disabled civilians** and **carers' allowances; social pensions and allowances** and veterans' pensions (also including the benefits under Act no. 210/92 as of 2014) had a slight drop due to a physiological and quite constant reduction (*see table 6.6 in Chapter 6*).

However, it is necessary to subtract from the number of benefits that completely fall within the welfare domain, **408,862** duplicated benefits for the subjects simultaneously receiving disability pensions and carers' allowances; therefore, adding together those who receive disability benefits alone (**606,266**) and those who receive only the allowance (**1,809,721**) with **408,862** recipients of both benefits, the **total number of disabled civilians** reaches **2,824,849**. It is necessary to add to these the number of beneficiaries of social pensions or allowances (796,727) and veterans' pensions (146,573), for a total of **3,768,149 pensioners receiving benefits with a complete welfare character**.

**Other welfare benefits** are partially financed by taxpayers (except for supplementary minimum benefits provided by the pension system) and feature: **supplementary minimum welfare benefits** mainly to men, **additional social benefits** (the former 1 million per month introduced by the Berlusconi government in 2002) allocated to low income subjects, mainly women (about 70%) with an average annual amount of about 1,665 euros, the **fourteenth month's salary** established by Act no. 127 of 7/8/2007 and extended by the 2017 Budget Law, that is provided to pensioners aged 64 and over whose total pension income, until 2016, was not to exceed 2 times the FPLD minimum benefits as of 2017; the average amount of the fourteenth month salary is 485 euros per year and women are the main beneficiaries (over 70%); the **additional pension amount** is granted to **330 beneficiaries**, mainly women (80%) and was introduced by the 2001 Budget Law (Act no. 388 of 23/12/2000) in favour of pensioners who do not exceed the amount of the FPLD minimum benefits; on the whole, welfare benefits (*tables 8.7 and 6.6*) were granted to **3,960,529 pensioners**.

Adding together the beneficiaries of benefits totally and partially borne by taxpayers, net of duplications and not considering the 14th month's salary which is mainly provided to these subjects, the total is 7,728,678 pensioners who are partially or totally supported by the community, equal to 48.2% of **16,035,165**, the total number of pensioners. At least one-third of the **136,000 citizenship pensions** should be added to these. Finally, by adding the above-mentioned benefits for disabled civilians (2,824,849) to the disability benefits provided by INPS (1,109,111) and the disability benefits provided by INAIL (around 699,000), the total number of disabled subjects supported by the community is 4,633,162, equal to 29% of all pensioners. It is objectively strange for a G7 country like Italy to have almost 50% of its pensioners who are totally or partially subsidized (who in 66 years of their life have not even been able to pay 15 years of regular contributions); in fact, this situation is not in line with the economic conditions of the country; moreover, unlike the pensions financed by taxes and contributions, these **25.77 billion euros' worth of benefits** (third line of table 8.5) are **fully financed by tax payers and are not subject to taxation**.

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<sup>84</sup> The duplications related to the subjects who receive disability benefits and carers' benefits have been eliminated. Always to avoid duplications, we have not taken into consideration the 14<sup>th</sup> month salary because the beneficiaries generally receive welfare benefits such as supplementary minimum benefits, additional benefits, additional social benefits and others.

**Table 8.8 - Number of benefits paid in 2014-2019**

Il numero delle prestazioni liquidate	2014	2015	2016	2017	2018	2019
<b>Totale prestazioni</b>	<b>994.973</b>	<b>1.120.638</b>	<b>1.048.096</b>	<b>1.112.163</b>	<b>1.135.294</b>	<b>1.210.483</b>
Prestazioni di natura previdenziale (1)	456.937 (46%)	549.252 (49%)	490.149 (47%)	559.058 (50,3%)	567.360 (49,98%)	623.027 (51,5%)
Prestazioni di natura assistenziale, totali	538.036 (54%)	571.386 (51%)	557.947 (53%)	553.105 (49,7%)	567.934 (50,02%)	587.456 (48,5%)
<b>Prestazioni di natura assistenziale MASCHI</b>	<b>43,34%</b>	<b>39,20%</b>	<b>43,30%</b>	<b>43,24%</b>	<b>42,65%</b>	<b>42,39%</b>
<b>Prestazioni di natura assistenziale FEMMINE</b>	<b>56,66%</b>	<b>60,80%</b>	<b>56,70%</b>	<b>56,76%</b>	<b>57,35%</b>	<b>57,61%</b>

Total number of benefits, pension benefits (1), welfare benefits, total; welfare benefits for men, welfare benefits for women; the data refer to INPS benefits, excluding ex Inpdap and ex Enpals funds. (1) In 2018, 53.76% of benefits were paid to men and 46.24% to women. In 2019, 53.42% to men and 46.58% to women.

Quota 100 and other related measures have inflated the number of pension benefits that had been decreasing over the last few years due to the reforms; instead, welfare benefits have continued to grow because of political "promises" and because there is no organizational "machine", i.e. no general welfare register. As indicated in **Table 8.8**, in 2019 too, out of 100 benefits paid out, almost half (48.5%) were welfare benefits. By now, INPS has been transformed from a pension institute into a welfare institute.

**LTC expenditure:** The share of welfare expenditure that can be classified as long-term care expenditure (LTC) is equal to the sum of benefits for disabled civilians and carers' allowances; in 2019, it amounted to **17.032 billion euros**, over 550 million more than in 2018, and was equal to about 1% of GDP. By also adding health-care expenditure, public LTC expenditure accounts for 2% of GDP (about 35 billion euros according to the General Accounting Office), to which must be added the share borne by households illustrated in Chapter 7. In any case, Italy has the highest ageing rate but it does not have the rules and the resources for long-term care.

### **8.3 How social expenditure is financed**

As already illustrated so far, in 2019 public welfare expenditure amounted to 488.336 billion euros; but what is the financing modality of this high amount of expenditure? With regard to the pension system, INAIL and temporary benefit schemes (running a surplus for 2019), the total flow of contributions was 229 billion against 267.2 billion euros' worth of pre-tax expenses (including 19.36 billion euros' worth of supplementary minimum benefits and GIAS transfers to the funds for public-sector employed workers) with a total deficit of 38.24 billion; however, net of IRPEF charged on these benefits, the balance is positive by 13.7 billion (38.167 billion if GIAS transfers to the funds for public-sector employed workers and supplementary minimum benefits are removed). Being financed by special purpose contributions, the system described above is essentially in equilibrium (i.e., contributions are sufficient to pay pension benefits). The 38.24 billion euros' worth of deficit remains to be financed, considering payments before IRPEF, healthcare spending (around 115 billion euros) and welfare spending (around 114 billion euros) that do not have "special purpose contributions" (in the past contributions to the healthcare system were compulsory) and that must be financed by general taxes and, in particular, direct taxes. **Table 8.9** shows the total revenues for the State in 2019, estimated on the basis of the EFD data and on our annual survey on income statements and tax revenues. In order to finance 229.718 billion euros' worth of health-care and welfare expenditure, Italy needs to use almost all the 248.68 billion euros' worth of direct taxes (IRPEF, Ires, Irap, Isost) with a surplus of 18.96 billion, insufficient considering pension expenditure before IRPEF. Therefore, the rest of public expenditure (education, justice, infrastructures, the administrative machine, etc.) can only be financed

by the remaining indirect taxes, all indirect revenues, but since they are still insufficient, Italy incurs into additional "debt".

It is obvious that this situation is largely unsustainable in the medium term due to the far too heavy welfare system, but above all due to the high level of tax and social security contribution evasion and avoidance; this is so clear looking at personal income tax statements in Italy.

**Table 8.9 - State revenues** (millions of euros)

<b>Tipologia Entrate/anni</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Entrate tributarie</b>								
<b>DIRETTE (3)</b>								
Irpef ordinaria (imposta al lordo bonus 80 €)	152.270	152.238	151.185	155.429	156.047	157.516	164.240	167.000
<b>IRPEF ordinaria (dal 2014 al netto bonus 80€) (1)</b>	<b>152.270</b>	<b>152.238</b>	145.108	<b>146.193</b>	<b>146.679</b>	<b>147.967</b>	154.350	157.000
Ires	30.000	31.107	32.486	33.332	34.125	34.100	33.800	34.000
<b>Imposta sostitutiva (Isost) (3.1)</b>	9.227	10.747	10.083	10.000	9.022	16.000	16.481	17.000
<b>TERRITORIALI (3)</b>								
Addizionale regionale (1)	10.730	11.178	11.383	11.847	11.948	11.944	12.310	12.460
Addizionale comunale (1)	3.234	4.372	4.483	4.709	4.749	4.790	4.963	5.020
Irapp	34.342	31.278	30.468	27.656	22.773	<b>22.700</b>	23.183	23.200
<b>TOTALE IMPOSTE DIRETTE (4)</b>	<b>239.803</b>	<b>240.920</b>	<b>234.011</b>	<b>233.738</b>	<b>229.296</b>	<b>237.501</b>	<b>245.087</b>	<b>248.680</b>
<b>IMPOSTE INDIRETTE TOTALI (3)</b>	246.110	238.675	<b>248.207</b>	<b>250.202</b>	<b>242.016</b>	<b>248.384</b>	<b>254.428</b>	257.910
<i>altre Entrate correnti (2)</i>	70.024	77.139	76.120	76.085	75.820	79.965	<b>80.676</b>	84.047
<b>Entrate totali (4)</b>	<b>555.937</b>	<b>556.734</b>	<b>558.338</b>	<b>560.025</b>	<b>547.132</b>	<b>565.850</b>	<b>580.191</b>	590.637
Per memoria Entrate totali nel DEF al netto contributi sociali (4)		556.734	562.258	569.542	567.181	578.782	583.993	599.354
Spesa sanitaria (senza rettifica MEF)		110.044	111.028	111.224	112.504	113.611	115.410	115.448
Spesa assistenziale (5)	89.000	92.700	98.440	103.674	107.374	110.150	105.666	114.270
<b>Spesa sanitaria e assistenziale</b>		<b>202.744</b>	<b>209.468</b>	<b>214.898</b>	<b>219.878</b>	<b>223.761</b>	<b>221.076</b>	<b>229.718</b>
<b>Differenza imposte dirette e spesa sociale</b>		<b>38.176</b>	<b>24.543</b>	<b>18.840</b>	<b>9.418</b>	<b>13.740</b>	<b>24.011</b>	<b>18.962</b>
(1) Compresa IRPEF a carico delle pensioni								
(2) Somma di imposte in conto capitale + altre entrate correnti + altre entrate in conto capitale								
(3) Tutti i dati sono desunti dai DEF e NADEF (documento economia finanza e nota aggiornamento) degli anni dal 2013 ad aprile 2020; Per il 2019 le previsioni in assenza di consuntivi sono in verde e calcolate in base all'incremento del PIL. Verifiche in MEF e Mostacci.it. (3.1) Dal 2017 l'imposta sostitutiva contiene anche la cedolare secca e l'imposta sui premi di risultato (pari a 5,9 miliardi)								
(4) Rispetto al DEF il totale imposte dirette utilizzato in tabella è al netto del bonus da 80 € e successivi ampliamenti sull'IRPEF ordinaria, poiché calcoliamo solo le entrate effettive; (5) sono escluse le integrazioni al minimo e le maggiorazioni sociali del settore privato e la GIAS dei dipendenti pubblici che sono finanziate impropriamente dai contributi sociali								

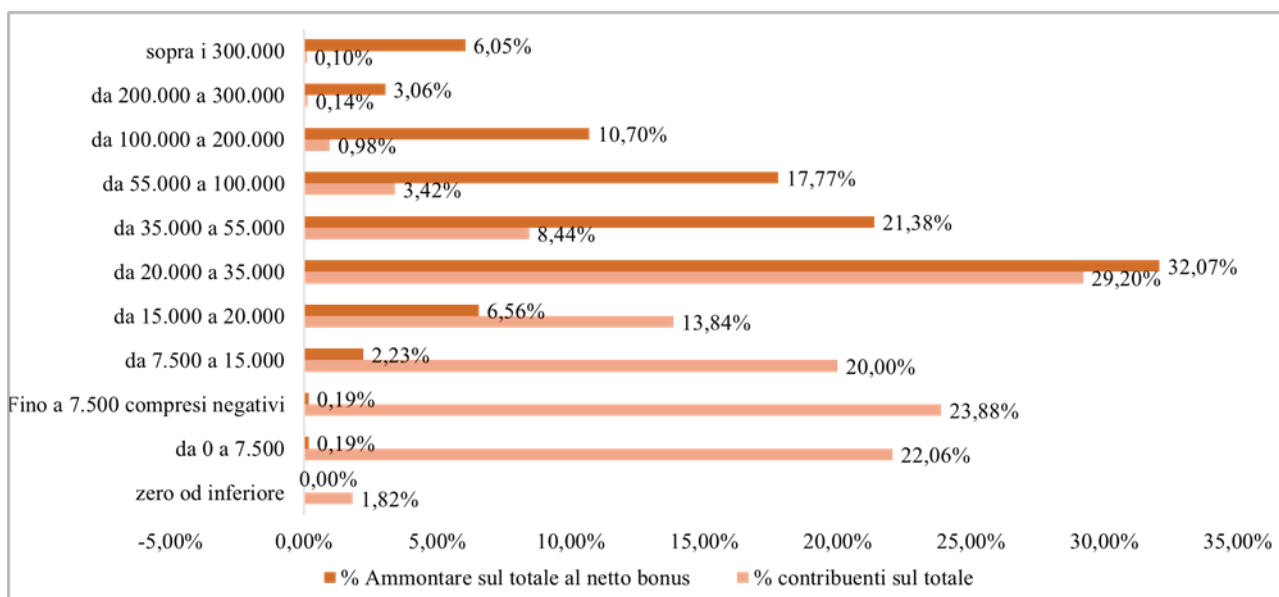
Type of revenues /years, From taxes, DIRECT taxes (3), ordinary IRPEF (before the 80 E bonus) Ordinary IRPEF (net of the 80 E bonus as of 2014) (1) IRES, Substitutive tax (ISOST) (3.1), LOCAL taxes (3), Additional regional taxes (1), Additional municipal taxes (1), IRAP, TOTAL Direct taxes (4), TOTAL INDIRECT taxes (3), Other current REVENUES (2), Total revenues (4), Total revenues in the EFD net of social contributions (4), Health-care expenditure (without correction by MEF), Welfare expenditure (5) Health-care and Welfare expenditure, Difference between direct taxes and social expenditure; (1) Including IRPEF on pensions; (2) Capital income taxes + other current income + other capital proceeds; (3) Data from the EFD and NADEF (Economic and Financial Document and its updated Note) from 2013 to April 2020; 2019 in green, without final accounting data and calculated on the basis of GDP growth; verified by MEF and Mostacci.it; (3.1) As of 2017, the substitutive tax also includes the flat tax on rentals (cedolare secca) and the tax on performance bonuses (5.9 billion euros); (4) With respect to the EFD, the figure in the table related to total direct taxes is net of the 80-euro bonus and of later extensions of ordinary IRPEF, since only actual revenues are taken into consideration; (5) Excluding the supplementary minimum benefits and the additional social benefits of the private sector and GIAS transfers to the funds for public-sector employed workers, that are wrongly financed by social contributions.

The **income stated by Italians** for personal income tax purposes in 2019 amounted to **879.957 billion euros** with a 12.4% growth; net of the 80-euro bonus introduced by Renzi and increased by the following governments, tax revenues were equal to **171.63 billion euros**, with a 9% growth in 11 years, below GDP and inflation; welfare expenditure went up while the available resources decreases due to a reduction by more than 1% in the number of tax payers.

In detail, out of 60,359,546 resident citizens, the number of those who submitted their tax returns was equal to 41,372,851; but the actual number of taxpayers, i.e. those who pay at least 1 euro of IRPEF, was 31,155,444; half of Italian citizens has no income, so they are supported by someone else.

**43.89%** of them only pays 2.42% of taxes; 23.88% pays 22 euros on average and 20% pays 318 euros per capita of personal income taxes; **13.84%** pays 6.56% of taxes, 1,348 euros per capita, insufficient to pay at least for their health care; **29.20%** pays also self-sufficient taxes for their welfare, as illustrated below, while most taxes are borne by 13.07% of subjects with 35,000 euros' worth of income and above who pay 58.95% of taxes. It will suffice to think that 0.10% of citizens, about 41,000 subjects with an income of 300,000 and above, pay 6.05% of taxes; and adding those above 100,000 euros' worth of stated income, i.e. 1.22% (slightly above 730,000), they account for 19.80% of taxes paid.

**Figure 8.1 - Statistical analyses - 2019 financial statements, 2018 tax year**



Above 300,000, from 200,000 to 300,000, Total amount net of the bonus, % of taxpayers out of the total

So, there is a huge redistribution of wealth<sup>85</sup>, which is often invoked along with "rights and inequalities" while no one mentions the word "duty" anymore; in fact, social influencers find it convenient to continue promising benefits to all, mostly producing debt, i.e. at the expense of younger generations, in the never-ending electoral climate in Italy, in which all political parties, wherever their name (right, left, liberal, socialist and so on) spasmodically search for consensus, promising tax cuts, bonuses of all kinds and the flat tax.

But how much is redistribution of wealth in Italy? We tried to calculate it, by processing the data from the 2018 tax returns submitted in 2019 and finalized in June. Since, as already illustrated, **43.88%** of taxpayers has a stated gross income from zero or even negative to 15,000 euros per year (less than 7,500 euros per year on average to live) pays only **2.42%** of all personal income taxes and another 13.84% pays 6.56%, it means that 57.72% of Italians pays **8.98%** of IRPEF, net of the Renzi bonus, that is 15.4 billion, equal to only **442 euros** on average for each of the **34.84 million** citizens.

<sup>85</sup> This comment is the summary of a series of editorials curated by Alberto Brambilla and published in *Corriere della Sera* in 2020 and may not reflect the opinion of other editors of this Report.

In practice, more than half of Italian citizens lives off someone else and is certainly not burdened by taxes. It is really difficult to imagine a G7 country in these conditions, typical of a developing country; however, this is fine for the most important "influencers" in the country, such as politicians, trade union members, the church and the media, because talking about the poor, to redistribute money that is not there, to overtax the rich, brings support and applause. So, here is the redistribution survey, starting from **healthcare**, with a total expenditure is 115.45 billion euros, equal to 1,886.5 euros per capita.

In order to provide health services to the aforementioned 57.72% of Italians, **50.325 billion euros** have to be paid especially by **13.08%** of the *population with incomes of 35,000 euros or more*, who pay **59%** of IRPEF, while the remaining **29.20%** are self-sufficient in terms of health care, with a cost equal to which costs 2,752 euros, including the dependents' share, against an average tax of 4,555 euros, net of the bonus (the taxpayers/population ratio is 1.459).

Then comes **welfare expenditure** financed by general taxes that, in 2018, had a cost of **105.66 billion**, or 1,750.51 euros per capita (in 2019 it grew up to 114.27 billion) and which is designed to provide welfare benefits to households, to subjects without income, to subsidized pensioners (about 50% out of 16 million), to the unemployed and to the disabled. In order to finance the share of expenditure not borne by 43.88% of Italians with no income and by those who pay 5,306 euros' worth of taxes or less (health care + welfare benefits:  $3,637 \times 1.459$  euros = 5,306 euros), another **70.07 billion** are needed; this sum has to be borne mainly by **13.08%**, i.e. 5.408 million taxpayers equal to 7,890,586 citizens, and partly by **29.20%** who pay 4,555 euros' worth of taxes on average with sufficient resources for health care, and who account for 71% of this amount, that is, 1,803 euros out of 2,554, leaving the rest to taxpayers in the highest bracket.

We could go on, but we will stop with **education**, with an expenditure equal to about 3.6% of GDP, worth about 62 billion euros with a per capita cost of 1,027 euros, to be totally borne the aforementioned 13.08%; a redistribution equal to **53.89 billion**. To sum up, for these three parameters alone, even if they account for a significant amount (excluding pension benefits since the real ones paid by contributions are in balance), the total redistribution is equal to **174.28 billion** out of about 580 billion euros' worth of tax revenues, net of social contributions, of which 245 billion euros' worth of direct taxes; in practice 71% of all direct taxes is redistributed.

Now looking at total public expenditure, equal to 853.62 billion euros in 2018 net of an annual deficit of 37.5 billion, per capita expenditure is **13,520 euros** and only slightly more than **4.36%** of *citizens* pays from 14,783 to 173,900 euros' worth of personal income taxes and is therefore self-sufficient; considering that the remaining direct taxes (Ires, Irap and Isost) are mainly borne by just over 13% of taxpayers and that indirect taxes are proportional to stated incomes, the percentage of redistribution is even higher. But there is not only a redistribution among citizens but also across geographical areas; just as an example, Lombardy, with around 10 million inhabitants, pays more IRPEF than all of Southern Italy (8 regions and over 23 million inhabitants). In light of these data and with such a large public debt, what is the sense of talking about tax rebates and redistribution to mitigate inequality? Telling the truth without unsustainable promises would be an act of civic accountability that may narrow the "educational and social poverty" gap that is far too widespread among the population and also across the political spectrum; this would also spur Italians to roll up their sleeves and act without always asking the State. The first thing to do would be to abolish all deductions and bonuses envisaged for low incomes (generally about 15,000 euros); although this is correct in principle, it is the first State incentive to tax dodging. These incentives should be reduced and grant them to everyone because those who pay taxes

are entitled to have at least the same services as those who do not pay taxes; and note that we are always talking about gross incomes. As an example: a gross income of 200,000 euros per year is equal to 10 times a gross income of 20,000 euros per year, but a net income of 200,000 euros is approximately less than 7 times the gross amount for the same family unit (husband, wife and 2 children); moreover, considering the difference in terms of services, health tickets, university fees, school fees, transportation, household deductions and detractions and more, the difference is less than 5 times.

On average, in 2018, with the bonus effect, the taxes paid by an employed worker with an income between 100,000 and 200,000 euros are 98 times those of an income between 7,500 and 15,000 euros; with over 300 thousand euros' worth of income, the tax is equivalent to 548 workers between 7,500 and 15 thousand euros (129 with incomes between 15,000 and 20,000). In view of what has been described, there is clearly widespread tax and social security tax dodging by a substantial part of the population. In order to reduce it, in addition to the massive introduction of the "*contrast of interests*" approach to direct household expenses (see Report VII), it is necessary to: eliminate the minimum ceilings to be entitled to different types of incentives; send to all citizens a statement of account indicating the taxes paid and the benefits enjoyed, so that most will realize that they have paid much less than the services received; above a certain age (35 years), call those who have never filed a tax return to find out what they live on; finally, ask the millions of newly-subsidized retirees why they have not paid contributions and taxes in 67 years of their life, instead of paying their pensions without any requirements. These are the only measures to reduce tax evasion for which Italy is on top of the ranking and to promote development for which Italy is at the bottom.

#### **8.4 The situation in 2020, the outlook for 2021 and short-term projections**

In 2020, the COVID-19 pandemic outbreak deteriorated an already weak economic situation and with the latter part of 2019 marked by a reduction in employment by more than 70,000 workers with respect to its peak in July. As in many other countries, the Coronavirus health crisis resulted in an economic and employment crisis bound to widely reverberate its effects in 2020 and beyond. Before moving on to the outlook for 2020 and beyond, it is important to analyse the following administrative measures that will have an impact on both the pension and welfare systems.

These are the administrative measures that will have an effect on the calculation of pensions for the 2020/22 three-year period: 1) **Adjustment to life expectancy**: For the 2021-2022 period, there will be no adjustment of the retirement age because, according to the ISTAT survey published in October 2019, there was no increase in the population's life expectancy. Therefore, as of January 1, 2021, the pension benefits requirements remain in their current form (*see Appendix*).

2) **Transformation coefficients**: For the 2021-2022 period, on June 1st 2020, the Ministry of Labour and Social Policies communicated the new transformation coefficients to be applied starting from the pension benefits paid as of January 1st, 2021. A modest reduction with respect to the coefficients in force until December 31, 2020, between 0.33% and 0.72% (it was between 1% and 1.9% in the previous revision) precisely because of the slower growth in life expectancy, especially the oldest age brackets (*see the Appendix*).

3) **Adjustment of the amount of contributions to the GDP five-year average**: The crisis triggered by COVID-19 has generated concerns regarding the adjustment of contributions due to the reduction in GDP; for the second time since the introduction of the contribution-based system (January 1, 1996), this would bring the GDP five-year average into negative territory, with a negative impact on the value

of the amount of contributions for the *workers who will retire in 2022* with contributions paid up to 2020. However, this reduction *will be neutralized* as a result of the provisions of article 5 of Law Decree no. 65 of 2015, which amended article 1, paragraph 9, of Act no. 335 of August 8, 1995; in fact, under this law, the adjustment rate can never be negative, except the recovered amount of what is neutralized in subsequent years; in real terms, the extent of the missed adjustment depends on the 2020 inflation (the adjustment in real terms has been negative 5 times since 1996). Therefore, workers who retire as of January 1, 2020 will have an adjustment of their amount of contributions credited as of December 31, 2018 equal to 1.9945% (mean of the previous 2014-2018 five-year period and an inflation rate of 1.14% in 2018); instead, there will be no adjustment of the contributions paid in 2019, the year prior to retirement (Dini Law no. 335/95), no adjustment for the contributions paid in 2020 and the ones paid in 2021 until retirement.

***Based on these indications, we will attempt below to estimate the short- and medium-term trends of the pension system by analysing the economy and employment.***

**GDP and public debt:** We published our estimates on March 20, 2020, assuming the end of the total lockdown in the month of May and an almost full return to normal business activities in September with the start of the school year; according to these projections, GDP was supposed to suffer a loss equal to at least 50% of the 232 billion produced by tourism (hotels, guides, restaurants, etc.) plus another 156 billion for the three months of lockdown of 40% of production companies, also considering a partial recovery in the last 6 months of 2020 starting from the tourism-hotel industry. On the basis of these assumptions, GDP was estimated to fall from around 1,787,664 billion to about 1,591 (-11%). On the other hand, the current 2,360 billion euros' worth of public debt was estimated to increase up to 2,460 billion euros, considering the deficit foreseen in the budget law, plus new expenses, safeguard clauses and unavoidable expenditure. ***The debt-to-GDP ratio was projected to dramatically rise to over 153.7%.*** The latest estimates at the end of September 2020 by the OECD indicate a reduction in GDP by 10.5% against -9% indicated by the Government and -9.5% by the EU Commission; instead, the debt/GDP ratio is estimated to reach almost 160%. The deficit caused by the expenses envisaged by the various government measures and the shortfall in social security contributions (around 6 billion for pension benefits and at least 4 billion for temporary benefits) and in tax revenues (around 12% of total revenues, 590 billion, equal to 71 billion) may be 11% according to our estimates (12.7% according to the IMF). These figures would have been unsustainable for the markets if the EU Commission and the ECB had not intervened with support funds and the QE follow up.

**The costs of the crisis for income and employment support measures:** As far as income support measures are concerned, on May 21, 7.7 million workers had become eligible for redundancy fund due to COVID-19, then financed by the "Cura Italia" Decree; since then, the eligible redundancy fund hours had begun to fall and, in August, they were reduced by around 33% compared to May.

In March, only 46% of companies were authorized to continue working, while in May their number had already gone up to 76%. The number of hours worked per capita per week had dropped from 35.3 in February to 22 in April, before rising again to 33 in July; absentees from work accounted for 4.2% in February and rose to 33.6% in April, then fell back to around 10%. The average utilization of the eligible redundancy fund hours was around 42%, of which 70% was paid in advance by companies due to delays in direct payments by INPS, especially for the redundancy fund in derogation. In the March-May period, 40% more applications had been filed for unemployment benefits (NASpI and Discoll) with respect to 2019, to which must be added the extension of an additional 2 months for expiring



unemployment benefits. On average, during 2020, 1,214,000 subjects received monthly unemployment benefits. The "Cura Italia" Decree allocated 10.5 billion for employed workers and the self-employed (redundancy fund and solidarity allowance for 9 weeks); the cost to the State was higher also because two-thirds of the funding provided by the GPT Fund and financed by contributions from companies, had dropped due to the lack of contributions from 46% of suspended workers. The "Relaunch" Decree extended the redundancy fund and the solidarity allowance with 15 billion euros (6 for the redundancy fund and 3 for the solidarity allowance and the rest for the bonus for the self-employed, the renewal of parental leave, the extension of the bonus for domestic helpers, the income of last resort).

**Employment levels:** the SARS-CoV-2 pandemic is estimated to produce a loss of employment in 2020 of around 900,000 compared to **23,376,000** employed at the end of 2019; the number of people employed had already fallen by 450,000 with respect to August 2019, all in the term-contract category, the only ones for whom there is no layoff ban, with a peak of **530,000 in June**. This number is bound to increase when the layoff ban is lifted. There are more than 2.6 million outstanding fixed-term contracts that are the first candidates for termination of employment; then, of these, 385,000 are working for tourist, catering and retail companies not operating because of the lockdown sector; their return to work seems very unlikely, also in the light of more than 100,000 businesses (260,000 according to Confcommercio) that are expected not to reopen. Other hard-hit sectors, such as the automotive and clothing industries, have more concrete recovery prospects, but they are unlikely to emerge unscathed. During the crisis that began in 2008, the cumulative loss of GDP was about 7% and the loss of employment was almost 1 million, of which 380,000 employed workers (the rest were self-employed and VAT holders); in 2020, GDP fell by 11% and the number of jobs lost is expected to reach 1,500,000. According to Confindustria, the number of people unemployed due COVID is expected to be 1,700,000. However, some recovery signs and the reduction in the use of the redundancy fund suggest that this drop may be limited to the above-mentioned 900,000 workers, including not only the "COVID lay-offs" but also the physiological terminations of employment frozen until now by the ban. Obviously, the post-crisis employment levels depend on the recovery speed and quality and on the measures adopted by the government.

**Costs:** the expenditure actually incurred by INPS for the various COVID-19 benefits amounts to **12 billion euros**, including notional contributions for the redundancy fund (CIG, Cassa in Deroga and solidarity fund), which was also extended for some periods to around 7 million workers. There are still just under 2 million redundancy workers, so, if the use of the redundancy fund remains around 40%, in August, September, October and part of November, then the actual redundancy fund can be estimated at around 2 billion per month. In September, the 600-euro bonus provided as of August 3 to 5.1 million beneficiaries according to INPS, was supposed to cost 17 billion euros for the months of August and September. Expenditure on parental leave, the baby-sitting bonus and the extension of Act no. 104 is much lower.

The cost of bonuses for domestic workers and the emergency income is not expected to exceed 1 billion euros. NASpI and Dis.coll had a cost around **4 billion euros** until August and September, including notional contributions. Therefore, at the end of September, welfare and income-support expenditure is estimated to be equal to **29 billion** (including charges for unemployment benefits prior to COVID-19) and to reach about **34 billion** by the end of the year; it includes the additional 10 weeks for the COVID redundancy fund provided for by the Ristori Decree of the end of October, which, however, allocated only an additional 1.6 billion. In addition to the 34 billion euros' worth of safety-net measures, there



are 6.2 billion euros' worth of grants under the Relaunch Decree and another 6.2 billion euros for the so-called Ristoro Decree, for a total of over **12 billion euros**. Finally, these sums should also include around **24 billion euros**' worth of loans guaranteed by Sace (Italian Guarantee) and by the Guarantee Fund for a cost of just over 80 billion; however, these loans are likely not to be repaid since 30% of the beneficiaries of subsidies and guaranteed funds are expected to remain out of business. In addition, the state is expected to have a shortfall of 9.6 billion euros' worth of revenues for the so-called Renzi bonus and 4 billion euros' worth of IRAP for the IRAP rebate and to have additional outlays for the baby-sitter bonus, the baby bonus, grants to SMEs financing and other subsidies. In sum, at the end of 2020, the amount to be disbursed by incurring additional debt is estimated to reach over **70 billion euros**.

The following projections take into account the hypotheses and the figures analysed so far and the probable funds from SURE, which more or less amount to the income-support expenditure in the first 9 months of 2020, and from the other European funds as envisaged by the 2020 NadeF.

**Trends of the pension system:** above, **table 8.10** shows the trends of the pension system and the economy/employment variables on the basis of the considerations provided so far. The projection up to 2026 takes into consideration the effects of the investment policies for the sums coming from the available funds (Next Generation EU, EIB, Sure and ESM) and the intervention of the ECB on rates and issues. The underlying assumptions are in the note to the table.

In detail, based on the third-quarter data communicated by INPS, the projection on the final 2020 data shows that, the total number of pensioners is expected to grow from 16,035,165 at the end of 2019 to 16,135,000, net of duplications and "cancellations"; a spike by very about 100,000 subjects compared to 2019 due to Quota 100 but above all to the COVID-19 pandemic; then, considering that the first 4 months of 2021 are expected to be difficult, Quota 100 is more than likely to attract an increasing number of subjects with a further increase in the number of pensioners to about 16,209,000, the level reached in 2015. Once the effects of Quota 100 and, hopefully, of COVID-19 have ceased by 2022, there will be a progressive reduction in the number of pension benefits paid and a natural decrease in the number of pensioners to around 16,179,000. Last year, Quota100 and its related measures led to an increase in the number of pensioners only by about 30,000 subjects with respect to 2018; this figure would have been much higher without the elimination of the 502,000 INPS private-sector pensions that had started in 1980 or earlier (a duration of about 40 years) and that were still being paid in January 2020 and of the 170,000 started between 1981 and 1982; the outstanding public-sector pensions are respectively 60,000 and 50,000. This is the reason for the high number of cancellations compared to the Italian mortality rate, 647,000 deaths in 2019 (1.07% of the entire population). The pandemic is expected to boost the "propensity to retire" of employed workers due to the shut-down of many enterprises and of VAT holders, self-employed and freelancers left without work. In this condition, all the subjects who meet the requirements of the measure and of Quota 100 in particular, will find themselves choosing whether to remain unemployed and without income once the redundancy fund or unemployment benefits are over, or to use Quota 100 as a "social shock absorber". And between zero income and a 10%-reduced pension, they will surely choose the latter. Quota 100 expires in 2021 and, according to our hypotheses, it will be replaced by a regulation such as the one described below; so, in the following years, the number of **pensioners** is bound to decrease and to arrive in 2026 at a level slightly higher than that of 2019; in fact, the subjects who have retired earlier under the above-mentioned provisions will be subtracted from the normal flow of retirements.

As to **employment**, as already pointed out, the number of workers was expected to drop by 900,000 in 2020 and then to return to the 2019 level in 2024 if a vaccine is found and if Italy is going to use well the funds already available for construction sites, major works and maintenance projects (around 70 billion) and the European funds, primarily the ESM; ANCE (the National Association of Building Contractors) has estimated that for every billion invested, around 17,000 new jobs can be generated through the supply chain. It would be sufficient to use the existing funds over three years to totally offset the loss of jobs due to COVID.

The **ratio of the number of active workers versus the number of pensioners** is expected to deteriorate in 2020 and then to pick up again in subsequent years, going back to the 2019 level between 2024 and 2025.

**Table 8.10 - Short-term projections**

ANNI	2019	2020	2021	2022	2023	2024	2025	2026
Costo totale delle prestazioni (1)	230.259	232.900	236.000	238.400	240.400	243.000	245.200	247.500
Totale entrate contributive (1)	209.399	206.000	208.000	211.000	214.000	217.000	220.000	224.000
Saldo (1)	20.860	26.900	28.000	27.400	26.400	26.000	25.200	23.500
Saldo prestazioni sostegno al reddito compresi i trasferimenti Gias (2)		10.000	5.000	2.000	1.000	4.000	4.500	4.500
Saldo bilancio INPS		36.900	33.000	29.400	29.000	25.500	25.500	25.500
Rapporto spesa totale / PIL	12,88	14,64	13,99	13,59	13,49	13,42	13,33	13,24
N° dei lavoratori occupati	23.376.000	22.476.000	22.926.000	23.200.000	23.350.000	23.400.000	23.450.000	23.500.000
N° dei pensionati	16.035.165	16.065.000	16.080.000	16.080.000	16.060.000	16.040.000	16.020.000	16.000.000
N° delle prestazioni	22.805.765	23.000.000	23.000.000					
N° abitanti residenti in Italia	60.244.639	60.150.000	60.050.000					
N° occupati per pensionato	1,4578	1,3991	1,4257	1,4428	1,4539	1,4589		
N° prestazioni per pensionato	1,4222	1,4317	1,4303					
Rapporto abitanti / prestazioni	2,642	2,615	2,611					
PIL nominale		-11%	6%	4%	1,60%	1,60%	1,60%	1,60%
PIL (3) valori a prezzi correnti in mln	1.787.664	1.591.020	1.686.481	1.754.450	1.782.539	1.811.382	1.840.000	1.869.000

(1) prestazioni previdenziali tabella 1.a in ipotesi di revisione di Q100 con quota almeno 102; **Prestazioni:** si è considerata una rivalutazione media all'inflazione delle prestazioni a un tasso medio pari a 0,8% per gli anni fino al 2026 e un effetto sostituzione tra vecchie e nuove pensioni dello 0,2% complessivo. Pensione media 25K; **Contribuzioni:** incremento annuo per rivalutazione stipendi e salari pari a 1%; reddito medio 30K (2) per quanto riguarda la GPT (gestione prestazioni temporanee) si prevedono per il 2020, circa 4 miliardi in meno di contribuzioni dalla produzione e 6 miliardi in più di oneri (esclusi i vari bonus a carico del bilancio statale); (3) Variazioni PIL: -11% nel 2020; +6% nel 2021; +4% nel 2022, poi +1.6%; **NOTA:** tutte le previsioni dal 2020 in poi sono nostre stime in ipotesi di pieno utilizzo dei fondi europei e del processo di vaccinazione a partire dal maggio 2021.

Years, Total cost of benefits (1), Total contribution revenues (1), Balance, Balance of income-support benefits including GIAS transfers (2) INPS accounting balance, Total expenditure/GDP ratio, Number of employed workers, Number of pensioners, Number of benefits, Number of resident subjects in Italy, number of employed workers per pensioners, number of benefits per pensioner, Ratio of the number of inhabitants versus the number of benefits, Nominal GDP, GDP (3) at current prices in millions of euros; (1) Pension benefits in Table 1.a in view of Quota 100 revision with Quota 102 (64 years of contributions and a maximum of 2 years of notional contributions); **Benefits:** an average adjustment to inflation equal to 0.8% up to 2022 (then 1.2% up to 2026 and a substitution effect between old and new pensions by 0.2% in total: Average pension equal to 25,000; **Contributions:** annual increase for salary and wage adjustments equal to 1%; average income: 30,000 euros; (2) As to GPT, in 2020, there is an estimated shortfall by 4 billion euros' worth of contributions from companies and 6 billion euros' worth of higher charges (excluding the bonuses provided by the State); (3) GDP variations: - 11% in 2020, + 6% in 2021, + 4% in 2022, 2.2% in 2023/24 and then + 2% with a 1.2% inflation rate from 2023 to 2026; **NOTE:** All the projections as of 2020 have been estimated by Itinerari Previdenziali in case of a full utilization of the European funds ( including the ESM funds) and of vaccinations as of May 2021.

**Pension expenditure** is expected to grow in 2020 and in 2021 with respect to 2019 21 and then to go back to a physiological pattern starting from 2023; instead, **contribution revenues** are deemed to be affected in 2020 due to the conspicuous drop in the number of active workers paying contributions and then to pick up again in the future. Obviously, the **balance of the pension system** is bound to suffer from the growth in expenditure brought about by the pandemic and Quota 100; it is expected to reach an all-time high in the **last 32 years**, higher than the level reached after the 2008 crisis, and then to improve and return to pre-crisis levels after 2026.

The *expenditure/GDP ratio* is estimated to markedly increase in 2020 and to remain above the 2019 level at least until 2026. The GPT scheme is expected to suffer a significant liability of 10 billion euros in 2020, compared to its positive balance of more than 5.5 billion in 2019, and then to improve in subsequent years and return to a positive balance in 2023 if the government policies promote growth. The costs for GIAS that had already increased by more than 2 billion between 2018 and 2019, are expected to increase even further in the 2020/ 22.

***Quota 100 and the citizenship income as of September 2020:*** The trends of the new benefits provided in 2020 can be seen in *tables 8.11* and *8.12*, which show the trends in citizenship income and pension applications and Quota 100 applications respectively. At the end of August 2020, **1.304 million households** had received the citizenship income (net of lapsed applications) for a total of **2.926 million Italian citizens**, and about **136,000 citizenship pensions** for **154,000 subjects**. Therefore, in addition to the 8 million subsidized pensioners and approximately to the 3 million beneficiaries of safety net measures (partly paid for with contributions, except for the derogated redundancy fund and COVID benefits, about half), there are another 3.1 million Italians (5% of the Italian population) who receive benefits with a complete welfare nature, for a total of almost 20 million subjects (1 beneficiary corresponds to approximately 1.48 citizens), 33% of the entire population.

**Table 8.11 – Trends of the citizenship income and pension applications**

Regione e Area geografica	Accolte		di cui Decadute		In lavorazione		Respinte/Cancellate		Totale	
	Valori assoluti	%	Valori assoluti	%	Valori assoluti	%	Valori assoluti	%	Valori assoluti	%
<b>Italia</b>	<b>1.464.835</b>	<b>100,0%</b>	<b>160.576</b>	<b>100,0%</b>	<b>101.052</b>	<b>100,0%</b>	<b>544.285</b>	<b>100,0%</b>	<b>2.110.172</b>	<b>100,0%</b>
Nord	352.828	24,1%	48.870	30,4%	43.855	43,4%	190.819	35,1%	587.502	27,8%
Centro	224.626	15,3%	26.913	16,8%	19.381	19,2%	104.194	19,1%	348.201	16,5%
Sud e Isole	887.381	60,6%	84.793	52,8%	37.816	37,4%	249.272	45,8%	1.174.469	55,7%

With regard to Quota 100 (*table 8.12*) and its related measures, almost **91,600 Quota 100 benefits** had been paid by September 30, 2020, including some 2019 applications, with an average of about 2 years of advance with respect to the statutory requirements; the approved number of applications for the women's option amounted to 12,694, with an early retirement of 5 years which was however offset by a, over 30% reduction in the amount of this allowance due to the contribution-based calculation method; approximately 135 thousand early pension benefits were provided (42 years and 10 months for men and 1 year less for women) 2 months in advance, considering the 3-month waiting window, therefore with a low cost. In 2020, the number of applications for Quota 100 and other related benefits (excluding early pensions) is expected to be lower than in 2019; in fact, 73% of these potential applicants are "mixed" and will have 60% or more of their benefits calculated according to the contribution-based method, hence with a reduction by around 10.5% with respect to the benefits calculated with the income-based method, in addition to the sums they could have accrued by working a few more years; however, given the serious employment crisis triggered by COVID-19, the number of applications for Quota 100 may reach 122,000 by the end of 2020; early pensions may exceed the 2019 figure with around 180,000 applications, while the number of applications for the other benefits such as the women's Option, social APE and early workers are expected to amount to about 48,000. The number of applications is deemed to be slightly lower in 2021 when more than 88% of potential applicants fall within a mixed system (94% in 2022); however, here again it is necessary to evaluate the pandemic developments in 2021 that may be similar to what happened in 2020.

**Table 8.12 – Trends of Quota 100 and the women's Option applications**

DATI DAL 01-01-2020 AL 30-09-2020							Proiezioni al	Consuntivo 2019
Benefici pensionistici	Istanze presentate			Numero Benefici Concessi			31/12/2020	1/1 - 31/12/2019
	Donne	Uomini	Totale	Donne	Uomini	Totale	totale	Totale
Quota 100	27.292	57.172	84.464	32.721	58.872	91.593	122.124,0	150.768
Pensione anticipata	50.836	93.029	143.865	51.280	83.763	135.043	180.057,3	106.777
Opzione donna	15.356	0	15.356	12.694	0	12.694	16.925,3	17.943
<b>TOTALE</b>	<b>93.484</b>	<b>150.201</b>	<b>243.685</b>	<b>96.695</b>	<b>142.635</b>	<b>239.330</b>	<b>319.106,7</b>	<b>275.488</b>

Data from to, number of applications, number of benefits granted, projections up to, Final figures for 2019, pension benefits, men, women, Quota 100, early retirement, women's Option, Total

**Healthcare expenditure** is expected to grow in the future because of the pandemic and in order to offset at least in part the reduction in community healthcare, primary care, general and acute care facilities in terms of number of beds and intensive care that occurred in the last 20 years. In fact, compared to 1980, according to the WHO, the number of hospital beds in Italy went from 595,000 in 1980, i.e., one bed for every 94 inhabitants, to 151,600 public hospital beds in 2017, i.e., 1 bed for every 398 inhabitants, plus about 40,500 private-facility beds for a total of one bed for every 314 inhabitants.

Given the government's decision to review not only Quota 100 but also the citizenship income, **welfare expenditure** may remain at the current level for the next three years.

**In conclusion**, the last 10 years were characterized by a reduction in the number of pensioners thanks to **two "expenditure automatic stabilizers"**: the retirement age correlated to life expectancy and the adjustment of the transformation coefficients to life expectancy, together with new and more stringent retirement requirements and also the **elimination** of a high number of over 33-year longstanding pensions which had started back in 1986 (see Chapter 6); they still account for over 1 million. However, safeguard measures, social APE and Quota 100 have interrupted a virtuous path, with continuous contribution rebates that generated an annual deficit of around 20 billion euros financed by and much more expensive due to the annual adjustment of the accrued sums. Finally, there is still a high level of welfare spending, now close to that of pensions net of taxes, as well as a large number of welfare benefits that now account for about half of all benefits and that, in some years, are even higher than pension benefits.

In the situation extensively analyzed in this Report, it is necessary to create a "**welfare database**", and to finalize the "**general registry of active workers**"; these tools are crucial to monitor welfare spending which may even decrease due to the high number of benefits cancelled because of abuses, and to implement active labour policies. The revision of Quota 100 and other related measures has been postponed, even if it is necessary in order to avoid going back in 2022 to the Monti/Fornero law requirements with the addition of 5 years to the statutory retirement age; this review is crucial given the employment situation created by the pandemic since these measures actually are social shock absorbers that mitigate the growth in unemployment.

However, the revision of the Fornero law will be hopefully carried out with a bill to finalize the cycle of reforms, at least for the next 10 years, thus providing a simple regulatory framework for all, young and old and for income-based, mixed and purely contribution-based benefits. In our opinion, the rules for all those who began working as of 1/1/1996 must be equated to those of all the other workers, also

in terms retirement requirements and supplementary minimum benefits at the same level as additional social benefits and must be calculated on the basis of the number of years worked.

This is an indispensable equity solution in a pay-as-you-go system characterized by a strong intergenerational solidarity. It is also necessary to maintain the old-age pension requirements with 67 years of age adjusted to life expectancy and at least 20 years of contributions. Quota 100, social APE social, the women's Option and early workers can be replaced by the redundancy funds already operating in banks and insurance companies with no cost for the State. Moreover, it is necessary to reintroduce the exit flexibility at the core of the Dini reform, thus allowing for flexible retirement with, for example, 64 of age (adjusted to life expectancy) and at least 38 years of contributions (quota 102) of which no more than 2 years of notional contributions (excluding maternity leave, the military service and voluntary redemptions from the calculation); the aim is to reward/promote work and not seniority, stabilizing early retirement at around 42 years and 10 months for men (1 year less for women), with no link to life expectancy, and eliminating any aggregation ban. Early retirement may be envisaged for working mothers (8 months for each child with a maximum of 24 months) and every year of work before the age of 19 should amount to 1.25 years for early workers. Finally, the adjustment of pensions to inflation should be reintroduced after being postponed for the last ten years as follows: 100% up to three times the minimum benefits, 90% from three to five times the minimum benefits and 75% over five times the minimum benefits for the share of the pension calculated with the income-based system; instead, for the share of the pension calculated with the contribution-based system, the adjustment should be equal to 100%, thus eliminating the unfair cut in high pensions. With a final pension reform, the number of "safeguarded" people and the costs would have been lower, above all, with more intergenerational equity.

Since the Italian welfare system is hard to finance and Italy already has an at exceptionally high level of social security contributions, it would be useful to introduce the so-called "*contrast of interests*" for households and for direct expenses (see previous Reports), following the example of the 50%-to-100% bonuses recently introduced by governments mainly in the construction sector; this would significantly reduce the huge amount of tax and social charge dodging and redistribute the tax burden today predominantly weighing on employed workers.

Another major problem stems from contribution rebates (for the South, for new hirings, for apprenticeships, etc.) which contradicts the need to reform the pension system because its revenues are not in balance with its benefit expenditure; moreover, it is not even a good example. It may be preferable to introduce a "tax credit" like the one successfully used in the 2000s, also because the 30% discount would be halved for dynamic workers and growing businesses in that the contribution savings would be reduced by taxes; instead this measure would mainly reward the subsidized organizations. The contribution incentives for the South are provided for under the so-called "August decree" which adopted the same parameters used by the Commission to allocate the European funds; it envisages a 30% discount on social security contributions due by workers and companies, excluding INAIL premiums, for the regions that, in 2018, had a per capita GDP less than 75% of the EU27 average or between 75% and 90% and an employment rate below the national average. The regions concerned are located in the South: Abruzzo, Molise, Campania, Basilicata, Sicily, Apulia, Calabria and Sardinia, which are entitled to these rebates only for the October-December quarter in 2020; however, the Government has planned this rebate until 2025, which is set to drop down to 20% until 2027, and

finally to 10% until 2029. The projected cost is 1 billion euros for 2020 and 4 billion for subsequent years and the Government hopes to finance it also with the Recovery Plan; however, the project requires the green light from the European Commission because these discounts are considered "state aids". The inadequate level of development of some areas of the country, in particular the eight southern regions, has often been compensated for by welfare policies; however, these policies have had the opposite effect of slowing down growth even further; for almost 25 years, these regions have been granted ***total contribution rebates*** (not 30%) but, on the basis of employment statistics, these have not produced new jobs or development. In 1994, at the end of an infringement procedure against these incentives considered as state aids, Commissioner Karel Van Miert signed an agreement with the Berlusconi government and, in particular, with the Budget Minister, Giancarlo Pagliarini, whereby these rebates were phased out between 1995 and 2002. In fact, these tax reliefs have not produced any competitive advantage, but they have delayed the development of the regions of the South exactly like the provision of disability benefits (granted in some areas of the country only for economic reasons) and of other subsidies especially in the field of agriculture; they have only "drugged" the economy of the eight southern regions and created some subsistence employment that dissolved when these incentives were prohibited and then returned, in part, only for mere physiological reasons (indispensable employment predominantly in the public administration) in the following 5 years; however, the employment rate, especially of young people and women, is still insufficient and with large swathes of undeclared work. But what is the current situation in terms of contributions? In 2019, the total contribution revenues amounted to 209.1 billion, of which 64% (approximately 134 billion) in the 8 regions of the North, 20% in the regions of the Center (41.8 billion) and 16% (33.35 billion) in the 8 regions of the South; benefit expenditure amounted to 230.5 billion, with the North accounting for 55% of the total (126.8 billion) against 19% for the Centre (43.8 billion) and 26% for the South with its 60 billion euros' worth of expenditure, almost twice as much the amount of revenues; in 2019, the balance between revenues and expenditure revealed an overall INPS deficit of 37.8 billion. The South accounted for about 50% of this deficit compared to 19% for the Center and 31% for the North. Since the level of social contributions is a proxy of the IRPEF payment, it is worth remembering that Lombardy alone, with about 10 million inhabitants, pays 39.4 billion, that is, more than the 35.2 billion of the entire South, despite the fact that it has over twice as many inhabitants, and also more than the 37.7 billion of the Center with 12 million inhabitants and Rome as the seat of most of the political-administrative activities. These figures suggest that the development of the South remains a must for Italy without which the entire country is destined to remain marginalized in the lowest ranks in terms of development and employment. The South needs physical infrastructures, freeways, railways, high speed trains, waterworks, broadband internet connections, industrial poles and the resumption of the infrastructural investments foreseen in the Pacts for the South and the Special Economic Zones, which were never implemented. The contribution incentives will produce the same bad results as the citizenship income, which is the grandchild of the integration income introduced by the then Minister Livia Turco and closed after a few months for fraud and damage to the State, which also reduced regular employment as is happening today. In addition to public investment, the South needs the security that only the State can provide. Today the South has the highest number of disability pensions (45,68% of the total) and welfare benefits (45,57%) and their ratio versus the resident population is almost twice as high with respect to the rest of the country actually due to the poor employment rate, even lower than that of Greece. Incidentally, if all the Regions were 75% self-sufficient (with

contributions equal to at least 75% of the benefits paid) the pension system would be completely in equilibrium and welfare spending would decrease; if this was also the case for taxation, the Italian accounts would be balanced.

**All of the regulatory changes as of the end of 2019 are provided in Appendix 1, with comments and insights.**



# Main statistical tables

**Table 1a - Contribution revenues, pension expenditure and welfare supplementary benefits (millions of euros)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>1. Lavoratori dipendenti privati (a)</b>																			
- 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	116.419	115.881	117.099	121.189	123.792	126.622	130.113
- prestazioni	82.644	85.728	89.708	94.075	97.409	99.417	102.837	106.767	110.360	112.541	114.881	117.772	119.259	119.494	118.976	118.974	120.124	122.172	123.773
- saldi	3.126	2.568	4.292	2.875	4.111	2.457	71	4.319	79	172	325	734	2.840	3.613	1.877	2.219	3.668	4.450	6.341
<b>2. Lavoratori dipendenti pubblici</b>																			
- contributi (2)	32.168	32.953	33.738	35.758	36.015	39.769	38.411	41.713	41.533	41.522	40.774	39.251	38.246	38.164	37.891	38.277	38.283	40.114	39.887
- prestazioni (3)	39.723	41.561	43.115	44.325	46.152	48.107	50.636	53.079	55.938	58.402	60.631	63.015	64.304	65.039	66.871	67.621	68.700	70.691	73.533
- saldi	7.555	8.608	9.377	8.567	10.137	8.338	12.026	11.366	14.405	16.880	19.858	23.764	26.058	26.875	28.980	29.344	30.417	30.578	33.646
<b>3. Lavoratori autonomi</b>																			
<b>3.1. Artigiani e commercianti</b>																			
- 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	18.345	18.515	19.149	19.401	18.830	19.353
- prestazioni	10.501	11.368	12.313	13.183	14.513	15.540	16.581	17.527	18.331	19.258	19.979	20.611	21.238	21.365	21.542	21.439	21.397	21.876	21.678
- saldi	345	- 213	- 770	- 1.060	- 1.618	- 1.997	- 671	- 1.071	- 1.964	- 3.391	- 3.231	- 2.839	- 3.240	- 3.020	- 3.047	- 2.290	- 1.996	- 3.047	- 2.325
<b>3.2. Coltivatori, coloni e mezzadri</b>																			
- contributi	1.048	1.022	1.040	1.034	1.034	1.025	1.006	1.013	1.034	1.054	1.047	1.129	1.162	1.213	1.223	1.240	1.272	1.308	1.322
- prestazioni	2.475	2.437	2.579	2.853	2.855	3.380	3.511	3.475	3.336	3.835	3.966	4.533	4.277	4.359	4.355	4.061	3.969	3.826	3.702
- saldi	1.427	- 1.615	- 1.539	- 1.818	- 1.820	- 2.355	- 2.505	- 2.463	- 2.309	- 2.781	- 2.899	- 3.403	- 3.116	- 3.146	- 3.133	- 2.821	- 2.697	- 2.518	- 2.380
<b>4. Liberi professionisti (b)</b>																			
- contributi	2.950	3.325	3.492	3.920	4.222	4.665	4.981	5.275	5.590	5.917	6.377	6.697	7.155	7.318	7.557	7.996	8.236	8.542	8.884
- prestazioni	1.839	1.960	2.074	2.229	2.383	2.544	2.691	2.842	2.969	3.138	3.281	3.515	3.753	3.942	4.121	4.302	4.475	4.703	5.041
- saldi	1.111	1.366	1.418	1.690	1.839	2.121	2.289	2.433	2.592	2.778	3.096	3.182	3.402	3.356	3.436	3.694	3.761	3.839	3.843
<b>5. Fondo clero</b>																			
- contributi	28	29	30	30	30	30	31	31	32	32	31	33	33	33	33	31	31	30	31
- prestazioni	77	83	82	85	90	89	93	96	99	99	99	100	103	102	102	100	97	95	91
- saldi	50	- 54	- 52	- 55	- 60	- 59	- 62	- 65	- 67	- 66	- 68	- 67	- 70	- 70	- 70	- 69	- 66	- 65	- 59
<b>6. Gestione lavoratori paracomuni (c)</b>																			
- 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	7.568	7.908	7.445	7.654	8.090	8.572
- prestazioni	5	17	22	44	71	116	174	236	302	385	457	467	554	625	711	806	866	1.004	1.181
- 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	6.943	7.197	6.639	6.788	7.087	7.391
<b>7. Tot. Integrativi (d)</b>																			
- contributi	647	639	645	745	799	839	861	898	834	892	892	937	1.022	1.069	1.110	1.142	1.172	1.214	1.236
- prestazioni	863	896	923	962	984	1.016	1.016	1.013	1.025	1.027	1.085	1.104	1.137	1.165	1.198	1.211	1.215	1.231	1.261
- saldi	217	- 257	- 278	- 217	- 185	- 157	- 155	- 144	- 188	- 136	- 193	- 167	- 115	- 116	- 88	- 49	- 42	- 17	- 25
<b>TOTALE GESTIONI PENSIONISTICHE</b>																			
- contributi	129.764	135.207	139.082	148.734	152.447	161.411	170.523	183.012	183.283	185.770	188.018	199.408	189.363	189.591	191.335	196.522	199.842	204.750	209.399
- prestazioni	138.128	144.249	150.815	157.757	164.457	170.210	177.540	185.035	192.590	198.685	204.379	211.117	214.626	216.112	217.897	218.504	220.843	225.599	230.259
- saldi	8.365	- 9.043	- 11.733	- 9.023	- 12.010	- 8.799	- 7.017	- 2.022	- 9.307	- 12.915	- 16.362	- 20.710	- 25.263	- 26.521	- 26.562	- 21.981	- 21.001	- 20.849	- 20.860
<b>Quota Gias per le gestioni pensionistiche (e) (f)</b>	26.891	28.677	29.280	29.816	30.100	30.913	31.766	32.626	32.782	33.577	33.705	31.780	33.292	33.356	36.045	35.238	35.583	35.824	37.779
<b>SPESA PENSIONISTICA</b>	165.019	172.926	180.095	187.573	194.557	201.123	209.306	217.461	225.372	232.262	238.084	242.897	247.918	249.468	253.942	253.731	256.425	261.423	268.038
<b>Spesa pensionistica in % del PIL</b>																			
- al lordo Gias	13	13	13	13	13	13	13	13	13	14	14	15	15	15	15	15	15	15	15
- al netto Gias	11	11	11	11	11	11	11	11	11	12	12	12	13	13	13	13	13	13	13

1. Private sector employees (a): contributions, benefits, balance; 2. Public sector employees: contributions (2), benefits (3), balance; 3. Self-employed workers; 3.1 Artisans and Retailers: contributions, benefits, balance; 3.2 Farmers, tenant farmers and sharecroppers: contributions, benefits, balance; 4. Professionals (b): contributions, benefits, balance; 5. Clergy fund: contributions, benefits, balance; 6. Atypical workers (c): contributions, benefits, balance; 7. Total supplementary benefits (d): contributions, benefits, balance - TOTAL PENSION SCHEMES: contributions, benefits, balance - GIAS transfers to pension schemes (4) and (5) - PENSION EXPENDITURE: Pension expenditure as a % of GDP: before GIAS; after GIAS (1) *Pension benefits (excluding welfare benefits such as: social pensions and allowances, veterans' pensions, disability pensions and carers' allowance) and assistance (fourteenth month, social increments, social card) as well as indemnities paid by INAIL. The contribution revenues of pension schemes include the State transfers from GIAS, GPT and the Regions (very low sums) to pay for contributions and contribution rebates and incentives that amounted to 15,613 million in 2011, to 18,085 million in 2012, up vs. the previous years, to 17,453 million for 2013, to 16,791 million for 2014, to 15,032.36 million for 2015, to 15,276.60 million for 2016, to 14,362.88 million for 2017 and to 13,988.25 million for 2018 (see text). Benefit expenditure is net of transfers from the State (GIAS) or from their entities. (2) It excludes the additional contribution paid by the State as under Act 335/95 mainly for the fund of public employees, equal to 44 million in 1995, to 4,719 million in 1996, to 5,538 million in 1997, to 6,876 million in 1998, to 8,227 million in 1999, to 8,671 million in 2000, to 9,153 million in 2001, to 8,789 million in 2002, to 8,789 million in 2003, to 8,833 million in 2004, to 8,447 million in 2005, to 10,089 million in 2006, to 8,833 million in 2007, to 9,147 million in 2008, to 9,147 million in 2009, to 9,147 million in 2010, to 10,089 million in 2011, to 10,500 million in 2012, to 10,600 million in 2013, to 10,800 million in 2014, to 10,800 million in 2015, to 10,800 million in 2016, to 10,800 million in 2017, to 10,800 million in 2018 and 10,800 million in 2019.* (3) Nel 2019 le prestazioni erogate ai dipendenti pubblici ammontano a 73.533 mln di euro, di cui 11.495,45 mln sono erogati a carico della GIAS, ex art. 2, comma 4, della legge n. 183/2011. Per coerenza con la serie storica dei precedenti esercizi, le prestazioni 2019 includono quindi 11.494,45 mln di euro di GIAS (quota che in passato era posta di fatto a carico dello Stato e che nella nuova gestione INPS viene classificata come GIAS). Pertanto l'importo effettivo delle prestazioni a carico della gestione ammonta a 62.037,55 milioni di euro. (4) Il dato complessivo della GIAS per prestazioni pensionistiche (37.779 milioni di euro) va integrato con l'ammontare della quota GIAS di cui alla nota 3, per cui il valore totale della GIAS risulta di 49.274,45 milioni di euro (37.779 + 11.495,45). (5) I principali interventi della GIAS (Gestione per gli interventi assistenziali) riguardano prevalentemente i prepensionamenti, la "quota parte" stabilita dall'art. 37 della legge 88/89, le pensioni di anzianità e le pensioni di invalidità anteriori alla legge 22/84. Quest'ultima voce fa seguito al nuovo riparto tra spesa previdenziale ed assistenziale stabilito dalla legge 448/97, art. 59. I dati da aggregare GIAS sono analizzati nel presente rapporto al capitolo 5. (a) la voce "Lavoratori dipendenti privati" comprende gli iscritti a FPLD, ENPALS, IPOST, INPGI sostitutiva e tutti i Fondi Speciali di cui alla tabella B30 e B31, esclusi gli iscritti al Fondo Clero. (b) la voce comprende tutte le Casse di cui al D.Lgs. 509/94 e 103/96, ad esclusione di INPGI sostitutiva e ENASARCO (vedasi tab. 1b, 1c, 1d), non comprende altresì le gestioni FASC (Fondo Agenti Speciezionieri e Corrieri), ENPAIA (Ente Nazionale Previdenza per gli Adetti e gli Impiegati in Agricoltura) ed ONAOSI (Opera Nazionale Assistenza Orfani Medici Sanitari Italiani). (c) la gestione è stata istituita a partire dal marzo 1996. (d) I Totale Integrativi comprende i Fondi Integrativi INPS (Fondo Gas, Fondo Biattioni, Fondo Adetti alla Miniere, Fondo Enti Ducali e Fondo per il personale del commercio autonomo del porto di Genova e dell'ente autonomo del porto di Trieste) e i Fondi Integrativi delle Casse 509 (Fondazione Enpaia, FASC ed Enasarco). (e) i dati relativi agli anni precedenti possono aver subito piccole variazioni dovute ad assentiamenti dei bilanci successivi.



**Table 2.a - Revenues/expenditure balance and its weight on pension expenditure (1)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>1. Lavoratori dipendenti privati</b>	-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	-3,02	-1,58	1,87	3,05	3,64	5,12
<b>2. Lavoratori dipendenti pubblici</b>	-19,02	-20,71	-21,75	-19,33	-21,97	-17,33	-23,75	-21,41	-25,75	-28,90	-32,75	-37,71	-40,52	-41,32	-43,34	-43,39	-44,27	-43,26	-45,76
<b>3.1. Artigiani e commercianti</b>	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	-14,14	-14,13	-10,55	-9,33	-13,93	-10,72
<b>3.2. Coltiv.diretti, coloni e mezzadri</b>	-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	-72,18	-71,93	-69,26	-67,95	-65,82	-64,28
<b>4. Liberi professionisti</b>	60,44	69,68	68,35	75,82	77,17	83,38	85,06	85,63	86,42	88,54	94,36	90,52	90,65	84,72	83,38	85,88	84,03	81,64	76,24
<b>5. Fondo clero</b>	-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	-67,82	-69,26	-69,09	-68,25	-68,18	-65,62
<b>6. Lavoratori Parasubordinati</b>	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	1.110,96	1.011,97	823,78	784,09	705,95	625,95
<b>7. Totale Integrativi</b>	-25,08	-28,69	-30,11	-22,55	-18,85	-15,48	-15,26	-14,26	-18,38	-13,19	-17,77	-15,16	-10,11	-8,24	-7,33	-4,06	-3,49	-1,40	-1,96
<b>TOTALE GESTIONI PENSIONISTICHE</b>	-6,06	-6,27	-7,78	-5,72	-7,30	-5,17	-3,95	-1,09	-4,83	-6,50	-8,01	-9,81	-11,77	-12,27	-12,19	-10,06	-9,51	-9,24	-9,06

(1) Vedasi note in tab.1.a

1. Private sector employees 2. Public sector employees 3.1. Artisans and Retailers 3.2. Farmers, tenant farmers and sharecroppers 4. Professionals 5. Clergy fund 6. Atypical workers 7. Total supplementary benefits. Total (1) *See note in Table 1a*

**Table 3a - Contribution revenues/pension expenditure ratios (%) (1)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>1. Lavoratori dipendenti privati</b>	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	96,98	98,42	101,87	103,05	103,64	105,12
<b>2. Lavoratori dipendenti pubblici</b>	80,98	79,29	78,25	80,67	78,03	82,67	76,25	78,59	74,25	71,10	67,25	62,29	59,48	58,68	56,66	56,61	55,73	56,74	54,24
<b>3.1. Artigiani e commercianti</b>	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	85,86	85,87	89,45	90,67	86,07	89,28
<b>3.2. Coltiv.diretti, coloni e mezzadri</b>	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	27,82	28,07	30,74	32,05	34,18	35,72
<b>4. Liberi professionisti</b>	160,44	169,68	168,35	175,82	177,17	183,38	185,06	185,63	186,42	188,54	194,36	190,52	190,65	184,72	183,38	185,88	184,03	181,64	176,24
<b>5. Fondo clero</b>	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	32,18	30,74	30,91	31,75	31,82	34,38
<b>6. Lavoratori Parasubordinati</b>	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	1.210,96	1.111,97	923,78	884,09	805,95	725,95
<b>7. Totale Integrativi</b>	74,92	71,31	69,89	77,45	81,15	84,52	84,74	85,74	81,62	86,81	82,23	84,84	89,89	91,76	92,67	95,94	96,51	98,60	98,04
<b>TOTALE GESTIONI PENSIONISTICHE</b>	93,94	93,73	92,22	94,28	92,70	94,83	96,05	98,91	95,17	93,50	91,99	90,19	88,23	87,73	87,81	89,94	90,49	90,76	90,94

(1) Vedasi note in tab.1.a

1. Private sector employees 2. Public sector employees 3.1. Artisans and Retailers 3.2. Farmers, tenant farmers and sharecroppers 4. Professionals 5. Clergy fund 6. Atypical workers 7. Total supplementary benefits. Total (1) *See note in Table 1a*

**Table 7a - Former Special Funds - pension revenues and expenditure (absolute and % figures)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Trasporti</b>																			
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	2.258	2.220	2.202	2.174	2.175	2.155
% 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%	-0,6%	-1,7%	-0,8%	-1,3%	0,0%	-0,9%
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	1.225	1.193	1.215	1.203	1.223	1.235
% 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%	13,8%	-2,6%	1,8%	-0,9%	1,7%	1,0%
<b>saldo</b>	-853,5	-942,7	-950,4	-900,5	-971,2	-990,9	-1.010,7	-1.025,7	-1.057,3	-999,3	-1.033,7	-1.020,6	-1.195,5	-1.033,5	-1.026,4	-987,7	-971,3	-951,8	-919,7
<b>Elettrici</b>																			
Uscite Previdenziali (mln)	1.963	1.961	2.095	2.148	2.206	2.249	2.298	2.335	2.380	2.394	2.434	2.481	2.488	2.489	2.471	2.502	2.535	2.592	2.615
% 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%	0,0%	-0,7%	1,2%	1,3%	2,2%	0,9%
Entrate Previdenziali (mln)	1.502	1.463	746	616	688	636	588	715	612	609	650	573	566	550	508	614	474	449	437
% di variazione	-0,2%	-2,6%	-49,0%	-17,4%	11,8%	-7,7%	-7,5%	21,3%	-14,4%	-0,5%	6,7%	-11,8%	-1,2%	-2,9%	-7,6%	20,9%	-22,8%	-5,3%	-2,7%
<b>saldo</b>	-360,5	-498,3	-1.349,4	-1.532,5	-1.517,6	-1.613,3	-1.709,9	-1.620,3	-1.768,2	-1.785,0	-1.784,1	-1.907,6	-1.921,2	-1.939,2	-1.963,1	-1.887,0	-2.060,5	-2.142,5	-2.177,6
<b>Telefonici</b>																			
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	1.896	1.911	1.907	1.894	1.913	1.919
% 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%	2,2%	0,8%	-0,2%	-0,7%	1,0%	0,8%
Entrate Previdenziali (mln)	852	848	773	787	785	802	791	746	739	736	688	684	567	606	590	593	565	604	588
% 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%	7,0%	-2,7%	0,5%	-4,7%	6,9%	-2,7%
<b>saldo</b>	-257,2	-320,4	-470,4	-562,3	-649,6	-709,8	-804,8	-928,0	-1.002,0	-1.038,5	-1.116,6	-1.144,2	-1.288,2	-1.289,2	-1.320,7	-1.314,0	-1.329,1	-1.308,7	-1.340,9
<b>INPDai</b>																			
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	5.603	5.561	5.571	5.566	5.638	5.625
% 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%	-0,1%	-0,8%	0,2%	-0,1%	1,3%	-0,2%
Entrate Previdenziali (mln)	2.823	3.269	3.419	2.924	2.578	2.363	2.265	2.343	2.197	2.049	2.001	1.965	1.798	1.967	1.668	1.581	1.538	1.479	1.437
% 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%	-8,3%	3,8%	-10,7%	-5,2%	-2,7%	-3,8%	-2,8%
<b>saldo</b>	-626,6	-460,4	-489,7	-1.431,3	-1.865,8	-2.285,2	-2.598,5	-2.732,9	-3.109,0	-3.383,4	-3.564,1	-3.713,9	-3.809,7	-3.735,7	-3.892,7	-3.989,9	-4.025,3	-4.159,7	-4.187,3

Transportation fund: benefit expenditure (millions), % variation; Electricity fund: benefit expenditure (millions), % variation; Telephony fund: benefit expenditure (millions), % variation; INPDai: benefit expenditure (millions), % variation; Except for the Transportation Fund, for all the other special funds, since the merger into FPLD (INPDai 2002, other 1997) the contributions of newly hired people have been included in the FPLD accounts, while benefits are still reported in the funds' accounts, which deteriorates their deficit situation

**Table 4.a - Number of contributors, number of pensions, average contributions and average pensions**

Tab. 4.a - Contribuenti, numero pensioni, contribuzione media e pensione media																				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NUMERO CONTRIBUTENTI																				
Lavoratori dipendenti privati	12.518.733	12.719.822	12.847.140	12.866.698	12.984.240	13.070.300	13.307.817	13.443.003	13.389.751	13.101.546	13.678.610	13.670.958	13.460.007	13.436.733	14.169.127	13.798.592	14.260.883	14.265.746	14.551.166	14.551.166
Lavoratori dipendenti pubblici	3.283.000	3.283.000	3.250.000	3.270.720	3.395.000	3.412.000	3.384.000	298.000	3.333.800	3.292.101	3.235.542	3.104.027	3.039.536	3.225.629	3.232.300	3.300.000	3.272.200	3.337.500	3.301.000	3.301.000
Artigiani	1.839.912	1.848.240	1.862.427	1.862.514	1.902.172	1.881.488	1.893.677	1.901.972	1.889.651	1.820.000	1.898.827	1.817.900	1.772.677	1.736.086	1.688.692	1.661.627	1.631.890	1.590.111	1.532.773	1.532.773
Commercianti	1.796.087	1.817.814	1.833.989	1.910.779	1.974.225	1.992.286	2.032.292	2.044.122	2.083.648	2.081.116	2.116.669	2.178.319	2.193.118	2.172.825	2.160.100	2.151.220	2.131.900	2.089.700	2.044.000	2.044.000
Coltivatori diretti, coltivatori e mezzadri	623.508	599.413	570.066	533.259	533.574	519.094	500.263	486.450	477.016	469.940	468.300	459.760	457.261	453.108	448.409	446.907	445.300	451.170	444.863	444.863
Liberi professionisti	801.856	846.058	890.596	928.641	963.679	996.081	1.035.622	1.058.815	1.089.759	1.124.079	1.141.148	1.169.294	1.199.391	1.262.100	1.303.853	1.306.687	1.318.159	1.318.159	1.318.159	1.318.159
di cui Medici	303.637	307.558	314.906	320.579	327.538	332.834	337.798	342.260	346.255	348.846	353.172	354.553	354.993	356.375	360.845	362.391	363.670	366.084	371.465	371.465
Fondo clero	20.790	20.800	20.800	20.800	19.930	19.630	19.910	19.960	19.730	19.980	19.910	19.990	19.420	18.896	17.997	17.900	17.850	17.900	17.900	17.900
Lavoratori Parasubordinati	1.402.330	1.660.884	1.828.770	1.747.535	1.787.500	1.789.000	1.808.000	1.821.000	1.730.000	1.709.000	1.740.000	1.707.000	1.563.000	1.526.000	1.441.000	1.249.000	1.247.000	1.303.000	1.330.000	1.330.000
Totale Ingegnieri	302.671	303.596	304.429	301.493	299.312	295.652	298.595	288.842	279.557	315.781	310.863	305.352	337.183	340.031	326.992	322.942	319.274	321.763	313.162	313.162
NUMERO PENSIONI																				
Lavoratori dipendenti privati	10.775.747	10.777.442	10.728.152	10.699.700	10.590.218	10.573.071	10.321.071	10.448.975	10.337.226	10.221.809	10.085.713	9.894.939	9.707.722	9.563.003	9.399.853	9.226.713	9.093.950	8.946.948	8.842.040	8.842.040
Lavoratori dipendenti pubblici	2.366.211	2.397.250	2.431.682	2.464.278	2.490.120	2.539.499	2.612.100	2.648.091	2.690.513	2.738.598	2.788.844	2.812.939	2.812.575	2.838.999	2.863.744	2.890.909	2.875.423	2.917.119	2.998.840	2.998.840
Artigiani	1.207.169	1.251.240	1.302.612	1.333.892	1.407.114	1.459.884	1.512.816	1.541.060	1.568.633	1.597.186	1.638.276	1.624.415	1.639.469	1.645.881	1.661.182	1.666.204	1.686.502	1.707.155	1.726.479	1.726.479
Commercianti	1.076.385	1.110.531	1.147.234	1.185.661	1.226.200	1.269.264	1.312.216	1.330.725	1.344.720	1.374.824	1.378.068	1.381.283	1.389.691	1.389.386	1.393.301	1.389.790	1.400.886	1.413.582	1.433.224	1.433.224
Coltivatori diretti, coltivatori e mezzadri	2.012.883	1.994.360	1.974.507	1.975.891	1.926.039	1.905.413	1.880.905	1.848.424	1.805.043	1.772.324	1.728.800	1.677.800	1.632.974	1.586.636	1.536.355	1.487.737	1.441.353	1.398.907	1.336.328	1.336.328
Liberi professionisti	219.602	226.094	232.201	237.627	246.334	253.533	262.846	269.493	275.946	282.803	294.710	311.357	325.358	342.606	353.540	366.363	381.472	397.136	420.382	420.382
di cui Medici	121.322	125.459	128.871	132.446	137.911	141.386	146.544	148.790	152.308	156.051	160.386	173.370	179.262	185.056	191.522	198.384	209.113	218.406	234.797	234.797
Fondo clero	15.313	14.704	14.501	13.941	14.279	14.672	14.785	14.630	14.566	14.487	14.271	14.095	13.863	13.188	13.499	13.152	12.930	13.640	12.336	12.336
Lavoratori Parasubordinati	12.720	22.465	33.361	51.971	78.246	120.064	157.941	184.483	208.250	321.195	256.392	275.931	301.840	331.077	361.232	386.549	419.431	449.037	472.434	472.434
Totale Ingegnieri	145.955	148.936	150.955	152.374	154.158	154.413	153.717	152.303	151.548	150.455	138.486	140.170	157.459	159.082	161.020	161.999	159.495	160.455	160.455	160.455
CONTRIBUZIONE MEDIA (€)																				
Lavoratori dipendenti privati	5.602.16	5.786.80	5.889.73	6.290.57	6.378.42	6.539.42	6.946.10	7.402.51	7.202.18	7.405.68	7.313.32	7.272.17	7.417.22	7.449.11	7.320.40	7.765.31	7.725.50	7.988.58	8.023.99	8.023.99
Lavoratori dipendenti pubblici	9.798.38	10.037.34	10.380.93	10.952.80	10.608.17	11.655.66	11.409.84	12.414.65	12.458.13	12.612.71	12.609.63	12.645.33	12.582.97	11.831.53	11.650.48	11.581.62	11.699.58	12.019.06	12.083.23	12.083.23
Artigiani	2.937.91	2.942.08	3.018.83	3.068.80	3.183.53	3.406.06	4.055.48	4.169.86	4.166.72	3.955.40	4.080.48	4.408.00	4.317.12	4.767.77	4.770.69	4.996.14	5.135.37	5.099.66	5.280.16	5.280.16
Commercianti	3.000.89	3.114.10	3.196.63	3.275.96	3.434.77	3.551.19	4.038.18	4.138.23	4.137.33	4.065.26	4.209.83	4.412.48	4.489.09	4.641.33	4.714.50	4.929.38	5.064.83	4.981.23	5.199.02	5.199.02
Coltivatori diretti, coltivatori e mezzadri	1.513.72	1.529.14	1.622.24	1.671.35	1.731.53	1.769.45	1.823.83	1.858.28	1.941.70	2.005.44	2.049.80	2.202.07	2.312.81	2.472.50	2.542.40	2.637.02	2.727.50	2.797.80	2.864.12	2.864.12
Liberi professionisti	3.566.72	3.799.80	3.802.06	4.098.19	4.265.66	4.566.67	4.750.49	4.880.65	5.030.25	5.166.68	5.477.30	5.644.41	5.888.45	5.725.88	5.802.90	6.102.13	6.248.59	6.471.09	6.732.01	6.732.01
di cui Medici	3.621.11	3.683.62	3.830.49	4.435.71	4.565.83	4.910.62	5.194.41	5.339.83	5.588.30	6.099.48	6.669.72	6.666.72	6.666.72	6.666.72	6.666.72	6.666.72	6.666.72	6.666.72	6.666.72	6.666.72
Fondo clero	1.332.61	1.373.85	1.423.08	1.445.38	1.492.83	1.513.14	1.557.46	1.549.90	1.610.04	1.575.48	1.609.37	1.664.27	1.707.01	1.759.91	1.735.48	1.722.43	1.716.58	1.696.62	1.740.37	1.740.37
Lavoratori Parasubordinati	1.824.68	1.760.30	1.738.54	2.245.06	2.325.23	2.548.60	3.437.31	3.607.79	3.808.61	4.749.63	3.860.26	4.404.56	4.670.74	4.942.15	5.469.82	5.907.22	6.030.61	5.985.14	6.147.71	6.147.71
Totale Ingegnieri	2.019.40	1.973.90	2.002.26	2.334.22	2.526.73	2.757.80	2.782.66	2.830.58	2.830.58	2.864.38	2.838.59	3.026.01	2.994.17	3.100.50	3.357.87	3.501.59	3.636.58	3.738.62	3.913.06	3.913.06
PENSIONE MEDIA (€) (1)																				
Lavoratori dipendenti privati	9.018.15	9.415.54	9.808.20	10.185.77	10.500.36	10.832.78	11.203.07	11.567.57	12.116.53	12.359.60	12.666.08	12.887.35	13.399.84	13.686.06	13.993.36	14.466.68	14.741.96	15.140.93	15.420.85	15.420.85
Lavoratori dipendenti pubblici	16.101.05	17.068.16	17.135.78	17.721.85	18.184.07	18.661.57	19.357.32	19.844.19	20.786.44	21.309.37	21.848.84	22.364.81	22.860.38	24.051.61	23.734.24	23.532.26	24.166.29	24.457.70	24.792.57	24.792.57
Artigiani	6.725.48	7.183.80	7.592.28	7.956.35	8.319.08	8.661.40	9.019.67	9.374.90	9.797.23	10.031.82	10.407.08	10.687.57	11.066.32	11.364.31	11.462.69	11.608.77	11.820.26	12.078.13	12.360.28	12.360.28
Commercianti	5.966.20	6.363.46	6.751.88	7.108.29	7.477.37	7.817.19	8.171.06	8.504.31	8.932.46	9.142.38	9.334.85	9.796.51	10.147.93	10.362.19	10.568.00	10.730.64	10.937.94	11.284.12	11.580.29	11.580.29
Coltivatori diretti, coltivatori e mezzadri	5.100.17	5.354.46	5.602.88	5.786.81	5.970.96	6.151.24	6.339.57	6.520.54	6.790.20	6.909.95	7.011.81	7.155.81	7.380.33	7.730.75	7.844.13	7.937.81	8.038.36	8.221.35	8.408.43	8.408.43
Liberi professionisti	8.189.05	8.497.26	8.801.90	9.246.98	9.550.65	9.758.29	9.986.34	10.357.26	10.707.38	10.377.47	10.888.48	11.066.89	11.435.67	11.435.67	11.519.46	11.578.52	11.523.65	11.628.78	11.683.91	11.683.91
di cui Medici	6.069.28	6.184.02	6.230.42	6.430.42	6.440.97	6.319.37	6.305.34	6.327.86	6.628.33	5.653.15	6.669.63	6.700.89	6.956.27	6.800.12	7.010.02	7.140.30	7.214.35	7.515.72	7.806.44	7.806.44
Fondo clero	5.983.94	6.198.79	6.384.11	6.575.93	6.726.10	6.720.35	7.025.57	7.145.59	7.396.35	7.446.40	7.750.60	7.842.25	8.008.00	8.093.57	8.097.77	8.115.03	8.135.47	8.212.47	8.285.07	8.285.07
Lavoratori Parasubordinati	394.42	500.73	603.32	734.10	880.62	995.25	1.071.92	1.278.24	1.417.82	1.563.61	1.683.59	1.832.56	1.977.50	2.074.19	2.199.35	2.264.92	2.396.21	2.573.76	2.709.89	2.709.89
Totale Ingegnieri	5.805.83	5.924.94	6.156.56	6.346.99	6.333.61	6.455.27	6.524.79	6.929.91	7.506.69	6.731.81	6.315.88	6.510.41	6.846.10	7.076.07	7.208.73	7.296.68	7.395.99	7.442.84	7.541.62	7.541.62
(1) Importi delle pensioni in pagamento a fine anno.																				
La voce "Lavoratori dipendenti privati" comprende le seguenti categorie: Fondi Pensioni, Fondo Imposte consumo, Fondo Enti Pubblici Creditizi, Dipendenti delle SSN, SSN Istituto Direttori di Azienda, Impianti Generalisti, Fondi Invest, Per Detrazione cedola, Tab. B3/a.																				

**Table 5.a - Base-100 indices of number of contributors, number of pensions, average contributions and average pensions**

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	2014	2015	2016	2017	2018	2019
<b>NUMERO CONTRIBUENTI</b>																				
Lavoratori dipendenti privati		102,45	104,09	105,13	105,34	106,26	106,96	108,90	110,01	108,76	107,22	111,94	111,88	110,15	109,96	115,95	112,92	116,70	116,74	119,08
Lavoratori dipendenti pubblici		96,30	96,30	95,34	95,94	99,59	100,09	99,27	8,74	97,79	96,57	94,85	91,05	89,16	94,62	95,40	96,95	95,99	97,90	96,83
Artigiani		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	97,37	99,40	89,00	87,41	83,17	83,17
Commercianti		110,53	111,87	112,80	117,59	121,49	122,60	124,51	125,80	132,07	138,72	134,05	134,96	133,71	132,93	132,38	131,19	128,60	125,78	125,78
Coltivatori, coloni e mezzadri		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	37,57	37,18	37,06	36,92	37,41	36,89
Liberi professionisti		159,50	168,30	171,16	184,72	191,69	198,14	204,01	210,62	216,77	223,60	227,79	232,59	238,58	251,05	255,80	257,74	259,36	259,92	262,21
di cui Medici		121,84	123,42	126,37	128,64	131,44	133,56	135,55	137,34	138,95	139,99	141,72	142,28	142,43	143,01	144,80	145,42	146,90	149,06	149,06
Fondo chiaro		81,08	81,12	81,12	77,81	77,81	76,56	77,65	77,85	76,95	77,93	76,09	76,40	75,74	75,70	70,19	69,81	69,62	69,81	69,81
Lavoratori Parasubordinati		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	181,88	171,75	148,87	148,63	153,30	158,32
Totale Ingranditi		108,34	108,67	108,97	107,92	107,14	105,83	105,09	103,39	100,07	113,03	111,27	109,30	120,69	122,00	117,04	115,59	114,28	115,17	112,09
<b>NUMERO PENSIONI</b>																				
Lavoratori dipendenti privati		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	94,92	93,30	91,58	90,26	88,81	87,76
Lavoratori dipendenti pubblici		154,32	156,34	158,59	160,71	162,40	165,62	170,35	172,70	175,47	178,60	181,62	183,44	183,43	183,14	186,76	188,53	187,52	190,24	195,57
Artigiani		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	236,14	238,33	239,05	241,97	244,93	247,70
Commercianti		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	206,45	207,03	206,51	208,16	210,04	212,96
Coltivatori, coloni e mezzadri		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	89,54	86,70	83,96	81,34	78,95	76,34
Liberi professionisti		155,19	159,78	164,10	167,93	174,08	179,17	185,75	190,45	195,01	199,86	208,27	220,04	229,93	242,12	249,85	258,91	269,59	280,66	297,08
di cui Medici		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	256,99	265,97	275,50	290,39	303,30	326,06
Fondo chiaro		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	98,60	96,33	94,05	92,46	90,39	87,50
Lavoratori Parasubordinati		256,30	453,01	713,07	1,048,01	1,577,86	2,121,13	3,184,94	3,720,17	4,199,44	4,682,29	5,170,24	5,564,25	6,086,71	6,676,29	7,284,37	7,794,90	8,457,98	9,054,99	9,526,80
Totale Ingranditi		154,18	157,35	159,48	160,98	162,86	163,13	163,40	160,91	160,11	158,93	146,31	148,09	166,35	168,07	170,11	171,15	168,50	169,49	169,51
<b>CONTRIBUZIONE MEDIA</b>																				
Lavoratori dipendenti privati		228,73	236,27	240,48	256,84	260,43	267,82	285,61	302,24	294,06	302,37	298,60	296,92	302,84	302,92	296,03	316,97	315,43	325,35	327,62
Lavoratori dipendenti pubblici		278,53	285,33	295,09	310,77	301,55	331,32	324,33	352,90	334,13	358,53	358,44	359,45	357,68	336,32	331,17	329,22	332,57	341,65	343,48
Artigiani		285,66	286,06	295,53	298,38	309,54	331,18	394,32	405,44	405,14	384,59	396,75	428,60	439,21	454,73	463,86	485,78	499,32	491,96	513,40
Commercianti		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	448,56	455,63	476,40	489,49	481,41	502,46
Coltivatori, coloni e mezzadri		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	238,95	245,71	254,85	263,60	270,39	276,80
Liberi professionisti		203,92	217,24	217,37	234,30	243,88	261,09	271,60	279,04	287,59	295,39	313,15	322,70	336,66	327,36	331,94	348,87	357,25	369,97	384,88
di cui Medici		214,73	218,43	221,14	263,03	270,75	291,19	308,02	316,64	335,67	349,17	358,13	300,45	339,75	359,75	419,05	478,34	537,64	472,61	474,17
Fondo chiaro		237,74	245,10	253,88	257,86	266,92	269,95	277,85	276,51	287,23	281,07	287,12	296,81	304,53	310,41	309,61	307,29	306,24	302,68	310,49
Lavoratori Parasubordinati		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	413,12	457,23	493,80	504,11	498,64	513,90
Totale Ingranditi		164,57	161,02	163,17	190,22	205,91	224,74	226,77	232,31	230,66	218,76	230,31	246,60	244,01	252,67	273,64	290,25	296,34	304,67	318,89
<b>PENSIONE MEDIA (1)</b>																				
Lavoratori dipendenti privati		195,38	204,19	212,71	220,90	227,72	234,93	242,96	250,87	262,77	268,04	274,69	279,49	290,60	296,81	303,47	313,67	319,71	328,36	334,43
Lavoratori dipendenti pubblici		187,31	198,56	199,55	206,23	211,54	217,49	225,19	230,85	241,81	247,90	254,17	260,17	263,85	279,80	271,92	273,99	281,15	284,52	288,42
Artigiani		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	398,90	405,93	411,10	418,59	427,72	437,71
Commercianti		223,22	238,08	252,61	265,95	279,75	292,47	305,71	315,00	323,89	342,06	356,73	366,52	379,67	387,69	395,39	401,47	409,23	421,43	433,26
Coltivatori, coloni e mezzadri		168,16	176,55	184,74	190,80	196,87	202,82	209,03	215,00	223,99	227,84	231,85	235,94	249,95	254,90	258,64	261,73	265,04	271,07	277,24
Liberi professionisti		239,64	248,66	257,58	270,60	279,49	285,56	292,24	303,09	313,34	303,68	318,64	323,57	334,65	336,06	337,10	338,83	337,22	340,30	341,91
di cui Medici		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	272,94	274,11	279,21	282,10	293,89	305,25
Fondo chiaro		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	223,85	223,97	224,44	225,01	227,14	229,15
Lavoratori Parasubordinati		-	100,00	120,49	146,60	175,87	190,77	214,07	255,27	283,15	312,26	336,22	365,97	394,92	414,23	431,24	452,32	478,54	514,00	541,18
Totale Ingranditi		178,62	182,29	189,42	195,27	194,86	198,61	200,74	202,84	203,95	207,11	194,32	200,30	210,63	217,71	221,79	224,49	227,55	228,99	232,03

(1) Importi delle pensioni in pagini entro a fine anno

(\*) L'indice a base 100 è calcolato a partire dal 1989 (vedi serie tabella dal 1989 al 2000 al sito).

NUMBER OF CONTRIBUTORS, NUMBER OF PENSIONS, AVERAGE CONTRIBUTIONS (€), AVERAGE PENSION (€)

(1) Private sector employees, Public sector employees, Artisans, Retailers, Farmers, tenant farmers and sharecroppers, Professionals, Of whom medical doctors, Clergy fund, Atypical workers, Total supplementary benefits(1) amounts of benefits to be paid at the end of the year; (\*) the 100-base index has been used since 1989 to 2000

**Table 6.a - Number of pensions/ number of active workers ratio and average pension/average income ratio (%)**

Tab. 6.a - Rapporto numero pensioni/contribuenti e pensione media/reddito medio (valori percentuali)		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
RAPPORTO TRA NUMERO PENSIONI E CONTRIBUENTI (1)																				
Lavoratori dipendenti privati		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	71,17	66,34	66,87	63,77	62,72	60,77
Lavoratori dipendenti pubblici		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	88,01	88,05	87,47	87,87	87,40	90,85
Artigiani		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	94,80	98,37	100,28	103,35	107,36	111,19
Commercianti		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	63,94	64,50	64,60	65,71	67,65	70,12
Coltiv.diretti, coloni e mezzadri		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	350,17	342,62	332,90	323,68	310,06	304,89
Liberi professionisti		27,39	26,72	26,07	25,59	25,56	25,45	25,63	25,45	25,32	25,16	25,74	26,63	27,13	27,15	27,49	28,28	29,26	30,39	31,89
di cui Medici		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	51,93	53,08	54,74	57,50	59,66	63,21
Fondo clero		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	72,97	75,01	73,47	72,44	70,61	68,36
Lavoratori Parasubordinati		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	21,70	25,07	30,95	33,64	34,46	35,52
Totale Integrativi		48,22	49,06	49,59	50,54	51,50	52,23	52,36	52,73	54,21	47,64	44,55	45,99	46,70	46,67	49,24	50,16	49,96	49,86	51,24
RAPPORTO TRA PENSIONE MEDIA AL NETTO GIAS E REDDITO MEDIO																				
Lavoratori dipendenti privati		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	55,13	57,33	54,50	54,57	55,15	56,40
Lavoratori dipendenti pubblici		57,43	58,45	57,49	54,86	58,29	55,47	56,71	53,77	56,25	56,42	56,84	58,36	60,21	66,28	68,79	69,33	67,56	66,73	68,57
Artigiani		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	34,40	34,42	33,08	31,89	32,52	30,17
Commercianti		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	33,34	33,57	32,77	32,40	34,04	32,21
Coltiv.diretti, coloni e mezzadri		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	25,00	25,85	24,13	26,67	24,28	23,67
Liberi professionisti		29,38	31,11	32,03	33,52	32,54	33,42	32,62	33,69	35,37	36,63	34,14	34,59	35,50	36,46	36,43	35,69	34,77	34,01	33,57
di cui Medici		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	22,35	20,82	19,92	18,83	17,28	17,37
Fondo clero		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lavoratori Parasubordinati		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	10,00	10,48	9,86	9,68	10,95	11,50
Totale Integrativi		31,91	33,26	33,54	32,15	31,53	30,65	30,84	30,14	30,81	35,18	38,36	36,08	29,46	31,62	29,78	27,08	29,69	30,31	30,22
RAPPORTO TRA PENSIONE MEDIA AL LORDO GIAS E REDDITO MEDIO (2)																				
Lavoratori dipendenti privati		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	66,95	70,84	67,01	66,97	67,50	69,43
Lavoratori dipendenti pubblici		57,43	58,45	57,49	54,86	58,29	55,47	56,71	53,77	56,25	56,42	56,84	58,36	60,21	66,28	68,79	69,33	67,56	66,73	68,57
Artigiani		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	40,03	40,70	39,54	38,88	40,01	38,83
Commercianti		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	37,66	38,29	37,25	37,33	39,16	37,68
Coltiv.diretti, coloni e mezzadri		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	50,74	51,94	49,07	54,21	49,90	49,01
Liberi professionisti		29,40	31,13	32,05	33,54	32,56	33,44	32,63	33,70	35,38	36,66	34,16	34,61	35,50	36,46	36,43	35,70	34,78	34,01	33,57
di cui Medici		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	22,35	20,82	19,92	18,83	17,28	17,37
Fondo clero		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lavoratori Parasubordinati		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	10,67	11,48	10,87	11,10	12,53	12,78
Totale Integrativi		32,23	33,62	33,91	32,49	31,86	30,97	31,17	30,48	31,17	35,61	38,77	36,46	29,75	31,92	30,10	27,35	29,98	30,56	30,44

(1) A titolo esemplificativo per i lavoratori dipendenti privati, per il 2019 sono in pagamento 60,76 prestazioni per ogni 100 lavoratori attivi.

(2) A titolo esemplificativo per i lavoratori dipendenti privati, per il 2019 la pensione media è uguale al 69,39% del reddito medio di un lavoratore attivo.

RATIO OF THE NUMBER OF PENSIONS/ VS. THE NUMBER OF ACTIVE WORKERS (1); RATIO OF THE AVERAGE PENSION NET OF GIAS TRANSFERS VS. AVERAGE INCOME; RATIO OF THE AVERAGE PENSION GROSS OF GIAS TRANSFERS VS. AVERAGE INCOME (2) Private sector employees, Public sector employees, Artisans, Retailers, Farmers, tenant farmers and sharecroppers, Professionals, Of whom medical doctors, Clergy fund, Atypical workers, Total supplementary benefits (1) for private sector employees, in 2019, 60.76 benefits were paid for every 100 active workers, which means 100 active workers for each pensioner; (2) For private sector employees, in 2019, the average pension was equal to 67.5% of one active worker



### B30a - Benefits and contributions of the compulsory pension system (in absolute terms)

Anno	uscite			entrate			
	numero di pensioni	pensione media	spesa di netto trasferimenti (1)	numero di contribuenti	contributo medio	redditi e prov. enti patrimoniali	contributi e trasferimenti (2)
	mgl	mgl €	mln €	mgl	mgl €	mln €	mln €
<b>2018</b>							
<b>Dipendenti Privati</b>	<b>8.946,95</b>	<b>15,14</b>	<b>122.172,21</b>	<b>14.265,75</b>	<b>7,97</b>	<b>15,45</b>	<b>126.622,40</b>
<i>Dipendenti privati INPS</i>	<i>8.730,20</i>	<i>15,04</i>	<i>118.884,72</i>	<i>13.957,45</i>	<i>7,93</i>	<i>0,14</i>	<i>123.650,72</i>
Fondo Pensioni Lavoratori Dip.	8.099,37	13,72	101.305,25	13.708,40	7,76	0,14	119.119,59
Fondo Trasporti	100,63	21,88	2.175,04	100,60	10,99	-	1.223,23
Fondo Telefonici	74,19	26,56	1.913,00	44,60	13,51	-	604,29
Fondo Elettrici	97,69	27,09	2.591,60	25,40	17,54	-	449,14
Fondo Volo	7,31	45,54	316,08	11,44	13,45	-	165,12
Fondo Imposte di consumo	7,17	18,20	124,36	0,00	-	-	0,02
Fondo Enti Pubblici Creditizi (4)	-	13,84	-	0,00	-	-	-
Dipendenti delle FFSS	214,27	22,88	4.821,01	40,20	15,19	-	610,63
Istituto Dirigenti di Azienda	129,57	51,64	5.638,38	26,81	54,92	0,00	1.478,69
<i>Altri Fondi Dip. Privati</i>	<i>68,60</i>	<i>21,49</i>	<i>1.429,01</i>	<i>173,37</i>	<i>8,90</i>	<i>15,32</i>	<i>1.563,01</i>
Istituto Giornalisti	9,57	50,77	529,55	14,73	24,64	13,05	362,92
Ente Lavoratori Spettacolo	59,03	16,74	899,46	158,64	7,44	2,27	1.200,20
<i>Fondi ex Aziende Autonome</i>	<i>148,15</i>	<i>18,44</i>	<i>1.858,47</i>	<i>134,93</i>	<i>10,41</i>	-	<i>1.408,68</i>
Dipendenti delle Poste e T. d.	148,15	18,44	1.858,47	134,93	10,41	-	1.408,68
<b>Dipendenti Pubblici</b>	<b>2.917,12</b>	<b>24,46</b>	<b>70.691,45</b>	<b>3.337,50</b>	<b>12,02</b>	<b>2,28</b>	<b>40.113,62</b>
Cassa Dipendenti Enti Locali	1.103,45	20,28	22.120,60	1.210,00	10,36	-	12.540,93
Cassa Insegnanti di Asilo	16,05	18,45	295,00	25,50	7,89	-	201,28
Cassa Sanitari	78,22	58,80	4.482,01	118,00	27,46	2,28	3.239,94
Cassa Ufficiali Giudiziari	3,04	20,08	60,65	4,00	12,07	-	48,29
Dipendenti dello Stato	1.716,36	25,64	43.733,19	1.980,00	12,16	0,00	24.083,18
<b>Autonomi e Professionisti</b>	<b>4.902,11</b>	<b>10,98</b>	<b>30.404,99</b>	<b>5.437,65</b>	<b>5,18</b>	<b>1.287,61</b>	<b>28.679,30</b>
<i>Autonomi INPS</i>	<i>4.504,97</i>	<i>10,92</i>	<i>25.702,27</i>	<i>4.130,98</i>	<i>4,77</i>	<i>0,01</i>	<i>20.137,29</i>
Fondo Artigiani	1.707,16	12,08	11.940,12	1.590,11	5,06	0,00	8.241,31
Fondo Commercianti	1.413,58	11,26	9.936,00	2.089,70	4,98	0,00	10.588,22
Fondo CDCM (3)	1.398,91	8,22	3.826,15	451,17	2,80	0,00	1.307,76
<i>Liberi Professionisti</i>	<i>397,14</i>	<i>11,63</i>	<i>4.702,72</i>	<i>1.306,67</i>	<i>6,47</i>	<i>1.287,60</i>	<i>8.542,01</i>
Casse priv. 509 (escluso ENPAM)	161,08	18,26	3.004,16	745,42	6,78	669,32	5.139,92
ENPAM	218,41	7,52	1.649,21	366,08	7,97	543,46	2.917,68
Casse priv. 103	17,65	2,78	49,15	195,16	2,48	74,82	484,42
<b>Fondo Clero</b>	<b>12,64</b>	<b>8,21</b>	<b>95,43</b>	<b>17,90</b>	<b>1,70</b>	-	<b>30,37</b>
<b>Gestione Parasubordinati</b>	<b>449,04</b>	<b>2,57</b>	<b>1.003,84</b>	<b>1.303,00</b>	<b>5,97</b>	<b>4,92</b>	<b>8.090,44</b>
<b>Totale Integrativi</b>	<b>160,44</b>	<b>7,44</b>	<b>1.231,15</b>	<b>321,76</b>	<b>3,74</b>	<b>115,52</b>	<b>1.213,95</b>
<b>Sistema Pens. Obblig. di Base</b>	<b>17.388,28</b>	<b>15,18</b>	<b>225.599,07</b>	<b>24.683,56</b>	<b>7,74</b>	<b>1.425,79</b>	<b>204.750,09</b>

(1) a carico dello Stato o altre gestioni (prevalentemente Gias pari a 26.073,16 milioni per FPLD; 42,36 milioni per il Fondo Trasporti; 67,29 milioni per il Fondo Telefonici; 51,66 milioni per il Fondo Elettrici; 18,83 per il Fondo Volo; 4,07 per il Fondo Imposte di Consumo; 59,20 per il Fondo Dipendenti delle FFSS; 122,28 per l'Istituto Dirigenti di Azienda; 85,55 per ENPALS; 852,01 per il Fondo IPOST; 2.748,92 per il Fondo Artigiani; 1.494,66 per il Fondo Commercianti; 4.038,70 per il fondo CDCM; 9,97 per il Fondo Clero; 145,18 per la Gestione Parasubordinati; 10,21 per i Fondi Integrativi INPS). Per i soli Dipendenti Pubblici la spesa di 70.691 milioni è comprensiva della quota dei trasferimenti a carico GIAS- vedasi nota (3) in Tab. 1A.

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.). Per Ex Inpdap a partire dal 2011 non sono conteggiati, nel totale della contribuzione, i trasferimenti a carico dello stato che ammontano rispettivamente a 60 milioni per il 2011, 67 per il 2012, 89 per il 2013, 61 per il 2014, 33 per il 2015, 25 per il 2016, 34 per il 2017 e 21 per il 2018.

(3) nel numero delle pensioni, 1.398.907, sono comprese 232.173 pensioni ante 1/1/1989 in carico alla GIAS, mentre nell'importo di 3.826,15 milioni non sono compresi 1.289 milioni contabilizzati nella GIAS.

(4) il Fondo è confluito in FPLD nel 2013.

Year 2018- Expenditure: number of pensions, average pension, expenditure net of transfers (1) - Revenues: number of contributors, average contribution, income and assets, contributions and transfers (2). Private sector employees - INPS private sector: employees FPLD, Transportation fund, Telephony fund, Electricity fund, Aviation fund, Tax collectors' fund, Fund for public credit institutions (4), FFSS employees, Institute for corporate executives. Other funds for private sector employees: journalists, show business and entertainment workers. Funds for former autonomous companies: Post and Telephony employees. Public sector employees: Fund for employees of local authorities, Fund for kindergarten teachers, Fund for healthcare workers, Scheme for judicial officials, Fund for State employees. Self-employed workers and professionals - INPS self-employed workers: artisans, retailers, CDCM (3). Professionals: 509 privatized funds (excluding ENPAM), ENPAM, 103 privatized funds. Clergy fund, Fund for atypical workers, Total supplementary benefits, Basic compulsory pension system. (1) Paid by the State or by other schemes (mainly GIAS equal to 25,986.74 million for FPLD, 46.66 million for the transportation fund; 70.09 for the telephony fund; 70.95 for the electricity fund; 19.86 for the aviation fund; 4.73 for tax collectors; 78.90 for FFSS employees; 122.35 for the fund for executives; 85.02 for ENPALS; 823.17 for the IPOST fund; 2,291.41 for the fund for artisans; 1,327.81 for the fund for retailers; 4,196.55 for the CDCM fund; 8.89 for the clergy fund; 82.18 for the fund for atypical workers; 2.05 for the INPS supplementary funds). For public employees, the expenditure of 67,621 million euros includes GIAS transfers. (3), Table 1a (2) paid by the State or by other schemes (contribution rebates or incentives for contribution charges etc.). As for former INPDAP the total amount does not count in, since 2011, all State paid transfers that amount to 60 million in 2011, 67 in 2012, 89 in 2013, 61 in 2014, 33 in 2015, 25 in 2016. (3) the number of pensions 1,487,737 includes 303,918 pensions before 01/01/1989 paid by GIAS, while the amount of 4,060.95 million does not include the 1,690 million in the GIAS accounts (4) This fund was integrated into FPLD in 2013.

**Table B30b - Benefits and contributions of the compulsory pension system (%)**

Ann o	Rapporto tra prestazioni e contributi (spesa al lordo GIAS)	Rapporto contabile tra prestazioni e contributi (spesa al netto GIAS) (1)	Aliquota di equilibrio contabile (1)	Rapporto tra pensioni e contributi	Rapporto tra pensione media e contributo medio	Rapporto contabile pensione media e reddito medio (1)	Rapporto tra proventi patrimoniali ed entrate contributive (2)
<b>2018</b>							
<b>Dipendenti Privati</b>	<b>131,55</b>	<b>96,49</b>	<b>34,59</b>	<b>62,72</b>	<b>153,84</b>	<b>55,15</b>	<b>0,01</b>
<i>Dipendenti privati INPS</i>	<b>131,24</b>	<b>96,15</b>	<b>34,60</b>	<b>62,55</b>	<b>153,71</b>	<b>55,32</b>	<b>0,00</b>
Fondo Pensioni Lavoratori Dip.	119,78	85,04	30,64	59,08	143,94	51,86	0,00
Fondo Trasporti	200,57	177,81	65,12	100,03	177,76	65,10	-
Fondo Telefonici	328,57	316,57	108,14	166,35	190,30	65,01	-
Fondo Elettrici	593,43	577,01	191,97	384,59	150,03	49,92	-
Fondo Volo	217,72	191,43	78,43	63,87	299,70	122,79	-
Fondo Imposte di consumo	525.331,29	508.671,40	-	-	-	-	-
Fondo Enti Pubblici Creditizi (4)	-	-	-	-	-	-	-
Dipendenti delle FFSS	799,21	789,52	275,49	533,00	148,13	51,69	-
Istituto Dirigenti di Azienda	391,21	381,31	128,44	483,30	78,90	26,57	0,00
<i>Altri Fondi Dip. Privati</i>	<b>98,17</b>	<b>91,43</b>	<b>25,89</b>	<b>39,57</b>	<b>231,06</b>	<b>65,43</b>	<b>0,98</b>
Istituto Giornalisti	145,91	145,91	52,91	64,95	224,65	81,47	3,60
Ente Lavoratori Spettacolo	83,47	74,94	19,90	37,21	201,39	53,49	0,19
<i>Fondi ex Aziende Autonome</i>	<b>192,93</b>	<b>131,93</b>	<b>45,08</b>	<b>109,80</b>	<b>120,16</b>	<b>41,05</b>	<b>-</b>
Dipendenti delle Poste e Tel.	192,93	131,93	45,08	109,80	120,16	41,05	-
<b>Dipendenti Pubblici</b>	<b>176,23</b>	<b>176,14</b>	<b>58,32</b>	<b>87,40</b>	<b>201,52</b>	<b>66,73</b>	<b>0,01</b>
Cassa Dipendenti Enti Locali	176,39	176,24	58,06	91,19	193,26	63,67	-
Cassa Insegnanti di Asilo	146,56	146,45	48,04	62,93	232,71	76,34	-
Cassa Sanitari	138,34	137,95	46,00	66,29	208,11	69,40	0,07
Cassa Ufficiali Giudiziari	125,59	125,59	40,98	75,93	165,42	53,97	-
Dipendenti dello Stato	181,59	181,58	60,23	86,68	209,48	69,48	0,00
<b>Autonomi e Professionisti</b>	<b>137,32</b>	<b>106,02</b>	<b>23,77</b>	<b>86,15</b>	<b>123,06</b>	<b>27,59</b>	<b>4,49</b>
<i>Autonomi INPS</i>	<b>172,36</b>	<b>127,64</b>	<b>31,18</b>	<b>103,79</b>	<b>122,98</b>	<b>30,04</b>	<b>0,00</b>
Fondo Artigiani	182,58	144,88	34,91	107,36	134,95	32,52	0,00
Fondo Commercialisti	109,81	93,84	23,03	67,65	138,72	34,04	0,00
Fondo CDCM	623,07	292,57	75,27	310,06	94,36	24,28	0,00
<i>Liberi Professionisti</i>	<b>55,62</b>	<b>55,05</b>	<b>10,34</b>	<b>30,39</b>	<b>181,14</b>	<b>34,01</b>	<b>15,07</b>
Casse priv. 509 (escluso ENPAM)	59,45	58,45	11,28	21,61	270,48	52,21	13,02
ENPAM	56,52	56,52	10,31	59,66	94,74	17,28	18,63
Casse priv. 103	10,15	10,15	1,71	9,04	112,18	18,94	15,44
<b>Fondo Clero</b>	<b>347,06</b>	<b>314,22</b>	<b>-</b>	<b>70,61</b>	<b>444,98</b>	<b>-</b>	<b>0,15</b>
<b>Gestione Parasubordinati</b>	<b>14,78</b>	<b>12,41</b>	<b>3,77</b>	<b>34,46</b>	<b>-</b>	<b>10,95</b>	<b>0,06</b>
<b>Totale Integrativi</b>	<b>103,19</b>	<b>101,42</b>	<b>15,11</b>	<b>49,86</b>	<b>203,40</b>	<b>30,31</b>	<b>9,52</b>
<b>Sistema Pens. Obblig. di Base</b>	<b>136,89</b>	<b>110,17</b>	<b>35,41</b>	<b>69,56</b>	<b>158,38</b>	<b>50,90</b>	<b>0,70</b>

(1) ad eccezione dei Dipendenti Pubblici, 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. B30a.

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

(3) Sono ex Fondi Speciali e autonomi (nel caso INPDAl) confluiti in FPLD con contabilità separate. Tuttavia dalla data di confluenza nel FPLD i nuovi iscritti e i relativi contributi sono contabilizzati nel FPLD e non nelle contabilità separate.

Year 2018 - Benefit/contribution rate (before GIAS) - Accounting benefit/contribution rate (net of GIAS)(1) - Accounting equilibrium rate (1) - Active workers/pensions ratio - Average pension/average contribution rate - Accounting average pension/average contribution rate - Ratio of contribution revenues vs. assets and income (2) Private sector employees - INPS private sector: employees FPLD, Transportation fund, Telephony fund, Electricity fund, Aviation fund, Tax collectors' fund, Fund for public credit institutions (4), FFSS employees, Institute for corporate e executives. Other funds for private sector employees: journalists, show business and entertainment workers. Funds for former autonomous companies: Post and Telephony employees. Public sector employees: Fund for employees of local authorities, Fund for kindergarten teachers, Fund for healthcare workers, Scheme for judicial officials, Fund for State employees. Self-employed workers and professionals - INPS self-employed workers: artisans, retailers, CDCM (3). Professionals: 509 privatized funds (excluding ENPAM), ENPAM, 103 privatized funds. Clergy fund, Fund for atypical workers, Total supplementary benefits, Basic compulsory pension system. (1) except for public employees, this ratio is calculated considering the average pension net of GIAS. For a thorough analysis of GIAS measure please refer to Note 1 of Table B28a. (2) Paid by the State or by other schemes (contribution rebates or incentives for contribution charges, etc.). (3) Former Special Funds or Funds for self-employed workers (like INPDAl) merged into FPLD with separate accounts; however, since their merger into the FPLD, new members and their contributions are registered into the FPLD accounts and not in the separate ones.

## B31a - Benefits and contributions of the compulsory pension system (in absolute terms)

Tabella B.31.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 e trasferimenti (2)
2019	mgl	mgl €	mln €	mgl	mgl €	mln €	mln €
<b>Dipendenti Privati</b>	<b>8.842,04</b>	<b>15,42</b>	<b>123.772,51</b>	<b>14.551,17</b>	<b>8,02</b>	<b>10,70</b>	<b>130.113,18</b>
<i>Dipendenti privati INPS</i>	<i>8.618,39</i>	<i>15,31</i>	<i>120.294,33</i>	<i>14.244,45</i>	<i>7,99</i>	<i>0,23</i>	<i>127.208,28</i>
Fondo Pensioni Lavoratori Dip.	7.992,97	14,13	102.658,57	14.003,60	7,83	0,21	122.844,68
Fondo Trasporti	98,77	22,14	2.154,88	99,00	11,30	-	1.235,23
Fondo Telefonici	73,64	26,74	1.928,69	44,00	13,32	-	587,77
Fondo Elettrici	96,36	27,44	2.614,80	23,90	18,10	-	437,20
Fondo Volo	7,38	45,62	321,82	12,16	14,15	0,01	176,34
Fondo Imposte di consumo	6,89	18,32	124,88	0,00	-	-	0,01
Fondo Enti Pubblici Creditizi (4)	-	13,84	-	0,00	-	-	-
Dipendenti delle FFSS	212,26	23,41	4.866,12	35,58	13,77	-	489,79
Istituto Dirigenti di Azienda	130,13	52,25	5.624,57	26,21	54,60	0,00	1.437,26
<i>Altri Fondi Dip. Privati</i>	<i>68,86</i>	<i>21,75</i>	<i>1.473,14</i>	<i>176,20</i>	<i>9,51</i>	<i>10,48</i>	<i>1.694,98</i>
Istituto Giornalisti	9,88	49,19	537,75	14,73	24,47	7,40	360,34
Ente Lavoratori Spettacolo	58,98	17,15	935,39	161,48	8,14	3,08	1.334,54
<i>Fondi ex Aziende Autonome</i>	<i>154,80</i>	<i>18,89</i>	<i>2.005,04</i>	<i>130,51</i>	<i>9,23</i>	-	<i>1.209,92</i>
Dipendenti delle Poste e Td.	154,80	18,89	2.005,04	130,51	9,23	-	1.209,92
<b>Dipendenti Pubblici</b>	<b>2.998,84</b>	<b>24,79</b>	<b>73.533,00</b>	<b>3.301,00</b>	<b>12,08</b>	<b>5,06</b>	<b>39.886,75</b>
Cassa Dipendenti Enti Locali	1.134,09	20,62	23.033,57	1.189,00	10,53	2,08	12.524,72
Cassa Insegnanti di Asilo	16,50	18,72	306,16	25,00	7,84	0,00	196,08
Cassa Sanitari	81,78	59,14	4.820,97	117,00	27,65	2,99	3.234,58
Cassa Ufficiali Giudiziari	3,10	20,37	62,81	4,00	11,30	-	45,21
Dipendenti dello Stato	1.763,37	25,95	45.309,48	1.966,00	12,15	0,00	23.886,16
<b>Autonomi e Professionisti</b>	<b>4.936,41</b>	<b>11,23</b>	<b>30.421,07</b>	<b>5.359,80</b>	<b>5,41</b>	<b>2.377,88</b>	<b>29.559,63</b>
<i>Autonomi INPS</i>	<i>4.516,03</i>	<i>11,19</i>	<i>25.380,41</i>	<i>4.041,64</i>	<i>4,97</i>	<i>0,09</i>	<i>20.675,74</i>
Fondo Artigiani	1.726,48	12,36	11.673,12	1.552,77	5,28	0,02	8.468,79
Fondo Commercianti	1.433,22	11,58	10.004,82	2.044,00	5,20	0,03	10.884,51
Fondo CDCM (3)	1.356,33	8,41	3.702,48	444,86	2,86	0,03	1.322,44
<i>Liberi Professionisti</i>	<i>420,38</i>	<i>11,68</i>	<i>5.040,66</i>	<i>1.318,16</i>	<i>6,73</i>	<i>2.377,79</i>	<i>8.883,89</i>
Casse priv. 509 (escluso ENPAM)	166,26	18,25	3.144,92	745,80	7,22	1.370,14	5.394,98
ENPAM	234,80	7,81	1.838,88	371,47	8,00	812,04	2.970,38
Casse priv. 103	19,33	2,94	56,86	200,89	2,58	195,60	518,53
<b>Fondo Clero</b>	<b>12,24</b>	<b>8,29</b>	<b>90,62</b>	<b>17,90</b>	<b>1,74</b>	-	<b>31,15</b>
<b>Gestione Parasubordinati</b>	<b>472,43</b>	<b>2,71</b>	<b>1.180,81</b>	<b>1.330,00</b>	<b>6,15</b>	<b>4,49</b>	<b>8.572,13</b>
<b>Totale Integrativi</b>	<b>160,45</b>	<b>7,54</b>	<b>1.260,61</b>	<b>313,16</b>	<b>3,91</b>	<b>253,57</b>	<b>1.235,88</b>
<b>Sistema Pens. Obblig. di Base</b>	<b>17.422,41</b>	<b>15,47</b>	<b>230.258,60</b>	<b>24.873,02</b>	<b>7,84</b>	<b>2.651,71</b>	<b>209.398,72</b>

(1) a carico dello Stato o altre gestioni (prevalentemente Gias pari a 27.215 milioni per FPLD; 46,45 milioni per il Fondo Trasporti; 51,16 milioni per il Fondo Telefonici; 48,34 milioni per il Fondo Elettrici; 16,34 per il Fondo Volo; 3,62 per il Fondo Imposte di Consumo; 91,32 per il Fondo Dipendenti delle FFSS; 162,68 per l'Istituto Dirigenti di Azienda; 96,44 per ENPALS; 881,28 per il Fondo IPOST; 3.351,72 per il Fondo Artigiani; 1.698,68 per il Fondo Commercianti; 3.963,31 per il fondo CDCM; 12,47 per il Fondo Clero; 131,32 per la Gestione Parasubordinati; 9,14 per i Fondi Integrativi INPS). Per i soli Dipendenti Pubblici la spesa di 73.533 milioni è comprensiva della quota dei trasferimenti a carico GIAS- vedasi nota (3) in Tab. 1A.

(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.). Per Ex Inpdap a partire dal 2011 non sono conteggiati, nel totale della contribuzione, i trasferimenti a carico dello stato che ammontano rispettivamente a 60 milioni per il 2011, 67 per il 2012, 89 per il 2013, 61 per il 2014, 33 per il 2015, 25 per il 2016, 34 per il 2017, 21 per il 2018 e 16 per il 2019.

(3) nel numero delle pensioni, 1.356.328 sono comprese 201.101 pensioni ante 1/1/1989 in carico alla GIAS, mentre nell'importo di 3.702,48 milioni non sono compresi 1.131 milioni contabilizzati nella GIAS.

(4) il Fondo è confluito in FPLD nel 2013.

**Table B.31b- Benefits and contributions of the compulsory pension system (%)**

Tabella B.31.b - Prestazioni e contributi del sistema pensionistico obbligatorio (valori in %)							
Anno	Rapporto tra prestazioni e contributi (spesa al lordo GIAS)	Rapporto contabile tra prestazioni e contributi (spesa al netto GIAS) (1)	Aliquota di equilibrio contabile (1)	Rapporto tra pensioni e contributi	Rapporto tra pensione media e contributo medio	Rapporto contabile pensione media e reddito medio (1)	Rapporto tra proventi patrimoniali ed entrate contributive (2)
<b>2019</b>							
<b>Dipendenti Privati</b>	<b>130,51</b>	<b>95,13</b>	<b>34,27</b>	<b>60,77</b>	<b>156,55</b>	<b>56,40</b>	<b>0,01</b>
<i>Dipendenti privati INPS</i>	<b>129,90</b>	<b>94,56</b>	<b>34,24</b>	<b>60,50</b>	<b>156,30</b>	<b>56,59</b>	<b>0,00</b>
Fondo Pensioni Lavoratori Dip.	118,45	83,57	30,30	57,08	146,41	53,09	0,00
Fondo Trasporti	196,71	174,45	65,50	99,76	174,87	65,65	-
Fondo Telefonici	337,76	328,13	109,40	167,35	196,07	65,37	-
Fondo Elettrici	615,76	598,08	201,14	403,18	148,34	49,89	-
Fondo Volo	196,55	182,50	74,15	60,67	300,83	122,23	0,01
Fondo Imposte di consumo	2.393.184,70	2.325.696,11	-	-	-	-	-
Fondo Enti Pubblici Creditizi (4)	-	-	-	-	-	-	-
Dipendenti delle FFSS	1.012,15	993,50	319,72	596,58	166,53	53,59	-
Istituto Dirigenti di Azienda	404,37	391,34	132,03	496,48	78,82	26,59	0,00
<i>Altri Fondi Dip. Privati</i>	<b>93,71</b>	<b>86,91</b>	<b>24,71</b>	<b>39,08</b>	<b>222,41</b>	<b>63,24</b>	<b>0,62</b>
Istituto Giornalisti	149,23	149,23	54,28	67,06	222,53	80,95	2,05
Ente Lavoratori Spettacolo	78,49	70,09	18,82	36,53	191,89	51,53	0,23
<i>Fondi ex Aziende Autonome</i>	<b>239,62</b>	<b>165,72</b>	<b>52,16</b>	<b>118,61</b>	<b>139,72</b>	<b>43,98</b>	<b>-</b>
Dipendenti delle Poste e T el.	239,62	165,72	52,16	118,61	139,72	43,98	-
<b>Dipendenti Pubblici</b>	<b>184,35</b>	<b>184,28</b>	<b>62,29</b>	<b>90,85</b>	<b>202,85</b>	<b>68,57</b>	<b>0,01</b>
Cassa Dipendenti Enti Locali	183,90	183,82	61,33	95,38	192,72	64,30	0,02
Cassa Insegnanti di Asilo	156,14	156,07	50,61	65,99	236,50	76,68	0,00
Cassa Sanitari	149,04	148,67	50,75	69,90	212,69	72,60	0,09
Cassa Ufficiali Giudiziari	138,95	138,95	52,35	77,53	179,24	67,52	-
Dipendenti dello Stato	189,69	189,68	64,49	89,69	211,47	71,90	0,00
<b>Autonomi e Professionisti</b>	<b>136,11</b>	<b>102,91</b>	<b>23,17</b>	<b>88,35</b>	<b>116,49</b>	<b>26,22</b>	<b>8,04</b>
<i>Autonomi INPS</i>	<b>171,12</b>	<b>122,75</b>	<b>30,13</b>	<b>106,76</b>	<b>114,98</b>	<b>28,22</b>	<b>0,00</b>
Fondo Artigiani	183,25	137,84	33,54	111,19	123,97	30,17	0,00
Fondo Commercianti	110,13	91,92	22,58	70,12	131,09	32,21	0,00
Fondo CDCM	601,64	279,97	72,17	304,89	91,83	23,67	0,00
<i>Liberi Professionisti</i>	<b>56,80</b>	<b>56,74</b>	<b>10,71</b>	<b>31,89</b>	<b>177,91</b>	<b>33,57</b>	<b>26,77</b>
Casse priv. 509 (escluso ENPAM)	58,40	58,29	11,50	22,29	261,50	51,57	25,40
ENPAM	61,91	61,91	10,98	63,21	97,94	17,37	27,34
Casse priv. 103	10,97	10,97	1,91	9,62	113,97	19,81	37,72
<b>Fondo Clero</b>	<b>330,89</b>	<b>290,88</b>	<b>-</b>	<b>68,36</b>	<b>425,52</b>	<b>-</b>	<b>0,14</b>
<b>Gestione Parasubordinati</b>	<b>16,05</b>	<b>13,77</b>	<b>4,09</b>	<b>35,52</b>	<b>-</b>	<b>11,50</b>	<b>0,05</b>
<b>Totale Integrativi</b>	<b>103,62</b>	<b>102,00</b>	<b>15,48</b>	<b>51,24</b>	<b>199,08</b>	<b>30,22</b>	<b>20,52</b>
<b>Sistema Pens. Obblig. di Base</b>	<b>137,42</b>	<b>109,95</b>	<b>35,56</b>	<b>69,24</b>	<b>158,81</b>	<b>51,36</b>	<b>1,27</b>
<p>(1) ad eccezione dei Dipendenti Pubblici, 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. B31a.</p> <p>(2) a carico dello Stato o altre gestioni (sottocontribuzioni, fiscalizzazione oneri sociali ecc.).</p> <p>(3) Sono ex Fondi Speciali e autonomi (nel caso INPDAl) confluiti in FPLD con contabilità separate. Tuttavia dalla data di confluenza nel FPLD i nuovi iscritti e i relativi contributi sono contabilizzati nel FPLD e non nelle contabilità separate.</p>							



## Appendix 1

### *A summary of the main revision and reform measures of the pension system from 1992 to 2020 and the retirement requirements under the current regulation*

**a) Amato reform (Legislative Decree no. 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 requirements for private sector workers to 65 years for men and to 60 years for women, with a 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 seniority pensions; 5) the introduction of new income requirements for supplementary benefits to the minimum pension.

**b) Legislative Decree no. 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 no. 537/1993 and no. 724/1999** harmonized 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) Dini reform (Act no. 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 the so-called quarterly exit windows; 4) more stringent income requirements for supplementary minimum benefits.

**e) Prodi reform (Act no. 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 lire and a mechanism for decreasing the indexation rates of pensions. Such cooling down measures were later repealed by the Budget Law of 2001.

**f) Berlusconi reform (Act no. 243/2004)** introduced: **a)** a "*contribution bonus*" mechanism under which the subjects already eligible for retirement who voluntarily decide to keep their job can receive the net contributions that the employer is expected to pay to INPS (example: more than 400 euros for a remuneration of 1000 euros); **b)** the aggregation system awaited for over 20 years that allows for adding up all contribution periods (over 5 years) to become eligible to retire at 65 years of age with 20 years of contributions or with 40 years of contributions, thus avoiding the so-called "*expensive reconciliation*" method "; It also envisaged: 1) an increase in early retirement age for the income-based, mixed and contribution-based schemes with respect to the required age of 65 years for men and 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 no. 247/2007 (Prodi-Damiano) - 1)** it partly modified the Berlusconi reform by eliminating the super bonus and envisaging a more gradual increase in the retirement age through "steps" and "restricted quotas" consisting of the sum of age and years of contributions; **2)** it enhanced the contribution system introduced by the 1995 reform by applying, as of 2010, the new transformation coefficients established in 2005 to be updated every three years as of 2013 and no longer every ten years, thus in line with the proposal by NUSVAP; **3)** it has foreseen that the aggregation of the contribution periods is possible for minimum periods of three years and up, instead of 5 as foreseen by the Government decree that introduced the aggregation system.

**h) Act no. 133/2008** established the possibility to fully combine old-age and early retirement pensions and labour income.

**i) Act no. 122/2010**, has amended Law Decree no. **78/2010** and intervened on:

- ***effective dates*** which were made more stringent for workers fulfilling the minimum retirement requirements as of January 1, 2011, with a delay of 1 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.
- ***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 was 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 mechanism to adjust retirement age requirements with that for the transformation coefficients in the contribution-based system.
- ***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 under Act n. 102/2009.

**l) Act no. 111/2011**, which amended Law Decree no. 98/2011 (Sacconi-Tremonti reform) and intervened on:

- ***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.
- ***adjustment of age requirements to life expectancy:*** the adjustment of age requirements to life expectancy (old-age and early-retirement pensions and social allowances) due to start in 2015, but 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 workers who retire early with 40 years of contributions regardless of age receive their pension with a 3- 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).
- ***indexation of pensions:*** for the 2012-2013 period, and pensions 5 times higher than the minimum

INPS benefits were not adjusted to the inflation rate except for the benefits 3 times lower than the minimum pension, which have a 70% indexation rate.

**m) Act no. 148/2011** which amended Law Decree no. 138/2011 and once again acted on:

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

**n) Act no. 214/2011**, which amended Law Decree no. 201/2011 (**Monti-Fornero reform**) established as follows:

- ***extension of the contribution-based system*** to workers entitled to the income-based system who were previously excluded (at least 18 years of contributions on 31/12/1995). The extension covers the periods of contribution as of January 1, 2012, according to the pro-rata principle.
- ***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 by 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 remained in force until 2015 for women who opted for the defined contribution system). The contribution-based system allows for early retirement only 3 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 fulfil the requirement by 31/12/2017.
- ***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 and this will also be applied to the procedure for updating the transformation coefficient.

- **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) was 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 no. 147/2013 (2014 Stability Law)** established as follows:

- **indexation of pensions:** for the 2014-2016 period, 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; 75% of benefits ranging from 4 to 5 times the minimum benefits; 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 no. 190/2014 (2015 Stability Law) which modified the Monti-Fornero Law as follows:**

- **penalty for early retirement** - 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 even though they have become eligible for retirement (old-age or early) cannot receive a pension higher than that they would have obtained under the previous rules. *This provision mainly targeted to high-ranking public officials is applicable to all workers and not only to civil servants.*

**q) Legislative Decree no. 65/2015 (transposed into Act no. 109 / 2015),** issued following the ruling of the Constitutional Court that rejected the "halt" to indexation for the two-year 2012/2013 period of the pensions exceeding 3 times the minimum benefits **introduced by the Monti-Fornero reform**, substantially reformulated the rules as follows:

**In 2012 and 2013:**

- 100% of ISTAT up to three times the INPS minimum benefits; 40% of the index above 3 and up to 4 times the minimum benefits;
- 20% of the index above 4 and up to 5 times the minimum benefits; 10% of the index above 5 and up to 6 times the minimum benefits; no adjustment above 6 times the minimum benefits.

**In 2014 e 2015:**

- 100% of ISTAT up to three times the INPS minimum benefits; 20% (40% of the INPS index) above 3 and up to 4 times the minimum benefits; 20% (20% of the index) above 4 and up to 5 times the minimum benefits;
- 20% (10% of the index) above 5 and up to 6 times the minimum benefits; no adjustment above 6 times the minimum benefits.

**In 2016:**

- 100% of ISTAT up to three times the INP minimum benefits; 50% (20% of the index) above 4 and up to 5 times the minimum benefits;
- 50% (10% of the index) above 5 and up to 6 times the minimum benefits; no adjustment above 6 times the minimum benefits.

The sum resulting from the application of the **new equalization system** for the years 2012 and 2013 and the revision of pension adjustments for the year 2014 and for the first seven months of 2015 (until July), was paid by INPS with the instalment of August 2015.

**r) Ministerial Decree of 06/22/2015** (Official Journal of 06/07/2015) determined the coefficients used to calculate pension benefits with the contribution-based system for the 2016-2018 three-year period.

**s) 2016 Stability Law (no. 208 /2015)** established the following provisions:

- ***penalties***: the exemption from the penalties introduced by the Fornero Reform was extended until the end of 2017 for those who decide to retire before the age of 62, but have the seniority requirements for early retirement (the so-called early workers). In addition, starting from 01/01/2016, the full pension amount is reinstated for those who retired before 62 years of age, and who suffered a reduction of their "income-based share" of their pensions in the 2012- 2014 three-year period due to penalties: 1% reduction for each year before the minimum age of 62 and 2 % for before the age of 60;
- ***women's Option***: the extension of the woman Option, i.e. the possibility for women to retire early with 35 years of contributions at 57 years and 7 months of age (58 and 7 months for self- employed women) even if they have fulfilled their requirements by 12/31/2015 and have started receiving benefits after that date. The effective dates (12 month waiting period, 18 months for the self-employed) and the less favourable method completely based on contributions remain unchanged;
- ***part time***: subjects working in the private sector with a full-time contract who become eligible for an old-age pension by 31/12/2018 (66 and 7 months in 2016-2017) are allowed to enter into an agreement with their employers to reduce their working time by 40 to 60% for a period not exceeding 3 years, receiving a monthly sum equal to the pension contributions to be paid by the employers (23.81% of the tax-free remuneration) for the work they have not done. For these part time periods, ***notional contributions*** have to be paid by general taxes, thus allowing these workers to obtain their pension without any penalty.

**t) 2017 Budget Law (no. 232/2016)** introduced the following provisions (also the extensions envisaged under the 2018 and 2019 budget laws):

• **Voluntary Pension Advance (APE)**: a *financial pension guarantee premium* was established (under the acronym APE) also called *voluntary APE* and planned to start as of 01/05/2017 and to be tested on an experimental basis up to 31/12/2018. This is a loan paid to workers in monthly instalments for 12 months until they become eligible for their pension. The loan is repaid as of the start of the retirement period with monthly instalments for 20 years. The loan must have a compulsory insurance policy for the risk of predecease. Since this is a "loan" and not a social security benefit, the sums disbursed are not considered for personal income tax purposes. The pension advance can be requested by all workers who, at the time of application, have a **minimum age of 63** and who become entitled to an old-age pension within **3 years and 7 months**, provided they fulfil the **minimum contribution requirement of 20 years**. In addition, the pension, net of the amortization rate for this type of benefit, must be equal to or higher than 1.4 times the minimum benefits (703 euros in 2017 and 710 in 2018). The minimum duration of APE is 6 months. Under the 2018 Budget Law, no. 205/2017, par. 162, Voluntary APE was extended to 2019; the 2020 budget law did not envisage any extension and so this pension measure was wound up on December 31, 2019 after a short three-year period.

• **Social APE**: this allowance was experimentally introduced until December 31 2018, with the possibility to be extended to 2019; it was in fact renewed for 2019 and then also for 2020 under the 2020 budget law with its main features; it can be requested by INPS authorized workers who fulfil the **63-age requirement** for a period going from the date in which they receive this benefit up to the age required to obtain a pension. It is equal to the monthly payment of the pension calculated when they receive this benefit, it is not adjusted and may not exceed the maximum monthly amount of 1,500 euros. The special allowance (which unlike the now extinct voluntary APE must not be refunded) is due if the entitled subjects are:

- a) in an involuntary state of unemployment, no longer receiving the unemployment benefit for at least 3 months and have **at least 30 years of contributions**;
- b) caring for a disabled or a critically ill spouse or first-degree relative living with them at the time of the application and for at least 6 months and have **at least 30 years of contributions**; as of January 2018, this allowance can be also granted to subjects who care a family member or a second-degree relative living with them if their parents or the spouse of the severely disabled individual are at least 70 years of age or suffer from disabling diseases (or have died);
- c) suffering from a working capacity impairment of at least **74%** certified by the ad hoc disability commission and have **at least 30 years of contributions**;
- d) employed on a continuous basis at the effective date of the indemnity in the occupational roles indicated in the **following table** which are so demanding that it is particularly difficult and risky to fulfil these tasks with continuity; or, alternatively, as provided for under the 2018 Stability Law, with a current or past heavy job held for at least 7 years in the last 10 years and with at least **36 years of contributions**.

This allowance cannot be provided to subjects who receive a direct pension in Italy or abroad. It is incompatible with compatible with income from employment or atypical contracts up to a limit of 8,000 euros per year and income from self-employment up to 4,800 per year. As of January 2018, working mothers have a 1 year discount for each child up to a maximum of 2 years: a working mother with two children is entitled to these benefits with 28 years of contributions (34 if working in a so-called strenuous job). These conditions were then made less stringent for some of the above-mentioned categories from a) to d) under the amended Art 53, par. 1 of Law Decree no. 53/2017, transposed into Act no. 96/2017, and under the 2018 Budget Law, no. 205/2017; it was necessary to introduce these changes after the first implementation of the new provisions on social APE. **Maritime workers**,

*fishermen, agricultural workers and steelworkers* (second smelting) have been added to the 11 categories of workers who perform *strenuous forms of work* envisaged by the social APE at the time of the initial formulation of the law *as of January 1, 2018*. For these workers, the requirement of 36 years of contributions was maintained, as well as the requirement of having performed heavy labour for 6 years in the last 7 years.

**Types of categories entitled to APE (letter d)**

- A. Miners, construction and building maintenance workers
- B. Construction crane or mobile vehicle drivers
- C. Hide and fur tanners
- D. Train conductors and travelling personnel
- E. Truck and heavy vehicle drivers
- F. Health care workers, hospital nurses and midwives working in shifts
- G. Care workers for not self-sufficient subjects
- H. Kindergarten and nursery school teachers and staff
- I. Porters, handlers and similar workers;
- L. Non skilled staff for cleaning services;
- M. Garbage collectors and other waste collectors and separators.
- Additional categories as of January 2018:**
- N. Workers in the agricultural, animal husbandry and fishing sectors;
- O. Employed workers or members of cooperatives in the coastal, inland and offshore fishing sector;
- P. First and second smelting steel and glass blowing workers exposed to high temperatures;
- Q. Maritime workers on board and travelling personnel in the maritime and inland transportation sector

**NOTE:** in our opinion, the provisions related to strenuous jobs goes in the wrong direction; in fact, it creates further inequalities among workers, evaluating the categories subject to so-called *heavy labour* in a completely arbitrary way. It took 20 years to succeed in unifying a social security system that the media and experts defined as "*the pension jungle* " where each category had its own rules and its own retirement age and contribution requirements. Now this *single and universal system* runs the risk of returning differentiations among workers (which cannot be justified except in the case of arduous jobs). At the beginning, a few categories had been identified beyond the definition of "strenuous work" which is difficult to find in the literature, only to end up with 11 and then to 15; but already many other categories are on a war path: why are kindergarten teachers in the arduous work category (they work less than 8 months a year and work around 30 hours per week) and high school or vocational school teachers are not? The real solution is to "*reward work*" envisaging a series of flexible and universal exit options because each worker has his or her own personal, family, health, etc. situation that determines the will or the need to leave the labour market; a flexible exit approach is the minimum with the contribution-based system; the resources can easily be found within welfare expenditure which is out of control.

**RITA** (Temporary and supplementary early annuity) - It allows workers to supplement their income with an early access to complementary pension benefits (excluding those in defined benefit schemes) until they become eligible for their compulsory pension. RITA is targeted to subjects who have stopped working and who meet the APE eligible requirements certified by INPS. This measure is designed to pay all or part of the benefits accrued in instalments and in the form of a temporary annuity until old-age pension eligibility requirements are met. *Art. 23* of the **2018 Budget Law envisaged a stable framework for RITA**, which is becoming a structural and no longer an experimental measure to be implemented from 01/05/2017 to 31/12/2018, adding its projections to the body of law (Law Decree no. 52/2005) governing the complementary pension system. This annuity is different from ordinary

complementary pension benefits (consisting in the provision of an annuity) and must be related to a situation of need, as unemployment for workers who are entitled to an old-age pension within 5 years and with at least 20 years of contributions in their public schemes at the time of their RITA application, or who have not been active for a period of time exceeding 24 months and who are scheduled to be entitled to old-age pension benefits within the next 10 years.

**Free-of-charge reconciliation** – As of 01/01/2013, the subjects who have two or more types of compulsory disability, old age and survivors' insurance related to employed and self-employed workers, to separate scheme members and beneficiaries of substitutive and exclusive forms of AGO can reconcile free of charge their insured periods in order to obtain a single pension. As of 01/01/2017, this free-of-charge reconciliation is also possible for the insurance periods within the schemes for professionals. This facility can be used for the following pension benefits:

- old age with the age and contribution seniority required by the law;
- early retirement with the contribution requirements established by the current law (42 years and 10 months for men and 41 years and 10 months for women in the 2016-2018 three-year period, then extended until the end of 2026 by Law Decree no. 4/2019 transposed into Act no. 26/2019;
- inability;
- survivors of an insured subject who died before becoming entitled from one of the professional schemes.

The criterion for calculating the benefits obtained from the reconciliation facility does not apply the rules of the contribution-based system as occurs for aggregation, but the pro rata approach under the rules in force in each fund. Unlike the aggregation system (waiting period of 18 months for old-age pensions and 21 months for seniority pensions), the pension (old age/seniority) obtained thanks to reconciliation runs from the first day of the month following that of the application.

**Early workers** – These subjects must have at least one year (12 months, even if on a non- continuous basis) of contributions related to periods of effective work before the age of 19; as of 01/01/2017 they can retire early with **41 years of contributions** (instead of 42 years and 10 months or 41 years and 10 months for women), of which at least 35, even if with the aggregation of contributions to INPS and schemes for professionals, provided they fall within at least one of the following 4 protected categories:

- a) they are unemployed as a result of dismissal and have stopped receiving their unemployment benefits for at least 3 months;
- b) at the time of the application and for at least 6 months, they have cared for their spouse or for a critically ill first-degree relative living with them (Act no. 104 / 1992), or, as of January 2018, for a family member or a second-degree relative living with them if their parents or the spouse of the severely disabled individual are at least 70 years of age or suffer from disabling diseases or have died);
- c) they are suffering from a working capacity impairment of at least 74% certified by the ad hoc disability commission;
- d) they are employed in the occupational roles indicated in the table under letter d) of Social APE; have been working for at least 6 years on a continuous basis in a job category which is so demanding that it is particularly difficult and risky to fulfil these tasks with continuity or with strenuous and night assignments; as of January 1, 2018, seven years of strenuous work in the last ten years or half of the



whole working life are sufficient instead of six years on a continuous basis, as provided for under the 2018 Stability Law which made the previous requirement less stringent.

The new system applicable to early workers (the so-called Early APE) has been conceived as a stable system, unlike Social APE, that is an experimental measure designed to be in force from 01/05/2017 to 31/12/2018, then postponed until 31/12/2019 under the 2018 Budget Law; the 2020 Budget Law extended its life up to 31/12/2020. The applications were accepted up to a limit of 360 million for 2017, 550 for 2018, 570 for 2019 and for 590 million as of 2020. As already illustrated, this advance window is equal to 22 months for men and only to 10 months for women. In addition, under Law Decree no. 4/2019, transposed into Act no. 26/2020, as of January 1, 2019, the requirement of 41 years is no longer subject to the adjustment of contributions life expectancy changes, but to the so-called 3-month "moving window", that is 3 months have to elapse between the accrual of the right and the actual payment of pension benefits.

**Penalties** – They were introduced by the Fornero reform for those who decide to retire before 62 years of age (reduction of the amount by 1% for each year of early retirement with respect to 62 years and 2% for each additional year of early retirement with respect to the first two) and were suspended until 2017 and finally **repealed under the 2018 Budget Law**.

**Arduous jobs**: workers who have performed arduous jobs, i.e. particularly strenuous and heavy work, for at least half of their working life or for 7 years in the last 10 years are entitled to early retirement under special regulations. Since January 1, 2012, these workers with a minimum contribution period of 35 years and a minimum retirement age, are allowed to retire through the so-called "quota system", given by the sum of age and accrued seniority. The requirements are summarized in the table below, also those for night shift workers for a minimum number of working days per year equal to less than 78. The requirements issued ***as of 2016 remain "frozen" until the end of 2026***, since the adjustment to life expectancy and the postponement of the starting date at the 13th month (18th for the self-employed) following the eligibility month (the so-called mobile window) are not applied to these workers. The list below shows the categories of arduous and night jobs:

**Table of arduous jobs: workers performing the following types of particularly arduous work**

- in tunnels, quarries or mines: mainly carried out underground on a continuous basis;
- in quarries: tasks performed by workers in quarries for the extraction of stone and ornamental materials; in tunnels: tasks performed by workers mainly to progress with the excavation upfront on the that have a prevalent and continuous character;
- in compressed air tanks;
- diving;
- in high temperature conditions: tasks that expose to high temperatures without the possibility to adopt preventive measures, such as, for example, second melting in foundries with no remote control, of refractorists, manual casting;
- hollow glass processing: manual blowing of glass;
- in confined spaces, with a prevalent and continuous nature, in particular in shipbuilding, ship repair and maintenance, in cavities, wells, double bottoms, on board or in large block structure
- asbestos removal: tasks carried out with prevalence and continuity.

### **Night workers mainly with night shifts**

- shift-workers, who work at night for at least 6 hours, including the interval between midnight and five in the morning, for a minimum number of working days per year of not less than 78 for those who fulfil the early retirement requirements in the period between 01/07/2008 and 06/30/2009, and not less than 64, for those who fulfil the early retirement requirements for as of 01/07/2009;
- those who work for at least 3 hours between midnight and five in the morning, for periods of work that last for the entire working year;
- workers involved in the so-called "assembly line", i.e. subjects employed by companies insured against accidents at work under INAIL, who work in mass production according to a predetermined schedule, sequences of positions, constant repetitions of the same working cycle on parts of a final product, moving in a continuous flow or in short bursts according to the organization of work or technologies, excluding employees who perform tasks on the sidelines, maintenance, supply of materials, regulation activities or computerized control of production lines and quality control;
- drivers of heavy vehicles, with a total capacity of not less than nine seats including the driver, used for public transport services.

This is the quota system with the requirements in case of arduous and night jobs.

Anno	Lavori usuranti		Lavori notturni		
	Età anagrafica minima	Somma età anagrafica e anzianità contributiva	Numero di notti in ogni anno	Età anagrafica minima	Somma età anagrafica e anzianità contributiva
2012	60	96	da 64 a 71	62	98
			da 72 a 77	61	97
2013-2015	61 e 3 mesi	97,3	da 64 a 71	63 e 3 mesi	99,3
			da 72 a 77	62 e 3 mesi	98,3
2016	61 e 7 mesi	97,6	da 64 a 71	63 e 7 mesi	99,6
			da 72 a 77	62 e 7 mesi	98,6
2017-2026	61 e 7 mesi	97,6	da 64 a 71	63 e 7 mesi	99,6
			da 72 a 77	62 e 7 mesi	98,6

Arduous jobs, Night jobs, Year, Minimum age, Sum of age and length of contribution, Number of nights per year

**The Eighth Safeguard Measure** - This eighth safeguard introduced by the 2017 Budget Law no. 232/2016 was designed for 30,700 subjects, thus bringing the number of safeguarded workers to over 200,000 (*see table 2.3, VI Report*). This eighth safeguard follows the other previous seven designed to manage the issue of the so-called “esodati”, that is subjects who found themselves in a special limbo after the introduction of more stringent retirement age requirements (up to 6 years) and length of contribution criteria under the Monti-Fornero Law of 2011; so, they had to be supported with these safeguard measures so as to be able to retire outside of the scope of the new provisions.

**Fourteenth month** - Starting from 2007, pensioners aged 64 and above are entitled to an additional sum on the basis of the accrued contribution seniority. The sum, a sort of 14th month salary, is paid together with the monthly remuneration in July and is provided on condition that the subject does not possess a total individual income of more than 1.5 times the INPS minimum pension (9,787 euros in 2017 and 9,895 in 2018). The 2017 Budget Law increased this upper income limit from 1.5 times to 2 times the minimum pension (from 9,787 to 13,049 euros in 2017) with a significant increase in the number of entitled subjects.

**Extension of the women's Option** - The new law is addressed to employed women born in the last quarter of 1957 (1958 for self-employed women) who reached the **age requirements by 2015** and who had been excluded from the extension introduced by the 2016 Stability Law. This option was then further extended for 2018 and for 2019 under Article 16 of Law Decree no. 4/2019 and finally for 2020 by the 2020 Budget Law. It allows for retirement with at least 35 years of contributions and 58 years

of age for employed workers and 59 for self-employed workers, as an alternative to other forms of retirement, who fulfil their requirements by December 31, 2018. Fulfilling these contribution requirements implies the exclusion of credited notional contributions due to unemployment, sickness and/or equivalent benefits. The INPS Circular n. 11/2019 also specifies that the incentives provided under the Dini Law (Article 1, paragraph 40, of Act no. 335 of 1995) are not applicable to working mothers who retire through the women's Option. In sum, these subjects are not entitled to notional contributions related to periods of absence from work for rearing or care for a child up to the age of six or care for a spouse and parent; the same is true for the 4-month advance for each child (Dini Law) up to a maximum of one year. There is a 12-month window between the accrual of the requirements and the actual receipt of the pension benefits for employed women and 18 months for self-employed ones. The amount of benefits obtained with the woman's Option is fully calculated using the contribution-based method, regardless of when the contributions were actually paid (mixed or former income-based system); in most cases, this results in a reduction of about 30% of the pension benefits.

**Corporate welfare** - The main innovations in terms of corporate welfare mainly concern two areas: tax incentives for *productivity bonuses* with a higher tax reliefs for workers who earn up to **80,000 euros** per year (50,000 euros in 2016) with maximum deductions of 3,000 euros (2,500 in 2016), which went up to a bonus of 4,000 euros if workers are involved in the organization of their companies. This limit is still applicable only for contracts prior to April 24, 2017; the productivity bonuses paid to pension funds are exempt from taxes even if the total contribution to the pension fund exceeds the maximum limit for deductions of 5,164 euros; the same for health funds with a ceiling of 3,615.20 euros. It is also possible to use productivity bonuses for non-self-sufficient (LTC) subjects and for other forms of welfare.

**u) 2018 Budget Law, Act no. 205/2017** - Since many of the provisions of this law are mainly extensions of the previous Budget Law, in order to avoid repetitions, we have described them in the part devoted to the 2017 interventions and we talk about them in the description of the new provisions for 2019; the social-security measures, in particular the pension-related ones are as follows: a) the two forms of APE with the extension of *voluntary APE* to 2019 and the introduction of less stringent eligibility criteria for *social APE* and its extension to certain categories of employed workers, also with an effect on early workers; b) the extension of the *women's Option* (further extended also for 2019) and the one-year incentive for each child for a maximum of two years for working mothers interested in *social APE*.

**New provisions for 2019 under the 2018 Budget Law no. 45 and amendments to Law Decree no. 4 of January 29, 2019** - A series of important innovations in the social security field were first introduced by Act no. 45/2018 of the 2019 Budget Law and then by Law Decree no. 4, of January 28, 2019 "*Urgent provisions on citizenship income and pensions*" transposed into Act no. 26/2019; among the most significant measures: the introduction of Quota 100; the "light" facilitated redemption of a degree or of other periods not covered by contributions; the extension of social APE and of the women's Option, as well as the change in the pension adjustment mechanism.

**Quota 100** - This option was introduced by *Law Decree no. 4/2019* that allows workers to retire with at least 62 years of age and at least 38 years of contributions (quota 100); in order to become eligible, workers must fulfil both minimum requirements: if, for example, a subject is 63 years of age and has 37 years of contributions, even though the sum of the two requirements is equal to 100, he or she cannot

retire; instead, if one of the two requirements exceeds the minimum threshold (e.g. 39 years of contributions) and the other is fulfilled (62 years of age), the worker becomes eligible for Quota 100. It is an experimental measure in force for 3 years for all workers (employed, self-employed and members of the INPS separate scheme) who become eligible by December 31, 2021 (all contributions accrued are valid, provided that, as specified by INPS, subjects have at least 35 years of effective contribution, net of periods of illness, unemployment and/or equivalent benefits). Once the workers fulfil the requirements, they can apply for this option by December 31, 2021, even after the expiry of the three-year period (in 2022 and thereafter); they will start receiving their benefits 3 months after becoming eligible due to the predefined quarterly window. It is important to stress that the calculation of the pension benefits does not have an impact on their amount, even though they are likely to be less generous than early retirement benefits due to the shorter period of contribution and to a lower transformation coefficient for the mixed group.

**Contribution peace and redemption of periods not covered by contributions** - Article 20 of Law Decree no. 4/2019, entitled "*Option to redeem periods not covered by contributions*", allows the members of the FLPD and its substitutive funds, of special schemes for the self-employed and of the separate scheme to increase their contribution seniority for three years (2019-2021); they are eligible if they have no period of contribution before January 1, 1996 (so-called pure contribution-based subjects) and have not retired. This option is granted with concessional provisions for a maximum period of 5 years, even if not in a row. It is not possible to redeem periods subject to compulsory contributions (so, *no* period of employed work for which contributions have not been paid) and the ones already covered by notional contributions (maternity leave or military service), voluntary contributions or redemption in the span between January 1, 1996 and January 29, 2019 when Law Decree no. 4/2019 came into force. The annual charge is equal to the product of the contribution rate in force in the scheme applied to the salary of the last 12 months prior to application. This cost, which can be paid in full or through a maximum of 120 monthly instalments without interests, is 50% tax deductible in the following 5 years. It must be said that for workers falling within the pure contribution-based system the redemption is irrelevant for early retirement purposes, since their pension is not based on a minimum length of contribution but (see the following paragraphs) only on their age; it has an effect only on the amount of benefits.

Paragraph 6 of Law Decree no. 4/2019 transposed into Act no. 26/2020 envisages an incentive to redeem the years spent to obtain a university degree or a PhD. There are major differences between this option and the "contribution peace" also provided for under Art. 6 of Law Decree no. 4/2019; first of all, the annual cost is calculated by applying the contribution rate of FPLD to the minimum flat income per year of the fund for retailers and artisans. The redemption cost for a degree with this new approach is much lower compared to the redemption under Law Decree no. 184/97 and Act no. 247/2007 for unemployed graduates, taking as a reference the minimum taxable income of the fund for retailers and artisans (15,878 euros in 2019), multiplied by the taxable rate of the AGO for employed workers (33%), the redemption cost is about 5,200 euros per year, so, much less with respect to the subjects with an income above the minimum for artisans in the previous 12 months. This is a permanent measure, not limited to the 2019-2021 three-year period like the contribution peace; moreover, the periods to be redeemed must be from January 1, 1996, even if the applicant has contributions prior to that date; so, it also applicable to the so-called "mixed" cases; the charge can be fully deducted from taxes.

**Pension advance (APE)** - As mentioned above, **voluntary APE** was extended to 2019 by the 2018 Budget Law (Act no. 205/2017), while **social APE** was confirmed again for 2019 by Law Decree no. 4/2019, transposed into Act no. 26/2019 and so was the **women's Option**. These two measures were then further extended until the end of 2020 under the 2020 Budget Law. For details, please refer to what has been described for previous years, in particular 2017.

**Citizenship Pension** - The citizenship income is provided both for people of working age and for the subjects over 67 years of age who are below the poverty line and who can apply for the subsidy called **citizenship pension** for them, according to the provisions of Law Decree no. 4/2019, transposed into Act no. 26/2019; it has the same requirements as the citizenship income, except for some specifications related to their age (over 67 years of age). As for all benefits of a welfare nature, this benefit too is not subject to personal-income taxes and cannot be seized; the amount is equal to a maximum of 780 euros per month for subjects who have no income or to a lower amount as an income-support measure. This allowance can be increased for each additional member of the family and is also granted to households with seriously disabled or non-self-sufficient family members. In the case of households already receiving the citizenship income, the (citizenship) pension starts from the month following the one in which the youngest member of the household reaches the age of 67. which the youngest member of the household reaches the age of 67. In established cases and according to the number of family members, the amount of the citizenship pension may be higher than supplementary minimum benefits (**513.01 euros** per month in 2019), than pensions with additional social and the old one-million-per month benefits, introduced in 2001 and now amounting to around **660 euros** per month. The citizenship pension is also granted to the so-called pure contribution-based pensioners who would not be entitled to these benefits according to Act no.335/95; even if the outstanding number of these benefits is very small (mainly disability or survivors' benefits), further work is under way to better analyse this option. These benefits are also provided to people over 67 who have no income or pension. In contrast to supplementary minimum benefits, the right to the citizenship pension is based on the Isee indicator which "measures the wealth" of households on the basis of several capital and income requirements. It provides for two types of benefits: 1) a benefit designed to supplement the household income for a maximum of 630 euros per month per family member and up to a maximum of 1,323 euros per month for families with more members, which can be increased if there is a seriously disabled or non-self-sufficient family member up to a maximum of 1,386 euros per month, with at least 4 family members; 2) a supplementary benefit equal to 150 euros per month for households paying a house rent or for those living in a house they purchased or built with a mortgage contract signed by one of its members. The total amount may not exceed 1,473 euros per month, that is 630 euros, + a maximum equivalence scale of 2.1 (+ 0.4 for each family member over 18 years of age and + 0.2 for each family member under 18 years of age), + 150 euros for those paying a rent or a mortgage; the minimum amount is 40 euros per month.

**Cut of high pensions (or golden pensions)** - The 2019 Budget Law also provided for the reduction (cut) of pensions over 100,000 per year before taxes; (see Focus n.2).

**v) The new provisions for 2020 under the Budget Law no. 160 of December 27, 2019:** the 2020 Budget Law has once again intervened on social security, partly modifying some of the previous provisions (as in the case of the adjustment mechanism) and, as already mentioned above, partly

extending some measures to 2020, such as social APE and women's Option, already extended for 2019 by the previous budget law.

**Extension of social APE and women's Option** – In 2020 too, it is possible to have a pension advance through social APE, practically with the same requirements. The women's Option is also confirmed as an alternative to the other forms of retirement, but only for women who fulfil the age requirements (58 years of age old for employed workers and 59 for the self-employed) and the contribution requirements (35 years of contribution) accrued by December 31, 2019.

**Pension adjustment mechanism** - see Focus no. 2 below - the indexation of pensions.

**Cut of high pensions (or golden pensions)** - the *cut of the so-called golden pensions*, i.e. those above 100,000 euros per year before taxes was extended also to 2020, as provided for under the 2019 Budget Law (see, Focus no. 2).

### **Focus n.1: pension eligibility requirements under the current legislation**

Like most European countries, the Italian pension system essentially provides for two channels for retirement: old-age retirement with a *minimum contribution period of 20 years*; early retirement before the statutory age but with more stringent contribution requirements. Moreover, as in the case of public and private-sector employed workers, the employment relationship must have ceased.

**Old-age pensions** - **(A)** For all workers whose pension is calculated with the *income-based method (pure income-based system until 2011 and pro rata contribution-based as of 2012)*, above 18 years of contributions on 31/12/1995 and for those included in the *mixed method*, i.e. benefits calculated with the income-based system until 31/12/1995 and with the contribution-based one as of 1/1/1996 (with less than 18 years of contributions on 31/12/1995); after the Monti-Fornero Reform, the minimum age for *old-age retirement* for the 2019-2020 period, is *67 years of age, equal for all, men and women in the private and public sectors and for self-employed*. (see *table 9.1 A2*) and will remain at 67 years of age until the end of 1922; in fact, the 2017-2018 survey shows a difference in terms of life expectancy growth lower than 1 month and so it is equal to zero according to the calculation rules. Instead, transformation coefficients have changed because they use a different methodology based on the mortality tables for a certain year. It is very clear that it is necessary to standardize the calculation rules to prevent workers from retiring a few months earlier but with lower benefits. In 2019/2020, the minimum age requirement for the social allowance is equal to the minimum age requirement for the old-age pension. In addition to the age requirement, workers must have at least 20 years of contribution are required to become eligible for an old-age pension. If workers do not meet the minimum requirements for an old-age pension (but also in the case of early retirement as described below), they cannot become eligible for pension benefits and cannot even turn to the social security system to obtain the refunding of the contributions paid which are therefore lost. **(B)** For workers who started working after 1/1/1996, whose pension is fully calculated with the contribution-based method; in addition to a minimum contribution period of 20 years, these subjects can be entitled to an *old-age pension* if they have a minimum amount of benefits, at least *1.5 times the social allowance*, adjusted to the five-year moving average of nominal GDP. This constraint expires when *these subjects reach an age that is 4 years above the statutory old-age retirement* (71 years in 2019/2020) and start receiving the accrued pension benefits, regardless of their calculated value, provided they actually have at least 5 years of contributions. These requirements are adjusted over time in line with changes in life expectancy. **(C)**

Under the Monti-Fornero Reform, as of 2021, the retirement age for all workers is mandated to be at least 67 years of age; but this age has already been reached since 2019 (*see table 9.2 A2*).

**Early retirement (see table 9.1 A1)** - All workers in the income-based, contribution-based and mixed pension system can retire earlier with respect to their statutory old age retirement requirement (so-called "early retirement") if they have a minimum contribution period of 43 years and 3 months for men and 42 years and 3 months for women in the 2019/2020 period. The contribution requirement is independent of age and is adjusted over time to changes in life expectancy. However, as mentioned above, Law Decree no. 4 of January 28, 2019, transposed into Act no. 26 of January 28, 2019, blocked this requirement at 42 years and 10 months for men (one year less for women) from 2019 to 2026; however, it introduced a 3-month delay in the effective retirement age (the so-called "mobile window") which actually reduces this option from 5 to only 2 months.

***The workers who registered*** with the public pension system for the first time ***as of 1996*** (that is fully with the contribution-based system) are allowed to have an additional early retirement window: ***a maximum of 3 years*** before the statutory old age pension requirement (67 years), if they have at least 20 years of contributions and minimum benefits amounting to at least ***2.8 times the social allowance*** (see *table 10.4*). This amount is adjusted to the five-year moving average of nominal GDP. The requirement of a relatively high minimum pension for early retirement in a contribution-based system replaces the minimum contribution requirement of 35 years under the previous legislation. The threshold value is designed to ensure a level playing field in the access to retirement and to preserve the adequacy of benefits provided for under the previous legislation, with the issues illustrated in Chapter 8.

**Adjustment of minimum requirements to life expectancy** - As of 2013<sup>86</sup>, the minimum age requirement for old-age pensions (and early retirement in the contribution-based system), as well as the minimum contribution period for early retirement independent of age in these three systems, have been adjusted every 3 years according to the variation in life expectancy at 65, certified by ISTAT in the previous three years. Since 2019, the aforementioned adjustment has been planned ***every two years*** instead of three years. The adjustment to changes in life expectancy also applies to the minimum age to be entitled to ***social allowance***. As expressly provided for by the current legislation, the adjustment of minimum requirements to changes in life expectancy is an administrative function so as to ensure effective periodical reviews and the compliance with the deadlines. This procedure is fully consistent with that envisaged to update transformation coefficients in the contribution-based system (Art.1, paragraph 6, Act no. 335/1995, as amended by Act no. 247/2007) which takes place every ***two years*** starting from 2019 for reasons of consistency.

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<sup>86</sup> The adjustment of requirements as of 2013, in line with the law (Art.12, p. 12-bis, L.D. no. 78/2010, converted into Act no. 122/2010) was adopted at least 12 months before the start of this adjustment under a decree of 06/12/2011, OJ of 13/12/2011. This adjustment is equal to 3 months (as provided for under p. 12-ter, L.D. 78/2010) also in the presence of an increase higher than life expectancy in the previous three years, as was in fact the case. This increase referred to 65 years of age with respect to the average resident population, was estimated to be 5 months by ISTAT between 2007 and 2010.

**NOTE:** The adjustment of minimum retirement requirements further strengthens the endogenous mechanisms of the pension system (including the revision of transformation coefficients in a contribution-based system) to counteract the negative effects of the aging of the population on the financial balance of the pension system. Furthermore, this adjustment leads to an increase in the average level of pension benefits, thus improving the adequacy of benefits, especially in the contribution-based system. The tables below show the minimum age and contribution requirements for old-age pensions, early retirement and social allowances, calculated on the basis of the life expectancy hypothesis produced by ISTAT. Obviously, the actual adjustments will be the ones reported by ISTAT in the final results according to the procedure established by current legislation.

**Table A.1 - Seniority (or early) pension requirements**

Anno di pensionamento	Età			
Anni	Dipendenti privati	Dipendenti Pubblici	Categorie tutelate (1)	Lavoratori autonomi
Fino al 1995	35 anni	20/25 anni (2)	35 anni	35 anni
1996 – 1997	35 + 52 (36)	20/25 anni (2)	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)	35 + 60 (40)		35 + 61 (40)
	36 + 59	36 + 59		36 + 60
2011	35 + 61 oppure	35 + 61 oppure		35 + 62 oppure
	36 + 60 (40)	36 + 60 (40)		36 + 61 (40)
	Tutti		Assicurati post 31/12/1995	
2012	42 anni e 1 mese (41 anni 1 mese le donne)		63 anni (3)	
2013	42 anni e 5 mese (41 anni 5 mesi le donne)		63 anni e 3 mesi	
2014-2015	42 anni e 6 mesi (41 anni 6 mesi le donne)		63 anni e 3 mesi	
2016-2018	42 anni e 10 mesi (41 anni 10 mesi le donne)		63 anni e 7 mesi	
2019-2020 (4)	vedasi nota 4			
	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni	
2021-2022	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni	
2023-2024	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni	
2025-2026	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni	
2027-2028 (5)	44 anni e 2 mesi (43 anni 2 mesi le donne)		64 anni e 11 mesi	
2029-2030 (5)	44 anni e 4 mesi (43 anni 4 mesi le donne)		65 anni e 1 mese	
2035 (5)	44 anni e 10 mesi (43 anni 10 mesi le donne)		65 anni e 7 mesi	
2040 (5)	45 anni e 2 mesi (44 anni 2 mesi le donne)		65 anni e 11 mesi	
NB. Tra parentesi il requisito alternativo che prescinde dall'età anagrafica.				
(1) Per categorie tutelate si intendono i dipendenti qualificati come operai (e qualifiche equivalenti) e i cosiddetti "precoci", ossia coloro che hanno versato almeno un anno intero di contributi effettivi, derivanti da attività lavorativa, prima dei 19 anni di età, i quali sino al 2005 hanno beneficiato di requisiti più accessibili.				
(2) I requisiti richiesti erano pari a 20 anni (19 anni sei mesi ed un giorno) per i dipendenti dello Stato e 25 anni (24 anni sei mesi ed un giorno) per i dipendenti degli enti locali e Asl. In entrambi i casi era prevista una riduzione di 5 anni a favore delle donne coniugate e/o con prole a carico.				
(3) In presenza di un minimo di contribuzione effettiva di almeno 20 anni (non sono considerati utili i contributi figurativi) e a condizione che l'ammontare mensile della pensione sia almeno pari a 2,8 volte l'assegno sociale.				
(4) I valori indicati per il 2016-2018 adeguati alla speranza di vita accertata dall'Istat e stabilita dal DM 16 dicembre 2014 erano stati superati per il biennio 2019-2020 dalla nuova previsione ottobre 2017 Istat (+ 5 mesi di aspettativa di vita). Con Decreto Legge 4/2019, è stata data opzione al lavoratore di ottenere la prestazione anziché con 43 anni e 3 mesi per i maschi e 42 anni e 3 mesi per le donne, con 42 anni e 10 mesi per gli uomini e un anno in meno per le donne, come nel biennio precedente; tale opzione è valida a titolo sperimentale e fino al 2026, bilanciata dalla reintroduzione della finestra "mobile" di 3 mesi.				
(5) I valori indicati dal 2027 in poi sono quelli stimati da Istat e allegati alla riforma Monti-Fornero.				

Retirement year, age, years, private-sector employed workers, public-sector employed workers, protected categories (1), self-employed workers, from...to, 42 years and 1 month, all, registered after 31/12/1995, see note 4; Please note between parentheses: alternative requirement independent of age. (1) *Safeguarded categories mean skilled employed workers such as blue collars (and related occupations) and the so-called "early workers" that is those who have paid at least one year of work-related contributions before 19 years of age, who had more flexible criteria until 2005.* (2) *The requirements were: 20 years (19 years and 6 months and 1 day) for civil servants and 25 years (24 years, 6 months and 1 day) for employees of local authorities and local health organizations. In both cases, a 5-year reduction was envisaged for married women and/or with dependent children.* (3) *With at least 20 years' worth of contributions (excluding notional contributions) and provided that the monthly benefits are equal to at least 2.8 times social allowances.* (4) *The figures for 2016-2018 adjusted to life expectancy and established by the Ministerial Decree of December 16 de 2014 had been replaced for 2019-2020 by the new ISTAT projection of October 2017 (+ 5 life expectancy months). Under Law Decree no. 4/2019, workers are allowed to obtain these benefits not with 43 years and 3 months for men and 42 years and 3 months for women, but with 42 years and 10 months for men and one year less for women, as in the previous two years; this option can be used on an experimental basis until 2026, offset by the re-introduction of the 3-month "moving window".* (5) *The figures indicated as 2027 are the ones estimated by ISTAT and attached to the Monti-Fornero reform.*



*Note to Tables A1 and A2: until 31/12/2011, it was possible to retire with 61 years of age and 35 years of contributions (or 60 with 36); alternatively, with at least 40 years of contributions regardless of age. In 2010, the so-called "12-month windows" for employed workers and "18-month windows for the self-employed were introduced, which in part increased the requirements by one year (62 years of age and with 35 years of contributions or 61 with 36 and 41 years of seniority for employed workers; +6 months the self-employed). Under the Monti-Fornero law, the minimum age for seniority and old age pensions increased to 66 years (+6 years), while it increased to 42 and 1 month for early retirement for seniority pensions.*

**Table A.2 - Evolution of retirement age**

<i>Anno di pensionamento</i>	<i>Età</i>		
<i>Anni</i>	<i>Dipendenti privati</i>	<i>Dipendenti Pubblici</i>	<i>Autonomi</i>
Fino al 1993	60 uomini e 55 donne	65 uomini e donne	65 uomini e 60 donne
Dal 1/1/1994 al 30/06/1995	61 uomini e 56 donne	65 uomini e 60 donne	65 uomini e 60 donne
Dal 1/7/1995 al 31/12/1996	62 uomini e 57 donne	65 uomini e 60 donne	65 uomini e 60 donne
Dal 1/1/1997 al 30/06/1998	63 uomini e 58 donne	65 uomini e 60 donne	65 uomini e 60 donne
Dal 1/1/1998 al 31/12/1999	64 uomini e 59 donne	65 uomini e 60 donne	65 uomini e 60 donne
Dal 1/1/2000 al 31/12/2009	65 uomini e 60 donne	65 uomini e 60 donne	65 uomini e 60 donne
2010 – 2011	65 uomini e 60 donne	65 uomini e 61 donne (1)	65 uomini e 60 donne
2012	66 uomini e 62 donne	66 uomini e donne	66 uomini e 63 e 6 mesi donne
2013	66 e 3 mesi uomini e 62 e 3 mesi donne	66 e 3 mesi uomini e donne	66 e 3 mesi uomini e 63 e 9 mesi donne
2014-2015	66 e 3 mesi uomini e 63 e 9 mesi donne	66 e 3 mesi uomini e donne	66 e 3 mesi uomini e 64 e 9 mesi donne
2016-2017	66 e 7 mesi uomini e 65 e 7 mesi donne	66 e 7 mesi uomini e donne	66 e 7 mesi uomini e 66 e 1 mese donne
2018	66 e 7 mesi uomini e donne	66 e 7 mesi uomini e donne	66 e 7 mesi uomini e donne
<b>2019-2020-2021- 2022 (2)</b>	<b>67 anni per uomini e donne</b>	<b>67 anni per uomini e donne</b>	<b>67 anni per uomini e donne</b>
<b>2023-2024 (3)</b>	<b>67 e 5 mesi uomini e donne</b>	<b>67 e 5 mesi uomini e donne</b>	<b>67 e 5 mesi uomini e donne</b>
<b>2025</b>	<b>67 e 8 mesi uomini e donne</b>	<b>67 e 8 mesi uomini e donne</b>	<b>67 e 8 mesi uomini e donne</b>
<b>2030</b>	<b>68 e 1 mese uomini e donne</b>	<b>68 e 1 mese uomini e donne</b>	<b>68 e 1 mese uomini e donne</b>
<b>2035</b>	<b>68 e 7 mesi uomini e donne</b>	<b>68 e 7 mesi uomini e donne</b>	<b>68 e 7 mesi uomini e donne</b>
<b>2040</b>	<b>68 e 11 mesi uomini e donne</b>	<b>68 e 11 mesi uomini e donne</b>	<b>68 e 11 mesi uomini e donne</b>
<b>2045</b>	<b>69 e 3 mesi uomini e donne</b>	<b>69 e 3 mesi uomini e donne</b>	<b>69 e 3 mesi uomini e donne</b>
<b>2050</b>	<b>69 e 9 mesi uomini e donne</b>	<b>69 e 9 mesi uomini e donne</b>	<b>69 e 9 mesi uomini e donne</b>

(1) Per le dipendenti pubbliche il requisito anagrafico di 61 anni è stato disposto dalla legge n. 122/2010, in seguito alla sentenza della Corte di giustizia delle Comunità europee del 13 novembre 2008 (causa C-46/07) che ha riconosciuto al regime Inpdap, l'ente di previdenza dei pubblici dipendenti, natura di regime professionale ed ha quindi ritenuto non legittima la diversa età pensionabile richiesta alle donne.

(2) La riforma Monti-Fornero prevedeva che a partire dal 2021 l'età del pensionamento fosse non inferiore a 67 anni di età. La nuova previsione ISTAT di ottobre 2017 ha previsto un incremento della aspettativa di vita di 5 mesi portando a 67 l'età minima di pensionamento già dal 2019. Nel triennio 2019-2021 i 67 anni sono bloccati dal decreto n°4/2019. Per il 2022 il valore dipenderà dalla riforma attualmente allo studio del

(3) I valori indicati dal **2023** in poi sono solo ipotesi calcolate in base alle stime sulla speranza di vita elaborate dall'Istat e allegate alla riforma Monti-Fornero (legge n.214/2011).

Retirement year, age, years, private-sector employees, public-sector employees, self-employed workers, up to, from...to, men and women; (1) For women employed in the public sector, the age requirement of 61 years was established by Act no. 122/2010, following the decision by the European Court of Justice of 13/11/2008 (case C-46/07) that recognized INPDAP, the Fund of public employees, as a professional scheme and therefore it rejected a different retirement age for women. (2) The Monti-Fornero reform envisaged that as of 2021 the retirement age had to be at least 67 years of age. The new ISTAT projection of 10/2017 envisaged an increase in life expectancy by 5 months, thus fixing the retirement age at 67 as of 2019. In the three years from 2019 to 2021, the 67 years have been blocked under Law Decree no. 4/2019. For 2022, this figure will depend upon the reform being studied by the government. (3) The figures indicated as of **2023** are hypotheses calculated on the basis of life expectancy estimates provided by ISTAT and attached to the Monti-Fornero reform. (Act no. 214/2011).

## **Focus n. 2: pension indexation**

For about 20 years now, the pension system has had an indexation mechanism generally providing for the full indexation only for the lowest pension levels and for the partial adjustment of higher pensions. Many, often conflicting, indexation measures have been adopted with the sole aim to produce savings, but never to support the pension system; in some periods, pensions did not receive any equalization while others benefits have been adjusted several times with a structural and unrecoverable reduction in their value; for this reason, the Supreme Court provided a negative opinion about these measures.

**2007 and previous years** - 100% indexation to the cost of living of the pension share up to 3 times the minimum benefits (up to 1,382.91 per month before taxes); 90% on the pension share between 3 and 5 times the minimum benefits (from 1,382.92 to 2,304.85 euros per month before taxes); 75% on the pension share higher than 5 times the minimum benefits (from 2,304.86 euros per month before taxes).

**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 to 2,288.80 euros in 2010); 75% adjustment of the share of benefits 5 times higher than the minimum pension (starting from a gross amount of 2,217.81 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;

**2012 – 2013** - The Monti government and its "Save 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 per month in 2012, and to 1,443.05 in 2013); pensions 3 times higher than the minimum benefits are not adjusted.

**2012-2016 – Law Decree no. 65/2015 (transposed into Act no. 109/2015)** issued following the ruling of the Constitutional Court that rejected the "halt " to indexation for the 2012/2013 period for pensions exceeding three times the minimum benefits, substantially changed the rules as follows:

**For 2012 and 2013:**

- 100% of ISTAT up to 3 times the INPS minimum benefits;
- 40% above 3 and up to 4 times the minimum benefits;
- 20% above 4 and up to 5 times the minimum benefits;
- 10% above 5 and up to six times the minimum benefits;
- no adjustment above six times the minimum benefits.

**For 2014 and 2015:**

- 100% of ISTAT up to 3 times the INPS minimum benefits;
- 8% above 3 and up to 4 times the minimum benefits;
- 4% above 4 and up to 5 times the minimum benefits;
- 2% above 5 and up to 6 times the minimum benefits;
- no adjustment above 6 times the minimum.

**For 2016:**

- 100% of ISTAT up to 3 times the INPS minimum benefits;
- 20% above 3 and up to 4 times the minimum benefits;
- 10% above 4 and up to 5 times the minimum benefits;
- 5% above 5 and up to 6 times the minimum benefits;
- no adjustment above 6 times the minimum.

As of 2017, the indexation previously in force should have s been reinstated, i.e. 100% adjustment to the cost of living for the pension benefits up to 3 times the minimum pension; to 90% on the share of benefits between 3 and 5 times the minimum pension; to 75% of the benefits greater than 5 times the minimum pension, but the **2016 Stability Law, Act no. 208/2015** extended the transitional regime in force in 2015 until the end of 2018.

**2012 Indexation**

Amount of benefits in December 2011	Growth
Up to 1,406 euro	+2.7% (100% ISTAT)
From 1,406 to 1,924 euro	+1.08% (40% ISTAT)
From 1,924 to 2,405 euro	+0.54% (20% ISTAT)
From 2,405 to 2,886 euro	+0.27% (10% ISTAT)
Above 2,886 euro	0

**2013 Indexation**

Amount of benefits in December 2012	Growth
Up to 1,443 euro	+3% (100% ISTAT)
From 1,443 to 2,405 euro	+1.2% (40% ISTAT)
From 2,405 to 2,477 euro	+0.6% (20% ISTAT)
From 2,477 to 2,973 euro	+0.3% (10% ISTAT)
Above 2,973 euro	0

**2014 Indexation**

Amount of benefits in December 2013	Growth
Up to 1,487 euro	+1.2% (100% ISTAT)
From 1,487 to 1,982 euro	+0.096 (8% ISTAT)
From 1,982 to 2,478 euro	+0.048% (4% ISTAT)
From 2,478 to 2,973 euro	+0.024% (2% ISTAT)
Above 2,973 euro	0

**2015 Indexation**

Amount of benefits in December 2014	Provisional growth	Final growth
Up to 1,503 euro	+0.30% (100% ISTAT)	+0.20% (100% ISTAT)
From 1,503 to 2,004 euro	+0.285% (95% ISTAT)	+0.190% (95% ISTAT)
From 2,004 to 2,505 euro	+0.225% (75% ISTAT)	+0.015% (75% ISTAT)
From 2,505 to 3,006 euro	+0.0150% (50% ISTAT)	+0.01% (50% ISTAT)
Above 3,006 euro	+0.135% (45% ISTAT)	+0.09% (45% ISTAT)

**Pension adjustment for 2017** - Since the ISTAT inflation index for 2016 was negative, as of 01/01/2017 no indexation has been applied to pensions and so no increase in the INPS allowance. Moreover, even though the provisional inflation index for pension adjustment was set at 0.3% in 2015, but then was definitively set by ISTAT at 0.2%, pensions should have been reduced as of 01/01/2016 by the extra amount paid in 2015, that is 0.1%. In order to avoid a negative adjustment, the 2016 Stability Law provided for the payment of the "correct" amounts in January on the basis of the final inflation estimate in 2014, but without any withholding referred to 2015. The balance was supposed to be paid in 2017, which was not the case. Under the so-called Milleproroghe Law, the scheduled payment of the balance was postponed to 2018.

**Pension adjustment for 2018** - On the basis of the MEF and ML inter-ministerial decree of 20/11/2017 which uses the inflation rate data provided by ISTAT in the first nine months of 2017, after two years of zero indexation and ***as of 01/01/2018, pensions will be adjusted to 1.1%*** to make up for the loss of the purchasing power in 2017. This indexation mechanism is less favourable with respect to the ordinary one envisaged by Act no. 888/2000 (100% up to three times the minimum benefits, 90% on

the benefits between 3 and 5 times the minimum pension and 75% of the remaining part of benefits); it was introduced by Act no.147/2013 as of **01/01/2014** and extended by Act no. 208/2015 to 31/12/12, thus reducing the indexation to the cost of living for medium-high pensions with respect to the past. In fact, indexation will continue to be applied to **amount clusters** and not to **amount levels**, which means that the aforementioned pension of 3,050 euros will be fully adjusted by 0.495 and not by amount levels, thus creating a significant negative impact and raising constitutional doubts.

- Pensions up to three times the minimum benefits: 100% adjustment, 1.1% growth
- Pensions between three and four times the minimum benefits: 95% indexation, 1.045% growth
- Pensions between four and five times the minimum benefits: 75% adjustment, 0.825% growth
- Pensions between five and six times the minimum benefits: 50% indexation, 0.55% growth
- Pensions above six times the minimum benefits: 45% indexation, 0.495% growth

*The balance of these adjustments was to be paid in 2019 on the basis of the real inflation rate, with a resulting change in the pension equalization calculation.*

### **Pension adjustment for 2019**

Under a Decree of the Ministry of the Economy and Finance of November 16, 2018, published on the Official Journal on November 26, the pension equalization rate was set to be 1.1% for the period between January 1 to December 31 2018 and in 2019; in fact, the rate for 2018 did not change with respect to 1.10% and so no balance took place in 2019 and the 2019 provisional equalization rate grew by 1.10%<sup>87</sup>.

Moreover, the original indexation mechanism was supposed to be reinstated as of 2019, which had a lower impact on the medium-high benefits provided for under Act no. 388/2000; but under the 2019 Budget Law (Act n. 45/2018), the Conte Government again provided for another penalizing pension adjustment approach similar to the previous one adopted by the Renzi Government. Therefore, as stated in its Circular n. 122/2018, in December 2018, INPS prepared the pension payments for the year 2019, considering the adjustment to inflation (provisionally estimated to be 1.1% for 2018) envisaged under Act no. 388/2000; so, it had to recalculate all the benefits according to the new indexation system which produced a zero balance for the first two amount levels, a (slightly) positive for the third and negative one for all the others. The Conte government measure had a negative impact on **more than 3 million pensioners** out of a total of 16 million, precisely on those who have paid contributions and taxes, namely personal income taxes unlike the over 8 million pensioners totally or partially supported by the State and the 2 million who have paid little in their lifetime. With its Circular no. 44 of March 22, 2019, INPS announced the new amount to be paid as of April 2019 for the first three months of 2019. So for the 2019-2021 period, this mechanism is structured as follows:

- 100% of inflation for pensions up to 3 times the INPS\* minimum benefits;
- 97% of inflation for pensions of between 3 and 4 times the minimum benefits;
- 77% of inflation for pensions between 4 and 5 times the minimum benefits;
- 52% of inflation for pensions between 5 and 6 times the minimum benefits;
- 47% of inflation for pensions between 6 and 8 times the minimum benefits;

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<sup>87</sup> The MEF Decree of November 15 confirmed the equalization of pensions for 2019 at 1.1%, as envisaged by the previous MEF Decree of 2018; for 2020, the adjustment to inflation was calculated as equal to 0.4% to be applied to benefits as of January 1, 2020.

- 45% of inflation for pensions between 8 and 9 times the minimum benefits;
- 40% of inflation for pensions above 9 times the minimum benefits;

*\*For 2019, the minimum benefit was equal to 513.01 euros per month; for 2018, it was 507.42 euros.*

### **Pension adjustment for 2020**

However, the 2020 budget Law (Act no. 160/2019) has once again intervened on the subject, merging the 100% adjustment of benefits up to 4 times the minimum pension (equal to 515.58 euros) for 2020 and for 2021, leaving the other adjustment levels unchanged. So, the pension adjustment for 2020 is summarized below:

- 100% of inflation for pensions up to 4 times the INPS minimum benefits;
- 77% of inflation for pensions of between 4 and 5 times the minimum benefits;
- 52% of inflation for pensions between 5 and 6 times the minimum benefits;
- 47% of inflation for pensions between 6 and 8 times the minimum benefits;
- 45% of inflation for pensions between 8 and 9 times the minimum benefits;
- 40% of inflation for pensions above 9 times the minimum benefits.

As already happened in the past, for 2020 and 2021, the adjustment is applied to the total amount of the pension and not to the different brackets, as provided for under Act no. 388/2000. This means that in the past, a hypothetical pension of 4,000 euros per month before taxes would be adjusted to 100% of inflation up to 3 times the minimum benefits (around 1,547 euros), to 90% of inflation from 3 to 5 times the minimum benefits (from 1,548 to 2,578 euros) and to 75% on the share of the pension over 5 times the minimum benefits (from 2,579 to 4,000 euros). On the contrary, the last two Budget Laws for 2019 and 2020 maintained the approach already envisaged for 2018 and therefore apply a less generous adjustment for the entire pension amount; going back to the example, this means that the entire amount is to be adjusted to 47% of inflation, a percentage applied in the case of benefits between 6 and 8 times the minimum pension.

**Table A.3 - Adjustment of pensions to inflation from 1996 to 2021**

Classe importo pensione/Anno	legge di base	1996 Prodi	1997-1998 Prodi - D'Alema	1999-2001 Amato	2002-2008 Berlusconi (01/06); Prodi (06/2/08)	2009-2010 Berlusconi (5.08/11.11)	2011	2012-2013 Monti (11.11/4.13); Letta (4.13/2.14)	2014 Letta	2015 Renzi (2.14/12.16)	2016	2017-2018 Gentiloni	2019 Conte	2020-2021 Conte Bis
Riferimento normativo	legge n. 388/2000		L. 449/97 - 448/98	L. 449/97 - 448/98	L. 388/2000 che richiama L. 448/98	L. 247/2007 e D.L. 81/2008	L. 388/2002	D.L. 201/2011	L. 147/2013	L. 147/2013 e L. 208/2015	D.L. 65/2015 in L. 109/2015	L. 147/2013 e L. 208/2015	L. 145/2018	L. 160/2019
Fino a 2 volte il TM (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Da 2 a 3 volte il TM	100%	90%	90%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
da 3 a 4 volte il TM	90%	75%	75%	75%	90%	100%	90%	0% (4) 40%	90%	8%	20%	95%	97%	100%
da 4 a 5 volte il TM	90%	75%	75%	75%	90%	100%	90%	0% (4) 20%	75%	4%	10%	75%	77%	77%
da 5 a 6 volte il TM	75%	75%	75% (2)	30%	75%	75%	75%	0% (4) 10%	50%	2%	5%	50%	52%	52%
da 6 a 8 volte il TM	75%	75%	75% (2)	30%	75%	75%	75%	0%	17,84 fisso	0%	0%	45%	47%	47%
da 8 a 9 volte il TM	75%	75%	75% (2)	0%	75% (3)	75%	75%	0%	17,84 fisso	0%	0%	45%	45%	45%
Oltre 9 volte il TM	75%	75%	75% (2)	0%	75% (3)	75%	75%	0%	17,84 fisso	0%	0%	45%	40%	40%
inflazione in %		3,90%	1997 1,70% 1998 2,00%	1999 1,70% 2000 2,50% 2001 2,80%		2010 1,5%	2,80%	2013 1,2%	0,20%	0,10%	-0,10%	2017 1,2% 2018 1,1%		

(1) Per TM si intende "Trattamento Minimo"; il trattamento al minimo è pari per l'anno 2019 a 515,58€ lordi per 13 mensilità.  
(2) In base all'articolo 59 della legge 449/97, per motivi di finanza pubblica per il 1998, la rivalutazione per le pensioni superiori a 5 volte il TM, è stata azzerata.  
(3) In base all'art. 1, comma 19, Legge 247/2007 (legge Damiano), per il solo 2008, la rivalutazione per le pensioni superiori a 8 volte il TM, è stata azzerata.  
(4) A seguito della sentenza della Corte Costituzionale, con il cosiddetto decreto Poletti (L. 65/2015) a queste 3 classi d'importo è stata riconosciuta la rivalutazione del 40% tra 3 e 4 volte il minimo, 20% da 4 fino a 5 volte il TM e 10% tra 5 e 6 volte il TM; che viene maggiorata del 20% per il periodo 2014/2015 e del 50% dal 2016 in poi, oltre all'incremento perequativo del 2014 con legge n. 147, che verranno corrisposte dall'agosto 2015 in poi.

Amount of pension/year, Legal framework. Up to times the minimum benefits, from..to, inflation, (1)TM means minimum benefits that in 2019 amounted to 510.58 euros before taxes per 13 months;(2) Under Art. 59 of Act no. 449/97, for fiscal reason, the adjustment of benefits above 5 times the minimum benefits was brought to zero in 1998; (3) Under Art. 1, par. 19 of Act no. 247/2007 (Damiano Law), the adjustment of benefits above 8 times the minimum benefits was brought to zero in 2008; (4) Following the judgement of the Constitutional Court, with the so-called Poletti Decree (Act no. 65/2015), the same adjustment applied in 2014 was used for these 3 amount levels, that is 40% between 3 and 4 times the minimum benefits, 20% from 4 to 5 times the minimum benefits, and 10% from 5 to 6 times minimum benefits, which was increased by 20% in 2014/2015 and by 50% as of 2016, in addition to the increase of 2014 under Act no. 147, which were paid as of August 2015.

The repeated efforts to reduce the indexation of pensions to inflation have seriously damaged pensioners in terms of **loss of purchasing power resulting from the growing gap** between the pension benefits that would have been provided with a 100% adjustment to inflation and those actually paid according to the indexation system adopted by the various governments. It is possible to quantify the loss considering a time span from 2006 to the present: pensions up **8 times the minimum benefits** lost about one year in terms of their purchasing power that is a devaluation of 11%. Considering also the following ten years, these benefits may lose another year due to this limited indexation; the loss was slightly less significant for pensions below 8 times the minimum benefits and higher above this level (see the comment on the decision by the Constitutional Court).

**High (so-called gold) pensions:** in June 2019, the new indexation approach was accompanied by the **"cut" of the so-called gold pensions**, i.e. those above 100,000 euros per year before taxes, as provided for in under the Budget Law. This is very high cut (practically a tax burden) because benefits are not recalculated on the basis of the contributions paid and it lasts for 5 years, which is unprecedented. **Table A.4** shows the reduction of the pension benefits calculated on the maximum amount levels. In practice, an annual pension of 130,000 euros before taxes will be cut by 15% out of the 30,000 euros exceeding the 100,000 ceiling, that is a cut of 4,500 euros before taxes. A pensioner entitled to a pension equal to 350,000 euros will have to pay 67,000 euros, that is the sum of the rates applied on the three

levels of his or her gross pension; with a pension of 700,000 euros, the reduction will be 199,500, so the new benefits will amount to 500,500 euros for the next five years<sup>88</sup>.

The reduction is applied only to direct pensions calculated with the income-based or mixed method and in proportion to the amounts of pension benefits, without prejudice to the so-called "safeguard clause" (which means that, in any case, the reduction cannot reduce the total amount of the direct pension benefits below 100,000 euros before taxes on an annual basis). The pensions excluded from this cut are survivors' and disability benefits and pensions paid to subjects who die on duty or to victims of terrorist attacks (Act no. 466/1980 and Act no. 206/2004). The table shows that the number of pensioners affected by these cuts is very low, that is 35,642, or 0.22% of the total. Moreover, the State does not obtain significant gross revenues, obtained by multiplying the estimates of the number of pensioners by their average annual gross benefits, especially because these are gross benefits; the net revenues are even lower, just over 120 million euros per year and the State will have higher costs as a result of the numerous court appeals<sup>89</sup> against these cuts.

Following the constitutional legitimacy issues raised by the Court of Milan and the jurisdictional sections of the Court of Auditors for Friuli-Venezia Giulia, Lazio, Sardinia and Tuscany, on October 22, 2020, the Constitutional Court examined the measures designed to contain social security expenditure provided for under the 2019 Budget Law and applied to high pensions both in terms of the lower adjustment to inflation for the 2019-2021 three-year period for pensions above 5 times the minimum benefits and of the five-year percentage reduction of pensions above 100,000 euros gross per year, the so-called solidarity contribution. Basically, the Court considers that the "cooling of equalization" (as it calls it) is legitimate, in that it is reasonable and proportionate; it also considers the "solidarity contribution" as legitimate, but it reduces its validity to three years, until the end of 2021, deeming the five-year duration far too long, compared with the three-year horizon of the State budget.

**Table A.4 - Reduction of pensions above 100,000 euros before taxes**

Number of pensioners *	Gross pension amount per year	Maximum value above the threshold by income classes	Marginal reduction rate	Pension cut	Gross revenues for the State on the mean value
25,380	100,000 - 130,000	30,000	15%	4,500	57,105,000
8,833	130,001 - 200,000	70,000	25%	22,000	97,163,000
1,324	200,001 - 350,000	150,000	30%	67,000	44,354,000
82	350,001 - 500,000	150,000	35%	119,500	4,899,500
23	>500,000 (example, benefits equal to 700,000 €/year before taxes)	200,000	40%	199,500	2,294,250
<b>35,642</b>					<b>205,815,750</b>

\* estimated on the basis of the data from the Central Registry of Pensioners; in euros. Data processed by the Research and Study Centre of Itinerari Previdenziali

<sup>88</sup> For further details on the adjustment of pensions to inflation and on the recalculation of high pensions, please see the references provided on the website [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it) and the articles published on the blog *ilPunto* ([www.ilpuntopensionielavoro.it](http://www.ilpuntopensionielavoro.it))

<sup>89</sup> The cut to pensions above 100,000 euros can be considered as an increase between 15% and 40% of taxes on benefits already taxed above 40%. This measure is controversial in principle and in terms of methodology (in particular, regarding the separate scheme for the calculation of the amount of benefits, as well as its five-year term. The Constitutional Court expressed its opinion on the constitutional legitimacy of these provisions on October 22, 2020; unlike in the past, when the Court always ruled that these measures could not be repeated and had to have a short duration, this time it confirmed their legitimacy but decided against their duration.



The very title of this government provision "*measures to contain social security expenditure* " should have alerted the Constitutional Court, given the concurrent broad spending measures introduced with Quota 100 and the citizenship pension: perhaps 200 million euros' worth of expenditure savings and an increase in pension expenditure by over 50 billion. Instead, no reference to the sense of the law. Not even a minimal and easy check with INPS on the affected subjects. But the Court did not even have the slightest doubt on the calculation methods: a real abuse because it no mathematical or actuarial recalculation was made but only a brutal increase in taxes to be borne only by 35,600 old subjects after a lifetime of contribution and tax payments. This is a serious issue in terms of certainty of pension rights (at least those already accrued) and may produce further negative effects on contributions whose pension benefits could be eliminated ex post by any government.

**Table A.5** shows the minimum and welfare benefits per month for the years from 2014 to 2021.

**Table A.5 - Social allowances**

<i>Prestazione</i>	2014	2015	2016 - 2017	2018	2019	2020	2021
Trattamento minimo	500,88	502,39	501,89	507,42	513,01	515,58	517,64
Assegno sociale	447,17	448,52	447,62	453,00	457,99	460,28	462,12
Pensione sociale	368,52	369,63	368,89	373,33	377,44	379,32	380,84
Ex Milione al mese	637,32	638,83	637,82	643,86	648,05	651,51	654,12
Pensione Invalidità civile	278,91	279,75	279,47	282,54	285,66	286,81	287,96
Indennità accompagnamento	504,07	508,55	508,83	514,14	519,71	520,29	522,37
14° mensilità (annuale)*					655,00	655,00	655,00
Social card (annuale)**					480,00	480,00	--
Pensione di cittadinanza ***					756,50	759,53	240,00

I dati relativi al 2018 sono rivalutati in base ad un'inflazione pari al 1,1% (DM 20/11/2017). I dati del 2019 sono rivalutati in base all'inflazione 2018 indicata con Decreto MEF del 19 novembre 2018 e riconfermati con Decreto MEF del 15 novembre 2019. L'incremento delle prestazioni a decorrere dal 1° gennaio 2020 è stato definito applicando in via previsionale un'inflazione per il 2019 pari a 0,4% in base al Decreto MEF del 15 novembre 2019, poi aumentato al 0,5% in via definitiva dall'Istat, in attesa di riconferma da Decreto MEF in uscita a Novembre 2020 (Circolare Inps 9/2020). L'incremento delle prestazioni per il 2021 è stato calcolato, in generale, applicando un tasso d'inflazione per il 2020 pari a 0,4% , in via prudenziale. Soltanto per a) la 14° mensilità l'importo è invariato rispetto all'anno precedente; b) la Social card non ha valore in quanto sostituita nel corso del 2020 dal Reddito di Cittadinanza; c) per la pensione di Cittadinanza l'importo medio è di 240 euro mese

\* L'importo dipende dal reddito e dagli anni di contribuzione; il valore riportato in tabella rappresenta il livello massimo

\*\* Si intende la carta acquisti ordinaria da 80 euro a cadenza bimestrale

\*\*\* L'importo dipende dal reddito, dal numero dei componenti del nucleo familiare e dal contratto di affitto o di mutuo sulla casa di abitazione; il valore in tabella è una media tra il minimo e il massimo erogabile

Benefits, minimum benefits, social allowance, social pension, ex 1 million per month, pension for disabled civilians, carers 'allowance, 14<sup>th</sup> month salary (per year) \*, social card (per year)\*, citizenship pension\*\*\*; the data related to 2018 were adjusted to an inflation rate of 1.1% (MD 20/11/2017); the 2019 data are adjusted on the basis of the 2018 inflation rate under MEF Decree of November 19 and confirmed by the MEF Decree of November 15, 2019. The increase in benefits as of January 1, 2020 has been set by applying a projected inflation for 2019 equal to 0.4% on the basis of the MEF Decree of November 15, 2019, then definitely increased to 0.5% by ISTAT, to be confirmed again under the MEF Decree to be issued in November 2020 (INPS Circular no. 9/2020). The increase of benefits in 2021 has been calculated in general by applying a conservative inflation rate of 0.4%. a) The amount has not changed with respect to the previous year only for the 14<sup>th</sup> month salary; b) the social card has no value in that it is to be replaced in 2020 by the citizenship income; c) the average amount of the citizenship pension is equal to 240 euros per month; \* the amount is related to the income and to the years of contributions; the figure in the table is the maximum level; \*\*the ordinary 2-month 80-euro purchasing card, \*\*\* the amount is related to income, to the number of family members and to the house rental or loan contract; the figure in the table is the average between the minimum and the maximum allowance



### **Focus 3: evolution of contribution rates**

Since 1960, contribution rates have been consistently increased (see table 9.5); the Inter-Ministerial Decree of 21/02/1996, in line with Art. 3, paragraph 23 of Act n. 335 / 1995 (Dini reform), raised the contribution rate for the Fund for employed workers to **32%** ( $27.57 + 4.43$ ) and simultaneously reduced the rates due for Tbc (0.14%), maternity allowances (0.57%) and family allowances (3.72%). The employers who had not managed to apply a 4.43% increase of the FPLD contribution rate by 01/01/1996 (for different reasons), were allowed to comply with 0.50% incremental instalments every two years as of 01/01/1997 up to 32%, plus 0.70% for former GESCAL (public housing financing). The 2007 Budget Law (Article 27, Act no. 30/1997) definitively raised the FPLD rate to 33%. Later, many other provisions were introduced to change the contribution rates for artisans, retailers and temporary workers. As can be seen in **Table 9.5** (3 sections), all the Governments in power in the last **70 years** opted to raise contribution rates to keep the pension system in balance; this was the correct option until 1987 for employed workers until 2007 and for the self-employed, then it proved a heavy burden on the cost of labour to the detriment of Italy's competitiveness, which collapsed when currency devaluation came to a halt with the introduction of the euro. The Monti-Fornero law has further deteriorated the situation.

**Table A.6 - Historical series of I.V.S. contribution rates and per capita contributions**

Anni	Serie storica delle aliquote contributive I.V.S. e dei contributi capitari						Serie storica retribuzioni/redditi - dati medi annui pro-capite - (euro)		
	F.P.L.D. (a)		Artigiani		Commercianti (b)		F.P.L.D. (d)	Artigiani (e)	Commercianti (e)
	Totale	di cui a carico del lavoratore	Contributo annuo fisso (euro)	Contributo annuo % (c)	Contributo annuo fisso (euro)	Contributo annuo % (c)			
1960	14,41%	4,75%	4,02						
1961	14,41%	4,75%	4,02						
1962	16,42%	5,42%	4,02						
1963	19,10%	6,32%	4,02						
1964	18,80%	6,17%	4,02						
1965	18,58%	5,95%	4,02						
1966	18,56%	5,95%	7,71		7,71				
1967	18,10%	6,30%	7,71		7,71				
1968	19,67%	6,55%	7,71		7,71				
1969	20,56%	6,85%	7,71		7,71				
1970	20,56%	6,85%	7,71		7,71				
1971	18,91%	6,30%	7,71		7,71				
1972	19,01%	6,30%	7,71		7,71				
1973	19,01%	6,30%	7,71		7,71				
1974	19,95%	6,30%	15,77		15,77				
1975	20,77%	6,72%	37,46		37,46				
1976	23,31%	7,15%	45,14		45,14				
1977	23,31%	7,15%	51,48		51,48				
1978	23,31%	7,15%	61,52		61,52				
1979	23,31%	7,15%	149,99		148,19				
1980	23,90%	7,15%	223,49		221,68				
1981	24,01%	7,15%	328,06		326,77				
1982	24,17%	7,15%	310,73	4,00%	308,92	4,20%	6,462	3,588	4,072
1983	24,51%	7,15%	392,48	4,00%	390,67	4,20%	7,535	3,974	4,499
1984	24,51%	7,15%	442,86	4,00%	441,05	4,20%	8,622	4,249	4,796
1985	24,51%	7,15%	487,86	4,00%	486,05	4,20%	9,548	4,792	5,297
1986	24,51%	7,15%	617,16	4,00%	615,35	4,20%	10,166	5,857	6,531
1987	24,51%	7,15%	648,21	4,00%	646,40	4,20%	11,044	6,267	6,785
1988	24,51%	7,15%	672,93	4,00%	673,54	4,20%	11,824	6,718	6,973
1989	25,92%	7,29%	701,75	4,00%	699,94	4,20%	12,630	7,346	7,350
1990	25,92%	7,29%		12,00%		12,00%	13,622	9,241	8,566
1991	26,09%	7,46%		12,75%		12,75%	14,947	10,196	10,020
1992	26,49%	7,86%		13,50%		13,50%	16,041	11,961	11,579
1993	26,97%	8,34%		14,29%		14,29%	16,706	12,840	12,482
1994	26,97%	8,34%		15,00%		15,00%	17,330	13,503	14,024
1995	27,16%	8,40%		15,00%		15,00%	18,007	14,290	14,242
1996	32,70%	8,89%		15,00%		15,09%	18,718	15,445	15,315
1997	32,70%	8,89%		15,00%		15,39%	19,185	15,547	15,146
1998	32,70%	8,89%		15,80%		16,19%	19,758	16,237	16,166
1999	32,70%	8,89%		16,00%		16,39%	20,323	17,122	17,551
2000	32,70%	8,89%		16,20%		16,59%	21,147	17,853	17,956
2001	32,70%	8,89%		16,40%		16,79%	21,760	17,509	16,218
2002	32,70%	8,89%		16,60%		16,99%	22,327	17,964	17,979
2003	32,70%	8,89%		16,80%		17,19%	22,910	18,191	18,048
2004	32,70%	8,89%		17,00%		17,39%	23,807	18,405	18,603
2005	32,70%	8,89%		17,20%		17,59%	24,536	18,804	19,251
2006	32,70%	8,89%		17,40%		17,79%	25,401	19,590	19,526
2007	33,00%	9,19%		19,50%		19,59%	26,221	20,766	20,190
2008	33,00%	9,19%		20,00%		20,09%	27,255	20,861	20,248
2009	33,00%	9,19%		20,00%		20,09%	28,040	20,895	20,558
2010	33,00%	9,19%		20,00%		20,09%	29,090	19,593	19,935
2011	33,00%			20,00%		20,09%			
2012	33,00%			21,30%		21,39%			
2013	33,00%			21,75%		21,84%			
2014	33,00%			22,20%		22,29%			
2015	33,00%			22,65%		22,84%			
2016	33,00%			23,10%		23,29%			
2017	33,00%			23,55%		23,74%			
2018	33,00%			24,00%		24,09%			
2019	33,00%			24,00%		24,09%			
2020	33,00%			24,00%		24,09%			

(a) Aliquote medie dell'anno calcolate tenendo conto delle mensilità aggiuntive, (b) La gestione commercianti è iniziata nel 1996.  
(c) Per l'anno 1990 l'aliquota è quella in vigore dal 1° luglio. Per gli anni 19913, 1992 e 1993 si riportano le aliquote medie dell'anno.  
(d) Fonte: Elaborazione su dati dell'industria in s.s. tratti da "Annuario di Contabilità Nazionale" per il periodo 1960/1969 e "Relazione Generale sulla situazione economica del Paese e per il periodo 1970/1999. A decorrere dall'anno 2000 i dati sono il risultato di elaborazioni dirette su dati Istat-DataWarehouse relativi al settore industria s.s.  
(e) I valori della serie storica dei redditi sono stimati sulla base dei dati di Rendiconto.  
\* L'aliquota degli iscritti alla Gestione Commercianti contiene al suo interno una maggiorazione pari allo 0,09% (sino al 2018), destinata al cosiddetto fondo per la rottamazione negozi (art. 5, D.lgs. 207/1996) che interviene nei confronti dei soggetti che hanno cessato l'attività (e restituito la licenza), riconoscendo loro un indennizzo pari al minimo di pensione INPS per la durata massima di tre anni. \*\* Tra parentesi l'aliquota dovuta dai soggetti iscritti a una gestione previdenziale o titolari di pensione. I titolari di partita Iva beneficiano di un'aliquota ridotta al 25,72%, 27,57% dall'1/10/1995 al 31/12/1995.

Years; Historical series of IVS contribution rates and per-capita contributions; Historical series of remuneration/income, average annual per capita data (euros); FPD (a); artisans; retailers (b); Total, paid by the workers; fixed annual contribution (euros), % annual contribution; (a) average rates per year calculated considering the monthly additions, (b) the Fund for retailers started operating in 1996, c) for 1990, the rate is the one which came into effect on July 1st. The average rates per year are reported for 1991, 1992 and 1993. (d) Source: industry data taken from the "National Accounting Directory" for 1960/1969 and from the "general Report of the economic situation of the country" for the period 1970-1999. As of the year 2000, the data come from directly processing the ISTAT Data Warehouse findings related to industry; (e) the figures of the historical series on income are estimated on the basis of the data contained in the Report. \* The rate of the members of the Fund for retailers includes an increase by 0.09% (up to 2018), allocated to the so-called Fund for the scrapping of shops (art. 5, Leg. D. 207/1996) for the subjects who closed their business (and returned their permit) and who are eligible to be indemnified with a minimum INPS pension for at least three years. \*\* Between parentheses the rate due by members of a pension fund or pensioners. The subjects with a VAT number had a reduced rate equal to 25.72% from 01/10/1995 to 31/12/1995.

**Employed workers** - The 2019 rate allocated to the pension fund remained unchanged at 33% of the taxable income, of which 23.81 paid by the employers and 9.19 by the employees (10.19% in 2017 for a monthly remuneration exceeding 3,844 euros) equal to an annual amount of 46,143 euros per year (see INPS Circular n.6/2019, point 5 on the starting date of the additional rate). The workers without contribution seniority as of 31 December 1995 who joined a compulsory pension scheme as of January 1, 1996, are subjected to a maximum annual contribution and pension ceiling. This upper limit was equal to 132 million lire for 1996 and it is adjusted every year on the basis of the ISTAT consumer price index for blue- and white-collar households (the limit for 2019 was 102,543.00 euros). No contributions have to be paid beyond this income upper limit and therefore pension benefits are capped in line with the contribution ceiling.

**Artisans and retailers** - The Monti-Fornero reform provided for a progressive increase in the contribution rate by 0.45%, starting from 2013 up to 24% in 2018. This means that in 2019, the artisans who joined their scheme before 1996 paid a contribution rate of 24% out of their business income up to 47,143 euros and 25% on the share of income between 47,143 and a ceiling of 78,572 euros in 2019. Instead for the retailers registered with their scheme before 1996, the contribution rate rose by 0.09% in 2019 to finance the rationalization of the commercial network (to promote the so-called shop scrapping); that is, they had to pay 24.09% out of their income up to 47,143 euros and 25.09% on the amount between 47,143 euros and 78,572 euros. Then, for artisans and retailers without contribution seniority on December 31, 1995, who registered with a fund as of January 1996 or later, the annual ceiling (that cannot be subdivided into months) was equal to 102,543.00 euros in 2019. As a result, the artisans with a full contribution-based method, had to pay a rate of 24% on their business income up to 47,143 euros and 25% on the share of income between 47,143 and 102,543 euros (equal to 55,400 euros). Similarly, the retailers who joined their fund after December, 31 1996 had to pay a rate of 24.09% on their business income up to 47,143 euros and 25.09% on the share of income between 47,143 and 102,543 euros. In 2019, the minimum taxable income for calculating the contribution rate was equal to 15,878 euros, so the minimum amount of contributions (including maternity allowance) to be paid by artisans was 3,818.16 euros, while that of retailers was 3,832.45 euros (see the INPS Circular no. 29/2019).

**Atypical workers** - In 2019, the IVS contribution rate for atypical workers and similar occupations registered with the separate scheme remained unchanged at 33% like in 2018. For professionals and freelancers with a VAT number, registered only with the INPS separate scheme and not retired, the contribution rate reached 25% in 2019. Instead, the contribution rate for short-term contract workers and similar occupations and for professionals already registered with a fund or receiving a direct pension, the contribution rate remained at 24%. In 2019, the maximum taxable income for contribution purposes for members of the separate scheme was equal to 102,543 euros per year and the minimum to 15,878 euros (see the INPS Circular no. 19/2019).

**Table A.7 - Contribution rates and upper limits**

Soggetti interessati	Carico contributivo 2017	Carico contributivo 2018	Carico contributivo 2019	Carico contributivo 2020
Lavoratori dipendenti (1)	9,19% sino a 46.123 euro 10,19% da 46.123 euro	9,19% sino a 46.630 euro 10,19% da 46.630 euro	9,19% sino a 47.143 euro 10,19% da 47.143 euro	9,19% sino a 47.379 euro 10,19% da 47.379 euro
Artigiani (2)	24,17% sino a 46.123 euro 25,17% da 46.123 a 76.872 euro	24,62% sino a 46.630 euro 25,62% da 46.630 a 77.717 euro	24,62% sino a 47.143 euro 25,62% da 47.143 a 78.572 euro	24,62% sino a 47.379 euro 25,62% da 47.379 a 78.965 euro
Commercianti (3)	24,26% sino a 46.123 euro 25,26% da 46.123 a 76.872 euro	24,71% sino a 46.630 euro 25,71% da 46.630 a 77.717 euro	24,71% sino a 47.143 euro 25,71% da 47.143 a 78.572 euro	24,71% sino a 47.379 euro 25,71% da 47.379 a 78.965 euro
Parasubordinati (Collaboratori e figure assimilate) e Associati in partecipazione iscritti in via esclusiva alla Gestione Separata, non assicurati obbligatoriamente ad altra Gestione né pensionati (8)	32,72% entro il massimale di 100.324 euro(4)	34,23% entro il massimale di 101.427 euro(5)	34,23% entro il massimale di 102.543 euro(5)	34,23% entro il massimale di 103.055 euro(5)
Professionisti (lavoratori autonomi) titolari di partita IVA iscritti alla Gestione Separata, non assicurati obbligatoriamente ad altra Gestione né pensionati (8)	25,72% entro il massimale di 100.324 euro(6)	25,72% entro il massimale di 101.427 euro(6)	25,72% entro il massimale di 102.543 euro(6)	25,72% entro il massimale di 103.055 euro(6)
Parasubordinati (Collaboratori e figure assimilate) e Professionisti titolari di partita IVA già assicurati obbligatoriamente ad altra Gestione o pensionati (8)	24,00% entro il massimale di 100.324 euro(7)	24,00% entro il massimale di 101.427 euro(7)	24,00% entro il massimale di 102.543 euro(7)	24,00% entro il massimale di 103.055 euro(7)
(1) Per i lavoratori dipendenti le aliquote indicate in tabella sono esclusivamente quelle lvs a carico del lavoratore; per le aliquote complessive, anche a carico del datore di lavoro e comprese quelle per le contribuzioni minori, si rimanda al capitolo 5; per i lavoratori dipendenti iscritti dal 1996, cosiddetti "contributivi puri", il versamento è nei limiti del massimale annuo;				
(2) Le aliquote relative alla prima fascia di retribuzione sono composte per il 2017 dal 23,55% di aliquota contributiva e di computo della pensione, aumentata dal 2018 al 24,00%, cui si aggiunge lo 0,62% per maternità per effetto di quanto disposto dall'art. 49, comma 1, della legge 23 dicembre 1999, n. 488, e s.s.m.ii. Per i redditi superiori alla prima fascia di retribuzione annua pensionabile l'aliquota contributiva e di computo aumenta di un punto percentuale;				
(3) Le aliquote relative alla prima fascia di retribuzione sono composte per il 2017 dal 23,55% di aliquota contributiva e di computo della pensione, aumentata dal 2018 al 24,00%, cui si aggiunge lo 0,62% per maternità per effetto di quanto disposto dall'art. 49, comma 1, della legge 23 dicembre 1999, n. 488, e s.s.m.ii. e dallo 0,09% a titolo di aliquota aggiuntiva istituita dall'articolo 5 del decreto legislativo 28 marzo 1998 n. 207, prorogato fino al 2018 e poi reso permanente dal 2019 dall'articolo 1, comma 284, della legge 30 dicembre 2018, n. 145 ai fini dell'indennizzo per la cessazione definitiva dell'attività commerciale. Per i redditi superiori alla prima fascia di retribuzione annua pensionabile l'aliquota contributiva e di computo aumenta di un punto percentuale;				
(4) Composta dal 32% di aliquota contributiva e di computo della pensione, dallo 0,50% per la tutela della maternità, assegni al nucleo familiare e della malattia e dallo 0,22% di aliquota aggiuntiva allo 0,50% precedente ai sensi dell'art. 7 del D.M. 12 luglio 2007 in attuazione di quanto previsto dal comma 791, articolo unico, della legge n. 296/2006;				
(5) Composta dal 33% di aliquota contributiva e di computo della pensione, dallo 0,50% per la tutela della maternità, assegni al nucleo familiare e della malattia, dallo 0,22% di aliquota aggiuntiva allo 0,50% ai sensi dell'art. 7 del D.M. 12 luglio 2007 in attuazione di quanto previsto dal comma 791, articolo unico, della legge n. 296/2006 e, infine, dallo 0,51% per contribuzione aggiuntiva Dis-Coll. Per i soggetti per i quali non è prevista la contribuzione Dis-Coll l'aliquota complessiva si riduce al 33,72%;				
(6) Composta dal 25% di aliquota contributiva e di computo e dallo 0,72% (pari alla somma dello 0,50%+0,22%) di cui alla precedente nota (5);				
(7) Aliquota contributiva e di computo della pensione ai sensi dell'articolo 1 della legge 27 dicembre 2013, n. 147 (legge di stabilità 2014), al comma 491 ha modificato quanto già disposto in base al combinato dell'articolo 2, comma 57, della legge 28 giugno 2012, n. 92, e dell'articolo 46-bis, comma 1, lett. g), del decreto-legge 22 giugno 2012, n. 83, convertito con modificazioni dalla legge 7 agosto 2012, n. 134;				
(8) La ripartizione dell'onere contributivo tra collaboratore e committente è stabilita nella misura rispettivamente di un terzo (1/3) e due terzi (2/3) con obbligo del versamento per l'azienda committente. Invece per i professionisti l'onere è a carico degli stessi.				
Fonti per aggiornamento 2020:				
Per artigiani e commercianti: <a href="https://www.inps.it/CircolariZIP/Circolare%20numero%2028%20del%2017-02-2020.pdf">https://www.inps.it/CircolariZIP/Circolare%20numero%2028%20del%2017-02-2020.pdf</a>				
Per parasubordinati etc.: <a href="https://www.inps.it/bussola/VisualizzaDoc.aspx?sVirtualURL=%2Circolari%2Circolare%20numero%2012%20del%2003-02-2020.htm">https://www.inps.it/bussola/VisualizzaDoc.aspx?sVirtualURL=%2Circolari%2Circolare%20numero%2012%20del%2003-02-2020.htm</a>				

Subjects, contribution charges, Employed workers (1); Artisans (2); Retailers (3); Atypical workers (temporary workers and similar occupations) and partnership members registered only with the separate scheme and not retired (8); Professionals and free-lancers with a VAT number, registered only with the separate scheme, and not retired (8); Atypical workers (temporary workers and similar occupations) and professionals with a VAT number, registered with other funds or retired (8); up to, from ..to; within the limit of ; above/with an upper limit of. (1) For employed workers, the rates indicated in the table are related only to the IVS ones to be paid by employers; for the overall rates, including the ones to be paid by employers and the ones related to minor contributions, please see Chapter 5; for employed workers registered as of 1996, the so-called "purely contribution-based", the amount to be paid is within the annual upper limit; (2) The 2017 rates related to the first remuneration level are equal to 23.55%, increased to 24% as of 2018, plus 0.62% for maternity leave as provided for under Art. 49, paragraph 1 of Act no. 488 of December 23, 1999 and subsequent amendments. For incomes above the first annual remuneration level, the contribution rate increases by 1%; (3) The 2017 rates related to the first remuneration level are equal to 23.55%, increased to 24% as of 2018, plus 0.62% for maternity leave as provided for under Art. 49, paragraph 1 of Act no. 488 of December 23, 1999 and subsequent amendments, plus 0.9% as provided for under Art 5 of Law Decree no. 207 of March 28 1996, extended up to 2018 and then subseqent as of 2019 under Art. 1, paragraph 284, of Act no. 145 of December 30, 2018, as an incentive for retailers who wound up their business for ever. For incomes above the first annual remuneration level, the contribution rate increases by 1%; (4) 32%, plus 0.50% for maternity leave, family allowances and sickness benefits and plus another 0.22%. (5) 32%, plus 0.50% for maternity leave, family allowances and sickness benefits and plus another 0.22% under Art 7 of Ministerial Decree of July 12, 2007, designed to implement the provisions under paragraph 791, of the only article of Act no. 296/2006 and finally 0.51% worth of Dis-Coll additional contribution. For the subjects for whom the Dis-Coll contribution is not envisaged, the overall rate goes down to 33.72%; (6) 25%, plus 0.72% (equal to the sum of 0.50% + 0.22%) illustrated in the previous note (5); (7) Contribution rate under Art 1, paragraph 491 of Act no. 147 of December 27, 2013 (2014 Stability Law), which changed the provisions under Art. 2, paragraph 57 of Act no. 92 of June 28, 2012 and under Art. 46-bis, paragraph 1, letter g) of w Decree no. 83 of June 22, 2012, amended and transposed by Act no. 134 of August 7, 2012; (8) The different shares to be paid by the workers and their employers are equal to 1/3 and 2/3 respectively, with the obligation for the employers to pay these contributions: Instead, professionals have to pay their own contributions. Sources for the 2020 updated data: For artisans and retailers: <https://www.inps.it/CircolariZIP/Circolare%20numero%2028%20del%2017-02-2020.pdf>. For atypical workers, etc.: <https://www.inps.it/bussola/VisualizzaDoc.aspx?sVirtualURL=%2Circolari%2Circolare%20numero%2012%20del%2003-02-2020.htm>

#### **Focus n. 4: contribution-based calculation methods and use of coefficients**

The M.D of 22/06/2015 determined again the coefficients to be used from 2016 to 2018 for the calculation of the contribution-based pensions. Compared to the figures used in the 2013-2015 three-year period, the new coefficients go down from a minimum of 1.35% to a maximum of 2.50% depending on the retirement age. Subsequently, the Ministerial Decree of June 15, 2018 determined once again the coefficients to be used but not every three years, as had been the case since 2010, but every two years, that is 2019 - 2020. Compared to the three-year period between 2016 and 2018, the new coefficients provide for a reduction, depending on the retirement age, ranging from a minimum of 1.08% to a maximum of 1.90%, and by as much as 2.12% for workers who retire at 71 years of age (see *table 9.7*). The Ministerial Decree of 2018 was the first to present a statistically calculated autonomous coefficient for subjects who retire above 70 years of age, whereas in previous three-year periods, the transformation coefficient for the subjects over 70 was that for the maximum age of 70. The contribution calculation method is the pivot of the 1995 Dini reform, under which benefits were closely linked to the contributions paid over the entire working life and they were no longer linked to the latest remuneration as was the case with the income-based system.

**How it works**<sup>90</sup>: The contribution-based method works roughly like a savings account. With the support by employers, workers set aside 33% of their annual remuneration (self-employed workers 24% of their income) The paid-in capital produces a kind of compound interest at a rate tied to the GDP five-year trend and to inflation. Therefore, the greater the Italian growth rate, the higher the yields to be used in the future. When workers retire, a conversion coefficient increasing with age is applied to the amount of contributions, that is to the adjusted sum of the payments made.

The contribution-based method differs from the income-based one also for another fundamental aspect: a contribution ceiling, i.e. an upper limit beyond which contributions are no longer due and the pension is calculated up to the maximum contribution-based benefits. The ceiling is annually adjusted on the basis of the ISTAT consumer price index and the figure for 2019 was equal to **102,543 euros**. This means, for example, that the 2019 annual provision for future pension benefits cannot exceed 33,839 euros for employed workers and 24,610 euros for artisans and retailers, 33% and 24% of the ceiling respectively.

**Coefficients**: The original **coefficients** under Act no.335/1995 should have been reviewed and updated following the life expectancy trend (calculated by ISTAT) every 10 years. Therefore, the first revision should have taken place in 2006. But nothing was done until 2010. In fact, as of 01/01/2010, the Prodi-Damian reform (Article 1, paragraph 14, Act no. 247/2007) introduced new coefficients to be reviewed every three years until 2018 and every two years starting from 2019. Pensions are proportional to the total contributions paid until retirement. In order to get higher benefits, workers have to continue their active life for a few more years compared to the past, as required by the current legislation precisely because life expectancy is longer. A typical example (following table): in order to obtain the same coefficient provided for in the original Dini law at 65 years of age, workers need to work 4 more years up to 69 years in the three-year period 2016-2018; but since life expectancy has increased by more than

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<sup>90</sup> Further details on the calculation method for pensions and on the other rules of the Italian pension system (retirement requirements, indexation, etc.) described in this Appendix are available on the Pensioni&Lavoro website: [www.pensionielavoro.it](http://www.pensionielavoro.it).

5 years, retirees will benefit from their pension benefits for 5 more years. Instead, in the years 2019-2021, this coefficient can be obtained between 69 and 70 years, with the need to work for another 4 to 5 years with respect to the provisions of the Dini Law.

**Table A.8 - Coefficients of transformation of the amount of contributions into pension benefits**

Età alla decorrenza della pensione	1996-2009	2010-2012	% riduzione rispetto ai precedenti coefficienti i	2013-2015	% riduzione rispetto ai precedenti coefficienti i	2016-2018	% riduzione rispetto ai precedenti coefficienti	2019-2020 primo biennale	% riduzione rispetto ai precedenti coefficienti	2021-2022 secondo biennale	% riduzione rispetto ai precedenti coefficienti	% riduzione rispetto ai coefficienti i 1996/2009
57	4,720	4,419	-6,38%	4,304	-2,60%	4,246	-1,35%	4,200	-1,08%	4,186	-0,33%	-11,31%
58	4,860	4,538	-6,63%	4,416	-2,69%	4,354	-1,41%	4,304	-1,15%	4,289	-0,35%	-11,75%
59	5,006	4,664	-6,83%	4,535	-2,77%	4,468	-1,48%	4,414	-1,21%	4,399	-0,34%	-12,13%
60	5,163	4,798	-7,07%	4,661	-2,86%	4,589	-1,55%	4,532	-1,24%	4,515	-0,38%	-12,55%
61	5,334	4,94	-7,39%	4,796	-2,91%	4,719	-1,61%	4,657	-1,31%	4,639	-0,39%	-13,03%
62	5,514	5,093	-7,64%	4,94	-3,00%	4,856	-1,70%	4,790	-1,36%	4,770	-0,42%	-13,49%
63	5,706	5,257	-7,87%	5,094	-3,10%	5,002	-1,81%	4,932	-1,40%	4,910	-0,45%	-13,95%
64	5,911	5,432	-8,10%	5,259	-3,18%	5,159	-1,90%	5,083	-1,47%	5,060	-0,45%	-14,40%
65	6,136	5,620	-8,41%	5,435	-3,29%	5,326	-2,01%	5,245	-1,52%	5,220	-0,48%	-14,93%
66	6,136	5,620		5,624		5,506	-2,01%	5,419	-1,58%	5,391	-0,52%	-12,14%
67	6,136	5,620		5,826		5,7	-2,17%	5,604	-1,68%	5,575	-0,52%	-9,14%
68	6,136	5,620		6,046		5,91	-2,25%	5,804	-1,79%	5,772	-0,55%	-5,93%
69	6,136	5,620		6,283		6,135	-2,36%	6,021	-1,86%	5,985	-0,60%	-2,46%
70	6,136	5,620		6,541		6,378	-2,50%	6,257	-1,90%	6,215	-0,67%	1,29%
71	6,136	5,620		6,541		6,378		6,513	2,12%	6,466	-0,72%	5,38%

I valori dei coefficienti sono espressi in %; esempio: supponendo che un lavoratore abbia maturato (attraverso il versamento dei contributi e la rivalutazione annuale del montante accumulato alla media quinquennale del Pil) un montante contributivo pari a 300.000 € (retribuzione media annua pari a 28.000 €, lavoratore dipendente) e decida di andare in pensione all'età di 64 anni nel 2019, per calcolare la rata di pensione lorda annua spettante basterà semplicemente moltiplicare l'importo del montante finale per il coefficiente in tabella relativo al 2019 e ai 64 anni di età anagrafica; pertanto: 300.000 € x 5,083% = 15.249 € lordi l'anno.

Se lo stesso lavoratore decidesse di andare in pensione a 67 anni, a parità di montante (in realtà se continuasse a lavorare anche in questi 3 anni avrebbe accumulato più montante), l'importo della pensione lorda annua sarebbe: 300.000 € x 5,604% = 16.812 €/anno.

Effective retirement age, % reduction with respect to previous coefficients. *Coefficients are expressed in %; for example, supposing that, through the payment of contributions with an annual adjustment of their amount to the GDP five-year average, finally a worker ends up with 300,000 euros' worth of contributions (28,000 euros' worth on annual average remuneration for an employed worker), and that he or she decides to retire at 64 years of age in 2019, in order to calculate the annual gross pension instalment, it will simply suffice to multiply the final amount by the coefficient in the table for 2019 and for 64 years of age; so, if this worker decides to retire at 67 with the same amount (actually by continuing to work in these three years, the amount would be higher), the annual gross pension would be equal to: 300,000 euros x 5.604% = 16,812 euros per year.*

#### **Focus n.5: historical series of cancelled, paid out and current pensions**

**Table A.9** shows the historical series of the *pensions paid* every year from 2003 to 2019 and the flow of pensions paid in the third quarter of 2020. **Table A.10** shows the pensions on 1/1/2019 and on 1/1/2020.

**Table A.9 - Historical series of IVS pension benefits paid between 2003 and 2019 and flows of the first 3 quarters of 2020 (INPS schemes)**

Anno	Sesso	Vecchiaia e Pre pensionamenti				Anzianità/Anticipate				Invalidità				Superstiti				COMPLESSO PENSIONI IVS
		INPS	Ex Inpdap	Enpals	Totale Vecch/Prep	INPS	Ex Inpdap	Ex Enpals <sup>(1)</sup>	Totale Anz/Antic.	INPS	Ex Inpdap	Ex Enpals <sup>(1)</sup>	Totale Invalidità	INPS	Ex Inpdap	Ex Enpals <sup>(1)</sup>	Totale Superstiti	
2003	Maschi	108.873	n.d.	n.d.	108.873	213.972	n.d.	n.d.	213.972	38.505	n.d.	n.d.	38.505	37.272	n.d.	n.d.	37.272	398.622
	Femmine	128.094	n.d.	n.d.	128.094	42.945	n.d.	n.d.	42.945	15.569	n.d.	n.d.	15.569	184.656	n.d.	n.d.	184.656	371.264
	<b>Totale</b>	<b>236.967</b>	<b>n.d.</b>	<b>n.d.</b>	<b>236.967</b>	<b>256.917</b>	<b>n.d.</b>	<b>n.d.</b>	<b>256.917</b>	<b>54.074</b>	<b>n.d.</b>	<b>n.d.</b>	<b>54.074</b>	<b>221.928</b>	<b>n.d.</b>	<b>n.d.</b>	<b>221.928</b>	<b>769.886</b>
2004	Maschi	91.567	n.d.	n.d.	91.567	173.515	n.d.	n.d.	173.515	34.665	n.d.	n.d.	34.665	35.609	n.d.	n.d.	35.609	335.356
	Femmine	125.852	n.d.	n.d.	125.852	47.541	n.d.	n.d.	47.541	14.635	n.d.	n.d.	14.635	157.359	n.d.	n.d.	157.359	345.387
	<b>Totale</b>	<b>217.419</b>	<b>n.d.</b>	<b>n.d.</b>	<b>217.419</b>	<b>221.056</b>	<b>n.d.</b>	<b>n.d.</b>	<b>221.056</b>	<b>49.300</b>	<b>n.d.</b>	<b>n.d.</b>	<b>49.300</b>	<b>192.968</b>	<b>n.d.</b>	<b>n.d.</b>	<b>192.968</b>	<b>680.743</b>
2005	Maschi	112.800	n.d.	n.d.	112.800	131.969	n.d.	n.d.	131.969	40.642	n.d.	n.d.	40.642	38.391	n.d.	n.d.	38.391	323.802
	Femmine	133.258	n.d.	n.d.	133.258	32.913	n.d.	n.d.	32.913	17.517	n.d.	n.d.	17.517	172.807	n.d.	n.d.	172.807	356.495
	<b>Totale</b>	<b>246.058</b>	<b>n.d.</b>	<b>n.d.</b>	<b>246.058</b>	<b>164.882</b>	<b>n.d.</b>	<b>n.d.</b>	<b>164.882</b>	<b>58.159</b>	<b>n.d.</b>	<b>n.d.</b>	<b>58.159</b>	<b>211.198</b>	<b>n.d.</b>	<b>n.d.</b>	<b>211.198</b>	<b>680.297</b>
2006	Maschi	109.710	n.d.	n.d.	109.710	164.518	n.d.	n.d.	164.518	37.440	n.d.	n.d.	37.440	35.849	n.d.	n.d.	35.849	347.517
	Femmine	144.289	n.d.	n.d.	144.289	49.415	n.d.	n.d.	49.415	16.614	n.d.	n.d.	16.614	158.237	n.d.	n.d.	158.237	368.555
	<b>Totale</b>	<b>253.999</b>	<b>n.d.</b>	<b>n.d.</b>	<b>253.999</b>	<b>213.933</b>	<b>n.d.</b>	<b>n.d.</b>	<b>213.933</b>	<b>54.054</b>	<b>n.d.</b>	<b>n.d.</b>	<b>54.054</b>	<b>194.086</b>	<b>n.d.</b>	<b>n.d.</b>	<b>194.086</b>	<b>716.072</b>
2007	Maschi	98.422	n.d.	n.d.	98.422	138.051	n.d.	n.d.	138.051	37.907	n.d.	n.d.	37.907	35.535	n.d.	n.d.	35.535	309.915
	Femmine	141.693	n.d.	n.d.	141.693	36.300	n.d.	n.d.	36.300	17.179	n.d.	n.d.	17.179	154.656	n.d.	n.d.	154.656	349.828
	<b>Totale</b>	<b>240.115</b>	<b>n.d.</b>	<b>n.d.</b>	<b>240.115</b>	<b>174.351</b>	<b>n.d.</b>	<b>n.d.</b>	<b>174.351</b>	<b>55.086</b>	<b>n.d.</b>	<b>n.d.</b>	<b>55.086</b>	<b>190.191</b>	<b>n.d.</b>	<b>n.d.</b>	<b>190.191</b>	<b>659.743</b>
2008	Maschi	69.551	n.d.	n.d.	n.d.	167.764	n.d.	n.d.	n.d.	38.862	n.d.	n.d.	n.d.	36.980	n.d.	n.d.	n.d.	n.d.
	Femmine	90.905	n.d.	n.d.	n.d.	45.510	n.d.	n.d.	n.d.	17.487	n.d.	n.d.	n.d.	160.810	n.d.	n.d.	n.d.	n.d.
	<b>Totale</b>	<b>160.456</b>	<b>18.926</b>	<b>n.d.</b>	<b>179.382</b>	<b>213.274</b>	<b>55.676</b>	<b>n.d.</b>	<b>268.950</b>	<b>56.349</b>	<b>8.060</b>	<b>n.d.</b>	<b>64.409</b>	<b>197.790</b>	<b>33.417</b>	<b>n.d.</b>	<b>231.207</b>	<b>743.948</b>
2009	Maschi	76.179	10.627	n.d.	86.806	88.638	29.764	n.d.	118.402	36.597	4.316	n.d.	40.913	37.775	6.157	n.d.	43.932	290.053
	Femmine	131.740	14.519	n.d.	146.259	20.747	31.790	n.d.	52.537	16.611	3.044	n.d.	19.655	162.695	26.682	n.d.	189.377	407.828
	<b>Totale</b>	<b>207.919</b>	<b>25.146</b>	<b>n.d.</b>	<b>233.065</b>	<b>109.385</b>	<b>61.554</b>	<b>n.d.</b>	<b>170.939</b>	<b>53.208</b>	<b>7.360</b>	<b>n.d.</b>	<b>60.568</b>	<b>200.470</b>	<b>32.839</b>	<b>n.d.</b>	<b>233.309</b>	<b>697.881</b>
2010	Maschi	74.756	10.027	n.d.	84.783	135.085	39.130	n.d.	174.215	36.577	5.297	n.d.	41.874	36.702	6.675	n.d.	43.377	344.249
	Femmine	122.426	13.184	n.d.	135.610	39.644	27.432	n.d.	67.076	16.558	3.586	n.d.	20.144	157.894	27.872	n.d.	185.766	408.596
	<b>Totale</b>	<b>197.182</b>	<b>23.211</b>	<b>n.d.</b>	<b>220.393</b>	<b>174.729</b>	<b>66.562</b>	<b>n.d.</b>	<b>241.291</b>	<b>53.135</b>	<b>8.883</b>	<b>n.d.</b>	<b>62.018</b>	<b>194.596</b>	<b>34.547</b>	<b>n.d.</b>	<b>229.143</b>	<b>752.845</b>
2011	Maschi	58.528	5.902	n.d.	64.430	116.406	38.696	n.d.	155.102	34.062	4.814	n.d.	38.876	36.843	7.017	n.d.	43.860	302.268
	Femmine	86.847	14.799	n.d.	101.646	32.723	31.699	n.d.	64.422	14.968	3.416	n.d.	18.384	159.957	27.930	n.d.	187.887	372.339
	<b>Totale</b>	<b>145.375</b>	<b>20.701</b>	<b>n.d.</b>	<b>166.076</b>	<b>149.129</b>	<b>70.395</b>	<b>n.d.</b>	<b>219.524</b>	<b>49.030</b>	<b>8.230</b>	<b>n.d.</b>	<b>57.260</b>	<b>196.800</b>	<b>34.947</b>	<b>n.d.</b>	<b>231.747</b>	<b>674.607</b>
2012	Maschi	57.830	5.705	n.d.	63.535	85.739	37.784	n.d.	123.523	34.406	5.527	n.d.	39.933	37.275	7.465	n.d.	44.740	271.731
	Femmine	78.556	15.181	n.d.	93.737	25.949	24.337	n.d.	50.286	15.558	3.582	n.d.	19.140	162.832	29.897	n.d.	192.729	355.892
	<b>Totale</b>	<b>136.386</b>	<b>20.886</b>	<b>n.d.</b>	<b>157.272</b>	<b>111.688</b>	<b>62.121</b>	<b>n.d.</b>	<b>173.809</b>	<b>49.964</b>	<b>9.109</b>	<b>n.d.</b>	<b>59.073</b>	<b>200.107</b>	<b>37.362</b>	<b>n.d.</b>	<b>237.469</b>	<b>627.623</b>
2013	Maschi	77.838	4.390	n.d.	82.228	78.237	19.807	n.d.	98.044	38.110	4.806	n.d.	42.916	38.222	7.233	n.d.	45.455	268.643
	Femmine	62.506	7.397	n.d.	69.903	34.203	13.987	n.d.	48.190	16.637	3.052	n.d.	19.689	167.382	26.495	n.d.	193.877	331.659
	<b>Totale</b>	<b>140.344</b>	<b>11.787</b>	<b>n.d.</b>	<b>152.131</b>	<b>112.440</b>	<b>33.794</b>	<b>n.d.</b>	<b>146.234</b>	<b>54.747</b>	<b>7.858</b>	<b>n.d.</b>	<b>62.605</b>	<b>205.604</b>	<b>33.728</b>	<b>n.d.</b>	<b>239.332</b>	<b>600.302</b>
2014	Maschi	85.927	5.576	765	92.268	41.820	16.903	125	58.848	38.426	4.512	168	43.106	36.809	8.083	97	44.989	239.211
	Femmine	31.901	7.970	272	40.143	41.832	24.353	61	66.246	17.217	2.946	75	20.238	161.344	28.438	651	190.433	317.060
	<b>Totale</b>	<b>117.828</b>	<b>13.546</b>	<b>1.037</b>	<b>132.411</b>	<b>83.652</b>	<b>41.256</b>	<b>186</b>	<b>125.094</b>	<b>55.643</b>	<b>7.458</b>	<b>243</b>	<b>63.344</b>	<b>198.153</b>	<b>36.521</b>	<b>748</b>	<b>235.422</b>	<b>556.271</b>
2015	Maschi	90.335	6.555	813	97.703	99.601	26.170	161	125.932	38.490	4.371	133	42.994	38.603	7.695	128	46.426	313.055
	Femmine	36.335	7.232	237	43.804	58.785	37.738	42	96.565	17.393	2.944	59	20.396	167.998	27.073	905	195.976	356.741
	<b>Totale</b>	<b>126.670</b>	<b>13.787</b>	<b>1.050</b>	<b>141.507</b>	<b>158.386</b>	<b>63.908</b>	<b>203</b>	<b>222.497</b>	<b>55.883</b>	<b>7.315</b>	<b>192</b>	<b>63.390</b>	<b>206.601</b>	<b>34.768</b>	<b>1.033</b>	<b>242.402</b>	<b>669.796</b>
2016	Maschi	73.355	5.968	802	80.125	85.421	27.154	265	112.840	38.794	4.703	108	43.605	36.741	8.465	105	45.311	281.881
	Femmine	32.710	2.918	257	35.885	42.137	34.351	73	76.561	18.500	2.697	40	21.237	160.773	28.577	623	189.973	323.656
	<b>Totale</b>	<b>106.065</b>	<b>8.886</b>	<b>1.059</b>	<b>116.010</b>	<b>127.558</b>	<b>61.505</b>	<b>338</b>	<b>189.401</b>	<b>57.294</b>	<b>7.400</b>	<b>148</b>	<b>64.842</b>	<b>197.514</b>	<b>37.042</b>	<b>728</b>	<b>235.284</b>	<b>605.537</b>
2017	Maschi	96.052	9.421	1.046	106.519	114.919	28.115	405	143.439	37.859	4.824	122	42.805	38.653	8.848	158	47.659	340.422
	Femmine	40.312	5.212	230	45.754	45.223	36.135	114	81.472	18.555	2.720	64	21.339	167.485	29.189	826	197.500	346.065
	<b>Totale</b>	<b>136.364</b>	<b>14.633</b>	<b>1.276</b>	<b>152.273</b>	<b>160.142</b>	<b>64.250</b>	<b>519</b>	<b>224.911</b>	<b>56.414</b>	<b>7.544</b>	<b>186</b>	<b>64.144</b>	<b>206.138</b>	<b>38.037</b>	<b>984</b>	<b>245.159</b>	<b>686.487</b>
2018	Maschi	106.757	13.660	1.224	121.641	122.342	31.477	451	154.270	37.917	4.442	113	42.472	38.039	9.202	112	47.353	365.736
	Femmine	32.972	17.217	234	50.423	45.376	41.470	158	87.004	18.970	2.791	64	21.825	164.987	29.646	771	195.404	354.656
	<b>Totale</b>	<b>139.729</b>	<b>30.877</b>	<b>1.458</b>	<b>172.064</b>	<b>167.718</b>	<b>72.947</b>	<b>609</b>	<b>241.274</b>	<b>56.887</b>	<b>7.233</b>	<b>177</b>	<b>64.297</b>	<b>203.026</b>	<b>38.848</b>	<b>883</b>	<b>242.757</b>	<b>720.392</b>
2019	Maschi	78.917	11.546	-	90.463	176.503	45.355	-	221.858	37.841	4.345	-	42.186	38.130	9.499	-	47.629	402.136
	Femmine	40.363	11.970	-	52.333	62.106	49.988	-	112.094	20.085	2.694	-	22.779	167.596	29.930	-	197.526	384.732
	<b>Totale</b>	<b>119.280</b>	<b>23.516</b>	<b>-</b>	<b>142.796</b>	<b>238.609</b>	<b>95.343</b>	<b>-</b>	<b>333.952</b>	<b>57.926</b>	<b>7.039</b>	<b>-</b>	<b>64.965</b>	<b>205.726</b>	<b>39.429</b>	<b>-</b>	<b>245.155</b>	<b>786.868</b>
2020 3°	<b>Totale</b>	<b>114.468</b>	<b>n.d.</b>	<b>-</b>	<b>114.468</b>	<b>143.907</b>	<b>n.d.</b>	<b>-</b>	<b>143.907</b>	<b>23.030</b>	<b>n.d.</b>	<b>-</b>	<b>23.030</b>	<b>141.626</b>	<b>n.d.</b>	<b>-</b>	<b>141.626</b>	<b>423.031</b>

(1) Le pensioni liquidate delle Gestioni Sport e Spettacolo dell'ex Enpals dell'anno 2019 sono comprese all'interno dei dati INPS (sono state inserite tra i fondi sostitutivi dell'Inps), quindi dal 2019 in poi non saranno più evidenziate a parte.

(2) Rilevazione al 2 ottobre 2020 dei flussi di pensionamento IVS nei primi tre trimestri 2020, che riguardano solo le principali gestioni Inps (sono compresi FPLD, Autonomi e Parasubordinati) sono escluse le Gestioni minori e le Gestioni sostitutive, tra cui la Gestione dipendenti pubblici - GDP e l'ex Enpals.

Fonte: Inps - Monitoraggio flussi di pensionamento 3° trim. 2020 e Osservatorio pensioni Inps liquidate

Old-age pensions and early retirement, seniority/early retirement benefits, disability pensions, survivors' pensions, year, gender, all IVS pensions, men, women, total; (1) *The 2019 pensions paid by the entertainment and show-business and sports schemes of former Enpals are included in the INPS data (in the INPS substitutive funds), so as of 2019, they will no longer be shown as separate items.* (2) *Data of October 2, 2020 related to the IVS retirement flows of the first 3 quarters of 2020 for the main INPS schemes (including FPLD and the fund for atypical workers), except for minor and substitutive schemes such as GDP and ex ENPALS; provisional data; Source: INPS – monitoring of the retirement flows in the 3<sup>rd</sup> quarter of 2020 and Observatory of INPS paid out pensions.*



Table A.10 - Current pensions on 1/1/2020

Pensioni Vigenti all'1.1.2020				2019
	INPS + ex Enpals(*)	Ex Inpdap	Totale	Per memoria vigenti 2019
	Vecchiaia			Vecchiaia
Maschi	1.649.737	186.856	1.836.593	2.023.449
Femmine	2.882.740	223.370	3.106.110	3.329.480
<b>Totale</b>	<b>4.532.477</b>	<b>410.226</b>	<b>4.942.703</b>	<b>5.352.929</b>
	Anzianità / Anticipate			A/A
Maschi	3.491.244	809.469	4.300.713	5.110.182
Femmine	1.063.405	917.099	1.980.504	2.897.603
<b>Totale</b>	<b>4.554.649</b>	<b>1.726.568</b>	<b>6.281.217</b>	<b>8.007.785</b>
	Invalidità			Invalidità
Maschi	470.797	129.422	600.219	729.641
Femmine	404.343	89.580	493.923	583.503
<b>Totale</b>	<b>875.140</b>	<b>219.002</b>	<b>1.094.142</b>	<b>1.313.144</b>
	Superstiti			Superstiti
Maschi	450.006	100.312	550.318	650.630
Femmine	3.226.146	534.304	3.760.450	4.294.754
<b>Totale</b>	<b>3.676.152</b>	<b>634.616</b>	<b>4.310.768</b>	<b>4.945.384</b>
	Prepensionamenti			Prepensionamenti
Maschi	165.222	-	165.222	174.959
Femmine	58.958	-	58.958	61.500
<b>Totale</b>	<b>224.180</b>	<b>-</b>	<b>224.180</b>	<b>236.459</b>
	Assistenziali			Assistenziali
Maschi	1.617.409	-	1.617.409	1.578.732
Femmine	2.413.029	-	2.413.029	2.381.126
<b>Totale</b>	<b>4.030.438</b>	<b>-</b>	<b>4.030.438</b>	<b>3.959.858</b>
	Totale			
<b>Maschi</b>	<b>7.844.415</b>	<b>1.226.059</b>	<b>9.070.474</b>	<b>8.964.303</b>
<b>Femmine</b>	<b>10.048.621</b>	<b>1.764.353</b>	<b>11.812.974</b>	<b>11.835.467</b>
<b>Totale</b>	<b>17.893.036</b>	<b>2.990.412</b>	<b>20.883.448</b>	<b>20.799.770</b>
(*) Dal 1.1.2020 l'Osservatorio comprende anche la Gestione Spettacolo e Sport, precedentemente inserita in un osservatorio				
Fonte: INPS - Osservatori statistici delle pensioni 1.1.2020				

Men, women, total, old-age, seniority/early retirement, disability, survivors, early retirement, welfare benefits total;  
 \* as of January 1, 2020, the Observatory also includes the entertainment, show-business and sports fund; Source: Statistical  
 observatories of pensions on 1/1/2020.



## 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 **some expenditure aggregates**:

A) ISTAT Statistica – ISTAT – INPS Publication - "Retirement benefits"<sup>91</sup>

#### **Benefits included in the aggregate:**

**IVS Pensions**: disability, old age and survivors' pension benefits for workers who have fulfilled their age and contribution requirements (direct disability, old age and seniority benefits). In case of death of workers or pensioners, 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 remuneration;

**Welfare Pensions**: pensions such as: *veterans', blind and deaf civilian's, disabled civilian' benefits and social pensions or allowances to subjects 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 carers' allowances (which incidentally are not pensions)* for people unable to deal with daily activities because of their age.

**Honorary Pensions**: 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 the form of capital, since these benefits do not fall within the definition of "pensions"<sup>92</sup>.

**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 remuneration trends, family allowances and other allowances and arrears.

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<sup>91</sup> The data analysed come from the INPS administrative archive – Central Registry of Pensioners– that collects all the data on pension benefits provided by all Italian pension schemes, both public and private. The latest ISTAT data have been processed to obtain a disaggregation by type of institution that is different from the one published in the past; in fact, the data have been processed according to another classification that is more in line with the SEC95 criteria.

<sup>92</sup> Periodical and continuous benefit in cash individually paid by public institutions and private organizations.

**B) Aggregate of "pensions and annuities" contained in the General Report on the economic situation of the country and in the Accounts of Social Security<sup>93</sup>**

**Benefits included in the aggregate:**

The item “**pensions and annuities**” includes IVS pensions, net of benefits and annuities resulting from industrial accidents (INAIL, IPSEMA, the military, etc.). Among IVS benefits, it includes the provisional pensions paid to the military directly by the State and the pensions paid by constitutional bodies and by the Regions (in particular the Sicily Region) 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.

**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 civilians.

**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 employment<sup>94</sup>), 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

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<sup>93</sup> This aggregate is separately referred to all institutions and to individual public institutions. Here only the latter is analysed.

<sup>94</sup> In the private sector, for example, the average retention rate in the same company is about 7-8 years. On the whole, also considering the public sector, this figure vs. GDP is equal to about 1.3%.

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 funds<sup>95</sup>. 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 carers' allowances).

**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 proceeds from the non-cumulation rule.

**D) The definition in this Report is identical to that used in the Reports drafted until 2012** (years analysed: 2009/10) by the Pension expenditure evaluation unit (NVSP<sup>96</sup>).

**Benefits included in the aggregate:** This report analyses 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).

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<sup>95</sup> Even *survivors* and *disability* include benefits paid by private institutions.

<sup>96</sup> From the 1998 Report by NUSVAP: "The data collected and analysed refer to 1989-97 and are related to all the compulsory funds that provide disability, old-age and survivors' pensions. 37 schemes belonging to 19 different entities, some of which were set up during the period observed (such as INPDAP), while others were cancelled (the INPS transportation fund and the Fund for customs shippers. The monitoring pension expenditure of the Nucleus does not include: *indemnity, welfare and honorary pension*, in particular: *the INPS social pensions, the benefits for the vision and hearing impaired and civilian disabled subjects provided by the Ministry of the Interiors, the industrial accident benefits paid by INAIL, ENPAIA and by IPSEMA, and the war pensions granted by the Treasury.*

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 DPEF), 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.

### Appendix 3: Contribution-based calculation formula

$$TC_x = \frac{1}{\Delta_x}$$

$$\Delta_x = \frac{\sum_{s=m,f} a_{x,s}^{v(t)} + A_{x,s}^{v(t)}}{2} - k$$

Current average value of direct pension<sup>1</sup>:

$$a_{x,s}^{v(t)} = \sum_{t=0}^{w-x} \frac{l_{x+t,s}}{l_{x,s}} \left( \frac{1+r}{1+\sigma} \right)^{-t}$$

Current average value of survivors' pension:

$$A_{x,s}^{v(t)} = \sum_{t=0}^{w-x} \frac{l_{x+t,s}}{l_{x,s}} q_{x+t,s} \left( \frac{1+r}{1+\sigma} \right)^{-t} \Theta_{x+t,s} \eta \delta_s \sum_{\tau=1}^{w-x-t+\varepsilon_s} \frac{l_{x+t+\tau-\varepsilon_s,s}^{ved}}{l_{x+t+1-\varepsilon_s,s}^{ved}} \left( \frac{1+r}{1+\sigma} \right)^{-\tau}$$

where:

$TC$  = transformation coefficient

$\Delta$  = divisor

$s$  = gender (m=men, f=women)

$\frac{l_{x+t,s}}{l_{x,s}}$  = probability to survive between  $x$  age and  $x+t$  age

$x$  = retirement age

$w$  = maximum age

$q_{x+t,s}$  = probability to die between  $x+t$  age and  $x+t+1$  age

$\Theta_{x+t,s}$  = probability to leave the family for a subject of  $x+t$  years of age

$l_{x+t,s}^{ved}$  = probability for the survivor to be cancelled due to death or remarriage

$k$  = correction to take account of the way in which pensions are provided (1 month in advance, 2 months in advance, 1 year in advance and so on)

$\varepsilon_s$  = difference between the age of the deceased and the age of the spouse

$\eta$  = survivors' quota

$\delta_s$  = Percentage reduction of the survivors' quota due to income requirements

$r$  = internal rate of return

$\sigma$  = indexation

$\left( \frac{1+r}{1+\sigma} - 1 \right)$  = discount rate

It is interesting to note that if  $r = \sigma$  e  $k = 0.5$ ,  $a_{x,s}^{v(t)} - k$  coincides with the pensioner's life expectancy at retirement. Moreover, it shows the number of annual pension instalments that will be received by the pensioner.