



Report n.9 2022

The italian Pension System

Financial and demographic trends of the pension
and welfare system in 2020

Curated by the Research and Study Centre Itinerari Previdenziali

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We thank for their cooperation:

INPS, INAIL, AdEPP e le Casse Privatizzate dei Liberi Professionisti

This report is published in Italian and English thanks to the support by:

ACRI, ANIA - Associazione Nazionale fra le imprese assicuratrici, ANIMA Sgr, Arca Fondi SGR, CADIPROF - Cassa di Assistenza Sanitaria Integrativa per i Lavoratori degli Studi Professionali, CASSA FORENSE, CATTOLICA ASSICURAZIONI - società del Gruppo Generali, CIDA - Confederazione Italiana Dirigenti e Alte Professionalità, CNPR - Cassa di previdenza dei Ragionieri commercialisti e degli Esperti Contabili, Confagricoltura, INAPA-Confindustria, Confcommercio-Imprese per l'Italia, CONFCOOPERATIVE, ENPAF, Helvetia Vita SpA, Intesa Sanpaolo, Unipol Gruppo

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- Observatory on public expenditure and revenues "2019 IRPEF tax returns and analysis of direct and indirect taxes".
- VIII Report "Italian Institutional Investors: Members, Resources and Managers in 2020".
- Labour Market Observatory "The recovery is here but the road to employment is still long. The dynamics for the first half of the year and forecasts for 2021: an in-depth analysis of Italian labour market trends".
- Quaderno di Approfondimento "ESG and SRI, the sustainable investment policies of Italian institutional investors".
- Institutional Investment Observatory "The relationship between private markets and institutional investors in 2021".
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Introduction

The Report on the "*Italian pension system*", now in its 9th 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. These data can then be used by analysts and policy makers to manage pension expenditure which accounts for over 56% of public expenditure as a whole.

Until 2012, this Report was drafted by the Social Security Expenditure Evaluation Unit (Nuvasp) under Act no. 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 2012¹ 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 Reports 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 Government, to Italian and international institutions and to all social security stakeholders in Italian and English.

The *IX Report* is drafted on the basis of the financial account data provided by pension institutions and funds. It illustrates pension expenditure and contribution revenue trends and the balance of the 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 series². The retrospective analysis is up to 2020, 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 the public schemes integrated into INPS, the only public pension institution³ and the privatized professional pension schemes under Legislative Decrees n. 509 del 1994 and n.103 del 1996. The performance of these funds 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.

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 **32 years (hence unique)**. 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.

¹ Resignation of the President and of the members with a letter sent to Minister Elsa Fornero, member of NUVASP. In addition to monitoring and controlling pension expenditure, validating the transformation coefficients and coordinating the "*general registries of active workers, pensions and pensioners*", Nuvasp drafted the "*Report on the financial performance of the pension system*"; the last Report featured data until 31 December 2010. In 2012, Nusvap'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 featured the historical series of the reports and the database with the complete trends from 1989 to 2010.

² 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 regionalisation data have also been processed by Itinerari Previdenziali on the basis of INPS data

³ Art. 21 of L.D. no. 211 of 6/12/2011, transposed into Act no. 214 of 22 December 2011 "Urgent provisions for growth, equity and adjustment of national accounts".

Finally, the Report analyses the performance of the ***Welfare Benefit Scheme (GIAS)*** and of the ***Temporary Benefit Scheme (GPT)*** for the income support benefits funded by the production sector and by general taxes, of the accounting data of INAIL and of Health Expenditure. It also features a particular insight in active and passive support measures for workers provided through solidarity, inter-professional and bilateral funds. All this makes it possible to fine-tune the separation between the welfare and the pension system in order to develop more targeted interventions on individual expenditure items and to better understand these phenomena also at the EU level. A special analysis is devoted to active and passive support for workers through solidarity, interprofessional and bilateral funds.

In conclusion, the Report provides a description and quantification of complementary and supplementary private welfare schemes, which are increasingly essential to ensure the sustainability of the system in an ageing society; the calculation of "***substitution rates***" with projections for different careers and economic scenarios, a detailed analysis of the privatized pension schemes, together with a review of the main changes and legislative innovations up to 2020, available in the printed version and but also in the more exhaustive web version on www.itinerariprevidenziali.it.

1. The compulsory pension system from 1989 to 2020

1.1 Economic trends of the pension system over 32 years

In 2020, *pension benefit expenditure* in the compulsory system, i.e. the funds managed by the INPS and the private schemes, amounted to 234.7 billion euros, an increase by 4.5 billion (+1.95%) compared to the previous year¹. By adding the *welfare benefits* provided by INPS through a special "Welfare Benefit Scheme" (GIAS), total expenditure reached approximately 274.7 billion euros, an increase by 2.5% over the previous year².

This gap in the rates of change indicates that in 2020, welfare expenditure grew more than pension expenditure. In the past, the share of welfare expenditure out of total expenditure had a downward trend (1989-2011) or remained relatively stable (2012-2018), but from 2019 onwards, it started growing, maybe partly to the support measures adopted to mitigate the consequences of the pandemic in the last fiscal year; however, this trend needs to be monitored in order to highlight these causes in detail.

Again in 2020, the negative income and employment effects caused by the pandemic had significant repercussions on *contribution revenues* which totalled 195.4 billion euros, with a decrease by almost 14 billion euros with respect to the previous year (-6.7%), worse than in 2013 (-0.55%), the most critical year of the crisis that began in 2008, gradually offset by the improved growth conditions in the following years.

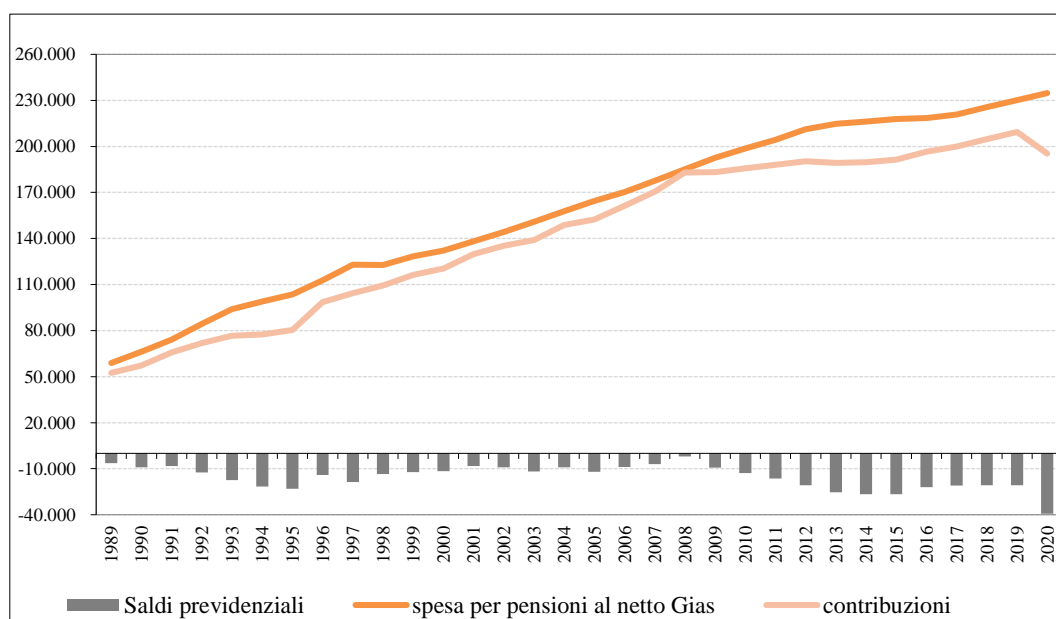
Due to these trends, in 2020, the *balance* between *contribution revenues and pension expenditure* was negative by approximately 39.3 billion Euros. If welfare expenditure is added, the negative balance of the mandatory system not financed by contributions, but by general taxes, rose to 79.3 billion Euros, + 20.7 billion Euros with respect to the previous year, accounting for 4.8% of GDP³. As will be discussed in detail in the next parts of the Report, a large share of this deficit derives from some schemes affected by structural imbalances mainly resulting from past regulations that were partly reformed from 1995 onwards. It should also be pointed out that the total expenditure, in its current version, includes welfare expenditure but is also calculated before direct taxes on pension income, which reached an annual average of over 51 billion euros between 2015 and 2019.

¹ The "pension expenditure" considered in this Report is the one originally adopted by the Nucleo di Valutazione della Spesa Previdenziale (Pension Expenditure Evaluation Unit), which ceased to operate in 2012. The differences with respect to the aggregate used by the General Accounting Office (RGS) are reported in Exhibit no. 3 and are also described in MEF-RGS, *Medium to long-term trends of the pension, welfare and health system. Forecasts developed with the models of the General Accounting Office updated to 2021*, Rome, July 2021, Appendix 2.A, "Pension expenditure: a comparative analysis of different definitions", p. 326.

² The different nature of the pension benefits financed by contributions with respect to welfare benefits financed by general taxes is described in detail in the following parts of this Report.

³ The 1989-2020 trends of pension expenditure, contribution revenues and their balance are graphically represented in figure 1.1.

Figure 1.1 - Pension expenditure, contributions and operating balances



Balance of the pension system, Pension expenditure net of GIAS, Contributions

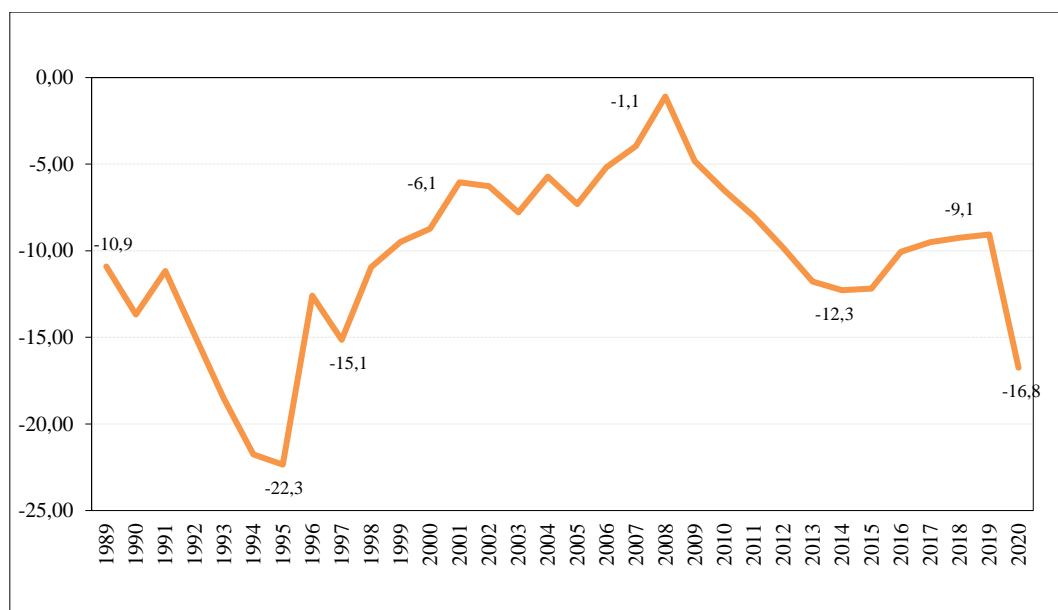
Figure 1.1 shows the evolution of the main variables over *a period of thirty-three years*; it highlights the fluctuations of operating balances over time due to the trend of the economy and to regulatory interventions, especially the measures designed to have short- and medium-term effects. In particular, the balances deteriorated up to 1995, when the old legislation adopted in the rapid post-war growth period was still in force. The Dini reform (Act no. 335 of 1995) led to a downward trend in expenditure⁴ and an upward trend in contribution revenues⁵, and this almost balanced the accounts of the social security system in a decade. The reduction in the amount of contributions due to the long crisis that began in 2008 deteriorated these balances, only offset by a moderate economic recovery after 2015. As of 2019, a new reversal of the trend has occurred, at first essentially caused by an increase in expenditure after the adoption of the so-called "100 quota" (Article 14 of Law Decree no. 4/2019) and, in 2020, as a direct consequence of the collapse of contribution revenues in the first year of the pandemic.

The absolute values of operating balances cannot be compared over time as they are derived from the nominal values of revenues and expenditure which are affected by price developments. The percentage ratio between operating deficits and pension expenditure is a relative measure and is therefore more appropriate for measuring the extent of financial imbalances. This measure for the entire period is illustrated in **Figure 1.2**. As can be seen, the pattern broadly follows the histograms in the previous figure, but the relative figures show that the deficit ratio vs. the volume of expenditure was substantially different. Although these negative operating results got much worse in the years of the crisis (from just over 1% in 2008 to 12.3% in 2014) and the pandemic created an extremely difficult situation, the deficit (-16.8%) did not reached the extent of the early 1990s, i.e. 22.3% of pension expenditure before the reforms came into force.

⁴ In the years immediately following Act no. 335 of 1995 and the further reforms of the Budget Laws of the 1990s, the most relevant factors in the reduction of expenditure were: i) changes in the pension indexation system; ii) the progressive increase in the retirement age; iii) the harmonisation of the rules for public employees with those for private employees; iv) the containment of disability pensions introduced by Act no. 222 of 1984.

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

Figure 1.2 - Operating deficits net of GIAS as % of pension expenditure

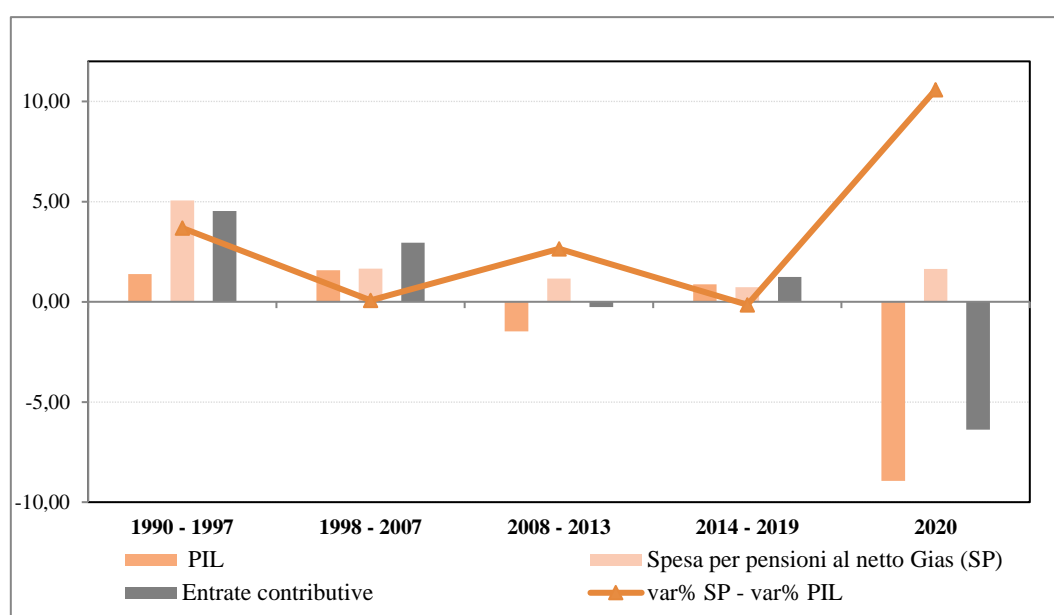


1.2 Operating results and the pension expenditure/gross domestic product (GDP) ratio

Further significant indications on the public pension system trends and on the share of the added value that the entire Italian economy allocated to pension expenditure emerge from the analysis of the trends of the main indicators, by subdividing the timespan examined into four periods: i) before the reforms of the mid-1990s; ii) from the reforms to the outbreak of the crisis; iii) the years of the crisis from 2008 to 2013; iv) after the crisis, except for 2020, the first year of the pandemic, separately evaluated.

Figure 1.3 shows the averages of the annual rates of change of GDP, of pension expenditure net of welfare expenditure (GIAS), and of contribution revenues. All these figures are measured in real terms and therefore the differences within each period and those between different time intervals can be compared, since their value is not conditioned by the different inflation rates of each period. From 1989 to 1997, the real rates of variation indicate that the average growth of pension expenditure (+4.5%) was much higher than that of GDP (+1.4%). At the same time, the rate for contribution revenues, in a phase still expansive for employment, was close to the rate of growth of pension expenditure, even though, as already mentioned, the initial financial imbalance further deteriorated operating deficits. In the following decade (1998-2007), for the first time the reforms managed to curb pension expenditure, with its annual average growth rate of approximately 1.65%, slightly higher than the GDP average rate of variation (+1.58%). In the same period, the average growth rate of contribution revenues was much higher (+2.95%), stimulated by the increase in the contribution rates provided for under the Dini Law, and also by the transfer of some other temporary benefits that had structurally active balances. These trends determined a substantial stability in the ratio of pension expenditure to GDP throughout the decade and, as already mentioned, a significant re-equilibrium of the pension system accounts in 2008.

Figure 1.3 - Average real % variations



GDP, Pension expenditure net of GIAS, Contribution revenues

After 2008, although the growth of pension expenditure further declined to an annual average of less than 1.2%, the slump in the economy (from 2008 to 2013, the GDP in real terms lost almost 1.5% on average per year) caused this ratio to increase again. Moreover, the accounts of the pension system considerably deteriorated due to the negative employment situation determined by the economic cycle and its impact on contribution revenues (a drop in real terms by 0.26% on average per year).

In the most recent phase, after 2014, since the growth of pension expenditure further declined (+0.73% on average per year), a timid recovery of the economy (from 2014 to 2018 the GDP in real terms increased by 1.2% on average per year)⁶ was sufficient to reduce this ratio, even if at a higher level by about 2.5 % with respect to the beginning of the economic crisis.

In 2019, the increase in pension expenditure due to the implementation of the aforementioned “100 quota” and a new slump (real GDP growth of +0.4%) led again to a slight reversal of this ratio. Instead, 2020, the last year of the series, showed very clearly the impact of the pandemic on the performance of the economy, with the collapse of GDP by almost nine percentage points in real terms and a sharp drop in contribution revenues (-6.4%). In the same year, pension expenditure showed an acceleration with respect to the recent years due to several factors, such as an increase in early retirement linked to the “100 quota” and to the employment crisis triggered by the major slump of the economy and, last but not least, in the outflows connected to demographic factors which are expected to have a significant impact on expenditure in the coming years.

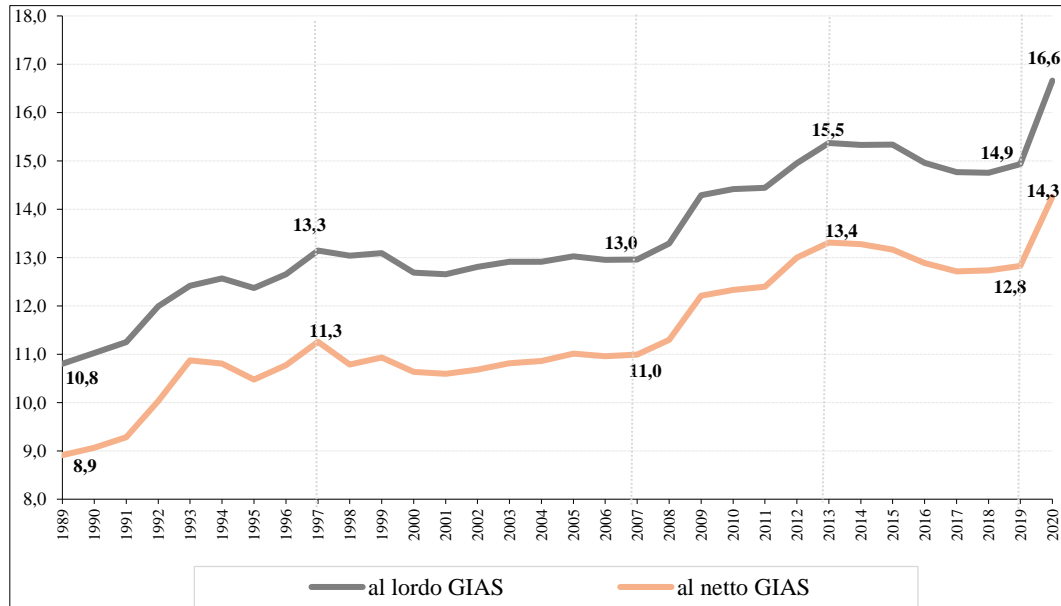
Therefore, the data show that, while the growth of pension expenditure was slowed down by the reforms, the trend of contribution revenues was much more unstable, fluctuating in line with that of GDP, thus worsening the financial imbalance of the pension system during the economic slowdown. So, it is possible to say that, over time, the containment of pension expenditure growth

⁶ The difference in the growth rates of GDP and pension expenditure is represented in the graph by the indicators on the dotted line.

had a very positive impact on the operating balance of the pension system, which was however negatively affected by the lack of GDP growth and of contribution revenues⁷.

Figure 1.4 shows the annual ratio of pension expenditure to GDP for the entire period examined (1989-2020), which is one of the principal indicators used in Europe to evaluate the capacity of member countries to financially sustain their pension systems.

Figure 1.4 - Pension expenditure as a percentage of GDP

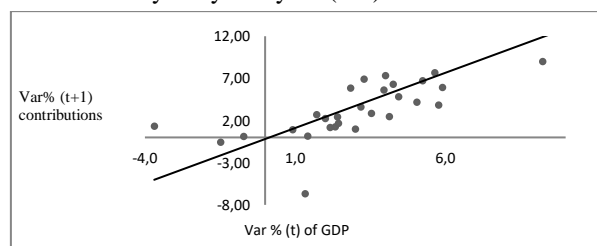


Gross of GIAS; Net of GIAS

The graph, in which expenditure is considered both gross and net of the GIAS welfare component, shows the same time intervals used in the previous analysis of growth rates. On the whole, if the extraordinary impact of the pandemic taken into consideration, the ratio of pension expenditure vs. GDP is almost twice as high, from 10.8% in 1989 to 16.7% in 2020 gross of GIAS transfers; instead, if only pension expenditure is considered, the increase is somewhat more contained (from 8.9% to 14.3%) but nevertheless significant.

The patterns in the graphs confirm that, the ratio of pension expenditure to GDP fluctuated in line with the different trends of these two variables. In fact, over the same time period, up to 1997, this ratio rose rapidly, from 10.8% to 13.2%⁸ in less than ten years, and then stabilised in the following decade at around 13% (11% for expenditure without welfare benefits). With the advent of the crisis, this ratio picked up, reaching 15.4% in 2013, i.e. an increase by more than two points in six years.

⁷ The close connection between the trend of GDP and that of contribution revenues can be seen in the footnote chart where the trend of contribution revenues delayed by one year ($t+1$) is related to the rate of change of GDP at time t

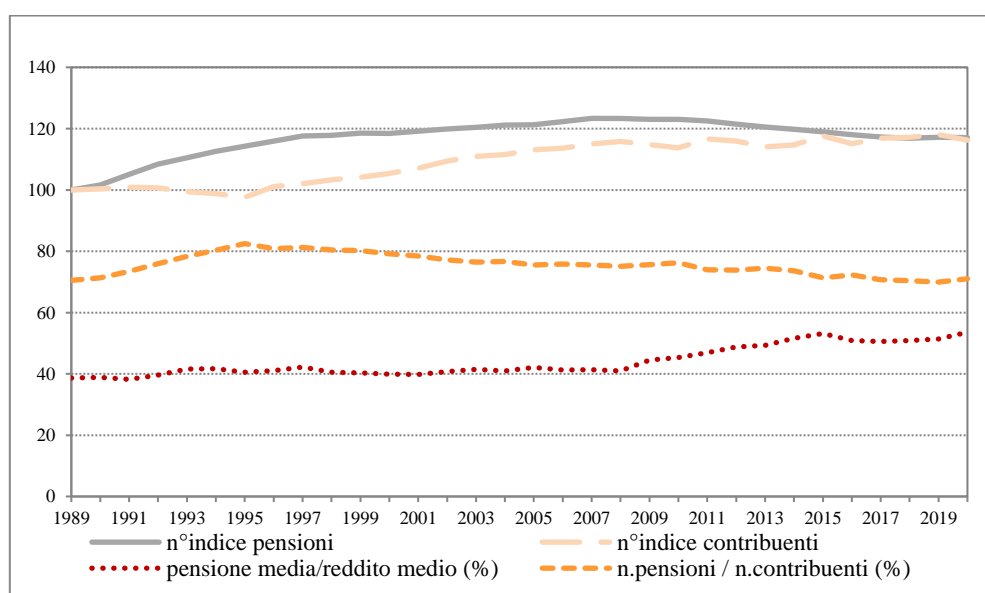


⁸ The temporary reversal of the trend in 1995 was due to the freeze on seniority retirements (Art. 13, paragraph 1 of Act no. 724 of December 23, 1994), which came to an end with the general reform of the pension system (Act no. 335/95).

In the last five years, with the slight economic recovery, there was a reversal of this ratio, first with a drop by more than half percentage point and then again with an increase by about 0.15 per cent in 2019; as already mentioned, this was mainly due to the effect of a higher flow of early retirements. 2020, the most recent year in the series under review, is a story apart, since the pandemic led to the combination of a sharp contraction in GDP and a growth in pension expenditure, due to the which, an increase in early retirement in a critical employment situation. These combined factors pushed the ratio up by 1.7%.

Going back to the entire period under consideration, the trend of the pension expenditure/GDP ratio can also be assessed on the basis of the trends of the underlying variables⁹. These trends are shown in **Figure 1.5**. The first aspect to point out is the average pension/average income ratio of active workers paying their contributors; in fact, after a long period of stability, this ratio rose by 12% from 2008 to 2015 (from 41% to 53%), then remained stable at around 50% and finally increased by another two points in the year of the pandemic. Considering that since the early 1990s, the adjustment of benefits has been decoupled from wage increases and to some extent from price increases, the relative stability and then the surge of this ratio can be attributed to two factors.

Figure 1.5 - Pensions and active workers paying contributions



Index n. Pensions, index no. workers paying contributions, average pension/average income, n. of pensions/n. of active workers paying contributions

The first is the turnover of beneficiaries, with an increase in the share of stronger contribution-based careers than those of deceased pensioners, hence with higher amount of the new benefits accrued. The second is the different impact caused by the trends in the economy on labour and pension incomes; the former reflect the negative impact on the employment in the event of a crisis, especially a prolonged crisis such as that from 2008 to 2013, the latter are not very sensitive to the economic cycle. The 2020 trend seems to confirm this dynamic.

The other important element in *figure 1.5* is the apparently opposite downward trend, of the ratio between the number of pensions vs. the number of active workers paying contributions. In actual

⁹ Since total pension expenditure (SP) is equal to the average pension (p) multiplied by the number of benefits (N) and GDP is equal to the average income (w) multiplied by the number of active workers paying contributions (L), the ratio of pension expenditure to GDP is the outcome of the interaction between these two ratios, i.e. $SP/GDP = (p/w) \cdot (N/L)$

fact, even if the demographic pressures are leading to the higher share of elderly people in the population, the reform measures designed to increase the retirement age initially contributed to limiting this growth and subsequently (from 2008 onwards) to reducing the number of pensions paid out; in fact, the progressive reduction in the ratio of the number of pensions to the number of active workers paying contributions is to be considered the main factor in curbing the pension expenditure/GDP ratio.

1.3 A short-term projection

As already pointed out, unlike contribution revenues, pension expenditure is not very sensitive to the economic cycle, since its growth can be only partially influenced in the short term by regulatory interventions. Therefore, while the long-term evolution of the pension expenditure/GDP ratio can be kept under control by modifying the operating rules of the pension system, the short to medium term patterns are basically defined by the fluctuations of the economic cycle.

Figure 1.6 - Pension expenditure as a % of GDP

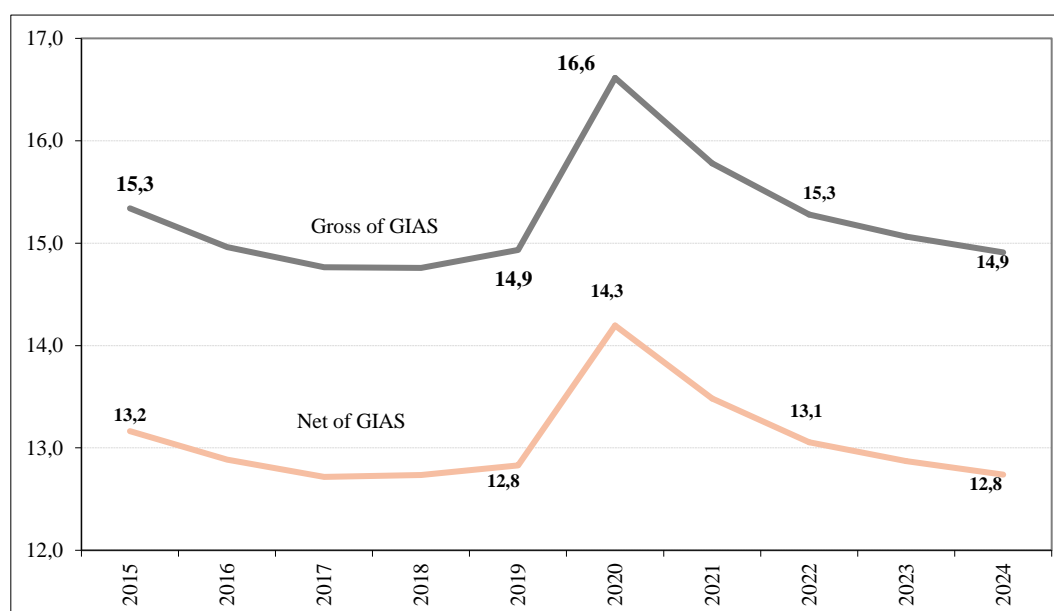


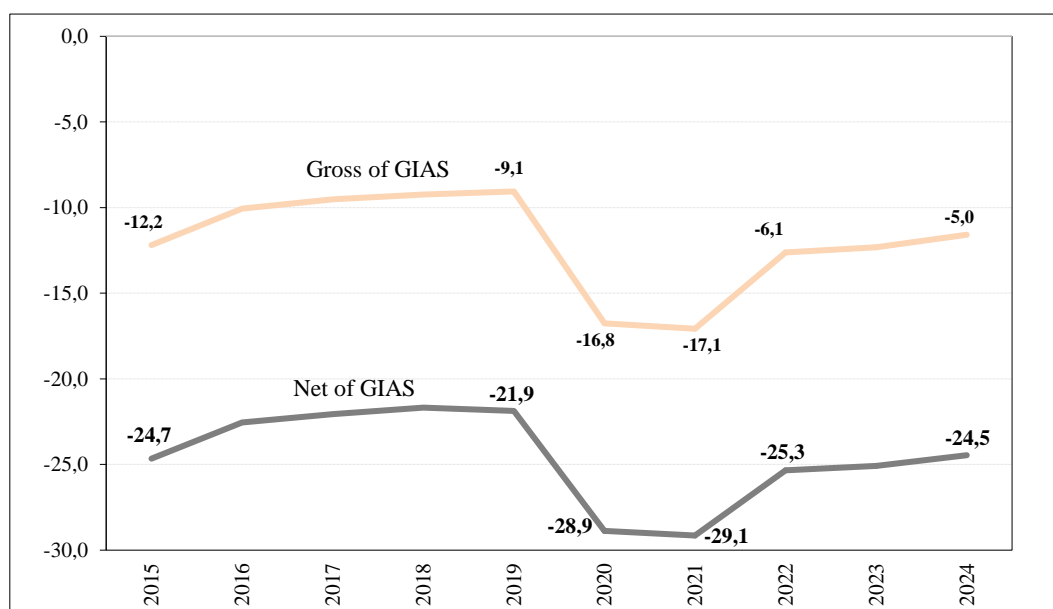
Figure 1.6 clearly shows this aspect of the pension expenditure/GDP ratio. The period considered is the decade starting from 2015, the first year of recovery after a long recession, and continues until 2024¹⁰. As anticipated in the comment on Figure 1.4, in the five years following the crisis, a modest recovery of the economy (with an average growth of 1.8% of nominal GDP and of 0.84 % in real terms), managed to reverse the upward trend of this ratio. In 2019, with the early retirements linked to the launch of the “100 quota” and to another slump in GDP growth (+0.4% in real terms), the trend of the pension expenditure/GDP ratio changed again, albeit to a still limited extent. With the onset of the pandemic and its resulting impact on the economy, this ratio had a sharp increase by approximately 1.7 % before the GIAS transfers and by approximately 1.4 % strictly considering pension expenditure.

¹⁰ The 2021-2024 projections presented in Figure 6 and Figure 7 are based on the current values of GDP obtained from MEF, *Economy and Finance Document 2021. Update Note* (Rome, October 2, 2021). Pension expenditure and contribution revenues are obtained from the final 2020 values of this Report by Itinerari Previdenziali increased by the rates of change obtained from the aforementioned *Update Note to the 2021 EFD*.

On the basis of the GDP and pension expenditure trends reported in the most recent publications by the Ministry of the Economy and Finance (MEF) for the next four years, after the 2020 peak, this ratio is expected to gradually decrease, going back to the 2019 level reached in 2024. Therefore, if the projections, which are difficult to formulate at this very uncertain stage, were to be confirmed, it would be possible to conclude that the pandemic has had a heavy impact on the financial sustainability of the pension system, but its effects may be apparently offset within four years.

On the other hand, there are some differences when looking at the effect of the sudden fluctuation of GDP on the accounts of the pension system. *Figure 1.7* shows the trends in operating results, gross and net of welfare transfers, for the same time period as in the previous Figure. With the stabilisation of the ratio of pension expenditure to GDP in the 2014-2019 period, there was an improvement in the balance of the system; but, as already indicated, after the very negative outcome of 2020, the improvements expected for the next four years in terms of income and employment and, hence, in contribution revenues, give a still critical picture of the accounts of the pension system.

Figure 1.7 - Operating results as a % of pension expenditure



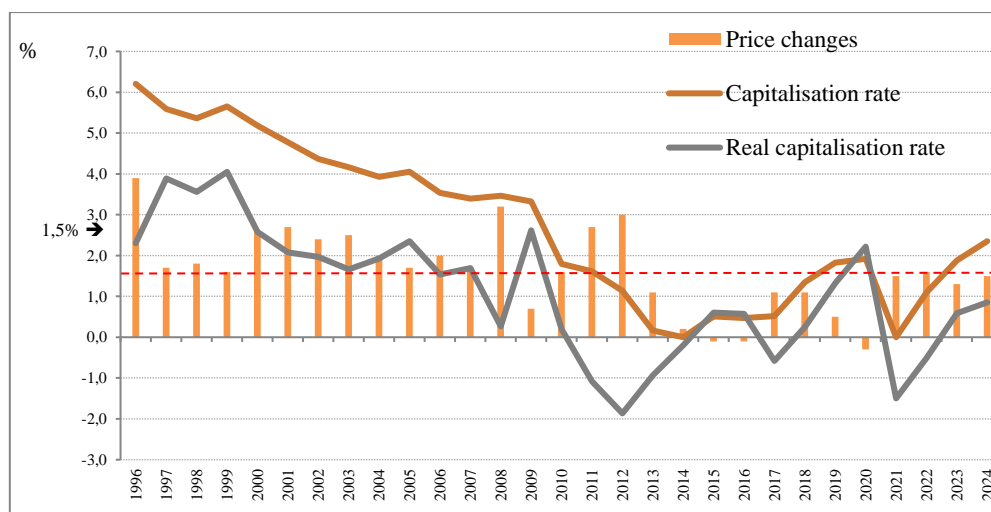
In fact, the result largely depends on contribution revenues which are expected to recover, even if they are affected by the delayed response of employment to the GDP trend. The projections show that, in 2021, the increase in contribution revenues was still weak and the ratio of the pension system balance vs. total expenditure suffered another slight deterioration. So, it is only from 2022 that the sustained growth projected for the coming years will be able to significantly change the balance of the pension systems.

1.4 Capitalization rates and evolution of the pool of contributions

The GDP trend not only has an impact on operating results and on the sustainability of the pension expenditure analysed up to now, but also on the adequacy of benefits, which are increasingly determined by the rules of the contribution-based system. In fact, with this approach, the amount that contributes to the calculation of pensions derives from the capitalisation rates which, in turn,

are determined by the GDP growth¹¹. **Figure 1.8** highlights the trends in the annual capitalization rates of this amount. In addition to the figures measured from 1996, the year in which the new system was launched, to 2020¹², the chart shows the estimated values up to 2024, taken from the latest GDP projections (NADEF 2021). The graph also illustrates the real values, obtained by deflating the nominal rates with the Istat price index for households of workers and employees (FOI excluding tobacco) until 2020 and with the consumption deflator for the 2021-2024 period.

Figure 1.8 - Nominal and real capitalization rates of the pool of contributions



In general, the consequences of the slump in the economy are evident. In fact, while from 1996 until 2009, the nominal capitalisation rates remained positive above 3%; then, a rapid decline started in 2010 and in two years (2014 and 2021) they became negative. If we then refer to the rates net of inflation, these were negative from 2010 to 2022, except for a few years; in any case, they were always below the assumption of a 1.5% real GDP growth formulated with the introduction of the new calculation method designed to reach an "adequate" pension level, that is, not far from the last salary¹³.

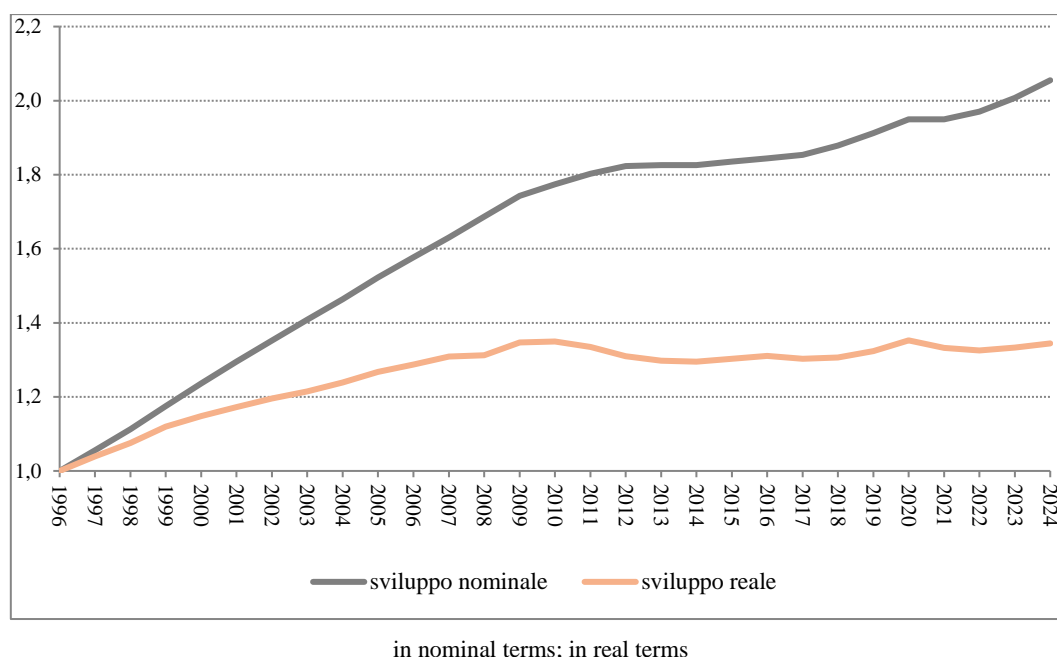
According to *figure 9*, taking into consideration the revaluation coefficients of the pool of contributions deprived of price changes, this pool has shown a very unstable and, above all, very slow growth since the beginning of the crisis in 2008, with an **average annual growth rate of 1.06%** over the entire period of time, which dropped to 0.16% from 2008 onwards, thus seriously jeopardising the adequacy of future benefits.

¹¹ The Dini reform of 1995 envisaged that under the contribution-based scheme, the contributions paid each year will be accumulated into a specific amount of contributions. At the time of retirement, the **amount** to be transformed into future annuities, i.e. into pension benefits, consists of the contributions paid in the last year of work and the amount of contributions paid in previous years adjusted on December 31 of each year on the basis of a "**revaluation coefficient**", equal to one, plus the capitalization rate, which is equal to the GDP average nominal changes in the five years preceding the last year of work (Paragraph 9, Art. 1 of Act no. 335/1995).

¹² The figures are calculated by Istat, which defines them as "Compound average rates" (see Istat Note of October 7, 2021); instead, in line with the already cited Art. 1, par. 9 of Act no. 335/1995, they represent the "five-year average variation of nominal GDP". INPS uses them to calculate the contribution-based share of the pensions; they are an essential reference for the pension system that should be adequately published, but, strangely enough, they are not reported in a single table but disclosed through numerous circulars and messages which sometimes inconsistently match the reference year to the coefficient.

¹³ In the simulations prepared for the Dini reform (Act no. 335/1995), in addition to a 1.5% real GDP growth in order to obtain *gross substitution rates* of the compulsory pension system above 65% for careers entirely calculated with the contribution-based method, the hypotheses formulated envisaged: a) a contribution rate of 33%; b) a retirement age of 63 years; c) wage increases 1% higher than the GDP growth as a career effect.

Figure 1.9 - Evolution of the pool of contributions



in nominal terms; in real terms

It is obvious that this has a direct impact on social security and therefore requires great attention on the part of the legislator; in fact, the risk of accruing inadequate pension benefits as a result of a stunted economic growth is beyond the control of individuals. Moreover, discontinuous and low-income working careers are on the rise, and this risk may become far too high, especially for the younger generation, and lead to the breakdown of the intergenerational pact underlying the pay-as-you-go pension system.

1.5 Results of the main funds before and after GIAS transfers over 32 years

As underlined in the comments on the data in the previous paragraphs, the reforms carried out since the middle of the last decade of the last century managed to contain the growth of pension expenditure which steadily moved from 4.5% per year in real terms to close to 1%. However, in spite of the effective measures adopted to curb this form of expenditure, even in the most recent years it was necessary to rely on general taxes to pay the pension expenditure not financed by contributions. However, this general framework features very different situations, in that not all funds of the main categories of workers have a financial imbalance.

Before analysing the data of the main categories, it is worth recalling both the composition of expenditure and the role of the different sources of financing. As already mentioned, pension expenditure is designed to fulfil two substantial functions: the first can be likened to a life-annuity insurance scheme and should be financed by contribution revenues; the second, of a welfare and solidarity nature, is financed through general taxation and should be decided by the political forces. In the Italian pension system, this distinction is not completely clear and the classification of the expenditure items is still characterised by various interpretative doubts, despite the fact that the scheme designed to finance welfare expenditure (GIAS) has been operating since 1989.

Leaving this issue aside and according to the usual institutional classification, the pension system can be financed through the following sources:

(a) revenues from the contributions paid by fund members, which represent the share of self-financing for each scheme;

(b) revenues from GIAS; (c) the rebalancing of the deficits of the schemes which, in addition to the funds allocated by GIAS, represent the external resources paid through general taxes.

Figure 1.10 - Percentage composition of sources of pension expenditure funding

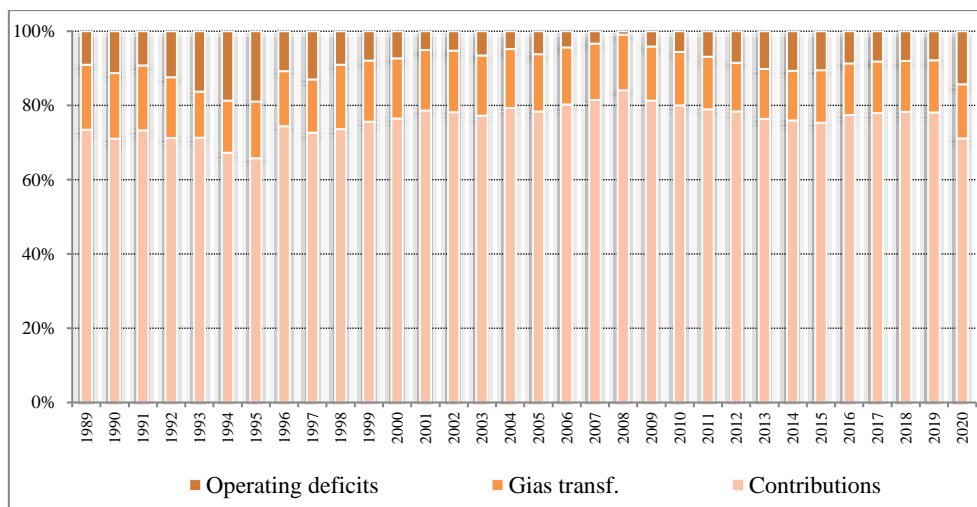


Figure 1.10 shows the trends of the various sources of financing of the whole pension system over the entire period examined. As can be seen, the gap between total expenditure and contribution revenues was significantly narrowed by the transfers from GIAS, which accounted for more than 17% of total expenditure in the first part of the period. Since 2010, GIAS has accounted for an almost consistent share, between 13% and 14% of total expenditure, with a slight increase in the last two years.

Unlike GIAS transfers, operating deficits have a fluctuating pattern. In the period of greatest imbalance (1993-1995), they reached almost 19% of total expenditure, gradually falling below 1% in 2008, the year in which contributions managed to cover 84.1% of expenditure; then they picked up again during the crisis and fell again in the most recent period, with a very negative result in 2020¹⁴.

A similar breakdown of the sources of financing can be used to assess the performance of the pension schemes for the main categories of members. As already mentioned, the share of contribution revenues on total expenditure (pensions and welfare benefits) with this breakdown can be considered an indicator of the "self-financing capacity" of these funds, while the items financed by general taxes (GIAS plus deficit balances) are signs of their financial imbalance. The picture is illustrated in **Table 1.1** for the three-year period from 2018 to 2020, and it confirms a very differentiated situation¹⁵. Some categories had revenues (from contributions and GIAS transfers) which were higher (FPLD workers and the Fund for Retailers) or even much higher (professional schemes, atypical workers) than total expenditure, with a few exceptions in the year of the pandemic; other large schemes (public employees, artisans, farmers) ran significant operating deficits supported by public transfers¹⁶.

¹⁴ In the data of the historical series, part of the expenditure related to Public Employees is included among the benefits, even though it is paid for by GIAS (pursuant to Article 2(4) of Act no. 183/2011).

¹⁵ In **table 1.1**, the column for "GIAS transfers" also includes the data related to civil servants.

¹⁶ It should be noted that positive balances have a negative sign in the table (and vice versa). The reason can be explained by considering that "pension expenditure" (**SPr**) is the item on the basis of which the two percentage revenue items are measured, namely contributions (**C**) and the transfers from GIAS (**TR**). Therefore, in the case where (**C** +

In more detail, the balance of the Pension Fund of Private-Sector Employees (FPLD), which alone accounts for 45.9% of all outstanding pensions and 56.3% of active members paying contributions, sharply deteriorated due to the negative effects of the pandemic, especially in terms of contribution revenues; until 2019, this fund had recorded a positive balance, more than 10% higher on average with respect to pension expenditure since the beginning of the new millennium.

On the other hand, the other funds of private-sector¹⁷ employees are characterized by a very critical situation; their self-financing capacity accounts for about one third of expenditure and it has been decreasing in the last three years, so their deficits are growing and have reached over 60% of total expenditure.

The fund for retailers managed to maintain its financial equilibrium, because the employment reduction in this sector was relatively more contained compared to other sectors (-1.1% on average per year from 2015, when the number of members paying contributions reached its highest level, up to 2020); it still has a sustainable ratio of pensioners to active members paying contributions (0.7), so it was able to cover about 90% its expenditure through its contributions, with a reduction in the three-year period partly offset by the increase in welfare transfers.

**Table 1.1 - Sources of financing of pension expenditure of the main categories
(as a percentage of total pension expenditure)**

Categories	Contributions			GIAS			Operating balances		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Private employees	84.7	76.5	69.0	18.3	18.9	19.5	-3.0	4.6	11.4
- FPLD	93.5	84.4	76.1	20.5	21.0	21.5	-14.0	-5.4	2.4
- other private employees	33.8	31.4	28.2	5.9	6.9	7.9	60.3	61.7	63.9
Public-sector employees	50.1	46.9	52.3	11.7	13.5	17.8	38.2	39.6	29.9
Artisans	56.1	54.6	52.3	18.7	22.3	23.7	25.2	23.1	24.0
Retailers	92.6	90.8	86.9	13.1	14.5	15.9	-5.7	-5.3	-2.8
Agricultural CDCM Fund	16.6	16.6	17.1	51.4	51.7	53.6	32.0	31.7	29.3
Professionals	181.6	176.2	172.5	0.0	0.0	0.0	-81.6	-76.2	-72.5
Atypical workers	704.1	623.1	521.5	12.6	10.0	9.4	-616.8	-533.1	-431.0
Clergy Fund	28.8	30.2	35.9	9.5	12.1	14.5	61.7	57.7	49.6
Supplementary funds	97.8	96.4	92.6	0.8	0.8	0.7	1.4	2.8	6.7
Total	75.6	69.7	67.4	16.7	17.7	19.5	7.7	12.6	13.1

The schemes for professionals, which are not supported by GIAS, managed to finance all of their pension benefits with the contributions paid by their members, and also obtained a significant positive balance which, in the three-year period, had a slight reduction from 81.6% to 72.5% in relation to the value of the benefits paid out¹⁸. For most of said schemes, these results depend on a high ratio of the number of active workers paying contributions vs. the number of pensions paid out, which is peculiar for categories that are still growing in terms of membership.

Even more evident is the net surplus of the Fund for atypical workers in which; in fact, in addition to the GIAS transfers that cover about 10% of expenditure, contribution revenues were more than

TR) > **SPr**, there is a positive balance which must be deducted from the revenues and which therefore has a negative sign.

¹⁷ The funds for private-sector employees can be divided into INPS funds (Transportation, Telephony, Electricity, Aviation, Consumer taxes, Public Credit Institutions, FFSS employees, Executives), the Fund for Journalists, the Fund for former autonomous companies (Posts and Telephony) and the Fund for entertainment and sports workers (ENPALS) separately administered by INPS. The economic situation of these funds is illustrated in other parts of the Report.

¹⁸ The data related to all the schemes for professionals do not reflect their considerable differences. For a detailed analysis of the performance of each scheme, see Chapter 3 of this Report.

five times higher than benefit expenditure, even during the pandemic. However, the surplus of this fund is not due to the number of members who have actually diminished since 2008 with the onset of the crisis by almost half a million subjects, from more than 1.8 to approximately 1.3 million; but it is rather due to a limited number and low average value of pension benefits because of its relatively young age and the type of work of its members.

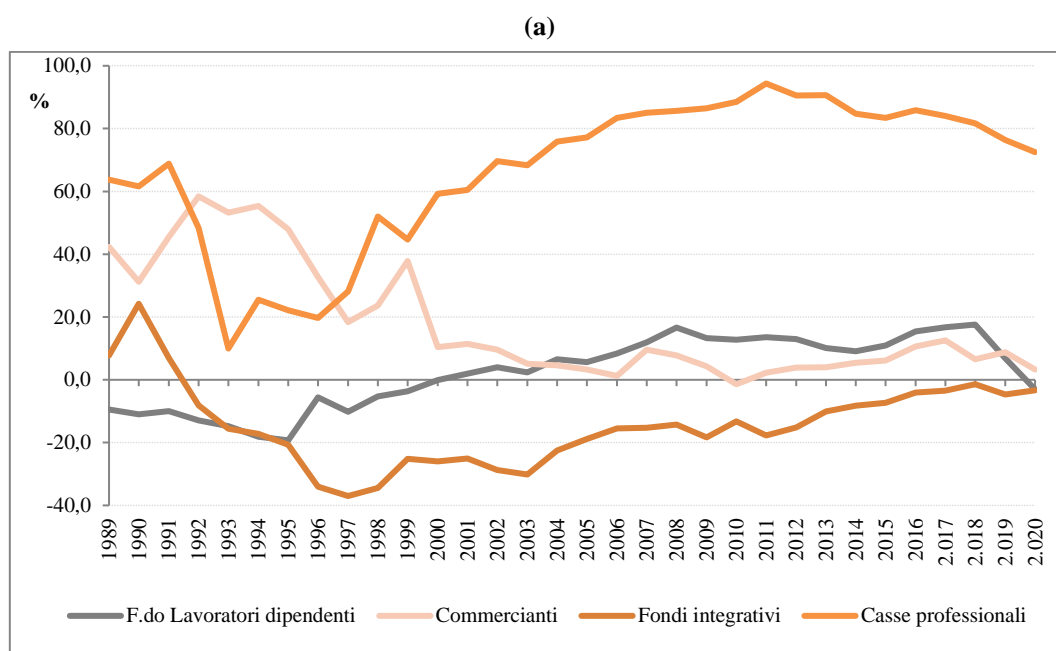
Instead, other categories of funds (civil servants, artisans, farmers, clergy and supplementary schemes) had revenues below total expenditure, hence a negative operating balance. In relative terms, the most evident imbalance is found in the fund for the agricultural sector (CDCM), whose contributions, i.e. its self-financing capacity, accounted for approximately 17% of benefits; a significant share of its operating deficit is covered by GIAS transfers, exceeding 50% of the value of its benefits. The structural nature of this imbalance lies in the ratio the number of pensions paid out vs the number of active workers paying contributions. With the ageing of its members and the reduction in the flow of retirements, the benefits dropped from a ceiling of more than 2.1 million in 1997 to 1.3 in 2020, but their ratio with respect to the number of active members paying contributions is still high (about 3.1 pensions for each active worker); in fact, due to the employment crisis in this sector, their number dropped in the time span examined here from more than 1.2 million to 434 thousand in 2020. The small Clergy Fund too has a low self-financing capacity, since its contribution revenues account for around 30-35% of total expenditure; in 2020, its negative balance was still close to 50% of expenditure, even though its apparently improved in the three-year period also due to an increase in the share of welfare transfers.

In terms of size, the deficits with the heaviest impact on the result of the entire pension system in absolute terms were those of public-sector employees and of artisans; for some years, these two categories have also been suffering from a growing imbalance between the number of members paying contributions and the number outstanding pensions. The financial situation of public-sector employees worsened over the three-year period with a negative balance that reached 36.2 billion in 2020; in the last few years, the funds for public-sector employees featured an increase in the average pension/average income ratio for their members, close to 70% in 2020; instead, the ratio of the number of pensions vs. the number of active workers paying contributions dropped after the halt to turnover during the economic recovery after the 2008-2013 crisis, but then started rising again with a new hiring flow and practically reached almost the same value (0.92) as its peak in 2013.

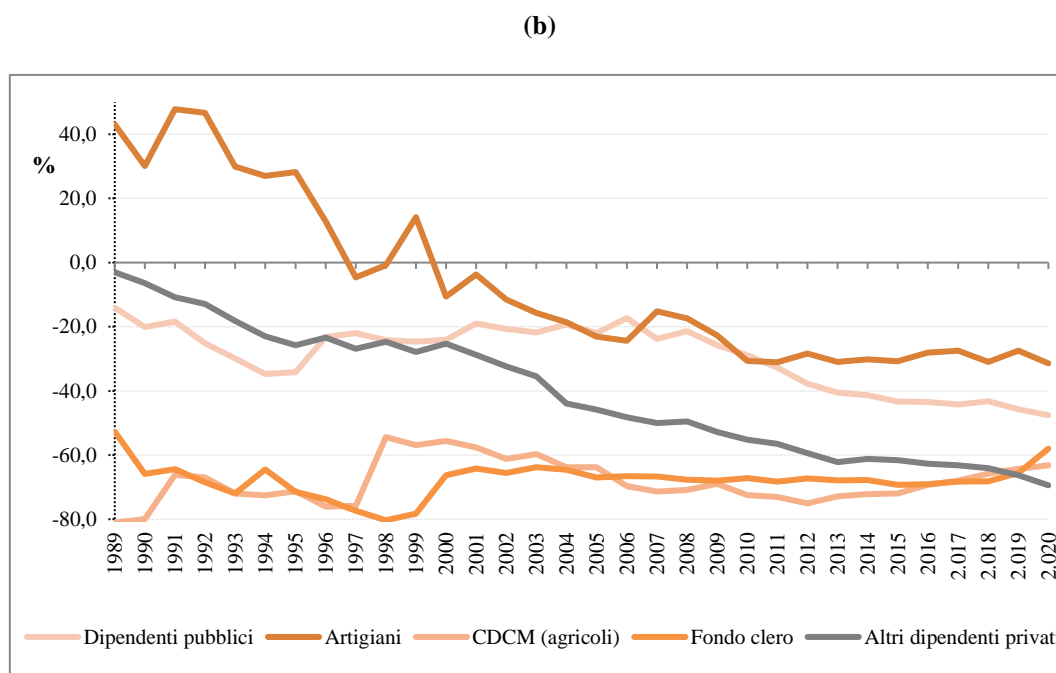
The situation of artisans is not very different; their share of expenditure covered by contributions is similar to that of public-sector employees and they run a lower deficit essentially due to the growth of GIAS revenues, i.e. an external source of support. There is instead a substantial difference in terms of equilibrium parameters; in fact, artisans have a low and diminishing average pension/average income ratio but, at the same time, a very high and growing ratio of pensioners to active workers (in 2020 the ratio of number of pensions paid vs. the number of active workers paying contributions was 1.14), due to the significant drop in employment since 2008 (in 2020 the number of active workers had decreased by about 350,000).

The structural nature of the financial picture of the last three years is confirmed by the long-term trends of the balances related to pension funds alone, i.e. the flows strictly inherent to financing purposes and pension expenditure net of the welfare benefit transfers. *figure 11.a* and *figure 11.b* show the trends of these balances (contribution revenues minus pension expenditure) with respect to pension expenditure.

Figure 1.11 - Pension balance results as a percentage of pension expenditure



Fund for employed workers, Fund for Retailers, Supplementary Funds, Schemes for Professionals



Public-sector employees; Artisans; CDCM (Agricultural sector); Clergy Fund

The first graph shows the above-mentioned categories that run a surplus or have almost reached an equilibrium in recent years¹⁹. Instead, the second graph, show the categories that have always run a deficit or that never managed to have a surplus in the last twenty years. As can be seen in the first figure, the different patterns indicate the changes resulting from economic variables (employment and wage-related trends) and demographic factors and, above all, from the regulatory measures adopted by the different governments since the first half of the 1990s. The trend of the main *Fund for private-sector employees* (FPLD) is a case in point; in fact, until the reforms, it had run a

¹⁹ For graphical reasons, the figure does not include the fund for atypical workers which, in 2020, still showed a surplus 4.8 times higher than pension expenditure, even if with a decreasing trend.

negative balance, rising to about 20% of pension expenditure, and then it managed to progressively recover and reach a positive result as of the year 2000, except for the last year due to employment crisis triggered by the pandemic.

The Fund for Retailers too had a significant performance, with a slight downward trend over the last ten years but with over two million members. Over the thirty years observed, this fund, created in 1961, became mature; so, it was increasingly difficult for this fund to reach a balance between contribution revenues and pension expenditure. The graph shows that, from a largely positive level, the situation deteriorated over time, reaching a negative result in 2010. Since then, the situation has gradually improved thanks to the reforms and the fund managed to remain in surplus, even if with some fluctuations in the last three years.

The other two categories have different patterns. The Schemes for Professionals, with over 1.3 million members, maintained a significant surplus throughout the period, with a ratio between contribution revenues and pension expenditure that rose to more than 94% in 2010; since then, the balance has deteriorated but remained still pretty high even in more recent years. Supplementary Funds, with e about 300,000 members, had a completely different evolution. Before the reforms, they moved from positive values to strongly negative ones, with a 37% loss in relation to pension expenditure in 1997. Since then, the trend has slowly improved until it reached almost an equilibrium in 2018, and remained in the positive domain in the two following years, characterised by a more complex situation in terms of its operating results.

According to *Figure b*, the other categories showed diminishing results over time or a stable situation but in the negative domain. The fund for public-sector employed workers initially had a negative balance, below 20% of pension expenditure; then, after a period of 'stable deficit', it has steadily deteriorated since 2008, reaching a 47.6% negative ratio with respect to pension expenditure.

The Fund for Artisans too appears to be worsening. Since the year 2000, its deficit has soared from around 10% to over 30% with respect to pension expenditure, with a 7.5% average growth per year in the number of pensions paid out and a 4.5% average reduction in the number of active workers paying contributions, albeit with a relatively low average pension/average income ratio.

The charts show that, over the entire period considered, the two Funds with the most unfavourable ratios of operating results vs. the value of pensions paid out are those for the Clergy and the Agricultural sector funds. The *Clergy Fund*, a small fund compared the overall size of the compulsory pension system, is characterized by a persistent financial imbalance due both to the low average amount of the contributions paid, and to an unfavourable demographic ratio with a number of outstanding pensions equal to one and a half time the number of active members paying contributions.

Due to the profound changes in the employment structure that have taken place since the post-war years, the Fund for Farmers, Tenant Farmers and Sharecroppers (CDCM) has always suffered from a serious structural problem, with a demographic ratio that in 2020 was still above three outstanding pensions for every active member paying contributions, with respect to 3.7 in 2007. Moreover, it features relatively low contributions, also due to the discontinuous and fragmentary nature of working days; so, its benefits run the risk of being below a minimum adequacy threshold for most of its members when the contribution-based system will be fully operational, even if more than half of these benefits are financed by GIAS transfers.

1.6 Accounting equilibrium rates

Another way of assessing the financial balance or imbalance of pension funds for the main categories of workers is based on the so-called "accounting equilibrium rate". Knowing the number of pensioners and the benefits due, as well as the income amount on the basis of which contributions are levied, the equilibrium rate is equivalent to the theoretical indicator of the average and actual contribution rate to be applied in order to have an equilibrium between contribution revenues and benefit expenditure²⁰. In other words, If the accounting equilibrium rate and the actual contribution rate coincide, pension funds have a financial equilibrium. 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 1.2 - Accounting equilibrium rates and their difference vs. the effective rate (*)

Categorie	2012					2019					2020				
	\hat{a}	p/w	R/L	q	d	\hat{a}	p/w	R/L	q	d	\hat{a}	p/w	R/L	q	d
Dipendenti privati	36,72	0,51	0,72	0,99	-0,37	34,16	0,56	0,61	0,94	-1,94	37,34	0,61	0,61	0,93	-2,59
- FPLD Fondo lavoratori dipende	32,83	0,47	0,70	1,13	4,27	30,26	0,53	0,57	1,07	2,06	33,39	0,58	0,57	0,97	-1,01
- Enpals	19,39	1,01	0,19	0,76	-4,74	19,24	0,52	0,37	1,43	8,27	23,16	0,47	0,49	1,14	3,20
- Inpgi	34,57	0,79	0,44	0,93	-2,32	54,28	0,81	0,67	0,67	-17,91	56,71	0,84	0,68	0,62	-21,40
- Altri fondi dipendenti privati	83,62	0,74	1,13	0,41	-49,34	1,24	0,80	1,55	0,34	-0,82	140,86	0,81	1,74	0,31	-97,79
Dipendenti pubblici	52,78	0,58	0,91	0,62	-20,06	62,79	0,69	0,91	0,54	-28,73	64,19	0,69	0,92	0,52	-30,54
Artigiani	30,26	0,34	0,89	0,71	-8,78	33,30	0,30	1,11	0,73	-9,14	34,87	0,31	1,14	0,71	-10,11
Commercianti	20,79	0,33	0,63	1,03	0,62	22,40	0,32	0,70	1,09	1,97	23,53	0,33	0,72	1,06	1,42
CDCM (agricoli)	113,15	0,31	3,65	0,25	-84,86	73,20	0,24	3,05	0,36	-47,05	67,95	0,22	3,02	0,38	-42,01
Professionisti	9,45	0,35	0,27	1,91	8,60	10,88	0,34	0,32	1,76	8,31	11,11	0,33	0,33	1,73	8,07
Parasubordinati	1,44	0,09	0,16	16,17	21,84	4,32	0,12	0,36	7,26	27,04	4,75	0,13	0,38	6,06	24,01
Integrativi	16,56	0,36	0,46	0,85	-2,48	15,30	0,30	0,51	0,98	-0,30	16,45	0,31	0,53	1,02	0,30

Categories: Private sector employees, FPLD (employed workers) Enpals, INPGI, Other funds for private sector employees, Public employees Artisans, Retailers, CDCM (agr. workers), Professionals, Atypical workers, Supplementary funds (*) The symbols in the table are shown in the note at the bottom of the page.

Table 1.2 compares the situation of the main categories in terms of pension expenditure net of the welfare share for 2012, 2019 and 2020. For each year, the first column shows the theoretical accounting rates (\hat{a}) and the last column on the right the differences (d) between the actual rates and the accounting equilibrium rates. The **d values** with a positive sign indicate the categories running a surplus that would achieve break-even results even with lower rates with respect to the current ones. On the contrary, the negative **d values** indicate by how much the current rates should be increased in order to obtain an accounting equilibrium.

The three central columns illustrate the average pension vs. average income ratio (p/w), the ratio of the number of pensions vs. number of active workers paying contributions (R/L), whose product determines the accounting equilibrium rate and the share (q) of benefits financed by contribution revenues.

²⁰ The variables considered are: contribution revenues (C); pension expenditure (SP); income on the basis of which contributions are levied (Y); the average effective tax rate (a); the theoretical accounting equilibrium rate (\hat{a}); the average income (w); the number of active workers (L); the average pension (p); the number of pensions paid out (R); the share of pension expenditure financed by contributions (q). If only pension flows are taken into account, excluding administrative charges, returns on assets and welfare items (GIAS), the result is in equilibrium when contribution revenues are equal to pension expenditure, i.e. $C = SP$ or $\hat{a} \cdot w \cdot L = p \cdot R$, from which the theoretical accounting rate is obtained $\hat{a} = p/w \cdot R/L$. Given that $q = (a \cdot L \cdot w)/(p \cdot R)$, the effective rate and the accounting equilibrium rate have the following relation $a = \hat{a} \cdot q$ and that, therefore, the percentage difference between the effective rate and the accounting rate are equal to $d = \hat{a} \cdot (q-1)$.

The table shows significant differences within the categories and an equally differentiated evolution, both as a trend in the first seven years 2012-2019, and as the impact of the pandemic in 2020. Starting from the categories that already run a surplus or are close to balance, that is with average effective rates higher than the accounting equilibrium rates (d with a positive sign), two of them (the fund for atypical workers and for professionals) have a positive balance because of the still very low ratio of the number of pensions paid vs the number of active workers paying contributions (R/L). For the fund for atypical workers, the theoretical equilibrium rate is still very low due to the low ratio of the average pension vs the average income on the basis of which contributions are levied. Over time this ratio has increased, but to a limited extent, so that the effective rate in 2020 was 24 % higher than the theoretical rate sufficient to finance benefits. As mentioned above, the positive margin depends on the particular evolution of this fund; in fact, it is still relatively young compared to other compulsory funds²¹, it calculates benefits entirely with the contribution-based method and has younger members following the changes in the contractual forms present on the labour market. However, since 2012, the balance between new members and exits has significantly changed; in fact, the number of workers paying contributions dropped to just over 1.3 million in the last two years, after the 1.8 million peak, with a loss of almost 500,000 members. The reduction in q signals that the equilibrium conditions of the fund are changing and, despite the fact that contribution revenues are still more than six times benefit expenditure, the largely positive balance achieved so far could fall more rapidly than expected, especially if the recent incoming and outgoing membership trend continues.

The Funds for Professionals run a significant surplus but with some differences. The data in the table show that the fundamental parameters in determining the equilibrium rate maintain a low value; the average pension/average income ratio has remained substantially stable; then, thanks to the reforms these schemes implemented in terms of retirement age requirements, the ratio of pensioners vs. active workers stabilized in the last two years notwithstanding the pandemic²², after a growth period n from 2012 to 2019.

Another category of workers with an effective rate higher than the accounting equilibrium rate is that of retailers. In addition to a fairly low average pension/average income ratio, this fund had an increase in revenues due to the higher contribution rates implemented with the reforms, similarly to other self-employment categories, including those with higher average pensions; moreover, at the peak of the economic crisis, it was impacted less by the slump in employment than other workers such as artisans²³.

In fact, the Fund for Artisans was affected to a much greater extent by the negative employment consequences of the crisis, notwithstanding the growth in its contribution rates and hence of its revenues and on the lower average value of its benefits due to the initial effects of the change in the calculation method; this fund had a deterioration in the ratio of the number of pensioners vs. the

²¹ 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).

²² From 2012 to 2019, the share of contribution revenues with respect to benefits (q) slightly decreased but since professional funds are required by law to finance themselves, q cannot fall below one. Moreover, since the reforms of these schemes have raised the contribution rates, the differential d between the effective rate and the accounting equilibrium rate did not change very much.

²³ From 2008 to 2013, the number of active retailers paying contributions increased by 7.3%, compared with a 6.8% loss for artisans and an overall decrease by 1.5% in the number of active workers paying contributions in the entire statutory pension system. Since then, the assets of the fund for retailers have gone down again, but, at the end of 2020, the number of active members paying contributions was broadly the same as in 2007, before the crisis and then pandemic.

number of active workers paying contributions (the number of pensions per active person rose from 0.89 in 2012 to 1.14 in 2020); so, despite the reduction in the average pension relative to the average income of its members, its accounting equilibrium rate increased by 4.6 % and the gap with the effective contribution rate widened.

As to the major category of workers, that is, private-sector employed workers that, as already pointed out, account for more than half of the entire public pension system in terms of number of active workers paying contributions and of pension expenditure, it is necessary to make some distinctions to evaluate their economic performance, since we are dealing with very different situations. As shown in Table 1.2, the main fund for employed workers (*FPLD*) had a slight deterioration, but not too far from a balance between contribution revenues and pension expenditure. Between 2012 and 2020, the differential *d* between the accounting equilibrium rate and the effective rate changed from +4.27 to -1.01, i.e. from a situation in which the effective rate exceeded the equilibrium rate to a situation in which it was lower by about one point, while the share of benefit expenditure financed by contributions from active workers fell from 113% to 97%. This fund experienced a reduction by almost 280,000 active members paying contributions in the year of the pandemic and a lower number of benefits paid out due to the more stringent retirement age requirements; however, it remained stable in an almost balanced situation thanks to the diminishing ratio of the number of pensions paid out vs. the number of active members paying contributions (in 2012, it was 0.7 and, in 2020, it was 0.54), which partially offset the relative increase in the average pension compared to the average income of active workers.

Unlike the *FPLD*, the other funds for private-sector employed workers, already detailed in a previous note, have been generally characterized by a very poor financial situation; in some cases, this was the result of an employment slump with its negative impact on the ratio of active workers paying contributions vs. the number of pensioners; in other cases, this was due to their financial imbalance caused by disproportionately high benefits with respect to contributions, before their transition from autonomous funds to *INPS* funds.

The different ways in which these funds have been integrated into *INPS* do not allow for calculating the accounting equilibrium rate for each fund; in fact, with the loss of their autonomy, some these funds still report their benefit expenditure; instead, their contribution revenues, and, in some cases, also the number of their active members paying contributions are quantified within the *FPLD* scheme and are not shown separately. In order to bridge this information gap, the data have been processed in order to calculate once again the balance of these funds, as if contribution revenues had been broken down and reallocated to the different funds. In addition, two separate Funds have been highlighted: *Enpals*, the Fund for entertainment and sports workers, and *Inpgi*, the Fund for journalists that is about to be integrated into *INPS*.

As can be seen from Table 1.2, these funds too feature significant differences. In the 2012-2020 period, the data for *Enpals* show a constantly evolving but relatively balanced situation, since the increase in the number of pensions paid with respect to the number active workers paying contributions is largely offset by the drop in the average pension/average income ratio, with an overall positive effect on the differential between the effective rate and the equilibrium rate. A positive, even if more limited, operating result was apparently obtained in the last year, although the members of this fund have suffered the most from the disruption of their working lives caused by the pandemic.

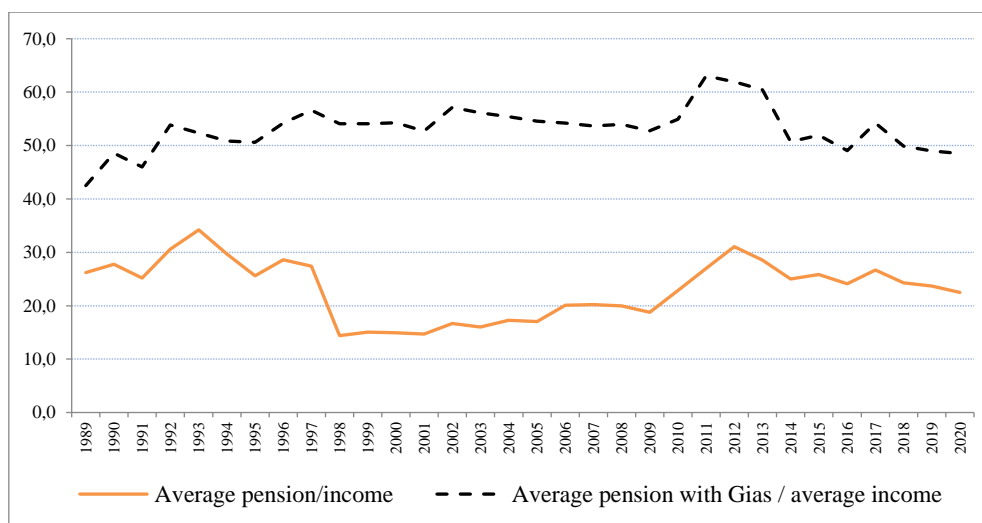
Inpgi features a completely different and very critical financial imbalance, with a progressive deterioration of its situation over the same period of time. A strong growth in the ratio between the number of pensions paid and the number of active members paying contributions, plus a high and slightly growing average pension/average income ratio, have actually caused the equilibrium rate to rise considerably and the gap with the effective rate to soar from 2.3 to 21.4%.

An equally critical situation emerges from the indistinct aggregate of all the other funds for private-sector employed workers, with average pensions close to 80% compared with average incomes and a much higher number of outstanding pensions with respect to the number of active workers paying contributions; as already stated, this last finding may be flawed by the way in which new members join these funds. According to these figures, the equilibrium rate has reached unsustainable levels for many of these schemes which need an increasing flow of external funding streams to pay for their benefits in the future.

The economic and financial picture is highly differentiated also for the remaining categories of funds. In the last year, the heterogeneous set of *supplementary funds* managed to reach a balance between revenues and expenditure, with a progressive improvement mainly due to the reduction in the *p/w* ratio. The increase in the number of pensions paid out with respect to the total number active workers paying contributions did not have an impact on the share of expenditure financed by contributions, which rose above 100% during the period, thus bringing the effective contribution rate below the accounting equilibrium rate.

A much wider gap still exists between the accounting equilibrium rate and the effective rate in the fund for agricultural workers (CDCM), even though it experienced a significant recovery from its historical financial imbalance from 2012 to 2020. This improvement was largely promoted by the huge drop in the accounting equilibrium rate (by over 45%), and hence by the narrowing of the gap (*d*) with respect to the effective rate. Moreover, the share of expenditure financed by contributions rose from 25% to 38%, with the lowest average pension/average income ratio, except for the fund for atypical workers. In this connection, it should be borne in mind that the benefits provided in the agricultural sector are significantly supported by welfare transfers (see *figure 1.12*) since it has experienced complex structural changes since the Second World War, with a consistent flow of retirements and a drastic reduction in the number of active workers. In the period considered, the clear reversal of the trend in the ratio of the number of pensions to be paid out vs. the number of active workers paying contributions (from 3.65 to 3.02) was indeed very relevant; this fund also experienced a further drop in its average pension/average income ratio (from 31% to 23.7%); and while this can contribute to its financial sustainability, it signals a serious problem in terms of adequacy of benefits, which can become even more serious with the progressive growth in the share of pensions calculated with the contribution-based method.

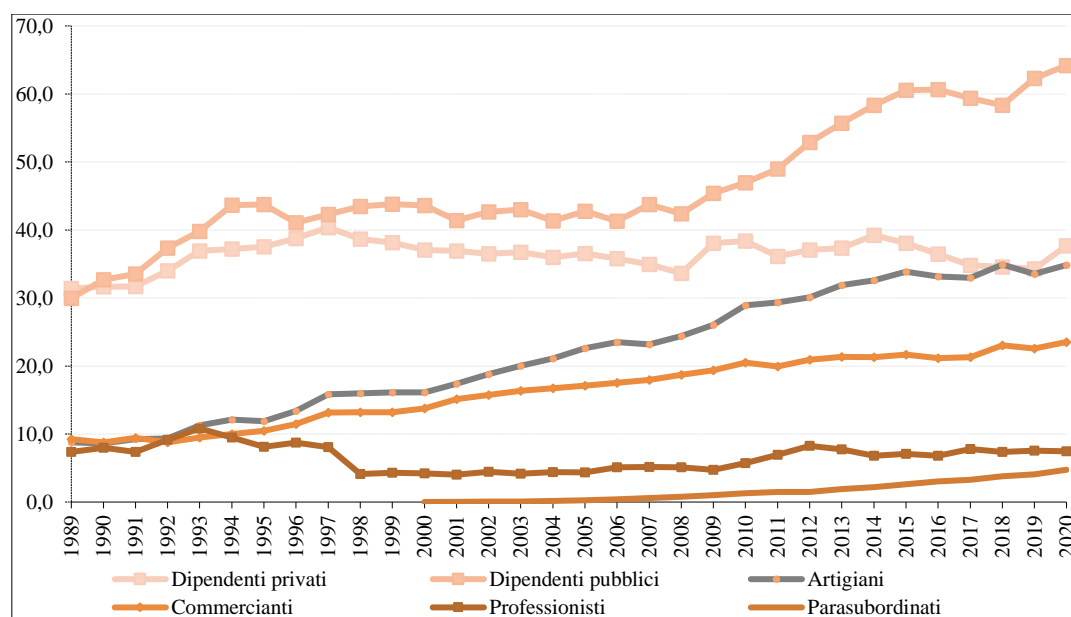
Figure 1.12 - CDCM: average pension/average income ratio



Compared to agricultural workers, the structural imbalance of the fund for public-sector employed workers is more contained but has considerably deteriorated in recent years; but it has a significant impact on the negative balance of the entire pension system²⁴, due to its level of expenditure and number of members. The deterioration of the accounting equilibrium rate from 2012 to 2020 did not result from a change in the demographic ratio, which is still high with more than nine pensioners for every ten active workers; but it stemmed from a further increase in the average pension/average income ratio, which has grown risen by 11% since 2012. This trend is due not only to the turnover of pensioners but also to more stringent retirement age requirements and it does not seem likely to substantially change in the short to medium term; in fact, in the case of public-sector employed workers, the more stringent retirement age parameters at this stage do not produce substantial changes in the ratio of the number of pensions vs. the number of active workers employees; instead, a higher retirement age is able to offset the effects of the contribution-based calculation method that is being applied to an increasing share of mixed pensions. Therefore, the objectives to reverse the increase in the accounting equilibrium rate reached in the period analysed (almost 11.5%) and to narrow the gap with the effective rate, now over 30%, can only be achieved over a long period of time. In addition to the considerations that can be drawn from a comparative analysis over an average period of time, such as the one just conducted, it is possible to make more general evaluations of the long-term trends of the equilibrium contribution rate by looking at the entire time span (1989-2020) of this survey. **Figure 1.13** illustrates the long-term trends of the accounting equilibrium rates of the main categories, with the exception of agricultural workers, which are considered separately. In line with many of the assessments derived from the previous comparative analysis, these charts show that, with the exception of private-sector employed workers and professionals, the rates for the other categories have shown an upward trend over the thirty-three-year period, albeit at different levels and with different patterns. The worst imbalance is found in the fund for public-sector employed workers and that of artisans.

²⁴ In 2020, the negative balance of the fund for public-sector employed workers accounted for 92.6% of the total deficit of the entire compulsory pension system.

Figure 1.13 - Theoretical accounting equilibrium rates net of GIAS



Private-sector employed workers, Public-sector employed workers, Artisans, Retailers, Professionals, Atypical workers

Thanks to the reforms of the 90's, the rate for public-sector employed workers managed to stabilize for almost fifteen years after an initial period of growth, however remaining above the effective contribution rate. With the 2008 crisis and the restrictive measures adopted by governments to limit the number of people employed and the salaries in this sector, the economic performance of this management of public employees deteriorated and the equilibrium rate rose almost twice as much that of the effective contribution rate. In the last five years, the trend appears to be fluctuating and, at the moment, as mentioned, there are no rebalancing prospects in the short term.

The funds for Retailers and Artisans show a progressive growth in the accounting equilibrium rates.

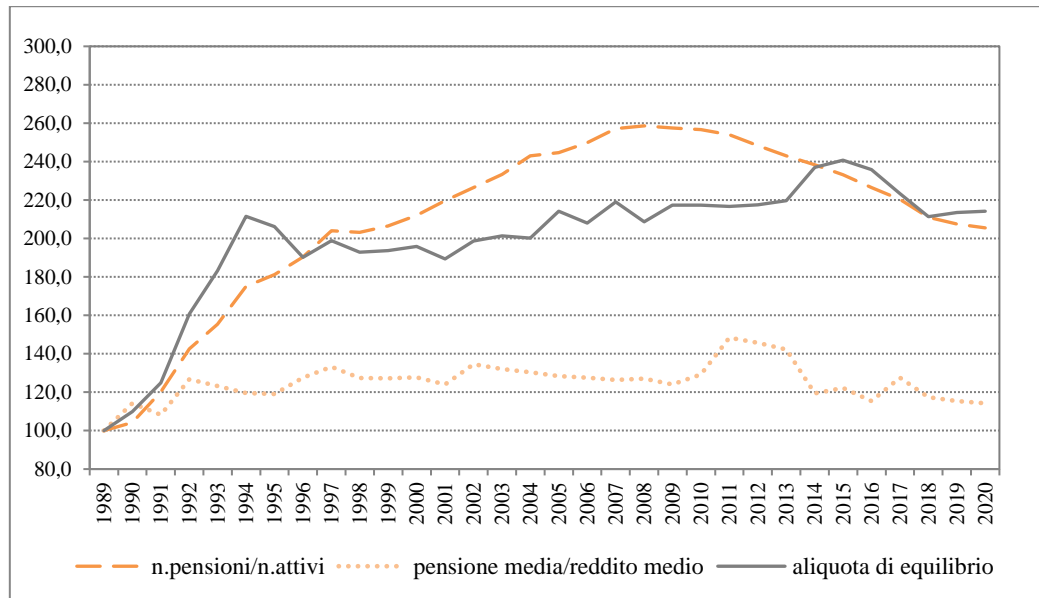
The main reason for this trend is that the compulsory pension schemes for these categories of self-employed workers were set up between the end of the 1950s and the early 1960s of the last century; therefore, they started having retirement flows in line with the duration of working careers of their members at the end of the century. The various regulatory measures adopted in the past decades (more stringent retirement age requirements, application of the contribution-based calculation method, increase in contribution rates) managed to slow down the disequilibrium trend, but with mixed outcomes; in fact, as already illustrated, the fund for artisans has experienced a major reduction in the number of active members since the beginning of the economic crisis.

As already indicated, since 1997, i.e. in the years following the Dini reform, the heterogeneous world of private-sector employed workers has had a decreasing trend in its equilibrium accounting rate, with a reversal in the years of the crisis caused first of all by the drop in the number of active workers paying contributions, progressively offset in the following five-year period by a slight recovery of the economy, only to pick up again due to impact of the pandemic on employment.

The average results of the schemes for professionals show that their accounting equilibrium rate is stable over the long term, even though they had to initiate some reforms in the last twenty years, after a long period of almost total lack of interventions, so as to ensure the financial stability of the funds in the future. The accounting equilibrium rate of atypical workers is still low since it began to

provide benefits in the year 2000. Even if its rate is apparently growing, this fund is not expected to experience any financial imbalance.

Figure 1.14 - CDCM: equilibrium rates and main ratios
(Index no. 1989 = 100)



n. of pensions/n. of active workers, average pension/average income, equilibrium rate

A separate evaluation is required for the trends in the agricultural sector. **Figure 1.14** shows the trends of the accounting equilibrium rate and of the two ratios which determine both its entity and its fluctuation over time. The three variables are expressed with index numbers so as to jointly compare the curves within the same chart. We have already discussed the structural transformations of the agricultural sector, its downsizing and the resulting 'explosion' of its accounting equilibrium rate. By looking at the charts together, it is also possible to see two different interactions of the variables in the first decade (1989-1998) and in the following years. In fact, in the initial phase, the demographic ratio of number of pensioners vs. number of active workers had a steady growth; instead the equilibrium rate first rose and then decreased followed a dynamic following the pattern of the average pension/average income ratio. However, since 1999, the equilibrium rate has only partially followed the pattern of this second ratio, while the variable that has apparently become more relevant is the demographic ratio. On the basis of these findings, and considering that it is difficult to further reduce the amount of benefits in a sector where average pensions are already very low, it seems that, in order to reach a sounder financial equilibrium, this fund needs to wait for the time needed to rebalance the ratio of the number of outstanding pensions vs. the number of active workers paying contributions.

2. The compulsory pension system in 2020: accounting and financial results for the system as a whole and for each scheme

After having analysed the trends of the pension system over the last 32 years, this Chapter illustrates in detail all the public pension funds managed by INPS in 2020, and their summary in tables B.31.a and B.31.b; instead Chapter 3¹ focuses on the pension schemes for professionals, which too are compulsory and substitutive schemes. The accounting data presented (contribution revenues, benefit expenditure and balances) are the economic and financial trends of individual pension funds; instead, the numbers of *active workers* differ from those obtained by Istat since the INPS funds include as active workers paying contributions also those who just pay a single contribution in the year in question, at times even in more than one scheme, thus giving rise to duplications; as far as *pensions* are concerned, most figures reported refer to the benefits paid and not to the pensioners who may also benefit from two or more pensions as pointed out in Chapters 5 and 7.

In 2020, even more than in 2019, the measures that had a particular impact on welfare and pension expenditure are the ones introduced by Law Decree no. 4/2019, Articles 14, 15 and 16, amended and transposed into Act no. 26 of 28/3/2019, namely the so-called 100 Quota and the Citizenship Income, as well as the extension for Social APE (pension advance) and the Women's option provided under the previous budget laws (for further details see the Regulatory Framework Appendix). However, the event that produced the greatest effects on pensions is certainly linked to the COVID-19 pandemic; so, before analysing the financial and economic results of the pension system as a whole and of each scheme, we will provide an overview of the main events of 2020.

2.1 Main measures and events in 2020: beneficiaries of safeguard measures from 2012 to 2020; early retirement scheme (APE), 100 Quota, Women's Option and Citizenship Income and Pension

The issue of how to manage flexibility and early retirement, in line with contribution and retirement age requirements, has fuelled the debate on the pension system since the adoption of Law Decree no. 201 of 6 December 2011, amended and transposed by Act no. 214 of 22 December 2011, the so-called Monti-Fornero reform. In fact, the reform modified not only the calculation system and the retirement age requirements for the old-age pension, but also abolished the system of early-retirement "quotas" (given by age plus length of contribution: 59+36; 60+36; 61+36, etc.); it set the minimum contribution requirements to retire at 42 years and one month (41 and one month for women), regardless of age, as of January 1, 2012.

This measure was designed to produce savings and to stabilize pension expenditure; but it created many problems due to the very stringent retirement age requirements, that in some cases postponed retirement by more than 5 years; so just a few months after the launch of this reform, the Government had adopted the so-called "safeguard" measures, which have allowed access to retirement over time to particular groups of workers with the requirements in force before the Fornero Law; eight legislative measures were enacted from 2012 to 2019, for an estimated number of 227,000 recipients or more; in reality, the number of beneficiaries was about 142,000 with a certified burden equal to 10 billion euros (*table 2.1*).

¹ The compulsory system also includes the complementary or additional pension schemes managed by the INPS and by privatized schemes, such as ENASARCO, the fund for commercial agents, ENPAIA, which provides supplementary benefits to agricultural workers, and FASC, the fund for haulers and couriers.

Table 2.1 - Total number of safeguarded workers and overall cost (as of July 23, 2021)

Upper limit financed for safeguarded workers	Number of applications accepted	Number of applications rejected	Total	Certified cost (billions of euros)
227,230	142,077	75,076	217,153	10,010,700,000

In the same period, instead of reviewing the critical points of the Monti-Fornero reform, the governments in power have provided for other early-retirement measures, specifically: "Women's Option", Early and/or Arduous work, early-retirement measures (Social APE and Voluntary APE), and the so-called "Quota 100" as of January 1, 2019.

Women's Option: introduced under Art. 1, par. 9 of Act no. 243/2004, this measure allows women to retire earlier, opting for the calculation of pension benefits in accordance with the rules for the contribution-based system. The requirements are; 58 years of age (59 years if self-employed) with at least 35 years of contributions. In the period between 2012 and 2020, it allowed **86,728** women to retire early. In 2020, **16,880** working women used this form of early retirement, with a cumulative cost of **365 million euros**, while in the first quarter of 2021, the number of pensions paid under the contribution-based scheme under this option was equal to **4,231** and the cumulative cost projected by the end of this year was **422 million euros**.

Early workers and "heavy-duty" jobs: Legislative Decree no. 67 of April 21, 2011 provided for an early-retirement measure for workers with particularly strenuous and heavy forms of work identified through non-scientific and questionable criteria; instead, while Act no. 232 of December 11, 2016 regulated the retirement requirements for the so-called early workers. As to *arduous jobs* (also qualified as strenuous and heavy-duty work but with no extensive references in the medical-scientific literature), INPS accepted **10,663 applications**, out of 36,099 submissions, with a cumulative cost of approximately **165 million euros** by 31/12/2020 and a projected expenditure in 2021 of **159 million euros**. On the other hand, *early workers* submitted **54,712** applications between 2017 and 2020, 121,213 of which were accepted with an estimated cost in 2020 of over **501 million euros**.

Social APE and Voluntary APE: Act no. 232 of December 11, 2016 introduced an additional early-retirement modality which remained in force from May 1, 2017 until December 2020, to be later extended to December 31, 2021. It is a, early pension financial guarantee called "**Social APE**" at fully financed by the State, for workers who meet some specific requirements (for further details see the Appendix); instead, **Voluntary APE** is an advance payment in the form of a bank loan paid by INPS in the form of early retirement instalments; it remained in force from 2017 to 2019 and was no longer renewed (for further details, see the Regulatory Framework Appendix).

By the end of July 2021, 149,547 workers had applied for Social APE; with the number of applications verified and accepted was equal to 48.1% for a total of 71,893 (**Table 2.2**). By the end of 2021 the total number of applications for social APE accepted was estimated to reach around 76,000.

In its short period in force, Voluntary APE was granted to 19,725 workers against 32,652 applications.

Table 2.2 - Social APE applications submitted and accepted and acceptance rate

Social APE applications	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	total
Number of applications submitted	48.184	48.422	20.277	17.961	14.703	149.547
Number of application accepted	18.141	22.666	12.477	11.136	7.473	71.893
% applications accepted/applications submitted ratio	37,6%	46,8%	61,5%	62,0%	50,8%	48,1%

Moreover, the Social APE application trend shows that, after a significant number of applications in the first two year, this option became far less popular also due to the more "competitive" of 100 Quota provided for under Law Decree no. 4 of January 28, 2019, transposed by Act no. 26/2019, which was due to expire at the end of 2021, like APE; Quota 100 was not renewed while APE was extended. "Quota 100" provides for the possibility to retire at 62 years of age and with at least 38 years of contributions; **389,955** applications were submitted for this measure and **293,895** were accepted for both private-sector and public-sector and self-employed workers (*table 2.3*).

Table 2.3 - 100 Quota "L.D. no. 4 of January 28, 2019, - art. 14": number of applications received and number of applications accepted by July 31, 2021

Fund	Number of applications received	Number of applications accepted
Public sector	137.141	104.144
Private sector – employed workers	202.457	157.950
Private sector – self-employed workers	79.107	64.783

The "100 Quota" expenditure accounted for 85% for the first two years (2019 - 2020), compared to the allocations provided for under Article 1, par. 256 of Act no. 145 of 2018, while the projection for the decade (2019 - 2028) is estimated to be around 37% (*table 2.4*).

Table 2.4 - Charges incurred and allocations* for the three measures under former L.D. no. 4/2019

Year	Totale charges	Allocations under Art. 1, c. 256 of Act no. 145/2018	% use
2019	3.257.248.587 €	3.969.000.000 €	82,07%
2020	7.252.660.223 €	8.336.000.000 €	87,00%
2021	6.821.541.180 €	8.684.000.000 €	78,55%
2022	4.544.698.969 €	8.153.000.000 €	55,74%
2023	2.656.789.141 €	6.999.000.000 €	37,96%
2024	1.184.998.994 €	7.000.000.000 €	16,93%
2025	449.504.231 €	7.000.000.000 €	6,42%
2026	115.207.260 €	7.000.000.000 €	1,65%
2027	26.433.056 €	7.000.000.000 €	0,38%
2028	2.374.359 €	7.000.000.000 €	0,03%
Totale	€ 26.311.456.000	71.141.000.000 €	36,98%

* Art. 14, 15 and 16 of L.D. no. 4/2019

2.1.1 Poverty-reduction measures aimed at social inclusion: Citizenship Income, Emergency Income, Citizenship Pension

The *citizenship income* (RdC) was introduced in Italy by Law Decree no. 4 of January 28, 2019, amended and transposed by Act no. 26 of March 28, 2019 and replaced the much more regulated and structured REI (inclusion income); it was designed to combat poverty and consists of an economic aid for labour market reintegration and social inclusion; it is granted not only on the basis of economic needs, but of a series of conditions beneficiaries must fulfil otherwise they lose their entitlement: personalized job placement and social inclusion paths with community service activities, vocational reskilling, completion of the educational path, as well as other commitments identified by ad-hoc services aimed at labour market reintegration and social inclusion (Labour Pacts and Social Inclusion Pacts).

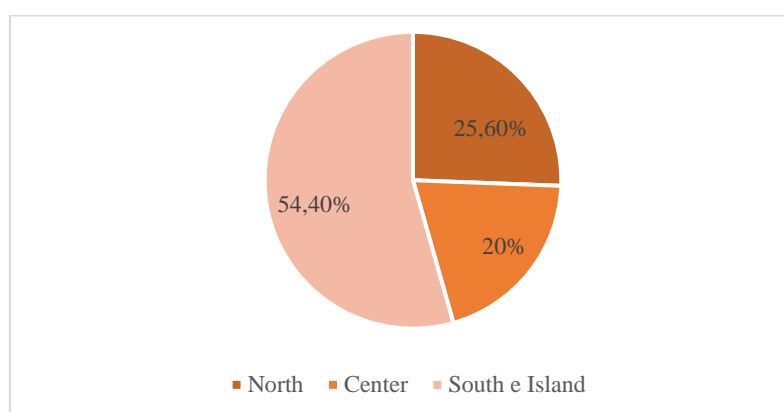
As can be seen (*table 2.5*), the total cost in the initial period from April 2019 to December 2020 was equal to **10.5 billion euros**; from April to December 2019, this measure was granted to about 975,000 households out of 1,640,000 applications, while from January to December 2020 it was granted to 1.418 million households out of about 1.460 million applications; the average value of the monthly income received by the individual household in 2020 was 566 euros. This measure has been extensively discussed given that it has not generated positive effects either in terms of labour market improvement or of poverty reduction (see Chapter 7), also due to the lack of implementation and supervision decrees. To testify to its failure and to its total lack of controls, a case in point of the many problems created by the citizenship income was Naples; according to the INPS data, in March, 157,000 households were receiving the citizenship income or pension, that is 459,000 subjects; instead, in the same period, 224. 872 households were receiving the citizenship income or pension, accounting for slightly more than 452,000 beneficiaries in the entire North of Italy, for an amount of 109.7 million with respect to 102.2 million euros in Naples alone (27.8 million residents in the North against 940,000 in Naples). The law enforcement investigations largely conducted against other crimes resulted in revoking this benefit for over 255,000 households in 2020.

Table 2.5 - 2019/2020 comparative analysis on households receiving the citizenship income, average amount and annual expenditure of this measure

	Households that applied for the RdC	Households that received the RdC	Number of people involved	Average amount per month in €	Annual expenditure in in €
Year 2019 April - December	1,639,507	974,914	2,576,468	530.05	3,693,922,221
Year 2020 January – December	1,459,362	1,418,420	3,536,680	566.66	6,775,052,408

Emergency Income (Rem): the *emergency income* was launched during the emergency situation cause by the COVID-19 pandemic, in order to counter the crisis and the effects of the lockdown for hard-pressed households not entitled to the RdC or to other allowances; it was introduced under **Article 82 of Law Decree no. 34 of May 19, 2020** (Decreto Rilancio); its requirements are less stringent than the RdC; Law Decrees no. 104 of August 14, 2020 and no. 137 of October 28, 2020 further defined the payment methods for the target groups. From May to December 2020, this measure had a cost of **830 million euros** and, on average, 209,460 households received at least one month of emergency income for a total of 485,106 people and an average amount of 542.95 euros; the geographical distribution area of households receiving at least one month of the emergency income is illustrated in *figure 2.1*.

Figure 2.1 - Geographical distribution of households receiving the emergency income



Citizenship Pension (PdC), is a monthly welfare benefit introduced under Law Decree no. 4 of January 28, 2019, to combat poverty and targeted to subjects who have paid few or no social contributions (and therefore taxes) without any ex post controls other than ISEE, which can be easily circumvented; it is an economic supplementary benefit for households with certain personal, income and asset requirements in line with the 2019 ISEE model. It can be requested by all beneficiaries of minimum pensions, social allowances, benefits for disabled civilians or pensions below 780 euros, including survivors' pensions. In 2020, it was granted to 156,213 households for a total of 177,557 individuals with an average monthly amount equal to 243 euros that can be added to other benefits due to the absence of a general registry. The highest average monthly benefits are received by households in Southern Italy (263 euros), while the lowest ones by households in are Northern Italy (234 euros) (*table 2.6*)

Table 2.6 - Citizenship Pension – Annual expenditure, number of recipient households, average monthly benefits

Year	Citizenship Pension		
	Total amount (in €)	Average monthly number Household recipients	Average amount per household in €
2019	205,543,484	105,435	216.61
2020	418,550,000	156,213	243.16

2.2 The 2020 economic and financial results of the mandatory pension system and benefit recipients

In 2020, *pension expenditure* of all pension schemes amounted to **234,736 million euros** (230, 255 million in 2019) net of the GIAS transfers; this **1.95%** growth was due, to a small extent, to the adjustment of pensions to inflation² and to the "renewal" effect, i.e. the replacement of ceased pensions with new ones with higher benefits on average; after the consolidation of pension funds, INPS accounts for around 96% of expenditure and revenues while the rest is represented by the privatized schemes for professionals.

The overall financial results of the compulsory pension system are illustrated in *Table 1.a*, which shows pension expenditure, contribution revenues, operating balances and pension benefits provided

² Pensions are adjusted to the inflation observed in the previous year; however, since 1997 several laws have provided for and then extended the reduction of indexation for pensions above the minimum benefits or its multiples (3 or 5 times the

by GIAS. *Table 1.a*, point 4, provides summary data related to all the privatized schemes for professionals (regulated by Legislative Decrees no. 509/94 and no. 103/96); these schemes are part of the compulsory system, but they are not actually financed through the State budget (see the detailed tables in the appropriate web section of the Report)³.

The number of pension benefits paid out in 2020, excluding annuities and welfare benefits, amounted to 17,402,190, lightly down by 20,220 compared to 2019 (17,422,410); instead, there was an increase in the amount of the *average pension before GIAS transfers*, essentially due to the retirement of workers with long working careers and with a good level of contributions; in fact, their average nominal amount of contributions per year increased from 15,380 euros in 2019 to 15,790 euros in 2020 for all the INPS funds (*tables B.31.a* and *B.32.a*).

As expected, the lockdown of the first months of the year and the slowdown of many production and service companies caused by the pandemic (it will suffice to think of the almost complete halt to winter and summer tourist activities) reduced the number of hours worked and had a very negative impact on employment for both employed and self-employed workers; in fact, their *contribution revenues* dropped to **195,400 million euros**⁴, down by 13,398 million euros (equal to 6.6%) with respect to 209,398 million in 2019. Therefore, as happened in the last few years, the *balance between contributions and benefits* had a negative result equal to 39,336 million, exceeding the 2019 balance by 18,480 million.

For 2020, it is possible to make the following considerations on the deficit of individual pension funds:

(a) The data in *tables 1.a* and *B.32 .a* show that four INPS compulsory pension funds run a surplus, with a balance below that of previous years due to the pandemic: the *FPLD* with a surplus of 1,203 million (20,186 in 2019); the *fund for retailers* with a surplus of 607 million (880 million in 2019)⁵; *the fund for entertainment and show-business workers (former ENPALS)* with 150 million (400 in 2019) and the separate scheme for the so-called atypical workers, with a surplus of 6,819 million (7,391 in 2019); the substantial surplus of this separate scheme is due to its relatively recent inception and hence to its low number of pensioners and low pensions. The schemes for professionals too run a surplus (see Chapter 3), with the exception of INPGI (the pension fund for journalists), with an overall positive balance of 3,877 million. The schemes for professionals and for atypical workers still have a good ratio of the number of active workers vs. the number of pensioners. The overall surplus of these schemes (12,656 million) makes it possible to limit the total deficit between expenditure and revenues to 39,336 million. Without this surplus, the deficit of the pension system would have reached 51,992 million.

b) All the other funds run a deficit: the highest is that of public-sector employed workers with a negative balance of **36,427** million which would be lower if the 10,800 million euros' worth of additional State contribution to the pension funds of for civil servants are included in the revenues. As explained in greater detail later in this Chapter, the deficit ranking also features the former Ferrovie

minimum benefits); then under the 2019 Budget Law, this mechanism was further modified (for further details see the table and description in Appendix 1). In 2019, inflation was equal to + 0.6%.

³ Visit the www.itinerariprevidenziali.it website.

⁴ As in previous years, the additional State contribution of 10,800 million euros from the State is not included in the revenues (see Note 2 of Table 1.a).

⁵ It is important to consider not only the above-mentioned significant and generalised reduction in contribution revenues, but also the 9,031 million euros' worth of deficits of the special funds integrated into FPLD, as explained in greater detail below.

dello Stato fund, the former INPDAI funds, the fund for artisans and the fund for farmers, tenant farmers and sharecroppers.

2.3 Pension funds for private-sector employed workers: FPLD, ex ENPALS, ex IPOST and FFSS

After having examined the pension system as a whole, this section provides some data related to the most important funds for private-sector employed workers, including the fund for employed journalists which falls within this category and it is not managed by INPS but by INPGI; the following sections will focus on minor funds for private-sector employed workers and on the analysis of individual INPS funds (*table 2.7*).

Table 2.7 - Funds for private-sector employed workers

Active workers	14.213.450	Pensioners	8.735.210	Active workers/pensioners' ratio	1,63
Contribution revenues before transfers	116,241	Pension expenditure net of GIAS	124,905	Balance	-8,664
Average contribution	8,18	Average pension	14,3	Average contribution/average pension ratio	1,75
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

In addition to the fund for private-sector employed workers (FPLD), the ***aggregate data of the funds for private-sector employees*** also include those related to the fund for industrial executives (ex INPDAI) and the ex-special funds (transport, telephony and electricity funds) which were merged over time into FPLD but with separate accounts. They include other sectoral funds as well (Aviation fund, FF. SS fund and other minor ones), which are managed by INPS but with an autonomous accounting system, the fund entertainment and show-business workers managed by former ENPALS, merged into INPS in 2012, the fund for postal workers, previously managed by former IPOST, merged into INPS in 2010 and the ***fund for private employed journalists***.

All the funds for ***private-sector employed workers***, almost entirely managed by INPS, account for 58% of the whole compulsory pension system (*Table 1.a*); in 2020, they featured a significant decrease in contribution revenues from 123,773 million in 2019 to 116,241 million and hence ***a negative balance of 8,664 million*** after a period of positive results from 2016 up to 2019 (in 2016 a surplus of 2,219 million, 3,668 million in 2017, 4,450 million in 2018 and 6,341 million in 2019); this period was characterized by an economic and employment growth, which led to development an increase in contribution revenues accompanied by a more contained increase in pension benefits.

In this category of funds, the number of active workers paying contributions was equal to 14,213,450 in 2020, down with respect to 2019 (14,551,166 for the INPS funds). The number of pensions paid out too dropped from 8,842,040 in 2019 to 8,735,210. Finally, as already indicated for the pension system as a whole, the average pensions rose from 17,230 euros in 2019 to 17,770 euros in 2020⁶. Below is the specific analysis of the most important funds for private-sector employed workers starting from FPLD, which accounts for over 96% of these workers.

⁶ In this regard, see Table B.32.a, which also shows the average pension for each scheme before and after GIAS transfers. This is also illustrated in Table B.31 for 2019; this specification was included in the tables of this Report to give a more articulated representation of some data (e.g. pension expenditure). As to average pensions, the text reports the figure before GIAS transfers and this may not be consistent with the data of the previous report in which the average pension was calculated using different criteria illustrated in Note 4 to Table 4.a.

2.3.1 FPLD, Fund for private-sector employed workers

The *fund for private-sector employed workers* is the most important fund in this "category", net of the separate accounts of the former special funds merged into it; in 2020 to it had a positive balance of **1,203 million euros** (Table B.32.a), with contribution revenues equal to **105,076 million euros** including the transfers by GPT and by GIAS for the imputed contributions for income-support benefits (discussed in Chapter 4) and with benefit expenditure equal to **103,873 million** (table 2.8).

Table 2.8 - Fund for employed workers

Active workers	13.725.000	Pensioners	7.885.810	Active workers/pensioner's ratio	1,74
Contribution revenues before transfers	105,076	Pension expenditure net of GIAS	103,873	Balance	1,203
Average contribution	7,66	Average pension	16,79	Average contribution/average pension ratio	2,19
Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros					

The overall result is not only affected by the economic crisis triggered by the pandemic, but it is also negatively conditioned by the *former special funds*, merged into FPLD with a separate accounting system: former INPDAI for corporate executives, the transport fund, the telephony fund, and the electricity Fund, which ran as a whole **a negative balance of 9,031 million euros** in 2020 (8,627 million euros in 2019) even though the members of these special funds just account for **5%** of all of private-sector employed workers⁷. This situation has been going on for years and has deteriorated the overall financial situation; in fact, on 31/12/2020, FPLD and its former special funds had a negative result (see Section 2.8) equal to **99,788 million euros**. The deficits of these special funds largely depend on the higher benefits provided to members compared with the ones paid by FPLD; however, **this was true for older pensions**, because, since the Dini Reform of 1995, the rules of these funds (with more generous benefits and lower contribution rates compared with FPLD) have been harmonized with those of FPLD, and the same has partly happened to the ones related to the travelling personnel of the former FFSS Fund that were repealed or replaced by more stringent provisions as of 1/1/2014.

However, even today, the average pensions paid by these funds are still much higher than the ones paid by FPLD (16,790 euros/year) and range from 27,870 euros for the electricity fund to 44,890 euros for the former INPDAI fund. Instead, even after its merger into FPLD, the *transport fund* continues to receive new members and hence provides better conditions than the other special funds. Moreover, the members of the former INPDAI fund, which was merged into INPS in 2003, pay their contributions to FPLD, which led to the negative annual results and to the erosion of the considerable initial assets of this fund as well as to a ratio of the number of active workers vs. the number of pensioners of 0.19% (24,350 active workers paying contributions and 130,100 pensions).

⁷ The significant surplus of FPLD and the increasing liabilities of the special funds are partly due to the following reason: with the exception of the transport fund, the newly-hired workers and the contributions paid by the members and the employers registered with the electricity and telephony funds as of the year 2000 and by corporate executives registered with Inpdai as of 2003 are registered, charged and accounted for directly with FPLD. Therefore, the progressive deterioration of these special funds and the improvement of FPLD can also be partly explained by the aforementioned transfer of contributions, while these funds are still required to pay pension benefits.

2.3.2 Fund for entertainment and show-business workers (ex ENPALS)

The former fund for workers in the field of entertainment, show-business and sports (ENPALS) was integrated into INPS on January 1, 2012; it managed two distinct funds: *FPLS, the fund for entertainment and show-business workers*, and *FPSP, the fund for professional sportspersons*. Both provide pension insurance to all employed, self-employed or temporary workers in the entertainment and show-business industry and to all professional sportspersons, and apply the same contribution rates.

Table 2.9 - Fund for entertainment and show-business workers (Ex ENPALS)

Active workers	120.470	Pensioners	59.400	Active workers/pensioners' ratio	2,03
Contribution revenues before transfers	1,092	Pension expenditure net of GIAS	0,942	Balance	0,150
Average contribution	9,07	Average pension	17,7	Average contribution/average pension ratio	1,95
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

Former ENPALS is one of the four funds managed by INPS running a surplus (150 million euros in 2020 compared to 400 million in 2019) with 1,092 million euros' worth of contribution revenues and 942 million euros' worth of benefit expenditure. On December 31, 2020, this fund had 120,470 active members paying contributions and had paid 59,400 pensions, especially through the fund for entertainment and show-business workers; it features the best ratio of the number of active workers vs. the number of pensioners in Italy equal to **2.03 active workers per pensioner** (table 2.9).

2.3.3 Post and Telephony Fund (ex IPOST)

The pension fund for postal workers, formerly IPOST also falls within the category of private-sector employed workers following the privatization of the postal sector and the launch of Poste Spa; it was wound up and transferred to INPS.

Table 2.10 - Post and Telephony Fund (Ex IPOST)

Active workers	126.590	Pensioners	159.780	Active workers/pensioners' ratio	0,79
Contribution revenues before transfers	1,334	Pension expenditure net of GIAS	1,887	Balance	-0,553
Average contribution	10,54	Average pension	19,25	Average contribution/average pension ratio	1,83
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

The 2020 financial results feature contribution revenues for 1,334 million euros and benefit expenditure for 1,887 million with a deficit of 553 million.

In the last 10 years, the number of active workers paying contributions has steadily decreased, while the number of pensioners has increased; in fact, in 2020, the **ratio of the number of members vs the number of pensioners** was 0.79% (less than 1 active member per pensioner), with 126,590 active members against 159,780 pensioners (**table 2.10**).

2.3.4 FF.SS fund

In the year 2000, following the transformation and privatization of Ferrovie dello Stato (FF. SS.) into Ferrovie Spa, the pension fund for railway workers was integrated into INPS. Since then, this fund has been operating as a special fund for the workers hired before 1/4/2000, for the employees of the Ferrovie S.p.A. Holding company and for the former employees transferred to public administrations who decided to join the INPS Special Fund, as well as for the employed workers of other railway companies. This pension fund was already running a deficit before its integration into INPS, and it continues to have a significant operating imbalance every year, which is *offset* by State contributions provided through GIAS, which amounted to **4,458 million euros** in 2020 (*table 2.11*).

Table 2.11 - FF.SS. Fund

Active workers	30.250	Pensioners	210.160	Active workers/pensioners' ratio	0,14
Contribution revenues before transfers	4,879	Pension expenditure net of GIAS	4,895	Balance	-0,016
Average contribution	161,29	Average pension	23,96	, Average contribution/average pension ratio	0,15
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

This fund is characterized by a completely unbalanced ratio the number of *active workers paying contributions*, which was equal to **30,250** in 2020 (57,133 in 2011 and 35,580 in 2019) vs. the *number of pensioners*, which amounted to **210,160** (234,400 in 2011 and 212,260 in 2019).

This situation is due to the massive use of early retirement to reduce corporate costs and improve corporate efficiency, thus transferring the burden of business restructurings onto the community; in *this case too, the entire early-retirement expenditure is accounted as pension expenditure and not as income support benefits, household allowances or other items*, thus abnormally inflating the cost of pensions compared to the European average. Moreover, the subjects working with the Holding FF.SS. companies have been registered in enrolled in FPD and not in the special fund since 1/4/2000.

2.4 Minor schemes for private-sector employed workers: aviation, consumer taxes, clergy, journalists (managed by INPGI)

2.4.1 Aviation Fund

This Fund is a special fund managed by INPS with accounting autonomy and it replaced the general compulsory insurance (AGO) in providing social security protection for air flight personnel. In 1997, the very generous rules in this sector were harmonized with the more stringent AGO provisions, maintaining however some particular features ((for example the rate of return was 3% for contributions until 27/11/1988, 2.50% for the contributions after this date until 31/12/1994 vs. a maximum rate of 2% for FPLD); in fact, its average pension is 46,620 euros per year, over three times as much that provided by FPLD (*table 2.12*).

Table 2.12 - Aviation Fund

Active workers	11.930	Pensioners	7.410	Active workers/pensioners' ratio	1,61
Contribution revenues before transfers	0,118	Pension expenditure net of GIAS	0,33	Balance	-0,212
Average contribution	9,89	Average pension	46,33	Average contribution/average pension ratio	4,68
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

Furthermore, it has lower old-age pension eligibility criteria (- 5 years) and a reduction in the age and contribution seniority requirements for early retirement by 1 year for every 5 years of membership in the fund up to a maximum of 5 years. 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 revised) and because of the crisis in the airline sector and in particular for the main Italian carrier Alitalia. In 2020, it featured a **negative balance of 212 million euros**, with **118 million euros**' worth of **contribution revenues** and **330 million euros**' worth of **benefit expenditure** and with 11,930 members against 7,410 outstanding 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 and provides supplementary ASPL/NASPL benefits 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. Now, with the after the winding up of Alitalia and the launch of ITA, around 7,000 workers will be made redundant until 2023 with an exorbitant cost for the community.

2.4.2 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).

Table 2.13 - Fund for consumer-tax collectors

Active workers	0	Pensioners	6.560	Active workers/pensioners' ratio	-
Contribution revenues before transfers	0,121	Pension expenditure net of GIAS	0,12	Balance	0,001
Average contribution	0,1	Average pension	18,76	Average contribution/average pension ratio	187,76
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

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 6,560 pensions for an amount of 120 million in 2020, paid by the State (Art. 17 P.D. n. 649/1972) through GIAS to offset its operating deficit (*Table 2.13*).

2.4.3 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 2020, the number of pensions paid was equal to 11,900 and the number of members to 17,800 with a ratio of 1.50 active members per pensioner (*table 2.14*).

Table 2.14 - Clergy Fund

Active workers	17.800	Pensioners	11.900	Active workers/pensioners' ratio	1,5
Contribution revenues before transfers	0,031	Pension expenditure net of GIAS	0,074	Balance	-0,043
Average contribution	1,74	Average pension	7,26	Average contribution/average pension ratio	4,17
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

The Fund is characterized by a low level of coverage by contributory revenues which in 2020 amounted to **31 million** in 2020 against **74 million euros'** worth of *pension expenditure*, net of the share borne by GIAS, with a *deficit* of **43 million**.

This Fund is characterized by a situation of 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 based on income nor on contributions but it is a defined-benefit scheme. Moreover, 70% of pensioners in the Clergy Fund have other pensions provided by other schemes.

2.4.4 Fund for employed journalists managed by INPGI

Since professional journalists are employed workers, they fall within the category of employed workers; however, even if they are members of a *professional register*, under the law, they must pay contributions to INPGI, which operates as a substitute for AGO. This fund belongs to the privatised pension schemes. In 2020 too, it ran a *deficit* of **206 million euros**, worse compared to 178 million euros in 2019; *contribution revenues* were equal to **341 million euros** and *benefit expenditure* to **547 million euros**. For further details, see Chapter 3 and the tables in the web appendix (*Table 2.15*).

Table 2.15 - Fund for employed journalists (INPGI)

Active workers	14.720	Pensioners	9.940	Active workers/pensioners' ratio	1,48
Contribution revenues before transfers	0,341	Pension expenditure net of GIAS	0,547	Balance	-0,206
Average contribution	23,14	Average pension	55,02	Rapporto Pensione media/Contributo medio	2,38
<i>Note: revenues, expenditure and balance in billions of euros; average contribution and average pension in thousands of euros</i>					

2.5 Funds for public-sector employed workers (ex INPDAP)

INPDAP⁸ was abolished on 1/1/2012 and was integrated into INPS; since then, the data for this Fund have appeared in the INPS consolidated accounts. As a result, the major deficit of these schemes has further deteriorated the INPS general financial results but without a major impact on the overall performance of the compulsory pension system which had already anticipated this imbalance. In **2020**, the deficit of the funds of public-sector employed workers amounted to **36,427 million euros**, net of the 10,800 million euros of the additional contribution provided by the State; it had 40,142 million euros' worth of revenues for and 76,569 million euros' worth of expenditure (this item includes 13,602 million paid by GIAS, provided for under Article 2, par. 4, of Act no.183/2011, up with respect to 11,495 in 2019). The deficit went up with respect to the previous two years (30,578 in 2018 and 33,646 in 2019 respectively). Pension expenditure increased by 4.13%, up by 3,036 million over 2019, due more to the substitutive effect than to inflation. If we take into account, as was the case when INPDAP was autonomous, the additional State contribution of 10,800 million euros (provided for under Act no. 355/1995 since, until the establishment of INPDAP, the State did not pay any contributions on its behalf), revenues would amount to 50,942 million; the 13,602 million euros' worth of benefits transferred from GIAS are used to offset the costs of welfare benefits and of the so-called baby pensions (*table 2.16*).

Table 2.16 - Fund for public-sector employed workers (Ex INPDAP)

Active workers	3.305.800	Pensioners	3.056.450	Active workers/pensioners' ratio	1,08
Contribution revenues before transfers	40,142	Pension expenditure net of GIAS	76,569	Balance	- 36,427
Average contribution	12,14	Average pension	25,05	Average contribution/average pension ratio	2,06
<i>Note: revenues, expenditure and balance in billions of euros; average contribution</i>					

Due to a halt to turnover in the past few years, the number of these workers dropped until 2015, then it started to pick up again with a marked growth; in 2020 too, their number grew by 5,000 for a total of 3,306,000 civil servants. As a result, revenues also improved slightly while benefit expenditure continued to go up (from 66,871 million euros in 2015 to 76,569 in 2020.); the significant increase in pension expenditure in 2019 and in 2020 was caused by the retirement flexibility measures, in particular "100 Quota" which was granted to 104,144 public employees when it was applicable until

⁸ INPDAP, set up in 1994, was merged into INPS under Art. 21 of Legislative Decree n. 138/2011, transposed into Act n. 148/2011.

July 2021. As of the end of 2021 and in 2022/2023, the workforce in the public sector is expected to massively grow, despite the possibility to use some forms of retirement flexibility options such as the 102 Quota; and this is expected to increase contribution revenues. This fund runs a significant deficit (Section 2.8). In the period between 2015 and 2020, the number of pensions remained stable, with a slight increase in 2019 and in 2020 (from 2,917,119 pensions in 2018 to 2,998,840 in 2019 to 3,056,450 in 2020).

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

Starting from this Report, the data related to the funds for of artisans and retailers are illustrated and discussed separately, but always within the framework of the self-employment compartment managed by INPS. This compartment was introduced by the legislator in the 1950s in order to provide this category of workers with the same pension entitlements as employed workers; due to their particular economic and social situation, these workers received a favourable treatment, especially in terms of contributions. In fact, under Act no. 233/1990, the rules for calculating their pensions were harmonized with those of employed workers, with the result that the self-employed were granted benefits that did not correspond to their contributions. In recent years, their contributions rates have come closer to those of employed workers; however, the particular social and economic vicissitudes in these three categories have had some serious repercussions on the financial balance of individual schemes, especially the fund for farmers, tenant farmers and sharecroppers, with a major deterioration in its ratio of the number of active members paying contributions vs. the number of pensioners.

2.6.1 Fund for Artisans

In 2020, the fund for artisans featured a *deficit* between contributions and benefits of **3,398 million** euros, slightly worse than in 2019 (-3,204 million); in this regard, it should be borne in mind that the number of active members in this fund drop every year, even if the oldest pensions with more favourable calculation rules are disappearing and are being replaced by benefits better correlated with contributions. As of 2013, contributions have increased by 0.45% per year, as provided for the Fornero law; in 2020, the contribution rate for artisans was **24%** up to an income of 47,379 euros and 25% above that limit.

Table 2.17 - Fund for Artisans

Active workers	1.530.130	Pensioners	1.741.160	Active workers/pensioners ratio	0,88
Contribution revenues before transfers	8,319	Pension expenditure net of GIAS	11,717	Balance	- 3,398
Average contribution	5,44	Average pension	8,82	Average contribution/average pension ratio	1,62
<i>Note: revenues, expenditure and balance in billions of euros; average contribution</i>					

Contribution revenues (8,319 million euros in 2020) have been remained high for some years now, largely due to the increase in contribution rates; however, the overall economic and financial results of this fund (see Section 2. 8) continue to be negative and reflect the combined effect of a steady decline in the number of active workers, from 1,772,677 in 2013 to 1,530,130 (-3.7%) in 2020 and of a steady increase in the number of pensioners, from 1,639,469 in 2013 to 1,741,160 (+5.5%) in 2020, *which has now exceeded that of active members* (table 2.17).

2.6.2 Fund for Retailers

The fund for retailers has been showing a positive trend for a number of years and in 2020 too, it featured a positive balance of 607 million (one of the four funds managed by INPS with a surplus). In recent years, its contribution revenues remained high thanks to the increase in contribution rates (raised to 24/25% like for artisans); however, these revenues have negatively been affected by the lockdown and the restrictive measures applied to this sector, dropping from 10,885 million euros in 2019 to **10,680 million** in 2020 (-205 million); on the contrary, benefit expenditure went up from 10,005 million euros in 2019 to **10,073 million** in 2020, with an increase by 68 million (*Table 2.18*).

Table 2.18 - Fund for Retailers

Active workers	2.020.000	Pensioners	1.448.150	Active workers/pensioners ratio	1,39
Contribution revenues before transfers	10,680	Pension expenditure net of GIAS	10,073	Balance	0,607
Average contribution	5,29	Average pension	8,27	Average contribution/average pension ratio	1,56

Nota: entrate, uscite e saldo in miliardi di euro; contributo medio e pensione media in migliaia

The final results include the data of the separate fund called "fund for the rationalization of the retail network" established under Legislative Decree n. 207/1996; in 2020, they had a negative result equal to 4,439 million euros, due to amortization and depreciation of receivables. Compared to 2019, the number of pensioners (1,448,150) and the number of active workers (2,020,000) remained substantially constant, with a ratio above the average for the system, equal to **1.39** active members for each pensioner despite the negative effects of the lockdown.

2.6.3 Fund for Farmers, Tenant Farmers and Sharecroppers

As in previous years, in 2020 too, the fund for farmers, tenant farmers and sharecroppers (CDCM) featured a structural imbalance due to a very low active worker/pensioner ratio and in particular to old favourable and still applicable retirement provisions, with very high benefits compared to contributions, even though the contribution rates for members were re-calculated starting from 2013. In 2020 too, employment in this sector continued to have a downward trend, from 1,206,000 active members in 1989, at the start of the period observed, to 434,220, with a very significant drop by 64%.

Table 2.19 - Fund for Farmers, Tenant Farmers and Sharecroppers

Active workers	434.220	Pensioners	1.311.540	Active workers/pensioners ratio	0,33
Contribution revenues before transfers	1,315	Pension expenditure net of GIAS	3,445	Balance	- 2,130
Average contribution	3,03	Average pension	5,67	Average contribution/average pension ratio	1,87

Note: revenues, expenditure and balance in billions of euros; average contribution

The *balance between contributions and benefits* amounted to **976 million euros** in 2020, down by **2,130** million, but up with respect to – 2,380 million in 2019; this figure is net of transfers from GIAS which, since 2011, has started paying the pensions accrued before 1/1/1989. **Contribution revenues** amounted to **1,315 million euros** (1,322 million in 2019), accounting for only **38.19%** of benefits,

which reached **3,445 million euros** (3,702 million in 2018), net of GIAS transfers. At the end of 2020, the number of pensions paid by CDCM was equal to 1,311,543, including the remaining 170,807 pensions before 1/1/1989; the ratio of the number of pensions vs. the number of active members paying contributions went up from 1.53 in 1990 (i.e., 1.53 pensions for each active member), to 3.02 pensions for each active worker (*Table 2.19*). Therefore, on the whole, this sector is a burden for the community, amounting to 3,106 million euros for pensions alone, while the deficit had reached the considerable amount of 92,427 million euros on 31/12/2020 (see Section 2.8).

2.7 Fund for Atypical workers

In order to provide pension benefits to the so-called "atypical" workers, i.e. subjects who consistently but not exclusively work as self-employed without a professional register and without any social security rights, a "*separate scheme*" was set up within INPS under Art. 2, par. 26 of Act no. 335/95.

Table 2.20 – Fund for Atypical Workers

Active workers	1.326.000	Pensioners	498.070	Active workers/pensioners' ratio	2,66
Contribution revenues before transfers	8,167	Pension expenditure net of GIAS	1,348	Balance	6,819
Average contribution	6,16	Average pension	2,99	Average contribution/average pension ratio	0,49
<i>Note: revenues, expenditure and balance in billions of euros; average contribution</i>					

In 2020, its membership amounted to **1,326,000**, slightly down with respect to 1,330,000 in 2019; there are two macro-groups within this separate scheme:

(a) freelancers with a VAT registration number, who are not members of a privatized pension scheme (394,000 in 2020) and who work in new professional occupations that are not related to the more traditional and certified professions.

(b) workers without a VAT registration number (932,000 in 2020), a non-homogeneous group featuring: **1)** directors (549,000) holding top-level corporate positions, in boards of directors or of auditors, above all in joint-stock companies and limited liability companies; most of them are men (around 80%); **2)** consultants (268,000), i.e., essentially subjects with coordinated and ongoing consulting positions or project collaborations (with a high percentage of women); this subgroup features as many as 202,000 workers (75%) registered only with this separate scheme, without any other social security insurance and very often with only one client; it is important to stress that only 17% of them has an income that ensures social security provisions for the whole year; **3)** Post-graduate students (88,000), that is, PhD students with scholarships, recipients of research grants and of other types of scholarships, attending specialization courses (the female component is also very large); **4)** other minor categories (27,000), mainly door-to-door salespersons (16,000).

Within these different groups briefly described above, there are the so-called "exclusive" members (only registered with the separate scheme), who pay an IVS contribution rate of **25%** on their taxable income if they are free-lancers and **33%** if they are consultants ls, in addition to a rate of 0.72% for *non-pension benefits*, and the so-called "competitors", i.e., pensioners or subjects with other sources of income and, therefore, registered with other schemes, who pay an IVS rate of **24%**.

This fund has a significant *positive balance* between contributions and benefits, which amounted to **6,819 million euros** in 2020, with 8,167 million euros' worth of contribution revenues and only **1,348 million euros**' worth of benefit expenditure (*Table 2.19*).

This is the only compulsory pension fund whose benefits are exclusively calculated with the contribution-based system, whose number grew from 72,430 in 2019 to **498,070** in 2020. The average pensions too low are (**2,990 euros** per year), due to the short period of benefit expenditure and the low contribution rate that initially did not exceed 12% of the annual taxable income, but which have now increased considerably. The significant contribution rate and the limited period of contribution seniority with respect to other funds (hence the name "separate", which should be changed) should set the stage for restructuring this scheme, with a reduction in the contribution rates that are even higher than those of artisans and retailers especially for young people with non-stable employment relationships; the same is also true for free-lancers without a certified register, who often carry out the same job as those enrolled in these registers: the rate disparity is indeed very considerable, ranging from an average of 14% for those registered with privatized pension schemes to 25% for those not registered with a professional association.

2.8 The financial and economic situation of INPS as a whole and of each individual fund

At the end of 2020, the *financial situation* of INPS, Italy's largest social security agency, was characterized by 14,559 million euros' worth of surplus against a negative result for the year⁹ of 25,199 million, largely caused by the pandemic. This figure is the result of the difference between the deficits of almost all the funds and the surplus of the fund for atypical workers equal to **137,778 million**, of the temporary benefit fund equal to **200,648 million** and of former ENPALS to 5,551 million and of other minor schemes. This situation derives from a series of regulatory interventions to finance, over time, the deficits also deriving from laws envisaging new provisions to be granted by INPS; its surplus amounting to 5,870 million in 2015 and to 78 million in 2016, derived from a previous legislative intervention (Act no. 147/2013) designed to finance 21,698 million euros' worth of deficit of former INPDAP, merged into INPS on 1/1/2012. Without this intervention, the deficit would have been significant in those years, and this was also true in the following years thanks to a budget advance allocation of 61,787 million as provided for under Act no. 205/2017, art. 1, subpar.178-179; in fact, by late 2018, despite a negative operating result equal to 7. 839 million, thanks to the measures just described, INPS had a surplus of 47,042 million euros; the same in 2019 with a negative operating economic result for 7,283 million and a surplus equal to 39,759 million euros.

Over the last 5 years, these results have also been influenced by the budget provisions for impairment losses of contribution receivables after the re-assessment and elimination of the individual residual surpluses due to insolvency or difficulty to recover these items, in particular those accrued during the previous economic crisis from 2008 to 2014, as highlighted in the Section on the fund for tax collectors (*table 2.21*). In the years from 2015 to 2020, these measures led to writing off 17,134 million euros' worth of contribution receivables, through the provisions for impairment losses of contribution receivables which had reached a total of 64,494 million euros in the same period. As a result of these conservative approach, the provisions for impairment losses of contribution receivables increased from 59.8% in 2015 to 77% in 2020 with respect to the total of contribution receivables. A level of provisions also confirmed in the 2021 Budget Law with additional funds for 8,168 million euros, for a total of 97,232 million against 125,382 million euros' worth of contribution receivables

⁹ The aggregate and individual operating results shown in Table 2.25 differ from the pension results presented in the preceding sections for each fund, because they take into account accruals, operating costs, transfers and other items.

accounted for. This risk hedging approach is deemed to be adequate by INPS also to deal with additional bad debts communicated by the tax authorities following the final results of the measures for the scrapping, settlement and amnesty of pre-2010 receivables p to 5,000 euros (art. 4 of Law Decree no. 41/2021).

Table 2.21 - Trend of tax receivables, re-assessment of residual items (elimination), provisions for impairment losses of contribution receivables (millions of euros)

	2015	2016	2017	2018	2019	2020	2021
	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Assestato
Residui Attivi	146.828	156.294	161.902	141.821	150.538	150.057	163.034
di cui							
Crediti contributivi lordi al 31.12	92.399	98.236	104.453	111.429	119.019	114.619	125.382
Percentuale sul totale dei residui attivi	62,9%	62,9%	64,5%	78,6%	79,1%	76,4%	76,9%
Variazioni (Riaccertamento) dei residui attivi al 31.12¹	-818	-883	-1.243	-1.276	-13.491		
di cui							
Riaccertamento residui per aliquote contributive	-721	-768	-1.125	-1.164	-13.356		
Percentuale sul totale del riaccertamento	88,1%	87,0%	90,5%	91,2%	99,0%		
Crediti contributivi al netto del riaccertamento	91.678	97.468	103.328	110.265	105.663	114.619	125.382
Prelievi dal Fondo svalutazione crediti contributivi	-808	-937	-771	-1.273	-1.167	-13.411	0
Assegnazioni (accantonamento) al Fondo svalutazione crediti contributivi	13.090	6.220	9.143	10.850	12.488	12.703	8.168
Consistenza del Fondo svalutazione crediti contributivi al 31.12	55.220	60.503	68.875	78.452	89.772	89.064	97.232
Percentuale copertura del Fondo svalutazione (sul totale dei crediti contributivi)	59,8%	61,6%	65,9%	70,4%	75,4%	77,7%	77,5%
Crediti contributivi netti al 31.12	37.179	37.732	35.578	32.977	29.247	25.555	28.150

Final results, Adjusted; Residual surpluses, of which gross contribution receivables on December 31, Percentage out of the total residual surpluses; Changes in residual surpluses on as December 31 (re-assessment), of which reassessment of residual items related to contribution rates, percentage out of the total amount re-assessed; Contribution receivables net of re-sessment; Provisions from the fund of impairment losses for contribution receivables, Provisions for impairment losses for contribution receivables, Amount of provisions for impairment losses for contribution receivables on December 31, Share of financing from the provisions for impairment losses for contribution receivables, out of all contribution receivables; Net contribution receivables on December 31.

Note: the re-assessment of residual items is a pre-condition to prepare the final results; it refers to the amount of residual items of the previous year; therefore, the figures reported are indicated in the table for the year n-1, the same for the previous years. In order to identify the net contribution receivables on December 31, the table reports the amount of funds from the provisions for impairment losses for contribution receivables, which also include the re-assessment of the residual items of the previous year.

Table 2.22 shows the overall and summary data about the economic and financial performance of all the funds managed by INPS, with their operating results for 2014-2020 and their financial situation on December 31 of each year. In addition, as of 2018, the credit positions of the funds running a surplus no longer benefit from the legal receivable or payable interests following the provisions under the Budget Law no. 205, approved on 27/12/2017. In the category of self-employed workers, it is important to mention the fund for farmers, tenant farmers and sharecroppers, as it has a capital deficit of 92,427 million euros.

This can be explained by the steady drop in employment in this sector with a ratio of 3.02 pensioners for every active worker paying contributions, the worst in the INPS universe. The fund for artisans too runs a very significant deficit (81,277 million), with very negative economic results in recent years; in fact, like for the previous fund, the continuous reduction in the number of active workers and the constant growth in the number of pensioners is a source of concern. Less significant, though not negligible, is the deficit of the fund for public-sector employed workers (ex INPDAP) which amounted to 36,267 million euros in 2020, with a negative operating result of 14,023 million. Section 2.5 illustrates the critical factors of this fund, in particular the halt to turnover in the public administration in the last few years. With regard to the category of *private-sector employed workers*,

essentially FPLD and the Fund for Temporary Benefits (GPT) both financed by workers and their employers, it is important to bear in mind that its relative financial equilibrium over time has been obtained thanks to the surplus of GPT, analysed in Chapter 4, even if the pandemic and the economic slump have led to a reduction in its contribution revenues and an increase in its benefits in particular for the supplementary fund; in fact, in 2020, its negative operating result was equal to 3,803 million euros, but it retained a surplus of 200,648 million, thus offsetting for the negative financial result of FPLD (and its former special funds) equal to 99,788 million.

Table 2.22 - Economic and financial trends of the funds managed by INPS

ANDAMENTO ECONOMICO-PATRIMONIALE DELLE GESTIONI AMMINISTRATE														
in milioni di euro														
GESTIONE E FONDI	2014 - Consuntivo		2015 - Consuntivo		2016 - Consuntivo		2017 - Consuntivo		2018 - Consuntivo		2019 - Consuntivo		2020 - 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	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2020
GESTIONI PENSIONISTICHE AGO														
* FONDO PENSIONI LAVORATORI DIPENDENTI	-7.378	-130.188	-8.775	-138.963	690	-138.274	2.743	-135.531	3.408	-103.367	3.267	-100.100	312	-99.788
Fondo pensioni lavoratori dipendenti	485	-47.586	-556	-48.142	9.279	-38.863	11.249	-27.614	11.949	-15.665	12.016	-3.649	9.400	5.751
Ex fondo trasporti	-1.018	-18.921	-1.064	-19.985	-1.030	-21.016	-1.000	-22.016	-901	-16.225	-935	-17.160	-1.058	-18.218
Ex fondo elettrici	-1.982	-28.002	-1.921	-29.922	-1.945	-31.867	-2.085	-33.952	-2.157	-26.394	-2.202	-28.596	-2.233	-30.829
Ex fondo telefonici	-1.093	-5.466	-1.313	-6.779	-1.274	-8.053	-1.353	-9.406	-1.325	-8.920	-1.354	-10.274	-1.430	-11.704
Ex Inpdai	-3.770	-30.213	-3.921	-34.135	-4.340	-38.474	-4.069	-42.543	-4.158	-36.163	-4.258	-40.421	-4.367	-44.788
Comparto lavoratori autonomi														
* GESTIONE COLTIVATORI DIRETTI, COLONI E MEZZADRI	-4.209	-80.018	-3.897	-83.915	-3.212	-87.127	-3.078	-90.205	-2.892	-87.137	-2.724	-89.862	-2.565	-92.427
* GESTIONE ARTIGIANI	-5.748	-49.579	-6.510	-56.089	-5.269	-61.358	-5.532	-66.891	-6.502	-69.410	-5.461	-74.871	-6.406	-81.277
* GESTIONE COMMERCianti	-1.574	-1.630	-2.697	-4.327	-1.476	-5.803	-2.045	-7.848	-3.956	-11.497	-2.785	-14.281	-4.439	-18.720
* GESTIONE PARASUBORDINATI	7.646	96.676	7.556	104.232	6.777	111.010	5.779	116.789	6.908	123.696	7.226	130.923	6.855	137.778
GESTIONI PENSIONISTICHE ESCLUSIVE DELL'AGO														
* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI DELL'AMMINISTRAZIONE PUBBLICA (*)	-3.194	-4.812	-4.428	-5.740	-7.181	-12.921	-9.260	-22.181	-10.095	-9.746	-12.498	-22.245	-14.023	-36.267
GESTIONI PENSIONISTICHE SOSTITUTIVE AGO														
* FONDO PREVIDENZA DAZIERI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
* FONDO PREVIDENZA VOLO	-180	-461	-132	-594	-155	-749	-162	-911	-148	-1.017	-149	-1.166	-214	-1.380
* FONDO SPEDIZIONIERI DOGANALI	0	13	0	13	0	13	0	13	0	13	0	13	0	13
* GESTIONE SPECIALE PER IL PERS. DELLE FERROVIE DELLO STATO	0	1	0	1	0	1	0	1	0	1	0	1	0	1
* GESTIONE SPECIALE PER IL PERS. DELLE POSTE ITALIANE SpA	-173	1.331	-261	1.069	-353	716	-350	366	-410	-44	-657	-701	-589	-1.289
* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI EX ENPALS	208	3.944	127	4.071	488	4.559	267	4.826	266	5.092	304	5.396	155	5.551
GESTIONI PENSIONISTICHE INTEGRATIVE AGO														
* GESTIONE SPECIALE MINATORI	-17	-579	-14	-593	-11	-604	-10	-614	-9	-581	-9	-590	-8	-599
* FONDO PREVIDENZA GAS	-6	137	-5	131	-3	129	-2	127	-10	117	-10	107	-10	97
* FONDO PREVIDENZA ESATTORIALI	26	953	-64	890	40	929	31	960	44	1.004	43	1.047	29	1.076
* GESTIONE SPECIALE ENTI DISCIOLTI	0	0	0	0	0	0	0	0	0	0	0	0	0	0
* FONDO PREVIDENZA PERSONALE ENTI PORTUARI GENOVA E TRIESTE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GESTIONI PENSIONISTICHE MINORI														
* FONDO PREVIDENZA CLERO	-72	-2.157	-62	-2.219	-55	-2.274	-51	-2.325	-49	-2.216	-44	-2.260	-44	-2.305
* ALTRE GESTIONI	-2	-147	-4	-152	3	-148	-2	-149	1	-138	4	-135	-4	-139
GESTIONE PRESTAZIONI TEMPORANEE	2.230	183.726	2.687	186.413	3.401	189.814	4.098	193.911	4.957	198.869	5.583	204.452	-3.803	200.648
ALTRE GESTIONI MINORI	-45	991	181	1.173	99	1.269	593	1.418	646	3.365	628	3.992	-444	3.546
ALTRE ATTIVITA'	0	207	0	467	0	895	-1	1.340	0	40	0	39	0	38
Totale gestioni previdenziali	-12.485	18.407	-16.297	5.870	-6.220	78	-6.984	-6.906	-7.839	47.042	-7.283	39.759	-25.199	14.559

Millions of euros, Results; Operating result, Financial situation; AGO PENSION FUNDS; 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 FUNDS, 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

As far as the special funds are concerned (see Section 2.3), table 2.22 shows the operating results and the financial situation of each special fund; on 31/12/2020, these funds had a very negative financial situation (from 11,704 million of the former telephony fund to 44,788 million of the former INPDAI fund) due to the halt to new members, with the exception of the transport fund. Therefore, it no longer makes sense to manage these funds with separate accounts, precisely because the newly hired workers in these sectors are registered with FPLD, which results in the deterioration of their operating results and financial and economic performance.

Finally, it should be pointed out that, over time, the restructuring of important sectors of the Italian economy, improperly charged as "national pension expenses" rather than as "income support" measures, has also contributed to the worsening of these financial and economic results. As illustrated in the analysis of individual funds, there are many sectors in this situation, in addition to agriculture, such as the steel, paper and port industries (with early retirements even 10 years below the statutory retirement age) and important companies such as Fiat, Olivetti, Ferrovie dello Stato, Alitalia and the Poste (it is possible to say that INPS has improperly financed Italy's transition from agriculture to industry).

3. The system of privatized schemes for the liberal professions: general framework and individual trends in 2020

The pension and welfare schemes for professionals enrolled in certified associations complete the framework of the first pillar of the Italian compulsory social security system together with INPS. These schemes are managed according to private criteria, as provided for by the privatization Decrees no. 509/94 and on. 103/96, which established the compulsory membership for all professionals registered with certified associations. Here is a list of privatized schemes:

A) Privatised schemes pursuant to Legislative Decree no. 509/1994: ENPACL (Labour Consultants), ENPAV (Veterinarians), ENPAF (Pharmacists), Cassa Forense (Lawyers), INARCASSA (Engineers and Architects), CIPAG (Graduate Surveyors and Surveyors), CNPR (Accountants and Commercial Experts), CNPADC (Chartered Accountants), CNN (Notaries), ENPAM (Doctors), INPGI (Journalists, substitutive fund), ENASARCO (Commercial Agents), FASC (Shipping Agents and Couriers) and ENPAIA;

B) Privatized schemes pursuant to Legislative Decree no. 103/1996: ENPAB (Biologists), ENPAIA (Agricultural and Agrarian Technicians, separate funds), EPAP (Multi-category: agronomists and foresters, actuaries, chemists and geologists), EPPI (Industrial and Graduate Experts), ENPAP (Psychologists), ENPAPI (Nurses) and INPGI (Journalists, separate fund). In 2020, the total number of members in the schemes under Legislative Decree no. 509/1994 was 1,440,427; that of members in the schemes under Legislative Decree no. 103/1996 was 252,032, for a total of 1,692,459 professionals, up by 2.1% compared to 2019.

Unlike public funds, these schemes have their own financial and economic resources estimated to amount to about 81 billion euros in 2020, which are used to pay pension benefits to their members but also to deal with population shocks or to retirement peaks. All privatized pension schemes for professionals operate according to the *pay as you go system* like the compulsory pension system, even though they have their own resources.

However, unlike the INPS public pension funds that now work on the *pro rata* contribution calculation system as of 01/01/2012, not all the schemes regulated by Legislative Decree no. 509/1994 calculated their benefits completely with the **income-based system**, even in 2020.

In these cases, pension benefits are calculated by applying a “proportional” coefficient ranging from 2% to 0.9% per year of the mean remuneration for retirement purposes (RMP) calculated for a number of years (generally the last 15-25 years and now 30 years or 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 n. 335/95, but with the strict application of the *pro rata* principle to protect the accrued seniority. It should be noted that these are “closed populations”, and so, any specific reference to the category may be a risk rather than a benefit and, given what occurred in the past, it would be better to comply with public regulations.

On the contrary, since their inception under Act no. 335/1995, the privatized schemes under Legislative Decree no. 103/1996 have applied 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 also considers life expectancy. The individual amount of contributions consists of all the subjective contributions paid by the members, which are adjusted every year with the same criteria as the public system, that is with a compound interest on the basis of average five-year rate of change of nominal GDP. 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 recent 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 that established by law (GDP five-year average), 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 12% to 16% or more, to finance retirement benefits; *supplementary contributions* calculated on the basis of the turnover (and therefore on a higher amount) which vary between 2% and 5%; these are partly used to finance welfare benefits for their members and their operating costs and partly to supplement pension benefits for their members, when this is admissible. In recent years, due to the growth of welfare benefits, many of these schemes have introduced specific contributions to finance these new benefits.

3.1 General framework and main indicators

This analysis of privatized schemes for professionals does not include Enasarco, Fasc and Enpaia, which provide supplementary compulsory pensions in the form of annuities or capital and whose members are insured under the INPS first pillar pension system, and ONAOSI which provides for orphans. The data reported in this chapter are different from those in Tables 1a and in the following ones; in fact, the Inpgi substitutive fund is included within the framework of employed workers in those tables (which is exactly what is going to happen as of 2022 after its merger with INPS), while in this analysis, the Inpgi substitutive fund is included in the category of schemes for professionals., since it is still a privatised fund.

The *number of active members paying contributions* in the privatized schemes is equal to **1,340,672** professionals, which increased by **161.47%** over the 1989-2020 period of observation. In 2020, the schemes under Legislative Decree no. 509/1994 (hereafter referred to as “the 509 schemes”) featured a number of active workers paying contributions equal to **1,135,571**, with a slight increase over the previous year (+0.32%) and an increase by 121.47% over 1989. The schemes under Legislative Decree no. 103/1996 (hereafter referred to “the 103 schemes”) featured **205,101**, an increase by 2.09% compared to the previous year and by 260.8% compared to the year in which the survey began (2000). The number of active members paying contributions differs from the number of members shown above because Enpab and Enpapi allow their members to remain in the funds even if they are no longer working as freelancers; for Enpapi, the phenomenon is significant in that it involves 46,000 members out of 89,000 mainly because many nurses give up their freelance profession after being hired by private and, above all, public entities, while retaining their position within this fund. It should also be noted that, 3,725 students are considered as active members paying contributions from the fifth year of their school of medicine but they do not have to pay their fees for three years.

Table 3.1 - General framework and main indicators in 2020

CASSE	Number of active workers paying contributions	Number of pensioners	Contribution revenues	Benefit expenditure	Accounting balance	Net Assets	Total assets
Schemes 509/94	1.135.571	428.586	9.053.682.537	5.820.982.319	3.309.387.279	71.598.631.257	73.909.487.800
Schemes 103/96	205.101	21.068	501.400.715	63.896.673	87.390.030	2.503.347.720	7.577.068.747
Grand Total	1.340.672	449.654	9.555.083.252	5.884.878.992	3.396.777.309	74.101.978.977	81.486.556.547

The number of pensions. Since these schemes, do not provide any other types of benefits other than ordinary pensions, the number of pensions generally coincides that of pensioners, with the exception of ENPAM, which has a structure similar to INPS with different categories so that a single doctor may receive more benefits. The number of pensions disbursed in the 1989-2020 period increased from 145,325 to **449,654 (+209.41%)**, 88% more than the membership growth; The 103, given their recent incorporation, only account for 15.3% of the total number of active workers paying contributions and paid a modest number of benefits in 2020, equal to **21,068** (6.3% of the total). In 2020, the number of pensions paid out continued to grow reaching 19,386, or 2.5 times with respect to 7,786 new members paying contributions. The number of active workers paying contributions increased by 0.6% compared to 4.5% for the number of pensions; the 509 schemes experienced a growth in the number of active members paying contributions and in the number of pensions by 0.3% and 4.3% respectively, vs 2.1% and 9% respectively for the 103 schemes.

Contribution revenues. As shown in *table 3.1.1*, in 2020, the contribution revenues of the privatized schemes amounted to **9,555 million euros**, with an increase by **3.36%** compared to +3.6% in 2019. The contribution revenues of the 509 schemes amounted to **9,054 million** with an increase by 3.76% compared to +3.5% in 2019, while those of the 103 schemes were equal to **501 million** with a decrease by 3.3% compared to (+7% in 2019).

Table 3.1.1 - Contribution revenues

Contribution revenues	2020 (mln Euro)	Variation 2019-2020	Variation 2015-2020	Variation 2010-2020	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	9.054	3,76%	20,79%	50,30%	771,84%
103 schemes	501	-3,30%	21,32%	77,46%	135,19%
Total;	9.555	3,36%	20,82%	51,51%	

The schemes that experienced a reduction in revenues are: for the 103 schemes, EPPI (-10.1%), ENPAB (-21.6%), EPAP (-7.3%), Agrarian Experts (-3%) and the INPGI separate scheme (-6.8%) while for the 509 schemes: ENPAF (-0.4%), CNPR (-5%), CNN (-9.1%) and the INPGI substitutive fund (-5.5%); these reductions were caused by the COVID-19 pandemic which significantly reduced their operations.

Pension expenditure reached **5,885 million**, in 2020, an increase by **5.6%** vs. +6.6% in 2019 (*table 3.1.2*).

Table 3.1.2 - Pension Expenditure

Pension expenditure	2020 (mln Euro)	Variation 2019-2020	Variation 2015-2020	Variation 2010-2020	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	5.821	5,50%	27,86%	66,36%	804,86%
103 schemes	64	12,37%	97,67%	599,94%	68306,66%
Total	5.885	5,57%	28,36%	67,75%	

The expenditure for the 509 schemes was equal to **5,821 million** euros, with an increase by 5.5% compared to +6.5% in 2019), while for the 103 it amounted **64 million** with an increase by 12.37% compared to +15.69% in 2019). The figures are, of course, affected by the significant growth in the number of pensioners during the year.

The **balance between contribution revenues and pension expenditure** remained essentially stable compared to 2019, at around **3.670 billion** with an increase by about 1 million or + 0.02% (-0.2% in 2019). In 2020, the 509 schemes featured a balance equal **3.233 billion** euros, with a growth by 0.78% (-1% in 2019); instead, the 103 schemes had a balance of **438 million** euros, down by 5.2% compared to 462 million in 2019. The table below shows the balance trends over time and that as of 2010, the growth has become increasingly limited for the 509 schemes (stabilising in 2019 and 2020) and even less significant for the 103 schemes until they suffered a drop by 5.2% in 2019 (*for more details on the data examined so far, see Tables 1b, 1c, 1d and 2b, 2c, 2d, in the exhibits to the Report published in the web section*).

Balance between revenues and expenditure	2020 (mln Euro)	Variation 2019-2020	Variation 2015-2020	Variation 2010-2020	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	3.233	0,78%	9,85%	28,04%	718,08%
103 schemes,	438	-5,23%	14,84%	60,02%	105,31%
Total	3.670	0,02%	10,42%	31,16%	

The **total assets** of these pension schemes, except for ENASARCO, FASC and ENPAIA, are analysed in Section 3.5 and amounted to approximately **81.5 billion** at the end of 2020, with a growth by approximately 3.7 billion, 1.6 billion less than in the previous year¹.

The **average annual contributions** amounted to **7.12** euro in 2020 for all schemes, including the Inpgi substitutive fund, with an increase by 2.75% compared to 2019. In particular, for the 509 schemes, the average contributions amounted to **7,973** euros, up by 3.43% compared to 2019, while for the 103 schemes, they reached **2,445** euros, down by 5.3% compared to the previous year due to the aforementioned pandemic effects. These data (for details see tables 1 a and the following tables, B32 a and b, and b series tables on the web) highlight that **average contributions**, especially for the 103, are low especially when compared to those paid by members of the public pension system where the self-employed (artisans, retailers and farmers) pay average contributions equal to 24% of their stated income, atypical workers (often self-employed professionals but with no professional association) over 27% and employed workers 33%. Consequently, if they are not supported by supplementary contributions and/or by extra yields, they will inevitably generate low pension benefits.

The problem, in fact, has already been noticed by many Institutions which have activated plans for a progressive increase in contribution rates for the coming years (*see figures 3.1 and 3.2*).

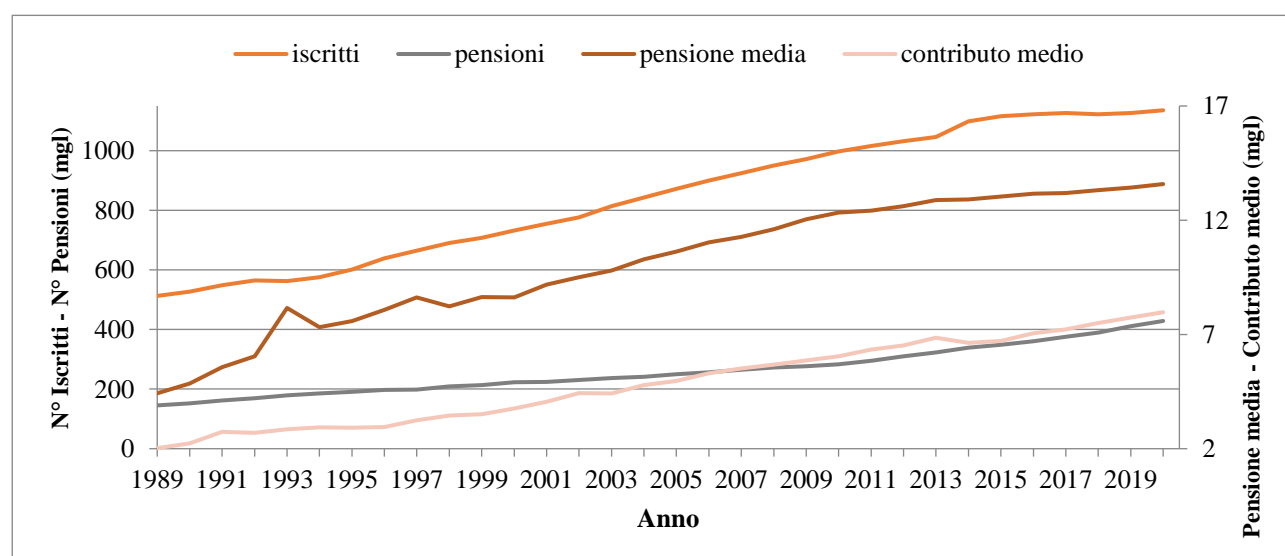
¹ For the 103, the reduced amount of net assets compared to total assets is due to the fact that these schemes, in their accounts, do not include pension funds under this liability item.

The **average pension** for these schemes amounted to **13,088** euros (1.8 times the average contributions) up by 0.87% with respect to 2019. an increase of 0.87% compared to 2019. In detail, for the 509 schemes, the average pension in 2020 was equal to **13,582** euros up by 1% compared to 2019 (while the ratio with respect to the average contributions dropped from 1.74 in 2019 to 1,70 in 2020); for the 103 schemes, the average pension was equal to **3,033 euros**, up by 3.10% compared to 2019, thus increasing the average pension/average contribution ratio from 1.14 in 2019 to 1.24 in 2020.

The very low average pension benefits provided by the 103 schemes is mainly due to low contributions and, especially for elderly workers, these are often supplementary benefits to those accrued in other first pillar public pension funds (*for these indicators see Tables 4b, 4c, 4d, 5b, 5c, 5d in the Exhibits to the Report published in the web section* and *Figures 3.1* for the 509 schemes and *3.2* for the 103 ones).

The figures related to the 509 schemes are influenced by the situation of Enpam. In fact, in all the other schemes, the number of pensions coincides with the number of pensioners, while Enpam has different types of pensions often simultaneously paid to the same doctor; as a result, if the number of pensioners is taken into consideration, the average amount paid to the individual recipient rises considerably, from 8,230 euros to 15,386 euros, re more in line with what is provided to other professionals (for further details, see table 4d published in the web section).

Figure 3.1 - Trends of indicators: number of members, number of pensions, average pension and average contribution from 1989 to 2020, for the schemes under Legislative Decree no. 509/1994

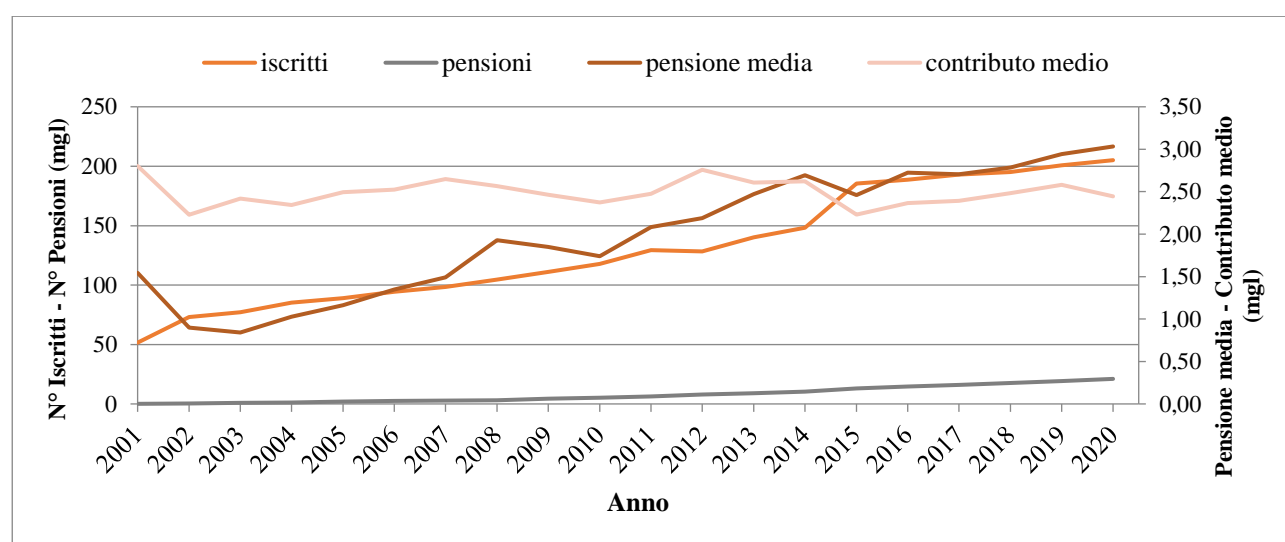


Members; pensions; average pension; average contributions; year; N. of members - n. of pensions (thousands); Average pension – Average Contributions (thousands)

Figures 3.1 and **3.2** show the evolution of the parameters considered above for the two macro-groups: the schemes under Legislative Decree no. 509/1994 and those under Legislative Decree no.103/1996. The graph related to the 509 schemes indicates a substantially linear growth in their membership until 2014, followed by a substantial flattening of the curve with an annual increase by a few thousand members; instead, the pensions paid out continued to progressively grow in the last five years goes from 3.20% in 2016 to 4.12% in 2020 (in addition to a spike in 2019 equal to 5.32%). This is due to both longer life expectancy and to longer-term members (baby boomers) who are reaching their pension requirements.

The 103 schemes (*figure 3.2*) always have a very low number of pensions in relation to their membership, with a very favourable ratio of active workers vs. pensioners (still more than 9.7 active workers per pensioner vs. 10 the previous year); the average pension and the average contribution have grown substantially to the same extent but, since 2019, this ratio has been increasing, albeit slightly, up to 1.24 in 2020 from 1.14 in 2019 which interrupted the steady and slight decrease from 1.151 in 2016 to 1.131 in 2017 and 1.127 in 2018.

Figure 3.2 - Trends of Indicators: number of members, number of pensions, average pension and average contributions in 1989-2018, for the Schemes under Leg. Decree no. 103/1996



Members, Pensions, Average pension, Average contribution; no. of members – no. of pensions (thousands); Average pension - Average contributions; Year

The **ratio of the number of pensioners vs. the number of active workers** is **0.335** for all the schemes (i.e. almost 3 active workers for every pensioner), which has steadily, though moderately, worsened over the years: from 0.283 pensioners for every active worker in 1989 to 0.323 last year, up to the current value. In detail, the ratio of number of pensioners vs. the number of active workers is equal to **0.337** (2.5 active workers per pensioner) for the 509 schemes and to **0.103** (9.47 active workers per pensioner) for the 103 schemes. 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. (*See Tables 6b, 6c, 6d in the exhibits to the Report published in the web section*).

Ratio of the number of pensioners vs. the number of active members paying contributions	2020	2019	2015	2010	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	0,377	0,363	0,313	0,284	0,283
103 schemes	0,103	0,096	0,071	0,043	0,000
Total	0,335	0,323	0,278	0,254	

The **average pension/average contribution ratio** was equal to **1.836** in 2020, confirming the slight decline with a drop by 1.8% with respect to 2019, i.e. the average pension went from 191% of the average annual contributions in 2018, to 187% in 2019 and finally to 184%. The following Table shows the trend of this ratio over time.

The ratio for the 509 schemes was **1.704** vs. 1.742 in 2019 and 1.782 in 2018, while for the 103 it was equal to **1.241**, up with respect to 1.14 in 2019 and 1.122 in 2018.

Average pension/average contribution ratio	2020	2019	2015	2010	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	1,704	1,742	1,941	2,043	2,186
103 schemes	1,241	1,140	1,103	0,760	0,000
Total	1,836	1,868	2,082	2,192	

The *average pension/average contribution* ratio improved the economic sustainability of the system in 2020, by bringing the overall pension annuity to 1.84 times the amount of contributions paid; if compared with a contribution period of about 37 years and a retirement age between 67 and 70, this ratio cannot be compressed if the social sustainability of the system is to be ensured (*see Tables 4b, 4c, 4d in the Exhibits to the Report published in the web section*).

The *ratio of contribution revenues vs. pension expenditure* was equal to **1.624** in 2020, down by about 2.1% with respect to 2019. For the 509 schemes, this ratio was equal to **1.555** compared to 1.581 in 2019 and 1.625 in 2018, while for the 103 schemes, it reached **7.847**, thus confirming its steady continuous reduction as of 2008 (vs. 9.119 in 2019 and 9.856 in 2018). The table below illustrates the trend of this ratio over time, highlighting a constant reduction for both groups as of 2015 (*see Tables 3b, 3c, 3d, in the Exhibits to the Report published in the web section*).

Ratio of contribution revenues vs. pension expenditure	2020	2019	2015	2010	Variation 1989 for 509 schemes; 2000 for 103 schemes
509 schemes	1,555	1,581	1,646	1,722	1,614
103 schemes	7,847	9,119	12,785	30,950	2282,351
Total	1,624	1,658	1,725	1,798	

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 these rules have been cancelled after a number of appeals filed by these schemes. *Tables 3.2 and 3.4* 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 revenues from subjective and supplementary contributions vs. 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 166 million (as detailed in *Tables 3.3* for the 509 schemes and *3.5* and for the 103 funds), up with respect to 155 in 2019. This growth largely derived from the 509 schemes (+15 million), and was partially reduced by drop experienced by the 103 schemes (-5 million) probably due to the effects of the COVID-19 lockdowns which restricted their ability to recover their funds and often obliged them to defer payments. In addition to the pension balance, the Tables also show another two fundamental sustainability indicators already discussed above: the demographic ratio, i.e. the ratio of the number of pensioners vs. the number of active workers and the average pension/average contribution ratio, with their % rates of change at 1, 5, 10 years and since the inception of the schemes.

The *ratio of contribution revenues vs. pension expenditure* (Table 3.2) for the 590 Schemes illustrates the difficult situation of the fund for journalists (INPGI); in fact, this ratio was equal to 0.62 showing that contribution revenues were not sufficient to finance pension benefit expenditure. This parameter deteriorated again, albeit slightly (0.67 in 2019 and 0.69 in 2018), due to pension expenditure resuming its growth, equal to 1.74% in 2020 with respect to 1.55% in 2019; this has watered down the effect of the reform launched in 2017² that had drastically reduced the growth in pension expenditure in 2018 (+3.14%) compared to the previous year (+5.07%). The major crisis of the sector was characterized by an increase in the number of benefits and a reduction in contributions (-5.48%), which led to the decision to integrate the Inpgi substitutive fund into the INPS fund for employed workers (FPLD) as of July 2022. Chartered accountants, veterinarians and lawyers showed a good revenues/expenditure ratio, with values close to or greater than 2, i.e. with contribution revenues over twice as high (2.83 times for CNPADC) as pension benefits; the other schemes featured a substantially stable balance, albeit with a slight decrease due to the effect of the COVID-19 pandemic on contributions.

With regard to the *"ratio of pensioners vs active members"*, the best result was obtained by the fund for lawyers (Cassa Forense) (only 12.15 pensioners for every 100 active members) followed by the fund for chartered accountants (Cassa Dottori Commercialisti) (12.73) and INARCASSA (22.91); the ratio for INPGI (67.56 pensioners for every 100 active members) and that of the fund for notaries (Cassa del Notariato) (51.34) were more problematic. It should be noted that only the fund for pharmacists (Cassa dei Farmacisti) and that of notaries (Cassa del Notariato) managed to improve their ratio, albeit slightly, compared to 2019 (from 26.06 to 25.39 and from 51.55 to 51.34 respectively). This downward trend depends both on the ageing of the population and on the contingent situation such as the number of general practitioners retiring from the National Health System, who are not being adequately replaced as, unfortunately, highlighted by the start of the Covid pandemic.

The *average pension/average contribution ratio* ranges from 1.51 for veterinarians to 4.13 for lawyers, (down from 4.23 in 2019 and 4.38 in 2018); slightly down from 2.90 in 2019 and 3.04 in 2018 to 2.76 in 2020 for engineers/architects, slightly down from 2.81 in 2019 to 2.77 in 2020 for accountants, to 2.38 times the average contributions in 2020 for INPGI (slightly up with respect to 2.23 in 2019). The remaining schemes have lower ratios with very limited downward and upward trends.

Enpam has a particular situation; it has among its members both freelance physicians, such as family doctors, and physicians employed by public and private healthcare companies whose basic pension is provided by INPS (formerly Inpdap); freelance doctors pay their contributions to and receive their pension benefits from Enpam, while employed physicians are members of this fund because they belong to a chartered association, but pay lower contributions and receive low benefits since these are complementary to the public ones. In this case, if the last two indices are recalculated taking into consideration the number of physicians who receive one or more pensions rather than the number of benefits, they become more comparable with those of the other funds where the number of pensions coincides with the number of recipients. More precisely, the ratio of pensioners vs. active workers goes from 65.97 to 35.29 (up with respect to 33.49 in 2019) while the

² For more details on the reform, see Chapter 3 of the VI Report. Further provisions were related to the recalculation of the 2007-2016 average salaries, only in line with the Istat adjustment, the introduction of a contribution ceiling for new members, safeguard clauses for the unemployed or redundant workers, and solidarity and mobility benefits. Finally, the "Lotti decree" of May 2017 set new rules for early retirement, with the age pegged to that for old age benefits and a maximum advance limit of 5 years, and provided for partially financing social shock absorbers.

average pension/contribution ratio goes from 0.96 to 1.78, down with respect to 1.82 in the previous year.

As to the recovered sums for omitted or unpaid contributions (**Table 3.3**), the 509 schemes experienced a growth by 28 million in 2019 and by 15 million in 2020, due to the effects of the pandemic, after the reduction by 66 million in 2018 vs. 2017.

Table 3.2 - Economic and demographic indicators of the 509 schemes in 2020 (millions of euros)

		ENPACL	ENPAV	ENPAF	CF	INARCASSA	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM
Spesa per pensioni	2020 (mln €)	132,22	52,14	154,71	873,48	746,63	510,28	237,03	313,88	215,28	547,10	2.038,25
	var. % 19-20	2,41	10,85	1,09	1,33	6,03	1,22	0,61	5,34	1,64	1,74	11,07
	var. % 15-20	29,91	39,91	-1,52	14,08	39,58	8,49	4,90	24,05	6,74	17,97	52,00
	var. % 10-20	99,49	80,26	-0,16	40,27	149,77	35,70	38,50	64,53	22,68	47,89	95,25
	var. % 1989-20	1.708,95	6.048,11	-47,41	1.279,56	3.188,09	1.913,51	2.515,94	2.073,08	329,89	713,40	1.279,56
Entrate contributive per pensioni	2020 (mln €)	181,92	132,13	265,64	1.741,72	1.181,93	553,29	281,29	888,98	267,30	340,61	3.218,87
	var. % 19-20	1,55	8,87	-0,38	2,66	4,77	1,25	-4,97	2,61	-9,13	-5,48	8,37
	var. % 15-20	7,51	37,86	1,48	14,92	20,04	18,27	0,50	21,80	1,32	-3,03	35,49
	var. % 10-20	61,81	96,80	2,76	61,96	78,80	41,82	8,66	61,96	61,96	61,96	56,70
	var. % 1989-20	1.200,65	4.247,97	156,99	1.665,93	1.243,15	691,85	1.152,62	1.665,93	1.665,93	1.665,93	665,95
Saldo pensionistico	2020 (mln €)	49,71	80,00	110,93	868,24	435,30	43,01	44,26	575,10	52,03	-206,49	1.180,62
	var. % 19-20	-0,66	7,62	-2,37	4,03	2,66	1,67	-26,72	1,18	-36,81	16,40	4,01
	var. % 15-20	-26,29	36,55	5,98	15,79	-3,20	-1.801,93	-17,94	20,61	-16,26	83,55	14,10
	var. % 10-20	7,70	109,32	7,12	91,81	20,21	204,91	-49,55	57,50	78,10	-1.415,58	16,87
	var. % 1989-20	644,31	3.551,25	-7.081,13	2.358,70	566,72	-3,42	230,40	1.469,68	132,25	-836,32	729,87
Rapporto tra entrate contributive e spesa per pensioni	2020	1,38	2,53	1,72	1,99	1,58	1,08	1,19	2,83	1,24	0,62	1,58
	2019	1,39	2,58	1,74	1,97	1,60	1,08	1,26	2,91	1,39	0,67	1,62
	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	3,54	1,45	1,42	1,51
Rapporto pensionati/attivi*100	2020	43,95	26,19	25,39	12,15	22,91	47,16	40,94	12,73	51,49	67,56	65,97
	2019	42,98	24,68	25,76	12,01	21,52	45,00	39,17	12,24	51,55	67,06	63,21
	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	2020	1,65	1,51	2,29	4,13	2,76	1,96	2,06	2,77	1,56	2,38	0,96
	2019	1,68	1,57	2,23	4,23	2,90	2,05	2,03	2,81	1,40	2,23	0,98
	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; Ratio of Pension expenditure vs. Contribution revenues; Ratio of Pensioners vs. Active workers, Average pension/Average contribution ratio

Table 3.3 - Recovered sums for omissions, penalties and interests for late payments of the 509 schemes in 2020 and in 2019 (millions of euros)

2020	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CNN	CIPAG	CNPR	CNPADC	INPGI	ENPAM	TOTALE 509
Contributi prestazioni pensionistiche	181,9	132,1	265,6	1.741,7	1.181,9	267,3	553,3	281,3	889,0	340,6	3.218,9	9.053,7
Recuperi per omissioni, sanzioni e interessi per ritardati versamenti	1,4	0,8	0,4	39,2	10,2	0,0	13,4	66,0	0,6	3,4	15,2	150,6
Percentuale	0,76%	0,62%	0,16%	2,25%	0,86%	0,00%	2,42%	23,48%	0,07%	1,00%	0,47%	1,66%

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

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”, pension benefits are still very few, so the *ratio of pension expenditure vs contribution revenues* is generally very positive, although slightly diminishing following the aging and the retirement of their members. In fact, this ratio ranges from 4.58 for industrial experts (EPPI) to almost 12 times for psychologists (ENPAP) and slightly 6.8 times for biologists (ENPAB). The ratios of 16.79 for nurses (ENPAPI) and of 83 for agricultural technical

experts (ENPAIA AGR.) are very positive but not very significant: the former is 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 (51) (*Tables 4-103* on the web). All schemes had an improvement of this parameter by at least one point, with a maximum of 3.69 for biologists.

Table 3.4 - Economic and demographic indicators of Schemes under Leg. D. 103/1996 in 2020
(millions of euros)

		EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2
Spesa per pensioni	2020 (mln €)	21,06	13,30	5,52	6,73	0,05	1,45	9,76	6,04
	var. % 19-20	5,19	19,15	15,83	20,89	62,72	19,97	11,39	12,79
	var. % 15-20	90,25	116,81	117,23	164,27	179,87	91,94	82,47	54,21
	var. % 10-20	456,73	1.436,86	600,78	822,87	1.608,60	245,50	430,41	759,04
	var. % 2000-2020	0,00	0,00	0,00	0,00	0,00	1.495,62	0,00	216.055,26
Entrate contributive per pensioni	2020 (mln €)	96,53	155,54	92,75	45,85	4,01	8,23	56,58	41,91
	var. % 19-20	-10,11	8,27	1,77	-21,57	19,74	-3,03	-7,33	-6,85
	var. % 15-20	18,66	54,57	10,69	9,51	75,45	0,60	6,55	-0,38
	var. % 10-20	79,27	116,43	124,39	48,21	176,31	-2,26	8,81	84,74
	var. % 2000-2020	133,17	464,75	882,22	165,37	500,08	84,48	-43,94	265,49
Saldo pensionistico	2020 (mln €)	75,47	142,24	87,23	39,13	3,96	6,79	46,82	35,87
	var. % 19-20	-13,62	7,36	1,00	-26,04	19,35	-6,83	-10,47	-9,50
	var. % 15-20	7,38	50,53	7,36	-0,50	74,65	-8,66	-1,95	-5,99
	var. % 10-20	50,76	100,34	115,13	50,76	173,51	-15,21	-6,66	63,17
	var. % 2000-2020	82,31	416,47	823,73	82,31	492,85	55,24	-53,61	212,88
Rapporto tra entrate contributive e spesa per pensioni	2020	4,58	11,70	16,79	6,82	83,00	5,70	5,80	6,94
	2019	5,36	12,87	19,11	10,51	112,79	7,05	6,97	8,40
	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
	2000	0,00	0,00	0,00	0,00	0,00	49,26	0,00	4.102,59
Rapporto pensionati/attivi*100	2020	38,08	7,61	7,43	12,01	2,34	21,21	10,41	5,88
	2019	36,03	7,17	6,67	10,67	2,03	20,23	9,74	5,64
	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
	2000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Rapporto pensione media/contributo medio	2020	0,57	1,12	0,80	1,22	0,51	0,83	1,66	2,45
	2019	0,52	1,08	0,78	0,89	0,44	0,70	1,47	2,11
	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
	2000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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

Consequently, also the *ratio of pensioners vs. active members* cannot but be strongly positive; except for the two small special funds of ENPAIA; it goes from 5.88 pensioners for every 100 active members of INPGI (separate scheme) to 7.43 for nurses (ENPAPI), to 7.61 for psychologists (ENPAP) up to a maximum of 38.08 pensioners for every 100 active members for industrial experts (EPPI); the other schemes feature around 8-10 pensioners. As these schemes become more "mature", their number of pensioners can only grow, thus raising the value of this ratio.

Table 3.5 - Recovered sums due to omissions, sanctions and interests for delayed payments of Schemes under Legislative decree 103/1996 in 2019 and in 2020 (millions of euros)

2020	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE 103
Contributi prestazioni pensionistiche	96,5	155,5	92,7	45,9	4,0	8,2	56,6	41,9	501,4
Recuperi per omissioni, sanzioni e interessi per ritardati versamenti	2,6	3,6	5,9	0,0	0,0	0,1	1,3	1,4	15,0
Percentuale	2,67%	2,34%	6,35%	0,02%	1,12%	1,64%	2,36%	3,24%	2,99%

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 e 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%

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

Finally, the "*average pension/average contribution ratio*", net of the two special funds of ENPAIA, shows that the average pension is higher than the average contribution by as much as 2.45 times for Journalists (INPGI-separate scheme), by 1.66 times for the multi-category scheme (EPAP), by 1.22 times for biologists and by 1.12 times for psychologists. For the other schemes, I the ratio is good and lower than 1, substantially stable compared to 2019, with a slight increase for industrial experts, whose average pension is 57% of their average contribution, and it is 80% for nurses. In any case, compared to the previous year, all these schemes featured a slightly higher ratio. As to recovered sums (*table 3.5*), in 2020, the 103 schemes had a generalized reduction by a total of 5 million in absolute terms due to the same reasons reported for the 509 funds.

3.3 Other sustainability indicators, operating costs and accounting data

The *second long-term sustainability indicator* is the *overall balance of all revenues, benefit expenditure and operating expenses*, which gives the most exhaustive picture of the situation of individual schemes. Since 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, management fees and extraordinary expenses). This makes it possible to obtain their *accounting balance*, that is their overall economic results and to monitor their performance over time³. In 2020, for both types of schemes, the accounting balance was characterized by a drastic reduction compared to the good results of the previous year, with particular reference to the 103 funds, for which it dropped by more than 50%. In detail, the 509 schemes featured a total accounting balance which decreased by as much as 1.36 billion euros, - 29% compared to 2019 due to the constraints caused by the COVID pandemic, and, also in 2020, a further increase of the imbalance between contribution revenues and pension benefits for INPGI. Revenues from assets under management dropped by approximately 1 billion euros as a result of the performance of the financial markets and the need for these schemes to have a large amount of liquidity to pay the welfare contributions (bonuses) decided by the State in advance to their

³ Just for the record, it should be remembered that in relation to the projected sustainability of accounts at 50 years (Article 24, par. 24, Act no. 214/2011 Monti-Fornero), we do not agree with the constraint (also questionable from a technical point of view) that imposes an always positive pension balance without considering revenues from assets and without being able to use part of these assets in periods of temporary growth of pension expenditure that are not infrequent at times of economic crisis or changing work scenarios. One wonders what these assets are used for since they are continuously increasing and pose serious problems of profitability and maintenance of real values.

members, which were then reimbursed towards the end of the year. It is also important to consider the postponement in the payment of contributions and the increase in welfare benefits for health insurance and aid in case of infections or quarantines. Even more pronounced was the reduction in the balance for the 103 schemes, which fell from 209 million in 2019 to 89 million (-121.5 million - 58.2%); like for the 509 schemes, this was caused by a drop in the revenues from assets under management (-90 million) and the worsening of the ratio of contribution revenues vs. pension expenditure for the same reasons illustrated for the 509.

Finally, the Report also provides the ratio of operating costs vs. the so-called *production value* (the sum of total revenues and expenditure). In 2020, for the 509 schemes, the ratio continued to decrease down to 2.16% compared to 2.59% in 2019 and 2.63% in 2018, despite the slight reduction in the value of production (-0.90%) due to lower returns from assets under management. For all the 103 funds, expenditure remained stable, but there was a reduction in the revenues from assets under management which brought this index to 5.62% from the previous 5.07%. **Tables 3.6** and **3.7** summarise the above-mentioned indicators for the 509 and 103 schemes.

Table 3.6 - Other indicators of Schemes under Leg. D. no. 509/1994
(millions of euro, as % of the production value)

		ENPA CL	ENPA V	ENPA F	CF	INARCAS	CIPAG	CNPR	CNPADC	CNN	INPGI	ENPAM	TOTALE
Contributi prestazioni pensionistiche	Importo	181,92	132,13	265,64	1.741,72	1.181,93	553,29	281,29	888,98	267,30	340,61	3.218,87	9.053,68
Contributi prestazioni assistenziali	Importo	25,59	2,35	3,31	80,44	10,92	9,62	15,85	8,20	1,48	23,42	16,40	197,59
Rendimenti gestione ed altre entrate	Importo	22,21	17,65	54,62	270,64	270,64	79,08	202,63	212,04	65,14	30,47	909,46	2.134,59
Totale ricavi	Importo	229,72	152,13	323,57	2.308,87	1.463,49	641,99	499,77	1.109,22	333,92	394,50	4.144,73	11.601,92
Spesa prestazioni pensionistiche	Importo	132,22	52,14	154,71	873,48	746,63	510,28	237,03	313,88	215,28	547,10	2.038,25	5.820,98
Spesa prestazioni assistenziali	Importo	6,54	6,19	9,62	81,42	33,89	10,87	6,60	30,32	49,45	13,23	31,06	279,18
Spese funzionamento altre uscite	Importo	39,26	37,48	37,57	197,48	197,48	85,64	191,20	288,69	30,99	76,34	853,82	2.035,95
Totale Costi	Importo	178,02	95,81	201,90	1.308,79	977,99	606,79	434,83	632,89	295,72	636,67	2.923,13	8.292,53
Saldo contabile	Importo	51,70	56,33	121,67	1.000,08	485,50	35,20	64,94	476,33	38,21	-242,17	1.221,60	3.309,39
Totale ricavi + prestazioni	Importo	368,48	210,45	487,90	3.263,77	2.244,00	1.163,14	743,40	1.453,41	598,65	954,83	6.214,04	17.702,09
Spese di funzionamento	Importo	11,05	11,02	12,76	144,69	36,35	35,61	15,85	22,56	8,58	27,62	59,55	385,64
Incidenza sul valore della produzione	Perc.	3,00%	5,24%	2,62%	4,43%	1,62%	3,06%	2,13%	1,55%	1,43%	2,89%	0,96%	2,18%

Contributions for pension benefits; Contributions for welfare benefits; 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; As % of the production value.

Table 3.7 - Other indicators for Schemes under Leg. D. no. 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	96,53	155,54	92,75	45,85	4,01	8,23	56,58	41,91	501,40
Contributi prestazioni assistenziali	0,11	11,25	2,14	2,50	0,01	0,02	0,50	3,37	19,90
Rendimenti gestione altre entrate	55,85	85,15	112,60	27,54	3,24	9,09	35,16	1,67	330,30
Totale ricavi	152,49	251,94	207,49	75,89	7,26	17,35	92,24	46,95	851,60
Spesa prestazioni pensionistiche	21,06	13,30	5,52	6,73	0,05	1,45	9,76	6,04	63,90
Spesa prestazioni assistenziali	5,74	18,96	5,50	4,26	0,04	0,06	2,34	0,84	37,74
Spese funzionamento ed altre uscite	104,12	191,76	196,91	56,90	6,77	14,80	77,35	13,95	662,58
Totale Costi	130,92	224,02	207,94	67,89	6,86	16,31	89,45	20,83	764,21
Saldo contabile	21,57	27,92	-0,45	8,00	0,40	1,04	2,78	26,12	87,39
Totale ricavi + prestazioni	179,29	284,20	218,51	86,87	7,35	18,85	104,34	53,82	953,24
Spese di funzionamento	4,39	7,39	10,46	7,52	2,77	4,41	4,88	11,75	53,57
Incidenza sul valore della produzione	2,45%	2,60%	4,79%	8,65%	37,64%	23,38%	4,68%	21,84%	5,62%

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; As % of the production value.

In order to have a more exhaustive picture of the world of these “Schemes, it is useful to provide an analysis, albeit short, on their membership over the years. The latest available data of 2019⁴ show a slight reduction in the total number of active members paying contributions (-0.30%) due to the significant increase in the number of pensioners who are still working (+4.16% in 2019) and the 0.54% drop in the number of active members paying contributions. This phenomenon is not short-lived; in fact, since 2005, the number of pensioners has grown by 110.82% for retirees and that of active members by 25.05%. At the end of 2019, active pensioners accounted for 5.3% of the total. Pensioners who are still working continue to pay their contributions due to the recent reforms that have gradually increased the personal contribution component in the calculation of pension benefits and to recurring economic and financial crises that lead people to continue with their profession.

The demographic analysis of members shows slight fluctuations in the various age groups: very slight growth up to the age of 30 (6.9% in 2019 compared to 6.8% in 2018 and 7% in 2017); slight reduction in the 30-40 age group, 21.2% compared to 21.5% the year before; further reduction in the 40-50 age group (27.9% from 28.8% in 2018 and 28.2% in 2017), slight recovery in the 50-60 age group equal to 25.3% from 24.9%; increase in the 60-70 age group (from 15% to 15.6%) and drop for subjects the over 70 years of age (from 3.6% to 3.1%). The progressive growth of the 50-60 and 60-70 age groups is mainly due to the welfare reforms that have raised the retirement age and correlated pensions more closely to the contributions paid, but also to the desire to remain active and maintain a stable economic condition as much as possible.

The growth in the number of women continued, rising from 37.9% in 2017 to 39.8% in 2018 and 40.6% in 2019 out of the total number of members, with an average age of 45 compared to 50 for men. More in detail, the analysis of the age groups shows that for professionals under 40 years of age, the female component had a further increase from 48% in 2017 to 53% in 2018 up to 54% in

⁴ VIII ADEPP Report.

2019. The situation obviously changes in older age groups, where the number of women drops to 26.8% between 60 and 70 years of age and to 14.1% above 70. Women account for 51% of new members with an age difference: 32 years for women and 35 for men.

From the geographical point of view, the average number of professionals per thousand inhabitants is about 27 at the national level and the regions range from the lowest in Trentino-Alto Adige with 22 to the highest in Latium with 31. The regions of central Italy feature the highest percentage of professionals; those with the highest number of professionals are Liguria with 30, Tuscany with 29, Umbria and Abruzzo with 30 and Latium, while those with the lowest number are Friuli-Venezia Giulia with 24 and Piedmont, Veneto, Apulia and Sicily with 25.

3.4 Welfare benefits

All these schemes provide other benefits in addition to pensions, such as welfare benefits to support their members, their families and their profession, on the basis of their identified needs and requirements in order to better adjust their welfare offer. Considering the wide range of this type of benefits, ADEPP has subdivided the "strategic welfare " measures into 4 groups:

- **Health:** economic assistance to members (in some cases and circumstances also to pensioners) and their families in case of hardships, need, illness or disability.
- **Family:** maternity incentives and assistance for the disabled as well as day-care or babysitting allowances, subsidies to pay the fees in elderly homes (if not included in an insurance policy).
- **Professionals:** "ad hoc" conventions to allow members to pay their rent not only of their office but also of co-working spaces and to purchase new equipment to provide their clients with more efficient services in appropriate and safe working environments.
- **Access to Credit:** services and financial instruments to facilitate access to credit and to start-up their profession.

The overall amount of these benefits is a marginal part of the volume of pension benefits paid and they are mainly provided by the 509 schemes. It should also be noted that these benefits do not affect the sustainability of these schemes as they are financed by ad-hoc contributions and partly by supplementary contributions and, above all, they do not entail permanent future commitments. A comparison with the 2019 data shows a slight reduction in contributions for the 509 (-6 million) against a modest increase in benefits by 1.5 million. On an individual basis, in 2020 only Enpac, Cassa Forense, Cipag geometri, Ragionieri and Inpgi were able to finance their benefits through specific contributions.

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

2020	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CNN	CIPAG	CNPR	CNPADC	INPGI	ENPAM	TOTALE
Contributi prestazioni assistenziali	25,59	2,35	3,31	80,44	10,92	1,48	9,62	15,85	8,20	23,42	16,40	197,59
Spesa prestazioni assistenziali	6,54	6,19	9,62	81,42	33,89	49,45	10,87	6,60	30,32	13,23	31,06	279,18
2019	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CNN	CIPAG	CNPR	CNPADC	INPGI	ENPAM	TOTALE
Contributi prestazioni assistenziali	25,37	2,44	4,97	72,33	10,18	3,11	12,91	18,38	13,40	24,40	15,99	203,48
Spesa prestazioni assistenziali	6,62	6,00	11,76	94,67	29,91	42,07	7,11	6,05	22,52	18,08	32,91	277,70

Contributions for welfare benefits; welfare benefit expenditure

Turning to the 103 schemes, the data show that, even in 2020, welfare benefits were mainly provided by ENPAP, and that only the separate fund for journalists managed to finance its benefits through specific contributions; all the schemes featured an increase in contributions by 1 million and in benefits by 5 million. The figures are related to "normal" welfare benefits and do not take into account the Covid extraordinary interventions promptly and effectively adopted by these funds to support their members and families. In particular:

- postponing the payment deadline of social security contributions
- specific contributions to hard-pressed members
- supporting access to credit
- prevention and diagnostic services (swabs and molecular tests)
- new and broader healthcare services, including policy upgrades.

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

2020	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE
Contributi prestazioni assistenziali	0,11	11,25	2,14	2,50	0,01	0,02	0,50	3,37	19,90
Spesa prestazioni assistenziali	5,74	18,96	5,50	4,26	0,04	0,06	2,34	0,84	37,74

2019	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE
Contributi prestazioni assistenziali	0,03	10,77	2,26	2,55	0,02	0,00	0,48	2,84	18,95
Spesa prestazioni assistenziali	2,40	17,25	5,80	4,26	0,03	0,07	2,19	0,69	32,69

Contributions for welfare benefits; Welfare benefit expenditure

These schemes, then, played an important subsidiarity role to immediately implement the measures decided by the government to support professionals since the mammoth bureaucracy was not able to provide a timely response ("Fund for the Last Resort Income " under Art. 44 of the Law Decree no. 18 of March 17 2020, as amended by art. 78 of Law Decree no. 34 of May 19 2020, and the Interministerial Decree of May 29, 2020). In particular, these funds verified all the applications submitted and paid in advance the contributions that the State refunded only at the end of the year. This has led not only to additional administrative costs, but especially to the need to find the necessary liquidity to honour these payments by postponing financial investments and resorting to bank credit with their related costs. Finally, it is important to stress that, in addition to these measures, some schemes have provided specific aid to their members: ENPAM with 176 million, INARCASSA with 108 million, CASSA FORENSE with 40 million and CONSULENTI DEL LAVORO with 16 million. When these support benefits were paid, they were not able to deduct from their taxes these COVID-19 emergency subsidies, indemnities and any other measures provided to professionals; only later were they allowed to do so under art. 10-bis of Law Decree no. 137 of 28/10/2020, ("Decreto Ristori").

3.5 Assets of Privatized Schemes and their evolution⁵

The privatised schemes analysed so far had **81,486,555,531** a worth of assets on December 31, 2020. This means that the resources available to these institutional investors continued to show a

⁵ For the analysis of the assets of these Schemes and their evolution, please see the VIII Annual Report "Italian Institutional Investors: members, resources and managers in 2020" which can be downloaded without charges from on the www.itinerari previdenziali.it website.

considerable growth, albeit to a lesser extent than in 2019, by 3.7 billion (3.2 for the 509 and 0.5 for the 103) and by 4.78% (4.51% for the 509 and 7.47% the 103)⁶.

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, *increased the percentage to be allocated to qualified investments from 5% to 8% of assets*. However, the Decree pursuant to par. 3 of Article 27 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 Law Decree no. 166 of September 2, 2014 on pension funds.

The analysis of the 81.487 billion euros' worth of assets of privatized funds (73.9 for the 509 and 7.57 for the 103) clearly shows a preference for direct investments, that account for 79.16% of the total (77.56% for the 509 and 94.77% for the 103)⁷. This is due to the capacity of these schemes to operate as autonomous institutional investors and, therefore, to directly manage also complex financial instruments. In absolute terms, out of 81.487 billion euros' worth of assets, direct investments account for 64.504 billion (57.32 for the 509 and 7.18 for the 103), while indirect mandated investments amount to 16.82 billion (slightly down with respect to 17.86 in 2019 but still up with respect to 15.70 billion in 2018), 16.42 of which for the 509 and 0.40 for the 103. *Table 3.10* shows for each scheme the asset classes (in absolute terms and as percentage) where the 64.5 billion euros are invested directly; UCITs (33.6%) and AIFs (14.5%) are the most prominent forms of investment in the portfolios of these schemes and together they account for 48.10% of the assets invested directly. The 509 schemes invested even more in UCITS (32.9% compared to 14% for AIFs); the 103 schemes too invested more in UCITS while their AIF investments remained stable (38.8% and 18.3% respectively).

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

Cassa	Inv. immobiliari		Inv. monetari		Inv. obbligazionari		Inv. azionari		OICR		Polizze assicurative		FIA		ETF		Altre attività		Inv. diretti totali
	Importo	%	Importo	%	Importo	%	Importo	%	Importo	%	Importo	%	Importo	%	Importo	%	Importo	%	Importo
CIPAG	189.60	7.5%	110.80	4.4%	0.00	0.0%	76.60	3.0%	654.36	25.9%	0.00	0.0%	348.95	13.8%	0.00	0.0%	1.142.97	45.3%	2.523.48
CNN	170.42	10.4%	177.84	10.9%	67.16	4.1%	0.38	0.0%	721.59	44.1%	14.64	0.9%	406.48	24.9%	27.87	1.7%	49.18	3.0%	1.635.57
CNPADC	334.62	3.5%	2.091.51	21.8%	569.61	5.9%	225.00	2.3%	4.134.25	43.1%	53.46	0.6%	1.014.62	10.6%	404.32	4.2%	772.82	8.1%	9.600.19
CNPR	123.01	7.3%	169.41	10.0%	54.04	3.2%	56.48	3.3%	59.50	3.3%	32.00	1.9%	735.80	43.5%	7.49	0.4%	455.49	26.9%	1.693.23
CF	18.65	0.1%	1.718.05	12.0%	2.088.38	14.6%	1.571.99	11.0%	4.156.86	29.0%	0.00	0.0%	2.295.35	16.0%	495.07	3.5%	1.998.52	13.9%	14.342.88
INARCASSA	17.23	0.1%	720.49	6.2%	1.293.86	11.2%	1.027.11	8.9%	5.752.69	49.8%	0.00	0.0%	1.253.49	10.9%	0.00	0.0%	1.479.28	12.8%	11.544.16
ENPAF	114.81	4.1%	397.85	14.1%	1.069.35	38.0%	119.64	4.3%	739.59	26.3%	0.00	0.0%	243.26	8.6%	31.74	1.1%	98.67	3.5%	2.814.92
ENPAM	4.904.05	51.5%	424.90	4.5%	95.00	1.0%	235.00	2.5%	1.686.09	17.7%	225.64	2.4%	394.41	4.1%	0.00	0.0%	1.566.57	16.4%	9.331.67
ENPACL	32.76	2.3%	39.55	2.8%	61.49	4.3%	108.97	7.7%	543.24	38.4%	0.00	0.0%	340.22	24.0%	0.00	0.0%	289.29	20.4%	1.415.52
ENPAV	104.15	11.4%	98.35	10.8%	97.35	10.7%	13.63	1.5%	251.67	27.6%	4.27	0.5%	175.45	19.2%	49.97	5.5%	118.43	13.0%	913.28
ENPGI	5.18	0.4%	29.47	2.3%	0.00	0.0%	0.00	0.0%	177.56	13.6%	0.00	0.0%	808.73	61.8%	0.00	0.0%	287.20	22.0%	1.308.14
Totale 509	6.014.49	10.5%	5.978.23	10.4%	5.396.24	9.4%	3.434.81	6.0%	18.877.60	32.9%	330.02	0.6%	8.016.76	14.0%	1.016.47	1.8%	8.258.42	14.4%	57.323.03
ENPAPI	25.10	2.2%	40.13	3.5%	5.00	0.4%	24.19	2.1%	287.61	25.0%	30.84	2.7%	447.95	38.9%	0.00	0.0%	290.42	25.2%	1.151.25
ENPAP	13.72	1.2%	72.59	6.4%	123.42	10.9%	0.00	0.0%	771.52	67.9%	2.99	0.3%	62.12	5.5%	10.00	0.9%	79.40	7.0%	1.135.76
EPAP	5.25	0.3%	43.21	2.3%	354.31	18.8%	10.00	0.5%	955.87	50.6%	0.00	0.0%	263.39	14.0%	0.00	0.0%	256.05	13.6%	1.888.08
EPPI	0.00	0.0%	294.04	18.1%	242.79	15.0%	33.48	2.1%	76.69	4.7%	108.51	6.7%	369.03	22.8%	295.18	18.2%	201.79	12.4%	1.621.52
ENPAB	2.77	0.7%	148.15	37.8%	70.58	18.0%	1.00	0.3%	25.59	6.5%	0.00	0.0%	77.47	19.7%	0.00	0.0%	66.83	17.0%	392.40
ENPAIA Periti Agrari	6.58	3.4%	27.37	14.2%	23.83	12.4%	36.22	18.8%	59.85	31.1%	0.00	0.0%	16.29	8.5%	0.00	0.0%	22.23	11.6%	192.37
ENPAIA Agrotecnici	0.00	0.0%	3.77	8.3%	11.41	25.0%	5.41	11.9%	10.80	23.7%	0.00	0.0%	3.91	8.6%	1.87	4.1%	8.43	18.5%	45.60
ENPGIGS	0.00	0.0%	41.90	5.6%	0.00	0.0%	0.00	0.0%	596.94	79.2%	0.00	0.0%	72.87	9.7%	0.00	0.0%	41.98	5.6%	753.68
Totale 103	53.42	0.7%	671.16	9.3%	831.34	11.6%	110.31	1.5%	2.784.87	38.8%	142.34	2.0%	1.313.04	18.3%	307.06	4.3%	967.13	13.5%	7.180.66
TOTALE CASSE	6.067.91	9.4%	6.649.39	10.3%	6.227.57	9.7%	3.545.12	5.5%	21.662.47	33.6%	472.35	0.01	9.329.80	14.5%	1.323.53	2.1%	9.225.55	14.3%	64.503.69

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

⁶ 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 to them by 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.

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), Italian corporate bonds, amounts to **16.3 billion euros** equal to **22.06%** of total assets, a significant result when compared to other investors in the social security framework such as pension funds. In addition to these investments, it is important to also consider those in government bonds that contribute to financing the national economy with an amount equal to 4.5 billion euros.

4. Other types of schemes: GPT (Temporary Benefit Schemes) and GIAS (Welfare Benefit Scheme); active labour policies

In addition to pension funds, the Italian social protection system provide a series of income support benefits in case of involuntary unemployment, unemployment, sickness, maternity and other benefits for workers and their families, through GPT (Temporary Benefit Scheme) set up within INPS; GIAS, another INPS scheme, provides most of welfare benefits paid by the State; as illustrated in Chapter 7, other welfare benefits with a lower impact on the financial situation of the system are managed by local authorities. The financial situation of these two schemes are analysed below.

4.1 GPT: income support benefits in the year of SARS-CoV-2

The *Temporary Benefit Fund* was set up pursuant to Art. 24 of Act no. 88 of March 9, 1989¹ and integrated some pre-existing schemes. It provides income support benefits to *private-sector employed workers* in case of unemployment, sickness and maternity, as well as family allowances (ANF) and notional contributions in period of inactivity for the purpose of pension entitlement and level of benefits; it operates in synergy with FPLD (Pension fund for employed workers) with a single accounting system. Article 21 of Act no. 88/1989 envisaged the principle of solidarity within this sector, according to which the INPS Board of Directors may decide to use any surplus of GPT, without interests, to support FPLD if it runs a deficit, thus allowing this fund to restore its equilibrium. Under Article 24 (2) of Act no. 88/1989 and following the above-mentioned reorganisation, GPT is financed by the contributions paid by enterprises, which were previously paid to pre-existing funds and schemes merged into it with all their assets and liabilities and it provides the benefits related to these contributions.

These are the main benefits provided to workers who fulfil some particular requirements:

- (a) *NASpI benefits² 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);
- (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;*

¹ Act no.88/89 which reformed INPS and re-organized the economic and financial structure of the main pension and welfare and income-support funds.

² NASpI (New Social Benefits for Employment) was introduced in 01/05/2015, under Leg. Decree n. 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 1,221.44 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 4th month in which the benefits have been received (see INPS circular letter n. 94 of 12/5/2015). NASpI is paid monthly for a number of weeks equal to half the number of contribution weeks in the last four years. For the purpose of calculating its duration, contribution periods that have already been considered for unemployment benefits are not taken into account and the same for the contributions that have produced lump-sum benefits paid in advance.

(f) *Sickness and maternity benefits* and any other form of *temporary* benefits other than pensions.

Extraordinary COVID benefits: Following the COVID-19 health crisis, the Italian government enacted a series of law decrees³ to launch measures designed to support the labour market, such as:

- a) The ad-hoc **COVID-19 entitlement** for enterprises to benefit from redundancy funds (CIGO and CIG in deroga) as of 23 February 2020, for a maximum of 54 weeks. The rules for granting CIG benefits are extended to the ordinary allowances provided by INPS bilateral solidarity funds and by non-INPS alternative ones (fund for artisans and temporary workers). In particular, for the Fund for supplementary wage benefits (former residual fund), all registered companies with solidarity allowances by February 23, 2020, were allowed to discontinue these types of benefits and apply for ordinary allowances; almost the same for companies entitled to extraordinary redundancy funds benefits by February 23, 2020, which were allowed to give them up and apply for the ordinary supplementary wage benefits. Since then, the law decrees listed in the footnote have gradually introduced a series of exceptions to reduce the number of companies entitled to CIG; then the Prime Minister issued a Decree on 15 October 2021, which extended the possibility for enterprises that had finished their CIG entitlement period in October 2021, to benefit from the Covid redundancy fund until December 31 without paying contributions.
- b) **Allowances:** the government has provided for a series of allowances for self-employed and atypical workers, with the aim of alleviating their difficulties resulting from the health crisis; the most relevant measures have been targeted to members of separate scheme, with or without a VAT registration number, to self-employed workers registered with the INPS special funds (retailers, artisans, farmers, tenant farmers and sharecroppers and professional agricultural entrepreneurs), professionals registered with private compulsory funds, seasonal tourist workers, intermittent workers, home sales service workers and others; the Government established an allowance of 600 dollars for March and April, raised to 1,000 for some categories for the month of May. Under other legal provisions, some categories of workers (self-employed workers, without a VAT registration number, seasonal employed workers, subjects registered with the fund for entertainment and show-business workers, intermittent workers and home sales workers with certain requirements) are entitled to an all-inclusive allowance of 1,000 euros paid three times without the need for a new application, in addition to the 600 euros for the months of March, April and May. Other allowances have been provided for domestic, cross-border and maritime workers, and others. Finally, the Government set up a Last Resort Income Fund, repeatedly increasing its allocations under several decrees, so as to further support the income of employed and self-employed workers.
- c) **Work-life balance measures:** in the period between March 5 and August 31, 2020, Law Decree no.18/2020 introduced a series of measures aimed at coping with the discontinuation of educational services for children and teaching activities in schools; in particular, a special, continuous or fractioned leave, not exceeding 30 days, for parents with children up to 12 years of age (or even older in case of severely disabled children); it is an allowance equal to 50 per cent of the salary, plus notional contributions, as well as a baby-sitting bonus with a voucher of 1,200 euros, raised to 2,000 euros for workers in the health, police and security sector in general. Family members of disabled people can benefit from another 24 days of paid leave to be used until June 2020. Law Decrees no. 104/2020 and no.137/2020 established the right to agile work and,

³ Law Decrees in chronological order: no. 18 of March 17, 2020; no. 34 (Decreto Rilancio) of May 19, 2020; no. 104 (Decreto agosto) of August 14, 2020; no. 137 (Decreto Ristori) of October 28, 2020; no. 183 of December 31, 2020; no. 178 (2021 Budget Law) of December 30, 2020.

alternatively, 50% paid extraordinary leave for child quarantine from September 9 to December 31 2020. Law Decree no. 137/2020 extended the baby-sitting bonus from November 9, 2020 until December 3, only in the red zones, then extended this period until April 30, 2021.

- d) **Contribution incentives:** under Law Decree no.104/2020, employers in the private sector received a partial exemption for their contributions, except for the agricultural sector, provided that they had not renewed their application for the free-of-charge redundancy fund. In addition, they could be exempted from their contribution charges for hiring workers with long-term contracts and with fixed-term contracts in the tourism and spa sectors; finally, the so-called 'decontribuzione sud' (Contribution incentives for the South) introduced a partial exemption up to 30% for employers hiring in disadvantaged areas in southern Italy, with a 10% reduction by 2029. The 2021 Budget Law established the 'Fund for a partial contribution exemption for self-employed workers and professionals registered with INPS funds and privatised schemes with an income of less than 50,000 euros, with a decrease in their turnover of at least 33%.
- e) **Agile work:** Law Decree no. 18/2020 introduced agile work for public-sector workers during the emergency as the ordinary way of working in the public administration; subsequent Ministerial Decrees and Law Decree no.183/2020 extended these measures until 30 April 2021. For the private sector, Law Decrees no. 34/2020 and no.183/2020 established that, until the end of the state of emergency and in any case no later than 30 April 2021, private-sector employers had to use agile work for all their employees, even in the absence of individual agreements under the current legislation. Moreover, parents are allowed to work from home to help their children (under 14 and under 16 as of March 2021) who have to study with a remote-learning modality. Special conditions are also provided for categories, such as frail or in seriously-impaired workers (immune-suppressed, disabled, with disabled children and others).
- f) **Other labour market measures and freeze on dismissals:** under these provisions, fixed-term employment contracts in the private sector must be renewed or extended, for a maximum period of 12 months and only once; moreover, if they are discontinued due to the emergency, they must be extended by the whole inactivity period; then, this provision was extended to March 31, 2021 by the 2021 Budget Law. The eligibility for NASpI and DIS-COLL unemployment benefits expiring in the period between March 1 and April 30, 2020 was extended by four months and for benefits expiring between May 1 and June 30, 2020 by two months. Law Decree no. 18/2020, later amended by Law Decree no. 34/2020 banned individual dismissals for objective reasons regardless of the number of employees, and collective dismissals (with a halt to ongoing procedures) for a period of 5 months starting from March 17, 2020. Then under some later provisions, this ban was extended to March 31, 2021. In the emergency period, other rules have been introduced on quarantine periods (equating quarantine periods with sickness), on the regulatory definition of infection contracted in the workplace and on a '*New Skills Fund*' (Article 88 of Law Decree no. 34/2020) designed to train subjects working in enterprises that are to sign collective agreements to adjust working hours due to changed organisational needs and to promote outplacement paths.
- g) **Extensions and expiry provisions:** As a result of the COVID-19 emergency, the government has provided for a whole series of extension and expiry provisions designed to help households and enterprises to cope with this difficult situation. The deadlines to apply for unemployment benefits have been extended; instead, the deadlines to pay pension and welfare contributions, the expiry terms for pension and welfare benefits as well as the statutes of limitation related to compulsory pension and welfare contributions have been terminated.

BENEFICIARIES AND OVERALL AMOUNTS IN 2020 OF THE MAIN COVID MEASURES*				
Measure	Beneficiaries	Overall amounts in millions of euros		
		Benefit	Notional contributions (estimated)	Total
COVID Fund				
Ordinary CIG	2.762.000	4.918,3	2.951,0	7.869,3
Ordinary FIS allowance	2.152.000	4.469,3	2.681,6	7.150,9
CIG in deroga	1.577.000	3.165,9	1.899,5	5.065,4
Total	6.491.000	12.553,5	7.532,1	20.086
Naspi and Discoll extensions				
NASpl	205.130	381,8	229,1	611
DISCOLL	1.840	3,4	-	3
BONUS				
Bonus: domestic workers in 2020	215.780	212,1	-	212
Bonus: agricultural workers with short-term contracts	552.699	607,3	-	607
Bonus Self-employed	2.848.475	3.406,5	-	3.406
Bonus Professionals	412.476	598,1	-	598
Bonus Temporary workers	276.583	829,7	-	830
Bonus Intermittent workers	57.236	223,6	-	224
Bonus Entertainment and show-business workers	49.919	201,2	-	201
Bonus workers with short-term contracts in the tourism-spa sector	19.631	47,7	-	48
Bonus another categories	10.553	36,3	-	36
Bonus baby-sitting and summer camps ***	720.686	799,2	-	799
Totale				27.661,49
* Data from administrative archives, updated to October 2021				
** Subjects who submitted at least one application and the overall resources requested and accepted				
*** Articles 23 and 25 of Law Decree no. 18 of March 17, 2020 (Decreto Cura-Italia), amended and transposed into Act no. 27 of 2020; Art. 72 of Law Decree no.34 of May 19 2020 (Decreto Rilancio), amended and converted into Act no. 77 of 2020; Art. 14 of Law Decree no. 149 of November 9,2020 (very few cases)				

4.1.1 Results of the Fund

The analysis of income support benefits, even if targeted only to employed workers, is particularly relevant both in terms of economic costs and of the '*citizenship income*' provisions, especially the ones designed to bring unemployed subjects or individuals who have lost their jobs back to work through a subsidy of about 780 euros per month that is terminated if jobseekers refuse a third job offer. Here follows an analysis of the situation in the light of the new Covid-19 measures and their substantial impact on the GPT financial results, and also in terms of *contribution revenues* generated by the production sector (and the impact on the final labour cost) and of *income-support expenditure*. **Table 4.1** shows the summary accounting data of the last 13 financial years, from 2008 to 2020.

Table 4.1 - GPT accounts in 2008-2020. Summary of the economic situation (*) (in millions of euros)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Proceeds and revenues	18.832	17.999	18.782	18.833	18.912	19.743	19.994	20.208	20.805	21.719	22.514	23.545	20.932
Other revenues (**)	2.507	2.531	2.370	2.428	2.600	2.444	2.545	2.328	2.436	2.401	2.407	2.426	2.121
Total value of production (A)	21.339	20.530	21.152	21.261	21.512	22.187	22.539	22.536	23.241	24.120	24.921	25.971	23.053
Institutional benefit expenditure	11.459	13.907	13.550	13.506	14.633	15.149	14.267	13.534	15.006	15.055	14.841	14.835	18.895
Other operating costs	4.472	7.117	6.934	6.394	7.901	6.654	6.616	6.644	4.960	5.026	5.141	5.542	7.944
Total Costs of Production (B)	15.931	21.024	20.484	19.900	22.534	21.803	20.883	20.178	19.966	20.081	19.982	20.377	26.839
Difference (A) - (B)	5.408	-494	668	1.361	-1.022	384	1.656	2.357	3.275	4.039	4.939	5.594	-3.786
(*) Gross of proceeds, financial and extraordinary charges and taxes													
(**) Administrative sanctions and GIAS transfers (no resources to finance exemptions or incentives in the payment of contribution charges, changes in the taxable contribution base and lower contribution revenues for wage support benefits.													

For the first time since the crisis of 2012, in 2020 due to the pandemic crisis, this scheme had **a negative balance** amounting to **3.8 billion euros**, as the difference between the total revenues of 23.053 billion euros, down by approximately 2.6 billion euros, and expenditure of 26.839 billion euros, up by approximately 3.4 billion, compared to 2019, when it was running a surplus of 5.6 billion. In the period under review, **contribution revenues**, ("proceeds and expenses" from the world of production), had remained essentially stable at around 18,900 million euros until 2012; then they progressively increased as of 2013, due to the joint effect of the upward trend in employment and the trend in gross salary per employee.

This growth continued in the following years also due to the introduction of two new types of contributions and the change in contribution rates as of 2015, to pay for supplementary wage benefits for all part-time and full-time employed workers, including those with vocational apprenticeship contracts⁴. This growth was significant in 2019 with respect to the previous year, amounting to **4.6%**

⁴ Introduction of: the additional contribution of 1.40%, introduced by Art. 2, par. 28 et seq. of Act no. 92/2012, to be paid by employers for long-term contracts, with some exclusions; the contribution for the interruption of employment relationships (dismissal contribution), introduced by Article 2, par. 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 ceiling for the year (Naspi replaced ASpI and mini ASpI, introduced by the Fornero reform under Art. 2 of Act no. 92/2012 for unemployment starting from January, 1 2013; amendment of the previous provisions on the 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, introduction of an additional contribution 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 supplementary wage support 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) is characterized by some innovative aspects such as the calculation of the contribution on the basis of the total remuneration the workers would have received for the hours of work not provided and, therefore, 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. The Decree also envisages the reduction and reformulation of ordinary contribution charges intended to finance the ordinary redundancy fund referred to as CIGO (Cassa Integrazione Guadagni Ordinaria) established by Art. 13 of Law Decree no. 148/2015, also with respect to its actual use. As of September 24, 2015, the contribution rates for ordinary supplementary wage benefits are as follows: a) **1.70%** of the taxable remuneration for retirement purposes for subjects working for industrial firms with up to 50 employees and for clerks and executives working for industrial and artisan enterprises in the construction and stone sector up to 50 employees; b) **2.00%** of the taxable remuneration for retirement purposes for subjects working for industrial firms with more 50 employees and for clerks and executives working for industrial and

(3.7% in the previous two-year period); instead, for the first time in the reported historical series, 2020 was characterized by a significant reduction by 11.1% compared to 2019.

Table 4.2 shows the contribution revenues produced by employers and members on the basis of the contribution rates reported in table 4.8 for the years 2008-2020 and by single type of benefit; **Table 4.3** shows the GPT revenues resulting from GIAS transfers to mitigate changes in contribution rates, exemptions and rate reductions for different production sectors or categories and other benefits.

Table 4.2 - GPT accounts from 2008 to 2020: contributions paid by employers and members
Accruals (millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Family allowances	6.224	5.887	6.124	6.201	6.216	6.419	6.454	6.299	6.434	6.833	7.074	7.378	6.672
Ordinary wage supplementary benefits	2.926	2.715	2.817	2.741	2.674	2.680	2.649	2.744	2.661	2.605	2.625	2.831	2.595
- construction	687	598	607	567	488	417	459	456	419	387	426	417	369
- stone industry	28	26	26	25	23	21	23	22	19	20	19	20	17
- stone craftsmanship	3	3	2	2	2	2	2	2	2	2	2	2	1
- industry	2.208	2.088	2.182	2.147	2.161	2.240	2.165	2.264	2.221	2.196	2.178	2.392	2.208
Cisoa	37	34	38	37	40	38	40	44	41	45	46	50	46
Unemployment benefits	3.784	3.802	3.948	3.947	4.042	128	135	160	157	150	150	155	155
ASpI /NASpI benefits						4.516	4.678	4.790	5.038	5.297	5.596	5.903	5.151
Sickness benefits	4.214	3.962	4.197	4.247	4.223	4.243	4.351	4.468	4.745	4.968	5.179	5.402	4.605
Maternity benefits	1.088	1.063	1.100	1.095	1.130	1.138	1.121	1.158	1.152	1.214	1.250	1.282	1.162
Termination of employment benefits and other benefits	580	554	582	582	606	599	601	610	646	664	686	709	648
Guarantee Fund for omitted or insufficient contributions from employers to complementary pension schemes	2	2	2	2	2	2	2	2	2	2	2	2	3
Total	18.854	18.018	18.808	18.852	18.932	19.763	20.032	20.275	20.876	21.778	22.608	23.712	21.037

Table 4.3 - GPT accounts from 2008 to 2020: transfers from GIAS to GPT (millions of euros)

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Family allowances	1.368	1.348	1.323	1.354	1.457	1.448	1.576	1.466	1.572	1.577	1.588	1.566	1.362
Ordinary wage supplementary benefits	208	204	182	195	208	171	152	144	113	99	71	90	98
- construction	129	136	116	128	137	102	103	96	79	72	49	67	76
- stone industry	5	5	5	5	5	4	4	4	4	3	4	4	4
- stone craftsmanship	0	0	0	0	0	0	0	0	0	0	0	0	0
- industry	74	63	61	62	66	65	45	44	30	24	18	19	18
Cisoa	64	81	66	66	71	68	72	73	77	79	82	82	62
Unemployment benefits	165	184	158	164	174	116	59	62	65	68	69	71	53
ASpI /NASpI benefits						49	81	52	43	34	15	22	23
Sickness benefits	648	649	580	590	631	540	557	494	486	471	458	511	457
Maternity benefits													
Termination of employment benefits and other benefits	22	25	21	22	24	20	17	13	13	10	6	7	7
Total	2.475	2.491	2.330	2.391	2.565	2.412	2.514	2.304	2.369	2.338	2.289	2.349	2.062

artisan enterprises in the construction and stone sector 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 subjects working in the stone industry and crafts;

Note: The data in Table 4.2 on contribution revenues are not fully in line with those in Table 4.1; the same occurs in Table 4.3 with respect to the second item in 4.1. The difference can be explained as follows: the annual amount of contributions in Table 4.2 is calculated before the corrective and compensatory current revenue items equal to 105 million euros in 2020 and differs from the amount related to proceeds and expenses as the latter is a net value. The amounts relating to 'other revenues and proceeds' shown in Table 4.1 include civil penalties for 2020 amounting to 59 million euros, and are excluded from Table 4.3 that is only related to transfers from GIAS.

At the same time, *institutional benefits (table 4.4)* grew from 2008 (at the start of the economic crisis) to 2013 and then gradually dropped down to the 2015 figure, which was lower than that of 2009. In particular, in 2015, the accrued benefit expenditure decreased by 5.2% compared to the previous year, while the contribution revenues increased by 1.1%. As a result, this scheme had a surplus of more than 2.3 billion. The drop in the amount of benefits in 2015 is mostly due to a combination of accounting effects on accruals at the beginning and at the end of the year due to the elimination of ASPI and mini ASPI benefits in the same year and of accrued payments of ordinary non-agricultural unemployment benefits still in force in early 2015. In 2016 and 2017, institutional benefit expenditure amounted to approximately 15,000 million euros. In 2018, total benefit expenditure dropped by around 1.4%, and the same in 2019. *Institutional benefit expenditure* is analytically illustrated in **Table 4.4**.

In the period under review, benefit expenditure net of recovered non-eligible benefits (item B in Table 4.4) rose from 11,459 million euros in 2008 to 18,896 million in 2020, up by **64.9%** mainly due to the higher number of unemployment and NASPI benefits. As mentioned above, in 2015, it went down by 10.7% compared to the first peak in 2013. In 2020, its substantial 27.37% growth was mainly spurred by the increase in supplementary wage benefits, which rose from 312 million euros in 2019 to 4.152 billion in 2020. In the same year, unemployment benefits accounted for 40% of total expenditure, supplementary wage benefits for 21.97% and family allowances for 15.98.

Table 4.4 - GPT accounts from 2008 to 2020: institutional benefit expenditure Accruals (millions of euros)

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Family allowances	3.831	3.760	3.552	3.670	3.726	3.817	3.676	3.611	3.733	3.693	3.580	3.341	3.019
Wage supplementary benefits	365	1.755	1.141	769	1.044	1.146	747	680	519	411	346	312	4.152
Unemployment benefits and Mini ASPI	3.051	4.198	4.656	4.560	5.233	3.057	1.855	1.102	1.113	1.215	1.133	1.256	1.300
ASPI benefits						2.253	3.401	2.301	311	31	14	8	5
NASPI (*) benefits								1.300	4.907	5.488	5.775	5.966	6.269
Sickness benefits	2.165	2.079	1.992	2.053	2.044	2.017	1.950	1.958	2.036	2.157	2.234	2.334	2.702
Maternity benefits	2.038	2.124	2.088	2.216	2.284	2.292	2.186	1.990	1.878	1.729	1.606	1.542	1.545
Termination of employment benefits and others	446	415	585	672	795	1.087	1.042	1.253	1.217	1.047	891	816	568
Total (A)	11.896	14.331	14.014	13.940	15.126	15.669	14.857	14.195	15.715	15.772	15.579	15.575	19.560
Recovered benefits and others (B)	437	424	464	434	493	520	590	661	709	717	738	740	664
Total benefit expenditure (A-B)	11.459	13.907	13.550	13.506	14.633	15.149	14.267	13.534	15.006	15.055	14.841	14.835	18.896

* NASPI was launched on May 1 2015, under Art. 12 Leg. Decree no. 22/2015

Transfers from GPT to FPLD to finance *notional contributions*⁵ are included in “*other operating charges*” (Table 4.1) and account for the bulk of these charges. They are analytically illustrated in table 4.5.

Table 4.5 - GPT accounts from 2008 to 2020: expenditure on notional contributions (millions of euros)

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Wage supplementary benefits													
industry	139	1.091	622	344	565	583	278	342	297	229	77	119	2.370
construction	86	144	139	146	181	195	170	174	90	74	83	54	97
stone works	4	7	7	8	9	10	9	8	5	5	4	2	11
Trattamenti di disoccupazione	3.198	4.984	4.908	4.907	5.941								
Aspi						2.431	3.882	2.759	364	46	23	11	6
Mini Aspi and farmers						1.036	585	350	12	3	2	2	0
NASpi (Art. 12, D. Lgs. 22/2015*)								953	2.553	3.116	3.364	3.436	3.623
Other unemployment benefits						1.207	604	436	443	428	435	499	390
Total	3.427	6.226	5.676	5.405	6.696	5.462	5.528	5.022	3.764	3.901	3.988	4.123	6.497
(*) vedi nota (**) tab. 6.4													

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 activities of GIAS are analysed in the following Section) that were transferred to GPT;

- consideration for the loss of contribution revenues, as a result of exemptions and rate reductions
- provided for particular production sectors or categories (including on-the-job training contracts, solidarity contracts and apprenticeships);
- the share of household allowances as provided for under Act no. 153/1988;
- the share of household allowances for agricultural workers (Act no.1038/1961);
- the share of ordinary agricultural unemployment benefits under Acts no. 1115 of November 5, 1968, no. 1038/1961 and no. 427 of August 6, 1975;
- the share of NASPI benefits.

Moreover, GIAS has to bear the expenses for institutional benefits such as *extraordinary wage support benefits*, *mobility allowances (for cases starting before 1/1/2017)* and *safety net measures* (in deroga) introduced under Law Decree no. 185 of November 29, 2008 (Decreto anti crisi) transposed into Act no. 2/2009.

Table 4.6 analyses in particular the income-support costs and the transfers to FPLD for the notional recognition contributions of these periods. Unemployment benefits mainly include: the share of the ordinary non-agricultural unemployment benefits, former ASPI, Mini-ASPI and now NASPI

⁵ With regard to notional contributions for periods of unemployment, INPS, in its circular no. 11 of January 28, 2013, illustrated the methods to automatically calculate the imputed remuneration sums for unemployment events registered in individual accounts; the calculation by average imposed by the information structured on an annual basis was abandoned; so, in full compliance with the regulations in force, reference is made to the remuneration figures during the periods of absence from work that workers would have received under normal working conditions. When finalizing the financial accounts, a special report is drafted pursuant to Article 4 of Act no. 218/1952, as amended, which sets out the methods, the technical bases and the amounts to be transferred to FPLD by the Temporary Benefit Fund and by GIAS, each for its share, to finance periods of unemployment in the agriculture sector, of NASPI and of anti-tubercular entitlements. Most charges for these imputed sums are related to NASPI.

benefits, the unemployment benefits not in the agricultural sector under Act no. 247/2007, special construction unemployment benefits and allowances for socially useful activities (ASU). The 2020 accounting data related to benefit expenditure (*table 4.4*) and contribution revenues (*table 4.2* and *4.3*) shows the effects of the provisions introduced by Act no. 92 of June 28, 2012, which repealed the following benefits and hence the contributions to finance them, as of 1 January 2017:

- ordinary mobility allowances;
- special unemployment benefits for the construction industry as provided for under Law Decree no. 299 of May 16, 1994, as amended by Act n. 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, the *total expenditure for the income support benefits provided by GPT and GIAS* and their *related notional contributions* (the sum of all the items of tables 4.4, 4.5, 4.6 sections A and B), net of their respective operating expenses, amounted to 51,197 million euros compared to 26,918 million in 2019, with an increase by 90.2%.

Table 4.7 shows the following contribution rates paid by employers: 0.30% for mobility allowance, 0.80% for special construction unemployment benefits and 0.90% (of which 0.30% paid by workers) for extraordinary supplementary wage benefits.

Table 4.6 - GIAS accounts from 2008 to 2020: wage support costs (millions of euros)

A) Prestazioni	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Trattamenti di disoccupazione	1.419	2.191	2.165	2.239	2.621	2.884	3.557	2.717	3.855	3.996	4.172	4.318	4.980
<i>AspI e mini AspI</i>						1.586	2.921	1.299	195	21	9	5	2
<i>NaSpI*</i>								770	3.033	3.363	3.568	3.742	3.877
<i>Covid - proroga Naspi</i>													524
<i>altri</i>						1.298	636	648	627	612	595	571	577
Indennità di mobilità	882	1.144	1.346	1.435	1.685	2.081	2.284	2.108	1.462	863	58	100	48
<i>ordinaria</i>	794	1.043	1.169	1.192	1.387	1.716	1.980	1.888	1.334	776	47	97	45
<i>in deroga</i>	88	101	177	243	298	365	304	220	128	87	11	3	3
Trattamenti Cigs	508	1.121	2.173	1.981	2.449	2.811	2.914	1.856	1.499	892	522	511	6.840
<i>ordinaria</i>	396	825	1.608	1.386	1.634	2.038	2.195	1.489	1.300	772	503	474	414
<i>in deroga</i>	112	296	565	595	815	773	719	367	199	120	19	37	48
<i>Covid - CIGO + ANF connesso</i>													665
<i>Covid- CIGS</i>													8
<i>Covid - CIG in deroga</i>													2.553
<i>Covid - Assegno ordinario FdS</i>													3.151
<i>Covid - Indennità una tantum</i>													1
Trattamenti diversi	1	3	1	9	5	11	1	32	44	84	360	544	7.364
Totale	2.810	4.459	5.685	5.664	6.760	7.787	8.756	6.713	6.860	5.835	5.112	5.473	19.232
B) Coperture figurative e IVS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Trattamenti di disoccupazione	83	316	188	197	271	142	92	67	34	23	12	1	0
Indennità di mobilità	679	815	951	1.039	1.219	1.391	1.462	1.412	1.107	701	194	40	14
<i>ordinaria</i>	617	742	830	896	948	1.088	1.228	1.249	1.013	637	186	38	12
<i>in deroga</i>	62	73	121	143	271	303	234	163	94	64	8	2	2
Trattamenti Cigs	387	894	1.750	1.729	1.935	2.082	2.034	1.608	1.315	676	481	428	4.155
<i>ordinaria</i>	302	686	1.228	1.146	1.244	1.550	1.540	1.358	1.182	595	468	422	370
<i>in deroga</i>	85	208	522	583	691	532	494	250	133	81	13	6	1
<i>Covid - CIGO</i>													439
<i>Covid- CIGS</i>													1
<i>Covid - CIG in deroga</i>													1.580
<i>Covid - Assegno ordinario FdS</i>													1.764
Trattamenti NASPI				6	0	0	0	0	1.521	1.813	1.960	2.018	2.403
<i>ordinari</i>									1.521	1.813	1.960	2.018	2.099
<i>Covid -proroga</i>													304
Trattamenti diversi				6	0	0	0	0	0	0	0	0	0
Totale	1.149	2.025	2.889	2.971	3.425	3.615	3.588	3.087	3.977	3.213	2.647	2.487	6.572

(*) 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.

Benefits; Unemployment benefits: AspI and Mini AspI, NaSpI*, Covid extension of NaSpI, others, Mobility benefits: ordinary benefits, "derogation" benefits, CIGs benefits: ordinary benefits, "derogation" benefits, COVID-Cigo + ANF, Covid-Cigs, Covid- "derogation" CIG, COVID-ordinary FdS allowance; NASPI benefits: ordinary benefits, Covid-extension; 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 envisaged under Art. 2 of Act no. 92 of 2012

Table 4.7 - GPT accounts from 2008 to 2020: contributions paid by employers and workers
(millions of euros)

Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mobility allowance	524	549	706	641	589	579	609	587	485	50	18	7	2
CIGS benefits (*)	1.041	977	1.066	1.071	1.085	1.110	1.073	1.083	1.139	1.255	1.278	1.316	1.205
Special benefits for construction workers	120	106	109	100	90	79	80	76	75	3	1	-	-
Total	1.685	1.632	1.881	1.812	1.764	1.768	1.762	1.746	1.699	1.308	1.297	1.323	1.207

(*) One third of the CIGS contribution rate is paid by workers (0.30%)

Table 4.8 shows the contribution rates to be paid by enterprises for the GPT and GIAS schemes.

Table 4.8 - Contribution rates for the main sectors in 2020 (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
Industria in genere																
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
Industria edile (***)																
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
Artigianato	0,70	0,70	0,20	0,20							2,22				3,12	0,90
Artigianato edile (***)																
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
Artigianato lapidei																
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
Credito e Assicurazioni	1,61	1,61	0,20	0,20	0,68	0,68							0,46	0,46	2,95	2,95
Commercio																
fino a 50 dip.	1,61	1,61	0,20	0,20	0,68	0,68					2,44	2,44	0,24	0,24	5,17	5,17
Da 50 a 200 dip.	1,61	1,61	0,20	0,20	0,68	0,68			0,90	0,90	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
Commercio CUAF ridotta																
fino a 50 dip.	0,48	0,48	0,20	0,20	0,00	0,00					2,44	2,44	0,00	0,00	3,12	3,12
Da 50 a 200 dip.	0,48	0,48	0,20	0,20	0,00	0,00			0,90	0,90	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, 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; Construction artisans (***); Stone work artisans; Credit and Insurance; Retail sector; reduced CUAF in the retail sector:

(*) NASPI includes 0.30% to be allocated to the Revolving Fund former Art. 25 of Act n. 845/1978 (**) Act 92/2012, par. 28, envisages a 1.40% contribution for long-term employment contracts except for the cases provided for under paragraph 29.(***), including 0.80% for special benefits.

4.1.2 Numbers of beneficiaries of income support measures by number of hours and amount of benefits in 2020/21

After the analysis of the financial situation of GPT and the contributions from GIAS, it is important to look at the number of beneficiaries of income support benefits and at the number of hours for each of the main safety net measures⁶:

- **Mobility benefits**, provided until 2017 for a cost equal to 1,563.8 million euros in 2017 (251.7 million euros in 2018 and 62.4 million in 2020) (including derogations and the notional imputed sums to finance them), then replaced by NAspI, with 57% of beneficiaries above 55 years of age in 2018;
- **NAspI** (a new measure to fight unemployment and promote mobility) with more than of more **2.7 million beneficiaries** in 2018, about 24% of whom above 50 years of age; in 2019, the number of recipients rose to 2,930,000, with an expenditure (benefits + imputed contributions) of more than 15 million euros. In 2020, their number reached about **3,200,000** for an **expenditure of 16.7 billion** (benefits + imputed contributions);
- **Redundancy Fund** (ordinary, extraordinary, derogated and in the field of agriculture), with a cost equal to 1,426.8 million euros in 2019 (including derogations and notional imputed sums to finance these benefits) and about **600,000 recipients**, including a significant number of workers close to retirement age.
- The number of beneficiaries of Redundancy Fund benefits (ordinary, extraordinary, derogated, solidarity funds) was about **7 million** in 2020, the vast majority for COVID reasons. The peak was in April, with 5,360,000 beneficiaries; in November, there were still about 2 million, after a trough in September (976,000); about 45% of employees were granted CIG benefits. Benefit expenditure amounted to approximately 11 billion euros, plus 6.635 billion for imputed contributions, for a total cost of 17.5 billion euros;
- the benefits under **Act no. 104/1992**, with a cost of **1.511 billion euros** (including notional contributions in 2020), are targeted to about **500,000 people** (2018 updated figure), mostly workers who are no longer young, who have to care for elderly parents and who do not meet the 30-year contribution requirement to be entitled to Social APE, and take time off from work to care for family members.
- In 2020, Covid emergency subsidies were provided to self-employed workers and other types of workers (e.g. domestic workers, seasonal workers, intermittent workers) who were not entitled to the CIG benefits, for a cost equal to almost 6 billion euros and about 9 million payments. In addition, emergency allowances were also granted to households (emergency income, baby-sitter bonus), for a cost of 1.4 billion euros and 2,500,000 benefits. In this case, like in the previous one, these are net expenditure items, as there are no contributions to finance.

In sum, in **2018** and **2019**, about **3 million** workers received safety net benefits (**Table 4.9**); another **300,000** or so benefited became entitled to early retirement measures, as highlighted in the next Section.

⁶ INPS source: Statistical observatory and 2017/2020 financial accounts.

Table 4.9 - Beneficiaries and charges for safety net measures in 2018-2020 (millions of euros)

Tipo di ammortizzatore	Anno 2018				Anno 2019				Anno 2020			
	Beneficiari	Prestazioni	Coperture figurative	Totale	Beneficiari	Prestazioni	Coperture figurative	Totale	Beneficiari	Prestazioni	Coperture figurative	Totale
CIG ordinaria		333,2	164,5	497,7		303,2	175,5	478,7		4.110,4	2.478,5	6.588,9
- edilizia		147,6	83,4	231,0		112,0	54,1	166,1		183,5	97,2	280,7
- lapidei industria		7,6	4,4	12,0		4,4	2,0	6,4		16,6	9,1	25,7
- lapidei artigianato		0,8	0,1	0,9		1,2	0,4	1,6		3,4	1,6	5,0
- industria		177,2	76,6	253,8		185,6	119,0	304,6		3.906,9	2.370,6	6.277,5
CIG straordinaria		521,9	480,8	1.002,7		521,9	480,8	938,9		6.839,9	4.155,0	10.994,9
- ordinaria		502,6	467,9	970,5		474,3	422,2	896,5		414,2	370,1	784,3
- deroga		19,3	12,9	32,2		36,9	5,5	42,4		48,1	1,4	49,5
- COVID - CIGO										665,0	438,6	1.103,6
- COVID - CIGS										8,0	1,4	9,4
- COVID - CIG in deroga										2.552,9	1.579,9	4.132,8
- COVID - Assegno ordinario FdS										3.150,4	1.763,6	4.914,0
- COVID - Indennità una tantum										1,3	0,0	1,3
Indennità di mobilità		57,6	194,1	251,7		57,6	194,1	140,1		48,7	13,7	62,4
- ordinaria		46,6	186,2	232,8		96,9	38,0	134,9		45,4	11,5	56,9
- deroga		11,0	7,9	18,9		3,1	2,1	5,2		3,3	2,2	5,5
Indennità NASpI (*)	2.795.700	9.343,7	5.324,4	14.668,1	2.933.400	9.708,5	5.453,3	15.161,8		10.670,4	6.026,6	16.697,0
- ordinaria										10.146,3	5.722,6	15.868,9
- COVID - proroga										524,1	304,0	828,1
Art. 33, C. 1, 2 E 3, L. 104/1992 E Art. 20, L. 53/2000 (*)		823,5	215,7	1.039,2		849,3	221,5	1.070,8		1.185,0	326,1	1.511,1
- ordinari		823,5	215,7	1.039,2		849,3	221,5	1.070,8		884,1	234,3	1.118,4
- COVID - prolungamento permessi										300,9	91,8	392,7
Indennità APE sociale (Art. 1, C 179 -186, L. 232/2016)		330,4		330,4		523,9		523,9		516,7		516,7

(*) Per beneficiari si intende: codici fiscali distinti di beneficiari con almeno un trattamento nell'anno

Type of Benefit; Year; Beneficiaries, Benefits, Imputed sums; Total; Ordinary CIG: construction, stone works industry, stone works artisans, industry; Extraordinary CIG: ordinary benefits, “derogation” benefits, Covid-Cigo, Covid-Cigs “derogated” benefits, Covid-ordinary FdS allowance COVID lump sum; Mobility benefits: ordinary benefits, “derogation” benefits; NASpI benefits*: ordinary benefits, COVID-extension; Art.33: ordinary benefits, Covid-extensions; Social APE.

* *Beneficiaries mean: distinct tax code holders with at least 1 benefit during the year; Source: INPS (data as of 31 December 2020)*

In 2020, the number of CIG and NASpI recipients was approximately 10,200,000; however, some subjects may have received both benefits in different time periods, and so, the real number of beneficiaries may be slightly less than 10 million. Total expenditure amounted to 34.2 billion, plus 7.5 billion euros’ worth of subsidies to workers not entitled to CIG benefits and households; in this case, it is more complicated to know the number of beneficiaries, since some may have received more subsidies for different reasons, and INPS and Bankitalia only provide the total number of benefits without any distinction. **Therefore, the total amount of income support measures for 2020 was just below 42 billion.**

4.2 GIAS, scheme for welfare benefits and support benefits for INPS pension funds: definitions and measures

The *Scheme for welfare measures* (GIAS) was set up within the INPS system under Article 37, par. 3, let. D of *Act no. 88/89*; it is the *accounting instrument* to apply the rules that define the *State welfare interventions, not only welfare benefits but also support measures for pension funds*. GIAS is perhaps the most complex INPS scheme; it has considerably evolved over time in terms of its regulatory framework, extending its scope of action to ever broader sectors. The special feature which distinguishes it from all the other schemes administered by the INPS, is its requirement to balance its annual "operating result" and its financial results. Thanks to its *detailed accounting data, it is possible to separate pension-related items from welfare-related ones, in accordance with the legislation in force*; the former are financed by the special-purpose contribution paid by companies and workers, and the latter by general taxes.

GIAS revenues: *GIAS resources mainly come from transfers from the State budget*, which rose to 144,758 million in 2020 (+26.7% compared to 114,270 million in 2019). A relatively small share, **1,207 million** (down from 1,323 million in 2019) comes from the proceeds from the contribution rates paid by employers and workers with the aim of financing wage-support allowances and benefits resulting thanks to the reduction of social security charges. Finally, members share some costs of their specific schemes for an amount of **155 million**. The accounts of this scheme show that in 2020, the "*value of production*", net of the corrective items of current revenues for **8,242 million euros**⁷ (related to rebates of contribution charges), amounted to 138,096 million euros (107,825 million in 2019); the "cost of production" of 138,099 million is the same as the "value of production" (138,099 million) due to adjustments, extraordinary charges and operating taxes (-3 million).

State transfers (144,758 million) are designed to finance the following charges:

- **pension expenditure: 82,797 million euros**⁸, up by 4,369 million compared to 78,428 million in 2019; in particular: State contributions to finance the "100 quota" measure; the increase in social surcharges on pensions of for disadvantaged individuals pursuant to former Art.38, par. 4 of Act no. 448/2001 introduced by Article 15 of Law Decree no. 104 of August 14, 2020, as well as the reduction of contribution requirements for early retirement, as per Articles 15 and 16 of Law Decree no. 4/2019, transposed into Act no. 26/2019";
- **wage support benefits: 24,486 million euros** (+ 17,380 million vs. 7,106 million euros the previous year); this change is due to the higher State contributions needed to finance the support measures for enterprises related to the COVID-19 emergency;
- **family support allowances: 9,852 million euros** (+63.9% vs. 6,012 million euros the previous year); this increase is due to higher charges to finance the support measures for families following the COVID emergency;
- **benefits deriving from a *reduction in contribution charges* (TBC and maternity leave): 496 million euros** (-064% vs. 583 million euros in 2019); this reduction is due to the lower contributions needed to finance these benefits;
- **contribution incentives and other facilities: 17,471 million euros** (+10.9% vs. 15,759 million in 2019). This increase is related to regulatory changes;
- **other measures: 2,467 million euros** (vs. 2,558 million in 2019);

Citizenship income and pension: 7,189 million compared to 3,879 million in 2019, the first year of implementation of these measures introduced by Act no. 26/2019 transposed from Law Decree no. 4 of 28/01/2019

Table 4.10 shows the historical series of transfers of financial resources from the State to GIAS over the 2011-2020 period.

⁷ As to the support provided to pension funds, it is important to mention the *rebates in contribution charges* provided for by GIAS to support the national production system. The amount of this state contribution is indicated under the item "Corrective and compensatory revenue items", which amounted to 8,242 million in the year under review. In the INPS accounting system, the contributions with these rebates are booked as gross amounts, even though revenues are booked as net; the GIAS financial statements therefore analytically show the regulatory references (and their related amounts), but not the beneficiary schemes. It can be estimated that pension schemes receive about half of this amount.

⁸ The cost borne by GIAS in 2020 for the transfers to pension funds to finance their pension expenditure was equal to **82,797 million euros**, subdivided as follows: 39,994 million to pension funds (see Box 1 and Table 1 a), plus **13,602 million** of former INPDAP; **4,849 million** to finance social allowances, social pensions and their additional benefits **18,277 million** for the fund for disabled civilians and **4,744 million** to finance the operating deficits of some INPS Special Funds (customs agents, consumer tax collectors, Trieste and Genoa port workers and former FF.SS.

Table 4.10 - Transfers from the State budget to GIAS (millions of euros)

	Pension charges	Wage support measures	Family support measures	Benefits from social charge reduction	Benefits from social charge reduction	Other measures	Citizenship income and pension	TOTAL TRANSFERS FROM THE STATE BUDGET
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
2020	82.797	24.486	9.852	496	17.471	2.467	7.189	144.758

Pension benefit expenditure – It includes the amount of the costs incurred to finance “*institutional benefits*” classified by type, before recovering some non-eligible benefits; in particular, the figure related to *pension charges* includes the measures for all the schemes (see **BOX I**) but also welfare benefit expenses (social pensions and allowances and extra benefits for people over 65). *Table 4.11* shows the historical series of the institutional benefits provided in the 2011-2020 period broken down by type of measure; compared with last year, the item 'charges for early retirement' has been included in the item 'pension charges'.

Table 4.11 - Institutional benefits provided by GIAS (millions of euros)

	Pension charges*,	Wage support measures	Family support measures	Benefits from social charge reduction	Other charges	Citizenship income and pension	TOTAL INSTITUTIONAL BENEFITS
2011	37.849	5.664	3.098	577	6	-	47.194
2012	42.845	6.760	3.286	593	7	-	53.491
2013	46.071	7.787	3.525	585	9	-	57.977
2014	45.956	8.756	3.408	567	8	-	58.695
2015	50.550	6.713	3.573	542	14	-	61.392
2016	49.515	6.862	4.057	532	10	-	60.976
2017	50.638	5.835	4.809	523	10	-	61.815
2018	50.695	5.112	5.243	490	11	-	61.551
2019	54.780	5.474	5.195	482	587	3.825	70.343
2020	59.649	19.232	6.224	458	454	7.198	93.215

* The total includes early retirement benefits

On the basis of the current regulatory framework, the measures adopted by GIAS in the field of **pensions** are practical tools to deal with the complex issue of the separation between the pension and the welfare system and clearly show the welfare share included in pension expenditure through the following measures:

- shares of pension benefits to be provided by pension funds in particular periods not covered by contributions or with reduced contributions, in order to promote their economic and financial equilibrium (Box I);
- payment of pension benefits for some categories (CDCM pensions before 1989, benefits for female workers of former ENPAO, disability pensions before Act no. 222/1984 and others);
- provision of welfare benefits such as disability benefits for civilians, caregivers' allowances, social pensions and allowances, the fourteenth month and additional amounts.

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 instalment⁹** equal to **21,730 million euros**, compared with 21,409 million euros in 2019, net of 2,527 million euros' worth of benefits paid to retired public servants registered with former INPDAP;
- **Share of pension benefits** under Art. 1 of Act no.59/1991(*yearly pensions*), equal to **567 million euros**, down compared to 506 million in 2019;
- **Additional benefits** under Art. 5. of Act no. 127/2007 (*fourteenth month*) amounting to **1,526 million euros**, down compared to 1,595 million in the previous year;
- **Share of disability pensions** before Act no. 222/1984 amounting to **5,526 million euros** vs. 6,444 million euros in 2019;
- **Early retirements:** in 2020, these charges rose to 8,681 million compared to 5,009.5 in 2019, of which 2,951 million euros related to instalments of former INPDAP pensions (1,240.3 million in 2019). The increase in expenditure compared to the previous year (+73.3%) was mainly due to the costs incurred for retirements envisaged under Article 14 of Law Decree no. 4/2019, for the "100 Quota" option, whose charges rose from 1,625.7 million in 2019 to 4,108.6 in 2020 (+ 152.7%). In particular, ex-INPDAP pension instalments accounted for 946.1 million euros out of this aggregate compared to 183.4 million in the previous year.

In addition to these charges, it is useful to mention the *current direct pensions paid to farmers, tenant farmers and sharecroppers with effect from 01/01/1989 and their survivors' pensions* amounting to **977 million euros**, a significant decrease compared to 1,137 million in the previous year; *the pensions of the abolished ENPAO and the life annuities paid to former employees of the State and of other 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*; the

⁹ The so-called "*share of each monthly payment*" derives from Act no. 903 of July 21, 1965, which established a *Social Fund*, financed by Art. 1 of Act no. 153 of 1969, fully paid by the State as of 1/1/1976, equal to 12,000 lire per month for each pension; this amount was adjusted by Act no. 910 of December 26, 1986, up to 100,000 lire per month for each pension and, according to Art. 37 of Act no. 88 of 1989, this cost was charged to GIAS. According to the law, the amount is adjusted by the Budget laws every year, on the basis of changes in the national consumer price index for blue- and white-collar households, calculated by ISTAT. Act no. 67 /1988 extended this measure to the funds for self-employed workers (artisans, retailers and farmers). The subsequent Act no. 335/1995 (Art. 3, par. 2), updated the annual adjustment criteria, providing for a 1% increase in the annual ISTAT index. Finally, Act no. 183/2011 (Art. 2, par. 4) expanded this measure, providing for a State contribution also for the pensions for public-sector employed workers paid by former INPDAP. In reality, the income-based system calculation method does not provide for the addition of any share for the recipients of a pension above the minimum; in fact, due to the calculation method of the income-based system (2% for each year worked for a maximum of 40 years, which means 80% of the *average pensionable salary* [RMP] or 70% with 35 years, with the RMP calculated on the basis of stated incomes of the last 10 years for employed workers and 15 years for the self-employed (in the past it was the last year for civil servants, the last 5 years for private-sector employed workers and 10 years for the self-employed), there many cases of tax-dodging and abuse because pension benefits were higher than contributions. In this connection, see the results of the '2001 Brambilla Commission' of the General Accounting Office (RGS), the Ministry of Labour and www.itineriprevidenziali.it. With the entry into force of the Amato and subsequent reforms (1994 Berlusconi, 1995 Dini and 1997 Prodi), the reduction of the pro rata coefficients, the lengthening of the RMP calculation period and the introduction of the contribution-based system (in 2020 there were no more pure income-based cases, except for a few 'silent' ones; all the others are mixed or defined by contributions), pension benefits are increasingly related to contributions and without any supplementary benefits. Therefore, the share, which is expected to be totally revised, will be used to finance the costs of supplementary minimum benefits for specific categories of pensions, totally with the income-based or mixed method; these types of benefits will decrease over time also because the contribution component will become prevalent.

overall expenditure amounted to **53,596 million euros**, of which 13,602 million related to pensions of public-sector employed workers, with respect to 49,457 million in 2019, of which 11,495 million for benefits to public-sector employed workers.

These charges must also include:

- 1) Those related to the funds for public-sector employed workers (ex INPDAP) introduced by Act no.183/2011 under which, as previously stated, GIAS was required to provide for these schemes too for an amount of **13,602 million** with respect to 11,495 million 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 2020, they entailed a cost of **4,849 million euros** (net of recovered benefits for 91 million), up with respect to the previous year. As of 1 January 2021, the number of outstanding social pensions was equal to 21,262 (2,848 men and 18,414 women) with an average monthly amount of 464 euros, down from 27,609 at the beginning of the previous year. This group of subjects is steadily diminishing. On January 1, 2021, the number of social allowances which replaced social pensions following Act no. 335/1995, was equal to 782,179 (295,509 males and 486,670 females), with an increase by 1.7% (+13,061 allowances) compared to January 1, 2020. The figure includes the social allowances deriving from the transformation into allowances of pensions to disabled civilians, the blind and the deaf-mute when they reach the statutory age requirements. The average monthly amount of outstanding social allowances was 460 euros.
- 3) **Pensions for disabled civilians and caregivers' allowances:** under Art. 130 of Legislative Decree no. 112/1998, an ad-hoc fund was set up within INPS financed through GIAS, with the aim to pay welfare benefits to disabled civilians and to hearing and visually impaired individuals "***Pension fund for disabled civilians and caregivers' allowances***". In 2020, the cost reached **18,277 million**, compared to 18,459 million in 2019. These funds were used to pay **3,495 million euros'** worth of pension benefits to disabled civilians, **339 million** to the blind and **64 million** to deaf-mute subjects. These categories also received from this fund caregivers' benefits for a total amount of **14,208 million euros** (of which € 13,276 million to disabled civilians, 794 million to the blind and 138 million to deaf-mute individuals). As of 1 January 2021, the total number of outstanding benefits (pensions and caregivers' allowances) amounted to 3,179,237, down with respect to 3,233,711 in 2020; in economic terms, the amount of ***undue benefits*** is significant, amounting to **335 million** in the year under review, down from 403 million in the previous year (-16.8%); these reductions result from the slowdown in the administrative activities due to Covid-19.
- 4) **Veterans' pension benefits** (direct and indirect) are financed by the Ministry of Economy and Finance with a specific budget allocation; at the end of 2020, their number was equal to 134,314 (compared to 146,573 in 2019), for an annual cost of **1,095 million euros**, down from 1,142 million in the previous year.

GIAS transfers for the support of revenues of the INPS pension funds are classified under "***Miscellaneous operating expenses***"; in 2020, they amounted to **38,246 million euros**, up from 35,376 million in 2019. In addition to the aforementioned transfer of **18,277 million** to the scheme providing pensions and allowances to disabled civilians, this aggregate also includes the following charges according to their economic relevance:

- a) Charges to offset the shortfall in contribution revenues due to contribution exemptions and rate reductions amounting to **5,409 million euros**;

- b) Transfers to finance the operating deficits of the fund for former consumer tax collectors, the fund for the workers of the Genoa and Trieste port consortium, the fund for former customs shipping agents, the FF.SS. fund and the separate scheme for civil servants under Article 2, par. 5, of Act no. 183/2011, for a total of **4,744 million euros**;
- c) Transfers to finance IVS insurance related to wage-support and family-support benefits and allowances following the reduction of social security charges for an amount equal to **7,394 million euros**.

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

Box 1 - GIAS measures to support pension funds

IMPORTI A CARICO GIAS PER PRESTAZIONI (valori assoluti espressi in milioni di euro)					TRASFERIMENTI DALLA GIAS E ALTRE GESTIONI (valori assoluti espressi in milioni di euro)								
	2017	2018	2019	2020		2017		2018		2019		2020	
	TOT.	TOT.	TOT.	TOT.		GIAS	Altri Enti/Gestioni/Stato	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	30.305,46	DIPENDENTI PRIVATI	9.043,97	4.607,53	8.204,82	4.768,46	8.423,15	4.955,27	9.066,85	11,27
Dipendenti Privati INPS	26.380,77	26.438,86	27.642,55	29.007,88	Dipendenti Privati INPS	9.018,71	4.607,53	8.180,85	4.768,46	8.397,80	4.952,53	9.038,58	11,27
FPLD	25.939,16	26.073,16	27.222,52	28.495,60	FPLD (4)	8.847,32	4.571,79	8.041,39	4.745,83	8.266,90	4.929,71	4.332,32	11,24
TRASPORTI	47,89	42,36	46,45	48,95	TRASPORTI	118,23		117,66		116,18		118,26	0,00
TELEFONICI	89,08	67,29	51,16	44,37	TELEFONICI	1,67		1,60		1,61		1,61	0,00
ELETTRICI	65,95	51,66	48,34	45,55	ELETTRICI	1,44	5,13	1,44	2,28	1,44	3,26	1,44	0,03
VOLO	21,49	18,83	16,34	13,59	VOLO	42,58		11,30		4,29		0,80	0,00
IMPOSTE CONSUMO	4,70	4,07	3,74	3,16	IMPOSTE CONSUMO (3)	0,00		0,00		0,00		120,66	0,00
CREDITO*					CREDITO*								
FFSS	73,67	59,20	91,32	140,49	FFSS	1,86	30,04	1,86	19,80	1,86	18,98	4.458,03	0,00
INPDAI	138,84	122,28	162,68	216,16	INPDAI	5,61	0,56	5,61	0,55	5,52	0,58	5,46	0,00
Altri Fondi dipendenti privati	81,51	85,55	96,89	108,77	Altri Fondi dipendenti privati	21,52	0,00	20,19	0,00	19,98	2,74	19,69	0,00
ISTITUTO GIORNALISTI	0,00	0,00			ISTITUTO GIORNALISTI								
ENTE LAVORATORI SPETTACOLO**	81,51	85,55	96,89	108,77	ENTE LAVORATORI SPETTACOLO**	21,52		20,19		19,98	2,74	19,69	0,00
Fondi Ex Aziende Autonome	833,60	852,01	1.048,06	1.188,82	Fondi Ex Aziende Autonome	3,74		3,78		5,37		8,58	0,00
IPOST	833,60	852,01	1.048,06	1.188,82	IPOST	3,74		3,78		5,37		8,58	0,00
DIPENDENTI PUBBLICI	9.613,18	9.355,25	11.495,45	13.601,83	DIPENDENTI PUBBLICI	92,53	33,87	92,93	20,63	92,93	15,63	92,93	11,77
CPDEL	330,69	404,25	790,75	1.541,95	CPDEL	34,22	13,95	34,22	10,37	34,22	5,86	34,22	3,85
CPI	3,57	4,49	10,76	16,82	CPI	0,60	0,16	0,60	0,14	0,60	0,09	0,60	0,09
CPS	73,56	78,02	161,46	252,33	CPS	8,53	10,66	8,53	8,96	8,53	8,16	8,53	6,28
CPUG	1,02	1,08	1,64	3,02	CPUG	0,15	0,01	0,15	0,00	0,15	0,00	0,15	0,00
CTPS	9.204,34	8.867,42	10.530,84	11.787,71	CTPS	49,03	9,09	49,43	1,16	49,43	1,52	49,43	1,55
AUTONOMI E PROFESSIONISTI					AUTONOMI E PROFESSIONISTI	280,54	88,86	420,32	86,45	575,92	0,00	604,49	5,61
Autonomi INPS	8.137,16	8.282,28	9.019,96	9.526,58	Autonomi INPS	280,54	0,00	420,32	0,00	575,92	0,00	604,49	0,00
ARTIGIANI	2.564,04	2.748,92	3.351,72	3.640,15	ARTIGIANI	114,79		195,90		269,90		281,60	0,00
COMMERCianti	1.472,44	1.494,66	1.698,68	1.900,66	COMMERCianti	108,15		178,94		257,72		275,76	0,00
CDCM	4.100,68	4.038,70	3.969,56	3.985,76	CDCM	57,60		45,48		48,30		47,13	0,00
Liberi Professionisti	0,35	0,05		0,05	Liberi Professionisti	0,00	88,86	0,00	86,45	0,00	0,00	0,00	5,61
CASSE PRIV 509	0,35	0,05		0,05	CASSE PRIV 509		88,86		86,45				5,61
ESCLUSO ENPAM				0,00	ESCLUSO ENPAM								
ENPAM	0,00	0,00		0,00	ENPAM								
CASSE PRIV 103	0,00	0,00		0,00	CASSE PRIV 103								
FONDO CLERO	10,05	9,97	12,47	12,52	FONDO CLERO								
GESTIONE PARASUBORDINATI	126,98	145,18	131,33	140,63	GESTIONE PARASUBORDINATI	134,07		317,86		395,68		402,36	0,00
INTEGRATIVI INPS	11,87	10,21	10,15	8,32	INTEGRATIVI INPS	0,04	81,48	0,04	76,72	0,06	72,41	40,16	68,82
miniére	5,73	5,59	5,57	5,58	miniére	0,04	11,19	0,04	11,00	0,05	10,45	0,04	9,87
gas	1,43	1,05	1,81	0,62	gas	0,00		0,00		0,00		0,00	
esattoriali	1,49	1,43	1,36	1,45	esattoriali	0,00		0,00		0,00		0,00	0,00
portuali	1,18	0,80	0,55	0,31	portuali (1) (3)	0,00		0,00		0,00		40,12	
enti disciolti	2,04	1,33	0,86	0,35	enti disciolti (2)		70,29		65,72		61,96		58,95
ENASARCO	0,00	0,00	0,00	0,00	ENASARCO								
TOTALE	45.195,48	45.179,37	49.456,86	53.595,38	TOTALE	9.551,15	4.811,74	9.035,97	4.952,27	9.487,74	5.043,32	10.206,79	97,47
TOT. GIAS al netto dei DIP_PUBB.	35.582,30	35.824,12	37.961,41	39.993,55	TOTALE		14.362,88		13.988,25		14.531,05		10.304,26

*Fondo Credito confluito in FPLD nel 2013;

** Fondo Enpals Cumulativo di gestione spettacolo e sportivi;

(1) Trasferimenti GIAS ai sensi dell'art. 13 DL 873/1986; (2) Trasferimenti da parte di altri enti previsto dai commi 5 e 6 art. 77 Legge 833/1978; (3) inseriti dal 2020 i rimborsi da parte GIAS a copertura del disavanzo di gestione DZR,

FDR e GIR: (4) inserito il contributo di solidarietà art 25 l. 41/1986

*Fondo Credito confluito in FPLD nel 2013;

** Fondo Enpals Cumulativo di gestione spettacolo e sportivi;

(1) Trasferimenti GIAS ai sensi dell'art. 13 DL 873/1986; (2) Trasferimenti da parte di altri enti previsto dai commi 5 e 6 art. 77 Legge 833/1978; (3) inseriti dal 2020 i Rimborsi da parte GIAS a copertura del disavanzo di gestione DZR, FDR e GIR; (4) inserito il contributo di solidarietà art 25 L.41/1986

BENEFIT TRANSFERS FROM GIAS (millions of euros in absolute terms), TRANSFERS FROM GIAS AND OTHER SCHEMES (millions of euros in absolute terms); PRIVATE-SECTOR EMPLOYED WORKERS: INPS, FPLD, TRANSPORTATION, TELEPHONY, ELECTRICITY, AVIATION, CONSUMER TAXES, CREDIT*,FFSS, INPDAI Other funds JOURNALISTS, SHOW BUSINESS ** Funds for former autonomous entities; PUBLIC-SECTOR EMPLOYED WORKERS; SELF-EMPLOYED AND PROFESSIONALS; INPS self-employed workers; ARTISANS, RETAILERS, CDCM; Professionals, 509 PRIV. FUNDS EXCLUDING ENPAM, 103 PRIV. FUNDS, Clergy Fund, Fund for Atypical Workers, INPS supplementary funds, Miners, Gas Workers, Tax collectors, Dockers, Dissolved entities, ENASARCO; 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 873/1986; (2) transfers from other entities as provided for under paragraphs 5 and 6 Art. 77 Act 883/1978; (3) Including, in 2020, the refunds from GIAS to finance the deficit of DZR, FDR and GIR; (4) including the solidarity contribution under art 25 of Act no. 41/1986

4.3 Active and passive labour policies: towards a new public-private model; the second pillar with solidarity, interprofessional and bilateral funds

The introduction of often inappropriate forms of early retirement (mainly Social Ape, arduous work, and long-term redundancy fund), has been an additional burden on pension expenditure; this has called for the creation of a 'second income-support pillar' of a private nature entrusted to social partners according to the model of the redundancy fund for banks and insurance companies; this model provides for early retirement for workers close to the statutory retirement age (maximum 5 years), with a mechanism supplementing and/or replacing public subsidies, on the basis of *solidarity*, inter-professional and bilateral funds, which should however be reduced and rationalised.

Rationalisation of existing bodies: Over time, many entities have been set up at the initiative of social partners, which are financed by employers and in some cases also by workers; their aim is to ensure supplementary social security provisions with respect to the ones granted by the State¹⁰.

Entity\Body	Institutional objectives	Financial resources in 2020 ¹¹
Fund for supplementary wage benefits	It provides supplementary benefits for workers in companies with more than 5 employees on average in sectors for which no agreement on the establishment of solidarity funds has been concluded or which are not entitled to Cig.	Ordinary contribution revenues from employers and employees amounting to 541.5 million euros, of which 32.8 million related to the credit fund and 436.2 million to the fund for supplementary wage benefits
12 Solidarity funds	They provide workers in some sectors (credit, post, railways, insurance, air transport, maritime and former tax collection) with extraordinary income support allowances, training and vocational retraining, in particular for the credit and air transport sectors, and an extraordinary allowance for early-retirement 5 years in advance.	Expenditure on ordinary benefits and related contributions: 1,280.3 million euros , of which 37,679 million related to the credit fund and 1,005 million to the fund for supplementary wage benefits Given the specific situation due to the Covid emergency, the difference between revenues and expenditure for ordinary contributions was financed by some funds, partly with their own resources and partly through GIAS transfers (see note 2) In addition, the credit, insurance, tax collection and railway sectors had 1,077 million euros' worth of extraordinary contribution revenues against 1,072 million euros' worth of extraordinary benefit expenditure (see note 2).
19 Inter-professional funds	These funds provide continuous training in the industry, agriculture, services and crafts sectors.	Their revenues derive from applying a 0.30 % rate on wages to be paid by enterprises. Total revenues: 971 million euros , of which 669 million paid to the funds for continuous training.
105 Bilateral bodies	They mainly provide training services and, in some still very limited cases, supplementary income support benefits paid by INPS, while about 10 of them provide supplementary health benefits paid by the NHS.	Payments made by more than 1million member companies: 970.6 million euros , for a population of more than 6.3 million workers.

¹⁰ Act no. 662 of 1996 introduced sectoral solidarity funds within INPS, on the basis of specific collective bargaining agreements with the social partners on an experimental basis and a voluntary basis, with the aim to provide some specific benefits.

¹¹ The effects of the pandemic, with a massive recourse to ordinary benefits, dried up all the 2020 resources of the fund for supplementary wage benefits and of other funds (shipping (Solimare), dockers, Trento and Bolzano); so, the necessary funds came in part from assets and in part from GIAS. The situation is different for other funds (credit, cooperative credit, insurance, and tax collection); they managed to pay for ordinary benefits largely through their respective revenues, but while the extraordinary benefits they provided, i.e. allowances for early retirement, were entirely financed through their respective contribution revenues. Basically, these funds receive these resources from employers and allocate them to facilitate 5-year early retirement for workers in their member companies (redundancy funds).

A special mention should be made of the solidarity funds, which failed to be up to the expectations; in fact, a 'second pillar' was expected to be created to manage passive policies capable of linking up with active ones, in particular to deal with corporate and sectoral crises. This shortfall is only partly attributable to the constraints on the approval of new income support measures to be financed with their already available resources, which has recently led to the accumulation of a considerable capital surplus, as shown in the table below; it is actually due to a lack of strategic choices on the part of social partners. Moreover, the Interdepartmental Solidarity Fund (IFS), the largest aggregate of companies and workers, has been called to play an important role during the COVID crisis, as indicated in the footnote, by channelling the resources of the derogation redundancy funds to very small enterprises.

Solidarity Funds- Final results in 2020						
Bilateral solidarity funds under former Art. 3, par. 4 and subsequent paragraphs, of Act no. 92 of June 28, 2021 and Art 26 and subsequent articles of Leg. Decree no. 148/2015 and Intersectoral Funds of the Autonomous Provinces of Trento and Bolzano under former Art. 40 of Leg. Decree no. 148/2015						
Name	Ordinary contribution revenues	Ordinary benefit expenditure	Contribution correlated to ordinary benefits	Extraordinary contribution revenues	Extraordinary benefit expenditure	Financial results on December 31, 2020
Fund for supplementary wage benefits	436.272.828,78	623.709.022,08	381.256.116,24			1.566.787.482,03
Gruppo Poste Italiane S.p.A.	17.669.358,83	0,00	0,00			133.313.065,05
Public transportation companies	16.247.462,86	15.192.661,06	7.372.659,61			71.845.423,58
companies in the shipping industry	3.356.465,06	2.871.465,17	2.547.633,43			15.830.441,97
companies in the port docking and boating sector	137.250,57	167.025,65	127.514,00			439.471,99
Solidarity fund of Trentino	4.631.697,05	10.417.780,29	5.679.066,98			24.657.986,42
Solidarity fund of the autonomous province of Bolzano	5.372.245,27	34.201.992,81	3.438.321,20			31.040.764,10
Credit	32.822.297,55	21.833.760,62	15.846.136,09	930.962.269,15	925.383.550,21	128.414.430,14
Cooperative credit	6.412.554,32	2.987.728,58	675,56	39.348.370,37	39.647.574,19	72.231.177,07
Insurance companies	7.208.469,66	2.821.407,16	4.773.086,66	65.969.374,99	64.864.647,29	43.212.377,90
Tax collection service	1.072.936,82	0,00	51.128,62	8.732.130,81	7.278.210,52	10.267.780,65
Solidarity fund of Ferrovie	4.386.726,76	0,00	0,00	32.546.134,65	35.400.609,46	24.719.844,87
TOTAL	535.590.293,53	714.202.843,42	421.092.338,39	1.077.558.279,97	1.072.574.591,67	2.122.760.245,77
Fund for air transportation	5.880.905,58	142.770.533,94	2.126.429,00	205.278.268,43		1.033.503.736,43
TOTAL	541.471.199,11	856.973.377,36	423.218.767,39	1.077.558.279,97	1.072.574.591,67	3.156.263.982,20

This picture shows an excessive level of proliferation and overlapping of interventions for the same categories of subjects and the need to streamline and rationalize the number of these entities and their resources, especially in view of more broader social purposes; in fact, they have high operating costs since each body has its own governance, ultimately affecting their beneficiaries and there is no effective control by a 'super-partes' body authority that can ensure a unified direction and efficient management approach.

Possible solution: these entities may be redesigned in their structure and functions, in order to create new organizations with the task of managing both active and passive labour policies, including the one to implement more flexible retirement solutions. To this end, it would be desirable to adopt legislative initiatives and/or memoranda of understanding with the social partners to create a ***multifunctional structure for each economic macro sector*** (agriculture, industry, retail, credit, insurance, etc.); this might also be achieved by ***consolidating and/or merging bilateral bodies*** so as to transfer the provision of health benefits to the existing health funds for each sector (as is already the case) and, by modifying their institutional structure so that they would continue to be financed by member companies, with the aim to provide training and to promote the creation of redundancy funds in all economic sectors.

Towards redundancy funds: in line with the above, redundancy funds have gradually and increasingly become instruments under the legal system. In fact: a) Under Art 22 of Act no. 26 of March 28, 2019 transposing Law Decree no. 4\2019, in addition to the 5-year early retirement granted by the existing Solidarity Funds (banks, insurance companies, transport, etc.), these funds can provide a similar 3 year advance for early retirement with respect to 100 Quota retirement requirements to workers in their respective sectors; b) Under Act no. 58 of June 28, 2019, art. 26 quinqué, and Article 26 quater, thanks to the expansion contract, a five-year incentive can be granted to subjects working with companies with at least 1,000 employees that want to start a technological renewal, reindustrialisation and reorganisation process. Finally, this incentive can also be provided by resorting to bilateral solidarity funds, if already established or in the process of being established, without having to amend their statutes; c) the 2021 Budget Law (Act no. 176 of 30.12.2020) and the Sostegni Decree (Act no. 176 of 30.12.2020) extended and strengthened the possibilities offered by the expansion contract, also with a gradual lowering of the access threshold, which has been recently set at 100 employees, so as to support companies in crisis due to the Covid 19 pandemic. The expansion contract makes it possible to initiate agreed redundancy plans for workers who are no more than 60 months away from reaching the old-age pension or early retirement requirements. The employer pays a monthly 'redundancy payment' commensurate with the gross pension accrued by the worker at the time of termination until the first pensionable date. The NASpI benefits that workers would be entitled to for the period of unemployment are deducted from this amount. If the termination of employment is due to early retirement, employers have to pay the social security contributions linked to this entitlement, minus the amount of notional contributions, which are in any case calculated in full. Among other things, the cost of the expansion contract for enterprises is also significantly lower than the cost of the isopension.

These rules show that early retirement, Ape, heavy labour and similar are still mainly finance by ***enterprises***, except in particular cases of unemployed persons who can no longer be reintegrated into the production system. Therefore, solidarity funds/redundancy funds are now really the most suitable

instruments to be used and to be more extensively implemented and more specifically regulated, also in view of the revision of the whole bilateral system¹².

New subjects	Institutional purposes	Financing
Funds for training	Vocational training, including that currently provided by interprofessional funds	Part of the contributions currently paid by bilateral entities
Redundancy funds	Income support benefits Extraordinary allowance for early retirement, following the model already used for solidarity funds in the credit sector and others.	<ul style="list-style-type: none"> - current resources allocated to redundancy funds, provided by employers and, in part, by workers, in sectors where these funds do exist; - use, even partial, of the assets of existing solidarity funds, which amounted to more than 3 million euros in December 2020; - Reinstatement of the former mobility contribution (0.30% of the total income) abolished in 2017 by Act no. 92/2012, which ensured revenues of approximately 600 million euros; - funding currently allocated to interprofessional funds (0.30% of the total amount of wages under Acts no. 388/2000 and no. 30/2003), which ensure revenues of about 1,000 million euros per year; - part of the contributions currently paid to bilateral entities; - savings from the more limited use of the existing social safety net measures or from the rationalization of the existing early retirement options; - other additional resources.

¹² For further details on bilateral funds, see the IV Report of 2017, which can be freely consulted on the www.itinerariprevidenziali.it website.

5. Pension benefits by type, gender, amount for pensions and pensioners, number of benefits, territorial distribution by region and province of payment, and pensioners abroad

Up to this point, the Report has analysed the data on pension benefits financed by contributions obtained from the financial statements of INPS and of other funds, focusing on each individual scheme. In this Chapter, the Report analyses all outstanding pension, welfare and indemnity benefits by type, number, gender, average amount, duration and other characteristics, on the basis of the compulsory data provided by all pension funds to in the *INPS Central Registry of Pensioners and Pensions*. This results in a complete picture of the benefits paid out, which also include indemnity and welfare benefits; however, it does not include the pension benefits paid to retirees of constitutional bodies and entities, the life annuities of members of parliament and of regional councillors (cut as of 2019) that are not communicated to the general registry.

5.1 Pensions, benefits and pensioners

The first part of this Chapter illustrates the total number of pensioners and benefits paid out by type, average amount and gross and net pension income per retiree, and differences in average gross pension income between men and women.

Number of pensioners

In 2019 and 2020, the long downward trend in the number of pensioners in the Italian system came to a halt and it started rising from 16,004,503 in 2018 to 16,035,165 in 2019 and **16,041,202** in 2020; of these, **51.8%** are women, who receive more than 87.1%¹ of all survivors' pensions (with with benefits ranging from 60% to 30%, depending on their income).

In 2020, there were 6,037 more pensioners than in 2019 with a **0.04%** growth; however, the number of women receiving a pension continued to decrease by 14,400 vs. the previous year (already down by 34,133 between 2018 and 2019), while that of men continued to increase by 20,437 (already up by 64,795 between 2018 and 2019) (*table 5.1*).

Table 5.1 – Number of pensioners and raw retirement rates by gender, overall amount, number of pensions, number of pensions per pensioner, average annual amount of pensions and of pension income on December 31, 2019 and 2020

Sesso/Anno	Numero pensionati		Tasso di pensionamento prezzo ⁽¹⁾		Importo complessivo (milioni di euro)		Numero pensioni		Numero pensioni per pensionato		Importo medio annuo pensioni		Importo medio annuo redditi pensionistici	
	2019	2020	2019	2020	2019 ⁽²⁾	2020	2019	2020	2019	2020	2019	2020	2019	2020
Maschi	7.709.425	7.729.862	26,28%	26,78%	168.884	172.771	10.214.642	10.207.666	1,32	1,32	16.534	16.926	21.906,17	22.351
Femmine	8.325.740	8.311.340	26,94%	27,35%	132.023	134.919	12.591.123	12.509.454	1,51	1,51	10.485	10.785	15.857,21	16.233
Totale	16.035.165	16.041.202	26,62%	27,07%	300.907	307.690	22.805.765	22.717.120	1,422	1,416	13.194	13.544	18.765,44	19.181,21

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.

Source: INPS Central Registry of Pensioners and Pensions, the 2020 data are provisional; 1) n. of pensioners/resident population; 2) see table 5.3 for the breakdown of figures

The number of women pensioners is still significantly declining, mainly due to the effects of the 2011 reform which introduced more stringent old-age pension requirements, and equalized the retirement age for women to the 2018 requirements; in 2019, these requirements became even more

¹ As to survivors' pensions directly provided by INPS, on 1.1.2021, the number of survivors' benefits paid to women was equal to 3,724,326, that is 87.1% of the total out of a total of 4,274,326 pensions (INPS private-sector and public-sector pension-GDP funds).

stringent for both genders, with 67 years of age to be entitled to an old-age pension. The raw retirement rate shows the number of pensioners out of the total resident population, equal to **27.07%** of residents, i.e. **1 pensioner out of 3.69 residents**. The decrease in the number of pensioners started in 2009 continued steadily until 2018 due to the latest pension reforms, which introduced new exit "windows" and gradually raised all age and contribution requirements. In the entire period between 2008 and 2020 (see **Table 5.2**), the number of pensioners decreased by a total of 738,353 individuals, with a negative percentage change for the entire period of - 4.40%.

Number of benefits

In 2020, the number of benefits decreased compared to the previous year, from 22,805,765 in 2019 to 22,717,120 in 2020 (-0.39%); throughout the 2008-2020 period, there was a drop in the number of pensions by 990,175 pensions (-4.18% in thirteen years); this was due to a reduction in IVS benefits (-5.01%) and annuities (-28.74%), offset by the counter upward trend in the number of welfare pensions, which grew by almost 215,754 (+5.22%) over the same period (**Table 5.2**). Like in 2019, both IVS benefits and annuities and indemnity continued their downward trend (-0.01% and -3.04%, respectively), while welfare benefits reversed their upward trend and experienced a - 1.50% reduction².

Table 5.2 - Number of outstanding pensioners and pensions by category, annual and overall percentage variation on December 31 from 2008 to 2020

	Anni													Variazioni ann. e % del periodo 2020/2008
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Numero pensionati	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	16.041.202	-738.353
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	0,04	-4,40
Numero pensioni IVS (1)	13.626.737	13.600.174	13.620.674	13.569.652	13.469.661	13.230.953	13.039.743	12.962.816	12.795.577	12.757.895	12.698.960	12.695.435	12.694.155	-932.582
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	-0,01	-5,01
Numero pensioni indennitarie (2)	951.264	907.501	880.129	847.569	827.272	805.788	786.059	767.844	748.471	732.593	716.213	699.202	677.917	-273.347
Variazione percentuale annua	-	-4,60	-3,02	-3,70	-2,39	-2,60	-2,43	-2,32	-2,52	-2,12	-2,24	-2,33	-3,04	-28,74
Numero pensioni assistenziali (3)	4.129.294	4.216.007	4.147.165	4.135.541	4.138.903	4.132.262	4.166.493	4.195.364	4.242.824	4.316.520	4.370.538	4.411.128	4.345.048	215.754
Variazione percentuale annua	-	2,10	-1,63	-0,23	0,07	-0,15	0,83	0,69	1,13	1,74	1,25	0,93	-1,50	5,22
Totale pensioni	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	22.717.120	-990.175
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	-0,39	-4,18

Number of pensioners; Annual percentage variation, Number of IVS pensions (1), Number of annuities (2), Number of welfare benefits (3), Total pensions; (1) Old-age/Seniority/early pensions; Disability/inability and survivors' pensions; Inail and former Ipsema annuities for work-related accidents and occupational diseases; (3) Benefits for disabled civilians, caregivers' allowance social pensions/allowances and veterans' benefits; INPS Central Registry of Pensioners and Pensions, the 2020 data are provisional

Types of pension, annuity and welfare benefits

In 2020, the number of **pension benefits** paid amounted to **22,717,120**, of which **17,694,155 IVS benefits** (INPS private-sector and public-sector funds, schemes for professionals and complementary benefits)), plus **4,345.048 INPS welfare benefits**, of which 3,402,372 for disabled civilians, 808,362 social pensions and allowances, 134,314 direct and indirect veterans' pensions from the Ministry of Economy and **677,917 INAIL annuities** (**Table 5.3**).

It is important to point out that there is a difference between the data in this Report³ and those from the INPS/Istat Registry (**Table 5.3**) due to the different date of data extraction: December 31, 2020 from the INPS pension archive and July 2021 from the Registry. This may be the cause of

² The data of the historical series on welfare benefits, in particular for disabled civilians, are different from those published before 2018 due to a revision of classification procedures by INPS and Istat.

³ See Tables B.30a-b, B31a-b and 1.a.

discrepancies in the number and amounts of pension benefits. For example, some pensions starting as of December 1, 2020, may be processed, calculated and settled late in March 2021; however, the Registry counts them even if they are not included among the "outstanding pensions on at 31/12/2020"; the same applies, but with the opposite sign, for pensions to be eliminated. Another reason for these discrepancies, but only for IVS pensions, is that the Registry stores the data of all private and public-sector funds, including over 430,000 IVS pension benefits of the schemes for professionals, pension benefits of sectoral and non-sectoral complementary funds, pensions of military personnel in auxiliary service and other IVS benefits. To be precise, in this Report, the total number of outstanding IVS pensions on 31/12/2020 is lower than that reported in the Registry by 847,733 benefits, with minus 223,135 benefits for disabled civilians and minus 4,921 social pensions and allowances.

In **Table 5.3** the total annual amount of IVS pensions is equal to **278.469 billion euros** (of which 57.4% is paid to 44.9% of IVS pensions for men and 42.6% of the aforesaid amount to 55.1% of IVS pensions for women). This amount is almost 4 billion euros higher than 274,729 billion euros' worth of IVS pensions shown in this Report (**Table 1.a**); this is due to the reasons explained above and because the Registry features the annual amount as a stock figure which does not coincide with the pension expenditure derived from accounting data (profit and loss accounts) and also because the IVS pension amounts in the Registry include those of the privatised schemes for professionals and of the complementary pension funds (occupational, open-end and insurance funds).

Table 5.3 - Pension benefits and their total and average annual amounts by type of pension in 2019 and 2020

Tipologia di pensione	2019						2020					
	Numero pensioni	%	Importo complessivo		Importo medio		Numero pensioni	%	Importo complessivo		Importo medio	
			milioni di euro	%	euro	N.I.			milioni di euro	%	euro	N.I.
Ivs	17.695.435	77,6	272.661	90,6	15.409	116,8	17.694.155	77,9	278.469	90,5	15.738	116,2
<i>Vecchiaia</i>	<i>11.921.497</i>	<i>52,3</i>	<i>215.893</i>	<i>71,7</i>	<i>18.110</i>	<i>137,3</i>	<i>12.012.541</i>	<i>52,9</i>	<i>221.920</i>	<i>72,1</i>	<i>18.474</i>	<i>136,4</i>
<i>Invalidità</i>	<i>1.109.111</i>	<i>4,9</i>	<i>13.784</i>	<i>4,6</i>	<i>12.428</i>	<i>94,2</i>	<i>1.051.653</i>	<i>4,6</i>	<i>13.284</i>	<i>4,3</i>	<i>12.632</i>	<i>93,3</i>
<i>Superstiti</i>	<i>4.664.827</i>	<i>20,5</i>	<i>42.983</i>	<i>14,3</i>	<i>9.214</i>	<i>69,8</i>	<i>4.629.961</i>	<i>20,4</i>	<i>43.264</i>	<i>14,1</i>	<i>9.344</i>	<i>69,0</i>
Indennitarie	699.202	3,1	4.127	1,4	5.902	44,7	677.917	3,0	4.022	1,3	5.933	43,8
Assistenziali	4.411.128	19,3	24.119	8,0	5.468	41,4	4.345.048	19,1	25.199	8,2	5.799	42,8
<i>Invalidità civile</i>	<i>3.463.546</i>	<i>15,2</i>	<i>18.286</i>	<i>6,1</i>	<i>5.279</i>	<i>40,0</i>	<i>3.402.372</i>	<i>15,0</i>	<i>19.276</i>	<i>6,3</i>	<i>5.666</i>	<i>41,8</i>
<i>Pensioni sociali</i>	<i>801.009</i>	<i>3,5</i>	<i>4.691</i>	<i>1,6</i>	<i>5.856</i>	<i>44,4</i>	<i>808.362</i>	<i>3,6</i>	<i>4.827</i>	<i>1,6</i>	<i>5.972</i>	<i>44,1</i>
<i>Guerra</i>	<i>146.573</i>	<i>0,6</i>	<i>1.142</i>	<i>0,4</i>	<i>7.794</i>	<i>59,1</i>	<i>134.314</i>	<i>0,6</i>	<i>1.095</i>	<i>0,4</i>	<i>8.155</i>	<i>60,2</i>
Totale	22.805.765	100,0	300.907	100,0	13.194	100,0	22.717.120	100,0	307.690	100,0	13.544	100,0

Source: INPS Central Registry of Pensioners and Pensions, the 2020 data are provisional

Average pension benefits and per capita gross and net pension income

Since the amount of pension benefits and of pension income is extensively studied and analyzed, it is important to highlight that the gross average amount of pension benefits and the average gross and net pension income per pensioner are fundamental to evaluate the **social adequacy** of pensions.

Tables 5.4 and **5.5** below illustrate in detail the number of pensions and the number of pensioners by amount with respect to minimum benefits, equal to 515.58 euros per month in 2020; in particular, **Table 5.4** shows the number of benefits paid out, reported in **table 5.3** above, before taxes (personal income taxes (IRPEF). Deductions and bonuses); instead, **Table 5.5** shows the number of pensioners with their gross and net pension income⁴ for each amount.

⁴ Pension income amounts net of IRPEF have been estimated by INPS; the estimate of the net amounts does not include the additional regional and municipal taxes, household deductions and bonuses, if any. The accounting data are reported in Chapter 8. Pension income means the sum of pensions and benefits, including welfare benefits, received by each pensioner; as indicated in **table 8.1**, i.e. **1.424** pensions for each pensioner.

1) *The average amount of pension benefits*, calculated on the total number of benefits (22,717,120), is equal to **13,544.40 euros per year before taxes** (1,042 per month for 13 months).

2) Since there are 16,041,202 pensioners receiving these benefits, the average per capita pension income⁵ is **19,181 euros per year before taxes** (about 15,699 euros per year after taxes), therefore **1,475 euros per month before taxes** (1,207 euros per month after taxes) always for 13 months. This is the most correct figure, even though the first is often improperly circulated, dividing the total value of pension expenditure (307.690 billion euros) by the number of benefits and not by the number of pensioners. *Table 5.5* also shows an estimate of the tax burden on pension income, taking into consideration *personal income taxes (IRPEF)* on the 2020 pension income **equal to 55.8 billion** out of 307.690 billion euros' worth of gross pension expenditure; this would result in **a total average tax rate of 18.1%** (17.6% in 2018 and 17.9% in 2019), reducing net pension expenditure to about 251.846 billion. Moreover, these figures do not take into account the additional municipal and regional taxes on pension income. In reality, the average IRPEF rate is higher, because all the benefits of a welfare and/or income-related nature (more than 11.3 million, therefore 49.9% of all pensions, but with 46.7% of pensioners) are not subject to IRPEF; not only, for low pensions, the IRPEF rate is reduced to around 2% up to a gross annual amount of around 13,400 euros, considering both the '*no tax area*' and the tax deductions and incentives from which they benefit. In fact, according to the results of the IRPEF survey on incomes for 2019⁶, 45.4% of all pensioners pay only 7.3% of personal income taxes, while 37.2% pay over 79.6%. This means that, in 2020, most of the tax burden (82.3% vs 81.8% in 2019) is borne by just over 6.033 million pensioners, i.e. 37.6%, namely those with a pension income over 3 times the minimum benefits, for a total taxable amount of about 196 billion out of 308 billion.

Instead, the number of *pensioners* with a pension income in excess of 3,093 euros per month before taxes (more than 6 times the minimum benefit, corresponding to an annual gross pension income in excess of 39,579, about 2,300 euros per month after taxes) is equal to 996,259, 6.2% of the total, which coincides with the *average incomes* deriving from the salaries of the almost 605 thousand managers, officials and executives currently working in the private sector, which confirms a suitable correlation between pensions and salaries. Another interesting finding is the *number of pensions* up to **1 time the minimum benefits** (515.58 euros per month), which is just below 7.481 million, but with 2,153,890 *pensioners*. The same applies to the next amount level (from 515.59 euros to 1,031.16 euros per month before taxes), with over 7.011 million pension benefits, out of 3.886 million pensioners. This phenomenon is explained by the fact that pension income often includes, for the same individual (32.3% of pensioners), a medium or high pension and a second or third low pension (shares of international pensions, supplementary pensions, caregivers' allowances, supplementary or complementary pensions, survivors' pensions, etc.); when there are added together, they are no longer classified as individual pension benefits (pension amounts), but **as pensioners** and therefore as pension income levels (*table 5.5*), resulting from the aggregation of benefits and pension income; this places the pensioners in higher pension-related income levels with respect to the lower levels in which the individual pensions were placed (*table 5.4*).

In total, there are 14.5 million benefits up to two times the minimum benefits (1,031.16 euros), equal to 63.8% of outstanding pensions, but there are about 6.040 million pensioners (37.7% of all

⁵ The average annual pension income is equal to the sum of the amounts of all pension benefits received by a beneficiary per year, be compulsory or complementary pension, annuity and/or welfare benefits.

⁶ See the Observatory on Public Expenditure and Revenues: "2019 Personal Income Tax Statements", produced by the Itinerari Previdenziali Study and Research Centre available on the www.itinerariprevidenziali.it website.

pensioners), mainly receiving benefits that are in whole or in part of a welfare nature, so without contributions, (benefits for disabled civilians, social allowances, veterans' allowances or with additional social benefits, the 14th month allowance, the citizenship pension) or supplementary minimum benefits or an increase with respect to the "Berlusconi million" incentive⁷, which in 2020 were estimated to reach 652.02 euros per month. Therefore, these subjects have paid few or no contributions during their active life (and at the same time few or no taxes) and who are supported by the community.

From a *technical point of view*, it is wrong to say that almost 50% of pensions are lower than 516 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 20/40 years if the amount of benefits is so low? Actually, it is better to *refer to pensioners*, that is to beneficiaries of one or more benefits, and to their pension income, rather than to individual benefits.

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 **1.416 pensions**, almost 1 and a half pension each. In 2020, **67.7%** of *pensioners* received **1 benefit**, **24.5%** of pensioners **2 benefits**, **6.6%** **3 benefits** and **1.2%** **4 or more benefits**.

So, in order to accurately calculate the average amounts of benefits, welfare benefits (including supplementary minimum benefits, additional social benefits and the 14th month salary) should be excluded from these calculations, since they are partially or totally financed by general taxes. This would make 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 of direct pension benefits and survivors' pensions which range from 30% to 60% of direct pension benefits related to the survivors' income and are sometimes shared with other family members (spouses and children)? Or again, how to justify the inclusion in the average of social pensions or social allowances (379.33 and 460.28 euros per month respectively in 2020), minimum supplementary benefits (515.58 euros), the so-called "one million per month" benefits (652 euros), the benefits for disabled civilians (287.09 euros per month), caregivers' benefits (520.29 euros per month) or the INAIL indemnities for industrial accidents or for occupational diseases (on average 483 euros per month)?

Instead, it would be correct to separate these data. In fact, by excluding the first two pension income levels (up to twice the minimum benefits, that is 1,031.16 euros before taxes, which are benefits typically with a full or partial welfare nature⁸ for a total of 6,040,312 pensioners (vs. about 7.5 million beneficiaries of welfare benefits), the average pension income (financed by contributions) of the remaining 10 million pensioners would amount to **26,215.58** euros per year before taxes (vs. the official 19,181.21 euros before taxes) equal to about 19,737 euros per year after taxes.

It is true that 37% of pensioners have pension-related incomes lower than 1,031.16 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, it is important to remove approximately 671,000 pensioners under the age of 40 (orphans with a 20% share of the survivors' pension, survivors or disabled people), who receive

⁷ Art. 38 of Act no. 488/2001.

⁸ Often, each pensioner receives two or more allowances (for example disability and caregivers' allowances, plus other additional benefits and, in some cases, also survivors' pension benefits).

more than 809,000 benefits, 1.2 benefits per capita on average.

The gender gap in terms of average pension income before taxes

According to the data, **women** account for **51.8% of all pensioners**, but receive **43.8%** of the total amount of pension benefits before taxes: 172,771 million euros for men and 134,919 million euros for women. By adding up pension benefits, welfare benefits and annuities (a total of 22,717,120 pensions) and considering pensioners instead of the amount of each benefit, the annual pension income of women rises to **16,233 euros** and that of men to **22,351 euros**. **Retired women** have the highest number of *per capita* pensions: on average **1.51 pensions per capita** compared to **1.32** for men. In fact, women account for 58.6% of beneficiaries of 2 pensions, for 68.6% of beneficiaries of 3 pensions and for 70.5% of recipients of 4 + types of benefits. In 2020, the number of survivors' pensioners was equal to 4,629,961, about two thirds of whom (67%) also benefit from other pension benefits; women account for 87% of all survivors' pensioners. Women also prevail in terms of benefits produced through "voluntary contributions", that are generally low because of very low contribution levels, and of supplementary minimum benefits (women receive 85.7% of minimum benefits); women are also the main beneficiaries of additional benefits, additional social benefits (70.5% of all the beneficiaries of these benefits), the 14th month salary and the social card (SIA – Active Inclusion Support). As already stated, they also benefit from the survivors' pensions of self-employed workers and of old-age pensioners with supplementary minimum benefits up to a maximum of 60% of the direct pension, and, within their income limits, from a survivors' pension with supplementary minimum benefits. 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 underperform in terms of employment rates (49 vs. 67.2 for men in 2020), especially in the South (32.5 women vs. 56.3 men) and of career levels.

Table 5.4 - Number of pensions and overall gross annual ⁽¹⁾ amount by monthly amounts ⁽²⁾- Year 2020

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 515,58	7.480.943	31.746.455.366	4.243,64
Da 1 a 2 volte il minimo	Da 515,59 a 1031,16	7.011.368	63.923.882.868	9.117,18
Da 2 a 3 volte il minimo	Da 1031,17 a 1546,74	3.438.525	57.478.060.299	16.715,91
Da 3 a 4 volte il minimo	Da 1546,75 a 2062,32	2.126.802	49.471.793.053	23.261,12
Da 4 a 5 volte il minimo	Da 2062,33 a 2577,90	1.333.133	39.824.130.898	29.872,59
Da 5 a 6 volte il minimo	Da 2577,91 a 3093,48	567.962	20.684.238.560	36.418,35
Da 6 a 7 volte il minimo	Da 3093,49 a 3609,06	270.010	11.648.791.146	43.142,07
Da 7 a 8 volte il minimo	Da 3609,07 a 4124,64	143.180	7.152.049.031	49.951,45
Da 8 a 9 volte il minimo	Da 4124,65 a 4640,22	90.233	5.126.442.446	56.813,39
Da 9 a 10 volte il minimo	Da 4640,23 a 5155,80	68.312	4.338.612.927	63.511,72
Da 10 a 11 volte il minimo	Da 5155,81 a 5671,38	55.864	3.926.058.365	70.278,86
Da 11 a 12 volte il minimo	Da 5671,39 a 6186,96	42.574	3.269.474.446	76.795,10
Da 12 a 13 volte il minimo	Da 6186,97 a 6702,54	26.473	2.213.063.136	83.596,99
Da 13 a 14 volte il minimo	Da 6702,55 a 7218,12	18.215	1.643.584.691	90.232,48
Da 14 a 15 volte il minimo	Da 7218,13 a 7733,70	13.314	1.291.868.136	97.030,80
Da 15 a 16 volte il minimo	Da 7733,71 a 8249,28	8.523	883.544.964	103.665,96
Da 16 a 17 volte il minimo	Da 8249,29 a 8764,86	5.153	568.750.316	110.372,66
Da 17 a 18 volte il minimo	Da 8764,87 a 9280,44	3.470	406.274.366	117.081,95
Da 18 a 19 volte il minimo	Da 9280,45 a 9796,02	2.322	287.450.869	123.794,52
Da 19 a 20 volte il minimo	Da 9796,03 a 10311,60	1.747	228.106.938	130.570,66
Da 20 a 21 volte il minimo	Da 10311,61 a 10827,18	1.413	193.936.878	137.251,86
Da 21 a 22 volte il minimo	Da 10827,19 a 11342,76	1.230	177.186.299	144.053,90
Da 22 a 23 volte il minimo	Da 11342,77 a 11858,34	1.107	166.837.457	150.711,34
Da 23 a 24 volte il minimo	Da 11858,35 a 12373,92	924	145.322.213	157.275,12
Da 24 a 25 volte il minimo	Da 12373,93 a 12889,5	685	112.367.663	164.040,38
Da 25 a 26 volte il minimo	Da 12889,51 a 13405,08	705	120.624.895	171.099,14
Da 26 a 27 volte il minimo	Da 13405,09 a 13920,66	604	107.125.766	177.360,54
Da 27 a 28 volte il minimo	Da 13920,67 a 14436,24	405	74.686.092	184.410,10
Da 28 a 29 volte il minimo	Da 14436,25 a 14951,82	328	62.534.856	190.655,05
Da 29 a 30 volte il minimo	Da 14951,83 a 15467,40	219	43.246.517	197.472,68
Da 30 a 31 volte il minimo	Da 15467,41 a 15982,98	198	40.433.716	204.210,69
Da 31 a 32 volte il minimo	Da 15982,99 a 16498,56	171	36.066.367	210.914,43
Da 32 a 33 volte il minimo	Da 16498,57 a 17014,14	136	29.602.599	217.666,17
Da 33 a 34 volte il minimo	Da 17014,15 a 17529,72	82	18.385.456	224.212,88
Da 34 a 35 volte il minimo	Da 17529,73 a 18045,30	85	19.614.545	230.759,35
Da 35 a 36 volte il minimo	Da 18045,31 a 18560,88	73	17.356.749	237.763,68
Da 36 a 37 volte il minimo	Da 18560,89 a 19076,46	51	12.476.182	244.631,03
Da 37 a 38 volte il minimo	Da 19076,47 a 19592,04	49	12.314.158	251.309,35
Da 38 a 39 volte il minimo	Da 19592,05 a 20107,62	45	11.601.451	257.810,01
Da 39 a 40 volte il minimo	Da 20107,63 a 20623,20	38	10.046.626	264.384,88
Da 40 a 41 volte il minimo	Da 20623,21 a 21138,78	38	10.292.547	270.856,51
Da 41 a 42 volte il minimo	Da 21138,79 a 21654,36	29	8.081.321	278.666,25
Da 42 a 43 volte il minimo	Da 21654,37 a 22169,94	21	5.988.470	285.165,25
Da 43 a 44 volte il minimo	Da 22169,95 a 22685,52	23	6.705.250	291.532,61
Da 44 a 45 volte il minimo	Da 22685,53 a 23201,10	27	8.046.856	298.031,70
Da 45 a 46 volte il minimo	Da 23201,11 a 23716,68	22	6.710.944	305.042,92
Da 46 a 47 volte il minimo	Da 23716,69 a 24232,26	17	5.285.259	310.897,57
Da 47 a 48 volte il minimo	Da 24232,27 a 24747,84	15	4.786.063	319.070,88
Da 48 a 49 volte il minimo	Da 24747,85 a 25263,42	15	4.879.178	325.278,57
Da 49 a 50 volte il minimo	Da 25263,43 a 25779,00	22	7.290.882	331.403,74
Oltre 50 volte il minimo	Oltre 25779,00	220	97.210.389	441.865,40
Totale		22.717.120	307.689.676.466	13.544,40

Monthly pension income levels (divided by 13), Number of pensions, Overall gross annual amount, Average gross annual amount

Table 5.5 - Number of pensioners and overall annual ⁽¹⁾ gross and net pension income by gross monthly income levels ⁽²⁾ - Year 2020

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 ⁽³⁾ annuo del reddito pensionistico	Importo medio netto ⁽³⁾ annuo del reddito pensionistico	Aliquota IRPEF media
Fino a 1 volta il minimo	Fino a 515,58	2.153.890	8.166.245.249	3.791,39	8.166.245.249	3.791,39	0%
Da 1 a 2 volte il minimo	Da 515,59 a 1031,16	3.886.422	37.344.331.150	9.608,92	35.837.638.461	9.221,24	4,0%
Da 2 a 3 volte il minimo	Da 1031,17 a 1546,74	3.968.387	66.181.541.331	16.677,19	57.819.573.528	14.570,04	12,6%
Da 3 a 4 volte il minimo	Da 1546,75 a 2062,32	2.681.819	62.433.120.721	23.280,14	51.328.388.470	19.139,39	17,8%
Da 4 a 5 volte il minimo	Da 2062,33 a 2577,90	1.598.391	47.761.743.975	29.881,14	37.525.375.426	23.476,97	21,4%
Da 5 a 6 volte il minimo	Da 2577,91 a 3093,48	756.034	27.573.969.881	36.471,86	20.834.982.311	27.558,26	24,4%
Da 6 a 7 volte il minimo	Da 3093,49 a 3609,06	372.090	16.060.399.811	43.162,68	11.784.130.766	31.670,11	26,6%
Da 7 a 8 volte il minimo	Da 3609,07 a 4124,64	192.187	9.596.551.505	49.933,41	6.889.504.540	35.847,92	28,2%
Da 8 a 9 volte il minimo	Da 4124,65 a 4640,22	115.307	6.545.706.767	56.767,64	4.552.498.005	39.481,54	30,5%
Da 9 a 10 volte il minimo	Da 4640,23 a 5155,80	81.631	5.183.186.637	63.495,32	3.522.953.705	43.157,06	32,0%
Da 10 a 11 volte il minimo	Da 5155,81 a 5671,38	64.823	4.555.017.529	70.268,54	3.051.650.360	47.076,66	33,0%
Da 11 a 12 volte il minimo	Da 5671,39 a 6186,96	52.167	4.010.812.679	76.884,10	2.655.788.338	50.909,36	33,8%
Da 12 a 13 volte il minimo	Da 6186,97 a 6702,54	34.214	2.858.839.594	83.557,60	1.872.207.605	54.720,51	34,5%
Da 13 a 14 volte il minimo	Da 6702,55 a 7218,12	23.152	2.089.561.004	90.254,02	1.355.018.404	58.527,06	35,2%
Da 14 a 15 volte il minimo	Da 7218,13 a 7733,70	16.934	1.643.030.991	97.025,57	1.056.796.364	62.406,78	35,7%
Da 15 a 16 volte il minimo	Da 7733,71 a 8249,28	11.605	1.203.254.517	103.684,15	768.206.522	66.196,17	36,2%
Da 16 a 17 volte il minimo	Da 8249,29 a 8764,86	7.738	854.231.491	110.394,35	542.235.927	70.074,43	36,5%
Da 17 a 18 volte il minimo	Da 8764,87 a 9280,44	5.563	651.737.704	117.155,80	411.069.202	73.893,44	36,9%
Da 18 a 19 volte il minimo	Da 9280,45 a 9796,02	3.732	461.965.588	123.784,99	290.811.010	77.923,64	37,0%
Da 19 a 20 volte il minimo	Da 9796,03 a 10311,60	2.776	362.319.580	130.518,58	226.828.532	81.710,57	37,4%
Da 20 a 21 volte il minimo	Da 10311,61 a 10827,18	2.113	289.915.497	137.205,63	181.678.440	85.981,28	37,3%
Da 21 a 22 volte il minimo	Da 10827,19 a 11342,76	1.781	256.528.329	144.036,12	159.953.972	89.811,33	37,6%
Da 22 a 23 volte il minimo	Da 11342,77 a 11858,34	1.450	218.468.715	150.668,08	135.277.083	93.294,54	38,1%
Da 23 a 24 volte il minimo	Da 11858,35 a 12373,92	1.229	193.251.563	157.242,93	119.575.103	97.294,63	38,1%
Da 24 a 25 volte il minimo	Da 12373,93 a 12889,5	906	148.620.872	164.040,70	92.378.484	101.963,01	37,8%
Da 25 a 26 volte il minimo	Da 12889,51 a 13405,08	847	144.782.693	170.935,88	92.171.273	108.820,87	36,3%
Da 26 a 27 volte il minimo	Da 13405,09 a 13920,66	715	126.911.201	177.498,18	80.777.784	112.975,92	36,4%
Da 27 a 28 volte il minimo	Da 13920,67 a 14436,24	557	102.638.741	184.270,63	65.348.393	117.322,07	36,3%
Da 28 a 29 volte il minimo	Da 14436,25 a 14951,82	501	95.675.445	190.968,95	63.763.580	127.272,61	33,4%
Da 29 a 30 volte il minimo	Da 14951,83 a 15467,40	335	66.150.835	197.465,18	44.136.223	131.749,92	33,3%
Da 30 a 31 volte il minimo	Da 15467,41 a 15982,98	288	58.834.512	204.286,50	38.744.819	134.530,62	34,1%
Da 31 a 32 volte il minimo	Da 15982,99 a 16498,56	233	49.142.931	210.913,87	31.907.420	136.941,71	35,1%
Da 32 a 33 volte il minimo	Da 16498,57 a 17014,14	185	40.258.379	217.612,86	25.518.637	137.938,58	36,6%
Da 33 a 34 volte il minimo	Da 17014,15 a 17529,72	145	32.519.520	224.272,55	20.282.843	139.881,68	37,6%
Da 34 a 35 volte il minimo	Da 17529,73 a 18045,30	118	27.263.979	231.050,67	17.147.103	145.314,43	37,1%
Da 35 a 36 volte il minimo	Da 18045,31 a 18560,88	114	27.130.600	237.987,72	16.980.817	148.954,54	37,4%
Da 36 a 37 volte il minimo	Da 18560,89 a 19076,46	78	19.086.844	244.703,13	11.840.176	151.797,13	38,0%
Da 37 a 38 volte il minimo	Da 19076,47 a 19592,04	70	17.572.089	251.029,85	10.889.934	155.570,48	38,0%
Da 38 a 39 volte il minimo	Da 19592,05 a 20107,62	65	16.743.181	257.587,39	10.489.321	161.374,17	37,4%
Da 39 a 40 volte il minimo	Da 20107,63 a 20623,20	43	11.370.207	264.423,41	7.301.546	169.803,39	35,8%
Da 40 a 41 volte il minimo	Da 20623,21 a 21138,78	53	14.364.162	271.021,93	8.880.940	167.564,91	38,2%
Da 41 a 42 volte il minimo	Da 21138,79 a 21654,36	41	11.414.690	278.407,08	7.001.249	170.762,16	38,7%
Da 42 a 43 volte il minimo	Da 21654,37 a 22169,94	30	8.564.313	285.477,09	5.144.708	171.490,27	39,9%
Da 43 a 44 volte il minimo	Da 22169,95 a 22685,52	24	7.001.623	291.734,31	4.381.164	182.548,50	37,4%
Da 44 a 45 volte il minimo	Da 22685,53 a 23201,10	35	10.435.894	298.168,39	6.303.482	180.099,49	39,6%
Da 45 a 46 volte il minimo	Da 23201,11 a 23716,68	26	7.930.772	305.029,71	4.698.120	180.696,93	40,8%
Da 46 a 47 volte il minimo	Da 23716,69 a 24232,26	20	6.220.937	311.046,84	3.737.730	186.886,52	39,9%
Da 47 a 48 volte il minimo	Da 24232,27 a 24747,84	24	7.651.570	318.815,43	4.525.315	188.554,79	40,9%
Da 48 a 49 volte il minimo	Da 24747,85 a 25263,42	16	5.197.301	324.831,32	3.117.344	194.833,99	40,0%
Da 49 a 50 volte il minimo	Da 25263,43 a 25779,00	22	7.285.884	331.176,55	4.376.854	198.947,92	39,9%
Oltre 50 volte il minimo	Oltre 25779,00	276	123.175.485	446.287,99	75.515.723	273.607,69	38,7%
Totale		16.041.202	307.689.676.467	19.181,21	251.845.748.305	15.699,93	18,1%

Monthly pension income levels, (divided by 13), N. of pensioners, overall gross pension income, average gross pension income, overall net pension income, average net pension income, average personal income tax rate (IRPEF), Total.

Notes to Tables 5.4 and 5.5 - (1) The total annual amount is given by the product of the monthly amount of the benefit paid on December 31 and the number of months per year in which the benefit is paid (13 months for pensions and 12 for caregivers' allowances). (2) The monthly pension amounts/income levels are determined on the basis of the 2020 minimum benefits equal to 515.58 euros per month. (3) Estimated amounts. Source: INPS - Central Registry of Pensioners 2020.

5.1.1 Welfare benefits

Table 6.6 and **DI** (web attachment) show that, in 2020, **4.117 million** benefits had an **entirely welfare nature** (benefits for disabled civilians, caregivers' allowances, social and veterans' benefits) and another **7.228 million** are typical welfare benefits (supplementary minimum benefits, additional social allowances, additional benefits and the fourteenth month's salary) that are designed to supplement pension benefits. For the benefits that are entirely of a welfare nature, no contributions have been paid, for those with some welfare content, very low contributions have been paid and for a few years.

The number of entirely welfare benefits is equal to **4,116,992**. However, in order to determine the number of beneficiaries, it is necessary to subtract the **406,999** dual benefits of those who simultaneously receive a disability pension and a caregiver's allowance; so, by adding **607,780 beneficiaries** of a disability pension with **1,757,459 recipients** of the allowance alone and with the **406,999** recipients of both benefits, the **total number of disabled civilians** is equal to **2,772,238**; it is important to add to these figures, those receiving social pensions or allowances (803,441) and veterans' pensions (134,314), for a total of **3,709,993 pensioners with totally welfare benefits**.

Table 5.6 - Number of welfare benefits and their overall and average annual amount by type of benefit Benefits on December 31 in 2019 and 2020

Type of benefits	Number of welfare benefits		Annual Amount (millions of euros)		Average amount per year (euros)	
	2019	2020	2019	2020	2019	2020
Pensions for disabled civilians	1.015.128	1.014.779	3.876	5.103	3.818	5.029
Caregivers' allowances	2.218.583	2.164.458	13.156	12.877	5.930	5.949
Social pensions and allowances	796.727	803.441	4.661	4.803	5.850	5.977
Veterans' pensions	146.573	134.314	1.142	1.095	7.794	8.155
Direct	58.973	55.838	737	717	12.495	12.843
Indirect	87.600	78.476	405	378	4.629	4.820
Total	4.177.011	4.116.992	22.835	23.878	5.467	5.800
Other welfare benefits	7.005.148	7.227.695	10.407	11.142	1.486	1.542
of which						
Supplementary minimum benefits	2.778.509	2.648.653	7.470	7.024	2.689	2.652
Supplementary social benefits	851.317	1.143.670	1.409	2.633	1.655	2.302
Quattordicesima	3.044.619	2.893.837	1.478	1.403	485	485
Fourteenth month	330.703	541.535	50	82	153	152

The beneficiaries who have partial or total welfare benefits (net of duplications and excluding the fourteenth month's salary) amount to **7,686,501**, that is 47.9% out of a total of 16,041,202, who do not pay or marginally pay personal income taxes.

Moreover, 40.7% of all the new pensions paid (1,182,971) by INPS in 2020 (excluding the funds for public-sector employed workers - GDP) have a full welfare nature (pensions for disabled civilians, caregivers' and social allowances); these types of pensions steadily increased by 8.8% from 2014 to 2020, except for their slight slump in 2016 and 2017; instead, in 2020, they experienced a sharp decrease by 18.1% compared to 2019, probably due to the slowdown of the administrations and the visits of the medical commissions caused by the pandemic.

5.1.2 Geographical distribution of various types of pensions by region and province, pensioners abroad and the average amount of benefits by category

Table 6.7 illustrates the distribution of the different types of the 16,846,422 IVS pensions paid by INPS (seniority, old-age, disability and survivors' benefits), of which 16,459,567 at the regional level and 386,855 for residents abroad (INPS data as of 31 December 2020) ⁹. For each of the four IVS categories: seniority, old age, disability and survivors, the percentage distribution of Regions, Italy and Abroad was calculated with respect to the total for the category. IVS pensioners residing in Italy account for 97.7% and those resident abroad for 2.3%. In **table 5.9**, the provinces are, instead, distributed as a percentage of the total for each category; foreign countries are excluded.

It is well known that *seniority* or *early retirement pensions* are more widespread in the northern regions, with 58.9% of the total (excluding foreign countries), since those who reside in this area have higher employment rates, and a longer and more continuous contribution history: Lombardy features 20.1% of seniority or early retirement pensions, followed by Veneto (10.1%), Emilia-Romagna and Piedmont, each with 9.9%; the lowest rankings are occupied by one central region, Umbria (1.6%) and by regions of the South, because of their low levels of employment and fragmented careers: Calabria (1.9%), Basilicata (0.7%) and Molise (0.5%); Apulia and Sicily (4.7% and 4.6% respectively) are an exception and are in the middle of the ranking, and the same for the special statute regions of Sardinia, Trentino-Alto Adige (2.3% and 2.2% respectively) and Valle d'Aosta (0.3%). The percentage of seniority pensioners residing abroad is 1.2% of the total. More or less the same considerations apply to *old-age pensions* (69.9%) mainly paid to residents in the Central-Northern regions of Italy compared to all the pensions in this category (excluding Abroad): Lombardy 17.0%, Latium 8.6%, Emilia-Romagna 8.0%, Piedmont 7.7%, Veneto 7.6%, Tuscany 7.0%, while Campania stands out in the South with 7.3%. Old age pensions paid throughout Italy account for 96.7% and abroad for 3.3%. Instead, the South of Italy features the highest number of *disability pensions* (46.8%), with respect to the total (excluding foreign countries); for every 100 disability benefits, 11.1 are paid in Campania, 10.1 in Apulia and 9.0 in Sicily. In the Centre, Latium prevails with 9.7%. In the North, Lombardy, with about 10 million residents (16.8% of the Italian population), accounts for 9.1% of all disability pensions. As to *survivors' pensions*, the highest numbers are found in Lombardy (16.0%), Latium (8.5%) and Piedmont (8.0%); the figures for Latium are related to the high number of civil servants. In general, out of 100 benefits paid in Italy and abroad to survivors, 46.8% are paid in the North, 19.5% in the Centre and 30.7% in the South; the remaining 3.0% of surviving spouses reside abroad.

⁹ The regionalization of pensions is very important because often a large part of pension imbalances derives precisely from regional deficits between contributions and benefits and between contribution-based and welfare pension benefits.

Table 5.7 - Number and % of IVS pensions ⁽¹⁾ paid by INPS by category and region of residence on 31/12/2020

Regioni	Anzianità o Anticipate	in %sul totale	Vecchiaia	in %sul totale	Invalidità	in %sul totale	Superstiti	in %sul totale	Totale	in %sul totale
Piemonte	636.926	9,9%	395.507	7,7%	49.968	4,8%	340.921	8,0%	1.423.322	8,4%
Valle Aosta/Vallée Aoste	16.750	0,3%	11.129	0,2%	2.732	0,3%	9.293	0,2%	39.904	0,2%
Lombardia	1.289.431	20,1%	868.602	17,0%	94.230	9,1%	685.348	16,0%	2.937.611	17,4%
Trentino-A. Adige/Südtirol	143.658	2,2%	84.076	1,6%	13.074	1,3%	65.807	1,5%	306.615	1,8%
Veneto	648.039	10,1%	388.385	7,6%	49.499	4,8%	333.598	7,8%	1.419.521	8,4%
Frank-Venezia Giulia	177.886	2,8%	112.495	2,2%	17.602	1,7%	98.871	2,3%	406.854	2,4%
Liguria	190.183	3,0%	165.621	3,2%	28.026	2,7%	136.075	3,2%	519.905	3,1%
Emilia-Romagna	636.987	9,9%	409.476	8,0%	70.746	6,8%	329.811	7,7%	1.447.020	8,6%
Toscana	463.953	7,2%	358.922	7,0%	53.173	5,1%	282.169	6,6%	1.158.217	6,9%
Umbria	105.011	1,6%	81.934	1,6%	27.569	2,7%	69.617	1,6%	284.131	1,7%
Marche	198.993	3,1%	139.816	2,7%	37.066	3,6%	119.520	2,8%	495.395	2,9%
Lazio	461.815	7,2%	437.810	8,6%	100.675	9,7%	362.841	8,5%	1.363.141	8,1%
Abruzzo	132.937	2,1%	107.940	2,1%	31.136	3,0%	98.731	2,3%	370.744	2,2%
Molise	30.659	0,5%	28.420	0,6%	8.026	0,8%	24.968	0,6%	92.073	0,5%
Campania	306.579	4,8%	372.346	7,3%	115.660	11,1%	332.516	7,8%	1.127.101	6,7%
Puglia	303.003	4,7%	310.198	6,1%	104.390	10,1%	254.873	6,0%	972.464	5,8%
Basilicata	43.120	0,7%	51.995	1,0%	17.692	1,7%	42.789	1,0%	155.596	0,9%
Calabria	121.131	1,9%	167.362	3,3%	61.435	5,9%	134.123	3,1%	484.051	2,9%
Sicilia	297.256	4,6%	326.732	6,4%	93.840	9,0%	312.504	7,3%	1.030.332	6,1%
Sardegna	144.849	2,3%	120.002	2,3%	47.313	4,6%	113.406	2,7%	425.570	2,5%
Italia	6.349.166	98,8%	4.938.768	96,7%	1.023.852	98,6%	4.147.781	97,0%	16.459.567	97,7%
Estero	76.795	1,2%	169.447	3,3%	14.068	1,4%	126.545	3,0%	386.855	2,3%
Totale	6.425.961	100,0%	5.108.215	100,0%	1.037.920	100,0%	4.274.326	100,0%	16.846.422	100,0%

Regions Seniority or Early pensions; as % of the total; Old-age; Disability; Survivors'; Italy, Abroad, Total; (1) Including the former INPDAD funds for public-sector employed workers and ex ENPALS funds, excluding the schemes for professionals. Source: INPS Pension Archive on December 31, 2020.

Table 5.8 illustrates the provincial ranking in descending order of the four IVS pension categories, classified according to the ratio of the number of pensions vs. the resident population. For the entire national territory, the total average IVS retirement rate is **27.8%**. *The raw seniority or early retirement rate* increases also due to the effect of "100 Quota" in force as of 2019, from 10.0% in 2018, to 10.3% in 2019 and 10.7% in 2020; the old-age retirement rate decreased from 8.5% in 2018, to 8.3% in 2019, to remain unchanged at 8.3% in 2020; this was due to raising and the equalization to 2019 of the old-age retirement requirement up to 67 years, the same as in 2019, which is now equal for men and women. By contrast, the raw retirement rate for disability pensions was 1.7%, and for survivors 7.0%, with no major changes.

The provincial details of the total "**IVS pension**" raw rate vs. "population" indicate that the first 10 provinces, those with more pensions than population, are all in the North: Biella (40.3%), Ferrara (38.3%), Vercelli (37.5%), Rovigo (36.1%), Alessandria (36.0%), Savona (35.9%), Trieste (35.6%), Ravenna (35.4%), Belluno (35.2%), Gorizia (34.8%); for these provinces, an analysis of the individual categories shows that seniority rates, but also the old-age and survivors' rates are high, while the disability ones are low and vary between 1.2% in Savona and Belluno and 2.0% in Ravenna. The lowest IVS retirement rates are found in the South, where the population is generally younger and where welfare benefits prevail; however, all raw retirement rates all increased with respect to 2019, with a higher number of retirees vs. the resident population. The bottom 10 provinces are: Naples (17.0%), Catania (18.8%), Barletta-Andria-Trani (19.2%), Caserta (19.4%), Palermo (19.5%), Caltanissetta (20.9%), Ragusa (21.3%), Crotone (21.4%), Syracuse (21.5%) and Agrigento (22.5%). In terms of category of raw rates, these last 10 provinces have a fairly uniform distribution of pensions with respect to the population in the three of old-age, seniority and survivors' categories; the rates of *disability pensions* with respect to the population are lower, ranging from 1.2% in Catania to 2.8% in Agrigento, while the highest rates for this category with respect to the resident population are found in Southern Italy: Lecce (4.6%), Reggio Calabria (4.3%), Potenza (4.1%), Nuoro (3.9%), Benevento (3.8%), Oristano (3.7%), Catanzaro (3.7%), L'Aquila (3.4%), Sassari (3.3%) and in two provinces in the Centre: Terni (3.7%) and Pesaro-

Urbino (3.3%). The three most virtuous provinces, with fewer disability pensions vs. the resident population, are Milan (0.7%), Treviso and Lodi (0.8%), Bergamo, Brescia and Lecco (0.9%).

Table 5.8 - Number of INPS pensions ⁽¹⁾ vs. the resident population by province and pension category, total retirement rate in descending order on December 31, 2020

Province (2)	Anzianità	Vecchiaia	Invalidità	Superstiti	Totale	Province(2)	Anzianità	Vecchiaia	Invalidità	Superstiti	Totale
Biella	19,7%	9,9%	1,3%	9,3%	40,3%	Parma	12,9%	8,6%	1,5%	7,3%	30,3%
Ferrara	17,6%	9,9%	1,6%	9,2%	38,3%	L'Aquila	9,6%	8,9%	3,4%	7,9%	29,7%
Vercelli	17,3%	9,4%	1,6%	9,3%	37,5%	Chieti	11,3%	8,3%	2,1%	7,9%	29,7%
Rovigo	16,1%	9,6%	1,6%	8,8%	36,1%	Potenza	7,3%	10,2%	4,1%	8,1%	29,6%
Alessandria	14,9%	10,1%	1,6%	9,3%	36,0%	Trento	13,7%	8,1%	1,3%	6,5%	29,6%
Savona	14,4%	11,1%	1,2%	9,2%	35,9%	Vicenza	13,9%	7,8%	1,1%	6,7%	29,5%
Trieste	14,3%	10,9%	1,3%	9,1%	35,6%	Monza e Brianza	12,9%	9,0%	1,0%	6,6%	29,4%
Ravenna	15,8%	9,8%	2,0%	7,9%	35,4%	Teramo	10,7%	8,6%	2,4%	7,6%	29,2%
Belluno	15,8%	9,7%	1,2%	8,4%	35,2%	Viterbo	10,2%	8,6%	2,4%	7,8%	29,1%
Gorizia	15,1%	9,3%	1,7%	8,7%	34,8%	Benevento	8,4%	8,9%	3,8%	7,9%	28,9%
Asti	15,7%	9,5%	1,1%	8,5%	34,8%	Venezia	12,7%	7,7%	1,0%	7,3%	28,7%
Genova	12,5%	11,3%	1,8%	9,1%	34,7%	Lecce	7,0%	9,8%	4,6%	7,3%	28,7%
Udine	15,2%	9,4%	1,5%	8,4%	34,5%	Lodi	13,1%	7,5%	0,8%	7,1%	28,5%
Macerata	14,1%	9,6%	2,4%	8,4%	34,4%	Verona	12,7%	8,2%	1,1%	6,6%	28,5%
Arezzo	14,6%	9,7%	2,1%	7,8%	34,1%	Treviso	13,4%	7,9%	0,8%	6,4%	28,5%
Siena	14,4%	9,9%	1,5%	8,1%	33,9%	Milano	11,9%	9,1%	0,7%	6,5%	28,3%
Verbano Cusio Ossola	14,2%	9,9%	1,2%	8,6%	33,9%	Bergamo	12,8%	7,9%	0,9%	6,6%	28,2%
Termini	11,5%	10,0%	3,7%	8,6%	33,7%	Padova	12,8%	7,6%	1,0%	6,6%	28,0%
Piacenza	14,3%	9,4%	1,7%	8,2%	33,6%	Brindisi	9,4%	9,1%	2,4%	7,1%	28,0%
Fermo	12,6%	10,1%	2,5%	8,0%	33,2%	Rimini	10,7%	9,0%	1,5%	6,6%	27,8%
La Spezia	11,6%	9,6%	3,0%	9,0%	33,2%	Prato	11,1%	9,1%	1,0%	6,5%	27,7%
Ancona	14,3%	9,1%	1,8%	8,0%	33,2%	Reggio Calabria	6,7%	9,1%	4,3%	7,6%	27,7%
Pavia	14,3%	9,0%	1,4%	8,5%	33,1%	Sud Sardegna	9,1%	7,6%	3,0%	7,6%	27,4%
Bologna	14,9%	9,2%	1,6%	7,4%	33,1%	Brescia	12,3%	7,5%	0,9%	6,6%	27,3%
Forlì-Cesena	14,6%	9,4%	1,7%	7,4%	33,0%	Bolzano-Bozen	12,9%	7,5%	1,1%	5,7%	27,2%
Cuneo	16,2%	8,1%	1,0%	7,6%	32,9%	Vibo Valentia	7,2%	9,5%	3,3%	7,1%	27,1%
Grosseto	13,0%	9,2%	2,2%	8,5%	32,9%	Messina	7,1%	8,8%	3,4%	7,5%	26,9%
Imperia	11,9%	11,0%	1,6%	8,4%	32,8%	Pescara	9,6%	7,8%	1,9%	7,3%	26,7%
Lecco	14,8%	10,0%	0,9%	7,1%	32,8%	Matera	8,9%	8,2%	1,7%	7,3%	26,2%
Cremona	15,4%	8,3%	1,1%	8,0%	32,8%	Catanzaro	6,7%	8,5%	3,7%	7,2%	26,0%
Novara	14,8%	8,8%	1,1%	7,9%	32,6%	Frosinone	9,2%	7,8%	1,5%	7,4%	26,0%
Perugia	12,4%	9,3%	3,0%	7,9%	32,6%	Taranto	8,3%	8,7%	2,2%	6,8%	26,0%
Isernia	9,8%	10,9%	3,0%	8,7%	32,4%	Avellino	7,2%	8,6%	2,8%	7,3%	25,9%
Sondrio	14,1%	8,3%	2,0%	8,1%	32,4%	Sassari	8,3%	7,4%	3,3%	6,8%	25,8%
Aosta	13,5%	9,0%	2,2%	7,5%	32,2%	Cosenza	6,3%	9,3%	2,5%	7,0%	25,0%
Mantova	14,8%	8,7%	1,0%	7,6%	32,1%	Latina	8,5%	7,2%	2,2%	6,4%	24,2%
Ascoli Piceno	12,1%	9,1%	2,8%	8,1%	32,1%	Salerno	6,3%	8,2%	2,4%	6,7%	23,6%
Torino	14,0%	9,4%	1,1%	7,6%	32,0%	Foggia	7,0%	7,5%	2,6%	6,5%	23,5%
Pesaro-Urbino	12,1%	9,1%	3,3%	7,5%	32,0%	Cagliari	9,1%	6,2%	1,8%	6,2%	23,4%
Modena	14,4%	9,1%	1,4%	7,0%	31,9%	Bari	8,2%	6,9%	2,0%	6,0%	23,1%
Firenze	13,1%	10,2%	1,0%	7,4%	31,7%	Enna	6,5%	7,2%	1,9%	7,4%	23,0%
Pistoia	12,7%	9,8%	1,6%	7,7%	31,7%	Roma	7,6%	7,6%	1,7%	6,0%	22,9%
Massa Carrara	11,2%	9,4%	2,1%	8,8%	31,6%	Trapani	6,4%	7,3%	2,2%	7,0%	22,9%
Varese	13,9%	9,3%	1,0%	7,2%	31,4%	Agrigento	5,5%	7,0%	2,8%	7,2%	22,5%
Forlì-Cesena	14,5%	8,3%	1,4%	7,2%	31,4%	Siracusa	7,0%	6,0%	2,0%	6,5%	21,5%
Nuoro	9,8%	9,5%	3,9%	8,1%	31,2%	Crotone	5,2%	7,2%	2,7%	6,3%	21,4%
Lucca	12,2%	9,7%	1,2%	7,9%	31,1%	Ragusa	6,6%	6,7%	1,7%	6,3%	21,3%
Rieti	11,3%	9,0%	2,4%	8,1%	30,8%	Caltanissetta	6,3%	5,8%	1,8%	7,0%	20,9%
Livorno	11,3%	9,9%	1,6%	8,1%	30,8%	Palermo	5,5%	6,6%	1,6%	5,9%	19,5%
Reggio Emilia	13,3%	9,1%	1,5%	6,9%	30,7%	Caserta	5,1%	6,5%	2,2%	5,7%	19,4%
Como	13,2%	9,1%	1,4%	6,9%	30,5%	Barletta-Andria-Trani	6,3%	5,7%	1,9%	5,3%	19,2%
Campobasso	10,5%	9,1%	2,6%	8,3%	30,5%	Catania	5,9%	5,9%	1,2%	5,8%	18,8%
Oristano	10,2%	8,5%	3,7%	8,0%	30,4%	Napoli	4,6%	5,5%	1,6%	5,2%	17,0%
Pisa	11,8%	9,7%	1,4%	7,5%	30,4%	Italia	10,7%	8,3%	1,7%	7,0%	27,8%

Provinces; Seniority; Old-age; Disability; Survivors', Total; (1) Including the GDP funds for public-sector employed workers and ex ENPALS (2) Excluding residents abroad, the ones that cannot be distributed and the schemes for professionals

Source: INPS Pension Archive on December 31, 2020

Table 5.9 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 the total of these categories. The first 10 provinces in the ranking by number of IVS pensions are: Rome, Milan, Turin, Naples, Brescia, Bologna, Florence, Bergamo, Genoa and Bari, also considering the number of inhabitants.

Table 5.9 - Number of IVS pensions ⁽¹⁾ paid by INPS by province and pension category according to the ranking of all categories on December 31 2020

Province ⁽²⁾	Anziani	%	Vecchiaia	%	Invalidi	%	Superstiti	%	Totale	%
Roma	321.753	5,1%	320.503	4,5%	70.166	6,9%	255.452	0,06	967.874	5,9%
Milano	385.995	6,1%	295.982	6,0%	23.365	2,3%	212.250	0,05	919.593	5,6%
Torino	309.746	4,9%	206.838	4,2%	24.115	2,4%	167.530	0,04	708.229	4,3%
Napoli	140.091	2,2%	166.209	3,4%	48.024	4,8%	157.704	0,04	512.028	3,1%
Brescia	153.947	2,4%	95.744	1,9%	11.574	1,1%	81.818	0,02	341.083	2,1%
Bologna	151.632	2,4%	93.335	1,9%	16.336	1,6%	75.742	0,02	337.045	2,0%
Firenze	128.866	2,0%	100.929	2,0%	10.293	1,0%	72.842	0,02	312.930	1,9%
Berlino	141.083	2,2%	86.961	1,8%	10.053	1,0%	72.317	0,02	310.414	1,9%
Genova	101.692	1,6%	92.282	1,9%	14.956	1,9%	74.352	0,02	283.282	1,7%
Bari	100.295	1,6%	83.874	1,7%	24.281	2,4%	73.880	0,02	282.330	1,7%
Varese	122.632	1,9%	82.920	1,7%	8.730	0,9%	69.099	0,02	276.515	1,7%
Venezia	117.205	1,8%	75.328	1,5%	9.840	1,0%	60.526	0,01	262.899	1,6%
Padova	119.248	1,9%	70.820	1,4%	8.918	0,9%	61.305	0,01	260.291	1,6%
Molise e Brianza	112.073	1,8%	77.777	1,6%	8.203	0,8%	56.990	0,01	265.043	1,6%
Salerno	67.817	1,1%	88.551	1,8%	25.738	2,5%	72.119	0,02	264.225	1,6%
Vicenza	118.406	1,9%	66.706	1,4%	9.248	0,9%	56.734	0,01	261.094	1,6%
Trento	117.683	1,9%	69.069	1,4%	6.850	0,7%	56.574	0,01	260.176	1,6%
Venezia	106.918	1,7%	65.180	1,3%	8.422	0,8%	61.434	0,01	241.934	1,5%
Palermo	66.387	1,0%	79.842	1,6%	18.023	1,8%	71.336	0,02	236.488	1,4%
Modena	101.683	1,6%	63.913	1,3%	9.942	1,0%	48.939	0,01	224.497	1,4%
Lecce	54.307	0,9%	76.409	1,5%	35.687	3,5%	56.351	0,01	222.754	1,4%
Perugia	79.587	1,3%	59.871	1,2%	19.441	1,9%	50.483	0,01	209.382	1,3%
Catania	63.375	1,0%	63.064	1,3%	12.452	1,2%	61.929	0,01	200.800	1,2%
Cuneo	94.371	1,5%	47.216	1,0%	5.996	0,6%	44.101	0,01	191.684	1,2%
Como	78.640	1,2%	53.989	1,1%	8.244	0,8%	40.748	0,01	181.621	1,1%
Udine	79.739	1,3%	49.194	1,0%	7.855	0,8%	43.816	0,01	180.604	1,1%
Pavia	76.220	1,2%	47.993	1,0%	7.642	0,7%	45.199	0,01	177.064	1,1%
Castro	46.667	0,7%	58.775	1,2%	19.666	1,9%	51.740	0,01	176.857	1,1%
Cosenza	42.826	0,7%	63.623	1,3%	16.885	1,6%	47.688	0,01	171.002	1,0%
Messina	43.510	0,7%	53.703	1,1%	20.813	2,0%	45.693	0,01	163.719	1,0%
Razio Emilia	69.927	1,1%	47.645	1,0%	7.821	0,8%	36.178	0,01	161.569	1,0%
Trento	74.590	1,2%	44.194	0,9%	7.028	0,7%	35.585	0,01	161.387	1,0%
Ancona	66.543	1,0%	42.314	0,9%	8.210	0,8%	37.048	0,01	154.116	0,9%
Alessandria	61.506	1,0%	41.765	0,8%	6.734	0,7%	36.113	0,01	148.116	0,9%
Taranto	46.372	0,7%	48.657	1,0%	12.542	1,2%	38.244	0,01	145.815	0,9%
Razio Calabria	35.412	0,6%	48.022	1,0%	22.431	2,2%	39.918	0,01	145.783	0,9%
Bolzano-Bolzano	69.078	1,1%	39.882	0,8%	6.046	0,6%	30.222	0,01	145.228	0,9%
Forlì	41.941	0,7%	44.842	0,9%	15.362	1,5%	30.076	0,01	141.211	0,9%
Parma	58.615	0,9%	39.068	0,8%	6.946	0,7%	32.879	0,01	137.508	0,8%
Ravenna	61.106	1,0%	37.761	0,8%	7.598	0,7%	30.461	0,01	136.926	0,8%
Latina	47.949	0,8%	40.168	0,8%	12.115	1,2%	35.894	0,01	136.026	0,8%
Ferrara	60.089	0,9%	33.918	0,7%	5.544	0,5%	31.326	0,01	130.877	0,8%
Forlì-Cesena	57.555	0,9%	36.830	0,7%	6.532	0,6%	29.037	0,01	129.974	0,8%
Monza	59.741	0,9%	34.996	0,7%	3.942	0,4%	29.846	0,01	129.626	0,8%
Riva	49.262	0,8%	40.396	0,8%	5.780	0,6%	31.014	0,01	126.442	0,8%
Sassari	39.847	0,6%	35.677	0,7%	16.017	1,6%	32.717	0,01	124.258	0,8%
Frosinone	43.748	0,7%	37.063	0,8%	7.288	0,7%	35.198	0,01	123.297	0,8%
Lucca	46.503	0,7%	36.881	0,7%	4.873	0,5%	30.215	0,01	118.272	0,7%
Novara	53.547	0,8%	31.796	0,6%	4.085	0,4%	28.555	0,01	117.983	0,7%
Cremona	54.148	0,8%	29.225	0,6%	3.890	0,4%	27.988	0,01	115.251	0,7%
Arezzo	49.094	0,8%	32.594	0,7%	7.040	0,7%	26.100	0,01	114.788	0,7%
Pesaro-Urbino	42.884	0,7%	32.338	0,7%	11.526	1,1%	26.499	0,01	113.247	0,7%
Chieti	42.589	0,7%	31.314	0,6%	7.914	0,8%	29.857	0,01	111.674	0,7%
Lecce	49.109	0,8%	33.228	0,7%	3.123	0,3%	23.565	0,01	109.025	0,7%
Brindisi	56.001	0,9%	34.698	0,7%	9.217	0,9%	27.002	0,01	106.918	0,6%
Macerata	43.433	0,7%	29.434	0,6%	7.322	0,7%	24.665	0,01	105.842	0,6%
Avellino	29.400	0,5%	34.842	0,7%	11.243	1,1%	29.690	0,01	105.175	0,6%
Potenza	25.821	0,4%	36.071	0,7%	14.485	1,4%	26.591	0,01	104.968	0,6%
Livorno	37.144	0,6%	32.486	0,7%	5.256	0,5%	26.573	0,01	101.459	0,6%
Castelli	38.400	0,6%	28.002	0,5%	7.741	0,8%	25.922	0,01	99.145	0,6%
Pordenone	44.694	0,7%	25.623	0,5%	4.427	0,4%	22.239	0,01	96.983	0,6%
Savona	38.731	0,6%	29.820	0,6%	3.207	0,3%	24.775	0,01	96.533	0,6%
Trapani	26.887	0,4%	30.582	0,6%	9.174	0,9%	29.130	0,01	95.783	0,6%
Piacenza	40.605	0,6%	26.728	0,5%	4.911	0,5%	28.185	0,01	95.429	0,6%
Agrigento	23.061	0,4%	29.453	0,6%	11.888	1,2%	30.094	0,01	94.496	0,6%
Sud Sardegna	31.133	0,5%	25.947	0,5%	10.111	1,0%	26.046	0,01	93.237	0,6%
Imperia	35.775	0,6%	20.280	0,4%	5.116	0,5%	22.944	0,01	93.106	0,6%
Parma	37.017	0,6%	26.395	0,6%	4.610	0,5%	22.262	0,01	92.284	0,6%
Catanzaro	23.227	0,4%	29.298	0,6%	12.679	1,2%	25.027	0,01	90.231	0,6%
Siena	37.931	0,6%	26.075	0,5%	4.030	0,4%	21.340	0,01	89.396	0,6%
Viterbo	31.293	0,5%	26.459	0,5%	7.481	0,7%	23.993	0,01	89.226	0,6%
Taranto	32.168	0,5%	26.064	0,5%	7.232	0,7%	22.793	0,01	88.257	0,6%
L'Aquila	27.938	0,4%	25.906	0,5%	10.021	1,0%	23.043	0,01	86.928	0,6%
Pescaia	30.242	0,5%	24.656	0,5%	5.969	0,6%	23.018	0,01	83.888	0,6%
Rovigo	37.006	0,6%	22.007	0,4%	3.750	0,4%	20.183	0,00	82.946	0,6%
Siracusa	27.017	0,4%	23.161	0,5%	7.619	0,7%	25.078	0,01	82.875	0,6%
Trieste	32.759	0,5%	24.982	0,5%	3.013	0,3%	20.927	0,01	81.681	0,6%
Benevento	22.694	0,4%	23.969	0,5%	10.089	1,0%	21.254	0,01	77.916	0,5%
Torino	25.424	0,4%	22.065	0,4%	8.126	0,8%	19.134	0,00	74.749	0,5%
Barletta-Andria-Trani	24.187	0,4%	21.718	0,4%	7.501	0,7%	20.320	0,00	73.826	0,5%
Asti	32.919	0,5%	19.835	0,4%	2.281	0,2%	17.819	0,00	72.854	0,5%
Grosseto	28.406	0,4%	20.054	0,4%	4.902	0,5%	18.513	0,00	71.875	0,5%
La Spezia	24.938	0,4%	20.634	0,4%	6.529	0,6%	19.480	0,00	71.601	0,5%
Prato	28.412	0,4%	23.340	0,5%	2.564	0,3%	16.555	0,00	70.871	0,5%
Belluno	31.573	0,5%	19.295	0,4%	2.471	0,2%	16.842	0,00	70.181	0,5%
Biella	33.854	0,5%	17.034	0,3%	2.292	0,2%	16.024	0,00	69.204	0,5%
Imperia	24.802	0,4%	22.885	0,5%	3.334	0,3%	17.488	0,00	68.489	0,5%
Ravenna	20.914	0,3%	20.973	0,4%	5.314	0,5%	19.723	0,00	66.924	0,5%
Ascoli Piceno	24.663	0,4%	18.598	0,4%	5.723	0,6%	16.626	0,00	65.609	0,5%
Carrara	22.618	0,4%	19.335	0,4%	5.551	0,5%	17.805	0,00	65.309	0,5%
Lodi	29.599	0,5%	16.822	0,3%	1.859	0,2%	16.101	0,00	64.381	0,5%
Nuoro	19.882	0,3%	19.265	0,4%	7.816	0,8%	16.425	0,00	63.388	0,5%
Verdelli	28.970	0,5%	15.638	0,3%	2.627	0,3%	15.477	0,00	62.712	0,5%
Matera Carrara	21.318	0,3%	17.842	0,4%	4.025	0,4%	16.735	0,00	59.920	0,5%
Sondrio	25.254	0,4%	14.865	0,3%	3.554	0,3%	14.433	0,00	58.106	0,5%
Fermo	21.470	0,3%	17.152	0,3%	4.285	0,4%	13.664	0,00	56.571	0,5%
Calzanova	15.834	0,2%	14.628	0,3%	4.648	0,5%	17.794	0,00	52.904	0,3%
Verbania Cusio Ossola	22.013	0,3%	15.387	0,3%	1.838	0,2%	13.302	0,00	52.540	0,3%
Matera	17.299	0,3%	15.924	0,3%	3.207	0,3%	14.198	0,00	50.628	0,3%
Gorizia	20.684	0,3%	12.696	0,3%	2.307	0,2%	11.889	0,00	47.586	0,3%
Rieti	17.172	0,3%	13.617	0,3%	3.625	0,4%	12.304	0,00	46.718	0,3%
Oristano	15.587	0,2%	13.021	0,3%	5.628	0,5%	12.296	0,00	46.532	0,3%
Vibo Valentia	10.984	0,2%	14.502	0,3%	5.047	0,5%	10.931	0,00	41.464	0,3%
Aosta	16.750	0,3%	11.129	0,2%	2.732	0,3%	8.293	0,00	39.904	0,3%
Brescia	10.271	0,2%	11.346	0,2%	3.029	0,3%	11.727	0,00	36.373	0,3%
Crotone	8.682	0,1%	11.917	0,2%	4.413	0,4%	10.599	0,00	35.611	0,3%
Imperia	8.041	0,1%	8.885	0,2%	2.475	0,2%	7.163	0,00	26.564	0,2%
Italia	6.349.166	100,0%	4.938.768	100,0%	1.023.862	100,0%	4.147.781	1,00	16.469.567	100,0%

Provinces: Seniority; Old-age; Disability; Survivors', Total; (1) Including the GDP funds for public-sector employed workers and ex ENPALS (2) Excluding residents abroad, the ones that cannot be distributed and the schemes for professionals.

Source: INPS Pension Archive on December 31, 2020

The 10 provinces with the lowest number of pensions are, in decreasing order: Verbano-Cusio-Ossola, Matera, Gorizia, Rieti, Oristano, Vibo Valentia, Aosta, Enna, Crotone and Isernia.

Pensioners living abroad

In 2020, the total number of pensioners living abroad was equal to 384,129 pensioners¹⁰, 48.2% of men and 51.8% of women. They received 419,924 IVS benefits both within the framework of the national system and of the international aggregation system, for an average of 1.09 pensions per pensioner. The number of ***pensioners residing abroad who were born in Italy*** amounts to 296,957 (77.3% of the total) and that of ***residents born abroad***, three quarters of whom are women, is equal to 87,172 (22.7%). ***The average gross pension income per month*** is very low, equal to 389.90 euros (388.63 euros per month for those born in Italy and 394.22 for those born abroad), since these are mainly "pensions within the framework of the international aggregation system" of Italians or foreigners who have paid part of their contributions in Italy and part abroad. The thirteen countries with the ***highest concentration of INPS pensions*** (private-sector pensions and welfare benefits) ***paid to residents abroad*** are: Germany (52,712 pensions), Canada (48,642), Switzerland (45,201), Australia (40,825), France (38,330), USA (32,569), Argentina (16,236), Belgium (12,636), United Kingdom (11,280), Spain (8,850), Brazil (6,706), Romania (6,053) and Venezuela (5,631).

The top thirteen countries with ***the highest average gross INPS pensions paid per month to residents abroad*** are: Cyprus (an average of 5,188 euros per month before taxes for 194 pensions), United Arab Emirates (an average of 3,089 euros per month for 80 pensions), Portugal, which until 2019 has the most favourable tax policy for European pensioners (an average of 2,904 euros per month for 4,720 pensions), Turkey (an average of 2,024 euros per month for 134 pensions), Malta (an average of 1,781 euros per month for 256 pensions), China (on average 1,664 euros per month for 89 pensions), Thailand (on average 1,474 euros per month for 656 pensions), Tunisia (on average 1,393 euros per month for 1,047 pensions), Indonesia (on average 1,376 euros per month for 64 pensions), Israel (on average 1,275 euros per month for 215 pensions), Monaco (on average 1,262 euros per month for 651 pensions), Japan (on average 1,186 euros per month for 83 pensions), Hungary (on average 1,186 euros per month for 83 pensions).

Average amount of pensions by category

Table 5.10 shows the average pension amounts per year and the average pension/average income ratio. Notaries still rank at the top with 81,454 euros' worth of average pension per year in 2020 (entirely financed by contributions), followed by journalists (55,018), members of the aviation fund (46,327), executives of public companies (44,890 euros), chartered accountants (41,269), lawyers (29,334), telephone workers (26,962), state employees (26,085). As regards annuities and pensions of institutional entities and regions, see the VI and VII Reports; the same for pensions not yet harmonised with the general rules (Box 2, VII Report).

¹⁰ Data are from the Central Registry of Pensioners on 31.12.2020; they include pensioners from all INPS funds, schemes for professionals and complementary funds. For further information on the subject, see also the V Report of 2018 - Chap. 7, § 7.4 *"The Italian pension system - Financial and demographic trends in the pension and welfare system in 2016"* by the Itinerari Previdenziali Study and Research Centre.

Table 5.10 - Average pension amounts per year by category of workers

CATEGORIE DI LAVORATORI	Pensione Media 2019 (1)	Pensione media 2020 (1)	Reddito Medio 2019	Reddito Medio 2020	Rapporto tra PM e RM 2019 %	Rapporto tra PM e RM 2020 %
NOTAI	79.808	81.452	148.197	134.646	53,85	60,49
GIORNALISTI	54.450	55.018	67.264	65.541	80,95	83,94
Fondo VOLO	45.827	46.327	35.682	24.388	128,43	189,96
DIRIG AZIENDE EX INPDAI	44.474	44.890	162.533	162.218	27,36	27,67
COMMERCIALISTI	34.908	41.269	63.192	63.915	55,24	64,57
AVVOCATI	29.296	29.334	36.285	36.307	80,74	80,79
LAVORATORI TELEFONICI	26.887	26.962	40.068	39.409	67,10	68,42
DIPENDENTI STATALI	25.695	26.085	35.739	35.900	71,90	72,66
EX FERROVIE dello STATO	23.355	23.958	42.777	42.314	54,60	56,62
RAGIONIERI	24.139	23.478	61.110	60.647	39,50	38,71
LAVORATORI TRASPORTI	22.288	22.463	33.232	31.117	67,07	72,19
DIPENDENTI LOCALI	20.310	20.962	31.585	32.000	64,30	65,51
INGEGNERI, ARCHITETTI	19.415	19.286	26.700	27.897	72,72	69,13
EX POSTE (IPOST)	18.646	19.254	29.454	30.201	63,31	63,75
LAVORATORI SPETTACOLO	17.494	17.700	30.779	33.783	56,84	52,39
DIPENDENTI PRIVATI (FPLD)	16.248	16.786	24.194	22.667	67,16	74,05
GEOMETRI	13.778	13.703	25.499	23.509	54,03	58,29
CONSULENTI LAVORO	11.840	11.918	71.826	41.091	16,48	29,00
ARTIGIANI	8.703	8.820	22.412	21.959	38,83	40,17
COMMERCianti	8.166	8.268	21.673	21.188	37,68	39,02
MEDICI (2)	7.816	8.230	50.494	49.778	15,48	16,53
VETERINARI	6.561	6.837	18.809	20.800	34,88	32,87
FARMACISTI	6.135	6.234	29.305	28.893	20,93	21,58
AGRICOLI CDCM	5.652	5.666	11.532	11.676	49,01	48,53

CATEGORIES OF WORKERS, Average pension (1), Average income, Average Pension/Average Income; NOTARIES, JOURNALISTS, AVIATION FUND WORKERS, EX INPDAI CORPORATE EXECUTIVES, CHARTERED ACCOUNTANTS, LAWYERS, TELEPHONY WORKERS, CIVIL SERVANTS, EX FERROVIE dello STATO WORKERS, ACCOUNTANTS, TRANSPORTATION WORKERS, WORKERS EMPLOYED BY LOCAL AUTHORITIES, ENGINEERS, ARCHITECTS, EX POST (IPOST) WORKERS, SHOW-BUSINESS WORKERS, PRIVATE-SECTOR EMPLOYED WORKERS (FPLD), SURVEYORS, LABOUR CONSULTANTS, ARTISANS, RETAILERS, DOCTORS (2), VETERINARY DOCTORS, PHARMACISTS, CDCM FARMERS.

NOTE: The average pensions of professionals enrolled in the schemes under Decree no. 103/96 are not reported because they have been set up too recently and are therefore not very significant. (1) Average pension before GIAS transfers. IVS pension expenditure was used to calculate the average pensions up to 2018; since 2019, the calculation methodology has been updated by using the pension instalments net of family allowances, net of recovered benefits and before the transfers. (2) For doctors, the number of pensions used to calculate the average pension is equal to the sum of the number of pensions of all ENPAM schemes; by referring only to the A Quote, the value of the average pension increases to 15,386 euros per year.

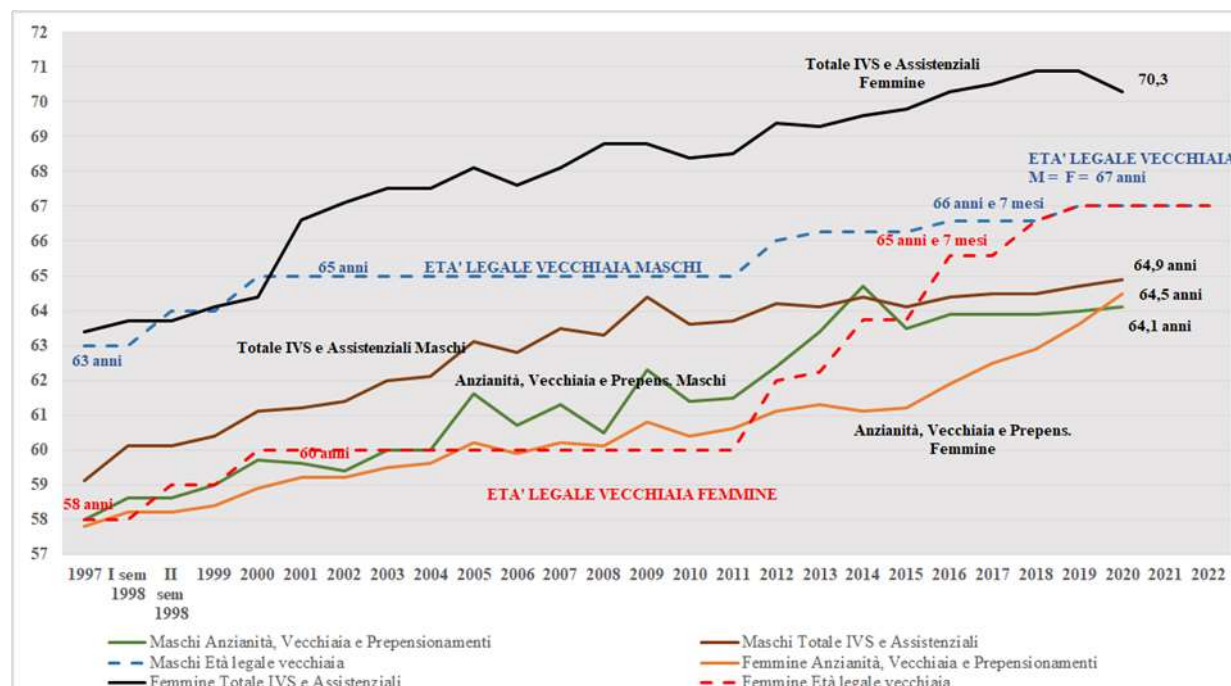
5.2 Average retirement age and its evolution over time in the EU and the OECD area; the situation of pensions already paid

One of the major problems of the Italian pension system, also recently due to the so-called "arduous work" provisions, lies in a very large number of rules that have envisaged some exceptions from the statutory retirement age for certain categories of workers; baby pensions (1969), early retirements, even more than 10 years in advance, safeguards for the so-called "esodati" and voluntary work continuation following each pension reform, social APE in 2018, early workers, extension of the women's option, arduous jobs and finally "100 Quota" in 2019, which allows workers to retire up to 5 years earlier; these are the most striking cases and the duration of pensions illustrated in the next section is a case in point. **Table 5.12** and **figure 5.1** show, for the 1997-2020 period, the **average effective age at the start** of the new pensions by gender and category¹¹ and the evolution of the **statutory age** for old-age pensions of the main INPS funds in the private sector. In 1997, **the statutory age** required for the **old-age pension** of the fund for employed workers was 63 years for men and 58 years for women, together with a seniority of at least 18 years, while the average

¹¹ Data taken from INPS archives on 1.1.2021 with the exclusion of GDP and ex Enpals. Since 2019, the ex Enpals newly-paid pensions have been included within the INPS system, while the existing ex Enpals pensions have been included only from 1.1.2020.

effective age at retirement was 63.5 years for men and 59.3 years for women¹². The statutory age for old age retirement has become the same since 1.1.2018 for men, women, public or private employees and self-employed; from 1.1.2019 until 31.12.2021, it is 67 years of age with a seniority of 20 years (art. 14 of Law Decree no. 4/2019 has temporarily blocked any increase in life expectancy until 2021) and maybe will be still affected by the pandemic mortality

Figure 5.1 - Average age at retirement of the new recipients of pensions paid by INPS (*) and statutory age for old age pensions by gender and category - years 1997-2020



Men: seniority; old age and early retirement; Women: old age, seniority and early retirement; Total number of IVS pensions and welfare benefits for men; Total number of IVS pensions and welfare benefits for women; Statutory age for old-age pensions for men, Statutory age for old-age pensions for women; * Excluding the funds for public-sector employed workers (GDP), the ex Enpals fund has been included since 2019. Source: INPS – Observatory on pensions.

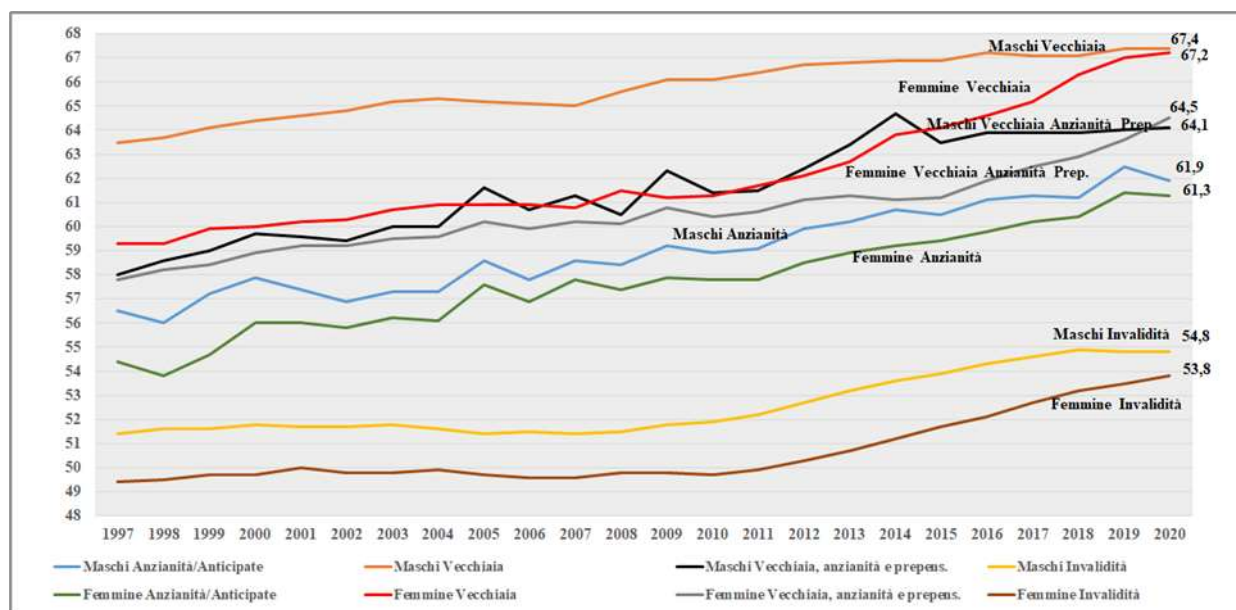
Figure 5.2 shows the 1997-2020 historical series of the *effective* average age of entitlement for new pensions paid each year by INPS for private-sector workers (old age and early retirement, seniority/early retirement and disability), broken down by pension category and gender. In 2020, for *old-age pensions* alone, the *average effective retirement age* was **67.4 years** for men, in line with that of 2019, while it rose again for women with respect to the previous two years: from 66.3 years in 2018 up to 67 years in 2019 to reach **67.2 years** in 2020. On average, the *gender-weighted retirement age* of old-age pensions alone remained the same as in 2019 at **67.3** (67.4 for men and 67.2 for women), more than in line with the statutory age of 67. Newly-paid old-age/early retirement pensions (excluding early retirements) accounted for 63.6 % for men and only 36.4% for women; in 1997, the gender ratio vs. the total for the same categories of pensions was 68.5% for newly-paid pensions for men and 31.5% for women.

For *seniority pensions* in 1997, it was sufficient to have 35 years of contributions and at least 52 years of age or 36 years of seniority independently of age; the average retirement age was 56.5 years for men and 54.4 years for women. For the period from 1.1.2019 to 31.12.2026, Art. 15 of Law Decree no. 4/2019 blocked the adjustments to life expectancy for the contribution requirements for *early retirement regardless of age*, establishing at least 42 years and 10 months of contributions

¹² Ages are expressed in years and tenths of a year. E.g.: 63.5 corresponds to 63 years and 6 months.

for men and 41 years and 10 months for women, plus an additional 3 months to wait for the effective date (quarterly exit window).

Figure 5.2 - Actual average retirement age of newly paid INPS* direct pensions, by category and gender from 1997 to 2020



Men: seniority/early retirement, old age; old age, seniority and early retirement; disability; Women: seniority/early retirement; old age; seniority, old age and early retirement; disability; * Excluding the funds for public-sector employed workers (GDP). *Source: INPS – Observatory on pensions*

Also, the new **100 Quota** experimental pension measure from 2019 to 2021 (Art. 14 of Law Decree no. 4/2019), whose age requirements are at least 62 years of age not adjusted to life expectancy and 38 years of contributions, has fallen within the statistics of seniority/early retirement pensions since April 1, 2019. However, for those who met the requirements by 2021, this option will remain in force until 2026. Another exit channel for early retirement in the contribution-based system is "**Women's Option**", created experimentally in 2004 and extended year by year, most recently by the 2020 Budget Law; it requires a contribution period of at least 35 years and 58 years of age for employed workers and 59 years for the self-employed. In 2020, also due to the effects of all these exit channels for the **seniority/early retirement pensions**, the average retirement age dropped to **61.9 years for men** (62.5 in 2019) and to **61.3 years for women** (62.4 in 2019); the average age for both genders decreased to **61.7 years** vs. 62.2 years in 2019; the early exit age would have been much higher without all these exceptions.

In looking at the **whole old-age category** (*seniority, old age and early retirement*), it is possible to see that, in 2020, the effective average retirement age was **64.3 years**; in the calculation of this average age by gender, **the retirement age of men** (63.7%), equal to **64.1 years** weighs more than that of **women** (36.3%) equal to **64.5 years**; this retirement age requirement for women has gradually increased especially since 2014; this has caused a sharp drop in the number of old-age pensions for women and in choosing, albeit to a very limited extent, the seniority/early retirement channel; this exit route has been mainly beneficial for men, who have longer contribution periods and continuous careers, while women, who generally have short contribution periods and retire for old age, have to work longer, waiting to reach the statutory age of 67.

If then, the average effective age for **old-age or seniority/early retirement** is considered together with that for **disability pensions**, i.e. the average effective age for all direct forms of retirement, in

2020, this figure was raised to **63.1 years for men and 63.4 years for women**, with an average of the two genders of **63.3 years** for both genders (62.8 years for men and 61.9 years for women in 2019 with a total average of 62.6 years).

Finally, by analysing the weighted average of the effective age at the start of *all pension categories*, including survivors' pensions and welfare benefits, it is possible to see that, the average age was expected to be **67.8 years** in 2020; for *men, the effective average age was 64.9 years* and for *women, the average age was 70.3 years* because they are the main beneficiaries of survivors' pensions.

EFFECTIVE RETIREMENT AGE FOR IVS PENSIONS IN THE PRIVATE SECTOR				
Category of IVS pensions paid out:	1997		2020	
	Men	Women	Men	Women
<i>Seniority/early retirement</i>	56,5	54,4	61,9	61,3
<i>Old-age</i>	63,5	59,3	67,4	67,2
<i>Early retirement</i>	52,6	50,4	62,0	61,4
<i>Disability</i>	51,4	49,4	54,8	53,8
<i>Survivors</i>	72,1	68,2	76,1	74,0
Number of IVS pensions paid out in the private sector				
	1997		2020	
	Men	Women	Men	Women
Total IVS pensions paid out	367.739	323.493	346.017	355.921

A comparison with the EU and the OECD

In its 38 countries, the OECD¹³ estimates *the "normal" average retirement age*, i.e. the age at which a full pension can be obtained without reductions or penalties, to be 64.2 years for men and 63.4 years for women in 2020. It is one tenth of a year higher than the average of the 27 EU countries, 64.3 for men and 63.5 for women. In order to compare the *"normal" retirement age* in relation to the pension systems (Defined Benefit (DB) or Defined Contribution (DC)) in the different countries, it estimates the age reached at retirement by a theoretical individual who starts working at the age of 22 and retires in 2020 after a career without interruptions and without redemptions of period of education. For Italy, the *"normal" age* is estimated to be 62 for both genders for a full pension, so with 40 years of contributions. In the OECD countries, the *estimated effective average retirement age*, again for a theoretical individual who started working at 22 without interruptions and retired in 2020, is 63.8 for men and 62.4 for women; the estimated effective average retirement age in the EU 27 countries is lower, 62.6 for men and 61.9 for women. Italy ranks below the OECD average by more than one year and just below the EU27 average, with an estimated effective average retirement age of 62.3 years for men and one year less for women (61.3 years).

Japan (68.2 years for men and 66.7 years for women) and New Zealand (68.2 years for men and 65.8 years for women) are the OECD countries with the highest estimated average effective retirement age and a 'normal' age of 65 for both genders. The EU country with the highest estimated effective retirement age is Latvia, with 66.3 years for men and 64.5 years for women, compared to a 'normal' age of 63.8 years, followed by Sweden with 65.8 years for men and 64.9 years for women, with a 'normal' age of 65 years. Three European countries have the lowest estimated effective retirement age among OECD and EU27 members: Luxembourg with 59.2 years for men and 60.1

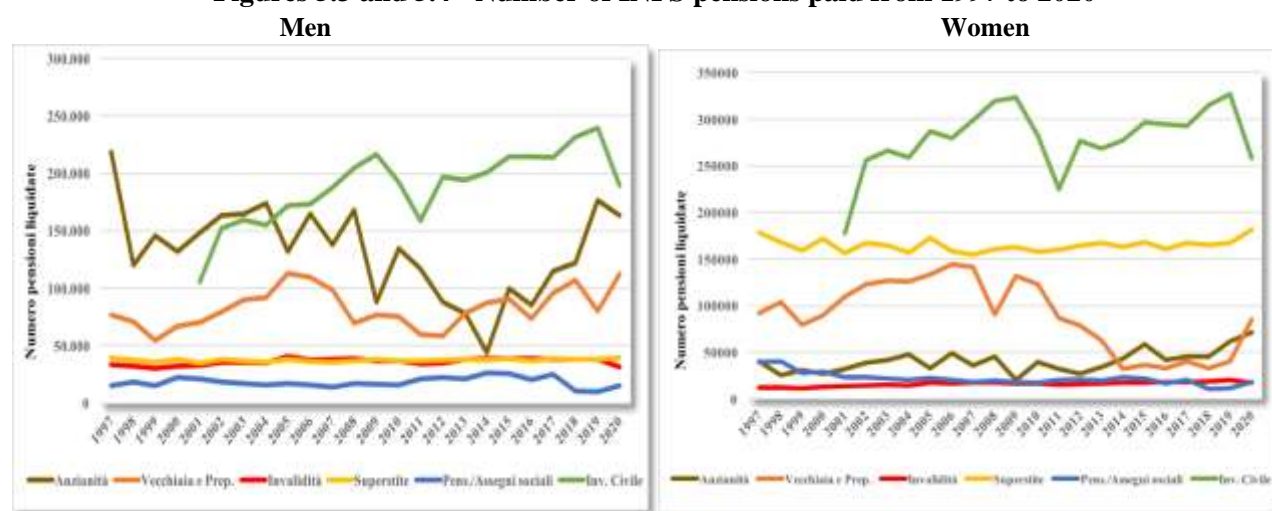
¹³ OECD "Pensions at a Glance 2021 - OECD and G20 Indicators", December 2021.

for women, with a "normal" age of 62; Slovakia with 60.2 for men and 59.8 for women, and a "normal" age of 62.8 and 62.7 respectively; and France with 60.4 for men and 60.9 for women, and a "normal" age of 64.5.

Pensions already paid

Table 5.12 shows the historical series of pensions paid by INPS private-sector funds and schemes, by year of entitlement and by gender. The payment and management of benefits for disabled civilians was transferred to INPS by the Ministry of the Interior as of 3 September 1998; the INPS statistics on the payment of these welfare benefits have been available since 2001, after the implementation decrees which transferred this function to Regions and Local Authorities. In 2020, the number of pension and welfare benefits paid out by private INPS funds **was equal to 1,182,971**, of which 632,210 to women (53.4%) with an average age of 70.3 years and 550,761 to men (46.6%) with an average age of 64.9 years. **Figures 5.3 and 5.4** show the number of INPS pensions and welfare benefits paid to men and women respectively from 1997 to 2020.

Figures 5.3 and 5.4 - Number of INPS pensions paid from 1997 to 2020



Source: INPS - Statistical Observatory of INPS paid-out pensions

Over time, the prevalence (green line) of women in the category of pensions for disabled civilians with respect to all the other social security categories is evident (in 2020, 40.8% of all pensions was paid to women and 34.4% to men). The decrease in this category in 2020 compared to 2019 for both genders (52.0% of all the pensions paid to women and 41.1% to men) was only of an administrative nature and derived from the pandemic and the lock down that slowed down the visits of the Medical Commissions and, hence, also the payment of benefits to disabled civilians, producing a considerable backlog that will probably be disposed of in the coming years.

As shown in **Table 5.11**, in 2020, women featured a high number of survivor's pensions, accounting for 28.7% of all the pensions paid (7.1% for men out of all the pensions paid to men); men, instead, featured more pensions in the seniority or early retirement category, accounting for 29.6% of the total (the seniority or early retirement category for women, on the other hand, accounted for 11.3% of all the pensions paid to women).

Table 5.11 - Percentage of pensions paid by the INPS private-sector funds in 2019 and 2020 by category and gender

Anni	Anzianità/ Anticipate	Vecchiaia e Prepension.	Invalidità	Superstiti	Pens./Ass. Sociali	Invalidità Civili	Totale Liquidate Sett. privato
MASCHI							
2019	30,3	13,8	6,5	6,6	1,7	41,1	100,0
2020	29,6	20,3	5,8	7,1	2,8	34,4	100,0
FEMMINE							
2019	9,9	6,4	3,2	26,7	1,9	52,0	100,0
2020	11,3	13,5	2,8	28,7	2,9	40,8	100,0
TOTALE							
2019	19,7	10,0	4,8	17,0	1,8	46,8	100,0
2020	19,8	16,7	4,2	18,7	2,9	37,8	100,0

Years, Seniority/Early retirement, Old age and Early retirement, Disability, Survivors' pensions, Social pensions, Disabled civilians, Total n. of pensions paid out in the private sector; Men, Women, Total.

Source: INPS - Statistical Observatory of pensions paid by INPS. Excluding Inps public-sector funds-GDP.

Table 5.12 - Historical series 1997-2020 of new INPS pensions (*) paid by year of inception, category, and gender, and of the average effective retirement age

Anno di inceptione della pensione	Settore	Anzianità/Vecchiaia e Prepension.			Invalidità			Superstiti			Pens./Ass. Sociali			Inval. Civili			Totale Liquidate Sett. privato		
		Numero pensioni pagate	Importo medio mensile	Età media	Numero pensioni pagate	Importo medio mensile	Età media	Numero pensioni pagate	Importo medio mensile	Età media	Numero pensioni pagate	Importo medio mensile	Età media	Numero pensioni pagate	Importo medio mensile	Età media	Numero pensioni pagate	Importo medio mensile	Età media
1997	Uomini	124.817	1.024.354	54,0	6.719	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
1997	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
1998	Uomini	129.254	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
1998	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
1999	Uomini	134.769	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
1999	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2000	Uomini	140.284	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2000	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2001	Uomini	145.799	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2001	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2002	Uomini	151.314	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2002	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2003	Uomini	156.829	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2003	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2004	Uomini	162.344	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2004	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2005	Uomini	167.859	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2005	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2006	Uomini	173.374	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2006	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2007	Uomini	178.889	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2007	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2008	Uomini	184.404	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2008	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2009	Uomini	189.919	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2009	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2010	Uomini	195.434	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2010	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2011	Uomini	200.949	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2011	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2012	Uomini	206.464	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2012	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2013	Uomini	211.979	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2013	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2014	Uomini	217.504	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2014	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2015	Uomini	223.019	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2015	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2016	Uomini	228.534	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2016	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2017	Uomini	234.049	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2017	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2018	Uomini	239.564	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2018	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2019	Uomini	245.079	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2019	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0
2020	Uomini	250.594	1.024.354	54,0	1.023	5.221,37	62,0	34.718	1.464.356	52,0	333.383	1.022.391	54,0	10.355	962,87	52,0	38.254	1.712,38	52,0
2020	Donne	42.541	779.338	54,0	1.023	1.023,37	62,0	481	1.408,42	52,0	121.211	1.021,81	52,0	12.497	954,45	48,0	55.742	1.081,75	52,0

Year of retirement, Gender, Seniority/Early retirement, Old age; Early retirement, Total Seniority/Early retirement, Old age and Survivors': n. of pensions paid out; average amount per month, average age; Disability; Survivors', Social pensions/allowances; Benefits for disabled civilians; (*) Excluding the funds for public employees -GDP. Source: INPS – Pension Observatory of pensions paid out, historical series from 1997 to 2020; as of 2019 INPS also includes former Enpals

5.3 Number of outstanding pensions by effective date, gender, average duration and type of benefits; pensions eliminated

A very important piece of data that should be taken into consideration when changing pension rules is the *historical series on disability, old-age and survivors' (IVS) pensions still in force on 1/1/2021, starting from the ones as of 1980 and previous years*, classified for each year until 2020; this makes it possible to analyze the duration of pensions from their starting date until the end of 2021. The result is 41 groups of former workers classified according to their retirement date (*duration equal to 40 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 “2020”), by gender, type of scheme and pension category [seniority, old-age, early retirement, disability and survivors (AVPIS)], with the indication of the mean age obtained from the INPS statistical observatories for men and women at the time of their retirement (age is expressed in whole years or tenths of years).

Consequently, for each year of pension and for each modality (scheme, duration, gender and category), it is possible to obtain the mean age of the group of pensioners still alive today (the mean age of the total figures derives from the weighted average of the age profiles of each retirement group). In order for the system to remain in equilibrium, it is crucial to have a fair ratio of the working life length vs. the duration of the pension, so as to avoid penalising the workers who today with their contributions (young people in the lead) are financing the pensions for the current generation of pensioners. If the retirement age is not correlated to life expectancy, there may be risks like 40-year-long pensions provided many years ago, mainly for electoral reasons, and still being paid today; many workers 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), and 19 years, 6 months and 1 day for men working in the public sector; employed workers of local authorities allowed to retire after 25 years, with only 20-25 years of contributions (always including degree, maternity and military service redemptions). Early retirement was 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 safety net measures. Finally, Subjects 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.

All the pensions provided by the INPS pension funds and schemes is illustrated below and former Enpals, the fund for workers in the entertainment and sports sector for the last years of the series; instead, the funds for public-sector employed workers-GDP are discussed separately. A more detailed analysis is provided for the pensions provided by the schemes for self-employed workers and employed workers (FPLD - which also includes 4 separate schemes: ex Inpdap, Electricity, Telephony and Transportation funds) and the substitutive fund of Ferrovie dello Stato. On 1.1.2021 INPS was paying **423,009 pensions with a duration of 40 years or more** to men and women who had retired in **1980 or before**, with respect to 502,327 the previous year, with a decrease by 16%, equal - 79,318 benefits. More specifically, **423,009 IVS benefits** were paid to **private sector** employees and self-employed workers (artisans, retailers, farmers), of which 343,064 (81.1%) to women and 79,945 (18.9%) to men. **Civil servants**, received **53,274 pensions** lasting 40 years or

more (59,536 on 1.1.2020), of which 36,372 (68.3%) for women and 16,902 (31.7%) for men.

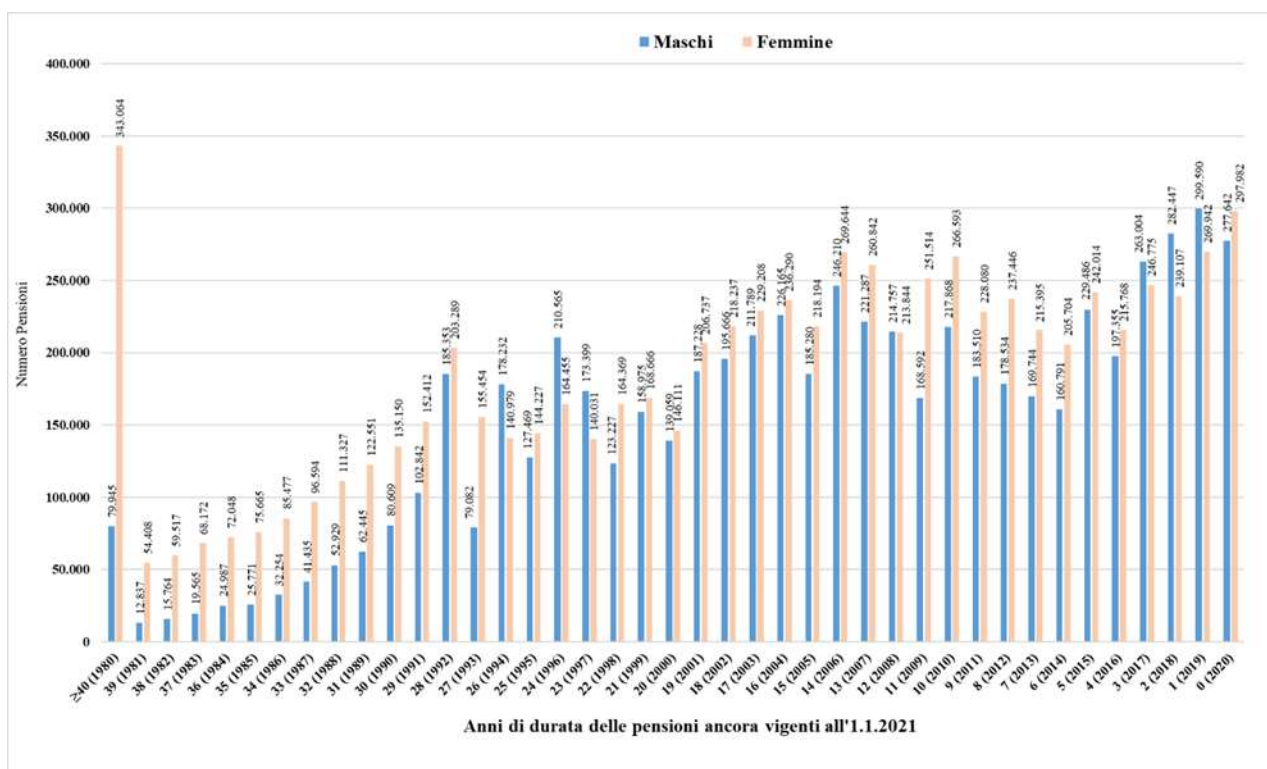
The mean ages identified by the INPS Statistical Observatories¹⁴ for the individuals who have retired since 1980 and before, results from the weighed mean ages of generations of pensioners who are still alive, with different retirement dates (40 years and more). In the *private sector (Figure 5.5)*, the average retirement age for pensioners who have received their benefits for 40 years or more is 41.8 years (39.7 years for men and 42.3 years for women) since the retirement age for disability and survivors' benefits has a significant impact; in the *public sector (Figure 5.6)*, the average age was 41.2 years (39.3 for men and 42.1 for women). With regard to these low retirement ages, it should be pointed out that older workers who had retired 40 years ago or more and who have died are not included into the calculation of the mean age, which is therefore each year lower, and it provides a snapshot of the average age profiles in 1980 and in earlier years of the younger retirees who are still alive. At present, the age of the group of workers who retired in 2020 (0-year class) is higher because this generation of retirees was almost all still alive on at 1.1.2021; but above all the different reforms have resulted into more stringent pension requirements; the analysis of the average age in the private sector by AVPIS category [Seniority, Old Age, Early Retirement, Disability and Survivors] for men who retired as of 2020 shows the following figures: 61.9 - 67.4 - 62.1 - 54.8 - 77.4, and for women who retired as of 2020: 61.3 - 67.3 - 61.8 - 53.5 - 74.3.

The duration of the pensions provided since 1980 or earlier and still in force today, is on average about 46 years (current average age minus average retirement age) in the private sector and 44 years in the public sector. There are currently **5,752,933 IVS benefits** being paid in the private and public sectors, with a duration of **20 years or more, accounting for 34.1%** of the total of about 16.846 million IVS pensions. Women, who live longer, take the lion's share, with 79.7% of all IVS benefits with a duration of 40 years and more and with 64.3% of those with a duration of over 25 years out of the total by gender; these are mainly disability, survivors' and old age pensions; women receive on average lower benefits with respect to men, but for a much longer period of time and hence often with a higher expenditure. The analysis by AVPIS¹⁵ category (*Figure 5.5*) shows that on January 1, 2021, there were still **210,699 pensions** in the private sector due to *early retirement plans*, which allowed workers to retire even 10 years earlier than the statutory retirement age in force at the time; these plans were 'intensively' used up to 2002 (the peak occurred between 1984 and 1992, the year with the highest number) then gradually less and less just to pick up again at the rate of about 1,000 a year from 2009.

¹⁴ It should be remembered that average ages are expressed here in years where the decimal expresses tenths of a year. Therefore, an age of 84.3 years expressed in tenths of a year, is equal to 84 years, 3 months and 27 days if instead is transformed into years, months and days; an age of 87.4 expressed in tenths of a year is equal to 87 years, 5 months and 6 days.

¹⁵ For an analysis of individual funds, see Public Expenditure Observatory in 2018 *'The average duration of pensions starting from 1980 to 2018 by type, gender and fund*. Available on www.itinerariprevidenziali.it.

Figure 5.5 - Number of pensions in force on 1.1.2021 by year of retirement INPS funds, private sector



Men; Women N. of pensions; Duration of outstanding pensions on 01.01.2021

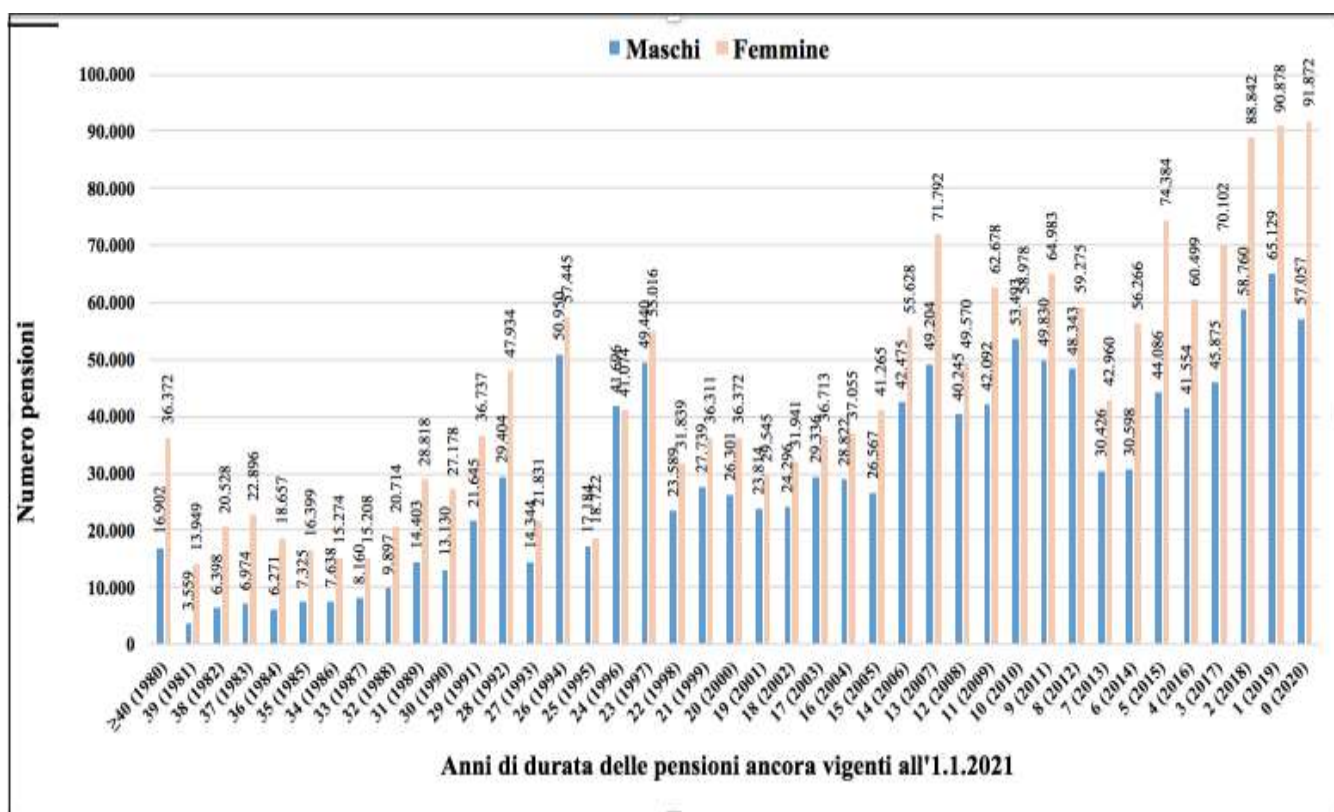
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
A	7.499	7.671	3.184	1.873	4.952	2.865	6.744	3.365	7.570	2.909	8.987	2.775	12.113
V	2.055	36.246	1.235	15.681	1.825	20.040	2.652	25.590	3.788	30.743	5.228	40.052	7.183
P	75	88	702	2.351	1.272	2.282	1.942	3.048	6.600	3.669	7.140	4.465	7.945
I	60.079	140.893	6.244	14.695	6.189	13.362	6.456	13.214	5.062	10.230	2.305	2.009	2.650
S	10.237	158.166	1.472	19.808	1.526	20.968	1.771	22.955	1.967	24.497	2.111	26.364	2.363
Tot	79.945	343.064	12.837	54.408	15.764	59.517	19.565	68.172	24.987	72.048	25.771	75.665	32.254
Tot. Gen	423.009	67.245	75.281	87.737	97.035	101.436	117.731	138.029	164.256	184.996	215.759	255.254	388.642

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
A	30.150	3.915	144.768	38.657	78.743	12.535	170.859	36.154	137.975	30.394	81.607	20.924	118.840	27.715
V	36.826	104.922	17.712	51.290	28.611	78.412	23.912	73.348	18.579	50.977	27.551	80.246	26.274	74.711
P	3.931	487	6.802	1.413	10.733	1.067	6.178	510	6.292	339	2.789	700	2.137	1.037
I	3.964	2.269	4.274	2.229	4.404	2.111	4.404	2.186	4.848	2.263	5.112	2.486	5.338	2.589
S	4.211	43.861	4.676	47.390	4.978	50.102	5.212	52.257	5.705	56.058	6.168	60.013	6.386	62.614
Tot	79.082	155.454	178.232	140.979	127.469	144.227	210.565	164.455	173.399	140.031	123.227	164.369	158.975	168.666
Tot. Gen	234.536	319.211	271.696	375.020	313.430	287.596	327.641	285.170	393.965	413.903	440.997	462.455	403.474	515.854

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
A	126.290	35.335	152.551	43.470	82.737	20.207	129.735	39.055	111.989	32.827	86.910	29.397	69.377	33.874
V	70.131	127.549	35.614	66.575	57.094	121.729	58.203	114.365	40.705	77.064	56.029	81.854	62.511	51.238
P	374	81	488	120	767	246	902	334	814	345	2.500	299	1.281	284
I	12.297	5.742	12.841	6.149	13.366	6.200	13.260	5.884	12.846	5.558	14.424	5.900	16.483	6.612
S	12.195	92.135	13.263	97.530	14.628	103.132	15.768	106.955	17.156	112.286	18.671	119.996	20.092	123.387
Tot	221.287	260.842	214.757	213.844	168.592	251.514	217.868	266.593	183.510	228.080	178.534	237.446	169.744	215.395
Tot. Gen	482.129	428.601	420.106	484.461	411.590	415.980	385.139	366.495	471.500	413.123	509.779	521.554	569.532	575.624

Source: INPS - Observatory of pensions, INPS funds on 1.1.2021

Figure 5.6 - Number of pensions in force on 1.1.2021 by year of retirement Funds for public-sector employed workers - GDP, public sector



Men; Women N. of pensions; Duration of outstanding pensions on 01.01.2021

	1980	1981	1982		1983		1984		1985		1986		1987		1988		1989		1990		1991		1992			
A	5.242	13.995	1.548	4.558	3.309	11.343	4.400	14.903	4.492	13.840	5.183	12.058	5.289	10.608	5.449	9.939	6.659	14.261	9.698	21.129	8.213	18.136	14.851	26.040	21.066	35.186
V	850	1.017	147	451	344	1.081	303	829	241	138	368	116	497	174	847	254	1.371	594	2.062	910	2.314	1.268	3.470	1.803	4.520	2.431
I	10.138	6.649	1.999	2.273	2.590	5.507	2.100	4.144	1.291	314	1.525	380	1.545	291	1.477	384	1.443	867	2.090	1.591	2.075	1.918	2.664	2.523	3.053	3.456
S	672	14.711	265	6.667	155	2.597	171	3.020	247	4.365	249	3.845	307	4.201	387	4.631	424	4.992	553	5.188	528	5.856	660	6.371	765	6.861
Tot	16.902	36.372	3.559	13.949	6.398	20.528	6.974	22.896	6.271	18.657	7.325	16.399	7.638	15.274	8.160	15.208	9.897	20.714	14.403	28.818	13.130	27.178	21.645	36.737	29.404	47.934
tot. Gen.	53.274	17.508	26.926		29.870		24.928		23.724		22.912		23.368		30.611		43.221		40.308		50.382		77.338			

	1993	1994	1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006			
A	5.937	8.657	41.383	42.834	9.472	5.863	34.019	27.474	41.073	39.497	16.682	16.625	20.599	20.574	18.697	19.380	15.922	12.268	15.918	11.515	19.131	13.817	18.201	13.761	15.673	17.429	29.419	28.744
V	4.693	2.641	5.260	3.248	4.513	3.356	4.274	3.445	4.509	4.264	3.164	3.578	3.987	3.856	3.925	4.486	3.882	4.168	4.149	6.527	5.294	7.646	5.868	8.086	5.925	8.048	7.395	10.575
I	2.916	3.170	3.428	3.307	2.248	1.864	2.314	1.247	2.622	1.703	2.379	1.450	2.084	1.385	2.020	1.460	2.318	1.570	2.436	1.771	2.762	1.923	2.577	1.801	2.511	1.450	3.108	1.577
S	798	7.363	879	8.056	951	7.659	1.089	8.908	1.236	9.552	1.364	10.186	1.469	10.496	1.659	11.046	1.692	11.539	1.793	12.128	2.149	13.327	2.176	13.407	2.458	14.338	2.553	14.732
Tot	14.344	21.831	50.950	57.445	17.184	18.722	41.696	41.074	49.440	55.016	23.589	31.839	27.739	36.311	26.301	36.372	23.814	29.545	24.296	31.941	29.336	36.713	28.822	37.055	26.567	41.265	42.475	55.628
tot. Gen.	36.175	108.395	35.906		82.770		104.456		55.428		64.050		62.673		53.359		56.237		66.049		65.877		67.832		98.103			

	2007	2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		
A	35.378	42.920	27.517	21.438	26.630	29.710	36.468	25.830	36.201	29.709	33.662	21.840	17.178	12.969	15.771	24.096	26.773	40.968	24.165	30.917	24.905	35.576	32.786	42.332	43.441	50.238	35.361	51.110
V	7.323	11.356	6.111	9.709	8.672	13.438	8.813	12.270	5.150	13.746	4.979	14.296	3.663	6.732	5.177	8.036	6.446	7.053	6.316	3.022	9.326	6.352	14.090	18.137	10.319	11.003	13.752	15.701
I	3.694	1.844	3.463	2.043	3.367	2.354	4.527	2.715	4.191	2.331	5.025	2.519	4.498	2.132	4.137	2.248	4.541	2.202	4.657	2.331	4.402	2.353	4.335	2.383	3.603	2.192	1.579	858
S	2.809	15.672	3.154	16.380	3.423	17.176	3.685	18.163	4.288	19.197	4.677	20.620	5.087	21.127	5.513	21.886	6.326	24.161	6.436	24.229	7.242	25.821	7.549	25.990	7.766	27.445	6.365	24.223
Tot	49.204	71.792	40.245	49.570	42.092	62.678	53.493	58.978	49.830	64.983	48.343	59.275	30.426	42.960	30.598	56.266	44.086	74.384	41.554	60.499	45.875	70.102	58.760	88.842	65.129	90.878	57.057	91.872
tot. Gen.	120.996	89.815		104.770		112.471		114.813		107.618		73.386		86.864		118.470		102.053		115.977		147.602		156.007		148.929		

Source: INPS - Observatory of pensions for public-sector employed workers - GDP on 1.1.2021

The costs for early retirement have been accounted as "pension" charges and not as "income-support" charges, as is the case for other types of safety-net measures and in line with the practices adopted by many EU countries. Even the current INPS disability pensions (that also include the subcategories of disability allowances, invalidity and inability pensions) have quite long durations

(according to INPS, their number is equal to 200,972 with a duration of 40 or more years, equal to 24.3% of all the disability benefits). The number of pensions paid to 'survivors' is equal to 4,274,326 (for INPS and the funds for public-sector employed workers, they also include the subcategories 'Members' Survivors' and Pensioners' Survivors), of which 183,786 with a duration of 40 or more years (4.3% of all survivors' benefits) and 819,182 with 25 or more years (19.2% of all survivors' benefits).

Pensions eliminated

In addition to the duration of the pensions still in force on January 1, 2021 examined above, it seemed important to look into the INPS archives also to see the rate at which ***IVS pensions have been eliminated from the retirement year up to January 1, 2021*** (due to death, new marriage, survivors' death, administrative cancellation). Data on the elimination of pensions by retirement year (***Figure 5.7***) are available for a 36-year period from 1985 to 2020, ***for the private and public sectors***: FPLD (including the schemes with separate accounts), the fund for self-employed workers, the fund for workers in the entertainment and sports sectors and the funds for public-sector employed workers (GDP). The balance between the IVS pensions eliminated and those still in force today would appear to be basically guaranteed if the average watershed is given by disability, old-age and survivors' pensions starting from 1996; in fact, on average, just over half of them have been eliminated in the year observed (50.1%) after about 25 years. It is important to recall that 25 years ago the average ***effective*** retirement age for IVS pension calculated under the ***income-based system*** was approximately ***61 years***. Today, for a new direct pensioner ***aged 61***, the average expected duration of a pension based on the ***contribution system*** (current average value of direct and survivors' pensions for men and women) is estimated to be ***21.5 years***; while for a ***65-year-old***, the average expected duration of a direct and possibly survivors' contribution-based pension, is estimated ***just over 19 years***¹⁶.

More in general, over the 36-year interval observed, 43.0% of IVS pensions are gradually eliminated out of a total of more than 26.1 million IVS pensions paid out, while 57% was still in force on 1.1.2021. However, the 36-year period, for which data is currently available, does not yet seem sufficient to quantify the balance between outstanding and eliminated pensions; in fact, the information related to the elimination of pensions is lacking in terms of timing and also because some minor funds are still missing; in any case, the 9th edition of this Report includes some data on the pensions eliminated in the FPLD four separate schemes (ex Inpdai, Electricity, Telephony and Transportation).

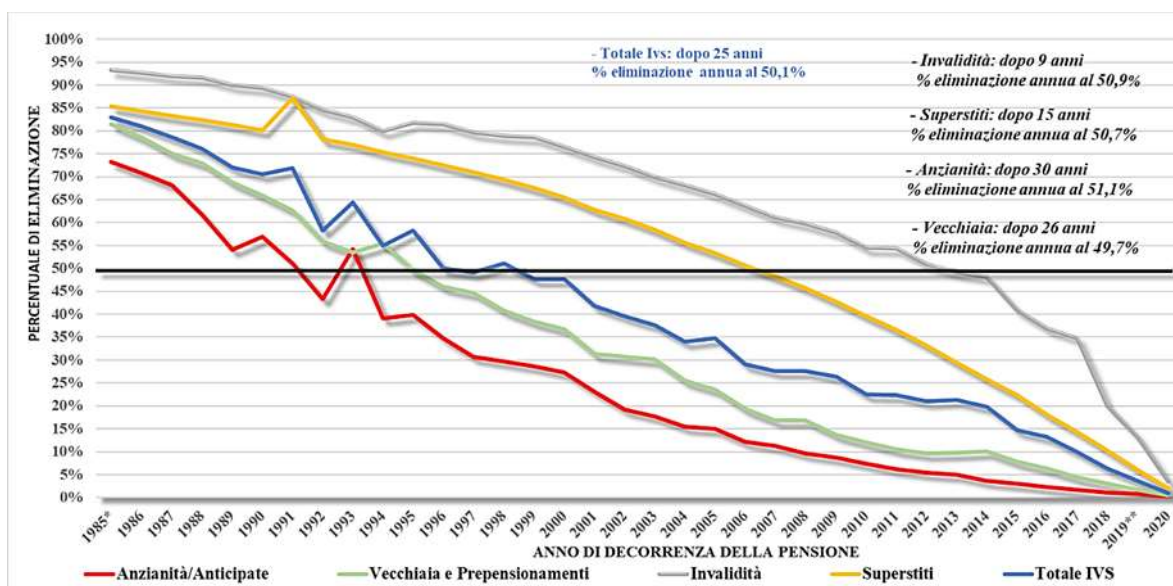
Further information is needed with an observation period of about 40-50 years in order to have a complete view of this situation. However, it is interesting to note that for disability pensions, after only 9 years, the annual elimination rate reaches and then gradually exceeds 50.9%. At least half, 50.7%, of survivors' pensions are eliminated every year ***15 years after retirement***. For seniority pensions, two thirds of which are provided to men with 35-40 years of contributions, it is necessary

¹⁶ In the penultimate revision of the 2019-2020 annuity transformation coefficients, ***the divisor*** related to the age of 65, reciprocal of the transformation coefficient, is 19.064, expressed in tenths of a year, or 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. It is worth considering that, in 2020, after the first year of the pandemic, the remaining life expectancy for men aged 65 dropped by more than one year and is now 18.2 (19.4 years in 2019) so, on average, a 65-year-old man hopes to live up to 83.2 years; and for women aged 65 the remaining life expectancy dropped by one year and is 21.6 (22.6 years in 2019), so, on average a 65-year-old woman hopes to live up to 86.6 years. As a result, the average remaining life expectancy at age 65 for both genders also decreased by 1.1 year compared to 2019, when the average remaining life expectancy was 21.0 years (average desired age was 86).

to wait **30 years after retirement** before more than half of them is eliminated each year, starting from 51.1%. On the other hand, for old-age pensions, more than two thirds of which are provided to women whose retirement age was 5 years lower than men until 2012, it takes **26 years after retirement** for over half of them to be eliminated each year, starting from 49.7% and increasing thereafter.

The annual elimination rate for all IVS pensions begins to exceed 50.1% 25 years after retirement (1996) and reaches an annual elimination rate of 82.9% 36 years later (1985).

Figure 5.7 - IVS pensions: percentage of pensions eliminated from the year of retirement until 1.1.2021, with respect to pensions paid in the same year, broken down by category



Total IVS pensions after 25 years, annual elimination rate; Disability pensions after 9 years, annual elimination rate; Survivors' pensions after 15 years, annual elimination rate; Seniority pensions after 30 years, annual elimination rate; Old-age pensions after 26 years, annual elimination rate; Elimination %, Year of retirement; Seniority/Early retirement, Disability, Survivors, Total IVS pensions Source: INPS – Observatories on pensions on 1.1.2021 and monitoring of retirement flows. (*) Since 1985 it has included the pension fund for employed workers (including separate schemes), the fund for self-employed workers, and the funds for public-sector employed workers (GDP); (**) Since 2019 the INPS funds have also included former Enpals.

6. The complementary welfare system in Italy: pensions, health- care and LTC (personal assistance)

In Italy, in 2020, individuals and households spent over **98.5 billion euros** (*Table 6.1*) to supplement their public pension, healthcare and welfare benefits, before the tax rebates granted by the law to these beneficiaries; the net expenditure borne by the recipients of complementary welfare benefits can be estimated at about **78.2 billion euros**, equal to a per capita expenditure of **1,315 euros** (*Table 6.2*). Out of the total gross expenditure, **46.1% (45.45 billion euros)** accounts for health care expenditure both direct (OOP) expenses and intermediated by health-care and health insurance funds (**5.1 billion**); **33.38 billion** to support "non-self-sufficient" subjects at home or in residential care; **16.5 billion** for complementary pension benefits and **3.172** for individual insurance policies.

Table 6.1 - Private complementary and supplementary welfare expenditure from 2014 to 2020
(millions of euros)

Years	2014	2015	2016	2017	2018	2019	2020		
Type	Private expenditure 2014 -2019						Private expenditure	in% of GDP	in% public expenditure
Private expenditure	13.000	13.500	14.256	14.873	16.269	16.134	16.531	1,00%	1,75%
OOP health expenditure *	30.000	32.287	32.081	35.989	40.065	40.205	40.286	2,44%	4,26%
LTC expenditure**	9.280	8.900	8.900	10.700	33.982	33.982	33.380	2,02%	3,53%
Intermediated health expenditure***	4.060	4.300	3.689	4.901	4.902	5.216	5.165	0,31%	0,55%
Individual welfare expenditure ****	2.567	2.963	3.008	3.087	3.096	3.242	3.172	0,19%	0,34%
Total expenditure	58.907	61.339	62.054	69.550	98.314	98.779	98.534	5,97%	10,41%
* The 2020 data refer to 2019 and come from ISTAT that processes them according to the new rules for the precise verification of individual items of expenditure (if known and possible to identify), that is the benefits normally related to OOP expenditure equal to 36.196 billion euros, + 11.3 billion of undeclared items									
** Since 2015, the data have been calculated including home and residential care expenditure net of the caregivers' benefits provided by INPS; as of 2017, caregivers' costs also include the TFR for "domestic workers" registered with INPS with care and assistance duties; as of 2018, the overall cost is calculated net of public contributions to finance residential home expenditure and the INPS benefits for disabled civilians. For further information, see the detailed insight into non-sufficient subjects;									
*** As of 2019, 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 of 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 (Intermediated health expenditure), INPS (LTC health expenditure); ANIA (Individual welfare expenditure) processed by Itinerari Previdenziali.									

The total expenditure figure is only slightly lower than that of the previous year, a sign that the pandemic did not change the extent of the supplementary expenditure by individuals and households. The slight decrease in expenditure is due to a reduction in expenditure on health insurance policies (except for the IV life class ones, which are constantly growing) and on accident policies. The same should be true, even in the absence of official and reliable data, for "LTC", "Intermediate Healthcare" and "Individual Welfare" expenditure. All the reasons for this slight reduction in total expenditure are described below.

6.1 Methodology for calculating individual items of expenditure

This section provides some a detailed analysis of individual expenditure items, their trends during the period observed and the description of the methodology used to the net expenditure borne by individuals and households.

6.1.1 Private Out of Pocket Expenditure

Since 2014 (the year in which this survey started), the most significant private welfare expenditure item has been and still is the health care expenditure by individuals and households (out of pocket health care expenditure, OOP); a type of expenditure that is not intermediated by health funds or insurance companies. In the 7 years of this survey (2014-2020), expenditure increased from 30 to **40.286 billion** in 2020, an increase by 34%, much higher than inflation, which grew by about 3%. Our estimate of **40.286 billion** is higher than the 36.196 billion calculated by ISTAT; in fact, despite the changes in its survey methods since 2016, ISTAT still underestimates this type of expenditure because, as already pointed out, it does not consider the "undeclared" private expenses, especially medium-low expenses, as for the purchase of other goods and services. So, since there are no data on irregular healthcare spending, the expenditure estimated by ISTAT has been extremely carefully increased by the undeclared share for the Italian economy (estimated by ISTAT to be **11.3%** in 2019, the latest data available); this figure is probably still lower than the actual expenditure because of the level of tax-dodging and evasion in health-care expenditure as a whole (dentistry, physiotherapy, rehabilitation, home nursing and specialist services, etc.) and it may be higher than the average national figure, even considering the high demand for these services.

In order to identify the actual amount of net expenditure borne by households, since there is no other accurate information, we have used the data provided by tax authorities¹ on all the medical expenses reported by the Italian population in their personal income tax statements to obtain tax benefits in the form of deductions and exemptions; this figure amounts to 19.621 billion euros, of which 1.100 billion euros' worth of deducted expenses and about 18.521 billion euros' worth of exempted expenses. So, the total tax savings for households are estimated to be equal to **4.17 billion euros**, of which 0.36 billion euros' worth of exemptions, with an estimated reduction in the taxable income of eligible subjects by a total amount of 1.1 billion euros if a marginal personal income tax rate of 30% is applied; and 3.51 billion euros' worth of deductions, assuming a 19% tax rebate of 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). Therefore, net of tax benefits for health-care expenses borne by individuals and households families, the 2020 **net OOP health expenditure** amounted to **36.110 billion euros**, given by the difference between 40.286 billion euros' worth of gross OOP expenditure and 4.17 billion euros' worth of tax benefits.

6.1.2 Intermediated private health expenditure (health funds and insurance)

The costs incurred by households in Italy for contributions to supplementary health funds and for health insurance premiums amount to **5.165 billion euros**, with an increase by 27.2% in 2020 compared to 4.06 billion euros in 2014. This figure is obtained by adding 2/3 of the 2.986 billion euros² worth of premiums collected in 2020 in 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; the aim is 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 by insurance companies. The data on the revenues of health funds are not in the public domain (when drafting this Report, the Register of Health Funds and the information therein were not accessible). So, we started from the sums reimbursed by health funds

¹ These data refer to the 2020 tax statements for the 2019 fiscal year (analysis of March, 28, 2019).

² IVASS calculates only 1.4 billion from the non-life and health classes and estimates the flow of contributions to health funds, including mutual-aid organizations, to be 2.9 billion, against 3.175 estimated by Itinerari Previdenziali.

to their members (on the basis of the latest available data dating back to 2017, which were adjusted for this survey), by increasing them by 20% (this evaluation method starts from the assumption that contributions must logically be higher than costs for these funds to be economically viable and sustainable). In order to calculate "net" expenditure, the varied and articulated tax benefits under the law must be deducted from the above-mentioned figures. It is important to stress that contributions to *health funds* can be deducted from the taxable income or are exempted 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 the contribution for a maximum of **1,300 euros**; instead, *health insurance policies*, feature a 19% deduction with different limits depending on the type of policy: for disability (up to a maximum of 530 euros) and for LTC (up to a maximum of 1,291 euros). In order to calculate the total tax benefits related to intermediated expenditure, we have adopted the same approach: we have estimated that, out of the 5.1 billion euros' worth of intermediated expenditure, **2.55 billion** are intermediated by supplementary health funds, which can be fully deducted by employed workers; the remaining **2.55 billion** euros are related to healthcare funds mainly for free-lance workers (self-employed, professionals or non-dependent family members) who are entitled only to 19% deductions or to insurance policies (individual and collective policies) which feature a **19% tax rebate**, if any. Obviously, this classification is not actually so rigid and employed and self-employed workers can be in both groups and many non-life policies cannot even be deducted. Therefore, the cost incurred by the Treasury for the deductible tax benefits granted to members of some health funds amounts to **510 million**, considering an average IRPEF rate of 17% for 87% of beneficiaries and 40% for the remaining 13% applied to 2.55 billion. As for the rest, if all the other members were to deduct 19% of these expenses, conservatively calculated on 80% of the 2.55 billion related to membership in mutual aid societies or to insurance policies within the limits of the different health classes (which is unlikely because not all subjects have to pay taxes or have a taxable income to deduct this amount), the State would lose up to **387 million euros' worth of tax revenues**, which, added to the previous figures, leads to **897 million euros' worth of total rebates** (Table 6.2).

6.1.3 Private health-care and LTC expenditure

The gross LTC expenditure is given by the costs incurred by individuals and households for residential homes for the elderly (RSA and others) and for home care ("caregivers"), in addition to the total premiums for LTC insurance policies. This type of expenditure is equal to **33.38 billion euros** and to **23.275 billion** net of the caregivers' and residential home benefits provided by the State. This figure does not take into account other and additional expenditure items related to the material costs to meet the needs of the completely or partially impaired individuals (e.g. stair lifts, hearing devices, blood pressure monitors, home automation tools, and other costs). For further details, see Section 6.3.

6.1.4 Complementary system

In 2020, the *complementary system* featured an increase in contributions paid by pension fund members (+2.4%), for a total of **16.5 billion euros**. In order to calculate net expenditure, the amount of contributions has been reduced by the maximum tax rebate of **5,164.57** per year which can be deducted from personal income taxes. According to the data provided by Tax Authorities, the total amount of deductions amounted to **4.44 billion euros**. As a result, the actual complementary expenditure is equal to **12 billion euros**.

6.1.5. Individual welfare expenditure (accident policies)

The Premiums for accident policies, which we have classified as *Individual Welfare Expenditure*, decreased compared to 2019 (-2%) and amount to **3.1 billion euros**. In the absence of accurate data, it is possible to generously apply the tax benefits under the law (19% deduction rate for a maximum of 530 euros of premiums for disability above 5%), and therefore to reduce the entire amount of gross expenditure by 19%, without any limit, imagining that all premiums can be deducted and that subjects can pay their taxes; in this case, net expenditure is expected to **2.5 billion euros**.

Table 6.2 - Comparison between gross and net private expenditure on complementary and supplementary welfare in 2020 (millions of euros)

Type	2020	
	Gross private expenditure	Net private expenditure
Complementary pension system	16.531	12.092
OOP Health expenditure	40.286	36.110
LTC Expenditure	33.380	23.275
Intermediated healthcare expenditure	5.165	4.171
Individual welfare expenditure	3.172	2.569
Total expenditure	98.534	78.217

6.2 Supplementary health care

The total private *healthcare* expenditure amounts to **45.45 billion euros**, as the sum of 40.286 billion euros' worth of OOP expenditure, and of 5.165 billion euros' (11.3%) worth of healthcare expenditure intermediated by healthcare funds, insurance companies, mutual societies and other entities (*Table 6.1*). Of the 5.1 billion euros of total expenditure, a significant part (about 3 billion) is estimated to be channelled towards the complementary health funds (FSC) registered and supervised by the Ministry of Health, almost all the non-profit players in the Italian complementary healthcare system. The supplementary healthcare system is fundamental to ensure a healthy multi-pillar system and to expand the level of protection for the community, through a mutual and solidarity-based approach among private individuals (mainly workers and their families). Table 6.3 shows in detail the health funds featured in the Registry of the Ministry of Health (the registration by the health funds is not compulsory, even though it is a necessary condition for their members and employers to deduct their contributions from their taxes. The latest published figure dates back to 2017, which has been updated in the table in line with the arrival of new funds and members up to 2020.

Table 6.3 - Number of funds in the Register of Health Funds, membership and general amounts

Year **	Registered funds	Type A	Type B	Total membership	<i>employed workers</i>	<i>family members</i>	general amount	partial amount (20%) *	partial amount general amount
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%
Source: data processed by Itinerari Previdenziali from the Health Fund Registry of the Ministry of Health									
* 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 fiscal year, the actual year 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.									

It has been estimated that there are **13.8 million beneficiaries** of FSC benefits, much more with respect to complementary pension funds (below the 10 million threshold). Employed workers and their families account for 85% of e beneficiaries; this shows that complementary healthcare in Italy was born and has developed almost entirely as a result of national, territorial and company bargaining, and thanks to the decisive role of social partners (as institutive sources). However, there are some organisations set up and established outside of collective bargaining (such as mutual aid societies) that have a quite significant number of members; one of these societies, now operating as a cooperative, boasts over 400,000 members on its institutional website.

As to contributions and benefits, on the basis of the reporting rules described above, it has been estimated that the supplementary health funds (FSI) have received more than **3 billion euros'** worth of *contributions of* and *provide 2.66 billion euros' worth of benefits*; of which 860 million (the threshold of constrained resources under the law) is allocated to LTC and/or to dentistry benefits. As in previous years, it should be noted that there is a dangerous lack of an organic regulatory framework plus, among other things, the absence of rules on sound and conservative management and solvency, hence the risks for individuals and the credibility of the entire system.

The first year of COVID-19 also highlighted some limitations of the complementary healthcare model, which should be avoided in the future. A case in point was the actual halt to complementary benefits, together with the public ones, during the first *lockdown*; a time when most healthcare facilities were no longer able to receive patients and users, given the high pandemic risk. In this sense, it will be necessary to think about new ways of providing benefits, trying to depart (at least in part) from the public system and using all the available technologies (telemedicine and remote assistance). This is to prevent a halt to second-pillar services (especially diagnostic and specialist

services) due to lack of continuity in the first pillar, which is all the more important in times of difficulty for the national health service (NHS).

The legal status of most healthcare funds is that of non-recognized associations under former Art. 36 of the Civil Code; this is followed by mutual aid societies under former Act no. 3818/1886; the associations recognized under former Art. 12 of the Civil Code (no. 6) and the foundations are not very common. However, it is still necessary to overcome tax benefit discrimination between employed and non-employed subjects. In fact, in order to be entitled to deduct these charges from taxes, the latter can only join type A health funds (the "best in class") so as to obtain with the right to be refunded for benefits that are not provided by the National Health Service. These figures do not seem to capture the interest of the Italian population, given also the difficulty of understanding the limits of the Essential Levels of Public Assistance to be integrated, in a healthcare system that differs from region to region.

The correct development of supplementary health care can also help the public health care system, through the coordination of their respective actions and agreements between the National Health Service and health-care funds; the aim is to optimize the activity of professionals and the use of contractual providers of the funds to supply the benefits envisaged in their lists. In some cases, supplementary healthcare services are reimbursed directly by the funds to the accredited healthcare networks; in addition to avoiding "undeclared" costs of care, this generally helps keep these under control, since healthcare funds (in logic of scale) are, by definition, more skilled and determined in managing the economic relations with professionals and health-care organizations. In addition, despite the various measures adopted in 2018 and 2019 (see Ministerial Decree "Lavoro" of 19/1/2018 and 4/7/2019), the advent of the so-called "third sector" has not been finalized yet; this approach was supposed to change the governance, transparency and democratic nature of the entities mentioned in the first book of the Civil Code, which also operate in the supplementary health sector (excluding trade-union related funds).

6.3 Non-self-sufficiency and LTC

In Italy, apart from the data on LTC managed by the public sector, there are no reliable figures of the actual expenditure of private individuals and households on residential homes for the elderly and for home care³; it is equally difficult to estimate the number of declared and undeclared family assistants or professional caregivers (or carers), and also the declared number of their working hours, often far below their actual workload. These are the only established data: **a)** The number of caregivers under Act no.104/92 in 2019 amounts to **529,000** workers, of whom 244,000 work in the public sector and 258,000 in the private sector; under this law, caregivers are allowed to take up to three days per month off their work to assist their relatives with certified disabilities;

b) the number of Italians over 65 years of age is equal to over 13.8 million and those over 75 years of age to 7,058,755, 11.7% of the total population; in the age group above 75, women account for 60% of the total, about 50% of whom live alone and 29% in couples, while 21.7% of men live alone and 68% in couples.

In order to estimate the numbers and costs of LTC, the following model has been adopted: the number of non-self-sufficient subjects over 65 in Italy is about 2.5 million and that of subjects in

³ The cost of non-self-sufficiency is understood to be the difference between the expenditure for home and residential care and the components of expenditure disbursed by the State and by local authorities, as well as any tax deductions and allowances granted to these subjects or their loved ones.

residential facilities was about 312,000⁴ in 2018 or an estimated average cost for RSAs of 2,000⁵ euros per month (24,000 euros per year) that multiplied by 312,000 subjects amounts to a total of **7.488 billion euros**.

On the other hand, in order to estimate *home care expenditure*, in 2020 the number of domestic workers was equal to 920,722 against 848,987 in 2019⁶. In general, according to the INPS Statistics in Brief of June 2021, the 7.5% growth in the number of domestic workers with respect to 2019 was mainly due to two factors: 1) the need to establish regular working relationships to allow for mobility of these workers in lockdown period; 2) the incentives to have regular contracts for undeclared workers under Law Decree no. 34/2020. Out the total number of domestic workers, the number of caregivers was equal to 437,663 and they accounted for 47.53% (vs. 47.99% in 2019), about 30,000 more than in 2019, that is + 6.5%. in 2020; according to the latest estimates, in 2020, the number of undeclared caregivers was around 600,000, 100 thousand less with respect to 2019 for the above reasons⁷. Therefore, calculations have been made considering the following sources of expenditure:

- the first is related to the costs incurred by Italian households for *caregivers with regular work contracts*: estimating an average per capita cost of 19,000 euros⁸ (including termination of employment benefits, contributions and holidays), plus a cost of about 10,000 euros per year for undeclared caregivers who replace the regular ones on their days off and holidays, the expenditure for "regular" home care amounts to **12.69 billion euros**;
- the second is related to the costs for full-time *caregivers with irregular work contracts*: assuming an annual salary of 22,000 euros (all inclusive, without calculating board and lodging that are usually and conveniently offered by families) by 600,000 caregivers, the expenditure amounts to **13.2 billion euros**.

By adding up the costs for RSAs and declared and undeclared "*caregivers*", the total gross expenditure of individuals and households for home and residential care reaches **33.380 billion euros**. Instead, in order to calculate net expenditure, the following items must be subtracted:

- a) caregivers' allowances equal to 520.29 euros per month in 2020 for a total of 6,243.48 euros per year, granted to 1,082,229 non-self-sufficient elderly people⁹ for a total amount of **6.75 billion**

⁴ ISTAT figure - Statistics Report of December 31, 2018: *Social welfare and health benefits for residential facilities*. According to other sources of the Ministry of Health, about 2% of subjects over 65 year of age are in residential facilities (276,000), 1.8% (248,000) in nursing homes (RSAs) while just over 3.2%, benefit from integrated home care (442,000); according to the Higher Health Institute (ISS), Italy features 3,417 RSAs.

⁵ For the sake of calculation uniformity, it was decided to maintain the value of 2,000 euros per month as average cost of residency for RSAs, even though, according to empirical research, this figure may reasonably be higher.

⁶ Source: INPS - Statistics in Brief: Domestic Workers, June 2021. 2020 data.

⁷ According to Domina's survey "*Size and economic impact of domestic work in Italy (Extract from the 2020 Annual Report on Domestic Work)*", undeclared domestic workers accounted for around 57.6% of the total in 2019. According to the Domina Association, in March 2020, there were 9,000 more workers hired with regular contracts than in the same month of 2019 and that the balance between the number of workers hired and employment contract terminations was equal to + 8,622 compared to + 4,386 in 2019. Moreover, this association has recently estimated a growth in the number of regular work contracts by 20.8%. However, it is important to bear in mind that some working hours continue to remain undeclared even for regularly employed caregivers.

⁸ This amount is obtained by assuming a monthly salary of 1,500 euros including contributions and termination of employment benefits.

⁹ See Chapter 6 above; it has been assumed that out of 2,164,458 caregivers' allowances those allocated to the non-self-sufficient elderly subjects account for about 50%.

euros; plus 3,982,678 pensions for disabled civilians, 50% of which are provided to non-self-sufficient individuals for an amount of **1,991 billion**;

- b) the regional support *voucher* to supplement the monthly fees for RSAs equal on average to about 10,000 euros per year (for about half of the 312,000 elderly people in RSAs, as estimated above) for an amount of **1.56 billion**.

There are also other tax deductions and rebates linked, for example, to house renovations to meet the needs of disabled subjects, and to health and mobility equipment; however, these expenses are not taken into consideration, since they have not been included in the calculation of non-self-sufficiency expenditure.

Table 6.4 - Health-care and LTC expenditure

Non self-sufficiency		
Residential care expenditure,	Cost for residential care	7.488.000.000
health-care expenditure	Cost of declared carers	12.692.227.000
Health-care expenditure	Cost for undeclared carers	13.200.000.000
Total before taxes		33.380.227.000
Amounts to be subtracted		
Caregivers' allowances		6.756.896.762
Disability pensions		1991339000
Regional residential care support benefits		1.560.000.000
Total public contributions		10.308.235.762
Actual expenditure for households net of public contributions		23.071.991.238
LTC		
LTC and Dread Disease line of business		181.000.000
LTC and non-life line of business		22.438.000
total net private LTC and health-care expenditure		23.275.429.238

In total, net expenditure amounts to **23.07 billion euros**, after deducting the benefits under the law (estimated to be **10.3 billion euros**); It does not include 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), which are however included in OOP expenditure.

It is necessary to add the LTC and Dread Disease class IV premiums equal to **181 million euros** and the LTC class II non-life premiums equal to **22.438 million euros**¹⁰ to net expenditure for a total net private healthcare and LTC expenditure of **23.27 billion euros** (*Table 6.5*). This slight downward trend is probably due to the high number of deaths that occurred during the pandemic, especially among people over 65, the most affected age group by the Covid-19 virus. It may also be related to limited mobility imposed during the first lockdown and the difficulty for many foreign workers who had gone back to their countries, to return to Italy in compliance with the rules to be allowed in the country. Instead, the IV class LTC policy premium featured a different and positive

¹⁰ Source ANIA: for the LTC Branch IV component – the Italian insurance sector in 2019-2020; for the LTC Branch II component, ANIA Accident and Health trends - Italian direct portfolio. Data on December 31, 2020.

trend, with a growth by 21.2% compared to 2019 (Ania, Assicurazione Italiana 2021). The regularization of migrants in 2020 did not produce major improvements.¹¹

6.4 The complementary pension system

In 2020, complementary pension funds experienced a growth in their assets and membership of. In detail, the number of members amounted to **9.342 million**, **8.150 million** without considering registration duplications (less than **8.263 million** in 2019); there was a drop in the number of members in occupational pension funds (+3.2, compared to +5.26 in 2019 on 2018) and open-ended funds (+4.9% compared to +6.10% in 2019 on 2018), as well as in new generation PIPs (+ 2.7% compared to +4.4% the previous year). Moreover, there was a reduction in the number of pension funds d (- 7 with respect to 2019), including Fondinps, the residual INPS fund for the tacit conferment of termination of employment benefits, now assigned to the COMETA pension fund.

The average member of complementary pension schemes is male, with an average age over 40 years, mainly residing in the North, North East of Italy. The pension schemes with the largest number of members are new generation PIPs and occupational funds, almost on a par, followed by open-ended and pre-existing funds. In general, there is a substantial balance between collective membership schemes (occupational pension funds + pre-existing funds + open-ended funds) and individual membership schemes (open-ended funds with individual membership and PIPs). It will be interesting to analyse the evolution of individual membership schemes when pan-European individual pension plans (PEPP) become fully operational in 2022; these are European pension schemes, with common regulations, designed to provide for workers who tend to move within the European Union during their working lives.

In 2020, these pension funds featured a total of **197 billion euros'** worth of assets, an increase by **6.7%** compared to 2019. Occupational pension funds ranked second, with most of their assets allocated to benefits (60.368 billion euros), while pre-existing funds exceeded 66 billion euros.

Italy is still lagging behind in the development of complementary pension funds in the OECD ranking (assets over GDP), even though some improvements largely resulted from Legislative Decree no. 252/2005. However, some countries have introduced compulsory complementary pension schemes and that public pensions often have particularly low substitution rates

¹¹ See the Observatory on the 2020 labour market "The impact of migration flows on the Italian labour market" curated by the Itinerari Previdenziali Study and Research Centre and available for free consultation on the www.itinerariprevidenziali.it website.

Table 6.5 - Complementary pension funds in 2018, 2019 and 2020: members and resources allocated to benefits (% changes in terms of membership and resources in 2019- 2020)

Years	Members				Resources allocated to benefits			
Type of funds	2018	2019	2020	var.% 2020/19	2018	2019	2020	var.% 2020/2019
Occupational funds	3.002.321	3.160.206	3.261.244	3,20%	50.410	56.136	60.368	7,54%
Open-ended funds	1.462.072	1.551.223	1.627.731	4,93%	19.624	22.844	25.373	11,07%
Pre-existing funds	650.309	650.054	647.574	-0,38%	59.699	63.831	66.111	3,57%
New PIPs	3.275.536	3.419.170	3.510.561	2,67%	30.704	35.478	39.059	10,09%
Old PIPs	370.337	354.108	338.793	-4,32%	6.626	7.064	7.009	-0,78%
Total*	8.740.239	9.116.469	9.341.721	2,47%	167.145	185.439	197.919	6,73%
* The data on the outstanding positions in 2019 were realigned to the historical series updated by COVIP in the 2020 Report								
** The total no longer includes FONDINPS, which was cancelled. Moreover, it does not include duplications due to members who are both in new and old PIPs.								

As to the regulatory framework, some innovations have been introduced since the last edition of this Report. Following the transposition of the IORP II Directive by Legislative Decree no. 147/2018 Covip passed a resolution on May 19, 2021 and published the new Statutes and Regulations, which pension funds (including pre-existing ones with a legal status) will be required to comply with by March 31 2022. In 2021, the Italian Government also announced the overall reform of personal income taxes (IRPEF), with possible interventions also on the tax regime of pension funds. The proposal by the Ministry of Economy and Finance (MEF) is designed to eliminate the existing favourable tax rates for pension fund benefits (ordinarily subject to substitute taxation between 15% and 9%, with a clear advantage over the ordinary IRPEF rates). This reform may have a significant negative impact on this sector (possibly offset by the elimination of taxes on the yields accrued by pension funds and by the application of the new ordinary rates); moreover, this would be a new change a few years after the unacceptable increase in taxes on pension fund returns (2016 Stability Law).

6.5 Corporate and community-based welfare

In order to provide a complete overview of the second and third pillar complementary welfare system, we analyse the so-called "corporate welfare" for employed workers and similar occupations, excluding self-employed workers and professionals, as provided for under the Budget Laws for the years 2017, 2018 and 2019. This is a substantial part of the so-called third pillar welfare system, specifically targeted to employed workers and similar occupations (thus excluding self-employed and freelance workers). The current regulation derives first of all from Act no. 208 of December 28, 2015, article 1, par. 182-190 (2016 Stability Law), followed by Act no. 232 of December 11, 2016, , article 1, par. 160-162 (2017 Budget Law), Act no. 205 of December 27, 2017, , par. 28 and 161, (2018 Budget Law) and article 55 of Law Decree no. 50/2017 (productivity bonuses and incentives for companies that involve their workers in the organization of work).

We take up the definition of the Italian Association of Corporate Welfare (AIWA): “Sums, goods, benefits, measures and services for workers in kind or in the form of refunds for socially relevant

activities, and for this reason completely or partially excluded as employed income components". These allow to reduce the so-called tax and contribution wedge for the employers and their workers who decide to provide performance bonuses in the form of 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 goal of corporate welfare is to convert the "productivity" bonuses (generally in cash) 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 services;
- cost-sharing for the care of elderly and/or of not-self-sufficient family members;
- 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).

This list clearly shows that corporate welfare is closely linked to the supplementary, health care and LTC system, since these are the main contents of welfare policies in the world of labour. The list also includes items that are not strictly related to welfare (such as the so-called "recreational" services); this should perhaps lead to rethinking this system and to fine-tune its tax and social security incentives (designed to reduce almost to zero taxes and social security charges for these services, if included in a corporate welfare plan). Corporate welfare relies, to a large extent (but not only), on the use of so-called productivity bonuses, with their above-mentioned legal provisions. The productivity bonus is a donation in the form of money or services, in return for the achievement of one or more objectives set by the employer, often together with workers. The Italian approach to productivity bonuses and their tax benefits is very complex and requires the involvement of trade union and employer representatives; unfortunately, these representations are often absent in small and medium-sized enterprises, the majority of the Italian corporate world, thus greatly limiting the widespread use of this system compared to its actual potential, especially today, in view of a tax wedge reduction. Therefore, the legislation should be simplified in order to meet the needs of employers and, consequently, of many workers.

The evidence of the limited implementation of these measures is shown by the data of the Ministry of Labour (see Report of May 14, 2021), i.e. only 9000 collective agreements with productivity targets and 5000 with the employers' participation in corporate welfare measures.

The AIWA sample features about 20,000 employers, with a pool of about 1.8 million workers. According to these data, the two most involved sectors 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 transport; 5) care for elderly or non-self-

sufficient family members; 6) complementary pension benefits; 7) contributions and premiums for LTC and serious illnesses.

Corporate welfare has also played a key role during the pandemic. According to data from the WELFARE INDEX SME report for 2021, in a particularly relevant sample of SMEs (over 6.000), enterprises have taken steps to meet the needs of their employees and offer them useful services: 1) swabs and serological tests (43.8%); 2) training and webinars (39%); 3) temporary pay increases and redundancy funding (38.2%); 4) increased flexibility and leaves (35.8%); 5) health insurance policies (25.7%); 6) remote psychological or remote health support (21.3%). Some of these measures are obviously temporary and linked to the state of pandemic emergency, but others could become structural.

Since Italy is characterised by a very high number of small and very small production and service enterprises, a structural development of corporate welfare requires aggregations on a local level acting as hubs for pooling forces and providing services. So, the so-called territorial welfare (for which there are already interesting experiences) acts as a driver for the growth of corporate welfare and vice versa. A good welfare culture in the workplace and an increasing demand for it acts as a stimulus for enterprises; in turn, it promotes proximity welfare in the whole production sector, which can better respond to the specific needs of the community, compared to centralised and generalised social security policies. Corporate and community-based welfare, together with the complementary system described above, make up the new social security model based on different levels of action and on a good public-private integration, also in view of the funds of the National Recovery and Resilience Plan (PNRR); this model is largely designed to support the community and to foster synergy between the State, local authorities and the private sector. In this connection, a synergic role can also be played by other welfare players, such as the banking foundations, which have always been active in community-based welfare, and the schemes for professionals pursuant to Legislative Decrees 509/1994 and 103/1996.

7. The 2020 social protection system and short-term forecasts: summary and conclusions

The SARS-CoV-2 pandemic has interrupted the steady improvement of pension parameters (pension expenditure vs. GDP, number of active workers vs. the number of pensioners) and the economic and employment recovery after the financial crises of 2008 and 2013. So, 2020 was characterized by negative results: a major impact on employment, but above all a loss of GDP equal to 8.9%, the growth of public debt that soared from 2,409.9 billion (134.7% of GDP) in 2019 to 2,569.3 billion euros in 2020 (157.5% of GDP) with 159.4 billion euros' worth of new debt accumulated and the deficit/GDP ratio at 9.6%. Italy has two weak points which may generate problems in the social protection system, i.e. excessive and out of control welfare spending, taking away an enormous amount of resources from job creation through active policies and the public debt which reached 2,706 billion euros in September 2021, that is 137 billion more than the estimated 2,731 billion by the end of 2021; the deficit is expected to be equal to 9.4% (a huge amount compared to the 3% of Maastricht), while the expenditure on debt interests around 57 billion. An inflation rate close to 2% may trigger tapering by the central bank with an increase in the cost of debt. The risk is to go back to the 2012 levels, when the cost of financing public debt exceeded 84 billion; this would reduce any expansionary manoeuvre if the "stability pact" is reintroduced.

7.1 Key system indicators in 2020 and their evolution

In this disquieting scenario, we analyse the trends of the main indicators of the Italian pension system and in general of its welfare state. As to the overall social security expenditure including pensions financed by contributions and a substantial part of welfare benefits, it is necessary to clarify the different figures illustrated in this Report, so as to better highlight long-standing issue of the separation of pure pension expenditure from welfare expenditure. In 2020, the cost of pension benefits, including minimum supplementary benefits and GIAS transfers to funds for public-sector employed workers, was equal to **234.736 billion euros (Table 1a)**, plus **39.994 billion euros'** worth of transfers from GIAS (examined in Chapter 4) to finance IVS benefits for a total of **274.729 billion**. As pointed out in Chapter 5, it is again useful to specify that, according to the data derived from the INPS and ISTAT Central Registry of Pensions (**Table 5.3**), total IVS expenditure amounts to 278.469 billion, 3.74 billion more (4.6 in 2019) due to the time lag and to some calculation adjustments with respect to the accounting data on 31/12/2020. In addition, always according to this Registry, total expenditure, including annuities and welfare benefits, is **307.69 billion (Table 5.3)**; by adding the amounts in Table 1 to the INAIL and ex Inpdap INPS annuities (4.02 billion) and those in Table 5.6 excluding minimum supplementary benefits, the total is 306.747 (274.729 + 4.02 + 27.996 billion); so, almost identical figures that correctly indicate pension and welfare costs and set the stage for suitable social policies and spending monitoring. Below are reported the most relevant indicators for a pay-as-you-go system, i.e. the main demographic and economic indicators evaluated at the end of 2020 and their trend from 1997 to 2020 (**table 7.1**)

Ratio of the number of active workers versus the number of pensioners is fundamental for the Italian pension system which is a *pay as you go system*; in 2020, following the pandemic crisis, this ratio plummeted to an all-time low in the last 23 years, from **1.4578** to **1.4238** (-2.4%). In particular, the number of **pensioners** had a slight increase from 16,035,165 to 16,041,202 (+6,037); this was caused by the Covid-19 tragedy with its death toll of 96,818 people of 65 years of age and above, almost certainly retired, accounting for 96.3% of the overall excess mortality. The number of long-

standing pensions¹ (often over 35) cancelled was high and offset the effects of the 100 Quota and Social Ape measures indicated in Chapter 2. **Employment** fell by 537,000 from 23,376,000 in 2019 to **22,839,000**, thus reducing total employment down to 58.1% (**59.1%** in 2019), women's employment to **49%** (50.1% in 2019) and the over-55 rate to 54.2%. More than 7.4 million workers benefited from the Covid redundancy fund and many more from Naspi or other types of benefits; these figures are reported in Chapter 4.

Number of benefits for each pensioner: In 2020, the number of outstanding **benefits**², fell slightly down to **22,717,120**, compared to 22,805,765 in 2019, the lowest level since 2002. According to this ratio, each pensioner (per capita) apparently receives **1.4162 benefits** on average, reaching the level of 2007. So, 24.5% of pensioners (around 4 million) receive 2 benefits, 6.6% (around 1.1 million) 3 and 1.2% 4 or more benefits; most of these are survivors' and welfare benefits. The number of benefits has remained high due to all the pension advances that have characterised the last 10 years, including the 9 safeguard measures, Social Ape social, arduous work not mentioned in the literature, the pension and citizenship income and other welfare benefits.

Ratio of number of benefits vs. the population: In 2020, one benefit was paid out of every 2.609 **inhabitants**, down from **2.615** in 2019, despite the downsizing of the population. In practice, one benefit paid per household, thus explaining why Italian citizens are so sensitive to the topic of pensions/welfare benefits. The citizenship income must be added to these benefits, together with the subsidies provided by municipalities, provinces and regions which are not known due to the lack of a welfare database; the estimate is one benefit per 2.1 inhabitants.

Average pension amount. This indicator indicates the "social sustainability", i.e. the adequacy of the system. As highlighted in Chapter 5, two ratios are used to calculate the average pension amount: the first is the ratio of total expenditure vs. the number of benefits; in 2020, this ratio stood at 13,544 per year, up by 2.65% with respect to 2.48% in 2019, thus much more than inflation which was -0.2% in 2020; the second ratio is certainly more significant and realistic, as it divides total expenditure not by the number of benefits but by the number of retired beneficiaries, considering that, on average, as already indicated, , each pensioner (per capita) receives **1.416** benefits; in 2020 the **actual average amount of pension income** increased from 18.765 euros per year in 2019 to 19,181 euros, + 2.22% vs. + 2.28%; in 2019; therefore, in 2 years, pensions grew in real terms by 4.1% (with an inflation rate of 0.6% in 2019 and - 0.2% in 2020), thus questioning the common belief about low pension benefits; in fact, pension benefits amount to 1,598 euros per month for 12 months; higher with respect to the salary of many active workers. (**Tables 5.4 and 5.5**). Both ratios ensure the adequacy and social sustainability of the Italian pension and welfare system.

¹ See "Observatory on public spending: the average duration of pensions"; October 2018, produced by the Itinerari Previdenziali Study and Research Centre. website www.itinerariprevidenziali.it. At the end of 2020, 1,168,000 pensions of 35 years or more are still being paid (of which about 200,000 from the public sector); of these, 561,000 are over 39 years old (see in Chapter 5)

² We have defined them as benefits and not pensions because, as we shall see below, many are typically of a welfare nature and not financed by contributions.

Table 7.1 - Main indicators of the social security 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	23.090.348	22.698.718	22.526.853	22.598.244	22.565.971	22.190.535	22.278.917	22.464.753	22.757.838
N° dei pensionati (3)	16.771.604	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
N° delle prestazioni (3)	23.720.778	23.808.848	23.835.812	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	60.589.445
N° occupati per pensionato	1,365	1,376	1,357	1,348	1,373	1,360	1,354	1,370	1,388	1,417
N° prestazioni per pensionato	1,414	1,419	1,424	1,422	1,420	1,420	1,422	1,427	1,427	1,430
Rapporto abitanti / prestazioni	2,513	2,522	2,531	2,551	2,510	2,532	2,607	2,621	2,627	2,638
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	234.736	235.500	240.210	245.050	249.425		
Totale entrate contributive (1)	199.842	204.710	209.399	195.400	211.490	217.200	223.060	228.600		
Saldo	21.000	20.883	20.860	39.336	24.010	23.010	21.990	20.825		
Rapporto spesa/ PIL al netto Gias	12,72	12,78	12,88	14,27	13,19	12,68	12,51	12,32		
N° dei lavoratori occupati (2)	23.022.959	23.240.000	23.376.000	22.839.000	23.300.000	23.600.000	23.800.000	23.950.000		
N° dei pensionati (3)	16.041.852	16.004.503	16.035.165	16.041.202	16.065.000	16.060.000	16.080.000	16.100.000		
N° delle prestazioni (3)	22.994.698	22.785.711	22.805.765	22.717.120	22.700.000	22.700.000	22.550.000	22.550.000		
N° abitanti residenti in Italia (2)	60.483.973	60.359.546	59.641.000	59.258.000	59.100.000	59.000.000	59.000.000	58.900.000		
N° occupati per pensionato	1,435	1,4521	1,4578	1,4238	1,4504	1,4695	1,4801	1,4876		
N° prestazioni per pensionato	1,433	1,4237	1,4222	1,4162	1,4130	1,4134	1,4024	1,4006		
Rapporto abitanti / prestazioni	2,630	2,649	2,615	2,609	2,604	2,599	2,616	2,612		
Importo medio annuo pensione (3)	12.478	12.874	13.194	13.544,00	13.458					
Importo corretto pro-capite (3)	17.887	18.329	18.765	19.181,21	19.560					
PIL (4) valori a prezzi correnti in mln	1.736.602	1.765.421	1.787.664	1.653.577	1.785.863	1.894.800	1.959.224	2.023.878		
(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										
Previsioni 2021: PIL a prezzi correnti + 6,3%; inflazione + 2%; (2020 - 0,2%); indicizzazione pensioni 0%; dati PIL nominale tendenziale ricavati da NADEF 2021; fine Q100										
Previsioni 2022: PIL + 4,3%; inflazione + 1,9%; effetto sostituzione 0,3%; quota 102 (64 anni e 38 di contributi); APE sociale e gravosi; dinamica individuale retrib +1% + infl. PIL a prezzi correnti 2023 e 2024 + 2%; inflazione + 1,5%; effetto sostituzione e dinamica uguali a 2022;										

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 pensions 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; data in green are estimates, the yellow ones indicate the best results; (2) ISTAT: Work force data (historical series updated to September 2017 and demo.istat.it; 83) 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. Forecast 2021: GDP at current prices + 6.3%; inflation + 2%; (2020 - 0.2%); pension adjustment 0%; nominal GDP, data from NADEF 2021; end of the 100 Quota measure; Forecast 2022: GDP + 4.3%; inflation + 1.9%; substitution effect 0.3%; 102 Quota (64 years of age and 38 of contributions); Social Ape and arduous work; individual salary growth +1% + inflation; 2023 and 2024 GDP at current prices + 2%; inflation + 1.5%; same substitution effect and trends as in 2022.

Average pension/average income ratio - *Table 6.a* shows in detail this ratio in particular that of the average pension before GIAS transfers (welfare interventions to finance benefits that already have a welfare nature) with respect to the average income stated for tax and social security purposes; for private-sector and public-sector employed workers, the average pension is equal to 76.22% and to 69.43% of income respectively, which is an excellent substitution rate. The web and the final tables³ show the trend of this ratio for each type of worker from 1989 to 2020 (historical series of over 32 years); and despite all the reforms that have tried to make benefits more consistent with the contributions actually paid, there has been an improvement for all categories: for example, private-sector employed workers featured an increase from 47.58% in 1989 to the current 76%; instead, this ratio remained unchanged for public-sector workers who have always had high benefits not very much correlated to contributions (what counted was the latest salary); artisans, retailers and freelancers had better ratios: 40.17% (32% in 2019), 39.02% (30% in 2019) and 33.57% (about 31% in 2019).

7.2 The social security accounts (pension, health and welfare benefits) in the national accounts in 2020 and in previous years

In 2020, social security expenditure (pension, health and welfare benefits) amounted to **510.258 billion** compared to 488.336 billion in 2019 with an increase by 21.9 billion (+ 4.5%); total public expenditure, including debt interests (greatly reduced by the ECB's monetary policies) amounted to **946.219 billion** compared to **871** in 2019 (+ 75.2 billion or + 8.6%); total revenues were equal to 789.36 billion, down by 54 billion compared to 843.1 billion in 2019. So, + 75.2 billion more in terms of expenditure and - 52 billion in terms of revenues. The deficit was about 157 billion. Welfare expenditure as a percentage of total expenditure dropped to about 54% compared to 56% in 2019, due to the huge increase in public spending to finance the economic support measures to deal with the pandemic situation. Table 7.2 shows the 2012-2020 historical series of the items of public expenditure. The items in the “*accounts of the social security system*” for *pensions* can be found in *Table 1a* o; the amount of *health-care expenditure* is taken from the Economy and Finance Document (DEF) of April 2021, while the *INAIL* data and the items concerning *welfare measures* and *temporary benefits* managed centrally by INPS are taken from the accounts of this institute. Welfare expenditure by local authorities has been estimated on the basis of the RGS and ISTAT data while those on the remaining expenditure items are taken from the 2021 DEF and NadeF. Operating expenses and those for public-sector employed workers, have been re-aggregated on the basis of the distribution of said costs, as per the note in Table 7.2. A number of considerations can be made from these data:

- a) the reclassification of the entire public expenditure allows us to disprove what is often stated, namely that Italy spends much less on welfare than other EU countries; in fact, welfare expenditure as a percentage of total public expenditure and with respect to GDP, places Italy at the top of EU countries and also on a global level, despite its huge public debt.
- b) Compared to 2012, welfare expenditure grew by 18% (a structural growth by **78 billion** equal to 4.38% of GDP in 2019); the main reason was the share of welfare expenses financed by tax revenues general taxation that in that period increased by **55.76 billion** or + **62.6%** compared with the year of the pandemic and + 25.5 billion (+29%) with respect to 2019; instead, in the 2012-2019 period, GDP increased by 10.8% and inflation by 6.9%.
- c) So, this increase was far higher with respect to the 11.2% growth of gross pension expenditure⁴ between 2012 and 2020

³ To consult this historical series of tables, see web address in index; www.itinerariprevidenziali.it

⁴ As indicated later, pensions are significantly taxed while welfare spending is not taxed.

Table 7.2 - Pension accounts in the national accounts

VOCI DI SPESA (in milioni)	ANNO 2012	2012 in % sul totale	ANNO 2014	2014 in % sul totale	ANNO 2016	2016 in % sul totale	ANNO 2018	2018 in % sul totale	ANNO 2019	2019 in % sul totale	ANNO 2020	2020 in % sul totale
PENSIONI <i>tab 1a</i> (0)	211.117	25,74%	216.112	26,18%	218.504	26,37%	225.599	26,31%	230.255	26,44%	234.736	24,81%
SANITA' (01)	110.422	13,47%	110.961	13,44%	112.504	13,58%	115.410	13,46%	115.448	13,25%	123.474	13,05%
Assistenza + inv. LTC + GIAS (1)	56.829	6,93%	70.274	8,51%	78.428	9,46%	83.120	9,70%	91.426	10,50%	95.371	10,08%
Prestazioni Temporanee (2)	22.534	2,75%	20.883	2,53%	19.966	2,41%	19.982	2,33%	20.377	2,34%	26.839	2,84%
Prestazioni INAIL (3)	10.409	1,27%	9.927	1,20%	9.379	1,13%	8.778	1,02%	8.800	1,01%	7.812	0,83%
Welfare Enti Locali (4)	9.690	1,18%	9.696	1,17%	9.900	1,19%	11.000	1,28%	11.300	1,30%	11.300	1,19%
Oneri gestione welfare (A)	11.292	1,38%	9.764	1,18%	10.173	1,23%	10.592	1,29%	10.726	1,27%	10.726	1,13%
Retrib. Dip. PA (5)	124.954	15,24%	123.254	14,93%	124.103	14,98%	131.665	15,36%	131.087	15,05%	153.882	16,26%
Spese funzionam. (6)	114.205	13,93%	119.996	14,54%	121.783	14,70%	127.592	14,88%	129.918	14,92%	133.748	14,13%
Spese conto capitale	64.532	7,87%	60.290	7,30%	57.521	6,94%	58.954	6,88%	61.096	7,01%	90.274	9,54%
INTERESSI	84.086	10,25%	74.377	9,01%	66.440	8,02%	64.621	7,54%	60.351	6,93%	57.309	6,06%
Totale spesa prestazioni sociali	432.293	52,72%	447.617	54,22%	458.854	55,37%	474.481	55,35%	488.332	56,07%	510.258	53,93%
TOTALE SPESE FINALI	820.041	100%	825.534	100%	828.676	100%	857.307	100%	871.003	100%	946.219	100%
Totale entrate	771.731		776.596		786.020		818.463		843.102		789.359	
SALDO negativo e incidenza sul PIL	48.310	3,0%	48.938	3,01%	42.656	2,52%	38.844	2,20%	-27.901	-1,56%	156.860	9,49%
PIL serie SEC 2010/incidenza	1.613.265	26,80%	1.627.406	27,50%	1.695.590	27,06%	1.765.421	26,88%	1.787.664	27,32%	1.653.577	30,86%
<i>I dati relativi al bilancio pubblico (PIL e deficit) sono rilevati dal Documento di Economia e Finanza approvato in Consiglio dei Ministri il 15 aprile 2021; i dati in tabella differiscono da quelli pubblicati negli anni precedenti perché tengono conto delle variazioni indicate dai DEF successivi.</i>												
(0) La voce "Pensioni" ricavata dalla <i>tabella 1a del presente Rapporto</i> , comprende: la GIAS relativa ai pubblici dipendenti (per il 2020 pari a 13.602,45 milioni €; le integrazioni al minimo dei lavoratori privati erogate a carico delle gestioni pari a 7.024 milioni di €, circa 9.852 milioni di € (6.012 nel 2019) per sostegno alla famiglia (in genere assegni al nucleo familiare ANF) a carico GIAS;												
(01) La voce sanità ricomprende 37,206 miliardi di € di costo del personale e 86,268 miliardi di € per "consumi intermedi e spese di funzionamento che vengono scorporate dagli oneri di cui alle note 5 e 6;												
(1) Per il 2020 la voce comprende: il totale Gias in <i>tabella 1a</i> del presente Rapporto, pari a 39.994 milioni; le spese assistenziali per pensioni e assegni sociali, invalidità e indennità di accompagnamento, pensioni di guerra (23.878 milioni €); 14° mensilità, importo aggiuntivo e maggiorazione sociale, (4.118 milioni €) con esclusione delle integrazioni al minimo (vedasi <i>tabella 5.6</i>). Per 2020 reddito e pensione di cittadinanza pari a 7.189 milioni € (3.879 milioni € nel 2019); altri oneri per sgravi contributivi e interventi diversi pari a 20.434 milioni di €;												
(2) Spese per prestazioni temporanee comprendono: trattamenti di famiglia, integrazioni salariali, disoccupazione, Aspi, Naspi, trattamenti economici di malattia e maternità e TFR a carico della GPT (Gestione Prestazioni Temporanee Inps) finanziate dai contributi della produzione e in parte dalla Gias per indennità di mobilità, Cigs e coperture figurative x disoccupazione, mobilità, Cig e Cigs o in deroga (somme non ricomprese negli importi Gias di <i>tabella 1a</i>) <i>tab 4.1</i> ;												
(3) Le prestazioni Inail sono rilevate dai bilanci consuntivi (entrate 2020 9.838 milioni di €); uscite per prestazioni 7.537 milioni di €;												
(4) stima su dati RGS (7,3 miliardi per il 2017) che comprende: famiglie e minori; disabili; dipendenze; anziani; immigrati e nomadi; povertà e disagio adulti; multiutenze; a questi dati, rivalutati, sono STMATI e sommati i costi del personale e dei materiali utilizzati. E' esclusa la funzione casa;												
(5) Nei "redditi da lavoro dipendente" il costo delle retribuzioni al personale relativo alla sanità (si veda la <i>tabella specifica nel capitolo</i>) è ricompreso nella spesa per sanità e quindi è stato sottratto al totale retribuzioni dipendenti PA; lo stesso per il personale (1/2 della voce A, si veda <i>nota 01</i>);												
(6) Nel DEF sono indicati come "consumi intermedi" al cui importo sono sottratti alcuni oneri della sanità e degli enti pubblici che gestiscono forme di protezione sociale (1/2 della voce A, si veda <i>nota 01</i>);												
NOTA 1: Le differenze delle cifre indicate ai punti 5 e 6, rispetto al DEF sono imputabili a una riclassificazione dei costi relativi alle spese di funzionamento e quelle per le retribuzioni del personale degli enti pubblici (Inps e Inail), di quelli privati (Casse Privatizzate), dei Ministeri, e delle amministrazioni Istituzionali (Camera, Senato, Corte Costituzionale, Presidenza della Repubblica, Regioni, Banca d'Italia, che gestiscono tali prestazioni e che per il 2019 sono stimate da Eurostat in circa 0,6% del Pil e che vengono sommati al totale spese per prestazioni sociali (vedasi voce A). Inoltre sono scorporati i costi della sanità (vedi in 01)												
Dai calcoli sono esclusi i 10,8 mld di contributo aggiuntivo dello Stato alla gestione dip. Pubblici (vedasi <i>tab 1a</i> , <i>nota 2</i>)												

Expenditure items (millions), yearas % of the total; Pensions table 1° (0), health care (01), health care + LTC + GIAS (1), Temporary benefits (2) INAIL benefits (3), Welfare from Local Authorities (4), Remuneration of Civil servants (5), Operating expenses (6), Capital expenditure, Interests, Total social welfare benefit expenditure, Total final expenses, Total revenues, Negative balance and as % of GDP, GDP SEC2010 series/incidence. The data on national accounts (GDP and deficit) are derived from the Economic and Financial Document approved by the Cabinet on April 15, 2021; the data in the table differ from those published in previous years because they take into account the changes envisaged by subsequent DEFs; (0) The item "Pensions" reported in Table 1a, includes: GIAS transfers to the funds for public employees (equal to 13,602.45 million euros in 2020); minimum supplementary benefits for private-sector workers paid by their employers equal to 7,024 million; approximately 9,852 million euros (6,012 in 2019) for family support (generally household allowances) financed by GIAS; (01) It includes 37,206 billions euros' worth of personnel costs and 86.268 billion of "intermediate consumption and operating expenses, which are separated from the charges in the footnotes 5 and 6; (1) For 2020, this item includes: the total GIAS transfers reported in Table 1a, equal to 39.994 million; welfare expenditure on social pensions and allowances, disability and caregivers' allowances, veterans' pensions (23,878 million); the 14th month, additional amounts and additional social benefits, (4,118 million) excluding supplementary minimum benefits (see Table 5.6); citizenship income and pension equal to 7,189 million (3,879 million in 2019); other charges for tax rebates and other measures amounting to 20,434 million; (2) Temporary benefit expenditure includes: family allowances, wage subsidies, unemployment benefits, Aspi, Naspi, sickness and maternity benefits and termination of employment benefits paid by GPT financed by the contributions paid by enterprises and partly by GIAS for mobility allowances, redundancy fund and notional benefits x unemployment, mobility, Cigs and derogation Cigs (not included in the GIAS figures in table 1a) Table 4.1; (3) INAIL benefits are taken from the final accounts (revenues equal to 20,209.838 million euros); benefit expenditure to 7,537 million; (4) Estimate based on RGS data (7.3 billion in 2017) including: families and minors; disabled individuals; dependents; the elderly; immigrants and nomads; adult poor and distressed subjects; multi-purpose measures; to these figures have been calculated, adjusted and added to the costs of personnel and materials used. The housing function is excluded; (5) In the "employed work income" item, the cost for the remuneration of health-care workers (see specific table in the Chapter) is included under health expenditure and therefore subtracted from the total salary of public-sector employed workers; the same for personnel (1/2 of item A, see note 01); (6) The EFD refers to "intermediate consumption" minus some health and other charges of public funds providing social security benefits (1/2 of item A, see footnote 01)

NOTE 1: The differences in the figures 5 and 6 with respect to EFD are due to the reclassification of the costs related to operating expenses and the remuneration of the staff employed by some public entities (INPS and INAIL), by private entities (private pension funds), ministries, and institutional entities (Chamber of Deputies, Senate, Constitutional Court, Presidency of the Republic, Regions, Bank of Italy, estimated by Eurostat for 2019 to be about 0.6% of GDP and which are added to the total expenditure on social benefits (see item A). Health care costs are not included (see in 01). The calculations exclude the additional 10,8 billion euros' worth of contributions by the state to the public sector [see table 1a, footnote 2] (see table 1.a, footnote 2).

- d) A very significant expenditure if compared to approximately 62 billion euros for schools, universities and research and to 60 billion for capital expenditure, which increased to 90.27 billion in 2020; politicians should be aware of all this, but, above all, voters should know that, with each election (often 3 or 4 times per year) or with each government (7 in the last 10 years), politicians promise to increase social expenditure but never ever try to rationalize it.
- e) Social expenditure accounted for 58% in 2019 and for 64.6% in 2020 of contribution and tax revenues. Social expenditure soars mainly pushed all by welfare expenditure which, unlike pension expenditure, does not have precise rules and or any effective monitoring system across the many central and local providing entities; this burden that will be hardly sustainable in the years to come. The individual expenditure items are detailed below.

7.2.1 Health expenditure

In 2020, health expenditure increased from 115.448 billion euros to **123.474 billion** despite the population drop by 383,000 people; this growth was provoked by the pandemic but is also related to the aging of the population that requires and will require more health and welfare expenditure, especially for LTC. As a result, *per capita health expenditure* increased from 1,936 euros in 2019 to **2,084 euros**. From 2013 to 2020, this type of expenditure rose by 12.64% against an inflation rate of 3.7% even though public health is commonly believed to have experienced major cuts. It could be argued that this was a modest growth given the ageing of the population, but in the same period, the census population (net of illegal aliens) decreased from 60.78 million to 59.258 million, equal to 2.5%. The evolution of the 4 main components of expenditure are shown in **Table 7.3**. Healthcare expenditure will increase even more in the coming years. In fact, general practitioners, specialists, anaesthesiologists and nurses are getting older and hence bound to retire in the next few years, leaving many positions vacant, and some regions, including Piedmont and Lombardy, need to have more "community healthcare" centres so as to avoid the serious problems hospitals had to face during the COVID-19 pandemic. Therefore, it is necessary to expand the ranks of medical and nursing personnel and to fine-tune the restricted access to specialisation schools, in order to have a more adequate substitution rate and prevent many of our most brilliant graduates from going abroad for their specialization, at considerable cost for the community. A framework law on *supplementary health care* is becoming increasingly urgent so as to meet the future needs of an ageing society; Chapter 6 highlights the steady upward trend of out of pocket expenditure.

Table 7.3 – Health expenditure from 2013 to 2019

VOCI DI SPESA (in milioni)	ANNO 2013	2013 in % sul tot	ANNO 2014	2014 in % sul tot	ANNO 2015	2015 in % sul tot	ANNO 2016	2016 in % sul totale	ANNO 2017	2017 in % sul totale	ANNO 2018	2018 in % sul totale	ANNO 2019	2019 in % sul totale	ANNO 2020	2020 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%	37.206	30,13%
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%	39.734	32,18%
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%	41.611	33,70%
Altre componenti di spesa	6.400	5,81%	6.278	5,65%	6.537	5,82%	6.460	5,82%	6.298	5,61%	5.992	5,26%	3.126	2,71%	4.923	3,99%
Totale spesa sanitaria	109.614		110.961		111.240		110.977		112.185		113.869		115.448		123.474	100,00%
Incidenza % spesa sanitaria su spesa pubblica totale	818.986	13,42%	825.420	13,44%	826.429	13,46%	830.111	13,37%	839.599	13,36%	853.618	13,34%	870.742	13,26%	946.219	13,05%
INCIDENZA % su PIL serie SEC 2010	1.604.478	6,83%	1.627.406	6,82%	1.655.355	6,72%	1.695.590	6,55%	1.736.602	6,46%	1.765.421	6,45%	1.787.664	6,46%	1.653.577	7,47%
NOTA: Dati aggiornati al DEF 24 aprile 2020 che modificano leggermente quelli utilizzati negli scorsi anni relativi ai DEF precedenti (1) La voce comprende: 7.311 milioni per assistenza farmaceutica convenzionata; 7.501 milioni per assistenza medico generica; 26.799 milioni per acquistate da operatori privati accreditati per prestazioni sociali in natura di tipo ospedaliera, specialistica, riabilitativa, integrativa e altra assistenza. La voce "altre componenti di spesa" si è molto ridotta a causa di una differente imputazione contabile dell'ISTAT. I totali possono non coincidere con la somma delle voci di spesa perché vengono rettificati nei DEF successivi																

Expenditure items (millions), staff expenditure, intermediate consumption, 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. *NOTE: Updated Data from the EFD of April 24, 2020 that slightly changed the ones related to the previous EDFs; (1) This item includes: 7,311 million for subsidized pharmaceutical expenditure; 7,501 for general practitioners; 26,799 million for hospital, specialized, rehabilitation, supplementary care and other benefits. The item "other expenditure components had a significant reduction due to a different accounting approach adopted by ISTAT; the total figures may not coincide with the sums of the spending items since they are corrected by the subsequent EDFs.*

7.2.2 Trends of reclassified pension benefit expenditure

According to the data provided by ISTAT to Eurostat, pension expenditure in Italy is very high with respect to the European average, thus generating the belief that it must be reformed and reduced; at times, the level of expenditure unfortunately derives from the choices of the Italian Governments to classify welfare expenditure. In reality, the aggregate data in **Table 1.a**⁵ show that, in 2020, the overall '*pension expenditure*' for *social security benefits*, that is those financed by contributions even if somehow insufficient, was equal to **274.729 billion**, with **234.736 billion euros**' worth of *pension benefits* and **39.994 billion euros**' worth of *GIAS transfers* to pension funds.

Pension benefit expenditure including **IVS** benefits (disability, old age and survivors) amounted to **234.736 billion** in 2020 compared to 230.255 billion in 2019, with an increase by 1.95% and it ranges as percentage of GDP from **12.88%** to 14.20 due to the pandemic-induced fall in GDP by approximately 9%; **contribution revenues** amounted to **195.4 billion euros**, also due to the pandemic crisis, with respect to 209.399 billion in 2019. ***Contribution revenues*** do not include ***the additional contribution of 10.8 billion euros*** to be paid by the State, as provided for under Act no. 335/1995, in order to finance CTPS, (State Pension Fund); so, the ***negative balance*** between revenues and expenditure was equal to **39.336 billion**. This deficit was largely caused by the fund for public employees, with more than **36 billion euros**' worth of deficit; the crisis also provoked a deficit for the fund for private-sector employed workers, while the fund for atypical workers maintained a surplus of 6.82 billion euros (**Table 1.a**).

⁵ The figures are the result of a detailed analysis of the financial statements of all pension funds.

Table 7.4 - Pension expenditure as percentage of GDP

<i>Il Bilancio delle Pensioni Previdenziali (dati in milioni di €)</i>	2015	Inc % su PIL	2016	Inc % su PIL	2017	Inc % su PIL	2018	Inc % su PIL	2019	Inc % su PIL	2020	Inc % su PIL
Spesa pensionistica IVS (al netto GIAS)	217.897	13,19	218.504	13,00%	220.843	12,72%	225.599	12,78%	230.255	12,88%	234.736	14,20%
Gias per pubblici dipendenti, integrazioni al minimo e maggiorazione sociale per dipendenti privati (dal 2019)	19.915		19.167		19.281		18.618		20.364		23.259	
Spesa pensionistica al netto assistenza, al lordo Irpef	197.982	11,96	199.337	11,76%	201.562	11,61%	206.981	11,72%	209.891	11,74%	211.477	12,79%
Imposte sulle pensioni	49.394		49.773		50.508		51.500		54.198		56.194	
Spesa pensionistica al netto assistenza e Irpef	148.588	8,98	149.564	8,82	151.054	8,70%	155.481	8,81%	155.693	8,71%	155.283	9,39%
Entrate contributive	191.333		196.552		199.842		204.710		209.399		195.400	
Quota GIAS e GPT sulle entrate contributive	15.032		15.276		14.363		13.988		14.531		10.304	
Entrate al netto della quota GIAS e GPT	176.301		181.276		185.479		190.722		194.868		185.096	
Saldo tra entrate e uscite nette, al lordo IRPEF	-21.681		-18.061		-16.083		-16.259		-15.023		-26.381	
Saldo tra entrate e uscite al NETTO tasse	27.713		31.712		34.425		35.241		39.175		29.813	
PIL	1.655.355		1.695.590		1.736.602		1.765.421		1.787.664		1.653.577	
EUROSTAT: SPESA per PENSIONI VS (solo vecchiaia + superstiti) MEDIA UE 28		12,60%		12,40%		12,20%		12,20%		12,40%		
EUROSTAT: SPESA per PENSIONI VS (solo vecchiaia + superstiti) ITALIA		16,60%		16,40%		16,20%		16,30%		16,50%		
2015: integrazioni al minimo 9,345 miliardi; Gias dipendenti pubblici 9,170 mld. Tot. 18,515 mld; 2016: integrazioni al minimo 8,83 miliardi; Gias dipendenti pubblici 8,967 mld. Tot. 17,797 mld												
2017: integrazioni al minimo 8,29 miliardi; Gias dipendenti pubblici 9,613 mld. Tot. 17,903 mld; 2018 rispettivamente 7,866, 9,355; Tot 17,221												
2019 rispettivamente 7,470 e 11,485 = TOT 18,955; 2020 rispettivamente 7,024 e 13,602 TOT = 20,626												
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%; gli ultimi dati disponibili Eurostat sono relativi al 2016												

Accounts related to pension benefits, 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 (since 2019), pension expenditure net of welfare expenditure and before 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 Irpef, balance between revenues and expenses net of taxes, GDP; EUROSTAT: Pension expenditure (old age only + survivors) EU28 average, EUROSTAT: Pension expenditure (old age only + survivors) Italy - 2015: supplementary minimum benefits 9,345 bn., GIAS transfers for public employees 9.170 bn. Tot. 18.515 bn; 2016: supplementary minimum benefits 8.83 bn.; GIAS transfers for public employees 8.967 bn. Tot. 17.797 bn; 2017: supplementary minimum benefits 8.29 bn.; GIAS transfers for public employees 9.613 bn. Tot. 17.903 bn; 2018: supplementary minimum benefits 7.866 bn; GIAS transfers for public employees 9.355 bn; Total 17.221 bn; 2019 7,470 and 11,485 respectively, TOT 18.955; 2020 7,024 and 13,602 respectively, TOT 13,602= 20,626; in 2014, according to Eurostat-Istat, old-age and survivors' expenditure in the EU 27 was 12.7%; in ITALY 16.8%; the latest available Eurostat data are related to 2016.

Pension expenditure includes supplementary minimum benefits (7.024 billion), additional social benefits (2.633billion) and GIAS transfers to funds for public-sector employed workers (13.602 billion); however, it excludes welfare benefits (disability pensions, caregivers' allowances, social pensions and allowances and veterans' pensions) illustrated in Table 5.6 in Chapter 5, the benefits paid by INAIL and the State (4.022 billion) and the benefits and annuities paid by constitutional bodies and the Regions (estimated to be about 1.5 billion in the absence of official data); in order to calculate the real pension expenditure in 2020 and in the previous years (**Table 7.4.**), we have transparently **subtracted** from **234.736** billion the **23.259 billion euros**' worth of GIAS transfers to funds for public employees, of additional social benefits and of supplementary minimum benefits for the private sector that are provided only on the basis of income (more than one reason to consider these expenses as welfare that, in the expenditure by Eurostat functions, should be between family support and social exclusion); moreover, even INPS classifies these expenses as welfare.

The result is a net expenditure of **211,477 billion euros** equal to **12.8%** of GDP, in line with the Eurostat average. In order to obtain homogeneous data, it is also necessary to subtract the GIAS and GPT transfers from the contribution revenues (mainly for notional contributions), equal to 10.304 billion; so, the contributions actually paid by workers and enterprises amount to 185,096 billion. The benefits calculated in this way before personal income taxes that have an impact on pensions produce a negative balance equal to -26.38 billion euros; if instead they are calculated net of personal income taxes, the balance is positive, equal to 29,813. The calculation net of taxes is useful for comparison purposes in the EU and OECD countries, because many of them do not tax or have very low taxes on pensions; instead, Italian pensions are subject to ordinary IRPEF, just like all

other sources of income, equal to **56.19 billion euros** in 2020. If taxes are subtracted from pension expenditure net of welfare, the real pension expenditure by the State falls down to **155,283 billion**, equal to **9.4%** of GDP; it is true that workers and companies do not pay taxes on contributions (to avoid double taxation), but the actual State expenditure is much lower than the nominal expenditure; in fact, expenditure and personal income tax revenues are mere clearing entries, so with no disbursements by the State.

Even considering the first figure in Table 7.4, related to Italian pension expenditure equal to 12.8% of GDP, it is clear that this figure is inexplicably very far from the Eurostat calculations (which receives the data from ISTAT); in fact, Eurostat shows that, in 2017 (the latest data), the Italian pension expenditure, only for the *old-age and survivors* components, accounted for 16.20% of GDP against an EU average of 12.20%. In this connection, it is extremely important to deal with this issue on a political level to avoid communicating wrong information to our European partners⁶. The correct determination of these data is indeed fundamental to avoid major overestimates which may convince the EU (but also rating agencies) to demand further pension cuts when the real Italian issue is the boom of welfare benefits placed in the framework of pensions. Moreover, pension expenditure net of welfare, experienced an average increase by 1.6% per year from 2010 to 2020, which means that the growth of pension expenditure is under control and the reforms have managed to stabilize it. For the sake of completeness, it is important to stress that GIAS transfers are designed to finance pension benefits that have no contributions (baby pensions, early retirement even 10 years before the statutory age, disability benefits, CDCM and so on) granted from 1960 to 1992 to honour some electoral "promises"; some of these distortions were largely cancelled under Act no. 88/89 (see the duration of pensions in Chapter 5). In BOX 2, we conducted a complex reclassification exercise to provide a hypothesis of separation between pension and welfare expenditure on the basis of the data from the INPS-ISTAT Registry (baseline) and from the accounts of GIAS, GPT, and individual funds. As can be seen, the data are very consistent with respect to Table 7.4.

7.2.3 Expenditure financed by general taxes and welfare benefits

The Italian pension system is financed by "*social contributions*", a purpose tax rate of 33% levied on the gross annual wage of public and private employed workers, and of 24% of that of artisans, retailers and farmers, and of 32% on atypical workers. 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, with a considerable 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 care benefits as shown by the 2019 survey of the financial police (Guardia di Finanza). All these benefits are not supported by social contributions and they have to be paid through *general taxes*; they are generally managed by GIAS. **Table 7.5** shows the charges to be borne by general taxes, i.e. annual transfers from the State budget to INPS as provided for under the Budget Law to finance its expenses (mainly related to welfare benefits).

⁶ In the V Report of 2017, we carried out a reclassification of social expenditure which showed that, IVS pension expenditure as a percentage of GDP is in line with that of Europe.

Table 7.5 - Expenditure financed by general taxes (millions of euros)

La spesa a carico della fiscalità generale (dati in milioni di euro)	2014	2015	2016	2017	2018	2019	2020
Quota GIAS (tabella 1 a)	33.356,00	36.045,00	35.228,00	35.582,00	35.824,10	37.779,00	39.994,00
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	13.602,00
Prestazioni assistenziali (1)	23.233,00	23.532,00	24.022,40	25.133,80	25.312,90	25.772,00	27.996,00
Pensionamenti anticipati, esodati e varie	3.312,00	3.426,00	2.753,35	2.370,11	2.245,75	3.381,75	1.205,00
Totale interventi per oneri pensionistici/assistenziali	67.454,00	72.172,60	70.971,00	72.699,09	72.738,00	78.428,20	82.797,00
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	19.938,00
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	24.486,00
Oneri a sostegno della famiglia	3.856,00	4.033,00	4.502,00	5.485,00	5.835,00	6.012,00	9.852,00
Prestazioni economiche derivanti da riduzioni di oneri previdenziali (ex tbc)	656,00	622,00	603	583	540	528	496
Reddito e pensione di cittadinanza						3.879	7.189
Totale a carico della fiscalità generale	98.440,00	103.673,60	107.374,00	110.150,00	105.666,00	114.270,20	144.758,00
Incidenza della spesa assistenziale su quella pensionistica pura (al netto delle imposte)	56,8%	59,89%	63,64	65,19	60,70	64,90	81,08
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	176.061,00	178.542,00
Contributo dello Stato per gestione statali	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00

(1) il dato comprende le invalidità civili, indennità accompagnamento, pensioni e assegni sociali, pensioni di guerra, maggiorazioni sociali, quattordicesima e importo aggiuntivo; sono escluse le integrazioni al minimo perché sono pagate dalle singole gestioni interessate, anche se rifinanziate in parte dalla GIAS

GIAS share (Table 1a), GIAS share of ex INPDAP funds (Table 1a note 3), Welfare benefits (1), Early-retirement, “esodati” and others, Total measures for 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 former pension contributions (tbc), Citizenship income and pension, 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, caregivers’ 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 individual schemes, even if partly refinanced by GIAS.

The **first item** of Table 7.5 is related to **measures to finance pension and welfare charges** such as: **a)** GIAS transfers amounting to for 39.994 billion, indicated in Table 1.a, which include the “share of each pension” paid by the State (see Chapter 4.2), above all the old pensions provided by 2the funds for self-employed workers, the CDCM fund before 1989, former entities such as Enpao for midwives, disability benefits before Act n. 222/1984 and other charges related to early retirement following company restructurings (postal services, railways, airlines, iron and steel, paper industry, ports which left behind significant liabilities) and baby pensions for civil servants. These are mainly **welfare** transfers for pensions before 1996, that is pension benefits not calculated with the contribution-based system or mixed pensions or the ones over three times the minimum benefits. **b)** the GIAS share of transfers to the funds for of public-sector employed workers (Table 1.a); **c)** welfare benefits (see Chapter 5 in **Tables 5 and 6**); **d)** charges for early pensions, early retirements, safeguards for the so-called “esodati” ’ and other advance payments.

The **second item** is related to the GIAS transfers to funds that have **low contributions**, due to total or partial reductions (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 **20 billion euros** or so per year (more than 1 point of GDP) weigh heavily on the State budget in addition to 6.5 billion disbursed by **GPT** (see **Table 4.5**) and 10.8 billion euros to finance missing contributions for the funds of public-sector employed workers, baby pensions and very favourable pension calculation modalities. **These figures are now higher than the annual deficit of the system and all this is undermining the medium-long term sustainability of the system; so, it is crucial to carefully consider this threat especially now in view of the proposal to completely eliminates these charges for the South.** Moreover, the State budget finances wage-support measures for unemployed subjects, support measures for low-income families (household allowances), the citizenship income and pensions which replaced REI.

Therefore, the total *cost of these welfare interventions financed through general taxes* amounted to **144.758 billion euros** in 2020 compared to **114,27** in 2019 and to **105.66** in 2018 ⁷. As shown in **Table 7.5**, the expenses paid through taxation increased from **73 billion** in 2008 to the level of 2019 (without considering 10.8 billion for the state) with a structural increase by 41.27 billion with an annual growth rate of over 4.5%, well above inflation, GDP and even almost 3 times more than the growth of pension expenditure; by now welfare expenditure is only 11 billion lower than that of *pensions*, net of Irpef and accounts for 8% of GDP, practically the same or even more than *health expenditure* in 2019 and 2020. The growth of expenditure financed by taxes had an overall cost of over **263 billion** between 2008 and 2019, a huge amount that could have been better spent on training, research and development. However, this enormous "redistribution" should have greatly reduced poverty in real and absolute terms, if not completely "abolish" it, as some claimed.

Instead, ISTAT data show the opposite: absolute poverty almost doubled from 3.95% to 6.51% in 2019 after a 7% peak in 2018 (from 2.11 million people to over 4.5 million) and finally up to 7.8% in 2020, which however is not significant due to the pandemic crisis. The relative number of poor people rose from 6.5 million to almost 9 million. Clearly something has not worked and it is crucial rethink poverty reduction policies; these problems cannot be solved by distributing money but by providing real services, support measures for vulnerable groups and testing the means to help many people (often suffering from addictions) get out of poverty (often educational).

The welfare expenditure incurred by local authorities for 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 7.2**), the sums directly provided to households amount to 11 billion, excluding tax reliefs, deductions and other tax incentives.

⁷ As indicated in the last Report, the reduction in spending between 2017 and 2018 is clearly an "accounting trick" because in 2018, expenditure had increased due to the introduction of REI and the 14th month benefits.

Table 7.6 - Comparative trends of expenditure financed by general taxes and of poverty

Andamento della spesa sociale e della povertà														incrementi
Povertà assoluta	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2008/2019
Famiglie povere (in migliaia)	937,0	969,2	979,8	1.081,3	1.398,1	1.613,7	1.469,6	1.582,0	1.619,2	1.777,5	1.822,0	1.674,0	2.007,0	78,66%
Persone (in migliaia)	2.113,0	2.318,0	2.472,0	2.652,0	3.552,0	4.420,0	4.102,0	4.598,0	4.742,0	5.058,0	5.040,0	4.593,0	5.602,0	117,37%
% incidenza a povertà sul totale delle famiglie	3,95	4,0	4,0	4,30	5,65	6,32	5,7	6,1	6,3	6,87	7,0	6,51	7,8	
Povertà relativa	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019	
Famiglie povere (in migliaia)	2.377,1	2.331,8	2.361,3	2.460,0	2.722,5	2.644,8	2.654,0	2.678,0	2.734,1	3.170,8	3.049,5	2.971,0	2.637,0	24,98%
Persone (in migliaia)	6.505,0	6.249,0	6.657,0	6.652,0	7.684,0	7.822,0	7.815,0	8.307,0	8.465,0	9.368,0	8.987,0	8.834,0	8.047,0	35,80%
% incidenza a povertà sul totale delle famiglie	9,87	9,55	9,57	9,87	10,8	10,36	10,3	10,4	10,6	12,26	11,8	11,56	10,26	
Spesa sociale a carico della fiscalità generale	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	73.000	78.000	82.000	85.000	89.000	92.700	98.440	103.674	107.374	110.150	105.666	114.270	144.758	56,53%
Incremento %		6,85%	5,13%	3,66%	4,71%	4,16%	6,19%	5,32%	3,57%	2,59%	-4,07%	8,14%	26,68%	
Numero delle famiglie censite da Istat per il 2019 pari a 25.700.000; composizione famiglie: con 1 componente il 33%; 2, 27,7%; 3, 19%; 4, 15,3%; 5 e più 5,2%; a dicembre 2020 sono 1,25 milioni i nuclei familiari beneficiari di Pensione-Reddito di Cittadinanza, con 2,9 milioni di persone coinvolte e un importo medio di 528 euro. Il 61% dei nuclei percettori con il 65% delle persone coinvolte (764.697 nuclei, 1.871.651 persone) risiede al Sud e nelle isole con un importo medio superiore del 7% sulla media nazionale. (Fonte: osservatorio INPS)														

Absolute poverty, poor households (thousands), Number of people, Poverty as % of all households, Relative poverty, Social expenditure financed by general taxes, % growth; The number of households surveyed by Istat in 2019 amounted to 25,700,000; household members: 33% with 1 person; 27.7% with 2; 19% with 3; 15.3% with 4; and 5.2% with 5 and more; in December 2020, 1.25 million households received the pension-citizenship income, that is 2.9 million people involved for an average amount of 528 euros; 61% of these households with 65% of people involved (764,697 households, 1,871,651 people) live in the South and on the islands with an average amount that is 7% higher than the national average. (Source: INPS observatory); the 2008/2020 comparison is distorted because of the pandemic and this can be confirmed by the 2021 analysis.

Welfare expenditure is the real weak point of the social protection system in Italy because it is overregulated and without a database that is crucial to monitor and combat frauds; moreover, as already pointed out, with each new government or election campaign, politicians always promise new benefits or the extension of existing ones without ever proceeding to any rationalization. **Table 7.7** shows the number of benefits detailed in **Tables 5.6** and **DI (historical series 2011-2020 on the website)**; the benefits for disabled civilians, caregivers' allowances, social pensions and allowances and veterans' pensions; **other welfare benefits** mean supplementary minimum benefits, additional social benefits, the fourteenth month salary and the additional amounts. All the **welfare benefits**, i.e. those totally financed by general taxes, were provided to **4,116,992 subjects**⁸ in 2020, for a total annual cost of **23.878 billion**, 1 billion more than in 2019 and with a steady growth over the last 9 years. Benefits for disabled **civilians**, **caregivers' allowances** and **social pensions and allowances** increased, while veterans' pensions (also including the benefits under Act no. 210/92) experienced a physiological and constant decline (see **Table 5.6**).

⁸ The duplications related to subjects who simultaneously receive benefits for disabled civilians and caregivers' allowances allowance have been eliminated. Again, in order to avoid duplications, the 14th month's salary has not been included because the beneficiaries are generally recipients of welfare benefits such as supplementary minimum benefits, additional benefits, additional social benefits and other welfare benefits.

Table 7.7 - Number of welfare benefits and retired beneficiaries

IL NUMERO DELLE PRESTAZIONI ASSISTENZIALI	2014	2015	2016	2017	2018	2019	2020
Numero di prestazioni assistenziali	3.694.183	4.040.626	4.104.413	3.790.876	3.723.945	3.768.149	3.709.993
Altre prestazioni assistenziali	4.740.463	4.774.000	4.224.760	4.035.448	3.836.191	3.639.204	3.976.508
di cui integrazioni al minimo	3.469.254	3.318.021	3.181.525	3.038.113	2.909.366	2.778.509	2.648.653
Totale pensionati assistiti (al netto delle duplicazioni)	8.434.646	8.814.626	8.329.173	7.826.324	7.560.136	7.407.353	7.686.501
in % sul totale pensionati	51,88%	54,48%	51,85%	48,79%	47,24%	46,19%	47,92%
Totale pensionati	16.259.491	16.179.377	16.064.508	16.041.852	16.004.503	16.035.165	16.041.202

Le altre prestazioni assistenziali comprendono: le integrazioni al minimo, le maggiorazioni sociali e l'importo aggiuntivo; non considerano le prestazioni di 14^a mensilità.

Number of welfare benefits, Other welfare benefits, of which supplementary minimum benefits, Total welfare benefits, as a % of the total number of pensioners, Total number of pensioners. *The other welfare benefits include: supplementary minimum benefits, additional benefits and additional social benefits; they do not include 14th month's salary paid only to subsidized pensioners.*

However, it is necessary to subtract **406,999** benefit duplications related to recipients of disability benefits and caregivers' allowances from the number of benefits with a full welfare nature; therefore, by adding **607,780** beneficiaries of disability benefits alone, to **1,757,459** recipients of allowances, and to **406,999** beneficiaries of both benefits, the total is equal to **2,772,238 disabled civilians**. This figure must also include the number of recipients of social pensions or social allowances (803,441) and veterans' pensions (134,314), for a total of **3,709,993 pensioners receiving benefits of a full welfare nature**.

Other welfare benefits, that are partially borne by general taxation (excluding supplementary minimum benefits financed the pension funds), include: **a) additional social benefits** (including the former million a month introduced by the Berlusconi government in 2002) allocated to low income subjects and mainly provided to women (about 70.5%) with an average annual amount of about 2,302 euros; **b) The fourteenth month's salary** established by Act no.127 of 7/8/2007, whose target population was expanded by the 2017 Budget Law for 2017, that is paid to pensioners aged 64 and over, whose total pension income until 2016, was not to exceed 1.5 times the minimum benefits r, a limit raised as of 2017 to 2 times the FPLD minimum benefits; the average amount is 485 euros per year, mainly received by women (over 70%); **c) additional pension benefits** provided for under the 2001 Budget Law (Act no. 388 of December 23, 2000); these benefits are granted to **330,703 pensioners**, 80% of whom are women, whose pensions do not exceed the FPLD minimum benefits. In total, in 2020, the other welfare benefits (**Table 5.6**), were provided to **4,116,992 pensioners**. Adding up the number of recipients of benefits totally and partially paid by the community, net of duplications and not considering the 14th monthly salary mainly provided to these subjects, the total number of partially or totally subsidized pensioners is **7,502,316** equal to 46.8% out of the **total number of pensioners** amounting to **16,041,202 total pensioners**. This figure should also include at least a third of the 156,213 **citizenship pensions**⁹ (136,000 in 2019) provided to 177,557 individuals for an average amount of 251.91 euros per month.

Finally, by adding the benefits for disabled civilians calculated above (2,772,238) to the INPS invalidity benefits in the private and public sectors (1,037,920) and to the INAIL invalidity benefits

⁹ The citizenship pension P.d.C. is a monthly benefit provided to households whose members are above 67 years of age, or in which at least one member aged 67 or older is seriously disabled or not self-sufficient. The maximum amount of this type of pension for a single person is 780 euros and cannot be less than 480 euros; for a couple, the maximum amount is 1,170 euros. If the applicant already receives a pension, the difference will be paid through the P.d.C.. The amount due for the citizenship pension is made up of: supplementary benefits of the household income up to 7,560 euros per year; for families living in rented accommodation, supplementary benefits to the annual rent up to a maximum of 3,360 euros per year, or, a maximum of 1,800 euros per year for households living in a house they own which was purchased with a mortgage signed by a family member.

(677,917), it is possible to obtain the total number of subsidized disabled people, that is **4,488,075**, *equal to 28% of pensioners*.

It is objectively strange for a country that belongs to the G7 like Italy to have **7.502.316** pensioners who are totally or partially subsidized (people who in 65/67 years of life have not even been able to pay 15 years of regular contributions), with a cost of **27.996 billion** (third item in Table 7.5), in addition to **3,764,530** citizenship income and pension recipients (INPS data, August 2021) and 1.7 million INPS and INAIL invalids; in fact, this situation is not in line with the economic conditions of the country; moreover, unlike the pensions financed by taxes and contributions,

In practice, *we support at least 13 million nationals*; this situation that does not correspond to the economic conditions of the country, especially considering that, unlike pensions financed by taxes and contributions, these benefits are *completely financed by general taxes and are not subject to taxation*.

The 100 quota measures (social ape, women's option, early workers, arduous work, and early retirement) mentioned in Chapter 2, led to an increase in the number of social security benefits that had been reduced in recent years due to the effects of reforms; unfortunately, the number of welfare benefits has also increased, because of political "promises" and because there is no organizational "machine", i.e. no general welfare registry (see table A9 in the Exhibit).

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 caregivers' allowances that, in 2019, amounted to **17.98 billion**, (about 1.1 GDP points). If we add health-care expenditure, the public LTC expenditure in 2020 accounted for **1.9%** of GDP¹⁰ (about 35 billion euros according to the General Accounting Office), plus d the share borne by households highlighted in Chapter 6. In any case, Italy has the highest ageing rate but it does not have the rules and resources for long-term care.

7.3 Financing of social expenditure

The sustainability of the social protection systems depends on many factors, among which demography, employment, development rates, but above all the financing capacity through social contributions and taxes. By looking into the Italian social expenditure, equal to 510, 258 billion, the *pension system*, net of the welfare share, runs a deficit mainly due to the so-called latent debt deriving from pensions paid before the 1995 Dini reform, but which turns into to a surplus if considered as net of the tax burden (table 7.4); the same is true for the INAIL and the GPT funds (temporary benefits) examined in Chapter 4 which, however, featured in 2020 after many years, a deficit due entirely to the pandemic and which will be brought under control between 2022 and 2023. What remains to be financed are healthcare and welfare spending; since they do not have "special purpose contributions", they must be financed through general taxation and, in particular, through direct taxes. **Table 7.8** shows the total tax revenues of the State in 2020, estimated on the basis of the EFD data and of our annual survey on tax returns and tax revenues.

In order to finance 123.474 billion euros' worth of healthcare spending, 144.758 billion euros' worth of welfare expenditure financed by general taxation and 11.3 billion euros' worth of welfare spending by local authorities (279.53 billion euro in total), it is necessary to use all direct taxes that, over the years, have positive or negative balances; in 2020, as can be seen from the table, the lower

¹⁰ On the basis of data from the RGS (medium-long term trends in the pension, social and health care system; Report no. 22/2021), the share paid to subjects over 65 years of age accounts for 74.1%. The healthcare component and caregivers' allowances account for a total of 86.2% of total expenditure (42.2% and 43.9%, respectively), while other welfare benefits account for the remaining 13.8%.

revenues and higher expenditure caused by the pandemic led to a deficit of -49,239 that is bound to pump up the public debt described at the beginning of this Chapter. Therefore, the rest of public expenditure (education, justice, infrastructures, the administrative machine, etc.) can only be financed by the remaining indirect taxes and other revenues, but since they are still insufficient, Italy incurs into additional "debt".

Table 7.8 - State revenues (millions of euros)

Tipologia Entrate/anni	2012	2013	2014	2015	2016	2017	2018	2019	2020
Entrate tributarie									
DIRETTE (3)									
Irpef ordinaria (imposta al lordo bonus 80 €)	152.270	152.238	151.185	155.429	156.047	157.516	164.240	165.117	161.484
Irpef ordinaria (dal 2014 al netto bonus 80€) (1)	152.270	152.238	145.108	146.193	146.679	147.967	154.350	155.180	151.766
Ires	30.000	31.107	32.486	33.332	34.125	34.100	34.352	33.555	33.564
Imposta sostitutiva (Isost) (3.1)	9.227	10.747	10.083	10.000	9.022	8.541	8.161	8.281	8.245
TERRITORIALI (3)									
Addizionale regionale (1)	10.730	11.178	11.383	11.847	11.948	11.944	12.310	12.311	12.047
Addizionale comunale (1)	3.234	4.372	4.483	4.709	4.749	4.790	4.963	5.072	4.732
Irapp	34.342	31.278	30.468	27.656	22.773	23.618	24.121	25.168	19.939
TOTALE IMPOSTE DIRETTE (4)	239.803	240.920	234.011	233.738	229.296	230.960	238.257	239.567	230.293
IMPOSTE INDIRETTE TOTALI (3)	246.110	238.675	248.207	250.202	242.016	248.384	254.428	257.910	228.890
altre Entrate correnti (2)	70.024	77.139	76.120	76.085	75.820	79.965	80.676	84.047	78.304
Entrate totali (4)	555.937	556.734	558.338	560.025	547.132	559.309	573.361	581.524	537.487
Per memoria Entrate totali nel DEF al netto contributi sociali (4.1)		556.734	562.258	569.542	567.181	578.782	583.993	599.354	543.216
Spesa sanitaria (senza rettifica MEF)		110.044	111.028	111.224	112.504	113.611	115.410	115.448	123.474
Spesa assistenziale (5)	89.000	92.700	98.440	103.674	107.374	110.150	105.666	114.270	144.758
Welfare enti locali (6)	9.690	9.656	9.696	9.818	9.900	10.919	11.000	11.300	11.300
Spesa sanitaria, assistenziale e welfare Enti Locali (7)		212.400	219.164	224.716	229.778	234.680	232.076	241.018	279.532
Differenza imposte dirette e spesa sociale		28.520	14.847	9.022	-482	-3.720	6.181	-1.451	-49.239

(1) Compresa Irpef a carico delle pensioni; (2) Somma di imposte in conto capitale + altre entrate correnti + altre entrate in conto capitale (Dato rilevato dal DEF). **DATA IN VERDE** ricavati dal DEF 2021 e per la suddivisione dei tributi, da Franco Mostacci (aggiornamento al 6/10/21).

(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, l'imposta sui premi di risultato e altre entrate tra cui quella sulle plusvalenze dei Fondi Pensione; in totale per il 2019 vale circa 10 miliardi (vedasi capitoli successivi)

(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; (4.1) nel 2020 i contributi sociali si sono ridotti a 224 miliardi mentre, secondo il DEF 2021 le entrate totali sono passate da 843,102 miliardi a 789,359 miliardi (- 53,743 miliardi). (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.

(6) Stima su dati RGS e regioni; (7) E' esclusa in questi conteggi il sostegno alla casa che secondo stime vale 0,6% del PIL; zero per Istat

Type of revenues /years, Tax revenues, DIRECT taxes (3), ordinary IRPEF (before the 80 E bonus) Ordinary IRPEF (net of the 80 E bonus as of 2014) (A) 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 contributions, Health expenditure (without MEF corrections), Welfare expenditure (5), Welfare expenditure by local authorities, Health and welfare expenses by local authorities (7), Difference between direct taxes and social expenditure; (1) Including IRPEF on pensions; (2) Sum of capital taxes + other current revenues + other capital revenues (taken from the DEF). **DATA IN GREEN** taken from the 2021 EFD and for the breakdown of taxes, from Franco Mostacci (updated 6/10/21). (3) Data from the DEF and NADEF (Economic and Financial Document and its updated Note) for the years from 2013 to April 2020, 2019 in green calculated on the basis of GDP growth, verified by MEF and Mostacci.it; (3.1) Since 2017, the substitutive tax also contains the coupon tax, the tax on performance bonuses and other revenues including taxes on capital gains of pension funds, in total about 10 billion euros in 2019 (see following chapters). (4) Compared to the EFD, total direct taxes in the table are net of the 80-euro bonus and subsequent increases in ordinary Irpef, as we calculate only actual revenues; (4.1) in 2020, social contributions decreased to 224 billion and, according to the 2021 EFD, total revenues decreased from 843.102 billion to 789.359 billion (- 53.743 billion). (5) It excludes supplementary minimum benefits and additional social charges in the private sector and GIAS transfers for public employees, which are improperly financed by social coequal to 0.6% of GDP; zero for ISTAT.

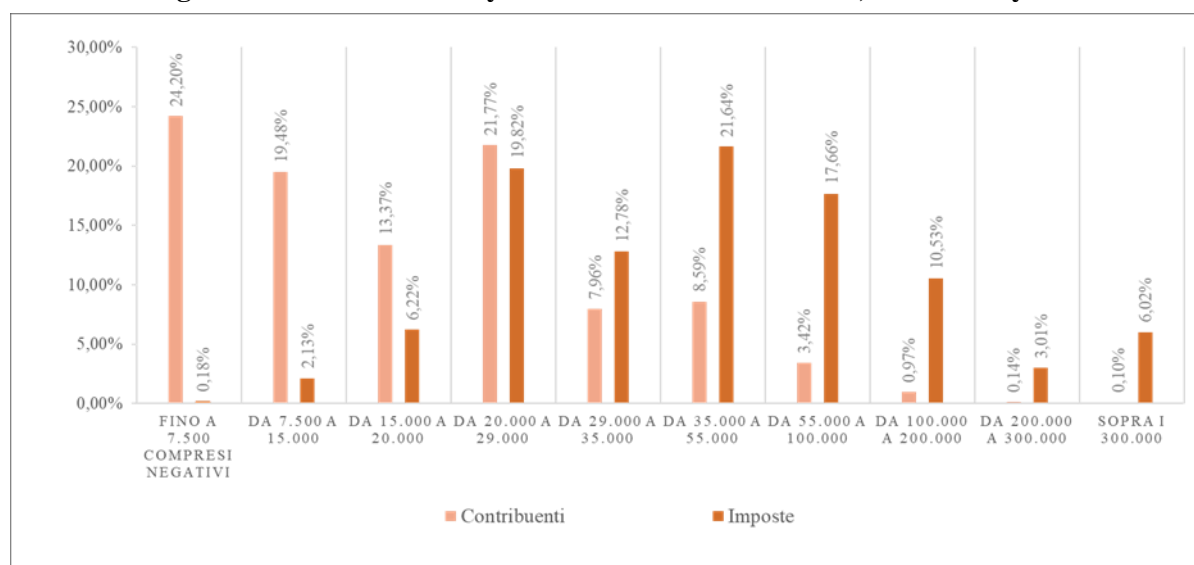
Clearly, this situation is not very sustainable in the medium term, not only because of the excessive welfare burden, but above all because of the high level of tax and social security contribution evasion and avoidance that is evident when examining the personal income taxes stated by

Italians¹¹. The survey shows that 57% of Italians, i.e. about 14,535,000 families out of a total of 25.7 million surveyed by ISTAT, live on average with less than a gross amount equal to 10,000 euros per year. In detail, out of 41,526,000 people who filed their tax returns, 10,000,000 stated that their yearly income ranged from a negative situation to a maximum of 7,500 per year. Since the inhabitants in 2019 were about 59.7 million to each declarant correspond about 1.44 inhabitants that generally represent their dependents. Therefore, this first income bracket features 14.44 million inhabitants, who according to their income statements, live on a gross average of 3,750 euros per year (arithmetic mean between zero and 7,500) equal to 312 euros per month to be divided by 1.44, less than a social or supplementary minimum benefits. Another 8,100,000 taxpayers state incomes between 7,500 and 15,000 euros, that is 11.66 million inhabitants who, on the basis of what they communicate to the tax authorities, live on a gross average of 11,250 euros per year equal to 938 euros per month, which must be enough to maintain 1.44 people, therefore a nominal 651 euros per capita, per month, less than the amount provided by the citizenship income (780 euros). Then there are another 5,550,000 Italians who state a gross income between 15,000 and 20,000 euros per year; on the basis of the usual calculation, 8 million inhabitants live on a gross average of 17,500 euros per year to be divided by 1.44. So, to sum up, the number of subjects in the first two income brackets (up to 7,500 and from 7,500 to 15,000 euros) is 18,140,077, equal to 43.68% of the total; 6.134 million pensioners who paid few or no contributions in 67 years of life. In total, they pay only 2.31% of IRPEF, that is, about 4 billion, so 26.130 million individuals who cost other citizens 50.4 billion euros for the health service alone, from which they benefit free of charge; then there are all the other services provided by the State, regions, municipalities, mountain communities, etc., of which they evidently take little notice. In total, these first 3 brackets feature 34.1 million people, with slightly over 57% of them who pay 14.7 billion euros' worth of IRPEF, equal to 8.35% of this tax as a whole. Is this a credible figure? It is difficult to imagine that the inhabitants of a G7 member country live like those of a developing country. This is so clear looking at the personal income tax statements in Italy that seem to be more typical of an emerging country, also because in Italy the number of mobile phone contracts (smartphones) is over 77.71 million or 125% of the inhabitants; 97% of Italians have at least one smartphone but there are many who have at least two. Not to mention gambling, that for many Italians is more important than health or other primary expenses; in fact, according to data from the monopoly agency, in 2019, Italians spent 125 billion euros on regular and irregular games, that is more than health spending. According to ACI data, the circulating fleet in Italy in 2019 amounted to 52,401,299 and to 39,545,232 cars; only Luxembourg has more cars than in Italy in the EU even if 56% of the cars in this country have between 5 and 20 years of life, so, being older, they cost more than new ones; an increase by 1.4%. compared to the previous year. After cars come motorcycles with 6,896,048 and commercial and industrial vehicles with 5,775,006. Those who state annual earnings from 35,000 and above only account for 13.22%, i.e. 5.5 million, less than 10% of the population, but they pay 58.86% of all IRPEF and do not enjoy any concessions, bonuses or discounts; only building bonuses, supplementary pensions and little else. Adding up also the incomes from 29,000 euros to 35,000 euros, it is possible to see that 71.5% of all IRPEF is paid by only 21%. Those declaring a gross income above 100,000 euros (a net amount of about 52,000 euros) only account for 1.21%, equal to 501,840 taxpayers (933 less with respect to 2018 incomes), who nevertheless pay 19.56% (19.80 in 2018) of IRPEF.

¹¹ The data are taken from the "2020 Public Expenditure and Revenue Observatory", 7th survey on "2019 income tax returns for Irpef purposes and the analysis of direct and indirect taxes by amounts, type of taxpayers and territories over the last 12 years" carried out by the *Itinerari Previdenziali Study and Research Centre* in September 2021, which reworked a series of indicators on the basis of the data released by the MEF relating to 2019 income tax returns submitted in 2020. www.itinerariprevidenziali.it

How much is redistribution in Italy based on the 2019 income levels? We can start from **health** with its 115.45 billion euros' worth of overall expenditure in 2019, equal to 1,930 euros per capita. In order to provide health services to 57.06% of Italians who pay a total of 14.7 billion of personal income taxes, it is necessary to allocate **51.173 billion euros** mainly financed by **13.22%** of the subjects with incomes from 35,000 upwards, who pay **58.86%** of personal income taxes; the remaining 29.72% are able to pay for their health care, with a cost equal to **2,779** euros, including the share of their dependents, against an average tax paid net of the bonus of 4,558 euros (the ratio of taxpayers vs. the population is 1.440). Then **welfare** expenditure financed by taxes which amounted to 114.27 billion in 2019, equal to 1,910.34 euros per capita (105.66 billion euros in 2018, equal to 1.750.51 euros per capita); this is a theoretical per capita that is probably underestimated; in fact, as it does not benefit incomes above 35,000 euros and is used to ensure welfare benefits to households, to those without income, to subsidized pensioners (almost 51% out of 16 million pensioners), to the unemployed and disabled with bonuses, to subsidized subjects and citizenship income beneficiaries; in order to finance the share of expenditure not financed by the 43.68% of Italians without income and those who pay a tax of less than 3840 euros (health + welfare = 3,840 euros), it is necessary to allocate another **76.99 billion euros**, mainly borne by 5.490 million taxpayers, i.e. 13.22%, equal to 7,905,567 citizens, and partly financed by 21.77% of Italians who can pay their health care, with an average tax of 2,627; so, they account for 33% of welfare financing, i.e. 627 euros out of 1,910, leaving the rest to subjects in higher income brackets. We could go on but we stop at **education**, whose expenditure is equal to about 3.75% of GDP, that is about **62.3 billion** with a per capita cost of 1,041, this time totally financed by 13.22% of Italians, with **54 billion euros'** worth of redistribution.

Figure 7.1 - Statistical analyses - 2020 income statements, 2019 fiscal year



Taxes paid, Up to..., From.. Taxpayers, Taxes

For these three functions alone, although of a relevant amount (pensions are excluded as the real benefits paid by contributions are in balance), the **total redistribution is 182.163 billion euros** with respect to about 578.5 billion euros' worth of revenues, net of social contributions (data from the 2021 EFD), of which 241 billion of direct taxes (2019 incomes); in practice, **75.6%** of all direct taxes **is redistributed** to the benefit of 57.06% of population. So, if we check these calculations, per capita expenditure is **14,561 euros** out of a total public expenditure equal to 871.003 billion euros in 2019, net of the annual deficit of 29.79 billion (data from the 2021 EFD); **only 4.63% of Italians pay from 14,884 to 176.609 of personal income taxes, which means that they are self-sufficient**; the remaining direct taxes (Ires, Irap and Isost) are mainly borne by just over 13% of taxpayers and

indirect taxes are proportional to stated incomes, so, the redistribution rate increases even more. But redistribution does not only take places among individuals, but also among geographical areas; for example, Lombardy, with about 10 million inhabitants, pays more Irpef than the entire south of Italy (8 regions and over 20.3 million inhabitants). In the light of these data, it would be better to step up controls and "take care " of vulnerable subjects and help them out of poverty, too often "educational and social poverty" which is very widespread among the population.

7.4 The situation in 2020 and short-term projections

As can be seen from table 7.1 and from what has been discussed so far, 2020 was characterized by has major problems in the balance of the social security and financial system, with heavy repercussions in terms of employment but also, unfortunately, of human lives. In the two-year period 2021/22, following the ISTAT surveys that did not find an increase in the population life expectancy, both the retirement age and contribution requirements and transformation coefficients remained stable (see Appendix). The adjustment of the amount of contributions because of Covid-19 was expected to bring the GDP five-year average into negative territory for the second time since the introduction of the contribution-based system, with an impact on the valuation of the contribution pool for those who *retire in 2022* with contributions paid up to 2020. However, this reduction was expected to 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, which envisaged that the revaluation rate can never be negative, unless to offset what is neutralized in subsequent years; in real terms, the lack of adjustment was almost irrelevant since the 2020 inflation was - 0.2%. Therefore, for workers who retired on January 1, 2020, the contributions accrued until December 31, 2018 were adjusted by 1.9945%, (average of the previous five-year period from 2014 to 2018 and the 2018 inflation rate equal to 1.14%); instead, no adjustment was applied to the contributions paid in 2019, the year prior to retirement (Dini Law 335/95) or to any contributions paid in 2020 until the start of the pension. Those who retired in 2021 had a revaluation of their contributions accrued up to December 31, 2019, by approximately 1.9%, (average of the previous five years from 2015 to 2019 and 2019 and an inflation rate equal to 0.60%); no revaluation was applied to the contributions paid in 2020, or to any contributions paid in 2021 up to the date of retirement.

The 2021/24 forecasts: (*Table 7.1*), as mentioned above, in 2020 GDP dropped by 8.9%, the deficit grew up to 9.6%, inflation down to -0.2% with a debt-to-GDP ratio equal to 155.6% and a loss of 537,000 jobs (ISTAT); moreover, many subjects with a VAT registration number did not close their business despite being out of work and therefore were not classified among those who had lost their jobs. The projections also based on the data from the Updated Note to the EFD (Nadef) are as follows: in 2021, an increase in GDP by 6.3%, an inflation rate equal to 2%, a deficit up to 9.4% and about 131 billion euros' worth of new debt with a debt-to-GDP ratio of 153.5%.

For the 2022/24 period, we used the projections contained in the Updated Note to the EFD and developed the following assumptions: **1)** quota 100 would be replaced as of 1/1/2022 with the 102 quota (64 years of age adjusted to life expectancy and 38 years of contributions, hopefully with a limited number of notional contributions in order to reward work); with exit flexibility between 64 and 67 years of age; it would be desirable to reintroduce the so-called 'super bonus' for those who voluntarily wish to work until the age of 71; **2)** a partial renewal of Social Ape, hopefully only for the unemployed who cannot be reintegrated into the labour market, and the women's option (58/59 years of age and 35 of contributions calculated with contribution-based system); **3)** a solution for the so-called arduous jobs but not only for retirement purposes, as has happened so far in Italy; instead, similarly to many advanced countries, it is important to create a work and trade

organization to allow workers to prolong their working life, by replacing heavy and dangerous jobs above a certain age, such as those to be carried out on scaffoldings, near ovens, on heavy vehicles and so on, with more appropriate occupations; this is called active aging that will be essential for Italy to ensure future employment and growth. If this is not possible, it would be desirable to use **expansion contracts and solidarity funds**; these can be used to avoid placing on the community the burden of all the people who can no longer be re-employed through complex measures such as "social Ape, arduous jobs and safeguards"; as already pointed out in Chapter 4, these funds have worked very well in the postal, transport, banks and insurance sectors; there are 13 of these funds plus more than 105 bilateral funds for training (often completely useless), so the government and social partners should use this private "**third income-support pillar**", which allows workers to retire earlier with 62 years of age and 35 years of contributions (97 quota), but also provides for some socially useful jobs to curb undeclared forms of work. **4)** The so-called early retirement pension would be still in force until 2026, with 42 years and 10 months for men and one year less for women; in any case, this option is expected to remain also in the future because the adjustment of the contribution period to life expectancy is technically to be corrected.

Considering the scenario described above and taking into account the investments planned between 2022 and 2026 by the National Recovery and Resilience Plan, the following trends are possible:

1) Employment: employment was expected to recover already in 2021 by about 461,000 jobs with an increase in the number of fixed-term and permanent contracts and a growth in contribution revenues from subjects with VAT registration numbers and temporary workers registered with the separate pension scheme. In 2022, employment is expected to exceed its record of July 2019, and to reach 23.95 million active workers in 2024. In order to achieve these ambitious goals (for Italy), the first condition is to reduce the social safety net measures and the citizenship income that subsidized more than 4 million Italians at the end of 2021, the bonuses for families with more than 2.3 million NEETs and to decrease the estimated 2.5 million irregular workers also through "contrast of interests" tools such as building façade bonuses, renovations, energy efficiency and household direct purchases.

2) Pensioners; the number of pensioners is expected to increase due to the retirement of baby boomers but also for the following reasons: since for most of the approximately 400,000 applications for the 100 quota between 2019 and 2021, subjects are entitled to retire 2 years earlier, while more than 360,000 early benefits (42 years and 10 months of contributions and one year less for women) have only an advance of 3 months, the 2019/2021 advance flows are expected to curb retirement flows from 2022 onwards; another reason for the reduction in the number of pensions is the high number of pensioners (1,168,000 in 2020) who have been receiving pensions for 35 years or who are very old.

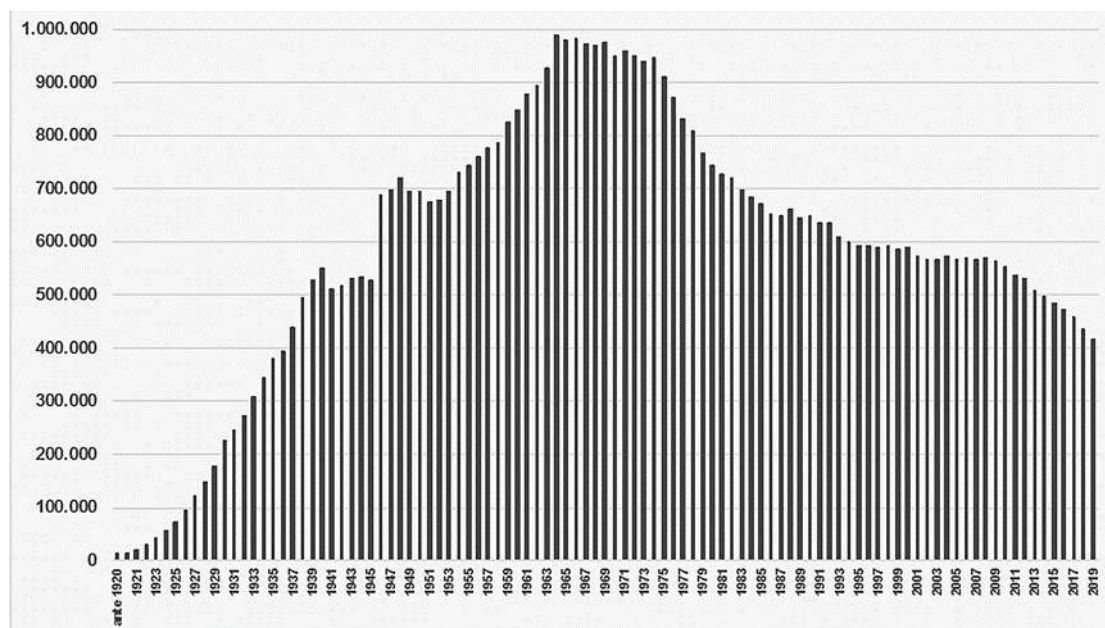
Therefore, the **active retired ratio** is expected to improve from 1.4238 to 1.45 to increase again in 2024 up to 1.49.

INPS Deficit: Due to the increase in the number of active members, the flow of contributions is expected to improve, thus reducing the INPS deficit in 2021 down to 24 billion from 39.34 billion in 2020; the deficit is expected to improve up to 20.8 billion in 2024.

The pension expenditure/GDP ratio: as widely described in this Report (and in previous ones), this ratio is very different from that indicated in the Nadeff, which unfortunately has long-since included in pension expenditure many welfare benefits to families (family allowances), to the elderly and to

fight against social exclusion. In our projections, the ratio is expected to fall from 14.27% in 2020 to 13.19% in 2021 and then to 12.32% in 2024 (*table 7.1*)¹².

Figure 7.2 - Resident population at 1.1.2020 by year of birth



Resident population on January 1, 2020 by year of birth;

Source: ISTAT

These data show that today the Italian pension system is sustainable and that it will be sustainable also in 15 years, in 2035 when the last ranks of baby boomers born from the post-war period to 1980 have retired; in social security terms, the retirement of these numerous cohorts is fundamental since the population broken down by year of birth suggests that more than 800,000 subjects born from 1959 to 1977 and were still alive in 2020, with peaks between 1964 and 1975 of about a million per year; obviously not all of them become pensioners, but a high number of retirements can be expected in the next 15 years (Figure 7.1).

However, for pension sustainability to be maintained, a number of conditions are necessary: **1) Retirement age:** it is important to stress that even a birth-rate growth would not lead to a workforce expansion in 2035 or in 2040 (a baby born in 2022 would still at school in 2040); so, politicians must take up the responsibility for the sustainability of the system, by reversing the trends of these last 10 years characterized by an average effective retirement age of about 62 years against an OECD average close to 65 years, also due to the problems created by the Fornero reform, with serious risks for the social security and financial sustainability of future generations (also due to a huge Italian public debt). In fact, since 2012, more than 850,000 workers (85,000 per year) have retired with very low retirement age requirements thanks to 9 safeguard measures (the first two made by Fornero), measures for early workers, Social Ape, 100 quota and "arduous work" (of which there is no trace in the medical-scientific literature,) as well as to the citizenship pension and income, which reduced much of the savings obtained with this reform. It is therefore necessary to correlate the retirement age to life expectancy, which in Italy is among the highest in the world. But in order to raise the retirement age, it is necessary to heavily reform the organization of work, and

¹² Compared to the forecasts in Chapter 1, section 1.3, both pension expenditure and the expenditure/GDP ratio are identical until 2020; as of 2020, they are different because in Chapter 1 the values of GDP, pension expenditure and contribution revenues are taken from the NadeF (Rome, October 2, 2021) and increased with the rates of change taken from the aforementioned 2021NadeF.

here we come to the second point. **2) Active ageing:** it is right to have flexibility in the pension system, but first of all it is necessary to improve the organisation of work, which in Italy is still backward; it is not possible to work on scaffoldings, in foundries, driving public transportation vehicles and so on, above a certain age; it is necessary to plan working careers so that, when workers become older, they can switch to tasks that are more and more in keeping with their age and state of health; but enterprises, trade unions and politicians have never dealt with this issue in recent years; indeed, this is becoming crucial in an society. **3) Prevention:** Notwithstanding one of the highest life expectancies in the world, Italy is lagging behind in planning for a healthy old age; the evidence is the very high number of non-self-sufficient old; Italy does not even have a legislation and a public and private management approach to deal with this phenomenon, which is bound to grow in the coming years; moreover, there is also a lack of an organic law on supplementary health care, which would be very beneficial for everyone, including state finances. **4) Labour market;** today almost most public expenditure is earmarked for passive/subsidized labour policies and very little for active policies, vocational training and ongoing training, which are indispensable for *active ageing*; it is necessary to change with less subsidies and more incentives to work; it is not possible to have more than 4 million people on the dole not searching for work; and then it is necessary to replace most forms of early retirement with the "*second income-support pillar* ", that is, with solidarity funds, redundancy funds and expansion contracts or the isopension.

Obviously, these projections take into account the effects of the investments coming from different resources (Next Generation EU, EIB, Sure and Mes), assuming that ECB would continue with its intervention on rates and issues for the entire 2022, tapering it very slowly in order to avoid a jump in the rate curve; for a heavily indebted country like Italy, this could have serious effects and bring the cost of debt financing back to pre-2015 levels, which would cool down the economic recovery.

In conclusion, the reduction in the number of pensioners results from 2 '*automatic stabilisers*' of expenditure namely, the retirement age correlated to life expectancy and the adjustment of transformation coefficients to life expectancy, and from the more stringent retirement rules and the *high number of very longstanding pensioned cancelled* (over 35 years). The safeguard measures, social Ape and the 100 quota broke this virtuous circle and the continuous contribution incentives have generated an annual deficit of about 20 billion euros financed by GIAS transfers and much more expensive due to the annual revaluation of the accrued sums. There is also still a high level of welfare expenditure, which is now close to that of pensions net of taxes, and a large amount of welfare benefits.

In the situation broadly discussed in this Report, it is necessary to create a "*welfare data bank*" and finalize the "*general registry of active workers*", in order to monitor welfare expenditure which may even go down because of the countless cancellations for abuse, and to implement active labour policies¹³. In addition, given the difficulty in financing the Italian welfare system, also considering that Italy already has exceptionally high levels of social security contributions, it would be useful to introduce the so-called "*contrast of interests*" for households and direct expenses (see previous Reports), following the example of the so-called bonuses ranging from 50 to 110% introduced recently by Governments mainly in the building sector; this would make it possible to significantly reduce the significant tax and contribution evasion and redistribute the tax burden that today is mainly on the shoulders of employed workers.

Contribution incentives are a major problem (for the South, for newly-hired subjects, for apprentices, etc.) since they increase the deficit between income and expenditure for benefits; this

¹³ The proposals we have put forward to revise the Monti/Fornero law are widely reported in the 2020 Report (n. 8) to which we refer to avoid repetitions.

should be replaced with the "tax credit" positively experimented in the 2000s that rewards dynamic workers and businesses and not the barely surviving subsidized ones. The contribution incentives for the South were envisaged under the so-called "August decree" which adopted the same parameters used by the Commission for the disbursement of European funds; under this Decree, the regions that in 2018 had a per capita GDP below 75% of the EU27 average or between 75% and 90% and an employment rate below the national average, are entitled to a 30% rebate on the contributions paid by workers and companies, excluding INAIL premiums. The regions concerned are those in the South: Abruzzo, Molise, Campania, Basilicata, Sicily, Apulia, Calabria and Sardinia, which are entitled to these rebates only in the October-December 2020 quarter; however, according to the Government, these incentives are to last until 2025 and then then will be reduced to 20% until 2027, and finally to 10% until 2029. The expected cost is 4 billion for 2022 and following years, also financed by the Recovery plan; however, the project needs the green light from the European Commission because these rebates are considered as "state aid". The insufficient level of development of some areas of the country, in particular of the eight southern regions, has often been offset by welfare policies; unfortunately, these measures had the opposite effect of further slowing down growth; for almost 25 years, these regions have been entitled to the ***total rebate of social security contributions***, even though, on the basis of employment statistics, these did not produce new employment or development¹⁴. These tax reliefs did not produce competitive advantages, but they also delayed the development of the southern regions just like the provision of disability benefits (granted in some areas of the country only for economic reasons) and other subsidies, especially in agriculture; however, Italy really needs to develop its South; without the South, the whole country is bound to remain marginal and at the bottom of the rankings for in terms of development and employment. This is why we have proposed to create the ZESS, (Special Social Economic Zones).

All of the updated regulatory changes as of the end of 2021, can be found in Appendix 1, with comments and insights.

¹⁴ In 1994, at the end of an infringement procedure on the grounds that these reliefs were considered to be State aid, Commissioner Karel Van Miert concluded an agreement with the Berlusconi Government and in particular with the Minister for the Budget, Giancarlo Pagliarini, under which these reliefs were phased out between 1995 and 2002.

BOX 2 - Reclassification of pension and welfare expenditure

Descrizione	Per singola voce (milioni di euro)	Totale assistenza per le pensioni (milioni di euro)	Totale generale (milioni di euro)	Note	In % del PIL
A) Spesa complessiva trattamenti pensionistici base e complementari (da Casellario)			307.690	Da Casellario 31.12.2020 (INPS + INAIL + Casse prof. e Prev. Complementare, esclusi assegni familiari, pensioni di cittadinanza)	18,61
B) Spesa indennitaria INAIL (da Casellario)			4.022	Casellario 31.12.2020 (Indennizzi: le rendite indennitarie non sono assistenza sono contribuite, ma sono state scorporate dalla spesa previdenziale)	0,24
C) Spesa pensioni complementari IVS private del 2° Pilastro (non comprende i Fondi integrativi gestioni INPS e quelli delle Casse professionali).			2.262	Casellario 31.12.2020 Previdenza complementare 2° Pilastro dei Fondi privati, categoriali e assicurativi non stati scorporati dalla spesa previdenziale	0,14
D) Spesa complessiva pensionistica e assistenziale, al netto delle spese sub B, e C (da Casellario)			301.406	Casellario 31.12.2020. Al netto delle rendite indennitarie Inail sub B) e della Previdenza complementare 2° Pilastro sub C):	18,23
1) Spesa classificata assistenziale INPS e Guerra di cui:		25.018		Rendiconto 2020 e Pensioni Guerra da Casellario	1,51
1.1) Pensioni di invalidità civile e indennità accompagnamento	18.106			Rendiconto 2020. Trasferimento GIAS a copertura dei disavanzi di gestione del Fondo.	1,09
1.2) Agevolazioni a invalidi civili e maggiorazioni a invalidi civili	968			Rendiconto 2020	0,06
1.3) Pensioni di guerra	1.093			Casellario al 31.12.2020	0,07
1.4) Pensioni e assegni sociali e relative maggiorazioni	4.849			Rendiconto 2020	0,29
E) Spesa previdenziale da Casellario sub D) al netto delle spese classificate assistenziali sub 1).			276.388		16,71
2) Altre spese assistenziali da sottrarre dalla spesa previdenziale E), di cui:		65.628		Voci di quote assistenziali contenute nelle pensioni, presenti nel punto E) del Casellario, scorporate con gli importi del Rendiconto 2020 per necessità di dettaglio	3,97
2.1) Integrazioni al minimo	7.024			Prestazione assistenziale a carico delle gestioni pensionistiche	0,42
2.2) Somma aggiuntiva (Quattordicesima - L. 127/2007)	1.467			Rendiconto 2020	0,09
2.3) Maggiorazioni sociali L.n. 140/1983	343			Rendiconto 2020	0,02
2.4) Maggiorazioni sociali Trattamenti minimi (Leggi varie)	1.162			Rendiconto 2020	0,07
2.5) Pensioni dei Coltivatori diretti, Coloni e Mezzadri ante 1939	977			Rendiconto 2020	0,06
2.6) Gestione FF.SS., Spedizionieri doganali, Porti GE e TS, ex Dazieri, Gezi. Separata dello Stato di cui art. 2 L. n. 183/2011 (quota GIAS)	4.744			Rendiconto 2020 (trasferimento GIAS a copertura dei disavanzi di gestione dei Fondi)	0,29
2.7) Gestione IPOST (quota Gias L. n. 71/1994)	917			Rendiconto 2020	0,06
2.8) Quota parte delle invalidità ante legge 222/1984	5.526			Rendiconto 2020	0,33
2.9) Anticipo pensionamenti (blocco fino al 2026 incrementi anzianità delle pensioni anticipate e Quota 100)	5.730			Rendiconto 2020	0,33
2.10) Quota parte delle pensioni ex legge 21 luglio 1965, n. 903, per riforma e miglioramento dei trattamenti di pensione	21.732			Rendiconto 2020	1,31
2.11) GIAS dipendenti pubblici	13.602			vedi nota 2.11)	0,82
2.12) Totalizzazione periodi assicurativi D.L.vo 42/2006	477			Rendiconto 2020	0,03
2.13) Cumulo periodi assicurativi L.228/2012	261			Rendiconto 2020	0,02
2.14) Perequazione Sent. Corte Cost. n. 70/2015 e L. n. 127/2007	470			Rendiconto 2020	0,03
2.15) Quota parte prestazioni L.n. 39/1991 per miglioramenti delle pensioni settore privato e pubblico perequate in percentuale secondo l'anno di decorrenza.	448			Rendiconto 2020	0,03
2.16) Altri oneri a carico GIAS	748			Rendiconto 2020. Compreso l'importo aggiuntivo per 82 milioni e al netto dei	0,05
F) Spesa previdenziale da Casellario sub E) al netto di Altre spese assistenziali sub 2)		90.646	210.760		12,75
3) Spese assistenziali GIAS sulle pensioni non comprese nel Casellario, ma inserite nella Gestione PT - sostegno alla famiglia: da aggiungere all'assistenza		1.109		Da Osservatorio statistico famiglia del 2019, voci assistenziali pensionistiche non presenti nel casellario	0,07
3.1) Spesa per assegni nucleo familiare ai pensionati dipendenti e parazub. sett. privato (2019)	572			Osservatorio famiglia 2019 non presenti nel casellario	0,035
3.2) Spesa per assegni familiari ai pensionati autonomi (2019)	25			Osservatorio famiglia 2019 non presenti nel casellario	0,002
3.3) Pensioni di cittadinanza	512			Osservatorio reddito e pensione	0,031
	In % del PIL	SPESA ASSISTENZIALE	SPESA PREVIDENZIALE		In % del PIL
Totale Spesa assistenziale e previdenziale (al netto dell'assistenza, rendite INAIL e Previdenza Complementare 2° Pilastro)	5,55	91.755	210.760		12,75
(1) La spesa complessiva annua delle pensioni vigenti al 31 dicembre fornita dal Casellario è calcolata dal prodotto tra il numero delle pensioni, l'importo mensile della pensione pagata al 31 dicembre dell'anno e il numero di mensilità per cui è previsto il pagamento (13 per le pensioni e 12 per le indennità di accompagnamento). La spesa pensionistica che ne consegue rappresenta un dato di stock e pertanto non coincide con la spesa pensionistica desunta dai dati contabili degli enti che hanno erogato la prestazione (dato economico di bilancio). Fonte: INPS					
2.11) Rendiconto 2020. Comprende Quota parte ciascuna pensione, Oneri prepensionamenti, Magg. Ex combattenti, Totalizz. Periodi ass.vi, 14ma mensilità, Perequaz. L. 65/2016, Cumulo periodi ass.vi, Abolizz. Penalizzazioni accesso pensionamento, Quota GIAS pensioni ex Inpdap L.n. 183/2011.					

Total pension and welfare expenditure - Year 2020, Description, By item (millions of euro), Total welfare pensions, Grand total, Notes, As % of GDP; A) Total basic and complementary pension expenditure (Registry), B) Inail indemnity expenditure (Registry), C) Complementary IVS private pensions expenditure under the 2nd pillar (it does not include supplementary funds managed by Inps and schemes for professionals), D) Total pension and welfare expenditure, net of expenditure under B, and C (Registry), 1) Classified INPS welfare and veterans' benefit expenditure, 1.1) Pension benefits for disabled civilians and caregivers' allowances, 1.2) Incentives and bonuses for disabled civilians, 1.3) Veterans' pensions, (1.4) Social pensions and allowances and related supplementary benefits, E) Social security expenditure in the Registry sub D) net of expenditure classified as welfare under 1), 2) Other welfare expenditure to be deducted from social security expenditure E), of which: 2.1) Supplementary minimum benefits, 2.2) Additional sum (fourteen's month salary- Act no. 127/2007), 2.3) Social benefits Act no. 140/1985, 2.4) Social allowances Minimum allowances (various laws), .5) Pensions of Farmers, Tenant farmers and Sharecroppers before 1989, 2.6) FF.SS fund. , Customs agents, GE and TS Ports, , Separate State scheme as per art. 2 Act no. 183/2011 (GIAS transfers), 2.7) IPOST fund (GIAS share Act. no. 71/1994), 2.8) Share of disability before Act no. 222/1984, 2.9) Early retirement (freeze until the end of the 2026, more stringent age requirements and the 100 Quota), 2.10) Share of pensions under former Act no 903 of July 21, 1965 to reform and improve pension benefits, 2.11) GIAS transfers for funds of civil servants J19, 2.12) Aggregation of insurance periods Legislative Decree no. 42/2006, 2.13) Cumulated insurance periods Act no. .228/2012, 2.14) Equalization of the Const. Court Act no. 70/2018 and Act no. 127/2007, 2.15) Share of benefits under Act no. 59/1991 for improvements to pensions in the private and public sectors equalised in percentage terms according to starting year, 2.16) Other charges borne by GIAS, F) Social security expenditure in the registry sub E) net of other welfare expenditure sub 2), GIAS welfare expenditure not included in the Registry, but included in the PT fund, Management PT - family support: to be added to welfare, 3.1) Expenditure on household allowances to employed and self-employed pensioners in the private sector (2019), 3.2) Expenditure on family allowances to self-employed pensioners (2019), 3.3) Citizenship pensions, Total welfare and pension expenditure (net of welfare, INAIL annuities and Complementary Pensions Pillar 2); Registry 31.12.2020 (INPS +INAIL + professional schemes and complementary schemes, excluding family allowances, citizenship pensions), Registry 31.12.2020 (annuities are not welfare benefits, they are based on contributions, but have been removed from pension expenditure); Registry 31.12.2020 Complementary pensions, 2nd Pillar, private, sectoral and insurance funds were removed from pension expenditure; Registry 31.12.2020. Net of INAIL annuities sub B) and of complementary pensions, 2nd pillar sub C); 2020 Report and veterans' pensions from the Registry, 2020 Report, GIAS transfers to finance the Fund's operating deficits; Shares of welfare benefits in pensions sub E) in the registry, separated from the amounts of 2020 report for a more detailed analysis, Welfare benefits to be paid by the fund, 2020 Report (GIAS transfer to finance the Funds' operating deficits), Report 2020. Including the Additional Amount of 82 million and net of recovered untitled benefits, The statistical household observatory of 2019, welfare pension items not included in the registry of pension benefits, Household observatory 2019, not present in the Registry, Observatory of Citizenship Income and Pension 2020 not present in the Registry; (1) The overall pension expenditure per year on December 31 provided by the Registry results from the product of the number of pensions, the monthly amount of the pension paid on December 31 of the year and the number of months in which benefits are paid (13 for pensions and 12 for caregivers' allowances). The resulting value is a stock figure and therefore does not coincide with pension expenditure taken from the accounts of the entities that paid the benefits (accounting data); 2.11) 2020 Report, it includes: share of each pension, early retirement charges, additional benefits for veterans, aggregation of insurance periods, the 14th month salary, equalisation under Act no. 65/2016, cumulated insurance periods, abolition of retirement disincentives, GIAS share of ex Inpdap pensions under Act no. 183/2011; *Source: INPS*

BOX 3 - The effects of the COVID-19 pandemic on the INPS accounts

In 2020, ISTAT reported a number of deaths from all causes equal to 746,146 people with ***an excess mortality of 100,526 subjects***, compared to the average of the five-year period from 2015 to 2019, equal to 645,620 deaths from all causes. On the other hand, the number of officially certified deaths of Covid in 2020 by ISTAT and ISS was equal to 75,891; however, this figure is believed to have been underestimated, proof of which is the 2020 anomalous excess mortality for all causes.

If a mortality comparison is then made for 2019, a year in which ISTAT reported 634,417 deaths, the 2020 excess mortality for all causes increases to 111,729 deaths. For 2021, ISTAT is also expected to report an excess mortality, albeit not so high as in 2020, when compared to the average number of deaths from 2015 to 2019 and to 2019. The trend can already be seen in ***Figure 7.3***, which compares the monthly data of deaths in 2019, 2020 and 2021 up to September (the latest data available when drafting the last part of this Report).

Figure 7.3 - Monthly deaths from all causes of the resident population in Italy, comparison between the 2015-2019 average per year and the years 2019, 2020 and 2021 (January-September).
Annual excess mortality by age group on average in the 2015-2019 period and in 2020.

Number of deaths per month on average between 2015- ad 2019 and in 2019, 2020, 2021(Jan-Sept)) – Annual excess mortality on average in the 2015-19 period and in 2020



Number of deaths of all causes, Source Istat – Monthly population survey

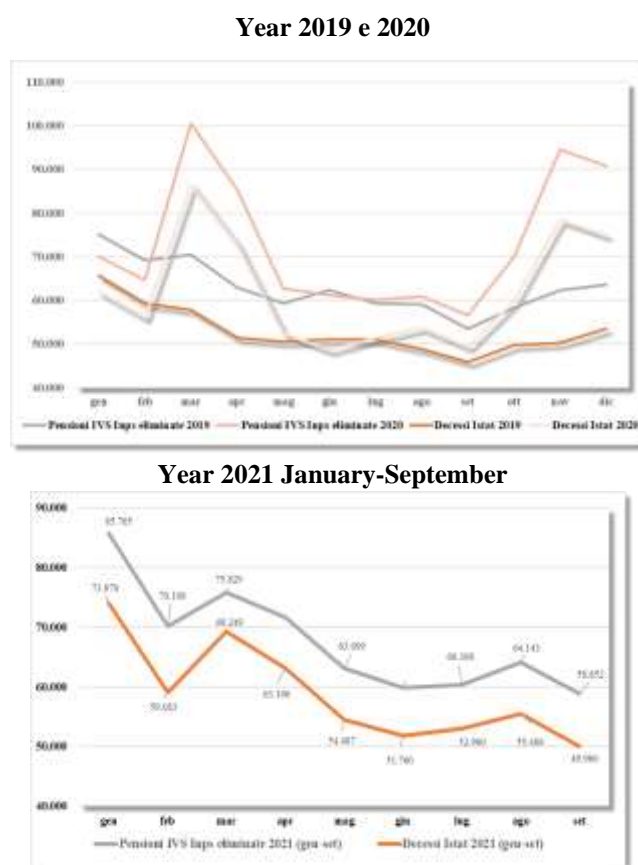
The excess mortality for all causes in 2020 compared to the 2015-2019 average (**Figure 7.1**) was concentrated in the oldest population over 65 and mainly on those aged 80 and over; instead, for the subjects below 65, the excess mortality was lower (overall about 3,708 people) on the basis of data algebraically offset by the younger group of subjects under 50 years of age who even experienced a drop in mortality probably due to the lock-downs, which cut the numbers of the most serious road accidents and fatal work accidents.

We have tried to evaluate the favourable economic impact on INPS resulting from the cancellation of numerous Invalidity, Old Age and Survivors' (IVS) pensions due to the death of their beneficiaries; so, we have excluded from the 100,526 additional deaths due to all causes the subjects below 65 years of age and we have considered only the **96,818** who died, all of them certainly retired, with an age **equal to or greater than 65 years**, equal to, **96.3% of total excess mortality**, published by ISTAT and ISTB publish divided only into two age groups without

distinction of gender: the first from 65 to 79 years of age with 20,110 deaths and the second at 80 and more years with 76,708 deaths.

Looking at **Figure 7.4**, there is a clear and very strong correlation between the ISTAT data on the monthly mortality from all causes in 2019, 2020 and 2021 (January-September) and the number of IVS pensions eliminated by INPS month by month. This confirms the excess mortality from all causes in 2020 and 2021, compared to 2019, of *pensioners* above 64 years of age, who were receiving about 1.17 IVS pensions on average (data on eliminated INPS welfare pensions are not available). In fact, the curve of IVS pensions eliminated by INPS per month runs parallel, but above, that of the monthly deaths reported by ISTAT; this curve is higher because of some deceased pensioners who were entitled to more than one IVS pension. Therefore, the INPS monthly data on the number of IVS pensions eliminated is a good indicator of the mortality trend for all causes.

Figure 7.4 - Comparison between Istat monthly deaths from all causes and IVS pensions eliminated by INPS per month due to death



Source: Istat – Monthly demographic balance and the INPS Archive of eliminated pensions

The 96,818 subjects over 64 who died in 2020 were divided into two age groups with their respective average gross annual pension income for all types of pensions, published by Inps in the Statistical Observatory "*Pension benefits and beneficiaries of the Italian pension system*"; then we applied the probability for the deceased's pension to give rise to a survivor's pension, with the average rate applied after the required verification of the income of the surviving spouse and the mean age difference between the spouses.

The quantified INPS savings amounted to **1.11 billion euros** in 2020, also considering the lower savings following the payment of benefits to the new survivors; these were projected for the **decade 2020-2029** with a **total of 11.9 billion**, assuming that people who died early lost many years of life. We used the ISTAT mortality tables of 2019, a year free of the pandemic, to calculate the **years of life potentially lost** due to the early death **by the 96,818 subjects above 64 years of age with**

excess mortality: on average, this means about **13 years of life lost** for 20,110 people who died between 65 and 79 years of age and on average about **7 years of life lost** for 76,708 individuals who died at 80 years of age or above; the survival of their surviving spouses was also estimated from a probabilistic point of view.

Estimate of the INPS savings due to the excess mortality in 2020 of subjects aged 65 and above, equal to 96,818 individuals with excess mortality with respect to the 2015-2019 average. Savings in the 2020-2029 decade estimated with respect to the years of life potentially lost									
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.110	1.500	1.400	1.310	1.230	1.190	1.130	1.100	1.000	930

Sources: Estimates based on the INPS, ISTAT and ISS data

The possible additional effects of lower spending can be estimated only in 2022, with the release by ISTAT and ISS of the information, broken down by age, on the 2021 excess mortality of people aged 65 and above. At that time, it will be possible to update the data and the projections of further savings for INPS.

Main statistical tables

Table 1a - Contribution revenues, pension expenditure and welfare supplementary benefits (millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Lavoratori dipendenti privati (a)															
- contributi	96.960	102.908	111.086	111.099	112.369	115.206	117.037	116.419	115.881	117.099	121.193	123.792	126.622	130.113	116.241
- prestazioni	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	124.905
- saldi	-2.457	71	4.319	739	-172	325	-734	-2.840	-3.613	-1.877	2.219	3.668	4.450	6.341	-8.664
2. Lavoratori dipendenti pubblici															
- contributi (2)	39.769	38.611	41.713	41.533	41.522	40.774	39.251	38.246	38.164	37.891	38.277	38.283	40.114	39.887	40.142
- prestazioni (3)	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	76.569
- saldi	-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	-36.427
3. Lavoratori autonomi															
3.1. Artigiani															
- contributi	6.450	7.722	7.976	7.918	7.387	7.620	8.095	8.090	8.198	8.203	8.443	8.495	8.241	8.469	8.319
- prestazioni	8.535	9.109	9.659	10.235	10.656	11.050	11.299	11.710	11.739	11.849	11.733	11.708	11.940	11.673	11.717
- saldi	-2.084	-1.387	-1.684	-2.317	-3.269	-3.430	-3.204	-3.620	-3.541	-3.646	-3.290	-3.213	-3.699	-3.204	-3.398
3.2. Commercianti															
- contributi	7.093	8.188	8.481	8.649	8.840	9.129	9.677	9.909	10.147	10.312	10.727	10.906	10.588	10.885	10.680
- prestazioni	7.005	7.472	7.868	8.296	8.602	8.929	9.313	9.529	9.626	9.713	9.697	9.689	9.936	10.005	10.073
- saldi	87	717	613	353	-122	199	364	380	521	599	1.030	1.217	652	880	607
3.2. Coltiv. diretti, coloni e mezzadri															
- contributi	1.025	1.006	1.013	1.036	1.054	1.067	1.129	1.162	1.213	1.223	1.249	1.272	1.308	1.322	1.315
- prestazioni	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	3.445
- saldi	-2.355	-2.505	-2.463	-2.299	-2.781	-2.899	-3.403	-3.116	-3.146	-3.133	-2.812	-2.697	-2.518	-2.380	-2.130
4. Liberi professionisti (b)															
- contributi	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	9.214
- prestazioni	2.544	2.691	2.842	2.999	3.138	3.281	3.515	3.753	3.962	4.121	4.302	4.475	4.703	5.037	5.338
- saldi	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	3.847	3.877
5. Fondo clero															
- contributi	30	31	31	32	32	31	33	33	33	31	31	31	30	31	31
- prestazioni (h)	89	93	96	99	99	99	100	103	102	102	100	97	95	91	74
- saldi	-59	-62	-65	-67	-66	-68	-67	-70	-69	-70	-69	-66	-65	-59	-43
6. Gestione lavoratori parasubordinati (c)															
- contributi	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	8.167
- prestazioni	116	174	236	302	385	457	467	554	625	711	806	866	1.004	1.181	1.348
- saldi	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	6.819
7. Tot. Integrativi (d)															
- contributi	859	861	868	836	892	892	937	1.022	1.069	1.110	1.162	1.172	1.214	1.236	1.290
- prestazioni	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	1.267
- saldi	-157	-155	-144	-188	-136	-193	-167	-115	-96	-88	-49	-42	-17	-25	23
TOTALE GESTIONI PENSIONISTICHE															
- contributi	161.411	170.523	183.012	183.283	185.770	188.018	190.408	189.363	189.591	191.335	196.522	199.842	204.750	209.398	195.400
- prestazioni	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	230.255	234.736
- saldi	-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	-20.856	-39.336
Quota Gias per le gestioni pensionistiche (4) (5)															
SPESA PENSIONISTICA															
Spesa pensionistica in % del PIL	201.123	209.306	217.661	225.372	232.262	238.084	242.897	247.918	249.468	253.942	253.731	256.425	261.423	268.034	274.729
- al lordo Gias	12,95	12,96	13,29	14,29	14,41	14,44	14,95	15,37	15,33	15,34	14,96	14,77	14,76	14,93	16,61
- al netto Gias	10,96	10,99	11,30	12,21	12,33	12,40	13,00	13,31	13,28	13,16	12,89	12,72	12,74	12,83	14,20

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 2000, to 8,671 million in 2001, to 9,153 million in 2002, to 8,789 in 2003, to 8,833 in 2004, to 8,447 million in 2005, to 9,147 million in 2006, to 10,089 million in 2007, to 8,532 million in 2008, to 9,104 million in 2009, to 9,700 in 2010, to 10,350 million in 2011, to 10,500 in 2012, to 10,600 in 2014 and to 10,800 in 2015, 10,800 in 2016, 10,800 in 2017 e 10,800 in 2018. (3) In 2018, the benefits provided to public employees amount to 70,691 million of which 9,355.25 are transferred through GIAS (former art. 2 par. 4 of Act 183/2011). In order to be consistent with the historical series of the previous years, the 2018 benefits include 9,355.25 million euros' worth of GIAS transfers (this was paid by the State in the past while, under the new INPS system, it is classified as GIAS). Therefore the real amount of benefits paid by this scheme amounts to 58.654 million euros. (4) The total GIAS benefit transfers (35,824.12 million euros) has to be integrated with the GIAS amount analysed in note (3). Therefore, the total value of GIAS amounts to 44,179 million euros (35,824.12+9,355.25). (5) The main GIAS welfare interventions are mainly allocated to early retirement, to the "share" established under art. 37 of Act 88/1989, to yearly benefits and to disability pensions before Act 222/1984. This last item derives from the new configuration of pension and welfare expenditure as provided for under art.59 Act 449/1997. The GIAS disaggregated data are analysed in Chapter 3. (a) Private sector employees include members of FPLD, ENPALS, IPOST, and INPGI substitutive fund and of all the special funds indicated in tables B30 and B31, but not members of the Clergy fund. (b) This item includes all schemes as provided for under Leg. Decrees 509/1995 and 103/1994, except for INPGI substitutive fund and ENASARCO (see tables 1b, 1c, 1d) and it does not include the following schemes: FASC (haulers and shippers), ENPAIA (agricultural workers) and ONAOSI (orphans of medical personnel). (c) it was founded in March 1996 (d) it includes all the INPS supplementary funds (gas sector, tax collectors, miners, dissolved entities, Trieste port) and the ones linked to the 509 funds (ENAPIA, FASC and ENASARCO).

Table 2.a - Revenues/expenditure balance and its weight on pension expenditure (1)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Lavoratori dipendenti privati</i>	-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	-6,94
<i>2. Lavoratori dipendenti pubblici</i>	-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	-47,57
<i>3.1. Artigiani</i>	-24,42	-15,23	-17,43	-22,63	-30,68	-31,04	-28,36	-30,91	-30,17	-30,77	-28,04	-27,44	-30,98	-27,45	-29,00
<i>3.2. Commercianti</i>	1,25	9,59	7,79	4,25	-1,42	2,23	3,91	3,99	5,41	6,17	10,62	12,56	6,56	8,79	6,03
<i>3.2. Coltiv.diretti, coloni e mezzadri</i>	-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	-61,83
<i>4. Liberi professionisti</i>	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	76,37	72,63
<i>5. Fondo clero</i>	-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	-57,99
<i>6. Lavoratori Parasubordinati</i>	3815,43	3472,11	2686,00	2078,45	2009,08	1415,51	1516,77	1222,85	1110,96	1011,97	823,78	784,09	705,95	625,95	505,76
<i>7. Totale Integrativi</i>	-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	1,85
TOTALE GESTIONI PENSIONISTICHE	-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	-16,76

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Lavoratori dipendenti privati</i>	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	93,06
<i>2. Lavoratori dipendenti pubblici</i>	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	52,43
<i>3.1. Artigiani</i>	75,58	84,77	82,57	77,37	69,32	68,96	71,64	69,09	69,83	69,23	71,96	72,56	69,02	72,55	71,00
<i>3.2. Commercianti</i>	101,25	109,59	107,79	104,25	98,58	102,23	103,91	103,99	105,41	106,17	110,62	112,56	106,56	108,79	106,03
<i>3.2. Coltiv.diretti, coloni e mezzadri</i>	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	38,17
<i>4. Liberi professionisti</i>	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	176,37	172,63
<i>5. Fondo clero</i>	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	42,01
<i>6. Lavoratori Parasubordinati</i>	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	605,76
<i>7. Totale Integrativi</i>	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	101,85
TOTALE GESTIONI PENSIONISTICHE	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	83,24

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 4.a - Number of contributors, number of pensions, average contributions and average pensions

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NUMERO CONTRIBUENTI (mgl)															
<i>Lavoratori dipendenti privati (1)</i>	13.070	13.308	13.443	13.290	13.102	13.679	13.671	13.460	13.437	14.169	13.799	14.261	14.266	14.551	14.213
<i>Lavoratori dipendenti pubblici</i>	3.412	3.384	3.360	3.334	3.292	3.234	3.104	3.040	3.226	3.252	3.305	3.272	3.338	3.301	3.306
<i>Artigiani</i>	1.881	1.894	1.902	1.890	1.856	1.850	1.818	1.773	1.736	1.689	1.662	1.632	1.590	1.553	1.530
<i>Commercianti</i>	1.992	2.023	2.044	2.086	2.081	2.157	2.178	2.193	2.173	2.160	2.151	2.132	2.090	2.044	2.020
<i>Coltiv.diretti, coloni e mezzadri</i>	519	500	486	477	470	463	460	457	453	448	447	445	451	445	434
<i>Liberi professionisti (2)</i>	996	1.026	1.059	1.090	1.124	1.145	1.169	1.199	1.262	1.286	1.296	1.304	1.307	1.318	1.326
<i>di cui Medici (b)</i>	333	338	342	346	349	353	355	355	356	361	362	364	366	371	375
<i>Fondo clero</i>	20	20	20	20	20	20	20	19	19	18	18	18	18	18	18
<i>Lavoratori Parasubordinati</i>	1.789	1.808	1.821	1.730	1.709	1.741	1.707	1.563	1.526	1.441	1.249	1.247	1.303	1.330	1.326
<i>Totale Integrativi</i>	296	294	289	280	316	311	305	337	341	327	323	319	322	313	303
NUMERO PENSIONI (mgl) (8)															
<i>Lavoratori dipendenti privati</i>	10.573	10.521	10.449	10.337	10.222	10.086	9.895	9.708	9.563	9.400	9.227	9.094	8.947	8.842	8.735
<i>Lavoratori dipendenti pubblici</i>	2.539	2.612	2.648	2.691	2.739	2.785	2.813	2.813	2.839	2.864	2.891	2.875	2.917	2.999	3.056
<i>Artigiani</i>	1.460	1.513	1.541	1.569	1.597	1.618	1.624	1.639	1.646	1.661	1.666	1.687	1.707	1.726	1.741
<i>Commercianti</i>	1.269	1.312	1.331	1.345	1.375	1.378	1.381	1.390	1.389	1.393	1.390	1.401	1.414	1.433	1.448
<i>Coltiv.diretti, coloni e mezzadri</i>	1.905	1.891	1.848	1.805	1.772	1.729	1.678	1.633	1.587	1.536	1.488	1.441	1.399	1.356	1.312
<i>Liberi professionisti (2)</i>	254	263	269	276	283	295	311	325	343	354	366	381	397	420	440
<i>di cui Medici (a)</i>	141	147	149	152	156	162	173	179	185	192	198	209	218	235	248
<i>Fondo clero</i>	15	15	15	15	14	14	14	14	14	13	13	13	13	12	12
<i>Lavoratori Parasubordinati</i>	120	158	184	208	232	256	276	302	331	361	387	419	449	472	498
<i>Totale Integrativi</i>	154	154	152	152	150	138	140	157	159	161	162	159	160	160	160
CONTRIBUZIONE MEDIA (€) (3)															
<i>Lavoratori dipendenti privati</i>	6.559	6.946	7.403	7.202	7.406	7.313	7.272	7.417	7.419	7.250	7.763	7.726	7.969	8.024	7.540
<i>Lavoratori dipendenti pubblici</i>	11.656	11.410	12.415	12.458	12.613	12.610	12.645	12.583	11.832	11.650	11.582	11.700	12.019	12.083	12.111
<i>Artigiani</i>	3.406	4.055	4.170	4.167	3.955	4.080	4.408	4.517	4.677	4.771	4.996	5.135	5.060	5.280	5.253
<i>Commercianti</i>	3.551	4.038	4.138	4.137	4.065	4.210	4.412	4.489	4.641	4.714	4.929	5.065	4.981	5.199	5.151
<i>Coltiv.diretti, coloni e mezzadri</i>	1.769	1.824	1.858	1.942	2.005	2.050	2.202	2.313	2.473	2.542	2.637	2.728	2.798	2.864	2.920
<i>Liberi professionisti (2)</i>	4.567	4.750	4.881	5.030	5.167	5.477	5.644	5.888	5.726	5.806	6.102	6.249	6.471	6.732	6.945
<i>di cui Medici</i>	4.911	5.194	5.340	5.661	5.888	6.039	5.067	6.067	6.067	7.067	8.067	9.067	7.970	7.996	8.575
<i>Fondo clero</i>	1.513	1.557	1.550	1.610	1.575	1.609	1.664	1.707	1.740	1.735	1.722	1.717	1.697	1.740	1.743
<i>Lavoratori Parasubordinati</i>	2.549	3.437	3.608	3.809	4.750	3.960	4.405	4.671	4.942	5.470	5.907	6.031	5.965	6.148	5.856
<i>Totale Integrativi</i>	2.758	2.783	2.851	2.830	2.684	2.829	3.026	2.994	3.101	3.358	3.562	3.636	3.739	3.913	3.898
PENSIONE MEDIA (€) (4)															
<i>Lavoratori dipendenti privati</i>	10.833	11.203	11.568	12.117	12.360	12.666	12.887	13.400	13.686	13.993	14.464	14.742	15.141	17.234	17.768
<i>Lavoratori dipendenti pubblici</i>	18.696	19.357	19.844	20.786	21.309	21.849	22.365	22.680	24.052	23.374	23.552	24.168	24.458	24.520	25.052
<i>Artigiani</i>	8.661	9.020	9.375	9.797	10.032	10.407	10.687	11.056	11.264	11.463	11.609	11.820	12.078	8.703	8.820
<i>Commercianti</i>	7.817	8.171	8.504	8.932	9.143	9.535	9.797	10.148	10.362	10.568	10.731	10.938	11.264	8.166	8.268
<i>Coltiv.diretti, coloni e mezzadri</i>	6.151	6.340	6.521	6.790	6.910	7.032	7.156	7.581	7.731	7.844	7.938	8.038	8.221	5.652	5.666
<i>Liberi professionisti (2)</i>	9.758	9.986	10.357	10.707	10.377	10.888	11.057	11.436	11.484	11.519	11.579	11.524	11.629	11.982	12.139
<i>di cui Medici</i>	6.319	6.305	6.528	6.628	5.653	6.650	6.701	6.936	6.980	7.010	7.140	7.214	7.516	7.816	8.230
<i>Fondo clero</i>	6.720	7.026	7.146	7.399	7.446	7.571	7.784	8.018	8.094	8.098	8.115	8.135	8.212	8.424	7.260
<i>Lavoratori Parasubordinati</i>	955	1.072	1.278	1.418	1.564	1.684	1.833	1.978	2.074	2.159	2.265	2.396	2.574	2.777	2.989
<i>Totale Integrativi</i>	6.455	6.525	6.593	7.507	6.732	6.316	6.510	6.846	7.076	7.209	7.297	7.396	7.443	7.914	7.969

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; (2) The item private sector employees” includes the following funds: Fund of employed workers, Transportation fund, Telephony fund, Electricity fund, Aviation fund, Consumption tax fund, Fund for public entities, FFSS, Institute for corporate executives, Fund for journalists, ENPALS, IPOST.

Table 5.a - Base-100 indices of number of contributors, number of pensions, average contributions and average pensions

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NUMERO CONTRIBUENTI															
<i>Lavoratori dipendenti privati</i>	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	116,32
<i>Lavoratori dipendenti pubblici</i>	100,09	99,27	98,56	97,79	96,57	94,85	91,05	89,16	94,62	96,95	96,95	95,99	97,90	96,83	96,97
<i>Artigiani</i>	100,78	101,43	101,87	101,21	99,41	99,08	97,37	94,95	92,99	90,45	89,00	87,41	85,17	83,17	81,96
<i>Commercianti</i>	122,60	124,51	125,80	128,35	128,07	132,72	134,05	134,96	133,71	132,93	132,38	131,19	128,60	125,78	124,31
<i>Coltiv.diretti, coloni e mezzadri</i>	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	36,00
<i>Liberi professionisti</i>	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	263,76
<i>di cui Medici</i>	133,56	135,55	137,34	138,95	139,99	141,72	142,28	142,45	143,01	144,80	145,42	145,93	146,90	149,06	150,63
<i>Fondo clero</i>	76,56	77,65	77,85	76,95	77,93	76,09	76,40	75,74	73,70	70,19	69,81	69,62	69,81	69,81	69,41
<i>Lavoratori Parasubordinati</i>	213,23	215,49	217,04	206,20	203,69	207,51	203,46	186,29	181,88	171,75	148,87	148,63	155,30	158,52	158,05
<i>Totale Integrativi</i>	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	108,45
Totale contribuenti	113,44	114,77	115,57	114,48	113,41	116,39	115,60	113,76	114,37	117,30	114,74	116,54	116,79	117,69	115,81
NUMERO PENSIONI															
<i>Lavoratori dipendenti privati</i>	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	86,70
<i>Lavoratori dipendenti pubblici</i>	165,62	170,35	172,70	175,47	178,60	181,62	183,44	183,43	185,14	186,76	188,53	187,52	190,24	195,57	199,33
<i>Artigiani</i>	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	249,81
<i>Commercianti</i>	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	215,18
<i>Coltiv.diretti, coloni e mezzadri</i>	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	76,54	74,01
<i>Liberi professionisti</i>	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	310,74
<i>di cui Medici</i>	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	343,91
<i>Fondo clero</i>	104,92	105,73	104,62	104,16	103,60	102,05	100,79	99,13	98,60	96,53	94,05	92,46	90,39	87,50	85,08
<i>Lavoratori Parasubordinati</i>	2.421,13	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	10.043,84
<i>Totale Integrativi</i>	163,13	162,40	160,91	160,11	158,93	146,31	148,09	166,35	168,07	170,11	171,15	168,50	169,49	169,51	169,02
Totale pensioni	121,93	122,92	122,92	122,64	122,56	122,00	120,88	119,87	119,13	118,29	117,26	116,47	116,02	116,15	116,01
CONTRIBUZIONE MEDIA															
<i>Lavoratori dipendenti privati</i>	267,82	283,61	302,24	294,06	302,37	298,60	296,92	302,84	302,92	296,03	316,97	315,43	325,35	327,62	307,84
<i>Lavoratori dipendenti pubblici</i>	331,32	324,33	352,90	354,13	358,53	358,44	359,45	357,68	336,32	331,17	329,22	332,57	341,65	343,48	344,27
<i>Artigiani</i>	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	510,74
<i>Commercianti</i>	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	497,77
<i>Coltiv.diretti, coloni e mezzadri</i>	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	282,20
<i>Liberi professionisti</i>	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	397,07
<i>di cui Medici</i>	291,19	308,02	316,64	335,67	349,17	358,13	300,45	359,75	359,75	419,05	478,34	537,64	472,61	474,15	508,48
<i>Fondo clero</i>	269,95	277,85	276,51	287,23	281,07	287,12	296,91	304,53	310,41	309,61	307,29	306,24	302,68	310,49	310,99
<i>Lavoratori Parasubordinati</i>	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	489,52
<i>Totale Integrativi</i>	224,74	226,77	232,31	230,66	218,76	230,51	246,60	244,01	252,67	273,64	290,25	296,34	304,67	318,89	317,67
PENSIONE MEDIA(1)															
<i>Lavoratori dipendenti privati</i>	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	373,76	385,34
<i>Lavoratori dipendenti pubblici</i>	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	285,25	291,43
<i>Artigiani</i>	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	308,18	312,35
<i>Commercianti</i>	292,47	305,71	318,18	334,19	342,06	356,73	366,52	379,67	387,69	395,39	401,47	409,23	421,43	305,51	309,33
<i>Coltiv.diretti, coloni e mezzadri</i>	202,82	209,03	215,00	223,89	227,84	231,85	235,94	249,95	254,90	258,64	261,73	265,04	271,07	186,35	186,81
<i>Liberi professionisti</i>	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	350,63	355,24
<i>di cui Medici</i>	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	305,61	321,83
<i>Fondo clero</i>	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	233,00	200,80
<i>Lavoratori Parasubordinati</i>	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	554,66	596,99
<i>Totale Integrativi</i>	198,61	200,74	202,84	230,95	207,11	194,32	200,30	210,63	217,71	221,79	224,49	227,55	228,99	243,47	245,18

(1) Importi delle pensioni in pagamento a fine anno

(*) L'indice a base 100 è calcolato a partire dal 1989 (vedasi serie tabelle dal 1989 al 2000 sul 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 (%)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
RAPPORTO TRA NUMERO PENSIONI E CONTRIBUENTI															
<i>Lavoratori dipendenti privati</i>	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	61,46
<i>Lavoratori dipendenti pubblici</i>	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	92,46
<i>Artigiani</i>	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	113,79
<i>Commercianti</i>	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	71,69
<i>Coltiv.diretti, coloni e mezzadri</i>	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	302,05
<i>Liberi professionisti</i>	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	33,16
<i>di cui Medici</i>	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	65,97
<i>Fondo clero</i>	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	66,84
<i>Lavoratori Parasubordinati</i>	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	37,56
<i>Totale Integrativi</i>	52,23	52,36	52,73	54,21	47,64	44,55	45,90	46,70	46,67	49,24	50,16	49,96	49,86	51,24	52,80
															71,10
RAPPORTO TRA PENSIONE MEDIA AL NETTO GIAS E REDDITO MEDIO															
<i>Lavoratori dipendenti privati</i>	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	61,34
<i>Lavoratori dipendenti pubblici</i>	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	69,43
<i>Artigiani</i>	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	30,65
<i>Commercianti</i>	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	32,83
<i>Coltiv.diretti, coloni e mezzadri</i>	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	22,50
<i>Liberi professionisti</i>	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	33,55	33,50
<i>di cui Medici</i>	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	17,34	16,70
<i>Fondo clero</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lavoratori Parasubordinati</i>	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	12,64
<i>Totale Integrativi</i>	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	31,16
<i>Totale sistema pensionistico</i>	41,29	41,39	40,90	44,46	45,35	46,92	48,78	49,29	51,61	53,12	50,91	50,56	50,90	51,36	45,35
<i>Totale sist pens n° indice</i>	106,7	107,0	105,7	114,9	117,2	121,3	126,1	127,4	133,4	137,3	131,6	130,7	131,5	132,7	117,2
RAPPORTO TRA PENSIONE MEDIA AL LORDO GIAS E REDDITO MEDIO															
<i>Lavoratori dipendenti privati</i>	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	76,22
<i>Lavoratori dipendenti pubblici</i>	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	69,43
<i>Artigiani</i>	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	40,17
<i>Commercianti</i>	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	39,02
<i>Coltiv.diretti, coloni e mezzadri</i>	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	48,52
<i>Liberi professionisti</i>	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	33,55	33,50
<i>di cui Medici</i>	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	17,34	16,70
<i>Fondo clero</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Lavoratori Parasubordinati</i>	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	13,96
<i>Totale Integrativi</i>	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	31,36

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.

Table 7a - Former Special Funds - pension revenues and expenditure (absolute and % figures)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Trasporti															
Uscite Previdenziali (mln)	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	2.127
% di variazione	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%	-1,3%
Entrate Previdenziali (mln)	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	1.054
% di variazione	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%	-14,7%
saldo	- 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	- 1.073,1
Elettrici															
Uscite Previdenziali (mln)	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	2.631
% di variazione	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%	0,6%
Entrate Previdenziali (mln)	636	588	715	612	609	650	573	566	550	508	614	474	449	437	412
% di variazione	-7,7%	-7,5%	21,5%	-14,4%	-0,5%	6,7%	-11,8%	-1,2%	-2,9%	-7,6%	20,9%	-22,8%	-5,3%	-2,7%	-5,8%
saldo	- 1.613,3	- 1.709,9	- 1.620,3	- 1.768,2	- 1.785,0	- 1.784,1	- 1.907,6	- 1.922,2	- 1.939,2	- 1.963,1	- 1.887,0	- 2.060,5	- 2.142,5	- 2.177,6	- 2.219,6
Telefonici															
Uscite Previdenziali (mln)	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	1.929	1.962
% di variazione	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%	1,8%
Entrate Previdenziali (mln)	802	791	746	739	736	688	684	567	606	590	593	565	604	588	540
% di variazione	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%	-8,1%
saldo	- 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	- 1.422,4
Inpdai															
Uscite Previdenziali (mln)	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	5.624
% di variazione	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%	0,0%
Entrate Previdenziali (mln)	2.363	2.265	2.343	2.197	2.069	2.001	1.965	1.798	1.867	1.668	1.581	1.538	1.479	1.437	1.312
% di variazione	-8,4%	-4,2%	3,4%	-6,2%	-5,8%	-3,3%	-1,8%	-8,5%	3,8%	-10,7%	-5,2%	-2,7%	-3,8%	-2,8%	-8,7%
saldo	- 2.285,5	- 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	- 4.028,3	- 4.159,7	- 4.187,3	- 4.312,5

(1) Ad eccezione del Fondo Trasporti, per gli altri Fondi dall'anno di confluenza nel FPLD, i nuovi iscritti alle gestioni Elettrici, Telefonici Inpdai, versano i contributi al FPLD e non alle gestioni che invece incorporano tutte le nuove pensioni liquidate per questi ex fondi; pertanto i relativi saldi non sono significativi.

Transportation fund: benefit expenditure (millions), % variation; Electricity fund: benefit expenditure (millions), % variation; Telephony fund: benefit expenditure (millions), % variation; INPDAl: benefit expenditure (millions), % variation; Except for the Transportation Fund, for all the other special funds, since the merger into FPLD (INPDAl 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

B31a - Benefits and contributions of the compulsory pension system

Anno	uscite						entrate							
	numero di pensioni	spesa per prestazioni al lordo della GIAS	trasferimenti i GIAS	spesa per pensioni al netto della GIAS (1)	prestazione media al lordo della GIAS	pensione media al netto della GIAS	numero di contribuenti	contributi al lordo dei trasferimenti (2)	trasferimenti i (2)	contributi al netto dei trasferimenti	contributo medio al lordo dei trasferimenti	contributo medio al netto dei trasferimenti	monti retributivi stimati (6)	
2019	mg/l	mln €	mln €	mln €	mg/l €	mg/l €	mg/l €	mln €	mln €	mln €	mg/l €	mg/l €	mln €	
Dipendenti Privati	8.842,04	152.385,19	28.612,68	123.772,51	17,23	14,00	14.551,17	130.113,08	13.354,84	116.758,25	8,94	8,02	361.173,60	
Dipendenti privati INPS	8.618,39	147.929,28	27.634,96	120.294,33	17,16	13,96	14.244,45	127.208,28	13.329,48	113.878,79	8,93	7,99	351.369,00	
Fondo Pensioni Lavoratori Dip.	7.992,97	129.873,62	27.215,05	102.658,57	16,25	12,84	14.003,60	122.844,68	13.196,61	109.648,07	8,77	7,83	338.800,00	
Fondo Trasporti	98,77	2.201,33	46,45	2.154,88	22,29	21,82	99,00	1.235,23	116,18	1.119,05	12,48	11,30	3.290,00	
Fondo Telefonici	73,64	1.979,84	51,16	1.928,69	26,89	26,19	44,00	587,77	1,61	586,16	13,36	13,32	1.763,00	
Fondo Elettrici	96,36	2.663,13	48,34	2.614,80	27,64	27,14	23,90	437,20	4,70	432,50	18,29	18,10	1.300,00	
Fondo Volo	7,38	338,16	16,34	321,82	45,83	43,61	12,16	176,34	4,29	172,05	14,50	14,15	434,00	
Fondo Imposte di consumo	6,89	128,51	3,62	124,88	18,66	18,14	0,00	0,01	0,00	0,01	0,00	0,00	0,00	
Fondo Enti Pubblici Creditizi (4)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Dipendenti delle FFSS	212,26	4.957,44	91,32	4.866,12	23,36	22,92	35,58	489,79	0,00	489,79	13,77	13,77	1.522,00	
Istituto Dirigenti di Azienda	130,13	5.787,25	162,68	5.624,57	44,47	43,22	26,21	1.437,26	6,10	1.431,17	54,84	54,60	4.260,00	
Altri Fondi Dip. Privati	68,86	1.569,58	96,44	1.473,14	22,79	21,39	176,20	1.694,88	19,98	1.674,90	9,62	9,51	5.960,60	
Istituto Giornalisti	9,88	537,75	0,00	537,75	54,45	54,45	14,73	360,34	0,00	360,34	24,47	24,47	990,60	
Ente Lavoratori Spettacolo	58,98	1.031,84	96,44	935,39	17,49	15,86	161,48	1.334,54	19,98	1.314,56	8,26	8,14	4.970,00	
Fondi ex Aziende Autonome	154,80	2.886,32	881,28	2.005,04	18,65	12,95	130,51	1.209,92	5,37	1.204,55	9,27	9,23	3.844,00	
Dipendenti delle Poste e Tel.	154,80	2.886,32	881,28	2.005,04	18,65	12,95	130,51	1.209,92	5,37	1.204,55	9,27	9,23	3.844,00	
Dipendenti Pubblici (5)	2.998,84	73.533,00	0,00	73.533,00	24,52	24,52	3.301,00	39.902,38	15,64	39.886,75	12,09	12,08	118.043,00	
Cassa Dipendenti Enti Locali	1.134,09	23.033,57	0,00	23.033,57	20,31	20,31	1.189,00	12.530,58	5,86	12.524,72	10,54	10,53	37.555,00	
Cassa Insegnanti di Asilo	16,50	306,16	0,00	306,16	18,56	18,56	25,00	196,17	0,09	196,08	7,85	7,84	605,00	
Cassa Sanitari	81,78	4.820,97	0,00	4.820,97	58,95	58,95	117,00	3.242,74	8,16	3.234,58	27,72	27,65	9.500,00	
Cassa Ufficiali Giudiziari	3,10	62,81	0,00	62,81	20,26	20,26	4,00	45,21	0,00	45,21	11,30	11,30	120,00	
Dipendenti dello Stato	1.763,37	45.309,48	0,00	45.309,48	25,69	25,69	1.966,00	23.887,69	1,52	23.886,16	12,15	12,15	70.263,00	
Autonomi e Professionisti	4.936,41	39.431,04	9.013,76	30.417,28	7,99	6,16	5.359,80	29.559,45	585,95	28.973,50	5,52	5,41	131.305,71	
Autonomi INPS	4.516,03	34.394,13	9.013,72	25.380,41	7,62	5,62	4.041,64	20.675,74	575,92	20.099,82	5,12	4,97	84.230,00	
Fondo Artigiani	1.726,48	15.024,84	3.351,72	11.673,12	8,70	6,76	1.552,77	8.468,79	269,90	8.198,89	5,45	5,28	34.800,00	
Fondo Commercianti	1.433,22	11.703,50	1.698,68	10.004,82	8,17	6,98	2.044,00	10.884,51	257,72	10.626,79	5,33	5,20	44.300,00	
Fondo CDCM (3)	1.356,33	7.665,79	3.963,31	3.702,48	5,65	2,73	444,86	1.322,44	48,30	1.274,14	2,97	2,86	5.130,00	
Liberi Professionisti	420,38	5.036,91	0,05	5.036,87	11,98	11,98	1.318,16	8.883,71	10,03	8.873,67	6,74	6,73	47.075,71	
Casse priv. 509 (escluso ENPAM)	166,26	3.144,96	0,05	3.144,92	18,92	18,92	745,80	5.394,98	10,03	5.384,94	7,23	7,22	27.357,92	
ENPAM (a) (b)	234,80	1.835,09	0,00	1.835,09	7,82	7,82	371,47	2.970,20	0,00	2.970,20	8,00	8,00	16.745,29	
Casse priv. 103	19,33	56,86	0,00	56,86	2,94	2,94	200,89	518,53	0,00	518,53	2,58	2,58	2.972,50	
Fondo Clero	12,24	103,08	12,47	90,62	8,42	7,41	17,90	31,15	0,00	31,15	1,74	1,74	0,00	
Gestione Parasubordinati	472,43	1.312,13	131,32	1.180,81	2,78	2,50	1.330,00	8.572,13	395,68	8.176,46	6,45	6,15	28.900,00	
Totale Integrativi	160,45	1.269,75	9,14	1.260,61	7,91	7,86	313,16	1.235,88	10,46	1.225,42	3,95	3,91	8.141,96	
Sis: netto GIAS	17.422,41	268.034,19	37.779,38	230.254,81	15,38	13,22	24.873,02	209.398,44	14.362,56	195.035,88	8,42	7,84	647.564,27	

(1) La spesa per pensioni al netto GIAS è al lordo della integrazione al minimo a carico di ogni singola gestione e della Gias per i dipendenti pubblici (vedasi tabella prestazioni assistenziali e nota 3 in tabella 1 a).

(2) Si tratta di trasferimenti a carico dello Stato e di altre gestioni (si veda nota 1, seconda algebra in tabella 1a).

(3) Per la gestione CDCM, 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.

(5) Per i dipendenti pubblici sono riportati i contributi al lordo e al netto dei trasferimenti, escluso il contributo aggiuntivo a carico dello stato di cui alla nota 2 di tabella 1a.

(6) Si tratta di una stima su dati Inps e Agenzia delle Entrate sul totale dei redditi da lavoro dipendente e autonomo per ciascuna categoria di lavoratori.

(a) Vedasi nota a), in tabella 4 - (b) Vedasi nota b), in tabella 4

(1) La spesa per pensioni al netto GIAS è al lordo della integrazione al minimo a carico di ogni singola gestione e della Gias per i dipendenti pubblici (vedasi tabella prestazioni assistenziali e nota 3 in tabella 1 a).

(2) Si tratta di trasferimenti a carico dello Stato e di altre gestioni (si veda nota 1, seconda alinea in tabella 1a).

(3) Per la gestione CDCM, 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.

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(6) Si tratta di una stima su dati Inps e Agenzia delle Entrate sul totale dei redditi da lavoro dipendente e autonomo per ciascuna categoria di lavoratori.

a) Vedasi nota a), in tabella 4 - (b) Vedasi nota b), in tabella 4

Year 2019 - number of pension - 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 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, (1) expenditure for pensions net of Gias and gross of the integration to the minimum load of each individual management of Gias for public employees (2) these are references made by the state and by other administrations (3) For the CDCM management, the number of pensions, 1,356,328 includes 201,101 pensions before 1/1/1989 in the hands of GIAS, while the amount of 3,702.48 million does not include 1,131 million recorded in the GIAS. (4) The Fund merged into FPLDs in 2013 (5) For public employees, the contributions gross and net of transfers are shown, excluding the additional contribution to be paid by the state as per note 2 of table 1a. (6) This is an estimate based on INPS and Revenue Agency data on the total income from dependent and self-employed work for each category of workers.

Table B.31b- Benefits and contributions of the compulsory pension system

Anno	Rapporto tra spesa per prestazioni al lordo GIAS e contributi al lordo dei trasferimenti (1)	Rapporto tra spesa per prestazioni al netto GIAS e contributi al lordo dei trasferimenti (1)	Rapporto tra spesa per pensioni al netto GIAS e contributi al netto dei trasferimenti (1)	Aliquota di equilibrio contabile (2)	Rapporto percentuale tra numero di pensioni e numero di contribuenti	Rapporto percentuale tra pensione media al lordo GIAS e contributo medio al lordo dei trasferimenti	Rapporto contabile tra pensione media al netto GIAS e reddito medio (4)
2019							
Dipendenti Privati	117,12	95,13	106,01	34,27	60,77	192,74	56,40
<i>Dipendenti privati INPS</i>	116,29	94,56	105,63	34,24	60,50	192,20	56,59
Fondo Pensioni Lavoratori Dip.	105,72	83,57	93,63	30,30	57,08	185,22	53,09
Fondo Trasporti	178,21	174,45	192,56	65,50	99,76	178,63	65,65
Fondo Telefonici (3)	336,84	328,13	329,04	109,40	167,35	201,27	65,37
Fondo Elettrici (3)	609,14	598,08	604,58	201,14	403,18	151,08	49,89
Fondo Volo (3)	191,77	182,50	187,05	74,15	60,67	316,10	122,23
Fondo Imposte di consumo (3)	2393184,70	2325696,11	2325696,11	0,00	0,00	0,00	0,00
Fondo Enti Pubblici Creditizi (3)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dipendenti delle FFSS (3)	1012,15	993,50	993,50	319,72	596,58	169,66	53,59
Istituto Dirigenti di Azienda (3)	402,66	391,34	393,01	132,03	496,48	81,10	26,59
<i>Altri Fondi Dip. Privati</i>	92,61	86,92	87,95	24,71	39,08	236,98	63,24
Istituto Giornalisti	149,23	149,23	149,23	54,28	67,06	222,53	80,95
Ente Lavoratori Spettacolo	77,32	70,09	71,16	18,82	36,53	211,68	51,53
<i>Fondi ex Aziende Autonome</i>	238,55	165,72	166,46	52,16	118,61	201,13	43,98
Dipendenti delle Poste e Tel.	238,55	165,72	166,46	52,16	118,61	201,13	43,98
Dipendenti Pubblici	184,28	184,28	184,35	62,29	90,85	202,85	68,57
Cassa Dipendenti Enti Locali	183,82	183,82	183,90	61,33	95,38	192,72	64,30
Cassa Insegnanti di Asilo	156,07	156,07	156,14	50,61	65,99	236,50	76,68
Cassa Sanitari	148,67	148,67	149,04	50,75	69,90	212,69	72,60
Cassa Ufficiali Giudiziari	138,95	138,95	138,95	52,35	77,53	179,24	67,52
Dipendenti dello Stato	189,68	189,68	189,69	64,49	89,69	211,47	71,90
Autonomi e Professionisti	133,40	102,90	104,98	23,17	92,10	144,84	25,15
<i>Autonomi INPS</i>	166,35	122,75	126,27	30,13	111,74	148,88	26,97
Fondo Artigiani	177,41	137,84	142,37	33,54	111,19	159,56	30,17
Fondo Commercianti	107,52	91,92	94,15	22,58	70,12	153,35	32,21
Fondo CDCM	579,67	279,97	290,59	72,17	304,89	190,13	23,67
<i>Liberi Professionisti</i>	56,70	56,70	56,76	10,70	31,89	177,78	33,55
Casse priv. 509 (escluso ENPAM)	58,29	58,29	58,40	11,50	22,29	261,50	51,57
ENPAM	61,78	61,78	61,78	10,96	63,21	97,75	17,34
Casse priv. 103	10,97	10,97	10,97	1,91	9,62	113,97	19,88
Fondo Clero	330,89	290,88	290,88	0,00	68,36	484,06	0,00
Gestione Parasubordinati	15,31	13,77	14,44	4,09	35,52	43,09	11,50
Totale Integrativi	102,74	102,00	102,87	15,48	51,24	200,52	30,22
Sistema Pens. Obblig. di Base	128,00	109,96	118,06	35,56	70,05	182,74	50,76

(1) Dati in Tabella 1a e B31 a

(2) L'aliquota di equilibrio è il risultato del rapporto tra la spesa per pensioni al netto della Gias e i monti retributivi stimati in tabella B31 a.

(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.

(4) Rapporto tra pensione media al netto della Gias (Tabella B31 a) e reddito medio frutto del rapporto tra monti retributivi e numero di contribuenti di ciascuna categoria di lavoratori.

(1) Data in Table 1a and B31a

(2) The equilibrium rate is the result of the ratio between pension expenditure net of the Gias and the estimated wages in table B31 a.

(3) They are former Special and autonomous Funds (in the INPDAl case) merged into FPLDs with separate accounts. However, from the date of merging into the FPLD, new members and their contributions are accounted for in the FPLD and not in separate accounts.

(4) Ratio between average pension net of the Gias (Table B31 a) and average income resulting from the ratio between wages and the number of taxpayers of each category of workers.

Table B.32.a - Benefits and contributions of the compulsory pension system

Anno	uscite						entrate							
	numero di pensioni	spesa per prestazioni al lordo della GIAS	trasferimenti GIAS	spesa per pensioni al netto della GIAS (1)	prestazione media al lordo della GIAS	pensione media al netto della GIAS	numero di contribuenti	contributi al lordo dei trasferimenti (2)	trasferimenti (2)	contributi al netto dei trasferimenti	contributo medio al lordo dei trasferimenti	contributo medio al netto dei trasferimenti	monti retributivi stimati (6)	
		mgli	mln €	mln €	mln €	mgli €		mgli €	mgli €	mln €	mln €	mgli €	mgli €	mgli €
2020														
Dipendenti Privati	8.735,21	155.210,09	30.305,46	124.904,63	17,77	14,30	14.213,45	116.240,87	9.078,12	107.162,75	8,18	7,54	331.329,40	
Dipendenti privati INPS	8.506,10	150.535,37	29.007,88	121.527,49	17,70	14,29	13.951,68	113.473,56	9.049,85	104.423,70	8,13	7,48	322.472,00	
Fondo Pensioni Lavoratori Dip.	7.885,81	132.368,61	28.495,60	103.873,00	16,79	13,17	13.725,00	105.076,18	4.343,56	100.732,61	7,66	7,34	311.100,00	
Fondo Trasporti	96,78	2.173,99	48,95	2.125,04	22,46	21,96	95,35	1.023,71	118,26	905,44	10,74	9,50	2.967,00	
Fondo Telefonici	73,64	1.985,60	44,37	1.941,23	26,96	26,36	42,30	534,97	1,61	533,36	12,65	12,61	1.667,00	
Fondo Elettrici	95,63	2.665,63	45,55	2.620,08	27,87	27,40	22,50	409,32	1,47	407,85	18,19	18,13	1.217,00	
Fondo Volo	7,41	343,37	13,59	329,78	46,33	44,49	11,93	118,03	0,80	117,23	9,89	9,82	291,00	
Fondo Imposte di consumo	6,56	123,02	3,16	119,86	18,76	18,28	0,00	120,75	120,66	0,10	0,00	0,00	0,00	
Fondo Enti Pubblici Creditizi (4)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Dipendenti delle FFSS	210,16	5.035,09	140,49	4.894,59	23,96	23,29	30,25	4.879,03	4.458,03	420,99	161,29	13,92	1.280,00	
Istituto Dirigenti di Azienda	130,10	5.840,06	216,16	5.623,90	44,89	43,23	24,35	1.311,57	5,46	1.306,12	53,86	53,64	3.950,00	
Altri Fondi Dip. Privati	69,34	1.598,42	108,77	1.489,65	23,05	21,48	135,18	1.432,94	19,69	1.413,25	10,60	10,45	5.034,40	
Istituto Giornalisti	9,94	547,10	0,00	547,10	55,02	55,02	14,72	340,61	0,00	340,61	23,14	23,14	964,70	
Ente Lavoratori Spettacolo	59,40	1.051,32	108,77	942,55	17,70	15,87	120,47	1.092,33	19,69	1.072,64	9,07	8,90	4.069,70	
Fondi ex Aziende Autonome	159,78	3.076,31	1.188,82	1.887,49	19,25	11,81	126,59	1.334,38	8,58	1.325,80	10,54	10,47	3.823,00	
Dipendenti delle Poste e Tel.	159,78	3.076,31	1.188,82	1.887,49	19,25	11,81	126,59	1.334,38	8,58	1.325,80	10,54	10,47	3.823,00	
Dipendenti Pubblici (5)	3.056,45	76.569,19	0,00	76.569,19	25,05	25,05	3.305,80	40.141,80	104,70	40.037,11	12,14	12,11	119.276,58	
Cassa Dipendenti Enti Locali	1.162,65	24.371,19	0,00	24.371,19	20,96	20,96	1.180,00	12.435,01	38,07	12.396,95	10,54	10,51	37.760,00	
Cassa Insegnanti di Asilo	16,76	317,14	0,00	317,14	18,92	18,92	24,00	184,82	0,69	184,13	7,70	7,67	616,80	
Cassa Sanitari	85,21	5.157,36	0,00	5.157,36	60,53	60,53	118,00	3.478,50	14,81	3.463,69	29,48	29,35	9.699,60	
Cassa Ufficiali Giudiziari	3,17	65,96	0,00	65,96	20,79	20,79	3,80	44,75	0,15	44,60	11,78	11,74	118,18	
Dipendenti dello Stato	1.788,66	46.657,54	0,00	46.657,54	26,09	26,09	1.980,00	23.998,72	50,98	23.947,74	12,12	12,09	71.082,00	
Autonomi e Professionisti	4.940,56	40.099,53	9.526,62	30.572,91	8,12	6,19	5.310,30	29.528,50	610,10	28.918,40	5,56	5,45	129.525,20	
Autonomi INPS	4.500,85	34.761,71	9.526,58	25.235,13	7,72	5,61	3.984,35	20.314,02	604,49	19.709,53	5,10	4,95	81.470,00	
Fondo Artigiani	1.741,16	15.357,56	3.640,15	11.717,41	8,82	6,73	1.530,13	8.319,10	281,60	8.037,50	5,44	5,25	33.600,00	
Fondo Commercianti	1.448,15	11.973,33	1.900,66	10.072,67	8,27	6,96	2.020,00	10.679,88	275,76	10.404,12	5,29	5,15	42.800,00	
Fondo CDCM (3)	1.311,54	7.430,82	3.985,76	3.445,06	5,67	2,63	434,22	1.315,04	47,13	1.267,91	3,03	2,92	5.070,00	
Liberi Professionisti	439,71	5.337,82	0,05	5.337,78	12,14	12,14	1.325,95	9.214,48	5,61	9.208,87	6,95	6,95	48.055,20	
Casse priv. 509 (escluso ENPAM)	170,99	3.235,68	0,05	3.235,64	18,92	18,92	745,47	5.494,21	5,61	5.488,60	7,37	7,36	26.632,60	
ENPAM (a) (b)	247,65	2.038,25	0,00	2.038,25	8,23	8,23	375,38	3.218,87	0,00	3.218,87	8,57	8,57	18.500,19	
Casse priv. 103	21,07	63,90	0,00	63,90	3,03	3,03	205,10	501,40	0,00	501,40	2,44	2,44	2.922,41	
Fondo Clero	11,90	86,37	12,52	73,86	7,26	6,21	17,80	31,03	0,00	31,03	1,74	1,74	0,00	
Gestione Parasubordinati	498,07	1.488,92	140,63	1.348,29	2,99	2,71	1.326,00	8.167,44	402,36	7.765,08	6,16	5,86	28.400,00	
Totale Integrativi	159,99	1.274,95	8,32	1.266,64	7,97	7,92	302,99	1.290,04	108,98	1.181,07	4,26	3,90	7.699,36	
Sist netto gias	17.402,19	274.729,06	39.993,55	234.735,52	15,79	13,49	24.476,34	195.399,68	10.304,26	185.095,42	7,98	7,56	616.230,53	

- (1) La spesa per pensioni al netto GIAS è al lordo della integrazione al minimo a carico di ogni singola gestione e della Gias per i dipendenti pubblici (vedasi tabella prestazioni assistenziali e nota 3 in tabella 1 a).
- (2) Si tratta di trasferimenti a carico dello Stato e di altre gestioni (si veda nota 1, seconda alinea in tabella 1a).
- (3) Per la gestione CDCM, nel numero delle pensioni, 1.311.543 sono comprese 170.807 pensioni ante 1/1/1989 in carico alla GIAS, mentre nell'importo di 3.445,94 milioni non sono compresi 976,48 milioni contabilizzati nella GIAS.
- (4) Il Fondo è confluito in FPLD nel 2013.
- (5) Per i dipendenti pubblici sono riportati i contributi al lordo e al netto dei trasferimenti, incluso il versamento per la copertura del mancato gettito contributivo ed escluso il contributo aggiuntivo a carico dello stato di cui alla nota 2 di tabella 1a.
- (6) Si tratta di una stima su dati Inps e Agenzia delle Entrate sul totale dei redditi da lavoro dipendente e autonomo per ciascuna categoria di lavoratori.
- (a) Vedasi nota a), in tabella 4 - (b) Vedasi nota b), in tabella 4

(1) expenditure for pensions net of GIAS and gross of the integration to the minimum load of each individual management of Gias for public employees (2) these are references made by the state and by other administrations (3) For the CDCM management, the number of pensions, 1,311,543 includes 170,807 pensions before 1/1/1989 in the hands of GIAS, while the amount of 3,445,94 million does not include 976,48 million recorded in the GIAS. (4) The Fund merged into FPLDs in 2013 (5) For public employees, the contributions gross and net of transfers are shown, excluding the additional contribution to be paid by the state as per note 2 of table 1a. (6) This is an estimate based on INPS and Revenue Agency data on the total income from dependent and self-employed work for each category of workers.

Table B.32.b- Benefits and contributions of the compulsory pension system

Anno	Rapporto tra spesa per prestazioni al lordo GIAS e contributi al lordo dei trasferimenti (1)	Rapporto tra spesa per prestazioni al netto GIAS e contributi al lordo dei trasferimenti (1)	Rapporto tra spesa per pensioni al netto GIAS e contributi al netto dei trasferimenti (1)	Aliquota di equilibrio contabile (2)	Rapporto percentuale tra numero di pensioni e numero di contribuenti	Rapporto percentuale tra pensione media al lordo GIAS e contributo medio al lordo dei trasferimenti	Rapporto contabile tra pensione media al netto GIAS e reddito medio (4)
2020							
Dipendenti Privati	133,52	107,45	116,56	37,70	61,46	217,26	61,34
<i>Dipendenti privati INPS</i>	132,66	107,10	116,38	37,69	60,97	217,59	61,81
Fondo Pensioni Lavoratori Dip.	125,97	98,85	103,12	33,39	57,46	219,25	58,11
Fondo Trasporti	212,36	207,58	234,70	71,62	101,50	209,23	70,57
Fondo Telefonici (3)	371,16	362,87	363,97	116,45	174,10	213,19	66,89
Fondo Elettrici (3)	651,23	640,10	642,41	215,29	425,04	153,22	50,65
Fondo Volo (3)	290,93	279,41	281,31	113,33	62,12	468,34	182,44
Fondo Imposte di consumo (3)	101,88	99,26	121.361,10	0,00	0,00	0,00	0,00
Fondo Enti Pubblici Creditizi (3)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dipendenti delle FFSS (3)	103,20	100,32	1.162,63	382,39	694,76	14,85	55,04
Istituto Dirigenti di Azienda (3)	445,27	428,79	430,58	142,38	534,28	83,34	26,65
<i>Altri Fondi Dip. Privati</i>	111,55	103,96	105,41	29,59	51,29	217,47	57,69
Istituto Giornalisti	160,63	160,63	160,63	56,71	67,56	237,76	83,94
Ente Lavoratori Spettacolo	96,25	86,29	87,87	23,16	49,31	195,20	46,97
<i>Fondi ex Aziende Autonome</i>	230,54	141,45	142,37	49,37	126,22	182,65	39,12
Dipendenti delle Poste e Tel.	230,54	141,45	142,37	49,37	126,22	182,65	39,12
Dipendenti Pubblici	190,75	190,75	191,25	64,19	92,46	206,31	69,43
Cassa Dipendenti Enti Locali	195,99	195,99	196,59	64,54	98,53	198,91	65,51
Cassa Insegnanti di Asilo	171,59	171,59	172,23	51,42	69,84	245,70	73,62
Cassa Sanitari	148,26	148,26	148,90	53,17	72,21	205,32	73,63
Cassa Ufficiali Giudiziari	147,40	147,40	147,90	55,81	83,50	176,52	66,84
Dipendenti dello Stato	194,42	194,42	194,83	65,64	90,34	215,21	72,66
Autonomi e Professionisti	135,80	103,54	105,72	23,60	93,04	145,96	25,37
<i>Autonomi INPS</i>	171,12	124,23	128,04	30,97	112,96	151,48	27,42
Fondo Artigiani	184,61	140,85	145,78	34,87	113,79	162,23	30,65
Fondo Commercianti	112,11	94,31	96,81	23,53	71,69	156,38	32,83
Fondo CDCM	565,07	261,97	271,71	67,95	302,05	187,08	22,50
<i>Liberi Professionisti</i>	57,93	57,93	57,96	11,11	33,16	174,68	33,50
Casse priv. 509 (escluso ENPAM)	58,89	58,89	58,95	12,15	22,94	256,75	52,97
ENPAM	63,32	63,32	63,32	11,02	65,97	95,98	16,70
Casse priv. 103	12,74	12,74	12,74	2,19	10,27	124,06	21,29
Fondo Clero	278,40	238,06	238,06	0,00	66,84	416,48	0,00
Gestione Parasubordinati	18,23	16,51	17,36	4,75	37,56	48,53	12,64
Totale Integrativi	98,83	98,19	107,25	16,45	52,80	187,17	31,16
Sistema Pens. Obblig. di Base	140,60	120,13	126,82	38,09	71,10	197,75	53,58

(1) Dati in Tabella 1a e B32 a

(2) L'aliquota di equilibrio è il risultato del rapporto tra la spesa per pensioni al netto della Gias e i monti retributivi stimati in tabella B32 a.

(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.

(4) Rapporto tra pensione media al netto della Gias (Tabella B32 a) e reddito medio frutto del rapporto tra monti retributivi e numero di contribuenti di ciascuna categoria di lavoratori.

(1) Data in Table 1a and B32b

(2) The equilibrium rate is the result of the ratio between pension expenditure net of the Gias and the estimated wages in table B32a.

(3) They are former Special and autonomous Funds (in the INPDAl case) merged into FPLDs with separate accounts. However, from the date of merging into the FPLD, new members and their contributions are accounted for in the FPLD and not in separate accounts.

(4) Ratio between average pension net of the GIAS (Table B32 a) and average income resulting from the ratio between wages and the number of taxpayers of each category of workers.

Table 1b - Contribution income and expenditure for pensions and welfare supplements - Privatized Professional Funds pursuant to Legislative Decree No. 509/94 (million euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Consulenti del lavoro															
- contributi	84,23	86,53	91,32	97,54	112,43	114,89	122,76	150,52	161,95	169,21	169,68	168,49	174,98	179,14	181,92
- prestazioni	44,88	49,03	54,32	62,05	66,28	71,88	79,38	88,68	94,41	101,78	105,93	110,73	117,70	129,11	132,22
- saldi	39,35	37,50	37,01	35,49	46,15	43,01	43,38	61,84	67,54	67,43	63,75	57,75	57,28	50,04	49,71
2. Veterinari															
- contributi	47,03	50,98	55,93	60,38	67,14	73,10	79,80	86,06	89,96	95,85	100,22	107,41	114,28	121,37	132,13
- prestazioni	24,34	25,29	26,08	27,26	28,92	30,70	32,64	34,79	36,20	37,26	38,58	40,76	43,21	47,03	52,14
- saldi	22,70	25,69	29,85	33,12	38,22	42,41	47,16	51,27	53,76	58,58	61,64	66,64	71,07	74,34	80,00
3. Farmacisti															
- contributi	241,03	241,06	246,32	254,33	258,51	256,09	254,18	259,24	259,66	261,77	264,38	266,65	266,73	266,66	265,64
- prestazioni	145,00	147,84	149,53	155,21	154,95	157,84	160,49	162,97	159,70	157,10	154,15	150,80	152,44	153,04	154,71
- saldi	96,03	93,23	96,79	99,13	103,56	98,25	93,69	96,27	99,96	104,67	110,23	115,85	114,29	113,62	110,93
4. Avvocati															
- contributi	646,56	707,48	782,31	883,20	1.075,38	1.308,54	1.326,27	1.444,97	1.474,50	1.515,55	1.578,37	1.616,66	1.575,85	1.696,66	1.741,72
- prestazioni	502,79	537,93	562,56	592,74	622,72	640,67	670,68	710,14	746,54	765,69	788,29	802,26	820,21	862,04	873,48
- saldi	143,77	169,55	219,75	290,46	452,67	667,86	655,60	734,83	727,95	749,86	790,08	814,40	755,64	834,61	868,24
5. Incassata															
- contributi	556,91	591,00	640,74	665,09	661,04	733,46	923,48	1.059,26	1.017,86	984,61	1.080,72	1.066,48	1.066,48	1.128,17	1.181,93
- prestazioni	213,30	228,33	248,96	277,58	298,93	328,36	375,20	431,22	493,67	534,90	576,15	614,17	657,43	704,16	746,63
- saldi	343,61	362,67	391,78	387,51	362,11	405,10	548,28	628,04	524,18	449,71	504,57	452,31	409,05	424,01	435,30
6. Geometri															
- contributi	316,81	367,81	388,32	396,51	390,13	409,86	416,02	430,70	427,15	467,82	495,41	518,54	511,70	546,45	553,29
- prestazioni	271,48	302,79	330,29	350,75	376,03	393,67	421,25	437,47	453,92	470,34	477,24	489,60	490,64	504,15	510,28
- saldi	45,33	65,01	58,03	45,77	14,11	16,18	-5,23	-6,77	-26,77	-2,53	18,17	28,94	21,06	42,30	43,01
7. Ragionieri															
- contributi	231,78	243,39	250,43	252,05	258,86	249,98	254,28	270,81	278,25	279,89	293,10	301,21	311,07	296,00	287,91
- prestazioni	121,96	133,64	145,47	158,81	171,14	184,55	202,60	209,56	222,78	225,96	226,77	224,81	232,42	235,60	237,03
- saldi	109,82	109,76	104,96	93,24	87,73	65,43	51,68	61,25	55,46	53,93	66,33	76,40	78,65	60,40	50,88
8. Commercialisti															
- contributi	429,35	467,02	514,09	548,47	555,91	580,79	618,99	664,78	721,01	729,86	757,55	791,76	825,76	866,39	888,98
- prestazioni	143,18	152,77	163,43	176,91	190,78	202,08	213,15	227,40	242,29	253,03	260,84	272,04	282,01	297,98	313,88
- saldi	286,17	314,26	350,65	371,56	365,13	378,72	405,84	437,37	478,72	476,83	496,71	519,73	543,74	568,41	575,10
9. Notai															
- contributi	238,41	209,87	209,75	198,77	204,69	196,70	196,53	214,73	252,18	263,81	291,18	289,24	293,07	294,15	267,30
- prestazioni	153,31	159,99	166,22	172,43	175,48	179,20	183,60	190,35	198,13	201,68	204,57	206,42	208,10	211,81	215,28
- saldi	85,10	49,88	43,54	26,34	29,21	17,50	12,93	24,38	54,05	62,13	86,62	82,82	84,97	82,34	52,03
10. Giornalisti - Gestione Sostitutiva															
- contributi	346,31	370,72	393,53	388,19	385,63	381,47	383,05	382,53	359,78	351,25	374,80	360,88	362,92	360,34	340,61
- prestazioni	287,87	304,95	321,67	346,18	369,93	392,49	408,58	428,97	447,34	463,75	488,68	513,44	529,55	537,75	547,10
- saldi	58,44	65,77	71,86	42,01	15,70	-11,02	-25,53	-46,44	-87,55	-112,50	-113,88	-152,57	-166,63	-177,40	-206,49
11. Medici															
- contributi	1.634,42	1.754,66	1.827,61	1.960,03	2.054,11	2.132,98	2.150,97	2.208,81	2.246,32	2.375,70	2.518,96	2.648,44	2.917,68	2.970,20	3.218,87
- prestazioni	920,53	949,37	989,05	1.016,75	1.043,91	1.078,87	1.159,33	1.238,28	1.286,29	1.340,98	1.429,06	1.520,81	1.649,21	1.835,09	2.038,25
- saldi	713,89	805,29	838,56	943,28	1.010,20	1.054,11	991,65	970,53	960,04	1.034,72	1.089,90	1.127,64	1.268,47	1.135,11	1.180,62
TOTALE GESTIONI PENSIONISTICHE															
- contributi	4.772,84	5.090,53	5.400,34	5.704,57	6.023,83	6.437,86	6.726,34	7.172,41	7.288,61	7.495,32	7.924,36	8.135,76	8.420,52	8.725,52	9.060,30
- prestazioni	2.828,63	2.991,93	3.157,57	3.336,67	3.499,06	3.660,30	3.906,90	4.159,83	4.381,28	4.552,48	4.750,23	4.945,84	5.182,92	5.517,75	5.820,98
- saldi	1.944,21	2.098,60	2.242,77	2.367,90	2.524,77	2.777,56	2.819,44	3.012,57	2.907,33	2.942,83	3.174,12	3.189,92	3.237,60	3.207,77	3.239,32
Spesa pensionistica in % del PIL	0,189%	0,193%	0,200%	0,220%	0,225%	0,232%	0,249%	0,267%	0,281%	0,292%	0,283%	0,288%	0,291%	0,309%	0,352%

(1) Nel totale delle Casse mancano Enpaia, Fasc ed Enasarco, inseriti al punto 7 della tabella 1.a; i dati della presente tabella rappresentano l'analisi di dettaglio del punto 4 della tabella 1.a relativa agli Enti di cui al D.Lgs. N°509/94

(2) E' possibile che i dati relativi agli anni precedenti analizzati nei Rapporti annuali abbiano subito piccole variazioni dovute ad assestamenti dei bilanci successivi.

(3) Tutte le annualità antecedenti il 2006 (di ogni tabella) sono consultabili nelle serie storiche disponibili sul sito web www.itinerari prevideniali.it nella sezione Rapporti.

Table 1.c - Contribution income and expenditure for pensions and welfare supplements - Professional Social Security Funds pursuant to Legislative Decree No. 103/96 (million euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. Periti industriali															
- contributi	46,49	49,98	54,80	55,94	53,84	55,90	64,40	68,73	69,41	81,35	87,44	93,73	99,10	107,39	96,53
- prestazioni	1,13	1,64	2,13	3,07	3,78	4,61	5,72	7,85	8,83	11,07	13,75	13,96	16,93	20,02	21,06
- saldi	45,36	48,34	52,66	52,87	50,06	51,29	58,68	60,88	60,57	70,28	73,69	79,76	82,17	87,37	75,47
2. Psicologi															
- contributi	55,00	55,00	61,43	65,70	71,86	79,26	83,98	89,02	92,63	100,63	108,99	114,24	130,17	143,65	155,54
- prestazioni	0,78	0,78	1,11	1,78	0,87	2,67	3,55	4,19	5,19	6,13	7,30	8,20	9,30	11,16	13,30
- saldi	54,22	54,22	60,32	63,92	71,00	76,59	80,42	84,82	87,44	94,49	101,69	106,04	120,87	132,50	142,24
3. Infermieri															
- contributi	34,91	43,52	37,67	35,51	41,33	47,48	65,93	68,78	79,74	83,79	92,80	95,79	93,18	91,13	92,75
- prestazioni	0,15	0,23	0,35	0,53	0,79	0,98	1,39	1,70	2,07	2,54	3,12	3,67	4,16	4,77	5,52
- saldi	34,76	43,29	37,31	34,98	40,55	46,50	64,55	67,09	77,67	81,25	89,68	92,12	89,03	86,36	87,23
4. Biologi															
- contributi	24,42	27,16	28,43	29,35	30,94	29,54	30,21	33,10	36,87	41,87	48,11	50,56	52,94	58,47	45,85
- prestazioni	0,13	0,22	0,37	0,50	0,73	0,93	1,59	1,76	2,19	2,54	3,19	3,85	4,58	5,56	6,73
- saldi	24,29	26,95	28,06	28,85	30,21	28,61	28,62	31,33	34,68	39,32	44,92	46,71	48,36	52,90	39,13
5. Agrotecnici															
- contributi	1,13	1,16	1,25	1,35	1,45	1,56	1,67	1,75	1,91	2,28	2,56	2,68	3,00	3,35	4,01
- prestazioni	0,00	0,00	0,00	0,03	0,00	0,01	0,02	0,02	0,02	0,02	0,02	0,02	0,02	0,03	0,05
- saldi	1,13	1,16	1,25	1,32	1,45	1,55	1,65	1,74	1,90	2,27	2,54	2,66	2,98	3,32	3,96
6. Periti agrari															
- contributi	6,59	6,01	6,36	6,64	8,42	6,48	7,47	7,59	7,77	8,19	8,26	8,17	8,40	8,49	8,23
- prestazioni	0,23	0,28	0,28	0,39	0,42	0,47	0,55	0,56	0,64	0,75	0,87	0,99	1,06	1,21	1,45
- saldi	6,36	5,73	6,08	6,25	8,01	6,01	6,92	7,03	7,13	7,43	7,39	7,19	7,34	7,29	6,79
7. Pluricategoriale															
- contributi	43,67	50,16	51,19	51,45	52,00	52,35	54,62	53,57	54,19	53,10	55,34	53,24	55,31	61,05	56,58
- prestazioni	0,60	0,86	1,16	1,49	1,84	2,42	3,05	4,12	4,80	5,35	6,23	7,24	7,71	8,76	9,76
- saldi	43,07	49,30	50,04	49,96	50,16	49,93	51,57	49,46	49,39	47,75	49,10	46,01	47,59	52,29	46,82
8. Giornalisti - Gestione Separata															
- contributi	26,39	27,71	27,33	28,16	22,69	47,60	45,75	42,95	46,27	42,07	43,10	42,81	42,31	44,99	41,91
- prestazioni	0,25	0,34	0,46	0,55	0,70	0,89	1,21	2,12	3,87	3,92	5,78	5,10	5,38	5,36	6,04
- saldi	26,14	27,37	26,87	27,61	21,98	46,71	44,54	40,83	42,40	38,15	37,32	37,71	36,93	39,64	35,87
TOTALE GESTIONI PENSIONISTICHE															
- contributi	238,61	260,70	268,46	274,09	282,54	320,17	354,04	365,49	388,79	413,28	446,60	461,22	484,42	518,53	501,40
- prestazioni	3,27	4,35	5,87	8,33	9,13	12,99	17,08	22,31	27,62	32,32	40,27	43,02	49,15	56,86	63,90
- saldi	235,34	256,34	262,59	265,76	273,41	307,18	336,95	343,18	361,17	380,95	406,33	418,20	435,27	461,67	437,50
Spesa pensionistica in % del PIL	0,000%	0,000%	0,000%	0,001%	0,001%	0,001%	0,001%	0,001%	0,002%	0,002%	0,002%	0,003%	0,003%	0,003%	0,004%

(1) I dati della presente tabella rappresentano l'analisi di dettaglio al punto 4 della tabella 1.a relativa agli Enti di cui del D.Lgs. N°103/94

(2) E' possibile che i dati relativi agli anni precedenti analizzati nei Rapporti annuali abbiano subito piccole variazioni dovute ad assestamenti dei bilanci successivi.

(3) Tutte le annualità antecedenti il 2006 sono consultabili nelle serie storiche disponibili sul sito web www.itinerariprevidenziali.it nella sezione Rapporti.

Table 2.b - Incidence in % of the balances between income and expenses on pension expenditure - Privatized Professional Funds pursuant to Legislative Decree N ° 509/94

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Consulenti del lavoro</i>	87,67	76,48	68,13	57,20	69,63	59,84	54,65	69,74	71,53	66,26	60,18	52,15	48,66	38,75	37,59
<i>2. Veterinari</i>	93,26	101,57	114,42	121,50	132,14	138,14	144,46	147,39	148,50	157,22	159,78	163,49	164,47	158,06	153,44
<i>3. Farmacisti</i>	66,23	63,06	64,73	63,87	66,84	62,25	58,38	59,08	62,59	66,63	71,51	76,82	74,97	74,24	71,70
<i>4. Avvocati</i>	28,59	31,52	39,06	49,00	72,69	104,24	97,75	103,48	97,51	97,93	100,23	101,51	92,13	96,82	99,40
<i>5. Inarcassa</i>	161,10	158,83	157,37	139,60	121,14	123,37	146,13	145,64	106,18	84,07	87,57	73,65	62,22	60,21	58,30
<i>6. Geometri</i>	16,70	21,47	17,57	13,05	3,75	4,11	-1,24	-1,55	-5,90	-0,54	3,81	5,91	4,29	8,39	8,43
<i>7. Ragionieri</i>	90,04	82,13	72,15	58,71	51,26	35,45	25,51	29,23	24,90	23,87	29,25	33,98	33,84	25,64	21,47
<i>8. Commercialisti</i>	199,87	205,71	214,56	210,03	191,39	187,41	190,40	192,33	197,58	188,45	190,43	191,05	192,81	190,76	183,22
<i>9. Notai</i>	55,51	31,18	26,19	15,27	16,65	9,77	7,04	12,81	27,28	30,80	42,34	40,12	40,83	38,87	24,17
<i>10. Giornalisti - Gest. Sostitutiva</i>	20,30	21,57	22,34	12,13	4,24	-2,81	-6,25	-10,83	-19,57	-24,26	-23,30	-29,71	-31,47	-32,99	-37,74
<i>11. Medici</i>	77,55	84,82	84,78	92,77	96,77	97,71	85,54	78,38	74,64	77,16	76,27	74,15	76,91	61,86	57,92
TOTALE	68,73	70,14	71,03	70,97	72,16	75,88	72,17	72,42	66,36	64,64	66,82	64,50	62,47	58,14	55,65

(1) A titolo esemplificativo per i consulenti del lavoro, nel 2020, il saldo è pari al 37,59% della spesa totale per prestazioni

Table 2.c - Incidence in % of the balances between income and expenses on pension expenditure - Professional Pension Funds pursuant to Legislative Decree N ° 103/96

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Periti industriali</i>	3.998,95	2.947,26	2.467,85	1.723,24	1.323,69	1.111,53	1.026,07	775,76	685,71	635,07	536,08	571,22	485,32	436,49	358,45
<i>2. Psicologi</i>	6.937,49	6.937,49	5.447,46	3.596,94	8.206,68	2.866,82	2.264,05	2.022,71	1.683,63	1.540,88	1.393,29	1.293,49	1.299,34	1.187,35	1.069,80
<i>3. Infermieri</i>	23.267,69	18.682,54	10.600,39	6.623,95	5.144,40	4.735,14	4.659,01	3.957,89	3.750,03	3.195,45	2.872,24	2.511,34	2.141,55	1.811,16	1.579,24
<i>4. Biologi</i>	18.720,67	12.465,71	7.501,63	5.755,62	4.145,38	3.060,35	1.800,42	1.776,09	1.583,57	1.545,29	1.407,24	1.212,93	1.056,06	950,93	581,80
<i>5. Agrotecnici</i>			28.521,63	4.447,76	51.221,65	13.104,59	7.764,53	11.365,95	12.425,52	13.138,97	14.126,04	13.931,49	13.659,80	11.178,81	8.199,58
<i>6. Periti Agrari</i>	2.764,20	2.022,89	2.142,04	1.596,99	1.913,19	1.287,29	1.260,26	1.264,51	1.109,42	986,61	845,69	729,30	691,86	604,57	469,50
<i>7. Pluricategoriale</i>	7.208,28	5.730,45	4.330,59	3.361,63	2.725,55	2.064,33	1.688,64	1.201,72	1.028,36	892,69	787,57	635,72	616,91	596,76	479,66
<i>8. Giornalisti - Gestione Separata</i>	10.391,97	8.092,91	5.906,10	5.029,37	3.125,61	5.231,67	3.672,56	1.924,32	1.095,55	973,82	645,18	739,61	685,93	739,91	593,69
TOTALE	7.187,74	5.891,30	4.476,67	3.190,23	2.995,00	2.364,28	1.972,41	1.538,27	1.307,71	1.178,53	1.009,01	972,09	885,58	811,90	684,71

(1) A titolo esemplificativo per i periti industriali, nel 2020, il saldo è pari al 358,45% della spesa totale per prestazioni

Table 3.b - Ratio between contributory income and pension expenditure (percentage values) - Privatized Professional Funds pursuant to Legislative Decree N ° 509/94

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Consulenti del lavoro</i>	187,67	176,48	168,13	157,20	169,63	159,84	154,65	169,74	171,53	166,26	160,18	152,15	148,66	138,75	137,59
<i>2. Veterinari</i>	193,26	201,57	214,42	221,50	232,14	238,14	244,46	247,39	248,50	257,22	259,78	263,49	264,47	258,06	253,44
<i>3. Farmacisti</i>	166,23	163,06	164,73	163,87	166,84	162,25	158,38	159,08	162,59	166,63	171,51	176,82	174,97	174,24	171,70
<i>4. Avvocati</i>	128,59	131,52	139,06	149,00	172,69	204,24	197,75	203,48	197,51	197,93	200,23	201,51	192,13	196,82	199,40
<i>5. Inarcassa</i>	261,10	258,83	257,37	239,60	221,14	223,37	246,13	245,64	206,18	184,07	187,57	173,65	162,22	160,21	158,30
<i>6. Geometri</i>	116,70	121,47	117,57	113,05	103,75	104,11	98,76	98,45	94,10	99,46	103,81	105,91	104,29	108,39	108,43
<i>7. Ragionieri</i>	190,04	182,13	172,15	158,71	151,26	135,45	125,51	129,23	124,90	123,87	129,25	133,98	133,84	125,64	121,47
<i>8. Commercialisti</i>	299,87	305,71	314,56	310,03	291,39	287,41	290,40	292,33	297,58	288,45	290,43	291,05	292,81	290,76	283,22
<i>9. Notai</i>	155,51	131,18	126,19	115,27	116,65	109,77	107,04	112,81	127,28	130,80	142,34	140,12	140,83	138,87	124,17
<i>10. Giornalisti - Gest. Sostitutiva</i>	120,30	121,57	122,34	112,13	104,24	97,19	93,75	89,17	80,43	75,74	76,70	70,29	68,53	67,01	62,26
<i>11. Medici</i>	177,55	184,82	184,78	192,77	196,77	197,71	185,54	178,38	174,64	177,16	176,27	174,15	176,91	161,86	157,92
TOTALE	168,73	170,14	171,03	170,97	172,16	175,88	172,17	172,42	166,36	164,64	166,82	164,50	162,47	158,14	155,65

Table 3.c - Ratio between contributory income and pension expenditure (percentage values) - Professional Social Security Funds pursuant to Legislative Decree N ° 103/96

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>1. Periti industriali</i>	4.098,95	3.047,26	2.567,85	1.823,24	1.423,69	1.211,53	1.126,07	875,76	785,71	735,07	636,08	671,22	585,32	536,49	458,45
<i>2. Psicologi</i>	7.037,49	7.037,49	5.547,46	3.696,94	8.306,68	2.966,82	2.364,05	2.122,71	1.783,63	1.640,88	1.493,29	1.393,49	1.399,34	1.287,35	1.169,80
<i>3. Infermieri</i>	23.367,69	18.782,54	10.700,39	6.723,95	5.244,40	4.835,14	4.759,01	4.057,89	3.850,03	3.295,45	2.972,24	2.611,34	2.241,55	1.911,16	1.679,24
<i>4. Biologi</i>	18.820,67	12.565,71	7.601,63	5.855,62	4.245,38	3.160,35	1.900,42	1.876,09	1.683,57	1.645,29	1.507,24	1.312,93	1.156,06	1.050,93	681,80
<i>5. Agrotecnici</i>			28.621,63	4.547,76	51.321,65	13.204,59	7.864,53	11.465,95	12.525,52	13.238,97	14.226,04	14.031,49	13.759,80	11.278,81	8.299,58
<i>6. Periti Agrari</i>	2.864,20	2.122,89	2.242,04	1.696,99	2.013,19	1.387,29	1.360,26	1.364,51	1.209,42	1.086,61	945,69	829,30	791,86	704,57	569,50
<i>7. Pluricategoriale</i>	7.308,28	5.830,45	4.430,59	3.461,63	2.825,55	2.164,33	1.788,64	1.301,72	1.128,36	992,69	887,57	735,72	716,91	696,76	579,66
<i>8. Giornalisti - Gestione Separata</i>	10.491,97	8.192,91	6.006,10	5.129,37	3.225,61	5.331,67	3.772,56	2.024,32	1.195,55	1.073,82	745,18	839,61	785,93	839,91	693,69
TOTALE	7.287,74	5.991,30	4.576,67	3.290,23	3.095,00	2.464,28	2.072,41	1.638,27	1.407,71	1.278,53	1.109,01	1.072,09	985,58	911,90	784,71

Tab. 4.b - Number of pensions, average contribution and average pension - Privatized Professional Funds pursuant to Legislative Decree No. 509/94

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NUMERO CONTRIBUENTI															
<i>Consulenti del lavoro</i>	21.684	22.225	22.897	23.630	27.092	26.742	26.712	26.423	26.460	26.239	25.903	25.598	25.469	25.372	25.240
<i>Veterinari</i>	24.123	24.902	25.478	26.036	26.410	26.727	27.161	27.596	28.080	28.563	28.850	29.223	29.252	29.044	29.117
<i>Farmacisti</i>	69.663	71.373	73.728	76.091	78.768	80.942	83.401	86.395	88.239	89.960	91.935	93.936	95.656	96.829	97.748
<i>Avvocati</i>	129.359	136.818	144.070	152.097	156.934	162.820	170.107	177.088	223.842	235.055	239.848	242.235	243.233	244.952	245.030
<i>Inarcassa</i>	131.095	138.124	143.850	149.101	155.208	160.802	164.731	167.092	167.567	168.385	168.402	168.109	168.851	168.501	168.981
<i>Geometri</i>	92.779	93.480	96.585	95.036	95.490	95.419	94.951	94.667	95.098	92.289	89.472	87.023	84.202	81.322	78.967
<i>Ragionieri</i>	29.690	29.297	28.659	28.148	30.842	30.492	30.050	29.587	29.690	29.534	29.238	28.833	25.238	24.914	24.914
<i>Commercialisti</i>	45.353	47.322	49.759	51.858	54.134	56.611	58.563	60.383	62.655	64.921	66.260	67.365	68.552	69.719	70.597
<i>Notai</i>	5.312	5.312	5.312	5.312	5.779	4.663	4.741	4.761	4.756	4.776	4.776	4.938	4.970	5.148	5.148
<i>Giornalisti - Gest. Sostitutiva</i>	17.578	17.909	18.139	18.383	18.020	17.863	17.364	16.576	15.891	15.461	15.521	15.011	14.731	14.727	14.719
<i>Medici (3)</i>	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	375.380
Totale	899.470	924.560	950.737	971.947	997.523	1.016.253	1.032.334	1.045.561	1.098.653	1.116.028	1.122.596	1.125.941	1.126.238	1.131.993	1.135.841
NUMERO PENSIONI															
<i>Consulenti del lavoro</i>	5.951	6.282	6.782	7.261	7.468	9.530	9.903	8.729	9.211	9.512	9.803	10.039	10.356	10.904	11.094
<i>Veterinari</i>	5.996	5.980	5.963	5.928	6.021	6.073	6.176	6.285	6.307	6.006	6.456	6.610	6.763	7.168	7.626
<i>Farmacisti</i>	26.639	26.619	26.750	26.724	26.628	27.406	27.571	26.821	26.338	25.725	25.252	25.023	24.925	24.945	24.815
<i>Avvocati</i>	23.374	23.890	24.472	24.934	25.250	24.373	24.901	25.362	26.963	27.375	28.152	28.351	28.913	29.425	29.777
<i>Inarcassa</i>	11.756	12.076	12.706	13.266	13.802	14.548	15.762	23.047	25.780	27.632	29.902	31.885	34.192	36.269	38.714
<i>Geometri</i>	23.199	25.065	26.554	25.369	26.296	27.102	27.863	28.394	33.626	34.304	34.803	35.302	35.821	36.595	37.241
<i>Ragionieri</i>	5.431	5.751	6.258	7.025	7.064	7.503	8.007	8.209	8.489	8.757	8.987	9.118	9.511	9.760	10.096
<i>Commercialisti</i>	4.603	4.809	5.097	5.423	5.683	5.971	6.190	6.431	6.694	6.987	7.251	7.654	7.972	8.536	8.988
<i>Notai</i>	2.362	2.380	2.409	2.414	2.395	2.543	2.579	2.517	2.562	2.587	2.592	2.624	2.625	2.654	2.643
<i>Giornalisti - Gest. Sostitutiva</i>	5.794	6.002	6.230	6.495	6.992	7.303	7.646	7.964	8.234	8.857	9.222	9.398	9.568	9.876	9.944
<i>Medici (2)</i>	141.386	146.544	148.790	152.308	156.051	162.386	173.370	179.262	185.056	191.522	198.384	209.113	218.406	234.797	247.648
Totale	256.491	265.398	272.011	277.147	283.650	294.738	309.968	323.021	339.260	349.264	360.804	375.117	389.052	410.929	428.586
CONTRIBUZIONE MEDIA (€)															
<i>Consulenti del lavoro</i>	3.885	3.893	3.988	4.128	4.150	4.296	4.596	5.697	6.121	6.449	6.550	6.582	6.870	7.061	7.208
<i>Veterinari</i>	1.950	2.047	2.195	2.319	2.542	2.735	2.938	3.118	3.204	3.356	3.474	3.675	3.907	4.179	4.538
<i>Farmacisti</i>	3.460	3.378	3.341	3.342	3.282	3.164	3.048	3.001	2.943	2.910	2.876	2.839	2.788	2.754	2.718
<i>Avvocati</i>	4.998	5.171	5.430	5.807	6.852	8.037	7.797	8.160	6.587	6.448	6.581	6.674	6.479	6.926	7.108
<i>Inarcassa</i>	4.248	4.279	4.454	4.461	4.259	4.561	5.606	6.339	6.074	5.847	6.417	6.344	6.316	6.695	6.994
<i>Geometri</i>	3.415	3.935	4.020	4.172	4.086	4.295	4.381	4.550	4.492	5.069	5.537	5.959	6.077	6.720	7.007
<i>Ragionieri</i>	7.807	8.308	8.738	8.954	8.393	8.198	8.462	9.153	9.372	9.477	10.025	10.447	12.325	11.881	11.556
<i>Commercialisti</i>	9.467	9.869	10.332	10.576	10.269	10.259	10.570	11.009	11.508	11.242	11.433	11.753	12.046	12.427	12.592
<i>Notai</i>	44.881	39.509	39.487	37.419	35.420	42.183	41.454	45.101	53.023	55.236	60.968	58.574	58.968	57.138	51.923
<i>Giornalisti - Gest. Sostitutiva</i>	19.701	20.700	21.695	21.117	21.400	21.355	22.060	23.077	22.641	22.719	24.148	24.041	24.637	24.468	23.141
<i>Medici</i>	4.911	5.194	5.340	5.661	5.888	6.039	6.067	6.222	6.303	6.584	6.951	7.283	7.970	7.996	8.575
Totale	5.306	5.506	5.680	5.869	6.039	6.335	6.516	6.860	6.634	6.716	7.059	7.226	7.477	7.708	7.977
PENSIONE MEDIA (€) (1)															
<i>Consulenti del lavoro</i>	7.542	7.805	8.009	8.546	8.875	7.542	8.015	10.159	10.250	10.700	10.805	11.030	11.366	11.840	11.918
<i>Veterinari</i>	4.059	4.229	4.374	4.598	4.804	5.055	5.286	5.535	5.740	6.204	5.976	6.167	6.390	6.561	6.837
<i>Farmacisti</i>	5.443	5.554	5.590	5.808	5.819	5.759	5.821	6.076	6.063	6.107	6.104	6.027	6.116	6.135	6.234
<i>Avvocati</i>	21.511	22.517	22.988	23.772	24.662	26.286	26.934	28.000	27.688	27.970	28.001	28.297	28.368	29.296	29.334
<i>Inarcassa</i>	18.144	18.908	19.594	20.924	21.658	22.571	23.804	18.711	19.149	19.358	19.268	19.262	19.228	19.415	19.286
<i>Geometri</i>	11.702	12.080	12.438	13.826	14.300	14.526	15.119	15.407	13.499	13.711	13.713	13.869	13.697	13.777	13.702
<i>Ragionieri</i>	22.457	23.237	23.245	22.606	24.226	24.597	25.303	25.528	26.244	25.803	25.233	24.656	24.436	24.139	23.478
<i>Commercialisti</i>	31.105	31.766	32.065	32.622	33.570	33.843	34.435	35.361	36.195	36.214	35.973	35.542	35.376	34.908	34.922
<i>Notai</i>	64.906	67.224	68.998	71.431	73.270	70.466	71.192	75.624	77.332	77.960	78.923	78.666	79.275	79.808	81.452
<i>Giornalisti - Gest. Sostitutiva</i>	49.684	50.809	51.632	53.299	52.908	53.744	53.437	53.864	54.328	52.360	52.990	54.633	55.346	54.450	55.018
<i>Medici</i>	6.511	6.478	6.647	6.676	6.690	6.644	6.687	6.908	6.951	7.002	7.203	7.273	7.551	7.816	8.230
Totale	11.028	11.273	11.608	12.039	12.336	12.419	12.604	12.878	12.914	13.034	13.166	13.185	13.322	13.428	13.582

(1) Importi delle pensioni in pagamento a fine anno

(2) Per i medici, il numero delle pensioni è pari alla somma del numero pensioni di tutte le 5 Gestioni ENPAM. Per il dettaglio si veda la serie delle tabelle d) sul sito web www.itinerariiprevidenziali.it.

(3) Per i medici, il numero dei contribuenti totale è pari al numero degli iscritti alla sola gestione generici A. Per il dettaglio si veda la serie delle tabelle d) sul sito web www.itinerariiprevidenziali.it.

Table 4.c - Number of pensions, average contribution and average pension - Professional Social Security Funds pursuant to Legislative Decree No. 103/96

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NUMERO CONTRIBUENTI															
<i>Periti Industriali</i>	16.897	17.390	19.372	19.777	20.575	20.857	21.658	14.681	14.514	14.255	14.043	14.043	13.702	13.479	13.431
<i>Psicologi</i>	27.911	27.911	30.101	32.819	35.837	38.516	41.870	45.194	49.085	51.272	54.444	57.774	61.068	64.366	68.037
<i>Infermieri</i>	12.183	14.275	15.286	16.169	18.577	24.205	25.976	35.910	38.580	39.928	43.826	44.061	42.978	44.209	43.099
<i>Biologi</i>	11.208	11.488	11.344	12.433	12.509	13.448	13.815	12.281	13.009	13.721	14.475	15.070	14.981	15.733	16.184
<i>Agrotecnici</i>	1.392	1.426	1.430	1.524	1.606	1.237	1.315	1.384	1.461	1.599	1.716	1.807	1.933	2.067	2.178
<i>Periti Agrari</i>	3.968	4.025	4.200	4.253	4.267	4.267	4.267	3.219	3.231	3.297	3.295	3.270	3.274	3.283	3.281
<i>Pluricategoriale</i>	20.950	21.960	22.867	24.221	24.408	26.875	27.273	27.466	28.287	28.847	29.131	29.539	30.078	30.910	31.318
<i>Giornalisti - Gest. Separata</i>	19.680	20.496	21.617	24.999	26.797	27.389	29.063	30.271	31.171	32.454	27.707	27.359	27.146	26.846	27.573
Totale	114.189	118.971	126.217	136.195	144.576	156.794	165.237	170.406	179.338	185.373	188.637	192.923	195.160	200.893	205.101
NUMERO PENSIONI															
<i>Periti Industriali</i>	759	959	1.202	1.463	1.673	1.886	2.344	2.781	3.128	3.477	3.779	4.050	4.432	4.857	5.114
<i>Psicologi</i>	719	719	322	1.152	1.289	1.628	1.995	2.263	2.594	2.980	3.391	3.647	4.120	4.614	5.181
<i>Infermieri</i>	141	214	300	422	551	701	920	1.179	1.472	1.770	2.107	2.359	2.608	2.948	3.201
<i>Biologi</i>	115	169	219	296	376	442	736	712	825	969	1.163	1.326	1.530	1.678	1.944
<i>Agrotecnici</i>	0	0	2	6	6	8	8	16	18	21	26	26	48	42	51
<i>Periti Agrari</i>	211	247	277	313	337	361	372	412	444	480	534	564	720	664	696
<i>Pluricategoriale</i>	485	613	719	852	1.016	1.213	1.436	1.663	1.774	2.096	2.417	2.538	2.746	3.012	3.261
<i>Giornalisti - Gest. Separata</i>	406	529	671	792	899	1.051	1.239	1.275	1.325	1.347	1.364	1.397	1.448	1.514	1.620
Totale	2.836	3.450	3.712	5.296	6.147	7.290	9.050	10.301	11.580	13.140	14.781	15.907	17.652	19.329	21.068
CONTRIBUZIONE MEDIA (€)															
<i>Periti Industriali</i>	2.751	2.874	2.829	2.828	2.617	2.680	2.974	4.682	4.782	5.707	6.227	6.674	7.232	7.967	7.187
<i>Psicologi</i>	1.971	1.971	2.041	2.002	2.005	2.058	2.006	1.970	1.887	1.963	2.002	1.977	2.132	2.232	2.286
<i>Infermieri</i>	2.865	3.048	2.464	2.196	2.225	1.962	2.538	1.915	2.067	2.099	2.117	2.174	2.168	2.061	2.152
<i>Biologi</i>	2.179	2.365	2.506	2.361	2.473	2.197	2.187	2.695	2.834	3.051	3.323	3.355	3.534	3.716	2.833
<i>Agrotecnici</i>	814	811	876	883	903	1.262	1.272	1.267	1.311	1.429	1.490	1.482	1.554	1.620	1.841
<i>Periti Agrari</i>	1.661	1.494	1.514	1.560	1.974	1.517	1.750	2.357	2.406	2.483	2.507	2.499	2.566	2.586	2.510
<i>Pluricategoriale</i>	2.084	2.284	2.239	2.124	2.130	1.948	2.003	1.951	1.916	1.841	1.900	1.802	1.839	1.975	1.807
<i>Giornalisti - Gest. Separata</i>	1.341	1.352	1.264	1.127	847	1.738	1.574	1.419	1.484	1.296	1.556	1.565	1.559	1.676	1.520
Totale	2.090	2.191	2.127	2.012	1.954	2.042	2.143	2.145	2.168	2.229	2.367	2.391	2.482	2.581	2.445
PENSIONE MEDIA (€) (1)															
<i>Periti Industriali</i>	1.494	1.710	1.775	2.097	2.261	2.446	2.440	2.822	2.824	3.183	3.638	3.448	3.820	4.121	4.117
<i>Psicologi</i>	1.087	1.087	3.439	1.543	671	1.641	1.781	1.853	2.002	2.058	2.152	2.248	2.258	2.418	2.566
<i>Infermieri</i>	1.060	1.083	1.173	1.251	1.430	1.401	1.506	1.438	1.407	1.437	1.482	1.555	1.594	1.617	1.725
<i>Biologi</i>	1.128	1.279	1.708	1.694	1.938	2.115	2.160	2.478	2.654	2.626	2.744	2.904	2.993	3.315	3.459
<i>Agrotecnici</i>			2.190	4.934	471	1.477	2.658	956	849	822	691	734	455	707	947
<i>Periti Agrari</i>	1.091	1.147	1.024	1.249	1.242	1.293	1.476	1.350	1.447	1.569	1.636	1.747	1.474	1.815	2.077
<i>Pluricategoriale</i>	1.232	1.403	1.607	1.744	1.811	1.994	2.126	2.475	2.707	2.552	2.580	2.851	2.809	2.909	2.993
<i>Giornalisti - Gest. Separata</i>	620	639	678	693	782	849	979	1.664	2.921	2.909	4.241	3.650	3.718	3.538	3.729
Totale	1.154	1.261	1.580	1.573	1.485	1.782	1.888	2.166	2.385	2.460	2.724	2.705	2.784	2.942	3.033

(1) Importi delle pensioni in pagamento a fine anno

Appendix 1

A summary of the main revision and reform measures of the pension system from 1992 to 2021; 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) sponsored by Prime Minister Renzi and by the Minister of the Economy and Finance Padoan, which established the following provisions established the following provisions:

- ***Penalties*** - The exemption from the penalties introduced by the Fornero Reform has been 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 (N. 232/2016) sponsored and passed under Prime Minister Renzi and the Minister of Economy and Finance Padoan (to avoid repetitions we also include the extensions envisaged under the subsequent budget laws for 2018 and 2019) which introduced the following provisions:

- **Voluntary Pension Advance (APE)** - A ***financial pension guarantee premium*** was established (under the acronym APE) also called ***voluntary APE***, and planned to start from 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 prematurity. 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.

With the 2018 Budget Law, no. 205/2017 - promoted by Prime Minister Gentiloni and by Padoa-Schioppa the Minister of Economy and Finance Padoa-Schioppa - art.1, paragraph 162, Voluntary APE was extended to 2019, while the 2020 Budget Law for 2020, no. 160 of December 27, 2019, under Prime Minister Conte, and the Minister of Economy and Finance Gualtieri, did not provide for the extension, thus ending the short life (three years) of this pension measure on December 31, 2019.

- **Social APE** – Social APE was introduced experimentally until December 31, 2018 again by the 2017 Budget Law, no.232 of 2016, sponsored by Prime Minister Renzi, with the possibility to be extended also for the following year; in fact, it was extended also to 2019 by art.18 of Law Decree no. 4 of 2019 (transposed into Act no. 26 of March 28, 2019) issued by Prime Minister Conte, the Minister of Labour Di Maio and the Minister of Economy and Finance Tria; it was extended once again until 2020 by the 2020 Budget Law (under Prime Minister Conte, and the Minister of Economy Gualtieri.), substantially maintaining the main features originally envisaged.

This allowance 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 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 (but not considered arduous) 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 seven years in the last 10 years and with at least **36 years of contributions**.

In order to obtain the social APE, it is necessary not to have a direct pension in Italy or abroad. This allowance is 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 arduous 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 L.D. 53/2017, transposed into Act 96/2017, and under the 2018 Budget Law, n. 205/2017; it was necessary to introduce these changes after the first implementation of the new provisions on Social APE. **Seafarers, fishermen, agricultural workers and steelworkers** (second merger) were added to the 11 categories of workers with *arduous jobs* envisaged by the Social APE at **the time of the initial formulation** of the law **as of January 1, 2018**. These workers maintained the requirement of 36 years of contributions and that of having carried out arduous jobs for 6 years in the last 7 years.

Types of categories entitled to APE (letter d)

<p>A. Miners, construction and building maintenance workers</p> <p>B. Construction crane or mobile vehicle drivers</p> <p>C. Hide and fur tanners</p> <p>D. Train conductors and travelling personnel</p> <p>E. Truck and heavy vehicle drivers</p> <p>F. Health care workers, hospital nurses and midwives working in shifts</p> <p>G. Care workers for not self-sufficient subjects</p> <p>H. Kindergarten and nursery school teachers and staff</p> <p>I. Porters, handlers and similar workers;</p> <p>L. Non skilled staff for cleaning services;</p> <p>M. Garbage collectors and other waste collectors and separators.</p> <p><u>Additional categories as of January 2018:</u></p> <p>N. Workers in the agricultural, animal husbandry and fishing sectors</p> <p>O. Employed workers or members of cooperatives in the coastal, inland and offshore fishing sector;</p> <p>P. First and second smelting steel and glass blowing workers exposed to high temperatures;</p> <p>Q. Maritime workers on board and travelling personnel in the maritime and inland transportation sector.</p>
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NOTE: The In our opinion, the rules on arduous work goes in the wrong direction; in fact, it creates further inequalities among workers because of their completely arbitrary selection of the so-called **heavy-duty** categories. It took 20 years to succeed in unifying the pension system defined by media and experts as a "**pension jungle**", in which each category had its own rules and retirement age and contribution requirements. Now this **unified and universal** system runs the risk of creating once again differences among workers (which cannot be justified, except in the case of arduous work). At the beginning, a few categories of heavy-duty workers were identified, a definition difficult to find in the literature; then their number rose to 11 and then to 15; but already many other categories are on the warpath: why are kindergarten teachers in this category (they work less than 8 months per year and around 30 hours per week) and high school or vocational school teachers are not? The real solution is to "**reward labour**" by adopting a series of universal flexible exit options because every worker has his or her own personal, family, health, etc. situation that determines the will or need to leave the labour market; with the contribution-based system, at least a flexible exit window should be envisaged, which could be easily financed by the rampant welfare spending.

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** (Prime Minister Gentiloni and Minister of the Economy Padoan) envisages a stabilization for R.I.T.A, by making it 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 (L. 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 with 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 – The so-called “early” workers 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), 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 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 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, at least at the beginning, was an experimental measure designed to be in force from 01/05/2017 to 31/12/2018, although the 2018 Budget Law provided for its extension until 31/12/2019 and the 2020 Budget Law provided for a further extension until 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 mentioned, men can retire 22 months and only women only 10 months earlier. In addition, as of January 1, 2019, under Law Decree no. 4/2019, transposed into Act no. 26/2020, the requirement of 41 years is no longer subject to the adjustment of the contribution requirement to changes in life expectancy, but is subject to a so-called 3 month "moving window": a period of 3 months must elapse from the entitlement to retirement.

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 work: Workers who carry out arduous jobs for at least half of their working life, or for 7 years in the last 10 years, benefit from special early retirement. Since January 1, 2012, these workers retire through the so-called "quota system", given by the sum of the age and seniority, if they have a minimum contribution period of 35 years and a minimum eligible age. The requirements are summarised in the table below, which also shows the requirements for subjects working in night shifts for a minimum number of working days per year, less than 78. The requirements for night workers ***starting in 2016 remain "frozen" until 2026***, since it is not possible to apply to them the adjustment to life expectancy nor the postponement of the starting date, due on the 13th month (18th for the self-employed) after the month in which they fulfil the eligibility requirements (the so-called "moving window"). First the categories of arduous and night work:

Table of arduous types of work: workers engaged in the following particularly arduous tasks

- in tunnels, quarries or mines: mainly tasks carried out underground and on a continuous basis;
- in quarries: for the extraction of stone and ornamental materials;
- in tunnels: excavation tasks with a prevalent and continuous character;
- in compressed air tanks;
- work done by divers;
- at high temperature conditions: exposure to high temperatures without the possibility to adopt preventive measures, such as, for example, second melting in foundries, with no remote control, refractorists' jobs, 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 struct
- asbestos removal with prevalence and continuity.

Night workers who can claim a specified length of night work, as follows:

- 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 work side-by-side on production lines, 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 to be entitled to the pension provisions applicable to arduous and night work.

Anno	Lavori usuranti		Numero di notti in ogni anno	Lavori notturni	
	Età anagrafica minima	Somma età anagrafica e anzianità contributiva		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 work, Night work, Year, Minimum age, Age plus Contribution seniority, N. of night shifts per year

The Eighth Safeguard Measure: It was introduced by the 2017 Budget Law, n. 232/2016 (under Prime Minister Renzi, and the Minister of Economy and Finance Padoan), for a target of 30,700 subjects, thus bringing the number of workers involved to over 200.000 (see **table 2.3 Report n. 6**). This eighth safeguard follows the other previous seven designed to manage the issue of the so-called “esodati”. After the introduction of more stringent retirement age requirements (up to 6 years) and length of contribution criteria introduced by the Monti-Fornero Law of 2011, a series of special situations occurred to the subjects, who 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 (Renzi Government). The rule was then further extended to 2018 and to 2019 by Article 16 of Law Decree no. 4/2019 (1st Conte Government) and to 2020 by the Budget Law for the same year (2nd Conte Government); 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, 2019. 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 woman'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 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 (under Prime Minister Gentiloni and the Minister of Economy and Finance Padoan - 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 to the new social security measures for 2019, in particular the pension-related ones: a) the two forms of APE with the extension to 2019 of the **voluntary APE** and the introduction of less stringent eligibility for social APE and its extension to certain categories of employed workers, also with an effect on early workers; b) the extension of the **woman'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 the **social APE**.

New provisions of the 2019 Budget Law no. 45 of 2018 and the amendments to Law Decree no. 4 of 29 January 2019 (under Prime Minister Conte and the Minister of Economy and Finance Tria) - A series of important innovations in the social security field were first introduced by Act n. 45/2018 of the 2019 Budget Law and then by Law Decree n. 4, of January 28, 2019 "*Urgent provisions on citizenship income and pensions*" transposed into Act n. 26/2019; among the most significant measures: the introduction of the Quota 100 option; the "light" facilitated redemption of a degree or of other periods not covered by contributions; the extension of the social APE and of the Woman's Option, as well as the change in the pension adjustment mechanism.

100 Quota - This is an option introduced by *Law Decree n. 4/2019* that allows workers to retire with at least 62 years of age and at least 38 years of contributions (100 quota). In order to use this option, it is necessary to fulfil both minimum requirements at the same time: if, for example, a worker is 63 years of age and has 37 years of contributions, he or she cannot retire even though the sum of the two requirements equals 100; 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 can retire. 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 worker fulfils the retirement and timing eligibility requirements, he or she can apply for this option by December 31, 2021, even after the expiry of the three-year period (in 2022 and thereafter); the retiree 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 subjects with a mixed system.

Settlement of contribution charges and Redemption of periods not covered by contributions - Article 20 of Law Decree n. 4/2019, entitled "*Option to redeem periods not covered by contributions*", allows the members of the FLPD and its substitutive funds, of special self-employed-oriented schemes and of the separate scheme to increase their contribution seniority for three years (2019-2021) and on an experimental basis; they are eligible if they had no period of contribution before January 1, 1996 (so-called pure contribution-based subjects) and have not retired. The option is allowed, at facilitated conditions, for a maximum period of 5 years, even if not in a row. Periods subject to compulsory contributions cannot be redeemed (i.e. **not** periods of employment with no payment of contributions) and those already covered by notional contributions (maternity or military service), voluntary or by redemption, in the period 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 applied by the fund to the salary of the last 12 months prior to the application. The cost can be paid as a lump sum or up to 120 interest-free monthly instalments, and is 50% tax deductible over the following 5 years. In addition, Art.20, par. 6 of Law Decree no. 4/2019, then transposed into Act no. 26/2020, envisages a facilitated redemption modality for graduation and post-graduation periods. There is a substantial difference with respect to the Settlement of Contribution Charges "Pace Contributiva" also provided for under Article 6 of Law Decree no. 4/2019. First of all, the annual charge is calculated by applying the FLPD contribution rate to the minimum flat-rate annual income of the fund for artisans and retailers.

The cost of the degree redemption with this new method 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 benefits of the Art-Comm scheme (15,878 euros for 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 than those who had an income in the previous 12 months above the minimum level for artisans. The validity is permanent and not limited to the three-year period from 2019 to 2021 like "Pace Contributiva"; moreover, the periods to be redeemed must start from January 1, 1996, but it does not matter at all if a subject has contributions prior to that date; in fact, it also applies to the so-called "mixed" cases; the charge can be fully deducted from taxes.

Pension advance (APE) - As mentioned above, the **voluntary APE** was extended to 2019 by the 2018 Budget Law (Act n. 205/2017), while the **social APE** was reconfirmed for the year 2019 by Law Decree no. 4/2019, transposed into Act no. 26/2019 and so was the **Woman's Option**. These two latter pension measures were then further extended for 2020 by the 2020 Budget Law and for 2021 by the 2021 Budget Law. For further details, please refer to what has been described for previous years, particularly for 2017.

Citizenship Pension – The universal 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 n. 4/2019, transposed into Act n. 26/2019 and with the same access requirements as the universal 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 taxable for personal-income tax purposes 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-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 that 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 (**515.58 euros** per month in 2019), than pensions with additional social benefits and with respect to the increase from the old one-million-per month measure, introduced in 2001 and now amounting to around **651.51 euros** per month. Citizenship pensions are also granted to the so-called pure contribution-based pensioners who would not be entitled to these benefits according to Law 335/95; even if the 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 provided also to people over 67 who have no income or pension. In contrast to the supplementary minimum benefits, the right to the citizenship income is based on the Isee indicator which "measures the wealth" of households on the basis of numerous capital and income requirements. The Citizenship Pension provides for two types of benefits: 1) a benefit designed to supplement the household income for a maximum of 630 euro/month per family member and up to a maximum of 1,323 euros/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/month, with at least 4 family members; 2) a supplementary benefit equal to 150 euros/month for households paying the 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 euro/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/month.

Cut to high pensions (so-called golden pensions) - The 2019 Budget law also provides for the reduction (cut) of pensions over a gross amount of 100,000 per year; (see Focus n.2).

v) The 2019 Budget Law no. 160 for 2020: (2nd Conte Government and the Minister of Economy and Finance Gualtieri): The Budget Law for 2020 once again intervened on social security matters, partly by modifying some of the previous provisions (as in the case of the revaluation mechanism) and, as already mentioned, by extending to 2020 some measures, such as Social APE and the Women's option, already extended for 2019 by the previous budget law.

Extension of Social APE and of the Women's Option - The possibility to retire early with Social APE was confirmed for 2020 too, with the same conditions. The Women's Option was also confirmed as an alternative to the other forms of retirement, but only for women if they had met age requirements (58 years for employed workers and 59 years for self-employed workers) and contribution requirements (35 years of contribution seniority) by 31 December 2019. **Indexation of pensions** - see Focus n. 2 below. **Cut to high pensions (or golden pensions)**, the "*cut*" to the so-called golden pensions, i.e. those above a gross amount of 100,000 thousand euros per year, was again envisaged for 2020, as provided for under the 2019 Budget Law for 2019 (see, Focus n. 2).

(z) Urgent measures introduced in 2020 and 2021 to address the COVID-19 pandemic

From the first half of 2020 until the second half of 2021, the government, in particular the one led by Draghi, introduced health, social and economic measures to counter the effects of the emergency caused by the spread of the Covid19 Pandemic, following the declaration of an international Coronavirus emergency by the World Health Organization (WHO) on January 30, 2020. Italy launched the state of emergency on January 31, 2020, initially for 6 months, which was then extended several times by the Draghi Government on April 21, 2021 until July 31, 2021 and subsequently until December 31, 2021 under Law Decree no. 105 of July 23, 2021, transposed into Act no.126 of September 16, 2021 with the possibility of a further 6-month extension. The main provisions are as follows:

The Emergency Income (Rem), originally envisaged by article 82, of Law Decree no. 34 of May 19, 2020 (Decreto Rilancio) amended and transposed into Act no. 77 of July 17, 2020 by the 2nd Conte Government; it was designed to protect households in difficult economic conditions due to the Covid19 pandemic and not eligible for other measures or interventions, such as the citizenship income, safety net benefits and bonuses provided to cope with the Coronavirus emergency. This Government then extended the Rem provisions under Law Decree no. 104 of August 14, 2020 (Decreto Agosto), transposed into Act no. 126 of October 13, 2020, under Article 23. Law Decree no. 137 of October 28, 2020 (Decreto Ristori), transposed into Act no. 176 of December 18, 2020, provided for another two tranches for November and December 2020, under Article 14. Rem is not granted to individual applicants, like the citizenship income (RcC), from which it differs substantially, but to entire households with certain social and economic requirements, such as: **a)** the applicant must reside in Italy; **b)** the household assets (including current accounts) for 2019, must be below a threshold of 10,000 euros, plus 5,000 euros for each family member after the first up to a maximum of 20,000 euros; this threshold is further increased by 5,000 euro in the case of a family member seriously disabled or not self-sufficient as defined under the ISEE rules; **c)** the household ISEE must be below 15,000 euros; **d)** the monthly household income (April 2020 under Law Decree no. 34/2020) must not exceed an amount equal to the benefit due (from 400 to 800 euros per month).

For a household consisting of a single person, the total amount of the Rem would be 400 euros, to be paid in two equal monthly instalments in June and July 2020. For households composed of more

than one member, the basic monthly amount of 400 euros would be multiplied by an equivalence scale parameter, where the value is 1 for the first adult member, 0.4 for each additional adult member and 0.2 for each minor member, up to a maximum value of 2, that is 800 euros per month, or up to 2.1 (840 euros) if the household includes severely disabled or not self-sufficient members as defined by the ISEE rules. The Rem thus defined is paid in two equal monthly instalments up to a maximum of 800/840 euros each. For the further monthly instalment of Rem under Law Decree no. 104/2020, granted independently of having claimed the previous benefit, the household income, referred to the month of May 2020, must be lower than a threshold equal to the amount of the benefit itself. In this case, the beneficiary received a monthly and not a bimonthly payment for applications submitted from September 15 to October 15, 2020.

The emergency income cannot be granted to detainees for the entire duration of their sentence, or to subjects in long-term care institutions or other residential facilities paid for by the State or by other public authorities. If the applying household includes members in the conditions described above, the equivalence scale parameter must not take them into account. Rem is also not compatible with household recipients one of the allowances provided by the "Cura Italia" decree. It is not compatible either with household members who have a direct or indirect pension (except for the ordinary disability allowance), who are employed with a gross salary higher than the thresholds provided for under the Decree and who receive the universal income. Non-pension benefits, such as the allowance for carers, for disabled civilians and the ordinary disability allowance (Act no. 222/1984) are compatible with Rem. Of course, Rem is a welfare benefit and is therefore exempt from personal income taxes. Here are some examples of the calculation of the monthly value of Rem according to the household composition: One adult: scale of equivalence 1: 400 euros; One adult and one minor: scale of equivalence 1.2: 480 euros; Three adults and two minors: scale of equivalence 2: 800 euros; Three adults and two minors, one severely disabled: scale of equivalence 2.1: 840 euros.

Unlike the citizenship income, the emergency income is due to households that do not have other subsidies and that fulfil the above-mentioned criteria; instead, the universal income is targeted to unemployed subjects or those who work only occasionally and have an ISEE income below 9,360 euros per year, in addition to other asset requirements. Moreover, whoever applies for this measure and is able to work, must sign a labour pact (*Patto per il Lavoro*) taking an active commitment to accept suitable job offers proposed by employment services (*Centri per l'Impiego*), after a retraining process if necessary. If the job offered is turned down three times, the right to the subsidy is lost. The duration of REM was initially envisaged for a maximum of two monthly payments (then extended to 2020 and to 2021, as described later); on the contrary, the citizenship income is a structural measure until 2026, is granted for 18 monthly payments and can be renewed if the requirements are still met. With a further allocation of 1.5 billion euros, the Draghi Government financed three additional monthly payments of Rem for 2021 (March, April and May) under Law Decree no. 41 of March 22, 2021 (*Decreto Sostegni*), converted into Act no. 69 of May 21, 2021, art. 12. In the new formulation, the access requirements have been relaxed and the number of possible beneficiaries has been enlarged; in fact, the maximum monthly income threshold for households with rented accommodation was increased and this benefit was also extended to unemployed subjects who finished their *Naspi* and *Dis-coll* allowances between July 1, 2020 and February 28, 2021 and who submitted an application by May 31, 2021 for the first time; instead, it is automatically granted to those who had already received it 2020; in this case, the Rem recipient is no longer the household as a whole, but the individual beneficiary and the ISEE requirement were raised from 15,000 to 30,000 euros. If the household includes one or more persons who have

stopped receiving the Naspi or Dis-coll allowances between July 1, 2020 and February 28, 2021, the application must be submitted by one of them. The Rem economic benefit for each of the three months is determined by referring to the household income in February 2021 which must be lower than the threshold corresponding to the amount of the benefit; for households in rented housing, the base value for calculating the benefit was increased by one twelfth of the annual amount of the rent as declared for ISEE purposes. So, for example, if the annual rent is equal to 2,400 euros, the benefit would be increased by 200 euros, and therefore the value that must be multiplied by the equivalence scale in order to calculate the Rem benefit is 600 euros (400 + 200). Article 15 of Law Decree no. 73 of May 25, 2021 (Decreto Sostegni Bis), approved by the Cabinet chaired by Draghi and supported by the Minister of Economy and Finance Franco, transposed into Act no. 106 of July 23, 2021, provides for four new instalments for the months of June, July, August and September 2021 to protect households until September with the same rules as the previous Law Decree. However, Decreto Sostegni Bis does not include former Naspi and Dis-Call recipients who had benefited from the Rem with the previous Decree of March, but not through the 2020 measures. The reference household income is April 2021.

Layoff Freeze: a layoff freeze was enacted under Law Decree no.18 of March 17, 2020 "Cura Italia"), in an attempt to protect workers from the socio-economic fallout of the pandemic; it was implemented in all industries, regardless of the number of employees; it put a halt to collective dismissals, including the procedures initiated after February 23, 2020 and their ongoing mandatory conciliations, and banned the termination of the employment contract for objective and justified reasons. The freeze deadline was initially May 16, 2020; it was repeatedly extended, most recently under Decreti Sostegni (Law Decree no. 41 of March 22, 2021) and Sostegni *bis* (Law Decree no. 73 of May 25, 2021). In particular, the latter, under Art.40, provided for the possibility for private companies that had not yet restarted due to the Covid-19 emergency to apply for the extraordinary redundancy fund, as an exception to the provisions in force (Legislative Decree no.148 of September 14, 2015, Art.4 and 21) with the aim of maintaining pre-crisis employment levels until December 31, 2021. The subsequent Law Decree no. 99 of June 30, 2021, "Lavoro", issued by the Draghi Government before the expiry of the "Sostegni bis" Decree (July 25, 2021), lifted the ban on layoffs as of July 1, 2021 for the manufacturing and construction industries, but extended the freeze until October 31, 2021 for the sectors most affected by the Covid-19 emergency with no sign of recovery, such as the clothing, leather goods, footwear and textile sectors. The employers operating in these sectors, who discontinued or reduced their business activity as of July 1 2021, can apply for the ordinary redundancy fund (CIGO) and for the ordinary allowance (AO) for COVID, for a maximum period of 17 weeks, until October 31, 2021.

In short, the timing and, at times, the partial overlap of the three "Sostegni", "Sostegni bis" and "Lavoro" Law Decrees envisaged three different deadlines, thus linking the lifting of this ban to the use of the "Covid-19" social shock absorbers:

- **June 30, 2021:** end of the lay-off freeze for all enterprises, except in the following cases;
- **October 31, 2021:** end of the layoffs freeze for companies receiving the social shock absorber measures introduced by "Decreto Sostegni", in particular the redundancy fund (Cassa Integrazione Guadagni In Deroga (CGID), the allowance provided by the wage support fund (Fondo di Integrazione Salariale) and the redundancy fund for agricultural workers (Cassa Integrazione Salariale Operai Agricoli (CISOA));
- **December 31, 2021:** end of the layoff freeze for employers who, as of July 1, 2021, have access to the ordinary or the extraordinary redundancy fund (not COVID-19).

By these deadlines, the rules on layoffs in force in the pre-Covid era will be again applicable, unless the government launches new interventions, which is always possible. Companies can therefore proceed with individual dismissals for **objective** and **justified reasons** or with **collective dismissals**. The former may be due to production issues, the organization of work and its proper functioning (end of production, a drastic decline in turnover resulting in a business crisis, suppression or outsourcing of the task of an employee who cannot be reassigned to other functions, lost or impaired physical capabilities a worker needs to perform the task assigned).

As to **collective layoffs**, companies with more than **15 employees** can dismiss 5 subjects within a period of 120 days, within each production unit or in several units in the same province, due to the actual need to reduce, transform or cease its business activity. So, these dismissal hypotheses can be added to the ones that remained in place even in the COVID era, since they were not banned: for example, dismissal for just cause or for a justified subjective reason, dismissal during or at the end of the probationary period or for the termination of the period, dismissal in the event of failure of the company (when there are no provisional working periods) and in general when it is due to the definitive cessation of business, also as a result of its winding up. It cannot be ignored that major EU member countries, such as Germany and France, have decided since the beginning of the pandemic crisis not to apply an indiscriminate ban on layoffs.

Az) The main innovations of Act No. 178 of December 30, 2020, the 2021 Budget Law (2nd Conte Government and Minister of Economy and Finance Gualtieri):

Extension of the Social APE until December 31, 2021 which was to expire at the end of 2020; it can be granted to both private and public sector workers of 63 years of age, with minimum accrued contributions of 30 years if they belong to the unemployed, disabled (at 74%) and caregiver categories, or 36 for heavy labour, by December 31, 2020; moreover, they must have ceased work, being resident in Italy, without a direct pension in Italy or abroad and accruing an old age pension equal to no less than 1.4 times the minimum INPS benefits (about 715 euros in 2021).

The **Women's Option** was extended by Art. 1, paragraph 336 of the 2021 Budget Law, for female workers with 35 years of contributions and 58 years of age if they are employed or 59 if they are self-employed **by 31 December 2020**. The retirement window is always 12 months for employed workers, even after the end of 2021, as of the moment they terminate their employment, while it is 18 months for self-employed women from the moment they declare to make use of this option (without being forced to terminate their employment, and this is another difference between employed and self-employed women).

A novelty introduced in the 2021 Budget Law by Article 1 paragraph 350 is the **vertical part time**; as of January 1, 2021, and for the entire duration of the part-time employment contract, even if with discontinued work periods (cyclical vertical part time contract), this option allows workers to reach their pension seniority requirements; the only condition is that their salary must not be lower than the minimum daily contribution established by law. The introduction of this measure was necessary in order to put an end to the legal dispute between INPS and the beneficiaries of vertical part-time contracts. In fact, before the introduction of this measure, INPS recognized only the periods actually worked for the purpose of contribution seniority; but the workers concerned brought their case before administrative and civil courts, to have their vertical part-time contracts recognized similarly to the horizontal part-time ones, on the assumption of full equality of contributions. For this reason, the rule provides that the number of weeks to be considered for pension entitlement is determined

by comparing the total annual contributions to the minimum daily contributions provided for under the law since 1983, which are updated every year. In addition to clearly regulating the periods of vertical part-time work to calculate pension benefits, this 2021 Budget Law provision can be also extended to workers with part-time contracts expired before January 1, 2021, provided that they submit suitable supporting documents. For further details, see INPS circular no. 74 of May 4, 2021.

The expansion contract: The 2022 Budget Law (Draghi Government) extends for another two years, to 2022/2023 the expansion contract for companies with at least 50 employees with a turnover with one subject hired for every three workers leaving. This type of contract is a form of early retirement introduced, on an experimental basis for 2019-2020, by Art. 26-quater of Law Decree no. 34 of April, 30 2019 (Decreto Crescita), definitively converted into Act no. 58 of June 28, 2019. This is an early-retirement measure initially targeted to large companies, with at least 1,000 employees, that are allowed to dismiss employees close to retirement and to reduce working hours to other workers, in exchange for training and hiring new workers. The 2021 Budget Law (Act no.178/2020) extended the expansion contract only to 2021, by lowering the threshold from 1,000 to 500 employees to initiate reorganisation and reindustrialisation programs, and to 250 for early retirement up to 5 years. However, the latter procedure can only be activated under certain conditions: stable aggregation of companies with a single production or service purpose, if a retirement support allowance is also envisaged (the so-called correlated contributions). The enterprises must be involved in such complex reindustrialisation and reorganisation plans so as to determine the partial or the whole change to business processes, in addition to technological development. Under Law Decree no. 73 of May 25, 2021 (Decreto Sostegni bis) converted into Act no. 106 of July 23, 2021, issued by the Draghi Government, the threshold size to access this instrument drops to 100 employees.

The expansion contract provides for an agreement between the employer and the trade unions which must be signed by the Ministry of Labour; the enterprise must submit a recruitment plan for new workers and a training and retraining project for its employees. It is also required to provide a bank guarantee to ensure the payment of the benefits due. The employed workers for whom early retirement is requested with the expansion contract must have a long-term contract and must agree to leave by November 30, 2021. The employed worker who adhere to this agreement receive a pension paid by INPS, equal to the gross pension they have accrued at the time of termination of employment, starting from commencing from the first day of the month following the month in which employment relationship ceases. This allowance is paid in 13 monthly instalments, on the first bankable day of each month, and is subject to ordinary taxation, with the automatic application of income deductions, if any. This benefit is compatible with another work activity. The cost for the entire duration of this advance measure, is borne by the employer, net of the Naspi benefit due to early retirees. Managers and professional apprentices are also eligible for this expansion contract. In particular, workers who: **a)** are no more than five years away from reaching old age or early retirement requirements; **b)** have accrued the minimum contribution requirements, i.e. 20 years for the old age pension and 37/36 years and 10 months for the early retirement pension, depending on their gender.

ISOPENSION is a retirement support benefit established by the Monti-Fornero Law (Article 4, Act no. 92 of June 28, 2012). It is an incentive to leave paid by the employer, which covers salary and contributions until the accrual of the actual pension, thus obtaining an advantage also in terms of generational turnover. This measure was temporarily extended to 7 years for the three-year period 2018-2020, pursuant to Article 1, paragraph 160 of the 2018 Budget Law, no. 205/2017, under the

Gentiloni-Padoan Government. Then it was further extended until 2023 by the 2021 Budget Law (Article 1, paragraph 345 of Act no. 178 of December 30, 2020), under the 2nd Conte-Gualtieri Government.

Subject to an agreement between the enterprise and trade unions, workers close to retirement may retire up to 7 years earlier with respect to the parameters provide for under the Fornero Law, both for early retirement and old age pensions, and then the period will be reduced to 4 years as of January 1, 2024. Workers who have up to seven years left to be eligible to an old-age or early retirement pension, also considering any increase in life expectancy, receive an allowance from their company equal to the pension benefit amount they would have at the time of early retirement. In reality, the company pays to INPS the monthly sums to pay for the workers' benefits and for their notional contributions. The benefit cannot be transferred to survivors, but if necessary, survivors receive an indirect pension according to the regulations in force. The isopension can be granted to workers who are close to retirement and employed by the enterprises: **a)** that operate in any sector, with an average of more than 15 employees; **b)** that have a redundancy plan; **c)** that have signed an agreement with the trade unions on redundancies and redundancy conditions and on pension support allowances; this agreement must be validated by INPS after an ad-hoc survey; **d)** that submit a bank guarantee together with their application so as to ensure their financial solvency for the redundancy entire duration; if these companies discontinue their monthly payments, INPS can request the payment of the instalments from the bank; if the insolvency situation lasts for over 180 days, INPS can use the entire guarantee to pay for the workers' benefits throughout the whole process; in case the guaranteed sums are not paid by the bank, INPS will stop paying the isopension and notional contributions. This measure cannot be granted to workers who already receive a disability pension or an ordinary invalidity allowance.

Bz) New provisions under the 2022 in the Budget Law (Draghi-Franco Government):

The 2022 Budget Law (Draghi Government) will be expansive by about 23.4 billion euros, about 16 of which as deficit. The largest item is a first allocation for the tax reform, including a tax wedge reduction (8 billion). The 100 Quota is to expire at the end of 2021 and will be replaced by a flexible exit option with 64 years of age adjusted to life expectancy and 38 years of contributions (102 Quota). In 2022 **Women's Option was extended** for female workers with 35 years of contributions and 58 years of age if they are employed or 59 if they are self-employed **by 31 December 2021**. The possibility of retire early remains until 2026 with 42 years of age and an average of 10 years of contributions for men and one year less for women, while 67 years of age will be required for the old-age pension until 2024. The Social Ape and the list of arduous jobs will be expanded. We reiterate our objections expressed in the previous report on the additional number of categories of work labelled as "heavy": one thing to have a heavy job, which exists in all countries and is confirmed in the medical-scientific literature, and quite another is to have a heavy type of work which has no reference in the scientific literature or in occupational medicine; the increase in the number of these "heavy" work categories may lead the system back to the pension jungle that existed before the reforms (starting from the Dini Law), where each category had different retirement rules.

2.6.4 – Primary and pre-primary school professions and similar professions
3.2.1 – Health technicians
4.3.1.2 – Warehouse management and similar professions
5.3.1.1 – Skilled professions in health and social services
5.4.3 – Operatori della cura estetica
5.4.4 – Qualified professions in personal and similar services
6 – Artisans, skilled workers, farmers
7.1.1 – Operators of plants and machinery for the extraction and first treatment of minerals
7.1.2 – Plant operators for wood processing and paper manufacturing
7.1.3 – Operators of ovens and other plants for the processing of glass, ceramics and similar materials
7.1.4 – Operators of wood processing and papermaking plants
7.1.5 – Operators of machinery and plants for the refining of gas and petroleum products, for basic and fine chemicals and for the manufacture of products derived from chemicals
7.1.6 – Operators of plants for the production of thermal energy and steam, for the recovery of waste and for the treatment and distribution of water
7.1.8.1 – Drivers of mills and mixers
7.1.8.2 – Operators of furnaces and similar plants for the thermal treatment of minerals
7.2 – Semi-skilled workers of stationary machinery for mass production and assembly workers
7.3 – Fixed machinery operators in agriculture and the food industry
7.4 – Drivers of vehicles, mobile and lifting machinery
8.1.3 – Unqualified personnel involved in moving and delivering goods
8.1.4 - Unqualified personnel in the cleaning services of offices, hotels, ships, restaurants, public areas and vehicles
8.1.5.2 - Carriers and similar professions
8.3 - Unqualified professions in agriculture, green maintenance, breeding, forestry and fishing
8.4 - Unqualified professions in manufacturing, mineral extraction and construction

The citizenship income (and the citizenship pension) have been confirmed for 2022, even with an additional coverage of 1,000 million.

A revision of the original legislation is planned in order to eliminate the inconsistencies of this measure that prove to be poorly relevant and effective in its practical application. In this regard, one of the main novelties of the 2022 Budget Law is the control system of the universal income applications under the supervision of municipalities and by INPS; in fact, they must carry out more and more expedited sample checks on beneficiaries, as early as they submit their application; INPS will be able to verify their personal, residence, stay and citizenship data. Then, INPS can ask the municipalities to further verify the requirements for higher risk applicants. The results of these checks will have to be communicated within 90 days and may lead to non-eligibility, the discontinuation or even the forfeiture of these benefits. Another new feature is the active search for work by the universal income applicant, to be verified at the employment centre at least once a month, and the hiring of at least one third of the existing income recipients by municipalities. Another change is related to the amount of the benefit.

Under this Budget Law, those who refuse a suitable job offer will have a cut in their allowance and even lose this benefit. In fact, sixth months after receiving the universal income, their allowance will be cut by 5 euros per month, provided that the amount is not below 300 euros per month or the household does not include at least one child under 3 years of age or a severely disabled or not self-sufficient family member. The most stringent provision is related to the loss of this benefit forfeiture, which will no longer occur upon rejecting a third suitable job offer, but a second one. In addition, the first offer will be considered adequate if the place of work is located within 80 km from the residence of the beneficiary or, in any case, can be reached in 100 minutes by public transport. While the second offer will be considered adequate in any location in Italy. Then this Law terminates the contract for the 2,500 navigators, which will not be renewed at the end of the year.

Their role will be played by the registered employment agencies that will be able to intermediate between supply and demand.

The about 3 billion euros' worth of the social shock absorber reform linked with active labour and training policies provides for: (a) the extension of the redundancy fund to small enterprises in the tertiary sector; (b) the extension of the ordinary redundancy fund (CigO) to a maximum of 52 weeks in a two-year period and the payment of 1.70% to construction workers, home workers (so far excluded), workers with any kind of apprenticeship contract (so far limited to vocational apprenticeship) in companies with more than 15 employees; the work requirement changes from 90 to 30 days and the lower limit of the supplementary benefit is eliminated; ; c) the extraordinary redundancy fund (CigS) is extended to all enterprises with more than 15 employees (at present it is only envisaged for industrial companies with 15 or more employees and for retail companies with 50 or more employees); companies with a number of employed workers ranging from 15 to 50 who are members of the wage support fund (FIS), excluding enterprises with a bilateral category fund, are required to pay another 0.90% for CigS (0.30% of which to be paid by the worker), in addition to the new FIS rate of 0.80%, for a total of 1.70%. The duration of the CigS is limited to a maximum of 24 months in a five-year period. Another 12 months are also provided for so as to support employment transitions. A further 52 weeks can be requested only in the two-year period 2022-23 for industrial firms for reorganisation purposes and in very difficult economic situations. Finally, under this Budget Law, the wage support fund (FIS) becomes mandatory for all small businesses from 1 to 15 employees not eligible for CigO or CigS and will become structural. The registration to FIS is compulsory even for a single employed worker or, alternatively, to the bilateral solidarity fund (there are 18 of these funds in as many reference sectors). Today the obligation is only for companies above 5 employees in sectors with no redundancy fund.

Focus n.1: pension eligibility requirements under the current legislation

Like most European countries, the Italian pension system essentially provides two channels for retirement: old-age retirement with a **minimum contribution requirement of 20 years**; early retirement with a lower age than retirement but with more stringent contribution requirements. Moreover, as in the case of civil servants, the employment relationship must be discontinued.

Old-age pensions - A) For all workers whose pension is calculated with the *income-based method (pure income-based system until 2011 and 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), the minimum age for **old age retirement**, after the Monti-Fornero Reform 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 A2); it remains at 67, with at least 20 years of contributions, until the end of 2022, since the 2017/18 average figures showed a difference in terms of life expectancy increase by less than one month compared to 2016 and therefore, it equal to zero according to these calculation rules. Under the Decree of the Minister of the Economy of October 27, 2021, published in the Official Journal on November 10, 2021, the automatic adjustment of the retirement age requirements to life expectancy is frozen for the two-year period 2023-2024; in fact, also as a result of the Covid-19 pandemic, life expectancy decreased in the last two years, by -0.25 according to ISTAT compared to the previous two-year period. Since, under the law, the retirement age cannot be lowered, but can only be subjected to a positive adjustment, the age requirements for old-age and seniority pensions and for social allowances will remain frozen until the end of 2024. Decree Law no. 78 of July 30, 2010 introduced, from January

1, 2013, the adjustment of life expectancy to retirement age requirement every two years. Among other things, the law provides for a maximum "step" of 3 months between the two-year periods, which can be offset through subsequent adjustments. For example, if in a two-year period, life expectancy grows by 4 months, the excess month will be offset in the following two-year period, if there is a sufficient room for manoeuvre. Instead, transformation coefficients have changed because they follow a different methodology based on the mortality tables for a given year. Clearly, there is a need to standardise the calculation rules to prevent workers from retiring a few months earlier but with lower benefits. (B) For subjects 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 workers can be entitled to an *old-age pension* if they are eligible for a minimum pension of 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 longer than the statutory old age retirement** (71 years in 2019/2022) and the accrued pension benefits have been paid, regardless of their calculated value, provided that these subjects have at least 5 years of contributions. The above requirements are adjusted over time according to changes in life expectancy. Life for the current two-year period, life expectancy is projected to be lower also in 2023 and in 2024, without more stringent retirement age requirements: 71 years for old-age pensions calculated with the contribution-based system.

Early retirement (see Table 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; in the 2019/2020 period, it was 43 years and 3 months for men and 42 years and 3 months for women. The contribution requirement is independent of age and is adjusted over time to changes in life expectancy. However, as mentioned above, Law Decree n. 4 of January 28, 2019, transposed into Act n. 26 of January 28, 2019, blocked this requirement from 2019 to 2026 at 42 years and 10 months for men (one year less for women); however, it introduced a 3-month delay in the effective retirement age (the so-called "mobile window") which effectively reduces this option from 5 to only 2 months. Just as a reminder related to early retirement, also the old-age pension age requirement for workers with particularly arduous jobs remains set at 61 years and seven months (and 63 years and 7 months or 62 years and 7 months for night workers) under the 2018 Budget Law; this law froze the adjustment from 1 January 2019 of the old-age pension and early-retirement. Just as a reminder on the subject of early retirement, it should be noted that the age requirement for access to the old-age pension by workers who perform particularly strenuous tasks also remains firm at 61 years and seven months of age (and 63 years and 7 months or 62 years and 7 months for night workers) based on the 2018 Budget Law, which froze the adjustment as of 1 January 2019 of the old-age pension and early retirement requirements for workers in the 13 so-called heavy-duty categories, who have reached a minimum of 35 years of contributions provided that they are not beneficiaries of early retirement benefits when they retire.

In addition to the above, the **workers who first registered** with the public pension system **in 1996** (i.e. workers fully subject to 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** (for amounts 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, de facto, the minimum contribution requirement of 35 years under the previous legislation. The threshold is designed to ensure a level

playing field in the access to retirement and to preserve the level of adequacy of benefits provided for under the previous legislation, with its flaws illustrated in Chapter 8.

Adjustment of minimum requirements to life expectancy – As of 2013¹, 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 all the three schemes, 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 periodic reviews and compliance with the scheduled deadlines. This procedure is fully consistent with that envisaged to update transformation coefficients (Art.1, paragraph 6, Act 335/1995, as amended by Act 247/2007) which takes place every **two years** starting from 2019.

NOTE: *The adjustment of minimum retirement requirements further strengthens the endogenous mechanisms of the pension system (including the revision of transformation coefficients in contribution based calculation method) to counteract the negative effects of 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 recently 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.*

¹ The adjustment of requirements as of 2013, in line with the law (Art.12, p. 12-bis, L.D. 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, published in the OJ on 13/12/2011. This adjustment is equal to 3 months, as provided for under p. 12-ter, L.D. 78/2010: the first adjustment must not exceed three months, even if life expectancy is longer than in the previous three years (as happened, since ISTAT estimated this increase in life expectancy for a reference age of 65 to be by 5 months between 2007 and 2010 with respect to the average for the resident population).

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)		63 anni e 11 mesi (3.1)	
2021-2022	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni (64 anni e 2 mesi)	
2023-2024	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni e 2 mesi (64 anni e 5 mesi)	
2025-2026	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni e 4 mesi (64 anni e 8 mesi)	
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	
N.B. 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 e un giorno) per i dipendenti dello Stato e 25 anni (24 anni sei mesi e 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. (3.1) A seguito della pandemia l'incremento dovuto alla speranza di vita stimato da Istat (vedasi tra parentesi) è stato prudenzialmente ridotto fino al 2025/26; poi si rivedranno le stime				
(4) I valori indicati per il 2016-2018 adeguati alla speranza di vita accertata dall'Istat e stabilita dal DM 16 dicembre 2014 sono aumentati di 5 mesi, per il biennio 2019-2020, a seguito della nuova previsione Istat ottobre 2017, raggiungendo i 43 anni e 3 mesi per i maschi e i 42 anni e 3 mesi per le donne; tuttavia, con il Decreto Legge 4/2019, è stata data opzione ai lavoratori 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 fino al 2026, bilanciata dalla reintroduzione della finestra "mobile" di 3 mesi, per cui l'anticipo effettivo si riduce a 2 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, self-employed workers N.B.: 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**. (3.1) Following the pandemic, the life expectancy increase calculated by ISTAT (between parentheses) was conservatively reduced until 2025/2026, then the estimates will be reviewed; 4) The figures for 2016-2018 adjusted to life expectancy and established by MD of December 16 de 2014 were increased by 5 years according to the new ISTAT projection in October 2017, reaching 43 years and 3 months for men and 42 years and 3 months for women; however, under Law Decree no. 4/2019, workers can obtain this benefit with 42 years and 10 months for men and with 1 year less for women, like in the previous two years; this option is valid until 2026 on an experimental basis, balanced by the reintroduction of the 3-month “mobile “window; so the actual retirement takes place only 2 months in advance). *****The figures indicated as of **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 minimum of seniority for employed workers; +6 months the self-employed). Under the Monti-Fornero law, the 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	66 e 7 mesi uomini e donne	66 e 7 mesi uomini e
	65 e 7 mesi donne		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
2019-2020-2021- 2022 (2)	67 anni per uomini e donne	67 anni per uomini e donne	67 anni per uomini e donne
2023-2024 (2)	67 anni per uomini e donne	67 anni per uomini e donne	67 anni per uomini e donne
2025 (3)	67 e 8 mesi uomini e donne	67 e 8 mesi uomini e donne	67 e 8 mesi uomini e donne
2030	68 e 1 mese uomini e donne	68 e 1 mese uomini e donne	68 e 1 mese uomini e donne
2035	68 e 7 mesi uomini e donne	68 e 7 mesi uomini e donne	68 e 7 mesi uomini e donne
2040	68 e 11 mesi uomini e donne	68 e 11 mesi uomini e donne	68 e 11 mesi uomini e donne
2045	69 e 3 mesi uomini e donne	69 e 3 mesi uomini e donne	69 e 3 mesi uomini e donne
2050	69 e 9 mesi uomini e donne	69 e 9 mesi uomini e donne	69 e 9 mesi uomini e donne

(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 i motivi indicati nel paragrafo l'età di 67 anni rimane fissa fin a tutto il 2024.

(3) I valori indicati dal 2025 in poi sono quelli previsti in base alle stime sulla speranza di vita elaborate dall'Istat allegate alla riforma Monti-Fornero (legge n.214/2011). In realtà nel 2025 si potrebbe ripartire con 67 anni e 2 mesi e successivi incrementi biennali tra 1 e 2 mesi per arrivare al 2030 con 67 anni e 7/8 mesi e nel 2040 con 68 anni e 11 mesi.

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 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 early as 2019; in the three years 2019-2021, 67 year of age were blocked by Decree no. 4/2019. For the reasons illustrated in the section, the age of 67 will remain unchanged until 2024. (3) The figures indicated as of 2025 are adjusted to life expectancy on the basis of the estimates provided by ISTAT and attached to the Monti-Fornero reform. (Act n. 214/2011). Actually, in 2025, it would be possible to start again with 67 years and 2 months, with subsequent increases every two years up to 67 years and 7/8 months in 2030 and to 68 years and 11 months in 2040.

Focus n. 2: pension indexation

For about 20 years now, the pension system has fully adjusted only the lowest pensions and has partially adjusted the higher ones. 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 in others, benefits were adjusted several times with a structural and unrecoverable reduction in their value; for this reason, the Supreme Court issued a negative opinion about these provisions.

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 with the full adjustment of the benefits to the inflation rate, the situation went back to that of **2007**.

2012 – 2013 The Monti government and its "Sala Italia" Law in late 2011 put a halt to the 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 were not adjusted.

2012-2016 – Under Law Decree 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, the rules substantially changed as follows:

In 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 6 times the minimum benefits; no adjustment above six times the minimum benefits.

In 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.

In 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 has 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 for the INPS allowance. Moreover, even though the provisional inflation index for pension adjustment purposes 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 inter-ministerial decree 20/11/2017 issued by the Ministry of Economy and Finance and the Ministry of Labour and Social Policies, which used 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 **clusters of amounts** 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, with many negative consequences and 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 then paid in 2019 on the basis of the real inflation rate, which determined the resulting change to the calculation of pension equalization.

Pension adjustment in 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 at 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 was expected in 2019 and the provisional equalization rate was estimated to grow by 1.10%². 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 with the 2019 Budget Law (Act n. 45/2018), the Conte Government again provided a penalizing pension adjustment approach similar to the previous one adopted by the Renzi Government. Therefore, as stated in its Circular no. 122/2018, in December, INPS prepared the pension payments for the year 2019, considering the adjustment to inflation (provisionally estimated to be 1.10% for 2018) envisaged under Act n. 388/2000; so, it had to recalculate all the benefits according to the new indexation scheme which was expected to produce a zero balance for the first two amount levels, a (slightly) positive for the third and negative for all the others. This measure adopted by the Conte government 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, INPS announced the new amount to be paid as of April 2019 for the first three months of 2019. Therefore, for the 2019-2021 period, the adjustment mechanism was structured as follows:

- 100% 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;
- 45% of inflation for pensions between 8 and 9 times the minimum benefits;
- 40% of inflation for pensions above 9 times the minimum benefits.

² Under the Decree of the Minister of Economy and Finance of November 15, 2019, the equalization of pensions for 2019 was confirmed at 1.1% as provided for in the previous M. D. of 2018; for 2020, the equalization to inflation was initially calculated at 0.4%, effective on benefits as of 1/1/2020, then corrected to 0.5% by ISTAT and confirmed again with this value under the Decree of the Minister of Economy and Finance in November 2020.

**For 2019, the minimum benefit was equal to 513.01 euros per month; for 2018, it was 507.41 euros.*

Pension adjustment for 2020 and 2021

The 2020 Budget Law (no. 160/2019) once again intervened on the issue and, for 2020 and 2021, it merged the 100% adjustment of benefits with an amount up to 4 times the minimum benefit (equal to 515.58 euros for 2020, confirmed for 2021), leaving the other revaluation brackets unchanged. As in the past, for 2020 and 2021 the adjustment was applied to the total amount of the pension and not to the various brackets, as provided for under Act no. 388/2000. This means that in the past, a hypothetical gross pension of 4,000 euros per month would have been revalued at 100% of inflation up to 3 times the minimum benefit (about 1,547 euros), at 90% from 3 to 5 times the minimum benefit (from 1,548 to 2,578 euros) and at 75% on the share of the pension over 5 times the minimum (from 2,579 to 4,000 euros).

On the contrary, the latest Budget Laws for 2019, 2020 and 2021, maintained the same approach as in 2018 and therefore adjusted the entire amount in a less favourable way; going back to the example, this means that the entire amount was supposed to be revalued at 47% of inflation in the case of pensions between 6 and 8 times the minimum pension.

So, to recap, the pension adjustment for 2020 and 2021 was equal to:

- 100% inflation for pensions up to 4 times the INPS 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;
- 45% of inflation for pensions between 8 and 9 times the minimum benefits;
- 40% of inflation for pensions above 9 times the minimum benefits.

Pension adjustment for 2022

The 2022 Budget Law has once again intervened on the subject by providing for the same year 2022 a reinstatement of the 3 income brackets of the Budget Law of the 1996 Prodi Government and the adjustment by brackets and not by the total pension amount as provided for under the 2018 law.

Table A.3 - Adjustment of pensions to inflation from 1996 to 2022

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	2022 Draghi (5)
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 DL 81/2008	L. 388/2002	DL 201/2011	L. 147/2013	L. 147/2013 e L. 208/2015	DL 65/2015 in L. 109/2015	L. 147/2013 e L. 208/2015	L. 145/2018	L. 160/2019	L. 160/2019 (art.34 L. 448/1998)
Fino a 2 volte il TM (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Da 2 a 3 volte il TM	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
da 3 a 4 volte il TM	100%	100%	100%	100%	90%	100%	90%	0% (4) 40%	90%	8%	20%	95%	97%	100%	100%
da 4 a 5 volte il TM	90%	90%	90%	90%	90%	100%	90%	0% (4) 20%	75%	4%	10%	75%	77%	77%	90%
da 5 a 6 volte il TM	75%	75%	75% (2)	30%	75%	75%	75%	0% (4) 10%	50%	2%	5%	50%	52%	52%	75%
da 6 a 8 volte il TM	75%	75%	75% (2)	30%	75%	75%	75%	0%	17,84 fasso	0%	0%	45%	47%	47%	75%
da 8 a 9 volte il TM	75%	75%	75% (2)	0%	75% (3)	75%	75%	0%	17,84 fasso	0%	0%	45%	45%	45%	75%
Oltre 9 volte il TM	75%	75%	75% (2)	0%	75% (3)	75%	75%	0%	17,84 fasso	0%	0%	45%	40%	40%	75%
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%	2019 0,5%	2020 0,0% 2021 1,7%	

(1) Per TM si intende "Trattamento Mirino"; il trattamento al minimo è pari per l'anno 2020 e 2021 a 515,58 euro lordi per 13 mensilità e per il 2022 a 524,34 euro 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 minimo 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.

(5) In base all'articolo 1 della legge n. 160 del 27 dicembre 2019 (Bilancio di previsione per l'anno 2020), dove all'art. 1, comma 478, si legge: "A decorrere dal 1° gennaio 2022 l'indice di rivalutazione automatica delle pensioni è applicato, secondo il meccanismo stabilito dall'articolo 34, comma 1, della legge 23 dicembre 1998, n. 448".

Adjustments to inflation over time, Amount of pension/year, Legal framework. Up to ...times the minimum benefits, from..to, inflation

(1) TM means mean minimum benefits that in 2020-2021 amounted to about 515.58 euros before taxes per 13 months, and for 2022 to 524.34 euros before taxes for 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 were 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.

(5) Art. 1, par. 478 of Act no. 160 of December 27, 2019 (2020 Budget) reads: "As of January 1, 2022, the automatic adjustment of pensions shall be applied according to the mechanism envisaged under Art. 34, par. 1 of Act no. 448 of December 23, 1998".

As of January 1, 2022, the automatic adjustment index of pensions shall be applied according to the mechanism established by article 34, paragraph 1, of Act no. 448 of 23 December 1998:

- (a) 100% for pension benefits up to four times the INPS minimum benefits;
- (b) 90% for pension benefits between four and five times the INPS minimum benefits;
- (c) 75% for pensions in excess of five times the minimum benefits.

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 subsequent ten years at current values, these benefits lost 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 below on the Constitutional Court ruling).

High (so-called golden) pensions: in June 2019, the indexation was accompanied by the "*cut*" of the so-called golden 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 (tax burden) because benefits are not recalculated on the basis of contributions paid and 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 5 years³. 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 the 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 mean annual gross benefits, especially because these are grow 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 against these cuts⁴.

On October 22, 2020, the Constitutional Court examined the constitutionality raised by the Court of Milan and the jurisdictional sections of the Court of Auditors for Friuli-Venezia Giulia, Lazio, Sardinia and Tuscany, on the measures to contain pension expenditure provided for under the 2019 Budget Law for high pensions both as regards the reduction of adjustment to inflation of pensions above 5 times the minimum benefits for the three-year period 2019-2021, and the percentage reduction for five years of pensions above a gross amount of 100,000 euros per year, the so-called solidarity contribution. In essence, the Court considers the "cooling of equalization" (as it calls it) as legitimate in that it is reasonable and proportionate and the same for the "solidarity contribution" even if it reduced its validity to three years, until December 31, 2021, deeming the five-year period too long with respect to the three-year horizon of the State budget.

³ 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.itinerarioprevidenziali.it and the articles published on the blog *ilPunto* (www.ilpuntopensionielavoro.it)

⁴ 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; in fact, the Constitutional Court expressed its opinion on October 22, 2020; unlike the past when it always considered these measures to be non-repeatable and of limited duration, this time it deemed them legitimate, although it challenged their duration.

Table A.4 - Reduction of pensions over 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 (es. pensione da 700.000 €/anno L)	200.000	40%	199.500	2.294.250
35.642					205.815.750

*Cuts to high pensions (*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*

The very title of the provision issued by the Government "*measures to contain pension expenditure*" should have warned the Supreme Court in view of the large spending measures simultaneously introduced with the 100 quota and the citizenship pension: pension savings for perhaps 200 million and an increase in pension expenditure by over 50 billion. Instead no reference to the meaning of the law. Not even a minimum easy-to-do check with INPS on the subjects affected by this measure. The Court did not even raise the slightest doubt on the calculation method: a real abuse as no mathematical or actuarial recalculation was made; only a brutal increase in taxes, without any calculation, to be borne by only 35,600 old people after a lifetime of contributions and taxes. This is a serious issue in terms of certainty of pension rights (at least those already accrued) and may have further negative effects on contributions whose pension benefits could be eliminated ex post by any government.

Table A.5 shows the minimum benefits and welfare benefits per month for the years from 2014 to 2022.

Table A.5 – Social allowances

Prestazione	2014	2015	2016 - 17	2018	2019	2020	2021	2022
Trattamento minimo	500,88	502,39	501,89	507,42	513,01	515,58	515,58	524,34
Assegno sociale	447,17	448,52	447,62	453,00	457,99	460,28	460,28	468,10
Pensione sociale	368,52	369,63	368,89	373,33	377,44	379,33	379,33	385,78
Ex Milione al mese	637,32	638,83	637,82	643,86	648,05	651,51	651,51	662,59
Pensione Invalidità civile	240	279,75	279,47	282,54	285,66	286,81	287,09	291,97
Indennità accompagnamento	504,07	508,55	508,83	514,14	519,71	520,29	522,10	530,98
14° mensilità (annuale) *					655,00	655,00	655,00	
Social card (annuale) **					480,00	480,00	480,00	480,00
Pensione di cittadinanza ***					492,18	530,75	546,75	550,00
I dati relativi al 2018 sono rivalutati ad una inflazione pari al 1,1% (DM 20/11/2017). I dati del 2019 sono rivalutati in base dell'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 essere confermato da Decreto MEF in uscita a del 16 novembre 2020 (Circolare INPS 9/2020).								
L'incremento delle prestazioni a decorrere dal 1° gennaio 2021 è stato definito applicando un tasso di inflazione definitivo per il 2019 in misura pari a 0,5% ed ha fissato quello provvisorio, relativo ai primi 9 mesi del 2020, in misura pari allo 0,0%.								
L'incremento delle prestazioni a partire dal 1° gennaio 2022 è stato definito confermando un tasso di inflazione definitivo per il 2020 in misura pari a 0,0% ed ha fissato quello provvisorio, relativo ai primi 9 mesi del 2021, in misura pari all'1,7% (Decreto MEF del 17 novembre 2021 pubblicato sulla G.U. del 26 novembre 2021) salvo conguaglio da effettuarsi in sede di perequazione per l'anno successivo.								
* L'importo dipende dal reddito e dagli anni di contribuzione; il valore indicato rappresenta il livello massimo invariato rispetto all'anno precedente.								
** Carta acquisti ordinaria da 80 euro a bimestre.								
*** L'importo dipende dal reddito, dal numero dei componenti del nucleo familiare e dal contratto di affitto o di mutuo sulla casa di abitazione; la media per il 2021 è di 546 euro al mese ma va da un minimo di 445 euro per i monocomponenti a un massimo di 698 euro per le famiglie con quattro componenti.								

Benefit: Minimum benefits, social benefits, ex million per month, pension for disabled civilians, carers 'allowance, 14th 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 final data were adjusted on the basis of the 2018 inflation rate under MEF Decree of November 19, confirmed by the MEF Decree of November 15, 2019. The increase in pension benefits, as of January 2020, was defined by provisionally applying a 0.4% inflation rate for 2019 under the MEF Decree of November 15, 2019, then finally brought up to 0.5% by ISTAT, pending to be confirmed by the MEF Decree of November, 16, 2020 (INPS Circular no. 9/2020). The increase in pension benefits, as of January 2022, was defined by applying a final 0.0% inflation rate for 2020, and the provisional one for the first 9 months of 2021 was set to 1.7% (MEF Decree of November 17, 2021, published on the Official Journal on November 26, 2021), unless there would be an equalization balance the following year. *The amount is related to the income and to the years of contributions; the figure in the table is the maximum level, unchanged with respect to the previous year.**The ordinary shopping 80-euro card; with zero value as of 2021, in that it was replaced by the citizenship income in 2020.*** the amount is related to the income, to the number of family members and to the house rental or loan contract; the figure in the table is the average for 2021, equal to 546 euros per month, ranging from a minimum of 445 euros for single families to a maximum of 698 for households with four family members.

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 applied (for various reasons) the 4.43% increase of the FPLD rate by 01/01/1996, 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 rate of FPLD 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** have opted to raise contribution rates to keep the pension system in balance; this was the correct option until 1987 for employed workers and for the self-employed until 2007, 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 1991, 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 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: processing of industrial 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 provided have been directly processed on the basis of the ISTAT Data Warehouse findings related to industry; (e) the figures of the income historical series 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. no. 207/1996) for the subjects who closed their business (and returned their permit) and who become 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 rate allocated to the Pension Fund remained set at 33% of taxable income in 2020, of which 23.81 paid by the employers and 9.19% by the employees (with the sole exception of the quota paid by the employees that rose 10.19% for a monthly remuneration exceeding 3,948 euros, equal to an annual amount of 47,379 euros per year; see INPS Circular no. 6/2019, point 5 on the starting date of the additional rate). For workers with no contribution seniority as of December 31, 1995 who joined a mandatory pension scheme as of January 1, 1996, an annual ceiling on the contribution and pension base was established. This ceiling, fixed at 132 million lire for 1996, was adjusted every year on the basis of the ISTAT consumer price index for families of workers and employees (the limit relative to 2020 was equal to 103,055 euros). Beyond this income limit, no contributions are due and the pension benefits are therefore capped at the maximum contribution limit.

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 2018, artisans who joined the scheme before 1996 paid a contribution rate of 24% out of their business income up to 47,379 euros and 25% on the share of income between 47,379 and 78,965 euros, that was the taxable ceiling for 2020. While for retailers registered with the scheme before 1996, the contribution rate rose by 0.09% in 2020 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 47,379 euros and 25.09% on the amount between 47,379 and 78,965 euros. On the contrary, 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 103,055 euros. As a result, the artisans fully with a contribution-based method, had to pay a rate of 24.00% on their business income up to 47,379.00 euros and 25.00% on the share of income between 47,379.00 and 103,055 euros (equal to 55,676 euros). Similarly, the workers who joined the fund for retailers after December, 31 1996 had to pay a rate of 24.09% on their business income up to 47,379 euros and 25.09% on the share of income between 47,379 euros and 105,055 euros. In 2020, the minimum taxable income for calculating the contribution rate was equal to 15,953 euros, so the minimum contribution (including maternity allowance) to be paid by artisans was 3,836 euros, while that of retailers was 3,850 euros (see INPS circular no. 28/2020).

Atypical workers - In 2020, the IVS contribution rate due by atypical workers and by subjects with similar occupations registered with the separate scheme remained set at 33% like in 2019. For professionals and freelancers with a VAT number, registered with the separate scheme and not with other funds and not retired, the contribution rate reached 25% in 2020. Instead, the contribution rate for short-term contract workers and free-lancers already insured or retired remained at 24%. In 2020, the maximum taxable income for contribution purposes for members of the separate scheme was equal to 103,055 euros per year and the minimum to 15,953 euros (see INPS circular no. 3/2020).

Table A.7 - Contribution rates and upper limits

Soggetti interessati	Carico contributivo 2017	Carico contributivo 2018	Carico contributivo 2019	Carico contributivo 2020	Carico contributivo 2021	Carico contributivo 2022
Lavoratori dipendenti privati (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	9,19% sino a 47.379 euro 10,19% da 47.379 euro	9,19% sino a 48.184 euro 10,19% da 48.184 euro
Lavoratori dipendenti pubblici (2):						
-Cassa Pensionistica Dipend. Stato-CTPS	8,80% sino a 46.123 euro 9,80% da 46.123 euro	8,80% sino a 46.630 euro 9,80% da 46.630 euro	8,80% sino a 47.143 euro 9,80% da 47.143 euro	8,80% sino a 47.379 euro 9,80% da 47.379 euro	8,80% sino a 47.379 euro 9,80% da 47.379 euro	8,80% sino a 48.184 euro 9,80% da 48.184 euro
-Cassa Pens.Dip.Enti Locali-CPDEL	8,85% sino a 46.123 euro	8,85% sino a 46.630 euro	8,85% sino a 47.143 euro	8,85% sino a 47.397 euro	8,85% sino a 47.379 euro	8,85% sino a 48.184 euro
-Cassa Pens. Insegnanti-CPI	9,85% da 46.123 euro	9,85% da 46.630 euro	9,85% da 47.143 euro	9,85% da 47.379 euro	9,85% da 47.379 euro	9,85% da 48.184 euro
-Cassa Pens. Ufficiali Giudiziari-CPUG						
-Cassa Pens. Sanitari-CPS						
Artigiani (3)	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 77.117 euro	24,71% sino a 47.143 euro 25,62% da 47.143 a 78.572 euro	24,71% sino a 47.379 euro 25,62% da 47.379 a 78.965 euro	24,71% sino a 47.379 euro 25,62% da 47.379 a 78.965 euro	24,71% sino a 48.184 euro 25,62% da 48.184 a 80.307 euro
Commercianti (4)	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 77.117 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	24,71% sino a 47.379 euro 25,71% da 47.379 a 78.965 euro	24,71% sino a 48.184 euro 25,71% da 48.184 a 80.307 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 (9)	32,72% entro il massimale di 100.324 euro (5)	34,23% entro il massimale di 101.427 euro (6)	34,23% entro il massimale di 102.543 euro (6)	34,23% entro il massimale di 103.055 euro (6)	34,23% entro il massimale di 103.055 euro (6)	34,23% entro il massimale di 104.807 euro (6)
Professionisti (lavoratori autonomi) titolari di partita IVA iscritti alla Gestione Separata, non assicurati obbligatoriamente ad altra Gestione né pensionati (9)	25,72% entro il massimale di 100.324 euro (7)	25,72% entro il massimale di 101.427 euro (7)	25,72% entro il massimale di 102.543 euro (7)	25,72% entro il massimale di 103.055 euro (7)	25,98% entro il massimale di 103.055 euro (8)	26,23% entro il massimale di 104.807 euro (8)
Parasubordinati (Collaboratori e figure assimilate) e Professionisti titolari di partita IVA già assicurati obbligatoriamente ad altra Gestione o pensionati (10)	24,00% entro il massimale di 100.324 euro (9)	24,00% entro il massimale di 101.427 euro (9)	24,00% entro il massimale di 102.543 euro (9)	24,00% entro il massimale di 103.055 euro (9)	24,00% entro il massimale di 103.055 euro (9)	24,00% entro il massimale di 104.807 euro (9)

(1) Per i lavoratori dipendenti privati le aliquote indicate in tabella sono esclusivamente quelle Iva 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 redditi superiori alla prima fascia di retribuzione annua pensionabile l'aliquota contributiva e di computo aumenta di un punto percentuale. I limiti di scaglioni e massimali in tabella riguardano esclusivamente i soggetti iscritti alla gestione con decorrenza anteriore al 1° gennaio 1996 o che possono far valere anzianità contributiva a tale data; viceversa, ai sensi dell'articolo 2, comma 18, della legge 8 agosto 1995, n. 335, per i lavoratori privi di anzianità contributiva al 31 dicembre 1995, iscritti con decorrenza 1° gennaio 1996 o successiva, il massimale annuo è pari, per il 2021, a € 103.055 e per il 2022 a € 104.807. tale massimale non è frazionabile in ragione mensile.

(2) Per i lavoratori dipendenti pubblici le aliquote indicate in tabella sono esclusivamente quelle Iva a carico del lavoratore. I limiti di scaglioni e massimali in tabella riguardano esclusivamente i soggetti iscritti alle gestioni con decorrenza anteriore al 1° gennaio 1996 o che possono far valere anzianità contributiva a tale data; viceversa, ai sensi dell'articolo 2, comma 18, della legge 8 agosto 1995, n. 335, per i lavoratori privi di anzianità contributiva al 31 dicembre 1995, iscritti con decorrenza 1° gennaio 1996 o successiva, il massimale annuo è pari, per il 2021, a € 103.055 e per il 2022 a € 104.807. tale massimale non è frazionabile in ragione mensile. Le altre contribuzioni minori per gli iscritti alle gestioni pubbliche sono le seguenti: Il trattamento di Fine Servizio – TFS per i dipendenti pubblici consiste in un importo spettante al lavoratore alla risoluzione del rapporto di lavoro con lo Stato. Al personale assunto a tempo indeterminato dopo il 31 dicembre 2000 si applica invece la disciplina del Trattamento di Fine Rapporto – TFR. I lavoratori con diritto al TFS che aderiscono alla previdenza complementare passano automaticamente al regime di TFR. Il conseguimento del TFS comporta l'obbligo del versamento di un contributo stabilito a) per i dipendenti statali nella misura del 9,60% della retribuzione considerata in ragione dell'80%; 7,10% a carico dell'ente e 2,50% a carico del dipendente; b) per i dipendenti degli Enti locali nella misura del 6,10% della retribuzione considerata in ragione dell'80%; 3,60% a carico dell'ente e 2,50% a carico del dipendente. Per il TFR invece il datore di lavoro accantona tutta la quota pari all'aliquota del 9,60% per i dipendenti dello Stato e del 6,10% per i dipendenti iscritti alle altre gestioni, mentre al dipendente non è trattenuto nulla. Alla gestione unitaria delle prestazioni creditizie e sociali - Gestione Credito il contributo obbligatorio a carico esclusivo del lavoratore è calcolato sulla base della retribuzione pensionabile, nei limiti del massimale contributivo; l'aliquota di versamento è pari allo 0,35%. All'Ente Nazionale Previdenza Dipendenti Enti Diritto Pubblico - ENPDEP, che gestisce l'Associazione Sociale Vita, sono iscritti obbligatoriamente gli Enti dotati di diritto pubblico a eccezione delle amministrazioni dello Stato, delle province, dei comuni e degli enti pubblici di assistenza e beneficenza oppure altri Enti pubblici in forma facoltativa o convenzionale. Il contributo, calcolato sull'80% della retribuzione degli iscritti è pari allo 0,12%, di cui 0,093% a carico del datore di lavoro e lo 0,027% a carico del lavoratore.

(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 ss.mm.ii. Per i redditi superiori alla prima fascia di retribuzione annua pensionabile l'aliquota contributiva e di computo aumenta di un punto percentuale. Per i titolari ed i collaboratori minori di 21 anni l'aliquota del 2012, anno di revisione generalizzata delle aliquote, era più bassa di quella ordinaria ed aumentava annualmente dello 0,45% fino a raggiungere il 24,00%, allineandosi così a quella dei titolari e collaboratori di età maggiore. I limiti di scaglioni e massimali in tabella riguardano esclusivamente i soggetti iscritti alla gestione con decorrenza anteriore al 1° gennaio 1996 o che possono far valere anzianità contributiva a tale data; viceversa, ai sensi dell'articolo 2, comma 18, della legge 8 agosto 1995, n. 335, per i lavoratori privi di anzianità contributiva al 31 dicembre 1995, iscritti con decorrenza 1° gennaio 1996 o successiva, il massimale annuo è pari, per il 2021, a € 103.055 e per il 2022 a € 104.807. tale massimale non è frazionabile in ragione mensile. Continiamo ad applicarci, anche per l'anno 2021, le disposizioni di cui all'articolo 59 della legge 27 dicembre 1997, n. 449, relative alla riduzione del 50% dei contributi dovuti dagli iscritti con più di sessantacinque anni di età, già pensionati presso le gestioni dell'Istituto.

(4) 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'articolo 49, comma 1, della legge 23 dicembre 1999, n. 488, e ss.mm.ii. e dallo 0,09% a titolo di aliquota aggiuntiva istituita dall'articolo 5 del decreto legislativo 28 marzo 1996 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 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. Per i titolari ed i collaboratori minori di 21 anni l'aliquota del 2012, anno di revisione generalizzata delle aliquote, era più bassa di quella ordinaria ed aumentava dello 0,45% fino a raggiungere il 24,00% allineandosi così a quella dei titolari e collaboratori di età maggiore. I limiti di scaglioni e massimali in tabella riguardano esclusivamente i soggetti iscritti alla gestione con decorrenza anteriore al 1° gennaio 1996 o che possono far valere anzianità contributiva a tale data; viceversa, ai sensi dell'articolo 2, comma 18, della legge 8 agosto 1995, n. 335, per i lavoratori privi di anzianità contributiva al 31 dicembre 1995, iscritti con decorrenza 1° gennaio 1996 o successiva, il massimale annuo è pari, per il 2021, a € 103.055 e per il 2022 a € 104.807. tale massimale non è frazionabile in ragione mensile. Continiamo ad applicarci, anche per l'anno 2021, le disposizioni di cui all'articolo 59 della legge 27 dicembre 1997, n. 449, relative alla riduzione del 50% dei contributi dovuti dagli iscritti con più di sessantacinque anni di età, già pensionati presso le gestioni dell'Istituto.

(5) Composta dal 32% di aliquota contributiva e di computo della pensione, dallo 0,50% per la tutela della maternità, assegnati 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.

(6) Composta dal 33% di aliquota contributiva e di computo della pensione, dallo 0,50% per la tutela della maternità, assegnati 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 contribuzioni aggiuntive Dis-Coll. Per i soggetti per i quali non è prevista la contribuzione Dis-Coll l'aliquota complessiva si riduce al 33,72%.

(7) 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 (6).

(8) L'articolo 1, comma 398, della legge 30 dicembre 2020, n. 178, ha disposto un aumento dell'aliquota di cui all'articolo 59, comma 16, della legge n. 449/1997, pari a 0,26% per l'anno 2021 e pari al 0,51% per gli anni 2022 e 2023. Il contributo è finalizzato a far fronte agli oneri derivanti dall'applicazione del comma 386 dello stesso articolo 1 della legge n. 178/2020, che ha previsto l'erogazione da parte dell'Inps dell'indennità straordinaria di continuità reddituale e operativa (c.d. IS-CRO). Quindi oltre all'aliquota contributiva del 25,00% per i v.s., all'aliquota contributiva aggiuntiva pari allo 0,72%, istituita dall'articolo 59, comma 16, della legge n. 449/1997 (tutela relativa alla maternità, agli assegni per il nucleo familiare, alla degenza ospedaliera, alla malattia e al congedo parentale) e dall'articolo 7 del decreto ministeriale 12 luglio 2007, in attuazione di quanto previsto dal comma 791, articolo unico, della legge n. 296/2006, si aggiunge l'aliquota contributiva aggiuntiva per "IS-CRO" pari allo 0,26%.

(9) 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;

(10) 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: <https://www.inps.it/CircolariZIP/Circolare%20numero%2028%20del%2017-02-2020.pdf>; Per parasubordinati etc...: <https://www.inps.it/bussola/VisualizzaDoc.aspx?VirtualURL=%2FCircolari%2FCircolare%20numero%2012%20del%2003-02-2020.htm>

Fonti 2021: Per artigiani e commercianti: Circolare n.17 del 09/2/2021; Per parasubordinati etc...: Circolare n.12 del 5/2/2021; Per dipendenti pubblici: siti vari

Subjects, Contribution rate, Contribution charges; up to....with an upper limit of; Private-sector employed workers (1); Public-sector employed workers, Pension fund for civil servants (CTPS), Pension fund for employed workers of Local Authorities (CPDEL), Pension Fund for Teachers (CPI), Pension Fund for Bailiffs (CPUG), Pension Fund for health workers (CPS); Artisans (3); Retailers (4); Atypical workers (Short-term contracts and similar occupations) and members of partnerships registered with the separate scheme, not members of other funds and not retired (8); Professionals and free-lancers with a VAT number, registered with the separate scheme, not members of other funds and not retired (9); Atypical workers and professionals with a VAT number, registered with other funds or retired (10). (1) For private-sector employees, the rates indicated in the table are exclusively those to be paid by

the worker; for the total rates, also the ones to be paid by the employer and including those for minor contributions, refer to Chapter 5. For incomes above the first bracket of the annual pensionable salary, the contribution rate increases by one percentage point. The limits of the brackets and ceilings in the table are exclusively related to the workers registered enrolled with the fund with effective date prior to January 1, 1996 or who can claim their contribution seniority at that date; vice versa, in accordance with Article 2, par. 18, of Act no. 335 of August 8, 1995, for workers with no contribution seniority on December 31, 1995, enrolled as of January 1, 1996 or later, the annual ceiling is equal, to 103,055 euros for 2021 and to 104,807 euros for 2022: this ceiling cannot be broken down on a monthly basis.

(2) For public-sector employed workers, the rates indicated in the table are exclusively those paid by themselves. The limits of the brackets and the ceilings in the table are exclusively related to those subjects registered with the fund prior to January 1, 1996 or who can claim contribution seniority at that date; instead, , in accordance with Article 2, par. 18 of Act no. 335 of August 8, 1995, for workers with no contribution seniority as of December 31, 1995, enrolled in the fund as of January 1, 1996 or later, the annual ceiling is equal to 103,055 euros for 2021 and **to 104,807 euros for 2022**: this ceiling cannot be broken down on a monthly basis. The other minor contributions for the members of public schemes are as follows: the Termination of Employment Benefit (TFS) for public employees, which is an amount due to the worker upon termination of employment with the State. The workers hired with long-term contracts in the public sector after December 31, 2000, are subjected to the severance package (TFR) rules. The workers entitled to TFS who join a complementary pension scheme automatically switch to the TFR scheme. The TFS benefits entails the payment of a contribution as follows a) for State employees: 9.60% out of 80% of their remuneration, 7.10% to be paid by the employer and 2.50% by the employee; b) for employees of local authorities: to the 6.10% out of 80% of their remuneration, 3.60% to be paid by the employer and 2.50% by the employee. Instead, the employer sets aside the entire amount for TFR equal to 9.60% for State employees and to 6.10% for members of other funds, while workers are not required to pay anything. For the single scheme for credit and social benefits, Gestione Credito, the obligatory contribution to be borne exclusively by the worker is calculated on the basis of his or her pensionable salary, within the limits of the maximum contribution; the rate is equal to 0.35%. Public law entities must be registered with the National Pension Scheme for Employees of Public Law Institutions (Ente Nazionale Previdenza Dipendenti Enti Diritto Pubblico - ENPDEP), which manages the Social Life Insurance; this requirement does not apply to State administrations, provinces, municipalities and public assistance and charitable institutions or other optional or conventional public institutions. The contribution, calculated on 80% of the salary of the members is equal to 0.12%, of which 0.093% is paid by the employer and 0.027% by the employee. The National Fund for Teachers (Ente Nazionale Assistenza Magistrale –ENAM) is the scheme for state school employed workers who are required to pay 1% out of 80% of their gross salary.

(3) The first salary bracket feature the following rates: 23.55% of contribution and pension calculation rate, increased to 24.00% as of 2018, plus 0.62% for maternity under the provisions of Art. 49, par. 1 of Act no. 488 of December 23, 1999, and subsequent amendments and additions. For incomes above the first annual pensionable remuneration bracket, the contribution and calculation rate increases by one percentage point. For owners and their assistants under 21 years of age the rate is lower than the ordinary rate in 2012, the year of the general review of the rates, and increases annually by 0.45% until it reaches 24.00%, thus aligning itself with that of older owners and their assistants. The limits of the brackets and the ceilings in the table are exclusively related to the workers registered in the fund prior to January 1, 1996 or who have a contribution seniority c as of that date; vice versa, pursuant to article 2, par. 18, of Act no. 335 of August 8, 1995, , for workers without a seniority of contribution as of December 31, 1995, registered as of January 1, 1996 or later, the annual ceiling is equal to 103,055 euros for 2021 and to 104,807 euros for 2022: this ceiling cannot be broken down on a monthly basis. The provisions of article 59 Act no. 449 of December 27, 1997, on the 50% reduction of the contributions due by members aged over 65 who already receive pension benefits from an INPS scheme continue to be applied in 2021.

(4) The first salary bracket feature the following rates: 23.55% of contribution and pension calculation rate in 2017, increased to 24.00% as of 2018, plus 0.62% for maternity under the provisions of Art. 49, par. 1 of Act no. 488 of December 23, 1999, and an additional rate of 0.09% as provided for under Article 5 of Legislative Decree no. 207 of March 28, 1996, extended until 2018 and then turned into permanent provisions as of 2019 under Article 1, paragraph 284, of Act no. 145 of December 30, 2018, as compensation for the cessation of business. For incomes above the first pensionable annual salary bracket, the contribution and computation rate increases by one percentage point. For owners and their assistants under the age of 21, the rate in 2012, the year of the general revision of rates, was lower than the ordinary rate and increased by 0.45% to reach 24.00%, thus aligning itself with that of older owners and their assistants. The limits of the brackets and the ceilings in the table are exclusively related to the workers registered in the fund prior to January 1, 1996 or to the ones with a contribution seniority at that date; vice versa, pursuant to Article 2, par. 18, of Act no. 335 of August 8, 1995, for workers without a contribution seniority as of December 31, 1995, enrolled as of January 1, 1996 or later, the annual ceiling is equal to 103,055 euros for 2021 and to **104,807 in 2022**: this ceiling cannot be broken down on a monthly basis. The provisions of article 59 of Act no. 449 of December 27, 1997, regarding the 50% reduction of contributions due by members aged over 65, who already receive pension benefits from an INPS pension fund, continue to be applied also for the year 2021.

(5) Contribution and pension calculation rate: 32%, maternity: 0.50%, family and sickness allowances: 0.22%, an additional rate of 0.50% pursuant to Art. 7 of the Ministerial Decree of July 12, 2007, implementing the provisions of the only Art., par. 791 of Act no. 296/2006.

(6) Contribution and pension calculation rate: 32%, maternity: 0.50%, family and sickness allowances: 0.22%, an additional rate of 0.50% pursuant to Art. 7 of the Ministerial Decree of July 12, 2007, implementing the provisions of the only Art., par. 791 of Act no. 296/2006, and, finally, an additional Dis-Coll contribution of 0.51%. For workers who do not have to pay the Dis-Coll contribution, the overall rate is reduced to 33.72%.

(7) Contribution and pension calculation rate: 25%, an additional rate of 0.72% (equal to the sum of 0.50% + 0.22%) referred to in note (6) above.

(8) Article 1, par. 398, of Act no. 178 of December 30, 2020, provided for an increase in the rate referred to under Article 59, par. 16, of Act no. 449/1997, by 0.26% for 2021 and by 0.51% for 2022 and 2023. The extra contribution is designed to finance the charges deriving from the application of paragraph 386 of the same article 1 of Act no. 178/2020, which provided for the extraordinary income and operating continuity allowance (so-called ISCRO) to be paid by INPS. Therefore, in addition to the IVS contribution rate of 25.00%, and to the additional contribution rate of 0.72%, established under Article 59, par. 16, of Act no. 449/1997 (for maternity, family allowances, hospitalisation, sick and parental leave) and under Article 7 of the Ministerial Decree of July 12, 2007, implementing the provisions of the only Article, par. 791 of Act no. 296/2006, there is an extra "ISCRO" contribution rate of 0.26%.

(9) Contribution and pension calculation rate pursuant to Article 1 of Act no. 147 of December 27, 2013 (Legge di Stabilità 2014), par. 491, which amended the provisions under Article 2, par. 57, of Act no. 92 of June 28, 2012, and under Article 46-bis, par. 1, letter g), of Law Decree no. 83 of June 22, 2012, amended and transposed by Act no. 134 of August 7, 2012.

(10) The appropriation of the contribution charges to the employer and to the employed worker is one third (1/3) and two thirds (2/3) respectively, and the employer is obliged to pay his or her part. Instead, professionals must bear the brunt of these charges.

Sources of the 2020 update: 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=%2fCircolari%2fCircolare%20numero%2012%20del%2003-02-2020.htm>

Sources for 2021: For artisans and retailers:

Circular no.17 of 09/2/2021;

For atypical workers etc.:

Circular no.12 of 5/2/2021;

For civil servants: different sites

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 was 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**⁵: 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 (provisional) figure for 2018 is

⁵ 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.

equal to **103,055 euros**. This means, for example, that the 2020 annual provision for future pension benefits cannot exceed 33,839 euros for employed workers and 24,733 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, par. 14, Act no. 247/2007) introduced new coefficients to be reviewed every three years until 2018 and every two years starting from 2019. Pensions will be 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 under 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 5 years, retirees will benefit from their pension benefits for 5 more years. Instead, in 2019-2021, the same 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. The coefficients for 2023/24 will be announced in the spring of 2022.

Table A.8 - Coefficients for the transformation of the pool of benefits into annuities

Età alla decorrenza della pensione	1996-2009	2010-2012	% riduzione rispetto ai precedenti coefficienti	2013-2015	% riduzione rispetto ai precedenti coefficienti	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 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.												

Pension starting date, % reduction vs. previous coefficients; Coefficients are expressed in %; for example, supposing that, through the payment of contributions with an annual adjustment 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, it will simply suffice to multiply the final amount by the coefficient in the table for 2019 and by 64 years of age; if this worker decides to retire at 67 with the same amount (actually by continuing to work also in these three years, the amount would be higher), and 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 pensions paid out and of current pensions

Table A.9 shows the historical series of the *pensions paid* every year from 2003 to 2020 and the flow of pensions paid in the third quarter of 2021. **Table A.10** shows the outstanding pensions on 1/1/2020 and on 1/1/2021.

Table A.9 - Historical series of IVS pension benefits paid between 2003 and 2020 and retirement flows of the first 3 quarters of 2021

Serie storica 2003-2020 (anni di liquidazione) del numero delle pensioni previdenziali IVS liquidate e flussi di pensionamento dei primi tre trimestri del 2021.															
Anno	Sesso	Vecchiaia e Prepensionamenti			Anzianità/Anticipate			Invalidità			Superstiti			COMPLESSO PENSIONI LIQUIDATE INPS IVS	
		INPS Dipendenti Privati ⁽¹⁾	INPS Dipendenti Pubblici	Totale INPS Vecch./Prep.	INPS Dipendenti Privati ⁽¹⁾	INPS Dipendenti Pubblici	Totale INPS Anz./Antic.	INPS Dipendenti Privati ⁽¹⁾	INPS Dipendenti Pubblici	Totale INPS Invalidità	INPS Dipendenti Privati ⁽¹⁾	INPS Dipendenti Pubblici	Totale INPS Superstiti		
2003	Maschi	89.805	n.d.	89.805	164.867	n.d.	164.867	35.756	n.d.	35.756	37.051	n.d.	37.051	327.479	
	Femmine	126.925	n.d.	126.925	42.064	n.d.	42.064	15.440	n.d.	15.440	164.714	n.d.	164.714	349.14	
	Totale	216.730	n.d.	216.730	206.931	n.d.	206.931	51.196	n.d.	51.196	201.765	n.d.	201.765	676.62	
2004	Maschi	91.567	n.d.	91.567	173.515	n.d.	173.515	34.665	n.d.	34.665	35.609	n.d.	35.609	335.35	
	Femmine	125.852	n.d.	125.852	47.541	n.d.	47.541	14.635	n.d.	14.635	157.359	n.d.	157.359	345.38	
	Totale	217.419	n.d.	217.419	221.056	n.d.	221.056	49.300	n.d.	49.300	192.968	n.d.	192.968	680.74	
2005	Maschi	112.800	n.d.	112.800	131.969	n.d.	131.969	40.642	n.d.	40.642	38.391	n.d.	38.391	323.80	
	Femmine	133.258	n.d.	133.258	32.913	n.d.	32.913	17.517	n.d.	17.517	172.807	n.d.	172.807	356.49	
	Totale	246.058	n.d.	246.058	164.882	n.d.	164.882	58.159	n.d.	58.159	211.198	n.d.	211.198	680.29	
2006	Maschi	109.710	n.d.	109.710	164.518	n.d.	164.518	37.440	n.d.	37.440	35.849	n.d.	35.849	347.51	
	Femmine	144.289	n.d.	144.289	49.415	n.d.	49.415	16.614	n.d.	16.614	158.237	n.d.	158.237	368.55	
	Totale	253.999	n.d.	253.999	213.933	n.d.	213.933	54.054	n.d.	54.054	194.086	n.d.	194.086	716.07	
2007	Maschi	98.422	n.d.	98.422	138.051	n.d.	138.051	37.907	n.d.	37.907	35.535	n.d.	35.535	309.91	
	Femmine	141.693	n.d.	141.693	36.300	n.d.	36.300	17.179	n.d.	17.179	154.656	n.d.	154.656	349.82	
	Totale	240.115	n.d.	240.115	174.351	n.d.	174.351	55.086	n.d.	55.086	190.191	n.d.	190.191	659.74	
2008	Maschi	69.551	n.d.	69.551	167.764	n.d.	167.764	38.862	n.d.	38.862	36.980	n.d.	36.980	313.15	
	Femmine	90.905	n.d.	90.905	45.510	n.d.	45.510	17.487	n.d.	17.487	160.810	n.d.	160.810	314.71	
	Totale	160.456	n.d.	160.456	213.274	n.d.	213.274	56.349	n.d.	56.349	197.790	n.d.	197.790	627.86	
2009	Maschi	76.723	10.627	87.350	88.094	29.764	117.858	36.597	4.316	40.913	37.775	6.157	43.932	290.05	
	Femmine	131.960	14.519	146.479	20.527	31.790	52.317	16.611	3.044	19.655	162.695	26.682	189.377	407.82	
	Totale	208.683	25.146	233.829	108.621	61.554	170.175	53.208	7.360	60.568	200.470	32.839	233.309	697.88	
2010	Maschi	75.554	10.027	85.581	134.287	39.130	173.417	36.577	5.297	41.874	36.702	6.675	43.377	344.24	
	Femmine	122.771	13.184	135.955	39.299	27.432	66.731	16.558	3.586	20.144	157.894	27.872	185.766	408.59	
	Totale	198.325	23.211	221.536	173.586	66.562	240.148	53.135	8.883	62.018	194.596	34.547	229.143	752.84	
2011	Maschi	59.729	5.902	65.631	116.879	38.696	155.575	34.115	4.814	38.929	36.876	7.017	43.893	304.02	
	Femmine	87.271	14.799	102.070	32.480	31.699	64.179	14.981	3.416	18.397	160.144	27.930	188.074	372.72	
	Totale	147.000	20.701	167.701	149.359	70.395	219.754	49.096	8.230	57.326	197.020	34.947	231.967	676.74	
2012	Maschi	58.185	5.705	63.890	87.831	37.784	125.615	34.525	5.527	40.052	37.582	7.465	45.047	274.60	
	Femmine	78.654	15.181	93.835	27.372	24.337	51.709	15.637	3.582	19.219	164.580	29.897	194.477	359.24	
	Totale	136.839	20.886	157.725	115.203	62.121	177.324	50.162	9.109	59.271	202.162	37.362	239.524	633.84	
2013	Maschi	77.864	4.390	82.254	78.211	19.807	98.018	37.821	4.806	42.627	38.181	7.233	45.414	268.31	
	Femmine	62.509	7.397	69.906	34.200	13.987	48.187	16.513	3.052	19.565	167.334	26.495	193.829	331.48	
	Totale	140.373	11.787	152.160	112.411	33.794	146.205	54.334	7.858	62.192	205.515	33.728	239.243	599.80	
2014	Maschi	86.978	5.576	92.554	44.083	16.903	60.986	38.548	4.512	43.060	37.187	8.083	45.270	241.87	
	Femmine	32.356	7.970	40.326	43.333	24.353	67.686	17.329	2.946	20.275	163.204	28.438	191.642	319.92	
	Totale	119.334	13.546	132.880	87.416	41.256	128.672	55.877	7.458	63.335	200.391	36.521	236.912	561.79	
2015	Maschi	90.335	6.555	96.890	99.601	26.170	125.771	38.490	4.371	42.861	38.603	7.695	46.298	311.82	
	Femmine	36.335	7.232	43.567	58.785	37.738	96.523	17.393	2.944	20.337	167.998	27.073	195.071	355.49	
	Totale	126.670	13.787	140.457	158.386	63.908	222.294	55.883	7.315	63.198	206.601	34.768	241.369	667.31	
2016	Maschi	73.355	5.968	79.323	85.421	27.154	112.575	38.794	4.703	43.497	36.741	8.465	45.206	280.60	
	Femmine	32.710	2.918	35.628	42.137	34.351	76.488	18.500	2.697	21.197	160.773	28.577	189.350	322.66	
	Totale	106.065	8.886	114.951	127.558	61.505	189.063	57.294	7.400	64.694	197.514	37.042	234.556	603.26	
2017	Maschi	96.052	9.421	105.473	114.919	28.115	143.034	37.859	4.824	42.683	38.653	8.848	47.501	338.69	
	Femmine	40.312	5.212	45.524	45.223	36.135	81.358	18.555	2.720	21.275	167.485	29.189	196.674	344.83	
	Totale	136.364	14.633	150.997	160.142	64.250	224.392	56.414	7.544	63.958	206.138	38.037	244.175	683.52	
2018	Maschi	106.757	13.660	120.417	122.342	31.477	153.819	37.917	4.442	42.359	38.039	9.202	47.241	363.83	
	Femmine	32.972	17.217	50.189	45.376	41.470	86.846	18.970	2.791	21.761	164.987	29.646	194.633	353.42	
	Totale	139.729	30.877	170.606	167.718	72.947	240.665	56.887	7.233	64.120	203.026	38.848	241.874	717.26	
2019	Maschi	80.330	11.546	91.876	176.503	45.355	221.858	37.841	4.345	42.186	38.130	9.499	47.629	403.54	
	Femmine	40.436	11.970	52.406	62.106	49.988	112.094	20.085	2.694	22.779	167.596	29.930	197.526	384.80	
	Totale	120.766	23.516	144.282	238.609	95.343	333.952	57.926	7.039	64.965	205.726	39.429	245.155	788.35	
2020	Maschi	111.995	16.046	128.041	163.087	41.417	204.504	31.785	2.912	34.697	39.150	9.870	49.020	416.26	
	Femmine	85.323	17.382	102.705	71.691	57.036	128.727	17.429	1.875	19.304	181.478	32.692	214.170	464.90	
	Totale	197.318	33.428	230.746	234.778	98.453	333.231	49.214	4.787	54.001	220.628	42.562	263.190	881.16	
2021 3° trim. (2)	Maschi	92.836	14.605	107.441	136.910	39.430	176.340	26.159	2.576	28.735	37.678	8.688	46.366	358.88	
	Femmine	77.789	16.558	94.347	60.846	54.826	115.672	14.464	1.531	15.995	175.821	1.220	177.041	403.05	
	Totale	170.625	31.163	201.788	197.756	94.256	292.012	40.623	4.107	44.730	213.499	9.908	223.407	761.93	

(1) Le pensioni liquidate nelle Gestioni Sport e Spettacolo dell'ex Enpsal dall'anno 2019 sono ricomprese all'interno dei dati INPS - Dipendenti privati.

(2) Rilevazione al 28 ottobre 2021 dei flussi di pensionamento IVS nei primi tre trimestri 2021, che riguardano solo le principali gestioni Inps (FPLD, Autonomi e Parasubordinati). Sono escluse le Gestioni minori e le Gestioni sostitutive, tra cui la Gestione dipendenti pubblici - GDP e l'ex Enpsal, nonché le pensioni assistenziali - Dati provvisori.

Fonte: Inps - Osservatorio pensioni Inps liquidate e Monitoraggio flussi di pensionamento 3° trim. 2021

(1) Le pensioni liquidate nelle Gestioni Sport e Spettacolo dell'ex Enpals dall'anno 2019 sono ricomprese all'interno dei dati INPS - Dipendenti privati.

(2) Rilevazione al 28 ottobre 2021 dei flussi di pensionamento IVS nei primi tre trimestri 2021, che riguardano solo le principali gestioni Inps (FPLD, Autonomi e Parasubordinati). Sono escluse le Gestioni minori e le Gestioni sostitutive, tra cui la Gestione dipendenti pubblici - GDP e l'ex Enpals, nonché le pensioni assistenziali - Dati provvisori.

Fonte: Inps - Osservatori pensioni Inps liquidate e Monitoraggio flussi di pensionamento 3° trim. 2021.

Old-age pensions, seniority/early retirement benefits, disability pensions, survivors 'pensions, Year, Gender, INPS private-sector employed workers (1), INPS public-sector employed workers, Total INPS old-age pension/early retirement, Total INPS seniority pension/early retirement, Total INPS disability pension, Total INPS survivors' pension, Total INPS IVS pensions paid out, Men, Women; (1) The pensions paid by the former Enpals sports and entertainment funds in 2019 are included in the INPS data for private-sector employed workers. (2) Data of October 28, 2021 related to the IVS pension flows of the first 3 quarters of 2021 only for the main INPS schemes (FPLD, the fund for self-employed and atypical workers), excluding minor and substitutive funds such as the one for public-sector employed workers (DDP and former ENPALS as well as welfare pension benefits. Provisional data; *Source: INPS – Observatory of INPS pensions paid out and Monitoring of pension flows in the 3rd quarter of 2021*

Table A. 10 shows the current pensions on 1/1/2019.

Table A.10 - Current pensions on 1/1/2021

Pensioni Vigenti all'1.1.2021				Per memoria Totale Pensioni Vigenti all' 1.1.2020
	Gestioni INPS Dipendenti Privati (*)	Gestioni INPS Dipendenti Pubblici - GDP	Totale Gestioni INPS	
	Vecchiaia			Vecchiaia
Maschi	1.641.983	193.909	1.835.892	1.835.892
Femmine	2.825.783	235.841	3.061.624	3.061.624
Totale	4.467.766	429.750	4.897.516	4.942.703
	Anzianità / Anticipate			Anzianità/Anticip.
Maschi	3.547.581	813.761	4.361.342	4.300.713
Femmine	1.120.532	944.087	2.064.619	1.980.504
Totale	4.668.113	1.757.848	6.425.961	6.281.217
	Invalità			Invalità
Maschi	451.621	125.312	576.933	600.219
Femmine	374.527	86.460	460.987	493.923
Totale	826.148	211.772	1.037.920	1.094.142
	Superstiti			Superstiti
Maschi	447.679	101.969	549.648	550.318
Femmine	3.196.566	528.112	3.724.678	3.760.450
Totale	3.644.245	630.081	4.274.326	4.310.768
	Prepensionamenti			Prepensionamenti
Maschi	154.825	-	154.825	165.222
Femmine	55.874	-	55.874	58.958
Totale	210.699	-	210.699	224.180
	Assistenziali			Assistenziali
Maschi	1.608.066	-	1.608.066	1.617.409
Femmine	2.374.612	-	2.374.612	2.413.029
Totale	3.982.678	-	3.982.678	4.030.438
	Totale			Totale
Maschi	7.851.755	1.234.951	9.086.706	9.070.474
Femmine	9.947.894	1.794.500	11.742.394	11.812.974
Totale	17.799.649	3.029.451	20.829.100	20.883.448

INPS funds for private-sector employed workers (*), INPS funds for public-sector employed workers- GDP, Total INPS funds, Total outstanding pensions on 1/1/2020; Men, women, total; old-age pensions, seniority/early retirement pensions, disability pensions, survivors' pensions, early retirement, welfare benefits, Total;(*) Since 1/1/2020, the INPS Pension Observatory has also included the entertainment and sports fund, previously within a separate observatory; Source: Statistical observatories of pensions on 1/1/2021

Table A.11 - List of safeguard measures

Descrizione Salvaguardie e norme di riferimento	Totale Accolte	Totale numero esodati previsto	Onere certificato
I Salvaguardia			
Domande di certificazione legge 135/2012	64.364	66.000	5.107,00
II Salvaguardia			
Domande di certificazione legge 135/2012	19.741	35.000	1.840,30
III Salvaguardia			
Domande di certificazione legge 228/2012	7.186	16.130	312,7
IV Salvaguardia			
Domande di certificazione legge 124/2013	3.427	5.000	214,7
V Salvaguardia			
Domande di certificazione legge 147/2013	3.527	17.000	192,9
VI Salvaguardia			
Domande di certificazione legge 147/2014	16.500	32.100	784,2
VII Salvaguardia			
Domande di certificazione legge 208/2015	13.071	26.300	1.006,00
VIII Salvaguardia			
Domande di certificazione legge 232/2016	13.074	30.700	912,9
IX Salvaguardia (*)	1.187	2.400	
TOTALE GENERALE	142.077	230.630	10.010,70

Description of safeguard measures and their reference rules, Total number of applications accepted, Total number of expected recipients, Certified cost (millions of euros), Certification applications under Act no(*) The ninth safeguard measure was provided for by the 2021 Budget Law (Act no. 178 of December 30, 2020) to help approximately 2,400 “esodati” to reach their retirement requirements. By October 2021, 2,915 applications had already been submitted, of which 1,187 were accepted, 1,575 rejected, and 153 are pending. The budget is around 35 million euros for 2021 and slightly less for 2022, with a further 27 million for 2023 and 20 million until 2026.

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 Statistica⁶

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"⁷.

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.

B) Aggregate of "pensions and annuities" contained in the Accounts of Social Security⁸

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

⁶ 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 (2004) 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 SEC criteria.

⁷ Periodical and continuous benefit in cash individually paid by public institutions and private organizations.

⁸ This aggregate is separately referred to all institutions and to individual public institutions. Here only the latter is analysed.

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 employment⁹), some expenses for services provided for the old-age function, supplementary pensions paid by private pension funds. In addition to IVS indirect pensions, the *survivors'* function includes indirect veterans' pensions and indirect accident-related annuities.

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

Old age, survivors' and disability functions (sometimes misused as an indicator of pension expenditure).

Benefits included in the aggregate:

The aggregate, often used in international comparisons, comprises the sum of disbursements that EUROSTAT ranks in terms of *old age*, *survivors'* and *disability* function. In addition to direct expenditure on IVS pensions (with the exception of disability pensions below the retirement age and the early retirement share classified under "Unemployment" (as previously mentioned), the *old-age* function includes: the annual disbursements by private and public employers for termination of employment benefits TFR (which are not pensions but capital disbursements not necessarily linked to the old-age function, but to termination of the employment, as previously stated), some expenses for services provided to protect the old-age function, supplementary pensions paid by private pension funds¹⁰. 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.

⁹ 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%.

¹⁰ Even *survivors* and *disability* include benefits paid by private institutions.

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 (NVSP¹¹).

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).

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.

¹¹ 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.*

Anni	ISTAT STATISTICA Le prestazioni pensionistiche	Pensioni e rendite - Istituzioni pubbliche - Istat Conti di protezione sociale - Analisi per prestazioni	EUROSTAT			NVSP/Itinerari Previdenziali*		RGS
			EUROSTAT - Pension expenditure	Funzioni old age e survivors	Funzioni old age, survivors e disability	al lordo della quota assistenziale	al netto della quota a carico del bilancio dello stato	
1999	14,1%	13,5%	14,2%	15,0%	16,3%	13,1%	10,9%	13,3%
2000	14,0%	13,2%	13,8%	14,7%	15,9%	12,7%	10,6%	12,9%
2001	13,9%	13,1%	13,7%	14,5%	15,7%	12,7%	10,6%	12,9%
2002	14,0%	13,3%	14,0%	14,6%	16,0%	12,8%	10,7%	13,1%
2003	14,1%	13,4%	14,0%	14,9%	16,3%	12,9%	10,8%	13,2%
2004	14,3%	13,4%	14,0%	14,8%	16,2%	12,9%	10,9%	13,2%
2005	14,4%	13,5%	14,1%	14,9%	16,2%	13,0%	11,0%	13,3%
2006	14,4%	13,4%	14,0%	15,0%	16,3%	13,0%	11,0%	13,3%
2007	14,4%	13,4%	13,9%	14,4%	15,8%	13,0%	11,0%	13,3%
2008	14,7%	13,7%	14,3%	14,9%	16,3%	13,3%	11,3%	13,6%
2009	16,1%	14,8%	15,4%	15,9%	17,5%	14,3%	12,2%	14,7%
2010	16,0%	14,8%	15,4%	16,2%	17,7%	14,4%	12,3%	14,7%
2011	16,1%	14,9%	15,4%	16,1%	17,6%	14,4%	12,4%	14,8%
2012	16,6%	15,4%	16,0%	16,5%	18,2%	15,0%	13,0%	15,3%
2013	16,9%	15,9%	16,5%	16,9%	18,6%	15,4%	13,3%	15,8%
2014	17,0%	15,8%	16,4%	16,7%	18,4%	15,3%	13,3%	15,8%
2015	16,9%	15,7%	16,4%	16,8%	18,4%	15,3%	13,2%	15,6%
2016	16,7%	15,4%	16,0%	16,4%	18,0%	15,0%	12,9%	15,4%
2017	16,5%	15,2%	15,8%	16,3%	17,8%	14,8%	12,7%	15,2%
2018	16,6%	15,2%	15,8%	16,3%	17,9%	14,8%	12,7%	15,2%

Nota: dati aggiornati a marzo 2021. * I dati dal 2011 al 2018 fanno riferimento al Rapporto su "Il bilancio del sistema previdenziale italiano" che ha ereditato la definizione e la metodica di calcolo utilizzati dal NVSP fino al 2010.

*year, Istat Statistica pension benefits, Pensions and annuities – Public Institution – Istat Accounts of Social Security, benefits analysis; Eurostat – Pension expenditure; Old age, survivors' and disability functions; gross welfare health.

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 pension¹:

$$a_{x,s}^{v(t)} = \sum_{t=0}^{w-x} \frac{l_{x+t,s}}{l_{x,s}} \left(\frac{1+r}{1+\sigma} \right)^{-t}$$

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

Δ = 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)

ε_s = difference between the age of the deceased and the age of the spouse

η = survivors' quota

δ_s = Percentage reduction of the survivors' quota due to income requirements

r = internal rate of return

σ = 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.