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The italian Pension System

Financial and demographic trends of the pension
and welfare system in 2021

Curated by the Research and Study Centre Itinerari Previdenziali

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Exhibit no. 3 - Calculation formula of the contribution-based method

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- Observatory on public expenditure and revenues “Devaluation of pensions 4 times above minimum benefits”
- Observatory on public expenditure and revenues "2020 IRPEF tax returns and analysis of direct and indirect taxes".
- IX Report "Italian Institutional Investors: Members, Resources and Managers in 2021".
- Labour Market Observatory “A labour market at two speeds? Employment, wages, and mismatch. Trends for the first six months and forecasts for 2022; general data, EU comparison and outlook for next months”
- Observatory on public expenditure and revenues “Silver economy: a brave new economy. Italian silver citizens: who they are, what they do and what they want”
- Quaderno di Approfondimento "ESG and SRI, the sustainable investment policies of Italian institutional investors".
- Institutional Investment Observatory "Trends in 2021 and forecasts for 2022. Insight into the Italian labour market trends: general data, comparison with the EU and outlook for the coming months".

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Introduction

The Report on the "*Italian pension system*", now in its 10th 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 *X 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 2021, the last year for which there are available and complete data on the financial statements of the entities that make up the Italian system. This Report uses ad hoc indicators to describe and evaluate the trends of the public schemes integrated into INPS, the only public pension institution³ and of the privatized professional pension schemes under Legislative Decrees no. 509 del 1994 and no.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 **33 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.

Finally, the Report analyses the performance of the *Welfare Benefit Scheme (GIAS)* and of the *Temporary Benefit Scheme (GPT)* for the income support benefits financed by the production sector

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".

and by tax revenues, of INAIL's accounts and of health expenditure. 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 measures for workers through solidarity, interprofessional and bilateral funds.

Moreover, the Report provides a description and quantification of private 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 regulatory innovations up to 2021, available in the printed version and but also in the more exhaustive web version on www.itinerariprevidenziali.it.

1 Economic trends of the pension system from 1989 to 2021

1.1 Different periods in the 33-year-long analysis

This Xth Report analyses the performance of the Italian public, mandatory and complementary social security system and its various components (pensions, welfare, health), on the basis of the accounting data of its public and private schemes.

This first chapter highlights the trends of the main categories of workers belonging to the public pension system over a period of time that goes from 1989, the year of inception of digitalized comparable data, to 2021. The year 2022 is taken into consideration through its total aggregate data based on the projections presented by INPS and the Ministry of the Economy in the latest update of the Economic and Financial Document (DEF).

In the first part of the chapter, we examine the system as a whole by correlating pension variables (contributions, benefits, assets, pensioners and their ratios) to economic variables (inflation, labour income and GDP); in the second part, we carry out a similar analysis for the main schemes.

In each part, trends are divided into four periods:

- **from 1989 to 1995**, characterised by the first significant reform of the pension system (Amato Government (Act no. 503/1992): more stringent retirement age and contribution requirements, years of contributions and pensionable salary calculation);
- **from 1996 to 2006**, the first eleven years of implementation of the comprehensive Dini reform (Act no.335/95): adoption of the contribution-based calculation method plus the effects of the measures envisaged in other reforms adopted in the period (Berlusconi Government, 1994: revision of the pro rata coefficients and other changes; Prodi Government, 1997: changes to retirement age requirements, equalisation of the rules for public-sector employed workers with the ones for private-sector employed workers);
- **from 2007 to 2014**, the years of the long financial and economic crisis (first characterised by a real estate bubble and the collapse of subprime securities and then by the sovereign debt sustainability crisis); pension reforms of the Berlusconi and Monti governments, with the launching of the Fornero reform;
- **from 2015 to 2021**, the most recent years, which began with a five-year period of slight growth recovery, followed by the consequences of the pandemic and the negative impacts of the conflict in Ukraine and ongoing inflation¹; in the two-year period from 2019 to 2020, the much-debated early retirement measure introduced by the first Conte government known as the '100 Quota' was operational, followed by the introduction of a new early-retirement measure known as '102 Quota '.

¹ In the last two periods, in addition to the full implementation of the aforementioned reforms, the more stringent retirement age requirements envisaged by the Fornero reform which came into force in January 2012, produced significant effects in terms of financial savings and lower retirement rates. These effects would have been even greater if the originally provisions had not been watered down by ad-hoc early retirement measures (the so-called 'nine safeguards'), by the introduction of other measures to reduce the minimum requirements (2015) and, above all, by the new Quota 100 provisions in force in the two-year 2019-2020 period, partially increased for 2021-2022. All the information on this cycle of reforms are summarised in the Annex to this Report and in more detail in the book in *“Istituzioni, economia e gestione di previdenza pubblica”* (Institutions, economics and management of the public social security system) by Alberto Brambilla, published in *“Trattati e manuali”* (Treatises and manuals) by Vita e Pensiero in 2012, which can be downloaded from the www.itinerariprevidenziali.it website.

1.2 Economic trends of the pension system over the 33-year period²

In 2021, *pension benefit expenditure* of the compulsory system³, i.e. the funds managed by the INPS and the private schemes, amounted to **238.27 billion euros**⁴, an increase by 3.97 billion compared to **58.86 billion in 1989**, the starting year of this survey.

Over this thirty-three year period, its average annual increase in nominal terms was therefore 4.47%, compared to a nominal GDP growth rate of 3.15% per year over the same period. Compared to 2020, the increase in expenditure in 2021 was 1.51%, less than + 1.95% in 2020. By breaking down the entire time span into the periods illustrated above, it is possible to see that, in the seven years preceding the Dini reform, pension expenditure rose to **103.47 billion**, a growth by 75.8% for the whole period and an annual rate of 9.9%; in the following eleven years (1996-2006), it reached **170.21 billion**, an increase by 64.5%, with an annual rate of 4.6%; in the years of the economic crisis (2007-2014), it went up to **216.112 billion**, an increase by 27%, and an annual average rate of 3.0%. Finally, in the most recent phase, with the partial recovery of the economy and the adverse events of the pandemic and the war in Ukraine, pension expenditure climbed to 238.27 billion in 2021, an overall growth by 10.25%, equivalent to 1.4% per year.

The same time span (1989 - 2021) used to examine the pension expenditure trends was also considered to analyse the second component, i.e. '*welfare expenditure*', which INPS disburses through an ad-hoc fund called GIAS (Welfare Benefit Scheme)⁵; welfare expenditure increased from **12.493 billion** to **40.228 billion** in 2021, with an overall growth by 222% and an annual average of 3.7%. Its evolution follows the same phases illustrated above: from 1989 to 1995, it climbed from **12.493 billion** to **18.692 billion** (an overall growth by 49.6% and annual average rate of 6.95%); from 1996 to 2006, it increased from 20.617 billion to 30.912 billion (+65.4% with annual average rate 4.7%); from 2007 to 2014, it rose from **31.766 billion** to **33.356 billion** (+7.9% with an annual average of 0.96%); between 2015 and 2021, it grew from **36.045 billion** to **40.228 billion** (an overall growth by 20.6% with an annual average rate of 2.7%).

At first glance, the share of the welfare component (GIAS) apparently features more fluctuations, while the growth of pension expenditure slowed down significantly over time. However, it must be considered that nominal values are influenced by the different inflation rates for each period and that the welfare expenditure analysed here is only related to part of the welfare system.

It is necessary to add to the items shown in **Table 8.5** (Chapter 8) and the welfare benefits paid by local authorities in **Table 8.2**, thus bringing the total welfare expenditure financed through tax

² All the data analysed are shown in Tables 1.a to 7.a; the series from 1989 to 2000 can be found on the Report website, while from the tables related to 2001 to 2021 are at the end of Chapter 8. In assessing the data, it should be borne in mind that in the long run, the growth rates of pension expenditure are correlated with several factors, such as regulatory changes, inflation, the growth of GDP, incomes and wages; the interaction of these factors is analysed in detail in different parts of this Report.

³ 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, Exhibit 2.A, "Pension expenditure: a comparative analysis of different definitions", p. 326.

⁴ In order to adjust the aggregate figures of expenditure, revenues and operating balances to 2022, we made an estimate by increasing the 2021 expenditure and revenues calculated by the Itinerari Previdenziali Study and Research Centre on the basis of the changes calculated by the RGS and published in the 'Update Note to the Economic and Financial Document' of September 28, 2022. Based on this estimate, pension expenditure net of GIAS in 2022 was expected to range from 243.5 billion euros and 248 billion euros.

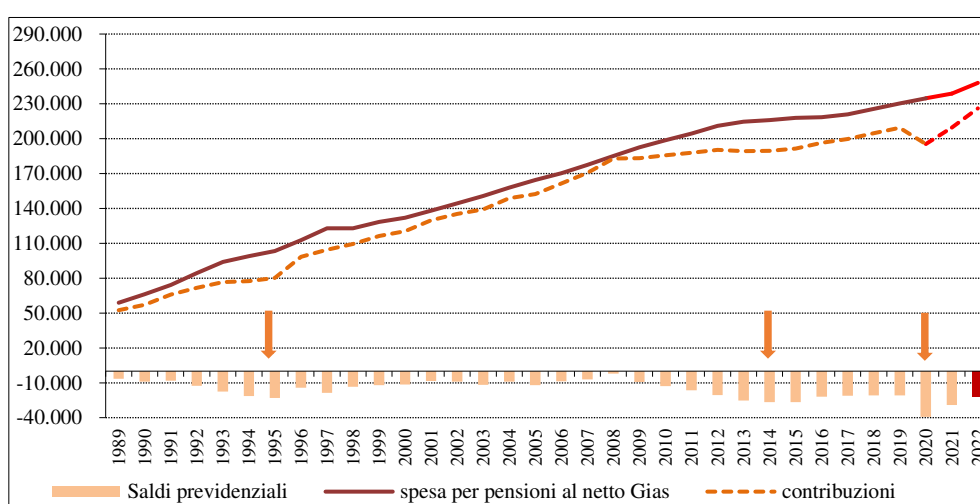
⁵ The different nature of the *pension benefits* financed by contributions with respect to *welfare benefits* financed by tax revenues is described in detail in the following parts of this Report.

revenues and with no taxation for recipients to 155.2 billion, with a growth rate of 4.6% compared to 2008.

Contribution revenues rose from 52.443 billion in 1989 to 208.264 billion in 2021⁶, an increase by 297%, (+4.42% on an annual basis on average), slightly less with respect to the 4.47% of pension expenditure and more than the total of pension and welfare expenditure (4.42% vs. 4.35% on an annual basis on average). Breaking down the four periods, it appears that in the first period, revenues rose to 80.349 billion (+53.21% and 7.37% on average per year); in 2006, revenues amounted to 161.411 billion (+100.9% vs. 2005 with an average growth rate of 6.55%); in the third period, the most critical for GDP growth and employment, revenues were more stagnant with respect to the growth of pension expenditure, with an overall increase by 17.5% and an average annual rate of 2.03%; finally in 2021, contribution revenues reached 208.264 billion with an increase over the period by 9.85% and, given the strong decrease in 2020, the year most affected by the pandemic with an average annual growth by 1.35%.

Figure 1.1 shows the evolution of pension expenditure, contribution revenues and their balances for the entire period. The balance figures significantly fluctuate over time in line with the economic situation and regulatory measures, especially the ones capable of having an effect in the short and medium term.

Figure 1.1 – Pension expenditure, contributions and operating balances*



Balance of the pension system, Pension expenditure net of GIAS, Contributions; *The 2022 figures are estimates. See Note 3 in this section

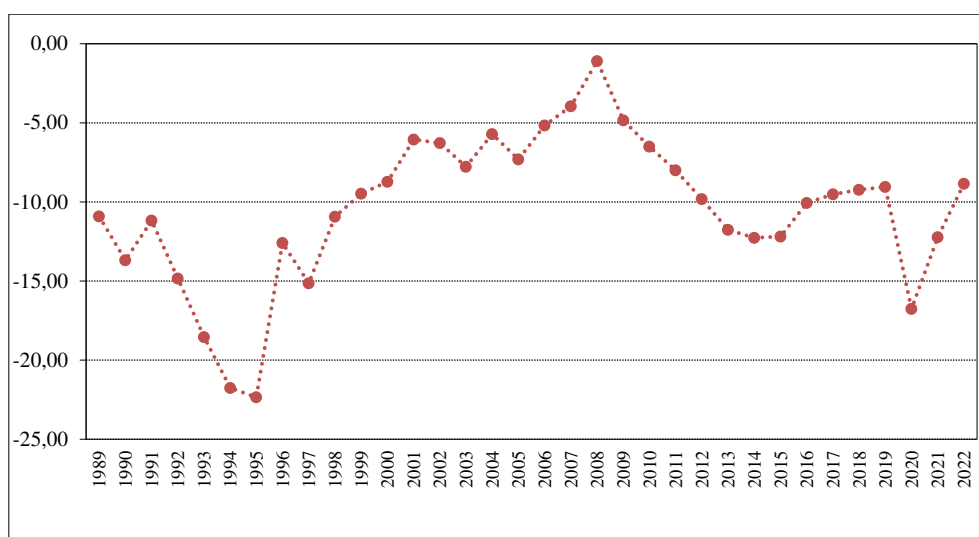
As the graph shows, the **social security balances** (i.e. net of the welfare component) are negative for the entire analysis period; the different trends suggest that there are three distinct phases: a downward trend in the years before the reforms of the pension system (1989-1995), the effects on employment of the economic crisis (2009-2015), and the halt provoked by the outbreak of the pandemic in the most recent period.

On the other hand, the important reforms launched by the governments in the last decade of the last century gave rise to a fairly long phase (1996-2008) of progressive improvement in these balances, due not only to a slower growth of pension expenditure but also to a higher increase in contribution revenues, until a nearly balanced situation was reached in 2008. The severe economic crisis that began in that very year and its unfavourable effects on employment and contribution revenues

⁶ An estimated amount of 226.068 billion euros' worth of contribution revenues in 2022.

brought the balances back in the negative for five years⁷. The figure also shows a contrasting trend in recent years: the initial recovery improved the balances until 2019, then the abrupt halt due to the pandemic exacerbated the imbalance of the accounts; but thanks to the end of the lockdown, this negative trend was partially offset in 2021 and was estimated to further improve in 2022. However, the current events (the war in Ukraine and inflation) create so many uncertainties that it is impossible to make short-term estimates of the financial performance of the Italian mandatory pension system.

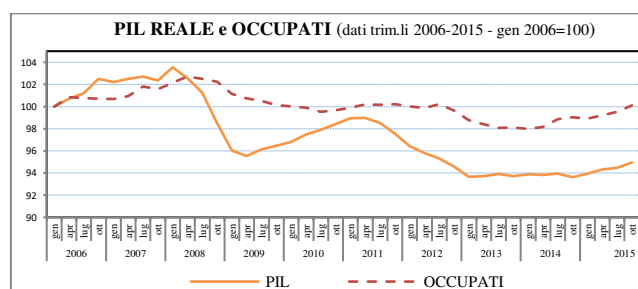
Figure 1.2 - Operating deficits net of GIAS as % of pension expenditure*



*The 2022 figures are estimates. See Note 3 in this section

The data examined so far do not allow for a direct comparison of the amounts of operating balances over different time periods because they derive from come and expenditure in nominal terms, so they are influenced by major price differences. A relative measure such as the ratio of operating deficits vs. pension expenditure is therefore a more appropriate indicator for comparing the extent of financial imbalances over time. These parameters are shown in **Figure 1.2**. The graph confirms the trends in the balances seen in the previous figure, but the relative values indicate that the impact on the volume of expenditure has been substantially different over time. The operating deficits deteriorated in the years of the crisis (from -1.1% in 2008 to -2.3% in 2014) and during the serious situation created by the pandemic (-16.8% in 2020); but these deficits are lower with respect to the pre-reform period (-22.4% in 1995) when the legislation adopted in the years of the greatest post-

⁷ From January 2008 to October 2014, the fall in GDP in real terms was around 14% with an annual average for the period of -1.2%. It should be noted (see Figure in footnote) that in the almost five years of the crisis, the fluctuations in GDP, especially in the first two years, had a limited impact on employment which however remained at lower levels until the end of 2015 with respect to the initial months of the crisis.



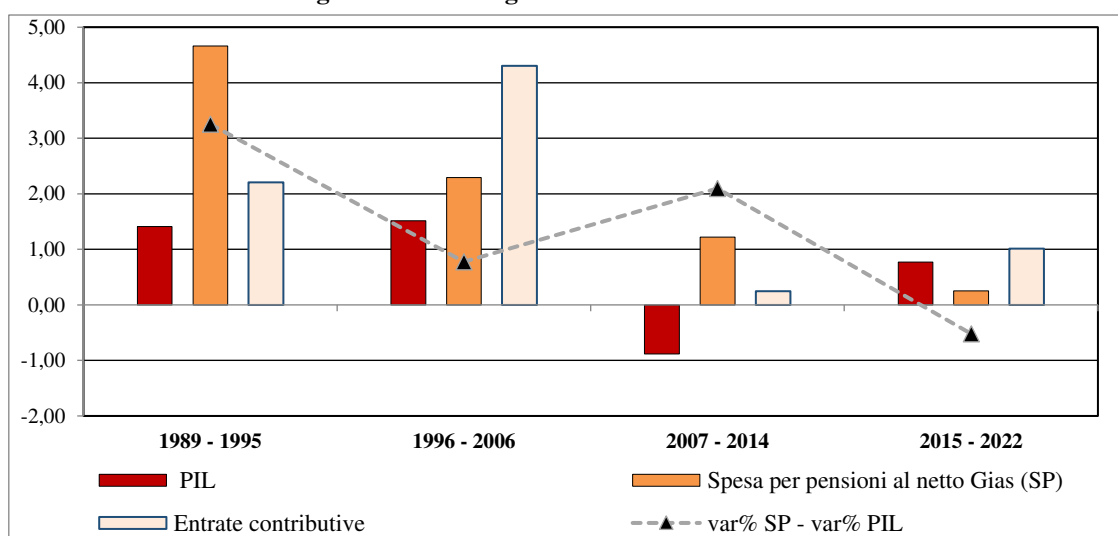
Real GDP and Number of employed persons
(quarterly data 2006-2015 – Jan. 2006 = 100)

war growth, in particular the 1969 Brodolini reform⁸, resulted in an almost unsustainable growth of pension expenditure.

1.3 Trends of revenues, expenditure and pension expenditure/GDP ratio in the different periods

Using the same time period breakdown illustrated above, it is possible to obtain additional information on the operating results of the public pension system and the added value share absorbed by pension expenditure. **Figure 1.3** shows the average annual rates of change of GDP, of pension expenditure and of contribution revenues. Unlike before, 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 they are not conditioned by the different inflation rates⁹. From 1989 to 1997, the real rates of change suggest that the average growth of pension expenditure (+4.66%) was three times higher than that of GDP (+1.4%)¹⁰. At the same time, the increase in contribution revenues, in a still expansive phase for employment, exceeded the growth of GDP, but it was 50% lower than that of pension expenditure. These trends have led to an increase in the share of pension expenditure of the added value and a worsening of the pension accounting balances.

Figure 1.3 – Average % variations in real terms*



GDP, Pension expenditure net of GIAS, Contribution revenues;

*The 2022 figures are estimates. See Note 3 in this section

After the reform measures, there was an initial appreciable containment of pension expenditure growth from 1996, whose real average growth rate was 2.3% per year until 2006, not far from that of GDP, which rose by an average of more 1.5% per year. In the same period, contribution revenues became the most important rebalancing factor; in fact, thanks to higher contribution rates and a broader taxable base resulting from the positive employment trends; contribution revenues featured an average annual growth of 4.3 per cent. Given these trends, pension expenditure as a share of

⁸ The measures with the greatest impact on pension expenditure were: the extension of the income-based calculation method, the lowering of the retirement age, baby pensions for civil servants, early retirements, and the full adjustment of pensions to inflation linked to the sliding scale in 1975.

⁹ The real values are taken from ISTAT 2015 chain-linked GDP series, while pension expenditure and contributions are deflated with the NIC price index, which refers to the expenditure of the entire community for the calculation of inflation.

¹⁰ In the chart, the difference between rates of change of pension expenditure and GDP is indicated by the triangular indicators connected by the dotted line.

GDP remained stable throughout the period and operating results improved significantly, almost reaching the 2008 almost balanced level.

A further slowdown in pension expenditure in the following years (1.2% on average per year) was accompanied by an adverse phase for the economy, with a GDP negative average annual rate of -0.9% in real terms from 2007 to 2014. This led pensions to increase again their burden on the added value; moreover, the slump in contribution revenues (0.2% on average per year in real terms) due to the negative performance of the economy progressively deteriorated social security balances.

In the most recent phase, from 2015 onwards, pension expenditure had a higher growth rate with respect to GDP than in the pre-crisis years, despite low annual growth rates (+0.25 per year on average)¹¹. From 2015 to 2022, despite the heavy impact of the pandemic in 2020¹², GDP grew at an average annual real rate of 0.8 %, and contribution revenues rose by an average of 1 % per year over the same period. With these trends, pension expenditure did not rise further with respect to GDP, except during the lockdown in 2020 and the accounting pension balances improved slightly.

Figure 1.4 shows the annual *ratio of pension expenditure to GDP* for the entire period examined (1989-2021), which is one of the principal indicators used by the European Commission to evaluate the capacity of member countries to financially sustain their pension systems.

The chart, 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. In the entire period, the ratio of pension expenditure vs. GDP before GIAS transfers ranges from 10.8% in 1989 to 15.7% in 2021, while after GIAS transfers, this ratio ranges from 8.9% to 13.4%. With the estimated data in 2022, the ratio drops to 15.4% (with GIAS) and 13.1% (net of GIAS), almost at the same level as in 2014 which is the last year of the period marked by the economic crisis. The individual time periods show that, in the first period, this ratio rose considerably from 10.8% to 12.4% in just six years, and then it stabilised in the following decade at around 13% (11% without welfare benefits). This slowdown of expenditure is due to the effects of the first major reforms, such as Act no. 503/1992 issued by the Amato Government (retirement age and pensionable salary, minimum contribution requirements, adjustment of benefits only to the cost of living, beginning of harmonisation process of pension schemes) and Act no. 335 of 1995 issued by the Dini Government (various measures including the gradual adoption of the contribution-based calculation method).

Later, some measures to curb expenditure growth and boost contribution revenues also came from the Prodi government in 1997, with the equalisation of retirement requirements of public-sector employed workers with those of private-sector employed workers and the almost total abolition of baby pensions, and from the Maroni/Brambilla reform law (no. 243/04) designed to raise the retirement age requirements¹³. However, before coming into force, the provisions under this law

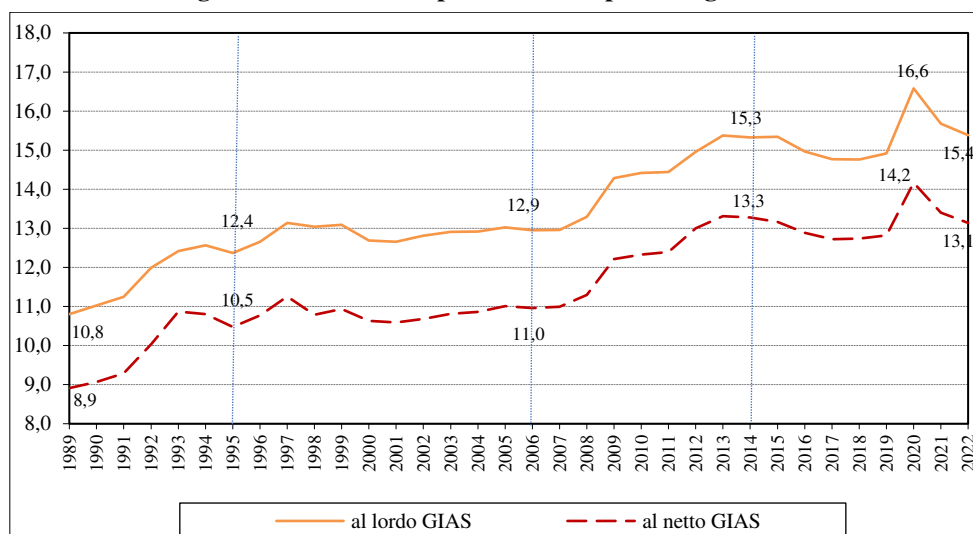
¹¹ Pension expenditure at current values has shown an acceleration since 2018 compared to the slow growth of previous years. This is due to several factors, including a greater use of “100 Quota” early retirements (“102 Quota” since 2021) and also to a greater flow of retirements linked to demographic factors. However, it should also be emphasised that the data in Figure 1.3 are in real terms. The FOI and NIC indices for 2021 and 2022 (estimated) show price changes equal to 1.6 / 6.6 and 1.9 / 6.6 respectively for these two years. With nominal pension expenditure growth rates of 1.7% and 2.99%, the real variation in expenditure was close to zero in 2021 and negative in 2022 when considering the FOI index, and negative in the two years if deflated with the NIC index.

¹² The impact of the pandemic on the performance of the economy is evidenced by the collapse of GDP by 9% in real terms and the sharp drop in contribution revenues (-6.7%).

¹³ The delegated Act no.43/04 was passed in 2004 but its effects had to come into force as of 2008. More precisely, it did not change the contribution requirement of 35 years and pension eligibility independent of the retirement age (40 years of contributions), but it provided for an increase in the minimum retirement age from 57 to 60 as of 2008, to 61 as of 2010 and to 62 as of 2014.

were made more gradual by the so-called 'Welfare Protocol' included in the Damiano reform (Act no. 247/2007), which modified the new requirements, replacing them with a system of quotas and a gradual increase in the retirement age to be implemented over four years.

Figure 1.4 – Pension expenditure as a percentage of GDP



Before GIAS, After GIAS; *The 2022 figures are estimates. See Note 3 in this section

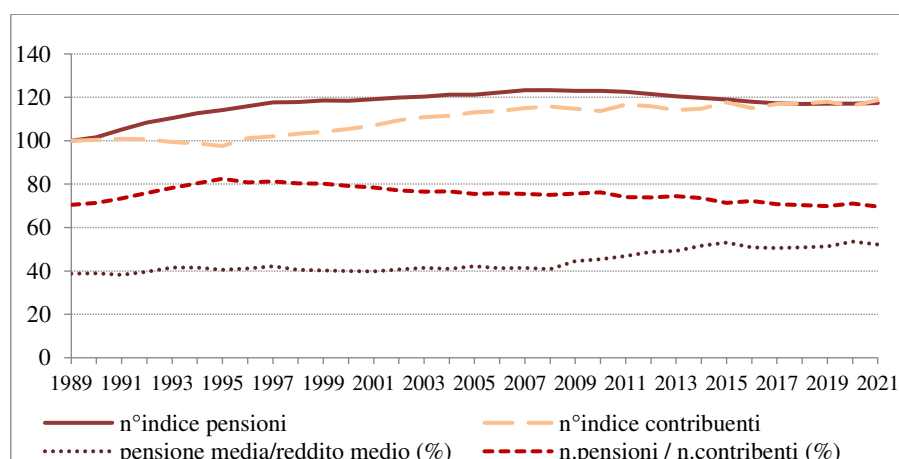
The outbreak of the currency crisis in the second half of 2007 and, above all, the more serious economic effects in the following years, raised doubts about the ability of the measures already introduced to keep the weight of pension expenditure on GDP under control. Urged by the European Union, Italy raised retirement age, the main instrument to limit the growth of pension expenditure without undermining the adequacy of benefits. Minister Sacconi's reform (Act no. 122/2010) was geared to this objective by linking the retirement age to life expectancy. But the most radical measure was that envisaged in the Monti-Fornero reform (Article 24, Law Decree no. 201/2011). The aim was to drastically intervene on minimum age and seniority requirements, as part of the 'Salva Italia' Decree, which included measures designed to more generally control public expenditure to reduce the risks of financial default in the years of the sovereign debt crisis¹⁴. However, as the chart shows, with the economic crisis, the share of pension expenditure started to rise again, reaching 15.3% of GDP in 2014 (13.3% net of GIAS), an increase by over 2% in eight years. In the following years, as the economy recovered slightly, this ratio had a fluctuating trend. It first fell by about half a percentage point in the two-year 2017/2018 period and then rose again in 2019, mainly due to the effect of the new early retirement measure system called '100 Quota' (Article 14 of Law Decree no. 4/2019) introduced by the Conte-Salvini government, which increased the flow of retirements. 2020 was indeed a special year as the pandemic set in motion all the factors that can have a negative impact on the balance of pension accounts, i.e. a sharp contraction in GDP, a critical employment situation with a collapse in contribution revenues and an increase in the number of early retirements. The combination of these factors pushed up the ratio of pension expenditure to GDP by 1.7%, which partially declined in 2021 as economic activity picked up again, and seems to have almost returned to pre-COVID levels according to the 2022 projections.

¹⁴ It is well known that the strong opposition to the rigid retirement age increase envisaged by the Fornero reform set in motion a series of 'safeguard' measures and other measures to allow for retirement at a younger age, thus limiting some of the expected savings. See the 'Pension jungle' in the Exhibit to the Report.

The trend of the pension expenditure/GDP ratio can also be assessed on the basis of the trends of the underlying variables¹⁵ (**Figure 1.5**). There are different factors to be considered; first of all, the **average pension/average income ratio** that, after a long period of stability since 1989, 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: 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 the one from 2008 to 2013, the latter are not very sensitive to the economic cycle.

The other important aspect in **Figure 1.5** is the decreasing trend in the ratio of the number of pensions vs. the number of active members paying contributions. This means that, with the increase in the share of older people in the population, the reforms designed to raise the retirement age first limited growth and then, from 2008 onwards, led to a reduction in the number of pensions paid, thus playing the role of the main factor in limiting the ratio of pension expenditure vs. GDP.

Figure 1.5 - Pensions and active workers paying contributions



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

As already noted, the reforms initiated in the middle of the last decade of the last century had the effect of reducing the growth rate of pension expenditure from annual rates of over 4.5% in real terms to around 1%. Despite this expenditure containment effort, it is still necessary to use tax revenues to support pension expenditure that is not financed by contributions. As illustrated later, this support has a very different weight for the categories of workers registered in compulsory pension funds; before analysing the data for the main categories separately, it is useful refer to the composition of expenditure and the role of the various sources of funding. As already mentioned, pension expenditure has two substantial functions: the first is aimed at longevity risk and is similar to an insurance life annuity model financed by contribution revenues; the second has a solidarity-oriented and welfare nature and should be borne by tax revenues based on social policy decisions.

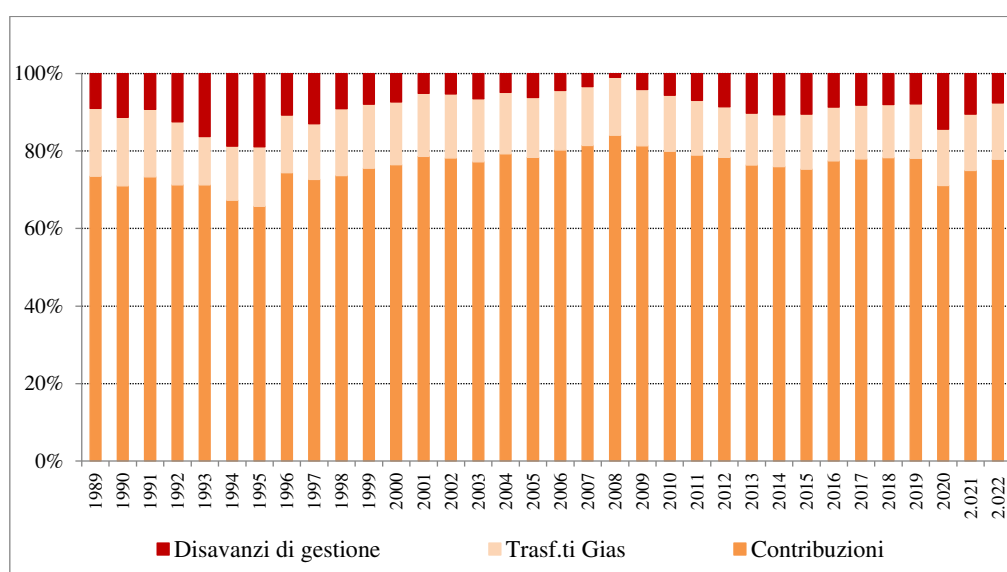
¹⁵ Since total pension expenditure (**SP**) is equal to the average pension (**p**) multiplied by the number of benefits (**N**) and **GDP** is equal to the average income (**w**) multiplied by the number of active workers paying contributions (**L**), the ratio of pension expenditure to GDP is the outcome of the interaction between these two ratios, i.e. $SP/GDP = (p/w) \cdot (N/L)$

In the Italian pension system, this distinction is not always entirely clear and the classification of expenditure items still raises various interpretation issues, despite the fact that a specific scheme dedicated to the 'management' of welfare expenditure (GIAS)¹⁶ has been in operation since 1989.

Leaving aside the latter issue and, resorting to the institutional classification of sources of financing of the welfare system, it is possible to distinguish:

- (a) revenues from contribution paid by fund members, which are the self-financing share of each fund;
- (b) revenues coming from GIAS;
- (c) allocations to offset the deficits of the funds, which, in addition to GIAS transfers, are external resources coming from tax revenues.

Figure 1.6 - Percentage composition of sources of financing of social security expenditure



Operating deficits, GIAS transfers, Contributions

**The 2022 figures are estimates. See Note 3 in this section*

Figure 1.6 shows the trends related to the different sources of financing of the whole social security system over the entire period examined. As can be seen, the gap between total expenditure and contribution revenues was significantly reduced through GIAS transfers, which amounted to more than 17% of total expenditure in the initial years of the period. From 2010 onwards, these transfers consistently accounted for 13%/14% of total expenditure, rising slightly in the last three years. Operating deficits feature a fluctuating trend unlike GIAS transfers. In the years of maximum imbalance (1993-1995), they almost reached 19% of total expenditure, gradually falling below 1% in 2008, the year in which contributions covered 84.1% of expenditure; they deteriorated again in the years of the crisis years and shrank again in the last period, except for the negative rebound in 2020¹⁷.

¹⁶ For a separation between welfare and pension expenditure, see Box 2 in Chapter 8.

¹⁷ In the data of the historical series, a part of the expenditure related to civil servants is included in the benefits, even if it is paid by the GIAS (pursuant to former Art. 2, par. 4 of Act no. 183/2011).

Table 1.1 – Evolution of some pension and economic parameters

Indicatori		1989-2021				1989-1995				1996-2006				2007-2014				2015-2021			
		importi (miliardi di euro)	variazione totale		var. % media annua	importi (miliardi di euro)	variazione totale		var. % media annua	importi (miliardi di euro)	variazione totale		var. % media annua	importi (miliardi di euro)	variazione totale		var. % media annua	importi (miliardi di euro)	variazione totale		var. % media annua
			valore assoluto	var %			valore assoluto	var %			valore assoluto	var %			valore assoluto	var %			valore assoluto	var %	
Spesa per pensioni	inizio	58.862				58.862				112.662				177.540				217.897			
	fine	238.763	179.901	305,63	4,47	103.473	44.611	75,79	9,86	170.210	57.548	51,08	4,21	216.112	38.572	21,73	2,85	238.763	20.866	9,58	1,54
Spesa assistenziale	inizio	12.493				12.493				19.711				31.766				36.045			
	fine	40.228	27.736	222,01	3,72	18.692	6.199	49,62	6,95	30.913	11.201	56,82	4,21	33.356	1.590	5,01	0,70	40.228	4.184	11,61	1,85
Entrete contributive	inizio	52.443				52.443				98.475				170.523				191.335			
	fine	208.264	155.821	297,12	4,40	80.349	27.905	53,21	7,37	161.411	62.936	63,91	5,07	189.591	19.067	11,18	1,53	208.264	16.929	8,85	1,42
PIL	inizio	660.501				660.501				1.045.873				1.614.840				1.655.355			
	fine	1.782.050	1.121.549	169,80	3,15	987.615	327.114	49,53	6,93	1.552.687	506.814	48,46	4,03	1.627.406	12.566	0,78	0,11	1.782.050	126.695	7,65	1,24
	n° indice	100				n° indice	100			n° indice	141			n° indice	179			n° indice	203		
Inflazione (Prezzi NIC n.indice 1989=100)	inizio	100				100				141				179				203			
	fine	212	112	112,10	2,38	136	36	35,95	5,25	176	34	24,33	2,20	203	24	13,35	1,81	212	9	4,60	0,75
	valore assoluto					valore assoluto				valore assoluto				valore assoluto				valore assoluto			
Occupati	inizio	21.217.000				21.217.000				20.819.000				22.894.416				22.464.753			
	fine	22.750.000	1.533.000	7,23	0,22	20.761.000	-456.000	-2,15	-0,36	22.757.586	1.938.586	9,31	0,89	22.278.917	-615.499	-2,69	-0,39	22.750.000	285.247	1,27	0,21
Pensionati	inizio													16.771.604				16.179.377			
	fine													16.259.491	-512.113	-3,05	-0,44	16.098.748	-80.629	-0,50	-0,08
Rapporto pensionati/occupati	inizio													0,73				0,72			
	fine													0,73	0	-0,38	-0,05	0,71	0	-1,75	-0,29
	importi in euro					importi in euro				importi in euro				importi in euro				importi in euro			
Pensione media pro capite	inizio													13.891				17.323			
	fine													17.040	3.149	22,67	2,96	19.443	2.120	12,24	1,94

Indicators, Amounts (billions of euros), Total variation, Absolute value % variation, Average % variation per year; Pension expenditure, Welfare expenditure Contribution revenues, GDP, Inflation (NIC index number 1989-100), Number of people employed, Number of pensioners, Ratio of the number of active workers vs. the number of pensioners, Average per capita pension; Amounts in euros

1.4 Results of the main funds before and after GIAS transfers over the analysis period

A similar reclassification of the sources of financing illustrated above 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) can be considered an indicator of the "self-financing capacity" of these funds, while welfare transfers (GIAS) plus operating deficits are sources of financing coming from "external sources" financed by tax revenues. The picture is illustrated in **Table 1.2** for the last five years from 2017 to 2021¹⁸; it confirms very differentiated baseline and trend data. 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. Some major categories in terms of number of members, such private-sector employed workers (FPLD) and self-employed workers registered in the fund for retailers show steady positive balances, except for the year of the pandemic-induced lockdown. Others with a smaller number of members but still growing (schemes for professionals, fund for atypical workers) feature large surpluses. Finally, other categories with a large number of members (civil servants¹⁹, artisans, farmers) show substantial operating deficits, which must be offset by transfers from the State budget.

¹⁸ For a correct understanding of the table, it should be pointed out that the operating balances $D = (C + TR) - SPT$ are obtained from the difference between the sum of revenue items, i.e. contributions (C) and GIAS transfers (TR), and the 'total social security expenditure' (SPT), i.e. pensions plus welfare share. If the primary sources of funding, $C + TR$, are insufficient to finance total expenditure, the deficit is financed by public expenditure, which becomes the 'third' source of funding. Therefore, the percentage values in the table express the impacts that the three sources of financing have on total expenditure. In order to have the composition of the different shares at a hundred, the algebraic sign of the balances must be reversed. For the period from 1989 to 2016, the data can be obtained from the Tables series B. a1 on the website.

¹⁹ In **Table 1.2**, the 'GIAS transfers' column also includes the figure for civil servants. For a detailed explanation, see note 5 to Table 1a.

Table 1.2 - Sources of financing of pension expenditure of the main categories
(as a percentage of total pension expenditure)

Categories	Contributions					GIAS					Operating balances				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Private-sector employed workers	84.0	84.7	76.5	69.0	81.1	18.5	18.3	18.9	19.5	20.1	2.5	3.0	-4.6	-11.4	1.2
- FPLD	92.6	93.5	84.4	76.1	86.5	20.7	20.5	21.0	21.5	22.2	13.3	14.0	5.4	-2.4	8.6
- other private-sector employees	34.5	33.8	31.4	28.2	29.9	6.2	5.9	6.9	7.9	8.3	-59.3	-60.3	-61.7	-63.9	-61.8
Public-sector employees	48.9	50.1	46.9	44.4	44.3	12.3	11.7	13.5	15.1	15.2	-38.8	-38.2	-39.6	-40.5	-40.4
Artisans	59.5	56.1	54.6	52.3	51.7	18.0	18.7	22.3	23.7	23.2	-22.5	-25.2	-23.1	-24.0	-25.1
Retailers	97.7	92.6	90.8	86.9	89.6	13.2	13.1	14.5	15.9	15.8	10.9	5.7	5.3	2.8	5.4
CDCM	15.8	16.6	16.6	17.1	16.8	50.8	51.4	51.7	53.6	50.7	-33.4	-32.0	-31.7	-29.3	-32.5
Professionals	184.0	181.6	176.2	172.5	164.3	0.0	0.0	0.0	0.0	0.0	84.0	81.6	76.2	72.5	64.3
Typical workers P	771.0	704.1	623.1	521.5	555.9	12.8	12.6	10.0	9.4	8.5	683.8	616.8	533.1	431.0	464.4
Clergy fund	28.8	28.8	30.2	35.9	37.3	9.4	9.5	12.1	14.5	15.0	-61.8	-61.7	-57.7	-49.6	-47.7
Supplementary funds	95.6	97.8	96.4	92.6	107.4	1.0	0.8	0.8	0.7	0.6	-3.5	-1.4	-2.8	-6.7	8.1
Total	75.1	75.6	69.7	64.2	70.9	17.0	16.7	17.7	18.6	18.8	-7.9	-7.7	-12.6	-17.2	-10.2

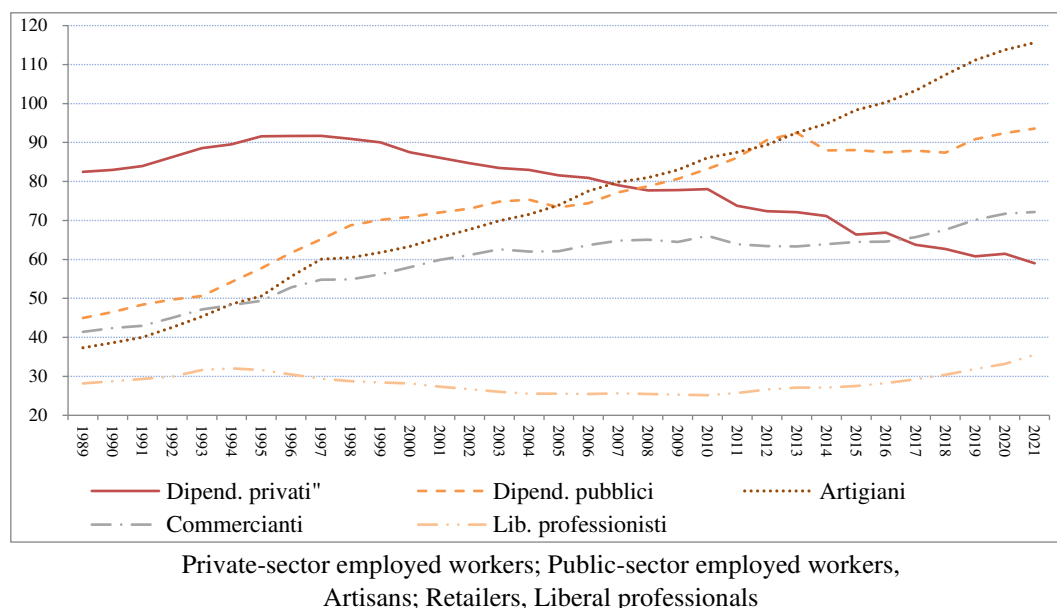
In more detail, the balance of the pension fund for *private-sector employed workers* (FPLD) alone accounted for 44.1% of pensions and 55.8% of active workers paying contributions of the entire mandatory pension system in 2021; after the major setback in the lockdown year, it suffered a sharp drop in contribution revenues; but then, in 2021, it went back to a positive balance with 8.6% with respect to total expenditure. On the other hand, the many other funds for private-sector employees not included in the FPLD fund features a significant financial imbalance, with a declining share of contributions over the last five years, by around one third of the benefits received, with operating deficits of more than 60%²⁰.

Proceeding with the analysis of the financial situation of the other categories, *Table 1.2* shows that the fund for *retailers* remained in equilibrium. This positive outcome depends on relatively low average pensions and on a smaller reduction in employment with respect other sectors of non-employed work²¹; this trend managed to maintain a sustainable ratio of the number of pensions vs. the number of active workers paying contributions (see *Figure 1.7*), with a percentage of expenditure financed by contributions not far from 90%.

²⁰ It should be pointed out that there is a high number of *other funds for private-sector employed workers* and present them considerable differences in their self-financing capacity through the contributions paid by active members. To summarise, in looking at the ratio of contributions to total pension expenditure in 2021, it is possible to see that: the fund for *entertainment and show-business workers* with 115% has higher revenues with respect to expenditure; the fund for *journalists* features 62.6%; the *transport* fund 50.1%; the three funds (*posts, aviation* and *telephony*) feature around 30%/40%; the remaining four categories (*corporate executives, electricity, railway and consumer tax workers*) range from 20% to zero contributions, with a diminishing ratio in more recent years.

²¹ From 2013, when the number of active members in this sector peaked, to 2021, the reduction in the number of active members paying contributions amounted to 171, or 7.8% with respect to the initial figure. Moreover, the regulatory changes introduced in the mid-1990s led to an increase in the retirement age and in the average contributions, which also had an impact on this ratio.

Figure 1.7 - Ratio of the number of pensions vs. the number of active workers paying contributions²²



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 have always obtained positive results. These balances had dropped to rather low levels in the first half of the 1990s, then rose again following the reforms and thanks to favourable employment trends for professionals, that reached over 94% of benefits in 2011. Since then, these balances have continued to deteriorate and, over the last five years, this has attracted a greater deal of attention to the financial balances of these schemes, even though in 2021 they collectively feature balances of 64.3% with respect to their benefits²³.

Even more evident is the net surplus of the fund for *atypical workers* whose contribution revenues were more than five times higher than benefit expenditure, even during the pandemic. This is the typical situation of a young fund (launched in 1996, with its first benefits provided in 2000), which for a relatively long period has positive balances due to the increase in the number of its members against a limited number of pensions paid out. In this regard, it should be noted that, despite these positive operating results, this fund has started showing some new trends in terms of revenues and expenditure. Since the beginning of the crisis in 2008, the number of active workers paying contributions have in fact decreased from 1.821 to 1.408 million (-23.7%), and in 2021 the number of pensions to pay rose to 526,000. However, barring unforeseeable events, the ratio of the number of active workers vs. the number of pensioners is expected to remain positive for a sustained period of time; moreover, since its benefits are entirely calculated with the contribution-based method, this fund is expected to run a surplus over a long period of time. On the other hand, the signal coming from the low value of current pension benefits (*Figure 1.8*) is less reassuring; this is due to the discontinuity of contribution paths and the contractual work relationships of most of its members; in fact, those entitled to a single benefit run the risk having an inadequate income when they become old.

²² The chart does not include the smaller categories or those whose ratios of the number of with pensions vs. the number of active workers paying contributions cannot be represented in the graph (agricultural and atypical workers) are not and are treated separately.

²³ The figure for all the schemes for professionals does not reflect their considerable differences. For a detailed analysis of the trends of the individual funds, see Chapter 3 of this Report.

The other categories of funds (for civil servants, artisans, farmers, the clergy) generally had negative operating results. 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, with a significant share (about 50%) of its operating deficit financed by GIAS transfers. The structural nature of this imbalance lies in the ratio of the number of pensions vs the number of active workers paying contributions; in fact, with many of these members abandoning this sector, often due to retirement, and the exceptionally low levels of employment, this ratio reached 3.8 pensions out of every active worker in 2008. 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 1.269 in 2021, but their ratio with respect to the number of active members paying contributions is still high (about 2.9 pensions for each active worker in 2021); 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 436,000 in 2021. The containment of expenditure of this fund, and therefore of its negative balance, comes from the low average value of its benefits, which in 2021 were expected to amount to 5,000/6,000 euros per year thanks to supplementary welfare benefits exceeding 80% of the accrued pension, which would otherwise be slightly more than 3,000 euros per year (**Fig. 1.8**). Obviously, these figures pose a serious income adequacy problem which is bound to worsen with the progressive shift to contribution-based calculation method if appropriate corrective measures are not adopted.

The small **Clergy Fund** too (11,000 pensioners and 18,000 active members paying contributions in 2021) has a low self-financing capacity, since its contribution revenues accounted for around 30-35% of total expenditure in the last five years; over the same period, it featured negative operating balances but with better values in relative terms. This is due to the fact that the number of active members paying contributions remained almost unchanged while the number of outstanding pensions decreased by about 12%, with diminishing average values, which slightly exceeded 7,000 euros per year in 2021, including welfare transfers (**Figure 1.8**).

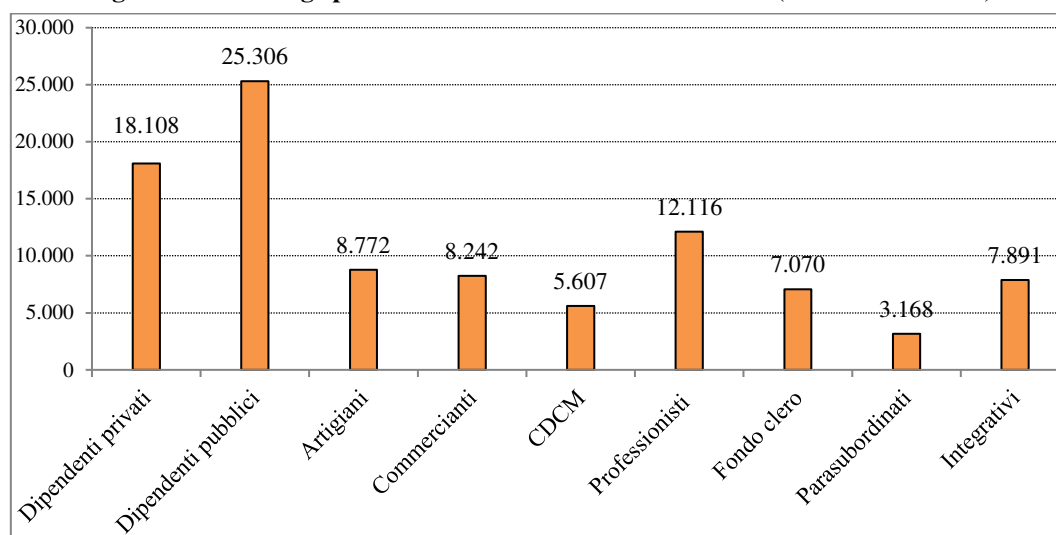
In terms of size, the deficits with the heaviest impact on the result of the entire pension system in absolute terms were those of public-sector employees and of artisans; for some years, these two categories of funds have also been suffering from a growing imbalance between the number of members paying contributions and the number outstanding pensions.

As illustrated in **Figure 1.7**, the impact of the fund for **public-sector employed workers** grew especially in the initial period, when the legislation still allowed for early retirement in the form of the so-called 'baby pensions', which artificially expanded the number of beneficiaries. However, after the interventions that eliminated this anomaly, this impact continued to grow, albeit more gradually, due to a halt in turnover in this sector, which severely limited the number of new entries. Since 2013, towards the end of the period most affected by the crisis, the ratio of the number of pensioners vs. the number of active workers paying contributions has become stable again thanks to the increase in the number of civil servants employed and the implementation of more stringent retirement age rules.

However, the financial situation of the funds did not improve over the last five years, as balances deteriorated with respect to the number of benefits paid, which are the highest of all categories of workers (**Fig. 1.8**) on average, reaching 37.5 billion in absolute terms in 2021. The situation of the fund for **artisans** is not very balanced either; its share of expenditure financed 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 the number of pensioners vs. the number of active workers (in 2021 the ratio of number of pensions paid vs. the number of active workers paying contributions was 1.16, while at the beginning of the millennium it was 0.63 and until 2015 it was still below 1), due to the significant drop in employment since the beginning of the crisis (the number of active workers decreased by about 380,000 that is by 20% from 2008 to 2021).

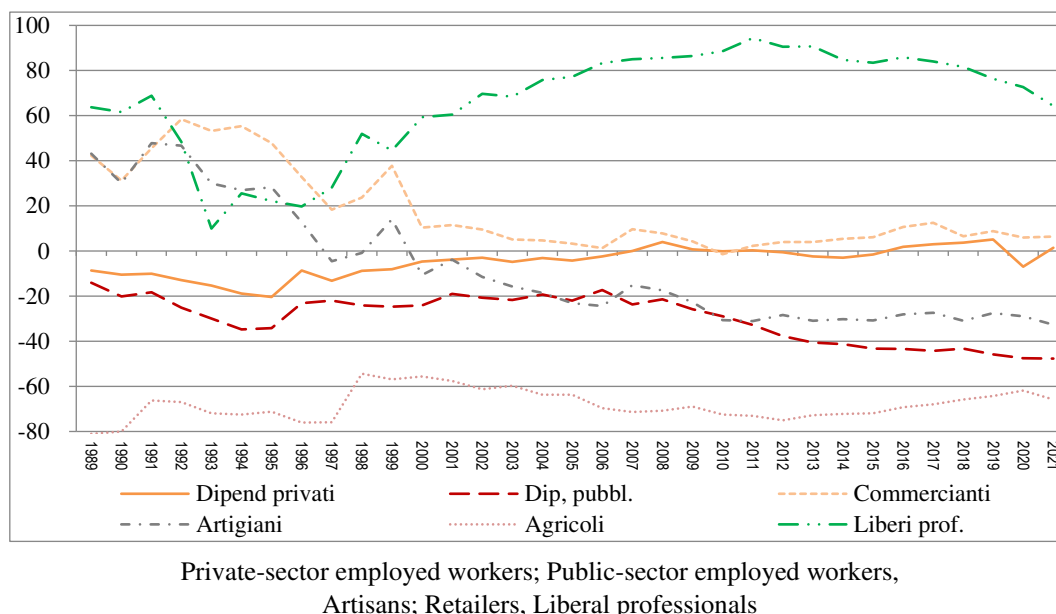
Figure 1.8 – Average pension before GIAS transfers in 2021 (thousands of euros)



Private-sector employed workers; Public-sector employed workers; Artisans; retailers; CDCM, Professionals; Clergy fund; Atypical workers, Supplementary funds

The 'structural' nature of the operating results of the last five years is confirmed by the long-term trends of the balances related to pension funds alone, i.e. the flows strictly allocated to financing pension expenditure net of the welfare benefit transfers. **Figure 1.9** shows the trends of these balances (contribution revenues minus pension expenditure) from 1989 to 2021 with respect to pension expenditure.

Figure 1.9 - Pension operating results as a percentage of pension expenditure



In this chart, the results of the different categories indicate the changes resulting from economic variables (employment and wages) and demographic factors and, above all, from the regulatory measures adopted by the different governments as of the first half of the 1990s. The trend of the main **fund for private-sector employees** (FPLD) is a case in point; in fact, before the reforms, it had consistently run a negative balance, up to about 20.4% of pension expenditure in 1995, and then it managed to progressively recover and reach a positive result as of the year 2000, except in the year of the pandemic, but with a prompt recovery a year later.

The **fund for retailers** too had a significant performance with over two million members. Its initial positive results deteriorated for about two decades and turned negative in 2010. This trend was partly due to the evolution of this fund, which was established in 1961 and reached a full career maturity after the mid-1990s; so, its ratio of the number of outstanding pensions vs. the number of active members paying contributions rose from 0.43 in 1989 to about 0.6 at the beginning of the new century. In addition to this, the income- based calculation method prior to the reforms had created an imbalance between its contributions revenues and its pension expenditure that made it impossible to balance its income and expenditure. With the implementation of the reforms, in particular with the new calculation method and the more stringent contribution and retirement age requirements, its operating balances gradually returned positive and remained positive with some fluctuations notwithstanding the turbulence of the last five years.

We find a different situation in the **schemes for professionals**, which featured over 1.150 million members in 2021 thanks to a sustained employment growth. They managed to maintain a significant surplus throughout the period, with a ratio of contribution revenues and pension expenditure that rose to more than 94% in 2010; since then, the increase in the number of pensioners with respect to the number of new members led to a deterioration of these balances against the value of benefits. However, thanks mainly to the effects of the reforms carried out by these funds (generalised application of the contribution-based method, adjustment of contribution rates, retirement requirements), these schemes retained their positive balance which has remained at fairly high levels even in more recent years notwithstanding a slight decline.

Instead, the other remaining categories showed diminishing results over time or some improvement with respect to their significant deficits in previous years. 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 40.5% negative ratio with respect to pension expenditure. due, as in other cases, to structural factors that are difficult to manage with social security measures alone. 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 **fund for farmers, tenant farmers and sharecroppers (CDCM)**, which has already been discussed in previous pages, is suffering from the great changes in the employment structure that began in the post-war years and continued until the beginning of this new century²⁴.

The problem is its demographic ratio that in 2021 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 becomes fully operational, even if more than half of these benefits are financed by GIAS transfers.

1.5 Accounting equilibrium rates

Another way of assessing the financial equilibrium of pension funds for the main categories of workers is based on the so-called "**accounting equilibrium rate**". Knowing the total amount of benefits derived from the average pension and the number of pensioners 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 expenditure. 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 positive balance; instead if the actual contribution rate²⁵ is lower than the accounting equilibrium rate, the balance is negative.

²⁴ By separating the entire span of the survey into two equivalent periods, a few figures can give an idea of the major changes in the CDCM fund.

Period	Pensions (thousands)			No. of Active members paying contributions (thousands)		
from 1989 to 2005	1,772	1,926	+ 154	1,206	536	670
from 2005 to 2021	1,926	1,269	657	536	436	99

²⁵ 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 $d = \hat{a} \cdot (q-1)$.

Table 1.3 - Accounting equilibrium rates and their difference vs. the effective rate (*)

Categories	2012					2021				
	\hat{a}	p/w	R/L	Q	d	\hat{a}	p/w	R/L	q	D
Private-sector employed workers	36.7	0.51	0.72	0.99	-0.4	34.4	0.58	0.59	0.93	-2.3
- FPLD Pension fund of employed workers	32.9	0.47	0.70	1.13	4.3	32.1	0.58	0.55	1.06	1.9
- Enpals	19.4	1.01	0.19	0.76	-4.7	19.8	0.45	0.43	1.28	5.5
- Inpgi	34.6	0.79	0.44	0.93	-2.3	55.5	0.82	0.68	0.63	-20.7
- Transportation fund	69.0	0.66	1.05	0.50	-34.8	67.0	0.68	0.99	0.51	-32.6
- Telephony fund	88.8	0.61	1.45	0.37	-56.0	115.9	0.65	1.79	0.29	-82.2
- Electricity fund (**)	88.8	0.61	1.45	0.37	-55.7	229.3	0.50	4.55	0.15	-195.1
- Aviation fund	90.7	1.77	0.51	0.49	-46.6	130.8	1.91	0.68	0.31	-89.8
- FFSS fund (**)	224.5	0.52	4.33	0.15	-191.1	425.7	0.54	7.86	0.07	-394.4
- Fund for corporate executives (**)	107.8	0.31	3.46	0.34	-70.7	155.0	0.27	5.75	0.21	-122.3
- Fund for postal workers	88.8	0.61	1.45	0.37	-55.7	50.3	0.37	1.34	0.66	-17.3
Public-sector employed workers	52.8	0.58	0.91	0.62	-20.1	63.5	0.68	0.94	0.52	-30.4
Artisans	30.3	0.34	0.89	0.71	-8.8	36.1	0.31	1.16	0.65	-12.7
Retailers	20.8	0.33	0.63	1.03	0.6	23.2	0.32	0.72	1.02	0.5
CDCM (Fund for farmers)	113.2	0.31	3.65	0.25	-84.9	75.9	0.26	2.91	0.33	-51.0
Professionals	9.5	0.35	0.27	1.91	8.6	12.4	0.35	0.36	1.64	7.9
Atypical workers	1.4	0.09	0.16	16.17	21.8	4.9	0.13	0.37	5.80	23.4
Supplementary Funds	16.6	0.36	0.46	0.85	-2.5	15.4	0.29	0.53	1.00	0.0

The symbols in the table are shown in the note at the bottom of the page. (**) The 2012 and 2021 data of the funds marked with an asterisk are not comparable because the reference bases are not homogeneous due to registration criteria (further clarifications on this can be found in the text)

Table 1.2 compares the situation of the main categories of funds in terms of pension expenditure net of the welfare share in 2012 and in 2021. The first column shows the theoretical accounting equilibrium rates (\hat{a}) and the last column on the right the differences (d) between the actual rates and the accounting equilibrium rates. The positive **d values** 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.

The table shows significant differences within the categories in terms of measurements and trends in these two years. 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), we can see that two of them (the fund for atypical workers and the schemes for professionals) have a positive balance because of their 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 which contributions are levied (about 13%). Over time, this ratio has increased, but to a limited extent, so that the effective rate in 2021 was 24 % higher than the theoretical equilibrium rate. As mentioned above, this very positive margin depends on many factors, mainly related to the relatively young age of this fund compared to other compulsory funds²⁶, but also to the calculation of benefits entirely with the contribution-based method and to younger members who have not yet met their pension requirements. However, as of 2008, the balance between new entries and the number of retirements showed a reversal of the trend, with a less stable number of

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

members. In fact, after its peak at 1.821 million, this number dropped to 1.247 million in 2017, with the loss of 574,000 members, and then partly recovered reaching 1.408 million in 2021. The reduction in the share of benefits financed by contributions (**q**), which fell from 1.91 to 1.64 from 2012 to 2021, signals that the equilibrium of this fund is changing and, although contribution revenues are still 60% higher than benefits, the largely positive balances achieved so far may decline more rapidly than expected²⁷, given its membership and retirement trends of the last few years.

The *schemes for professionals* too run a significant surplus even if they show some signs of change that deserve attention. According to the data in the table, the fundamental parameters in determining the equilibrium rate behave in a different way; the average pension/average income ratio remained stable presumably due to the reforms these schemes implemented to curb benefit growth; the ratio of the number of pensioners vs. the number of active workers climbed from 0.27 to 0.36, an apparently still limited increase; however, if compared with the long-term evolution of this ratio which had dropped from 28.2 to 26.6 in the previous twenty-four years from 1989 to 2012, we may think of the start of a structural change, at least for some of these schemes. Therefore, this change needs to be closely monitored because it cannot be attributed solely to the impact of the pandemic, as we had also assumed in our previous Report²⁸.

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, which is common for all categories of self-employed workers, this fund had an increase in revenues due to the higher contribution rates implemented with the reforms. In addition to a longer-term effect on the amount of contribution-defined benefits, this growth served in the short term to offset the higher number of pensions with respect to the number to active members paying contributions, also because the economic crisis had a more limited impact on employment than other categories of self-employed workers such as artisans²⁹.

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 its lower average benefits due to the initial effects of the change in the calculation method. As a result, its ratio of the number of pensioners vs. the number of active members paying contributions rose from 0.89 in 2012 to 1.16 in 2021; so, notwithstanding a slight reduction its average pension/ average income ratio, its accounting balance rate increased by 5.8% and the gap with respect to its effective contribution rate widened by almost four points.

As to *private-sector employed workers* that, as already pointed out, account for more than half of the entire public pension system, it is necessary to make some distinctions to evaluate their economic performance, since this aggregate features several funds with very different situations³⁰.

²⁷ From 2012 to 2021, the number of outstanding pensions grew from 276,000 to 526,000 and the **R/L** ratio more than doubled from 0.16 to 0.37.

²⁸ From 2012 to 2019, the share of contribution revenues with respect to benefits (**q**) slightly decreased by 14.1% from 1.91% to 1.6%; but since professional funds are required by law to finance themselves, **q** cannot fall below one, therefore, if such a trend were to emerge, these schemes would be obliged to make changes to safeguard their financial equilibrium.

²⁹ The data on active members paying contributions show that from 1989 to 2008, the number of retailers increased by 568,000, while from 2008 to 2021 their number dropped by 171,000, in a period characterised first by a prolonged crisis and then by a stunted recovery affected by the pandemic. In the same years, the other major category of self-employed workers, artisans, experienced very substantial job losses: -94,000 from 1989 to 2008 and -250,000 from 2008 to 2021.

³⁰ In 2021, the active members paying contributions to FPLD accounted for 96.6% of private-sector employed workers and for 56.6% of all members of the compulsory system. In the same year, the pensions paid by the FPLD accounted for 90.2% of private-sector employed workers and for 44.8% of all compulsory pensions.

As shown in **Table 1.2**, the main fund for employed workers (**FPLD**) had a slight deterioration in the year of the lockdown, but again with a positive differential (**d**) between the effective rate and the accounting equilibrium rate, even if lower than in 2012 (+4.3 to +1.9). Over the same period, the share of benefit expenditure financed by contributions (**q**) remained relatively stable from 113% to 106%. After a drop by almost 280,000 active members paying contributions in the pandemic year, in 2021, this number grew by 433,000 compared to 2020. Together with the lower number of pensions paid as a result of the progressive increase in the retirement age, the element with the greatest positive impact on the balance of this fund was the reduction in its ratio of the number of pensions paid vs. the number of active members paying contributions (0.7 and in 2012 and 0.55 in 2021), which offset the increase in its average pension/average income ratio (from 0.47 to 0.58)³¹ over the same period.

The other funds for private-sector employed workers feature diverse financial situations that in some cases are clearly negative. The different ways in which these funds have been integrated into INPS do not allow for appropriately calculating the accounting equilibrium rate for each fund; in fact, with the loss of their autonomy, some of 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 accounted for within the FPLD scheme and are not shown separately. As to the economic results of these funds, it must be remembered that these sectors experienced a general reduction in employment, which negatively affected their ratio of the number of active members paying contributions vs. the number of pensioners, and that, in some cases, prior to their transition from autonomous to INPS funds, their financial imbalances were caused by calculation rules that ignored any principle of equilibrium between benefits and contributions. It is important to add that for the 'special funds' which were abolished and absorbed into the FPLD, INPS still provides some substitute forms of the General Compulsory Insurance (AGO) for their members and pensioners who joined when these were wound up, temporarily under the special provisions envisaged for this category of funds. The complexity of this framework makes it difficult to recalculate the flows of these pension funds (contribution revenues and benefit expenditure) separating them from FPLD and reallocating them to the different funds. So, for some of these funds marked with an asterisk in **Table 1.2**, it is not possible to make a correct comparison over time, while it is possible to assess the results of the other funds that are still autonomous from an accounting point of view or that in any case separately disclose their results.

As illustrated in **Table 1.2**, these funds feature significant differences. In the 2012-2021 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, operating result was also obtained in 2021, although the members of this fund 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 its ratio of the number of pensions paid vs. the number of active members paying contributions, plus a high and slightly

³¹ It should be borne in mind that the increase in the average pension in relation to the average income is also a consequence of the more stringent retirement requirements, which boost the length of careers and the pool for the share of the pension calculated with the contribution-based method.

growing average pension/average income ratio, actually led the equilibrium rate to rise considerably and the gap with the effective rate to soar from 2.3 to 20.7%³².

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 their number of active workers paying contributions; as already stated, this last ratio 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. The heterogeneous set of *supplementary funds*³³ managed to reach a balance between revenues and expenditure, with a progressive improvement mainly due to the reduction in the average pension/average income *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 2021. This improvement was largely promoted by the huge drop in the accounting equilibrium rate (by over 37%), 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 33%, with a low average pension/average income ratio. In this connection, it should be borne in mind that the benefits provided in the agricultural sector are significantly subsidised by welfare transfers from GIAS (see *Figure 1.12*) historically due to political choices made by governments to deal with the structural changes in the agricultural sector characterised by large retirement flows and a progressive reduction in the number of active workers. In the period considered, there was indeed a clear and very significant reversal of this negative trend in the ratio of the number of pensions vs. the number of active workers paying contributions (from 3.65 to 2.91); this fund also experienced a further drop in its average pension/average income ratio (from 31% to 26%); 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.

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 system³⁴, due to its level of expenditure and number of members. The deterioration of its accounting equilibrium rate from 2012 to 2021 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 its average pension/average income ratio, which has risen by 10% since 2012. It is quite difficult to see a short-term change in

³² The worsening of Inpgi's balance in the 2012-2021 period was concentrated in the first years, while in the last three years it remained relatively stable but always in the red.

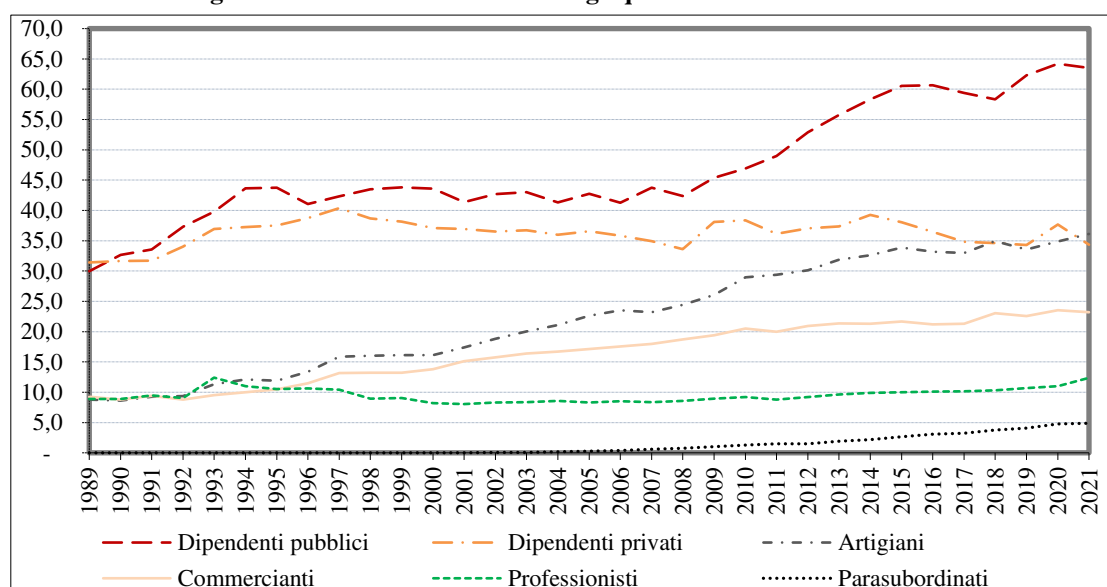
³³ The item 'supplementary funds' includes the funds managed by Inps (gas fund, fund for tax collectors, fund for miners, fund of dissolved entities, and fund for the workers of the Genoa port and of the autonomous Trieste port entity) and the supplementary funds of the 509 Schemes (Enpaia foundation, Fasc and Enasarco).

³⁴ In 2021, the negative balance of the fund for public-sector employed workers accounted for 125% of the total deficit of the entire compulsory pension system, which suggests that the compulsory pension system would have run a surplus without the pensions for these workers and without considering welfare benefits.

this trend which results from the turnover of pensioners but also from more stringent retirement age requirements; 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, but provoke an increase in the average pension/average income ratio. Therefore, the objective to narrow the gap between the accounting equilibrium rate and the effective rate (from 20.1 in 2012 to 30.4 in 2021) is not easy to achieve in the short run.

In addition to the considerations that can be drawn from a comparative analysis of two years over an average period of time, 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 of this survey (1989-2021). **Figure 1.10** illustrates the long-term trends of the accounting equilibrium rates of the main categories, with the exception of agricultural workers discussed later.

Figure 1.10 - Theoretical accounting equilibrium rates net of GIAS



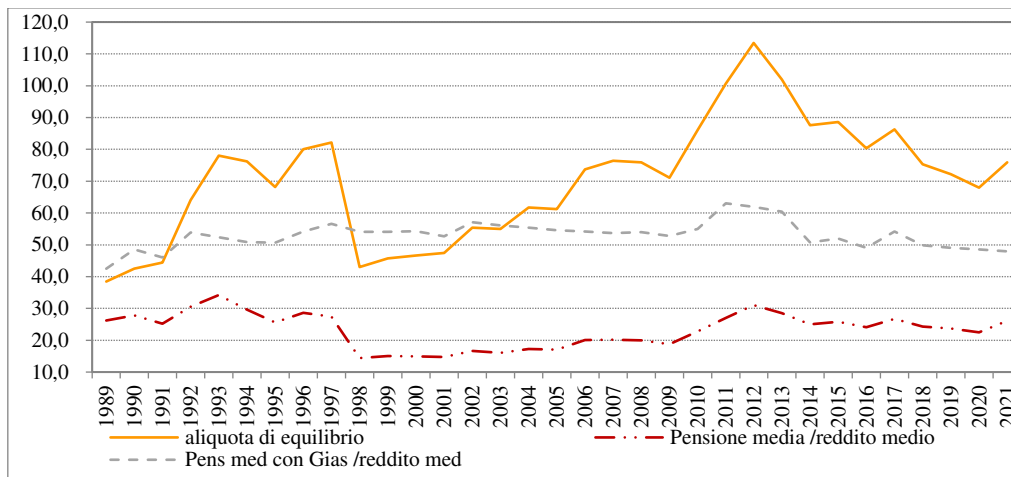
Public-sector employed workers, Private-sector employed workers, Artisans, Retailers, Professionals,
Atypical workers

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 this thirty-three-year period, albeit at different levels and with different patterns. The worst results can be found in the fund for public-sector employed workers and that of artisans. Thanks to the reforms of the 90's, the rate for public-sector employed workers managed to stabilize at a higher level with respect to the effective contribution rate for almost thirteen after an initial period of growth. With the measures adopted by governments to limit the number of people employed and the salaries in this public sector after the 2008 crisis, the economic performance of this fund 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, there are no rebalancing prospects in the short term. The funds for **retailers** and **artisans** show a progressive growth in their accounting equilibrium rates. A reason for this trend may be that the compulsory pension schemes for these categories of workers were set up between the end of the 1950s and the early 1960s of the last century; therefore, they started having their first retirement flows at the end of the century. The 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 trend towards a disequilibrium, but with mixed results; in fact, the fund for artisans experienced a higher reduction

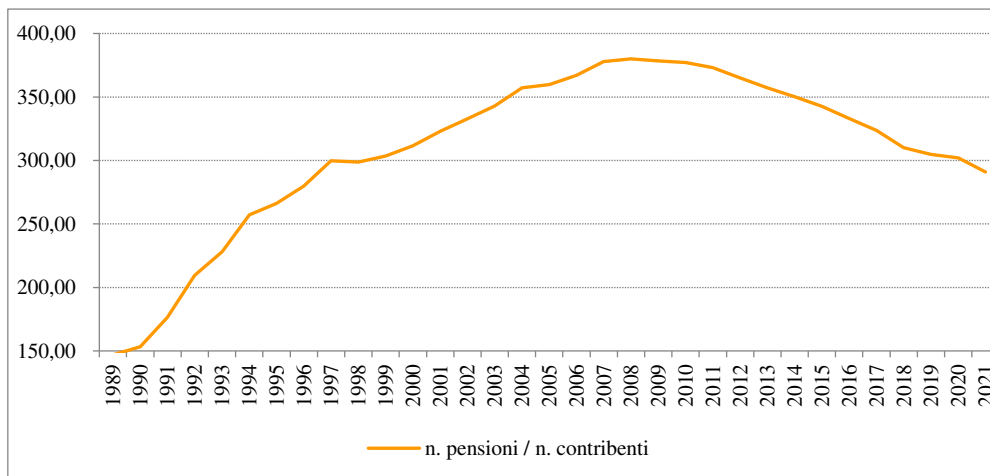
in the number of its active members since the beginning of the economic crisis with respect to the fund for retailers.

The results for *professionals* show that their accounting equilibrium rate is stable over the long term, even though these schemes had to initiate some reforms in the last twenty years, after a long period of almost total lack of interventions, so as to ensure their financial stability in the future. The accounting equilibrium rate of *atypical workers* is still low since their fund began to provide benefits in the year 2000. Even if its rate is apparently growing, this fund is not expected to experience any problems in terms of adequacy of benefits.

Figure 1.11 - CDCM: equilibrium rates and main ratios



Equilibrium rate; Average pension/Average income; Average pension with GIAS transfers/average income



Number of pensions/Number of active workers

A separate evaluation is required for the trends in the agricultural sector. **Figure 1.11** shows the trends of the accounting equilibrium rate and of the two ratios which determine both its entity and its fluctuation over time. We have already discussed the structural transformations of the agricultural sector, its downsizing and the consequent 'skyrocketing' 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. The first interaction concerns the factors that determine the equilibrium rate. In the initial phase, the demographic ratio of the number of pensioners vs. number of active workers had a steady growth; instead the equilibrium rate first rose and then decreased following the pattern of the ratio of the average pension net of GIAS vs. the average income ratio. However, since 2008, the equilibrium rate has only partially

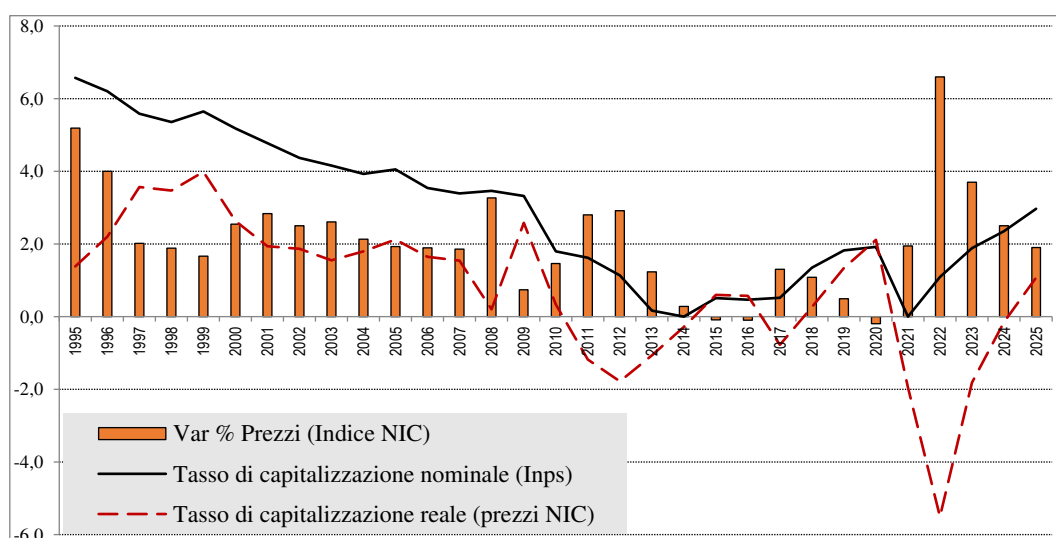
followed the pattern of this second ratio, while the variable that has apparently become more relevant is the demographic ratio. The other interaction, which is less easy to explain, concerns the relationship between the average pension after GIAS transfers and the average pension before GIAS transfers. As can be seen from the charts over the period from 1998 to 2010, the average pension net of GIAS fell by about 10% relative to the average income, equivalent to one third of its amount. At the same time, GIAS transfers increased and ended up offsetting the drop in the average pension, leaving benefits almost unchanged. On the basis of these findings, since it is difficult to justify this compensatory role of GIAS, and there is no reason to envisage measures to curb benefits in a sector that already has very low average pensions, it seems that we have to wait for the rebalancing of the ratio of the number of pensions vs. the number of the number of active workers paying contributions to have a greater financial equilibrium in this fund.

1.6 Capitalization rates and the pool of contributions

As already reiterated, , the results of pension funds show are conditioned by GDP trends in the short to medium run, since which in turn have an impact on employment and contribution revenues and, hence, on the financial performance of the funds.

In the long term, GDP has an impact not only on operating results and on the sustainability of the pension expenditure analysed up to now, but also on benefits, which are increasingly determined by the rules of the contribution-based system. In fact, with this approach, the calculation of pensions crucially depends on the annual rates of adjustment of their amount that derive from c the capitalisation rates determined by the GDP growth³⁵.

Figure 1.12 - Nominal and real capitalization rates of the pool of contributions



% Var. of prices (NIC index); Nominal capitalization rate (INPS); Real capitalization rate (NIC prices)

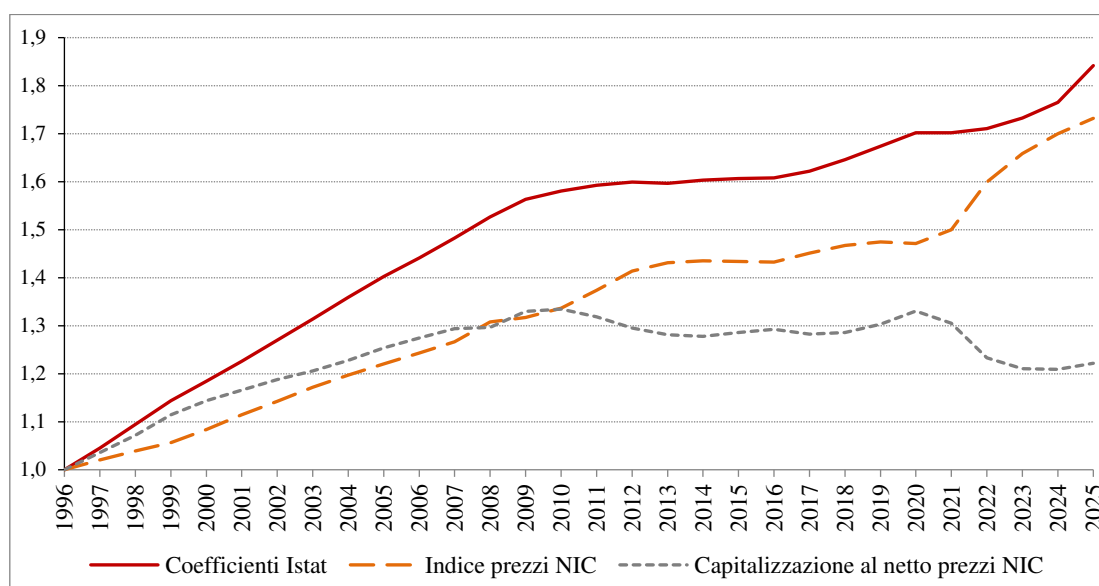
Figure 1.12 highlights the trends in the *nominal capitalization rates* which are calculated by ISTAT in accordance with the procedures set forth under Act no. 335/1995 and are used by INPS in the adjustment coefficients of this pool³⁶. In addition to the figures measured from 1995 to 2021, the

³⁵ The Dini reform of 1995 envisaged that under the contribution-based scheme, the contributions paid each year would be accumulated into a specific pool. At the time of retirement, the *pool* to be transformed into future annuities, i.e. into annual 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.

³⁶ In the contribution-based system, the revaluation coefficient is the value to be used each year to adjust the accumulated contribution pool. The capitalisation rate from which the annual revaluation coefficient is derived depends

chart shows the estimated figures up to 2025, taken from the latest GDP projections and the consumption deflator³⁷. This chart also illustrates the real values, obtained by deflating the nominal rates with the ISTAT NIC³⁸ price index until 2021 and with the above-mentioned consumption deflator for the 2022-2025 period. This figure clearly shows the consequences of the slump in the economy that Italy had in the first half of the 2010's. In fact, from 1995 until 2009, the nominal capitalisation rates remained positive above 3% even if with a slight decrease; then, a rapid decline started in 2009 with rates almost down to zero. If we then refer to the *real capitalization rates*, that is without considering the increase in the price consumer index, it is possible to see that these rates were negative except for a few years from 2009 to 2022; 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 two thirds of the last salary³⁹. As illustrated in **Figure 1.13**, taking into consideration the revaluation coefficients of the pool of contributions deprived of inflation, this pool has shown a very unstable and, above all, very slow growth since the beginning of the crisis. In quantitative terms, from 1995 to 2009, the average annual growth rate was 2.5%; from 2009 to 2020 it was equal to zero and, from 2020 to 2025, it is estimated to have an *average annual decrease by 2.18%* assuming that the projections of the 2022 DEF update are valid.

Figure 1.13 - Evolution of the pool of contributions



ISTAT coefficients; NIC price index; Capitalization net of NIC prices

This has a direct impact on social security and therefore should require the attention of the governments when they work out some measure to reform the pension system. In a scenario of low economic growth and high inflation, there is a significant risk of having inadequate pensions in the

on the average GDP growth rate over the last five years (Article 1(9) of Act no. 335/1995). The capitalisation rate is communicated each year by Istat and the Ministry of Labour and is applied to the contributions set aside on the first day of the year, excluding those paid the previous year.

³⁷ MEF, DEF 2022. *Update Note*, approved by the Cabinet on September 28, 2022, page 11.

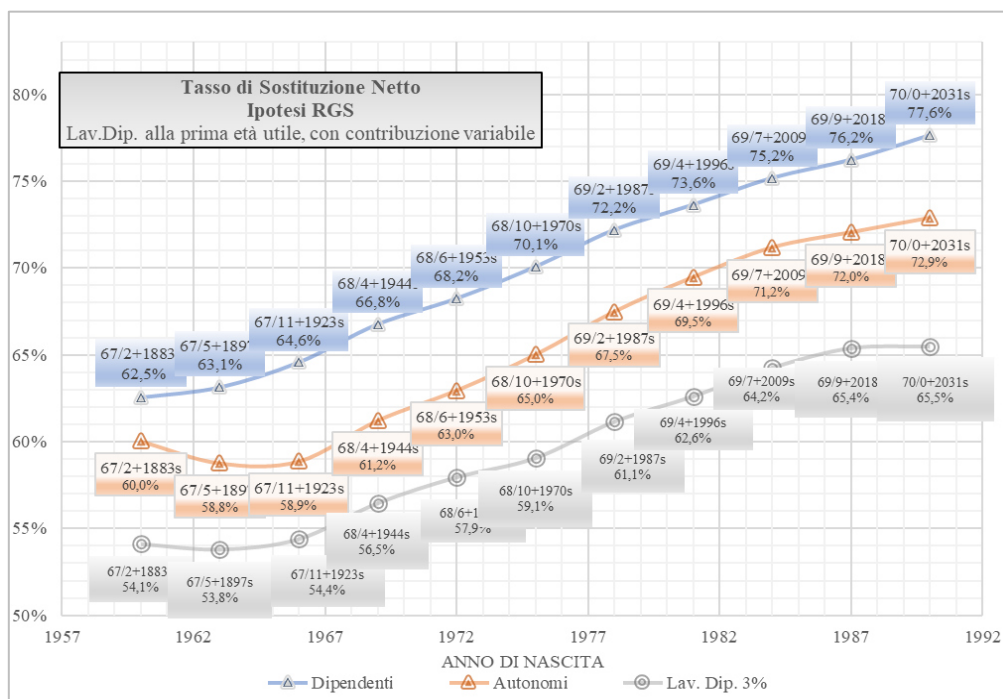
³⁸ NIC is the national consumer price index for the entire country. It is calculated by ISTAT from a basket of goods and services, which measures the inflation of the entire economic system and is the index that the government uses to define its economic policies.

³⁹ 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.

future, for reasons beyond the control of individuals. If changes in employment are also taken into account, with more discontinuity in working careers and low-wage periods, the risk of having inadequate incomes in old age may become far too high, especially for younger generations, with unpredictable effects on the very resilience of Italy's pay-as-you-go pension system.

In order to provide a quantification of the *net replacement rates* we report as an example **Figure 1.14**, which adopts the 2022 official estimates provided by RGS (General Accounting Office) as *calculation methods* as follows; the model takes the data on GDP and wages in real terms from the Update Note of the Economic and Financial Document (Nadef), with their estimated progressive growth and then their stabilization by the year 2040⁴⁰. The substitution rates shown in the graph below were calculated by adopting the aforementioned assumptions in the Epheso estimation model (real GDP equal to 1.2%; individual real wage growth equal to 1.5%). As always, for the sake of homogeneity, we assumed the entry into the labour market at 24 years of age with a contribution seniority with 7 years of no contribution. The expected results from the more stringent retirement age requirements were derived from the data on life expectancy at 65 years of age of the ISTAT 2020 baseline demographic median scenario forecast model used in the RGS report 'Le tendenze di medio-lungo periodo del sistema pensionistico e socio-sanitario - aggiornamento 2022' (Medium- to long-term trends in the pension, social security and health system – 2022 update), on the basis of which no increase is expected in the pension-related life expectancy for the two-year period from 2025 to 2026. The third curve is based on the same assumptions, but with an individual growth rate of 3% instead of 1.5%.

Figure 1.14 - Net substitution rates of the compulsory pension system - RGS 2022 assumptions



Net substitution rate; RGS assumption; Employed work at the earliest useful age with variable contributions; Year of birth; Employed workers; Self-employed workers; Employed workers 3%

For further details and to avoid repetitions, see the Exhibit and its detailed substitution rate trends on the Itinerari Previdenziali website.

⁴⁰ The Epheso model does not use such long adjustment periods and uses constant values. For this reason, we have carried out several tests and our model can reach net substitution rates close to those estimated by RGS on the basis of the following assumptions: a 1.2% GDP growth rate in real terms and an individual wage growth rate of 1.5%. The Epheso estimates are similar to the RGS ones estimates with a 2% error margin.

2. The INPS compulsory pension system in 2021: accounting and financial results for the whole system and for individual funds

In 2021, there was a vigorous recovery in GDP, employment and hence in contribution flows, with a more limited recourse to social safety net provisions, in particular to the derogatory wage guarantee fund. In our Reports, we have presented the trends of the Italian pension system of the last 33 years. Now, we move on to a detailed analysis of the data for 2021 for the whole system and for the individual public pension funds within the INPS framework (see the summary results in **Tables 1.a, B.33.a** and **B.33.b**), while those related to the pension schemes for the liberal professions, which also manage substitute compulsory pension forms, are analysed in Chapter 3¹. The accounting data reported (contribution revenues, pension expenditure and balances) show the economic and financial situation of these funds, with a difference in the number of **active workers** with respect to the number provided by ISTAT; in fact, for the INPS pension funds, the active workers paying contributions include those who pay even a single contribution in the year under consideration, sometimes within several different schemes, which results in many duplications; on the other hand, the figures related to **pensions** mainly refer to the benefits paid out and not to the number of pensioners who may also be entitled to two or more pensions, as indicated in Chapter 5.

2.1 The 2021 results of the compulsory pension system and its beneficiaries

In 2021, **pension benefit expenditure** of all pension funds, amounted to **238,271 million** euros (234,271 million in 2020), net of the GIAS share, an increase by **1.5%**, which depends to a small extent on the adjustment of pensions to inflation (+0.1%)² and to a large extent on the increase in the number of pensioners due to 100 Quota measure and other early retirement measures described in the following section, with a negligible 'renewal' effect, i.e. the replacement of discontinued pensions by newly ones with higher amounts on average. About 96% of expenditure and contribution revenues is managed by INPS; In fact, under the several legal provisions of the last thirty years, almost all pension funds were integrated into INPS, while the remainder is managed by privatised pension schemes; most recently, under Article 1, paragraph 103, of Act no. 234 of December 30, 2021 (the 2022 Budget Law): “*the compulsory substitute pension fund for journalists (INPGI) shall be transferred, limited to its substitutive function, to INPS as of July 1, 2022*”.

The overall financial situation of the compulsory pension system is shown in **Table 1.a**, which summarises pension benefit expenditure, contribution revenues, operating balances and the share of pension benefits provided through GIAS. **Table 1.a**, point 4, features the summary data for the privatised schemes (under Legislative Decrees 509/94 and 103/96) which belong to the compulsory pension system but practically with no burden on the state budget (See the detailed Tables b, c and d in the web section of the Report)³.

¹ The compulsory system also includes the complementary or additional pension schemes managed by 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.

² Pensions are adjusted on the basis of inflation recorded in the previous year; since 1997 several laws have changed the indexation of pensions above the minimum pension or its multiples (3 or 5 times vs. the minimum pension), such as the 2019 Budget Law (See the table and description in Appendix 1). In 2021, the Ministerial Decree of the Ministry of the Economy and Finance (MEF) of November 16, 2020 and the INPS Circular no. 148/2020 established that the provisional revaluation rate to be applied to pensions from January 1, 2021 must be 0.0% since the 2020 inflation rate was negative (0.30%) and the equalisation cannot be less than zero; however, since in 2020 pensions were adjusted by 0.4% while the final inflation rate was calculated at 0.5%, pensions will be revalued by 0.1%.

³ See the www.itinerari previdenziali.it website.

The number of pension benefits paid by INPS in 2021 reached 17,413,070, + 10,880 with respect to 2020 (17,402,190), excluding indemnity and welfare benefits. The **average pension gross of GIAS** increased mainly due to the retirement of workers with long working careers and a fair amount of contributions, whose average nominal annual amount rose from 15,790 euros in 2020 to 15,990 euros in 2021 for the overall INPS pension system (**Tables B.32.a** and **B.33.a**); the ratio of the average pension net of GIAS vs. the average income (see **Table 6.a**) for the entire pension system was equal to 52.21%. Instead, the ratio of the average pension gross of the welfare component (GIAS), a more realistic value taking into account the entire actual pension, vs the average income varied according to the different categories of workers: 72.89% for private-sector employed workers and 67.84%, for public-sector employed workers, while for the other categories it ranged from 14.34% of atypical workers to 34.84% for the self-employed, 38.22% for retailers, 39.98% for artisans and finally 47.95% for farmers, tenant farmers and sharecroppers.

Contribution revenues reached **208,264 million**⁴ in 2021 (209,398 million in 2019 and 195,400 million in 2020), after plummeting in 2020 by as much as 13,998 million, or 6.7% with respect to 2019, due to the pandemic and the lockdown measures in first months of the year, to the slump in the production and service sectors and to the heavy reduction in employment.

As a result, the **balance between contributions and benefits** showed a negative result equal to **30,006 million** euros in 2021, as has been the case for many years now; however, it improved by 9,330 million euros compared to -39,336 million in 2020, down by 18,480 million compared to 2019.

The following considerations can be made about the 2021 deficits of individual pension funds:

- a) **Tables 1.a** and **B.33** show that four INPS compulsory pension funds ran a surplus: **FPLD** with a surplus of 11,548 million euros (1,203 million in 2020)⁵; the **fund for retailers** with a surplus of 654 million euros (improved compared to 607 million in 2020); the **fund for show business and entertainment workers** (former **ENPALS**) with 288 million (150 million in 2020) and the **separate fund for atypical workers**, with a surplus of 7,700 million (6,819 million in 2020); the large surplus of this fund is due to its still low number of pensioners and low amount of pensions because of its inception in 1996. The privatized schemes for professionals (see Chapter 3) also featured a surplus with the exception of INPGI (the pension fund for journalists), with an overall positive balance of 3,692 million (3,877 million in 2020). The privatized schemes and the fund for atypical workers continued to have a good ratio of active workers vs. pensioners. The overall surplus of these funds (23,882 million) managed to offset the total deficit between income and expenditure to the indicated extent of 30,006 million. Without these positive results, the deficit of the pension system would have reached 53,888 million euros.
- b) All the other funds ran a deficit: the largest deficit was that of civil servants, with a negative balance of **37,479 million**, which would be lower if the 10,800 million euros' worth of additional State contribution to the pension funds for public-sector employed workers were included in the revenues. The following positions in the deficit ranking are occupied by the former Ferrovie dello Stato Fund, the former INPDAI funds, the fund for artisans, the fund for farmers, tenant farmers and sharecroppers, as illustrated in more detail later in the Chapter.

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

⁵ It should be borne in mind that, in addition to the significant and generalised decrease in contribution revenues highlighted above, FPLD is also burdened by the deficits of its integrated special funds (a total of 8,880 million euros), as explained in more detail below.

Before illustrating the analytical data of all the INPS pension funds, it is useful to take a look at the overall trend of the INPS system over time for the two main categories of benefits: pension and welfare benefits. To this end, **Table 2.1** below shows the total number of pensions paid in each year over a considerable period of time (2003-2021), with the exception for statistical purposes of the pension benefits of former INPDAP which does not provide welfare benefits.

Table 2.1 – Comparative analysis of the historical series on pension and welfare benefits (2003-2021)

Year	Total A		Total B		Total A+ B
	Welfare benefits	As % of the total	Pension benefits	As % of the total	
2003	464,851	40.72%	676,622	59.28%	1,141,473
2004	449,783	39.79%	680,743	60.21%	1,130,526
2005	499,465	42.34%	680,297	57.66%	1,179,762
2006	488,962	40.58%	716,072	59.42%	1,205,034
2007	518,880	44.02%	659,743	55.98%	1,178,623
2008	561,497	47.21%	627,869	52.79%	1,189,366
2009	574,570	50.16%	570,982	49.84%	1,145,552
2010	507,859	45.04%	619,642	54.96%	1,127,501
2011	424,153	43.98%	540,334	56.02%	964,487
2012	516,566	50.91%	498,145	49.09%	1,014,711
2013	514,142	50.05%	513,135	49.95%	1,027,277
2014	538,037	54.14%	455,779	45.86%	993,816
2015	571,386	51.05%	547,969	48.95%	1,119,355
2016	557,946	53.30%	488,937	46.70%	1,046,883
2017	553,105	49.73%	559,058	50.27%	1,112,163
2018	567,934	50.03%	567,360	49.97%	1,135,294
2019	587,456	48.53%	623,027	51.47%	1,210,483
2020	481,033	40.66%	701,938	59.34%	1,182,971
2021	581,000	44.18%	734,171	55.82%	1,315,171

A comparison between pension and welfare benefits shows that at the beginning of the survey (2003), pension benefits accounted for 59.28% of all benefits paid out against 40.72% for welfare benefits. This ratio changed in the following years until it reversed in 2009 (50.16% for welfare benefits and 49.84% for pension benefits) and then in 2012 (50.91% for welfare benefits and 49.09% for pension benefits), with a prevalence of welfare benefits until 2017 and then an almost perfect parity in 2018 and 2019. It changed again in favour of pension benefits (51.47% in 2019, 59.34% in 2020 and 55.82% in 2021), mainly due to the effect of the flexible exit measures described in paragraph 2. 2. The sharp drop in welfare benefits in 2020 was due to the pandemic-induced slowdown of medical-legal assessments for disability, visual and hearing impairment entitlements (see Chapter 5 and paragraph 9 below).

In 2021, even more than in 2019-2020, the measures that had a particular impact on welfare and pension expenditure stem from the provisions under 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 citizenship income measures as well as the extension of social APE (pension advance) and woman's option provided for under previous Budget Laws (See the Regulatory Exhibit). However, the event that had the greatest effect on pensions was certainly the COVID-19 pandemic, so before analysing the economic and financial results of the system as a whole and of individual pension funds, we proceed with a summary of the events that characterised 2021.

2.2 The 2021 highlights: 100 Quota, early pension (APE), Woman's Option, Citizenship Income and Citizenship Pension

The main problems produced by the Fornero⁶ reform were its extremely rigid pension requirements and the total elimination of any retirement flexibility including seniority pensions (See the requirements in the Exhibit), thus thwarting the progressive effects of previous reforms; so, instead of being a finalized reform, it triggered a series of interventions, the first two by the Monti government, to facilitate early retirement for various categories of workers, including the so-called 'esodati'. As a result, *nine 'safeguard' measures* were adopted from 2012 to 2021, in addition to regulations on early workers and heavy labour, social Ape, woman's option, plus other incentives that allowed about **775,000 workers** to retire with the requirements in force before the Fornero law in **just 10 years including 2021**⁷; this figure does not include the 455,000 early pensions (42 years and 10 months for men and 1 year less for women, since the real advance is only 3 months), nor the numerous early retirements granted to particular categories such as journalists, beneficiaries of redundancy funds for banks⁸ and insurance companies, the isopension and expansion contracts, which are almost entirely financed by companies and not by the state, except for 0.7 billion allocated by the Gentiloni government for bank workers and about 1 billion for other early retirement measures; these measures targeted about 60,000 workers, thus bringing the total number of beneficiaries to over **835,000**. The cost to the State over the 10-year period was equal to 42.5 billion out of the 86 billion euros' worth of savings predicted by Fornero. In detail, the number of beneficiaries of the 9 safeguard measures was about 143,000 out of 229,000, with a certified cost of 10.4 billion euros (**Table 2.2**).

Table 2.2 – Total number of safeguard beneficiaries and overall cost on December 31, 2021

Upper limit of safeguard beneficiaries (financed)	Applications approved	Applications rejected	Total	Certified total cost (billions of euros)
229,630	143,304	76,747	220,051	10,359,700,000

Woman's option⁹: **107,331** women retired early through this measure from 2012 to 2021, and **20,505** in 2021. In the first half of 2022, **13,455** "Woman's Option" pensions were paid under the contribution-based system, in line with the number of pensions in 2020; instead, the average amount of outstanding pensions was equal to 10,049.15 euros, with a significant difference between private-sector and public-sector pensions, whose average benefits were more than 20% higher than those paid by FPLD and by the ART and COM special pension schemes. The cost for 2021 and 2022 was equal to 553.5 and 626.6 million respectively, while from 2019 to the end of this measure the cost is estimated to reach 3.2 billion (3.8 billion since 2012).

"100 Quota": this measure allows workers to retire with 62 years of age and at least 38 years of contributions; **481,444** retirement applications were received to benefit from this incentive and **379,860** were approved (**Table 2.3**). The average age at retirement was 63 for men and women, 29

⁶ Law Decree no. 201 of December 6, 2011, amended and transposed into Act no. 214 of December 22, 2011.

⁷ 143,000 for the 9 safeguards, 78,000 for Social Ape, 107,000 for Woman's option, 67,000 for early and heavy labourers, 380,000 for 100 Quota.

⁸ Since 2017, thanks to an 'incomprehensible' measure adopted by the Gentiloni government with a cost of 0.7 billion euros, workers are allowed to join the redundancy fund earlier (from 5 to 7 years), a rule renewed by the various governments including the latest decree of the Draghi government which extended it to the end of 2023.

⁹ Introduced under Article 1, par. 9 of Act no. 243/2004; it allows women to leave the labour market earlier, opting for the contribution-based rules for the calculation of their pension benefits. Requirements: 58 years of age (59 if self-employed) with at least 35 years of contributions.

months earlier compared to the Fornero requirements; 118,600 women and 261,260 men retired under this measure with an average amount of pension benefits indicated in **Table 2.4**.

Table 2.3 - Law Decree no. 4 - Article 14, the so-called “100 Quota” of January, 28, 2019: number of applications submitted and accepted broken down by gender, retirement age and early retirement months

		100 Quota	102 Quota	Early Retirement	Woman’s Option
2019	No. of applications submitted	228,829	-	201,941	26,676
	No. of pensions granted	150,768	-	106,777	17,943
	Costs	1,793,958,545	-	287,996,812	116,111,325
2020	No. of applications submitted	131,135	-	208,798	21,422
	No. of pensions granted	117,034	-	176,924	17,672
	Costs	4,893,700,284	-	67,074,858	369,542,586
2021	No. of applications submitted	121,480	-	214,257	27,273
	No. of pensions granted	112,058	-	172,026	21,271
	Costs	5,150,730,668	-	611,423,071	553,502,430
Total on 31.12.2021	No. of applications submitted	481,444	5,160	624,996	75,371
	No. of pensions granted	379,860	1,424	455,727	56,886
	Costs	11,838,389,497	-	966,494,741	1,039,156,341
giu-22	No. of applications submitted	18,138	5,160	509,836	16,948
	No. of pensions granted	42,124	1,424	97,121	13,455
	Costs	4,416,733,235	6,406,015	114,921,397	626,604,157

Table 2.4 – “100 Quota Law Decree no. 4 of January 28, 2019, Art. 14’: average amount of outstanding pensions by pension fund

Pensions under former Art. 14 L.D. no. 4/19	Women	Men	Total
“100 Quota”			
Public-sector funds	€ 2,079,45	€ 2,261,89	€ 2,160,67
Private-sector funds – employed workers	€ 1,650,94	€ 2,205,79	€ 2,087,42
Private-sector funds – self-employed workers	€ 1,087,41	€ 1,435,48	€ 1,376,25
Average amount	€ 1,828,65	€ 2,034,85	€ 1,970,64

In the three-year period 2019-2021, the “100 Quota” pension expenditure amounted to 11.84 billion euros compared to approximately 21 billion provided for under Article 1, paragraph 256 of Act no. 145 of 2018. In the first half of 2022, 42,124 applications were accepted for workers who had become entitled to this measure by 31 December 2021 or who had submitted an application that had not been examined the year before; and the estimated number of beneficiaries from 2019 until the end of 2022 was about 450,000 against more than 1.1 million projected by the promoters of this incentive. The estimated costs until the end of this measure in 2027 is about 9.5 billion euros, to be added to the amount spent until 2021 for a total of about 21.4 billion against 48.58 billion foreseen under the Decree.

For the sake of completeness, it is important to recall that the **102 Quota** measure was in force in 2022, with 64 years of age and 38 years of contributions; at the end of the first six months, only 1,424 applications were accepted out of 5,160 almost equally divided between men and women; a total of about 5,000 applications is estimated to be accepted in 2022 with 27 months of early retirement on average, a cost of about 42 million euros when fully implemented, and an average pension of about

1,971, with some differences between private sector and public sector funds and self-employed employed workers.

Early work, Social Ape and Strenuous Work: Legislative Decree no. 67 of 21 April 2011 provided for the early retirement requirements for those employed in particularly strenuous and heavy work, identified through non-scientific and debatable criteria; Act no. 232 of December 11, 2016 (the 2017 Budget Law of the Renzi government) introduced ***Social Ape***; it was in force from 1 May 2017 until December 2020, then it was extended to 31 December 2021 and subsequently to 2022, and was entirely financed by the State; it was targeted for workers who met its requirements and for the so-called “early” workers i.e. those who started working before 19 years of age and fulfilled the conditions provided for this measure or fell within a category of ***jobs defined as strenuous and heavy*** (no definitions of heavy jobs in the medical-scientific literature); the list was later expanded. As to ***early workers***, **13,400** applications were accepted by INPS in 2021 out 23,860; overall, in the period between 2017 and 2021, 145,156 applications were submitted, of which **67,660** were accepted. The cost for the State in 2021 amounted to **538.8 million** euros, while for the benefits paid up to the end of 2021, the cost of this measure was about **2.5 billion** considering also the charges still to be incurred until the expiry of this incentive. The estimated expenditure for 2022, is **355.6 million euros**. By December 31, 2021, 156,412 applications for ***Social APE*** had been submitted, 49.2 5 of which were accepted following the verification of requirements, for a total of 76,905, perfectly in line with the projections presented in the 2020 Report; the cost for 2021 was equal to 617.3 million euros and for 2022 to 470 million; the total cost of this measure from 2017 up to its expiry in 2026, is estimated to reach **3.5 billion** euros.

Table 2.5 - Number of applications for Social Ape and Early Workers in 2017-2021

		Social Ape	Early Workers
2017	Received	48,184	34,248
	Accepted	18,145	11,414
	Rejected	30,039	22,834
	Total cost	121,439,027	80,087,084
2018	Received	48,422	40,048
	Accepted	22,673	17,122
	Rejected	25,726	22,914
	Total cost	397,455,249	357,738,827
2019	Received	20,299	23,977
	Accepted	12,497	12,657
	Rejected	7,755	11,299
	Total cost	591,244,206	518,457,924
2020	Received	17,982	23,023
	Accepted	11,288	13,067
	Rejected	6,639	9,899
	Total cost	629,254,604	481,405,508
2021	Received	21,525	23,860
	Accepted	12,302	13,400
	Rejected	7,585	9,315
	Total cost	617,349,342	538,853,174
Total on 31.12.2021	Received	156,412	145,156
	Accepted	76,905	67,660
	Rejected	77,744	76,261
	Total cost	2,356,742,428	1,976,542,517
Apr-22	Received	11,526	11,297
	Accepted	3,605	4,217
	Rejected	2,151	2,314
	Total cost	469,974,254	355,624,278

The average cost remained constant over the years at around 44,000 per applicant. After a significant demand in the first two years, there was a drop in the number of applications for Social APE, while in 2021 this figure picked up again; in the first half of 2022, 3,605 applications were accepted for social APE, 4,217 for early workers, again with a downward trend.

2.2.1 Anti-poverty measures aimed at social inclusion: Citizenship Income, Emergency Income, Citizenship Pension

Citizenship income (RdC): this measure was introduced by Law Decree no. 4 of January 28, 2019, amended and transposed by Act no. 26 of March 28, 2019 to combat poverty; it is an economic support aimed at labour reintegration and social inclusion; it is provided not only on the basis of economic criteria, but also on a series of requirements that must be fulfilled not to lose the entitlement, such as personalised work integration and social inclusion pathways with community-service activities; vocational retraining; completion of educational cycles as well as other commitments identified by ad-hoc services for labour market and social inclusion purposes (Pacts for labour and Pacts for social inclusion).

As can be seen (**Table 2.6**), the total cost of the citizenship income in the period from April 2019 to December 2021 was **18.8 billion** euros with an annual target of 1.7 million households on average for a total of almost 4 million people, who received an average amount of 525.8 euros per month.

Table 2.6 - 2019/2020 Comparative analysis of households, citizenship income recipients, average amount and annual expenditure

	Households that applied for RdC	Households receiving RdC	Number of people involved	Average amount per month in €	Annual expenditure in €
2019 April - December	1,639,505	1,107,505	2,709,839	492,18	3,693,922,221
2020	1,459,440	1,576,641	3,698,800	530,75	6,775,052,408
2021	1,162,850	1,763,257	3,938,977	546,28	8,382,564,876

Emergency Income (Rem): it is an emergency measure linked to the COVID-19 pandemic, which was designed to counteract the crisis in 2020 and the effects of the lockdown on hard-pressed households excluded from the RdC and from other allowances; it was established under Article 82 of Law Decree no. 34 of May 19, 2020 (Decreto Rilancio) with less stringent requirements with respect to the RdC. This measure was also maintained in 2021 under Article 12, paragraph 1 of Law Decree no. 41 of March 22, 2021 amended and transposed into Act no. 69 of May 21, 2021 and under Article 36 of Law Decree no. 73 of May 25, 2021 amended and transposed into Act no. 106 of July 23, 2021, which provided for a total of **2.4 billion** euros with a growth in expenditure of over 160% compared to 2020. In the January-December 2021 period, about 570,000 households received at least one monthly Rem payment for a total of more than 1.3 million people, geographically distributed as shown in **Figure 2.1**.

Citizenship Pension (PdC): it is a monthly economic welfare benefit introduced by Law Decree no. 4 of January 28, 2019, as a poverty-fighting measure in favour of individuals with few or no contributions (and hence taxes) without any ex-post verification other than the easily circumvented ISEE. It is a supplementary economic support to households with specific personal, income and economic conditions certified by the 2020 ISEE form. It can be provided to all subjects with minimum pensions, social allowances, civil invalidity or benefits below 780 euros, including survivors' pensions. In 2021, it was granted to 169,369 households totalling 191,826 individuals with an average monthly amount of 248 euros; in the absence of a general registry, this incentive can be added to other benefits, with a cost of about 0.43 billion euros in 2021.

Figure 2.1 - Geographical distribution of Emergency Income beneficiaries

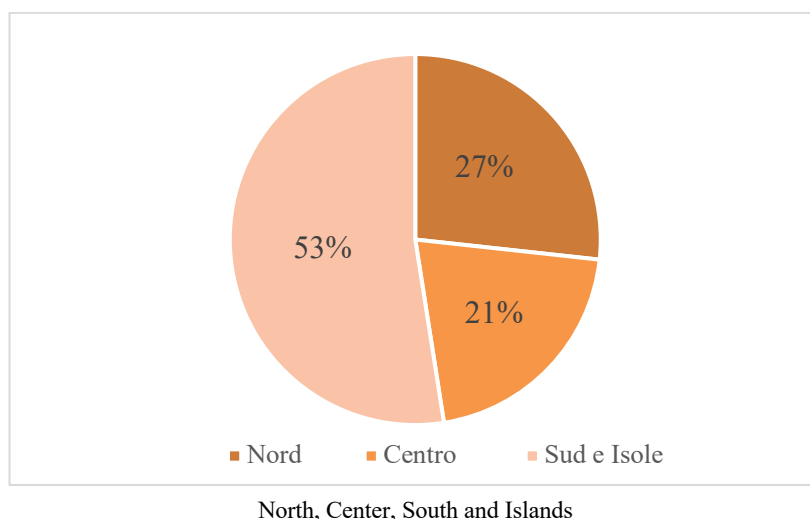


Table 2.7 - Citizenship pension – Yearly expenditure and number of households involved

Citizenship pension		
Year	Total amount (billions of €)	Average number of beneficiary households per month
2019	0.21	132,447
2020	0.36	156,239
2021	0.43	169,369

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

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 for 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, a substitute fund for A.G.O entrusted to the INPGI, then to FPLD and directly to INPS as of July 1, 2022. In 2021 (*Table 2.8*), all the funds of *private-sector employed workers* (58% of the entire compulsory system *Table 1.a*.) had **126,899 million euros**’ worth of *contribution revenues*, almost back to the 2019 results after the pandemic (130,113 million) against 116,241 million in 2020. The number of active workers paying contributions in 2021 was in line with these figures: 14,650,230, back to pre-pandemic 2019 levels (14,551,166) after the sharp drop down to 14,213,450 in 2020.

Table 2.8 – Fund for Private-sector Employed Workers

Active workers	14,650,230	No. of Pensioners	8,646,120	Active workers/pensioners’ ratio	1.69
Contribution revenues after transfers	126.899	Pension expenditure net of GIAS	125.044	Balance	1.855
Average Contribution	8.66	Average Pension	18.11	Average pension/average contribution ratio	2.09

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

On the other hand, in the three years considered above, *pension expenditure* showed a linear increase from 123,773 million in 2019 to 124,905 million in 2020 and to **125,044 million** in 2021; instead, the number of pensions steadily decreased from 8,842,040 in 2019 to 8,735,210 in 2020 and finally down to 8,646,120 in 2021. As already pointed out for the entire pension system, the average pension increased from 17,234 euros in 2019 to 17,768 in 2020 and then to 18,108 in 2021¹⁰.

As a result, the *operating balance* for 2021 was positive with **1,855 million** euros compared to the negative balance of 8,664 million in 2020, also due to the severe blow to the economy caused by the pandemic, as already reiterated. The section below provides a specific analysis of the most important pension funds for private-sector employed workers, starting with the FPLD, which accounts for more than 96% of these funds.

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 2021 too, it had a positive balance of **11,548 million** euros (*Table B.32.a*), much higher than the 1,203 million in 2020, with contribution revenues equal to **115,591 million** euros including the transfers from GPT and from GIAS for the imputed contributions for income-support benefits (discussed in Chapter 4) and with benefit expenditure (net of GIAS) equal to **104,043 million** (*table 2.9*).

Table 2.9 – Fund for employed workers

Active Workers	14,158,000	No. of Pensioners	7,797,700	Active workers/Pensioners' ratio	1.82
Contribution revenues after transfers	115.591	Pension expenditure net of GIAS	104.043	Balance	11.548
Average Contribution	8.16	Average Pension	17.14	Average Pension /Average Contribution ratio	2.10

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

As in previous years, the overall result for FPLD was affected by negative performance of *former special funds*, merged into FPLD with a separate accounting system: former INPDAI for corporate executives and the transport, telephony fund and electricity funds, which ran as a whole *a negative balance* of **8,880 million euros** in 2021 (9,031 million euros in 2019) even though the members of these special funds just account for **5%** of all of private-sector employed workers. This situation has been going on for years and has deteriorated the overall financial situation of this fund; in fact, on 31/12/2021, FPLD had a negative result equal to **92,053 million** euros (See Section 2.8). The deficits of 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 have been harmonized with those of FPLD. It should also be recalled that the heavy liabilities of former special funds also depend on the fact that, with the exception of the transport fund, the contributions paid by workers and employers are charged and accounted for directly to FPLD while the burden of pension payments remains with the individual funds. The *transport fund* continues to receive new members and hence provides better conditions than other special funds.

¹⁰ In this regard, see Tables B.32.a and B.33.a for the average pension figures of the various schemes, both gross and net of the GIAS transfers. The figure gross of GIAS transfers was taken into account starting from the previous Report.

However, it is worth stressing that, even today, the average pension paid by these funds is still much higher than that paid by FPLD (17,140 euros/year) and ranges from 22,450 for the transport fund to 26,970 for the telephony fund, to 28,080 for the electricity fund, to 44,760 of former INPDAL, and to 45,560 of the aviation fund.

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 2.10 – Fund for entertainment and show-business workers (Ex ENPALS)

Active workers	137,860	No. of Pensioners	59,930	Active workers/Pensioners' ratio	2.30
Contribution revenues after transfers	1.250	Pension expenditure net of GIAS	0.962	Balance	0.288
Average Contribution	9.06	Average Pension	17.9	Average Pension/Average Contribution	1.98
<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 (288 million euros in 2021 compared to 150 million in 2020) with 1,250 million euros' worth of contribution revenues and 962 million euros' worth of benefit expenditure. On December 31, 2021, this fund had 137,860 active members paying contributions and had paid 59,930 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 **2.30 active workers per pensioner (Table 2.10)**.

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 2.11 - Post and Telephony Fund (Ex IPOST)

Active workers	122,440	No. of Pensioners	164,580	Active workers/Pensioners' ratio	0.74
Contribution revenues after transfers	1.293	Pension expenditure net of GIAS	1.953	Balance	-0.660
Average Contribution	10.56	Average Pension	19.5	Average Pension /Average Contribution	1.85

The 2021 accounting results show contribution revenues equal to 1,293 million euros, benefit expenditure to 1,953 million and a deficit of 660 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 2021, the **ratio of the number of members vs the number of pensioners** was 0.74% (less than 1 active member per pensioner), with 122,440 active members against 164,580 pensioners (**Table 2.11**).

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 **4,521 million euros** in 2021 (*Table 2.12*).

Table 2.12 - FF.SS. Fund

Active workers	26,450	No. of Pensioners	208,020	Active Workers/Pensioners' ratio	0.13
Contribution revenues after transfers	4.882	Pension expenditure net of GIAS	4.891	Balance	-0.009
Average Contribution	184.58	Average Pension	24.2	Average pension/Average contribution ratio	0.13

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

This fund is characterized by a completely unbalanced ratio the number of *active workers paying contributions*, equal to **26,450** in 2021 (57,133 in 2011 and 30,250 in 2020) vs. the *number of pensioners*, equal to **208,020** (234,400 in 2011 and 210,160 in 2020), with a *ratio of the number of members vs. the number of pensioners that highlights its imbalance, (almost 7.9 pensioners out of 1 member)*. 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 and, at the same time, implementing recruitment policies that do not provide for membership in this fund under review but in FPLD; 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 FPD L and not in the special fund since 1/4/2000.

2.4 Minor schemes for private-sector employed workers: aviation, consumer taxes, clergy, employed journalists

2.4.1 Aviation Fund

This Fund is a special fund managed by INPS with accounting autonomy and it *substituted* 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 45,560 euros per year, over three times as much with respect to that provided by FPLD and almost 5 times with respect to the average contribution (*Table 2.13*).

Table 2.13 – Aviation Fund

Active workers	10,990	No. of Pensioners	7,510	Active workers/Pensioners' Ratio	1.46
Contribution revenues after transfers	0.104	Pension expenditure net of GIAS	0.331	Balance	-0.227
Average Contribution	9.47	Average Pension	45.56	Average Pension/Average Contribution Ratio	4.81
<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 less stringent 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 or ITA. In 2021, this Fund had a **negative balance** equal to **227 million** resulting from **104 million** euros' worth of in **contribution revenues** and **331 million** of **benefit expenditure**. The number of members was equal to 10,990 and the number of pensions to 7,510.

In 2016, during the nth vain attempt to save the ailing Alitalia company, 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 favourable 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. This Fund is financed by a contribution of 0.50% levied on taxable wages (2/3 borne by the company and 1/3 borne by workers) but above all by **a municipal surtax on boarding fees applied to each air ticket**. This unfair tax initially set at 1 euro rose to no less than 3 euros from 2008 to 2018 and then dropped to 1.5 euros until 31/12/2019 and was finally abolished on 1/1/2020 due to the pandemic-related air transport crisis. It was reintroduced under Law Decree no. 508 of 29/5/2020 (Decreto Rilancio) on 1/7/2021 but 50 per cent of this levy must be paid back to the INPS Welfare Support Scheme. In sum, 97% of its revenues derives from this unfair tax "; in 2017 (the last available data), this tax produced revenues equal to **249.5 million** euros against only 7.2 million paid by companies. The Alitalia affair is too well known to analyse it in depth here; it is only worth noting that when ITA took over from Alitalia, as many as 7,800 Alitalia employed workers became redundant until 2023 at a considerable 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 2.14 – Fund for consumer-tax collectors

Active workers	0	No. of Pensioners	6,230	Active workers/Pensioners' ratio	-
Contribution revenues after transfers	0.114	Pension expenditure net of GIAS	0.113	Balance	0.001
Average contribution	0	Average Pension	18.66	Average Pension/Average Contribution ratio	-

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

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 provided 6,230 pensions for an amount of 113 million in 2021, paid by the State (Art. 17 Presidential Decree. no. 649/1972) through GIAS to offset its operating deficit (*Table 2.14*).

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 2021, the number of pensions paid was equal to 11,400 and the number of members to 17,750 with a ratio of 1.56 active members per pensioner (*Table 2.15*).

Table 2.15 – Clergy Fund

Active workers	17,750	No. of Pensioners	11,400	Active workers /Pensioners' ratio	1.56
Contribution revenues after transfers	0.031	Pension expenditure net of GIAS	0.071	Balance	-0.040
Average Contribution	1.76	Average Pension	7.07	Average Pension /Average Contribution ratio	4.02

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

This Fund is characterized by low contribution revenues with respect to pension expenditure: **31 million** euros' worth of *contribution revenues* against **71 million** euros' worth of *pension expenditure* in 2021, net of the share borne by GIAS, with a *deficit* of **40 million**. It features a structural imbalance, even if with a lower economic and financial impact on the pension "system" as a whole; it is important to stress that contributions are not correlated to remuneration or income, but they are pre-determined and the system is neither 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 fell within this category also in 2021; in any case, even if they are members of a *professional register*, they are required by the law to pay their contributions to INPGI, which operates as a substitute for AGO and is privatized scheme. As already mentioned, as of 1 July 2022, the journalists employed by both private and public organizations were transferred to the INPS fund for employed workers and on the same date the A.G.O. substitute fund was abolished. In 2021 too, this fund was running a *deficit* of **207 million** euros, in line with the 206 million in 2020; *contribution revenues* were equal to **346 million** and

benefit expenditure to **553 million**. For further details, see Chapter 3 and the tables in the web appendix (*Table 2.16*).

Table 2.16 – Fund for employed journalists (INPGI)

Active workers	14,570	No. of Pensioners	9,910	Active workers/ Pensioners' ratio	1.47
Contribution revenues after transfers	0.346	Pension expenditure net of GIAS	0.553	Balance	-0.207
Average Contribution	23.72	Average Pension	55.76	Average Pension /Average Contribution	2.35

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

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

INPDAP¹¹ was abolished on 1/1/2012 and was integrated into INPS; since then, the data for these funds have appeared in the INPS consolidated accounts, but as a separate account. 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. INPS integrated the pre-existing INPDAP schemes administered with accounting autonomy by the five funds listed in *Table 2.17*, whose financial data obviously feature in the INPS financial accounts.

Table 2.17 – Outstanding pensions and amount of benefits for each fund on 1/1/2022

Fund	2022			
	No. of pensions	As % of the total	Overall amount per year (mln of €)	As % of the total
C.P.D.E.L.	1,172,825	38.0%	25,239	31.8%
C.P.I.	16,745	3.5%	323	7.3%
C.P.S.	87,108		5,355	
C.P.U.G.	3,250		70	
C.T.P.S.	1,803,026	58.5%	48,216	60.9%
Total	3,082,954	100%	79,203	100%

Table 2.17 shows for each fund the number of pensions on 1/1/2022 and their annual amount. According to these data, 58.5% of benefits are paid by the Cassa Trattamenti Pensionistici Dipendenti dello Stato - C.T.P.S. (Pension fund for civil servants), 60.9% of the annual amount, 38% are paid by the Cassa Pensioni dipendenti enti locali - C.P.D.E.L. (Pension fund for employed workers of local authorities), 31.8% of the annual amount, while the other three funds (Cassa pensioni Insegnanti - CPI; Cassa pensioni Sanitari - CPS and Cassa Pensioni ufficiali giudiziari - CPUG) (Funds for teachers, health-care professionals and judicial officers) account for 3.5% of pensions and 7.3% of the amount. The average monthly pension amount by CTPS was 2,057.05 euros and that by CPDEL 1,655.40. In **2021**, the **deficit** of the funds of public-sector employed workers amounted to **37,479 million** euros, net of the 10,800 million euros of the additional contribution provided by the State; they featured 41,102 million euros' worth of revenues and 78,581 million euros' worth of expenditure (this item includes 14,099 million paid by GIAS, provided for under Article 2, par. 4, of Act no.183/2011, up with respect to 13,602 in 2020). The deficit went up with respect to the previous two years (33,646 in 2019 and 36,427 in 2020 respectively). Pension expenditure increased by 2.63%, up by 2,012 million over 2020, due more to the substitutive effect than to inflation. If we take into

¹¹ INPDAP, set up in 1994, was merged into INPS under Art. 21 of Legislative Decree n. 138/2011, transposed into Act n. 148/2011.

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 in that before the establishment of INPDAP, the State did not pay any contributions on its behalf), revenues would amount to 51,902 million; the 14,099 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 2.18**).

Due to a halt to turnover in the past few years, the number of these workers dropped (from 3,412,000 in 2006 to 3,306,000 in 2020), then it started to slightly pick up again in 2021 with a growth by 12,000 members for a total of 3,318,000 civil servants, a more significant increase is expected as of 2022. As a result, revenues also improved slightly while benefit expenditure continued to go up (from 66,871 million euros in 2015 to 78,581 in 2021.); the significant increase in pension expenditure in 2020 and in 2021 was caused by the retirement flexibility measures, in particular "100 Quota" which was granted to 128,601 public employees when until it was applicable in December 2021.

Table 2.18 – Fund for public-sector employed workers (Ex INPDAP)

Active workers	3,318,000	No, of Pensioners	3,105,180	Active workers/Pensioners' ratio	1.07
Contribution revenues after transfers	41.102	Pension expenditure al net of GIAS	78.581	Balance	-37.479
Average Contribution	12.39	Average Pension	25.31	Average Pension/Average Contribution	2.04

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

As of 2022, despite some still applicable flexibility measures such as Quota 102 (less popular than expected), the workforce in the public sector is expected to massively grow with an increase in contribution revenues. This fund runs a significant deficit (Section 2.8). In the period between 2015 and 2021, the number of pensions increased in the last four years from 2,917,119 pensions in 2018 to 2,998,840 in 2019, to 3,056,450 in 2020, to 3,105,180 in 2021. The civil servants' pensions on 1/1/2022 are broken down by category in **Table 2.19**, whereby seniority or early retirement pensions account for 58.5% are, old age pensions for 14.3%, disability pensions for 6.7% and finally survivors' pensions of members or pensioners for 20.5%.

Table 2.19 - Pensions on 1.1.2022 by category

Pension Category	Sub Category	Total			
		No. of pensions	As % of the total	Overall amount per year (mln di €)	As % of the total
Old age	Old age	439,752	14.3%	13,134.1	16.6%
	Seniority/Early	1,804,065	58.5%	51,515.6	65.0%
Disability	Disability	206,754	6.7%	5,281.3	6.7%
Survivors'	Members survivors	126,787	4.1%	1,597.5	2.0%
	Pensioners' survivors	505,596	16.4%	7,674.6	9.7%
Total	Total	3,082,954	100.0%	79,203.1	100.0%

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

The data related to the funds for self-employed workers, artisans, retailers and farmers 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 for these three categories of workers 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 2021, the fund for artisans featured a *deficit* between contributions and benefits of **3,942 million** euros, worse than in 2020 (-3,398 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 under the Fornero law; in 2021, the contribution rate for artisans was **24%** up to an income of 47,379 euros and 25% up to a maximum of 78.965 euros.

Table 2.20 – Fund for Artisans

Active workers	1,522,250	No. of Pensioners	1,760,100	Active workers/ Pensioners' ratio	0.86
Contribution revenues after transfers	8.12	Pension expenditure net of GIAS	12.062	Balance	-3.942
Average Contribution	5.33	Average Pension	8.77	Average Pension /Average Contribution	1.65

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

Contribution revenues (8,120 million euros in 2021) 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 1,522,250 in 2021 (-4.1%) and of a steady increase in the number of pensioners, from 1,639,469 in 2013 to 1,760,100 (+7.4%) in 2021, *which has exceeded that of active members since 2017 (Table 2.20).*

2.6.2 Fund for Retailers

The fund for retailers has been showing a positive trend for a number of years and in 2021 too, it featured a positive balance of **654 million**. Contribution revenues have been remained high for some years now, largely due to the increase in contribution rates (up to 24%/25% as for artisans), and in 2021 they remained stable from 10,680 million in 2020 to **10,764 million** in 2021 (+ 84 million); instead, pension expenditure increased by 38 million from 10,073 million in 2020 to **10,111 million** in 2021 (*Table 2.21*).

Table 2.21 – Fund for Retailers

Active workers	2,022,000	No, of Pensioners	1,459,410	Active workers/Pensioners' ratio	1.39
Contribution revenues after transfers	10.764	Pension expenditure net of GIAS	10.111	Balance	0.654
Average Contribution	5.19	Average Pension	8.24	Average Pension /Average Contribution ratio	1.59

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

The final results, which include the data of the separate fund called "fund for the rationalization of the retail network" established under Legislative Decree no. 207/1996; in 2020, had a negative result equal to 2,247 million euros, due to amortization and depreciation of receivables. Compared to 2020, the number of pensioners (1,459,410) and the number of active workers (2,022,000) remained substantially stable, with a ratio above the average for the system, equal to **1.39** active members for each pensioner despite the negative effects of the pandemic.

2.6.3 Fund for Farmers, Tenant Farmers and Sharecroppers

As in previous years, in 2021 too, the fund for farmers, tenant farmers and sharecroppers (CDCM) featured a structural imbalance due to a very low active workers/pensioners' 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 2021 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 436,200 in 2021, with a very significant drop by 63.8%.

Table 2.22 – Fund for Farmers, Tenant Farmers and Sharecroppers

Active workers	436,200	No, of Pensioners	1,268,500	Active workers/Pensioners' ratio	0.34
Contribution revenues after transfers	1.320	Pension expenditure net of GIAS	3.869	Balance	-2.549
Average Contribution	3.03	Average Pension	5.61	Average Pension/Average Contribution	1.85

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

The **balance** between **contributions** and **benefits** amounted to **824 million** euros in 2021, down by **2,549 million**; this figure is net of transfers from GIAS which has started paying the pensions accrued before 1/1/1989 since 2011. **Contribution revenues** amounted to **1,320 million** euros (1,315 million in 2020), accounting for only **34.11%** of benefits, which reached **3,869 million** euros (3,445 million in 2020), net of GIAS transfers (**Table 2.22**). At the end of 2021, the number of pensions paid by CDCM was equal to 1,268,500, including the remaining 145,145 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 2.91 pensions for each active worker. Therefore, on the whole, the pension system in this sector is a burden for the community (**3,373 million** euros for pensions alone), and its deficit reached a considerable amount equal to **95,337 million** euros on 31/12/2021 (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 2.23 – Fund for Atypical Workers

Atypical workers		No. of Pensioners	525,980	Active workers /Pensioners’ ratio	2.68
Contribution revenues after transfers	9.217	Pension expenditure net of GIAS	1.517	Balance	7.700
Average contribution	6.95	Average Pension	3.17	Average Pension/Average Contribution	0.46

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

In 2021, its number of members amounted to **1,408,000**. Here below are reported the most important analytical data with respect to the total population, with the caveat that the latest available data (taken from the INPS Statistical Observatory of April 2022, thus by now consolidated) refer to 2020, in particular the total figure of 1,351,081 atypical workers, with men (818,213) outnumbering women (532,868). This separate scheme features two macro-groups of members:

- (a) freelancers with a VAT registration number, who are not members of a privatized pension scheme (419,000 in 2020) and who work in new professional occupations that are not related to more traditional and certified professions.
- (b) workers without a VAT registration number (932,000 in 2020), 47% of whom working exclusively for a single client, 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 a social security provision 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, doctors attending specialization courses (the share of women 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 a contribution rate of **25%** on their taxable income if they are free-lancers and **33%** if they are consultants, in addition to a rate of 0.72% for **non-pension benefits**, and the so-called “concurrent” members, i.e., pensioners or subjects with other sources of income and, therefore, registered with other schemes, who pay a contribution rate of **24%**. In 2020, out of a total of 1,351,081 members, there were 808,011 exclusive members (59.8%) and 543,020 concurrent members (40.2%).

This fund has a very **positive balance** between contributions and benefits, which amounted to **7,700 million euros** in 2021, with **9,217 million euros’** worth of **contribution revenues** and **1,517 million euros’** worth of **benefit expenditure** (Table 2.23). This is the only compulsory pension fund whose benefits are exclusively calculated with the contribution-based system. Its number of benefits grew from **498,070** in 2020 to **525,980** in 2021. The average pension amount too is low (**3,170 euros** per year), due to the short period of contribution and the low contribution rate that initially did not exceed 12% of the annual taxable income, but which has now considerably increased. Due to its significant contribution rate and limited period of contribution seniority with respect to other funds, this scheme should be restructured, 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 certified associations: 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 2021, the *financial situation* of INPS, Italy's largest social security agency, was characterized by **10,848 million** euros' worth of surplus against a negative result for the year¹² of 3,711 million, partially 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 **145,409 million**, of the temporary benefit fund equal to **207,613 million** and of former ENPALS to **5,880 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 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 and, finally, in 2020 with a negative operating result of 25,199 million and assets equal to 14,559 million euros.

Over the last 6 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 2.24**). In the years from 2015 to 2021, these measures led to writing off 19,076 million euros' worth of contribution receivables, through the provisions for impairment losses of contribution receivables which had reached a total of 72,662 million euros in the same period. In order to find the net contribution receivables as at 31.12 each year, it is necessary to calculate the sums taken from the provisions for impairment losses, also taking into account the reallocation of residuals from the previous year.

As a result of these conservative approaches, the provisions for impairment losses of contribution receivables increased from 59.8% in 2015 out of 92,399 million euros' worth of total gross contribution credits, to 80.5% in 2021 out of total of 117,059 million. A level of provisions also confirmed in the 2021 Budget with additional funds equal to 8,259 million euros, for a total of 102,505 million, equal to 81.2%, against 126,505 million euros' worth of contribution receivables. This risk hedging approach is deemed to be adequate by INPS also to deal with the additional bad debts to be communicated by the tax authorities following the final results of the measures for the scrapping, settlement and amnesty of receivables up to 5,000 euros (art. 4 of Law Decree no. 41/2021).

¹² The 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.

Table 2.24 - Trend of contribution receivables, re-assessment of residual items (elimination), provisions for impairment losses (millions of euros)

	2015	2016	2017	2018	2019	2020	2021	2022
	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Consuntivo	Assestato
Residui Attivi	146.828	156.294	161.902	141.821	150.538	150.057	156.213	171.511
di cui								
Crediti contributivi lordi al 31.12	92.399	98.236	104.453	111.429	119.019	114.619	117.059	126.205
Percentuale sul totale dei residui attivi	62,9%	62,9%	64,5%	78,6%	79,1%	76,4%	74,9%	73,6%
Variazioni (Riaccertamento) dei residui attivi al 31.12¹	-818	-883	-1.243	-1.276	-13.491	-2.039		
di cui								
Riaccertamento residui per aliquote contributive	-721	-768	-1.125	-1.164	-13.356	-1.942		
Percentuale sul totale del riaccertamento	88,1%	87,0%	90,5%	91,2%	99,0%	95,2%		
Crediti contributivi al netto del riaccertamento	91.678	97.468	103.328	110.265	105.663	112.677	117.059	126.205
Prelievi dal Fondo svalutazione crediti contributivi	-808	-937	-771	-1.273	-1.167	-13.411	-1.950	0
Assegnazioni (accantonamento) al Fondo svalutazione crediti contributivi	13.090	6.220	9.143	10.850	12.488	12.703	7.132	8.259
Consistenza del Fondo svalutazione crediti contributivi al 31.12	55.220	60.503	68.875	78.452	89.772	89.064	94.246	102.505
Percentuale copertura del Fondo svalutazione (sul totale dei crediti contributivi)	59,8%	61,6%	65,9%	70,4%	75,4%	77,7%	80,5%	81,2%
Crediti contributivi netti al 31.12	37.179	37.732	35.578	32.977	29.247	25.555	22.813	23.700

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 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-assessment; Allocations to the fund of 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 taken from the provisions for impairment losses for contribution receivables, which also include the re-assessment of the residual items of the previous year.*

Table 2.25 shows the overall and summary data about the economic and financial performance of all the funds managed by INPS, with their operating results from 2014 to 2021 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 95,337 million euros. This can be explained by the steady drop in employment in this sector with a ratio of 2.91 pensioners for every active worker paying contributions, the worst in the INPS universe. The fund for artisans too runs a very significant deficit (86,981 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 50,703 million euros in 2021, with a negative operating result of 14,435 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. As to the financial situation of 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 to finance the redundancy fund; in fact, in 2020, its negative operating result was equal to 3,803 million euros. On the other hand, the economic recovery and the slightly more limited use of redundancy fund produced a positive operating result of 6,965 million euros in 2021, with an overall financial improvement up to 207,613 million euros compared to 200,648 million in 2020.

In any case, in both years, its surplus managed to offset for the negative financial result of FPLD (and its former special funds) equal to 99,788 million in 2020 and to 92,053 million in 2021.

Table 2.25 - Economic and financial trends of the funds managed by INPS¹³

GESTIONE E FONDI	2019 - Consuntivo		2020 - Consuntivo		2021 - Consuntivo	
	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2019	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2020	Risultato economico di esercizio	Situazione patrimoniale al 31/12/2021
<u>GESTIONI PENSIONISTICHE AGO</u>						
* FONDO PENSIONI LAVORATORI DIPENDENTI	3.267	-100.100	312	-99.788	7.735	-92.053
<i>Fondo pensioni lavoratori dipendenti</i>	<i>12.016</i>	<i>-3.649</i>	<i>9.400</i>	<i>5.751</i>	<i>16.645</i>	<i>22.396</i>
<i>Ex fondo trasporti</i>	<i>-935</i>	<i>-17.160</i>	<i>-1.058</i>	<i>-18.218</i>	<i>-867</i>	<i>-19.085</i>
<i>Ex fondo elettrici</i>	<i>-2.202</i>	<i>-28.596</i>	<i>-2.233</i>	<i>-30.829</i>	<i>-2.246</i>	<i>-33.076</i>
<i>Ex fondo telefonici</i>	<i>-1.354</i>	<i>-10.274</i>	<i>-1.430</i>	<i>-11.704</i>	<i>-1.404</i>	<i>-13.108</i>
<i>Ex Inpdai</i>	<i>-4.258</i>	<i>-40.421</i>	<i>-4.367</i>	<i>-44.788</i>	<i>-4.392</i>	<i>-49.180</i>
<u>Comparto lavoratori autonomi</u>						
* GESTIONE COLTIVATORI DIRETTI, COLONI E MEZZADRI	-2.724	-89.862	-2.565	-92.427	-2.911	-95.337
* GESTIONE ARTIGIANI	-5.461	-74.871	-6.406	-81.277	-5.704	-86.981
* GESTIONE COMMERCianti	-2.785	-14.281	-4.439	-18.720	-2.247	-20.967
* GESTIONE PARASUBORDINATI	7.226	130.923	6.855	137.778	7.631	145.409
<u>GESTIONI PENSIONISTICHE ESCLUSIVE DELL'AGO</u>						
* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI DELL'AMMINISTRAZIONE PUBBLICA (*)	-12.498	-22.245	-14.023	-36.267	-14.435	-50.703
<u>GESTIONI PENSIONISTICHE SOSTITUTIVE AGO</u>						
* FONDO PREVIDENZA DAZIERI					0	0
* FONDO PREVIDENZA VOLO	-149	-1.166	-214	-1.380	-227	-1.608
* FONDO SPEDIZIONIERI DOGANALI	0	13	0	13	0	13
* GESTIONE SPECIALE PER IL PERS. DELLE FERROVIE DELLO STATO	0	1	0	1	0	1
* GESTIONE SPECIALE PER IL PERS. DELLE POSTE ITALIANE SpA	-657	-701	-589	-1.289	-697	-1.986
* GESTIONE SPECIALE DI PREVIDENZA DEI DIPENDENTI EX ENPALS	304	5.396	155	5.551	329	5.880
<u>GESTIONI PENSIONISTICHE INTEGRATIVE AGO</u>						
* GESTIONE SPECIALE MINATORI	-9	-590	-8	-599	-8	-606
* FONDO PREVIDENZA GAS	-10	107	-10	97	-9	88
* FONDO PREVIDENZA ESATTORIALI	43	1.047	29	1.076	22	1.098
* GESTIONE SPECIALE ENTI DISCIOLTI	0	0			0	0
* FONDO PREVIDENZA PERSONALE ENTI PORTUALI GENOVA E TRIESTE	0	0			0	0
<u>GESTIONI PENSIONISTICHE MINORI</u>						
* FONDO PREVIDENZA CLERO	-44	-2.260	-44	-2.305	-41	-2.346
* ALTRE GESTIONI	4	-135	-4	-139	-1	-141
<u>GESTIONE PRESTAZIONI TEMPORANEE</u>	5.583	204.452	-3.803	200.648	6.965	207.613
<u>ALTRE GESTIONI MINORI</u>	628	3.992	-444	3.546	-113	3.438
<u>ALTRE ATTIVITÀ</u>	0	39	0	38	0	39
Totale gestioni previdenziali	-7.283	39.759	-25.199	14.559	-3.711	10.848

Schemes and Funds, 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 GENOVA AND TRIESTE PORTS' EMPLOYEES, MINOR PENSION SCHEMES, CLERGY FUND, OTHER FUNDS, TEMPORARY BENEFITS SCHEME, OTHER MINOR FUNDS, OTHERS, Total

¹³ The historical series as of 2014 is available on the website in table D3.

As far as the special funds are concerned, **Table 2.25** shows the operating results and the financial situation of each special fund; on 31/12/2021, all special funds had a very negative financial situation (from 13,108 million of the former telephony fund to 49,180 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, thus leading to a deterioration of their operating results and of their financial and economic performance.

Finally, it should be pointed out that, over time, the restructuring of important sectors of the Italian economy, have been improperly charged as "national pension expenses" rather than as "income support" measures; this 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 before 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).

2.9 Outstanding pensions by type, gender, fund and by category

After the analysis of the accounting data and the economic and financial trends of the INPS private- and public-sector funds, we now examine the data on the outstanding pensions on January 1, 2022 of all the INPS pension and welfare schemes, excluding the benefits provided by the schemes for professionals, by complementary funds, the INAIL indemnity and veterans' pensions, broken down by the type of system under which old-age, disability and survivor's pensions have been paid¹⁴. These systems have been classified as follows:

- 1) **Pure income-based system:** for those who retired before January 1, 1996 or those who were *older than 18 years* on January 1 1996 and retired before December 31, 2011. Their old age, disability and survivors' pensions were calculated on the basis of this income-based system;
- 2) **Mixed system - Dini Reform:** for those who were *under 18 years of age* on January 1, 1996 and retired in subsequent years. Their old age, disability and survivors' benefits were calculated on the basis of the income-based system for the first part of their pension, going from the date of the first contribution up to 31.12.1995, and of the contribution-based system on the second part, going from January 1, 1996 to the date of retirement. In addition, certain more favourable rules of the income-based system are applied to the mixed one (e.g. lack of contribution ceiling, entitlement to the minimum pension);
- 3) **Mixed System- Monti-Fornero Reform:** for those who were *older than 18 years* on January 1, 1996, the former pure income-based pensioners, who retired after January 1, 2012. Their old age, disability and survivors' benefits were calculated with the income-based system for the first part of their pension, running from the date of the first contribution to December 31, 2011, and with the contribution-based system on the second, running from January 1, 2012 to the date of retirement. They, too, retain all the more favourable rules of this system;
- 4) **Pure contribution-based system:** it applies to all workers who paid their first contribution from January 1, 1996 onwards. A salary ceiling is set beyond which they do not have to pay any contributions and they are not entitled to the minimum pension;

¹⁴ The information below has been extracted from the Statistical Observatories published by INPS, with reference to the stock existing on January 1, 2022, after pension renewals. The difference between the different data sources in terms of the number of pensions and the total annual expenditure, is explored in more detail in Section 5.1.

- 5) **Miscellaneous systems:** this classification includes substitutive funds (funds for civil servants (GPD), for entertainment, show-business workers and sportspeople, for railways, aviation, postal and customs workers, for haulers and the clergy), whose old age, disability and survivors' benefits have been calculated according to one of the systems described above, but for which there are no statistically available breakdowns yet. This classification also includes supplementary funds, voluntary schemes and the clergy fund, which apply supplementary or capitalisation parameters in the calculation of benefits, as well as the more recent aggregation and accumulation plans for the contributions paid in different schemes during the working life;
- 6) **Welfare system:** welfare benefits (social pensions and allowances, pensions for disabled civilians, caregivers' allowances, communication allowances, attendance allowance) are fixed and are adjusted every year and are subjected to means testing, except for indemnities.

On 1.1.2022, the number of pension benefits of all INPS schemes amounted to 20,832,232, of which 16,849,558 (80.9%) were old age, disability and survivors' pensions and 3,982,674 (19.1%), were welfare benefits managed by INPS (excluding veterans' welfare benefits, managed by the Ministry of Economy). The number of "old age + seniority/early" pensions was equal to 11,611,924 including 6,760,443 "seniority or early" pensions, 67.3% of which for men and 32.7% for women, and 4,851,481 "old age" pensions, 37.7% of which for men and 62.3% for women. The total annual expenditure for "old age + seniority/early" pensions amounted to 221,197.9 million euros, 166,190.2 million for "seniority/early" benefits, 71.7% of which for men and 28.3% for women, and 55,007.7 million for old age pensions, 47.3% of which for men and 52.7% for women. The number of disability pensions was equal to 988,295, 56.3% of which for men and 43.7% for women. The number of survivors' pensions reached 4,249,339, most of which for women (87.0%) and only 13.0% for men, who received 8.8% of the overall expenditure (40,648.8 million euros).

The number of welfare benefits, pensions, allowances and indemnities was equal to 3,982,674 INPS (808,105 social pensions and allowances and 3,174,569 pensions and allowances for disabled civilians) for a total annual amount of 23,213.2 million euros (of which 4,953.8 million euro for social pensions/allowances and 18,259.4 million euros for disability benefits).

Table 2.26 shows the average age of pensioners on 1.1.2022 under the different systems; there are still **9,469,376** (45.5% of the total) **old age, disability and survivors' pensions** paid under the **income-based system**, belonging to the funds for employed and self-employed workers, with a **mean age of 80.1 years** (78.8 years for men and 81.0 years for women). These pensions paid entirely with the income-based system before 2012 account for 42.6% of the total annual amount (297,798.6 million euros) and will be phased out; in fact, this system ceased to exist on 1.1.2012 under the Monti-Fornero reform, is now a closed system. The mixed system is divided into two sub-systems: the **mixed system** stemming from the **Dini reform** with **1,647,925 pensions** (7.9% of the total), with a **men age of 67.3 years** (66.1 years for men and 68.2 for women) is relatively young and consists of baby boomers who did not have 18 years of contribution on 1. 1.1996, but who had reached the seniority requirements for early retirement on 1.1.2022 or had benefited from the numerous safeguards put in place in the last decade; this group is bound to grow in the coming years; the **mixed system** stemming from the **Monti Fornero reform** with **1,266. 932 pensions** (6.1% of the total) with a **mean age of 66.1 years** (66.4 for men and 65.6 for women), also relatively low; it always consists of the younger baby boomers coming from the income-based system, f, who already had 18 years of contribution on 1.1. 1996, perhaps also thanks to the redemption of their university degree, with early pensions that exceeded the minimum seniority requirements or who were motivated to continue to work after

1.1.2012 (when the Monti-Fornero reform came into force); in fact, the **average amount** of their **pensions** equal to **1,917.38** euros per month (2,056.93 per month for men and 1,567.54 per month for women) is the highest among the above-mentioned systems; this group is bound to shrink in the coming years. The **755,759 pensions** (just 3.4% of the total) under the **pure contribution-based system** are paid by the funds for employed and self-employed workers as well as by the separate fund set up on 1.1.1996. They are mainly **supplementary old age, disability or survivors' pensions**. The old age pensions are second pensions obtained after reaching the statutory age for this type of pension thanks to contributions paid to another scheme, if these contributions are not sufficient to be entitled to a full pension. In fact, the mean age is quite high, 71.2 years (73.5 years for men and 68.5 years for women), with a low gross monthly amount of 368.15 euros on average (287.94 for men and €587.72 for women). The low mean age (around 48-50 years) in the disability and survivors' categories of the funds for employed and self-employed workers suggest that these younger subjects started working after 1.1.1996 and became disabled or died while still working; this is the reason why they have fairly young survivors.

Table 2.26 – Types of pension systems¹⁵

Regimi di liquidazione	Sesso	Vecchiaia + Anzianità/Anticipate			Invalidità			Superstite			Totale Pensioni IVS		
		Numero Pensioni	Importo medio mensile	Età media	Numero Pensioni	Importo medio mensile	Età media	Numero Pensioni	Importo medio mensile	Età media	Numero Pensioni	Importo medio mensile	Età media
Retributivo	Maschi	3.299.742	1.578,95	78,7	161.095	902,65	77,5	350.575	444,07	79,7	3.811.412	1.445,98	78,8
	Femmine	2.736.077	812,09	80,5	205.233	561,29	84,7	2.716.654	703,51	81,3	5.657.964	750,86	81,0
	Totale	6.035.819	1.231,33	79,5	366.328	711,41	81,5	3.067.229	673,86	81,1	9.469.376	1.030,64	80,1
Misto riforma 1.1.1995 (Dini)	Maschi	459.731	1.396,46	69,0	216.643	805,74	60,1	64.979	408,31	66,0	741.353	1.137,23	66,1
	Femmine	595.734	764,18	72,3	108.949	628,08	60,6	201.889	603,23	60,5	906.572	711,98	68,2
	Totale	1.055.465	1.039,58	70,8	325.592	746,29	60,3	266.868	555,77	61,8	1.647.925	903,29	67,3
Misto riforma 1.1.2012 (Monti-Fornero)	Maschi	879.286	2.082,40	66,4	20.151	1.363,91	65,0	6.239	705,28	67,7	905.676	2.056,93	66,4
	Femmine	309.662	1.661,02	65,9	5.887	896,03	63,2	45.707	1.020,73	63,6	361.256	1.567,54	65,6
	Totale	1.188.948	1.972,65	66,3	26.038	1.258,13	64,6	51.946	982,85	64,1	1.266.932	1.917,38	66,1
Contributivo puro	Maschi	366.509	286,32	75,8	27.498	358,52	49,9	13.249	186,35	59,8	407.256	287,94	73,5
	Femmine	244.827	587,72	70,1	20.641	288,86	50,5	83.035	133,85	68,3	348.503	461,88	68,5
	Totale	611.336	407,02	73,5	48.139	328,66	50,1	96.284	141,08	67,1	755.759	368,15	71,2
Totale regimi	Maschi	5.005.268	1.555,98	75,5	425.387	839,97	66,3	435.042	434,63	76,9	5.865.697	1.420,89	74,9
	Femmine	3.886.300	858,25	77,4	340.710	571,93	74,6	3.047.285	686,11	79,3	7.274.295	772,73	78,1
	Totale	8.891.568	1.251,02	76,3	766.097	720,76	70,0	3.482.327	654,69	79,0	13.139.992	1.062,07	76,7
REGIMI VARI DI LIQUIDAZIONE *	Maschi	1.375.392	2.458,25	73,3	131.408	2.195,36	69,2	116.390	726,89	71,2	1.623.190	2.312,82	72,9
	Femmine	1.344.964	1.866,70	73,2	90.790	1.533,60	73,2	650.622	1.171,78	78,1	2.086.376	1.635,51	74,8
	Totale	2.720.356	2.165,79	73,3	222.198	1.924,97	70,8	767.012	1.104,27	77,0	3.709.566	1.931,87	73,9
Totale Pensioni Vigenti al 1.1.2022 delle Gestioni INPS Private, Pubbliche e Assistenziali	Maschi	6.380.660	1.750,47	75,0	556.795	1.159,86	67,0	551.432	496,32	75,7	7.488.887	1.614,21	74,5
	Femmine	5.231.264	1.117,53	76,3	431.500	774,27	74,3	3.697.907	771,56	79,0	9.360.671	965,03	77,4
	Totale	11.611.924	1.465,32	75,6	988.295	991,51	70,2	4.249.339	735,84	78,6	16.849.558	1.253,56	76,1

Systems, gender, Old age + seniority/early pensions, Disability pensions, Survivor's pensions, Total pensions; Income-based system, Men, Women Total Mixed system - Dini Reform, Mixed system - Monti-Fornero reform, Pure contribution-based system, Total, Miscellaneous systems*, Total pensions provided by INPS private-sector, public-sector and welfare funds on January 1, 2022. Source: INPS - Pension Observatories on 1.1.2022

¹⁵ The www.itinerari previdenziali.it website features the D4 Table with the types of pension systems and types of schemes.

3. Privatized Schemes for Liberal Professions: general framework and individual results in 2021

A peculiar feature of the Italian mandatory pension system is the presence of the so-called privatised schemes for liberal professions which provide mandatory pension benefits but with a great deal of autonomy. Professionals and freelancers registered with their respective associations must be registered with these schemes which complete the framework of Italy's first-pillar compulsory social security system alongside INPS. These funds are privately managed under Decrees no. 509/94 and no. 103/96, which provide for the compulsory membership of all members of the accredited liberal professions. Here follows a list of these schemes:

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

B) Privatized schemes under Legislative Decree no.103/1996: ENPAB (Biologists), ENPAIA (Separate Fund for Agro-technicians and Separate Fund for Agronomists), EPAP (Agriculture and Forestry Technicians, Actuaries, Chemists and Geologists), EPPI (Industrial and Graduate Experts), ENPAP (Psychologists), ENPAPI (Nurses) and INPGI (Separate Fund for Journalists). The total number of members of the schemes under Legislative Decree no. 509/1994 is 1,443,932 (+0.24%), while that on the privatised schemes under Legislative Decree no. 103 are 211,308 (+3.03%) for a total of 1,655,240 professionals, an increase by 0.59% compared to 2020.

Unlike public funds, these schemes have their own financial and economic resources estimated to amount to over 86.5 billion euros in 2021, 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 these schemes have their own resources. However, unlike public pension funds that now work on the basis on the *pro rata* contribution calculation system as of 01/01/2012, there are privatised funds under Legislative Decree no. 509/1994 that still operated on the basis on the **income-based system** in 2021. In these cases, pension benefits are calculated by applying a “proportional” coefficient ranging from 2% to 0.9% per year to the mean remuneration for retirement purposes (RMP) calculated for a number of years which in recent times have increased from 15-25 up to 30 and more. However, after the introduction of the accounting requirement with financial and actuarial sustainability at **50 years** (Art. 24 of Legislative Decree no. 201 “Salva Italia” of 06/12/2011 transposed into Act no. 214 on 22/12/2011), some of these schemes have adopted the **contribution-based method** with calculation criteria that are sometimes different from the ones provided for under Act no. 335/95, but with the strict application of the *pro rata* principle to protect the accrued seniority. Since each scheme caters for a precise category with a limited growth in their membership for market reasons ('closed populations'), those under Legislative Decree no. 509/1994 should comply with public regulations in order to avoid the long-standing unsustainable financial conditions that rocked INPGI (the Substitute Fund for Journalists) which merged with INPS on July 1, 2022.

Since their inception under Act no. 335/1995, the privatized schemes under Legislative Decree no. 103/1996 calculate their benefits according to the **contribution-based system**. Pension benefits are

calculated by multiplying the individual amount of contributions paid by members by an age-related *transformation coefficient* at the time of retirement, which 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, other contributions are envisaged in order to increase pension benefits (supplementary contributions and extra operational yields).

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 18%, 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 and their operating costs and partly to supplement pension benefits for their members, if admissible. Finally, due to the growth of welfare benefits for their members in the last few years, many of these schemes have introduced specific contributions to finance these new benefits.

3.1 General framework and main indicators

The present analysis of the privatised schemes for professionals does not include Enasarco, Fasc and Enpaia which manage compulsory supplementary forms of pension annuities or capital and whose members are registered with INPS for their first pillar pension, and ONAOSI which provides benefits for orphans. The data reported in this chapter are different with respect to those illustrated in Tables 1a and subsequent tables, where the INPGI substitute fund is included in the category of employed workers (and, from 2022, this is indeed the case since, as already mentioned, this fund was merged into INPS). Instead in the present analysis, the INPGI substitute fund is included in the category of self-employed workers since it is still a privatised scheme.

Number of active members paying contributions - In the privatized schemes this number is equal to **1,347,677**, with a **162.84%** increase in the period analysed between 1989 and 2021. In 2021, the schemes under Legislative Decree no. 509/1994 (hereafter referred to as “the 509 schemes”) featured **1,136,369** active workers paying contributions, an increase by 0.07% and by 121.63% compared to 1989. The schemes under Legislative Decree no. 103/1996 (hereafter referred to “the 103 schemes”) featured **211,308** members with an increase by 3.03% with respect to 2020 and by 271.75% with respect to the first year of the observation period (year 2000). The number of active members paying contributors differs from the number of members shown above due to the possibility granted by Enpab and Enpapi to their members to stay in the funds even if they do not work as professionals; this is a significant figure for Enpapi, that is 49,000 members out of 92,000 and is mainly due to many nurses giving up their freelance profession when they are employed with by private and public organisations while maintaining their membership in this fund (**Table 3.1**).

Table 3.1 – General framework and main indicators in 2021

CASSE	Numero Contribuenti	Numero Pensioni	Entrate contributive	Uscite per prestazioni	Saldo contabile	Patrimonio netto	Totale Attivo
Casse 509/94	1.136.369	460.968	9.220.342.974	6.223.105.296	4.497.722.609	74.611.933.812	78.366.443.749
Casse 103/96	211.308	22.853	560.217.556	71.381.014	173.421.812	2.682.372.783	8.169.816.388
Totale Casse	1.347.677	483.821	9.780.560.529	6.294.486.310	4.671.144.421	77.294.306.595	86.536.260.137

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

It should be noted that the scheme for doctors considers as active members paying contributions 4,505 students in the fifth year of their degree course even if they are allowed not to pay contributions for three years.

Number of pensions: since these schemes provide only ordinary pension benefits, the number of pensions generally matches the number of pensioners with the exception of ENPAM which is similar to INPS with different categories; this often leads to more benefits being paid to a single doctor. The number of pensions provided in the 1989-2021 period increased from 145,325 to **483,821 (+232.92%)**, 70% more than the growth in the number of active members paying contributions; given their recent inception, the 103 accounted for only 15.7% of the total number of active members paying contributions and in 2021 they paid 22,853 pensions (4.72% of all the schemes). In 2021 too, the number of pensions provided, 34,167, exceeded the number of new members, which was equal to 7,029; the number of active members paying contributions increased by 0.5% compared to 7.6% for the number of pensions; the 509 schemes had a growth in the number of their members paying contributions and in the number of pensions, equal to 0.3% and 43.3% respectively; instead, the 103 schemes experienced a growth by 3% and by 8.5%¹.

Contribution revenues: as indicated in *Table 3.11*, in 2021, the **contribution revenues** of the privatized schemes amounted to about **9,781 million** euros, with an increase by **2.37%** compared to 2020 (+3.36% in 2021). The contributions received by the 509 funds reached **9,220 million** euros, with an increase by 1.83% compared to 2021 (+3.76%), vs. **560 million** euros for the 103, with an **increase** by 11.73% compared to 2020 (+ 3.3% in 2021).

Table 3.1.1 – Contribution Revenues

CONTRIBUTION REVENUES	2021 (mln euro)	2020-2021 Var.	2016-2021 Var.	2011-2021 Var.	1989 var. for the 509 schemes and 2000 var. for the 103 schemes
509 Schemes	9,220	1.84%	16.35%	43.22%	787.89%
103 Schemes	560	11.73%	25.44%	74.98%	162.78%
Total	9,781	2.36%	16.84%	44.73%	

In 2021 too, some schemes experienced a reduction in their revenues, probably in the wake of the COVID-19 pandemic that had an impact on their business. More precisely, for the 103 category, only ENPAPI had a slump (-4.53%), while the 509 category featured lower revenues for CIPAG (-3.10%) and for CNPR (-3.11%).

Pension expenditure reached **6,294 million** euros in 2021, an increase by **6.96%** vs. 2020 (+ 5.6% the previous year).

Table 3.1.2 – Pension expenditure

PENSION EXPENDITURE	2021 (mln euros)	2020 -2021 Var.	2016 -2021 Var.	2011 -2021 Var.	1989 Var. for the 509 schemes and 2000 var. for the 103 schemes
509 Schemes	6,223	6.91%	31.01%	70.02%	867.37%
103 Schemes	71	11.71%	77.26%	449.41%	76319.26%
Total	6,294	6.96%	31.40%	71.36%	

¹It is important to stress that for the 509 schemes this figure is influenced by the situation of Enpam. In fact, for all the other funds, the number of pensions coincides with the number of pensioners, while Enpam has different types of pensions often simultaneously paid to the same doctor; it follows that, considering the number of pensioners, the average amount paid to the individual beneficiary rises considerably from 8,526 euros to 16,293 euros, more in line with the amount paid to other professionals (See table 4d published in the web section).

The expenditure for the 509 schemes was equal to **6,223 million** euros with an increase by 6.91% compared to 2020 (+5.5% the previous year), vs. **71 million** euros' worth of expenditure for the 103 funds with an increase by 11.71 % compared to 2020 (+ 12.37% the previous year).

Balance between contribution revenues and pension expenditure: this parameter improved with respect to 2020 at around **3,486 billion** euros, with a reduction by 184 million, equal to -5.02% (against +0.02 % the year before). In 2021, the 509 schemes featured a balance equal to **2,997 billion** euros, down by 7.28% (vs. +0.78% the previous year), while the 103 funds had a balance of **489 million** euros, up by 11.73% compared to 438 million in 2020 (-5.2% vs. 2019). **Table 3.1.3** shows the accounting balance over time with a dwindling growth for the 509 schemes (stable in 2019 and 2020 and decreasing in 2021) and a better performance for the 103 except for the 5.2% reduction in 2020 vs. 2019. For further details on the data examined so far, please see **Tables 1b, 1c, 1d** and **2b, 2c, 2d**, in the Report exhibits).

Table 3.1.3 – Balance between contribution revenues and pension expenditure

BALANCE OF REVENUES/EXPENDITURE	2021 (mln euros)	2020 -2021 Var.	2016 -2021 Var.	2011 -2021 Var.	1989 Var. for the 509 schemes and 2000 Var. for the 103 schemes
509 Schemes	2,997	-7.28%	-5.57%	7.91%	658.49%
103 Schemes	489	11.73%	20.31%	59.14%	129.40%
Total	3,486	-5.02%	-2.64%	13.01%	

Assets - The total amount of assets of these pension funds reached **86.5 billion** euros at the end of 2021 with an increase by almost 5 billion, 1.3 billion above the 2020 figure², except for ENASARCO, FASC and ENPAIA which will be discussed in Section 3.5.

Average contribution: the average annual contribution of all the schemes, including the INPGI Substitute Fund, amounted to **7,257 euros**³ in 2021, with an increase by **1.82%** compared to 2020. In particular, for the 509 schemes, the average contribution was equal to 8,114 euros with an increase by 1.77% compared to 2020 while, for the 103 schemes, it amounted to **2,651** euros with an 8.45% growth with respect to 2020, after the 5.3% drop the previous year. These data (see Tables 1a and the following ones, Tables B32 a and b and the Series b Tables) show that the **average contributions** were not really high, especially in the case of the 103 funds, especially if compared to those of the public system where the self-employed (artisans, retailers and farming entrepreneurs) pay 24% on average, atypical workers (often uncertified self-employed professionals) over 33% and employed workers pay 33%. Without additional supplementary contribution and/or the extra returns, pension benefits are bound to be low. Actually, many schemes have tried to solve this problem through a gradual increase in contribution rates for the coming years. (see **Figures 3.1** and **3.2**).

Average pension: the average pension amounted to **13,010 euros**⁴ in 2021 for all these schemes (equal to 1.79 times the average contribution) with a drop by 0.60% vs. 2020. For the 509 schemes, the average pension was equal to **13,500** euros with a drop by 1.08% on average compared to 2020 (the increase in the average contribution and the slight reduction in the average pension for some of these funds resulted in a lower ratio which decreased from 1.74 in 2019 to 1.70 in 2020 and to 1.66 in

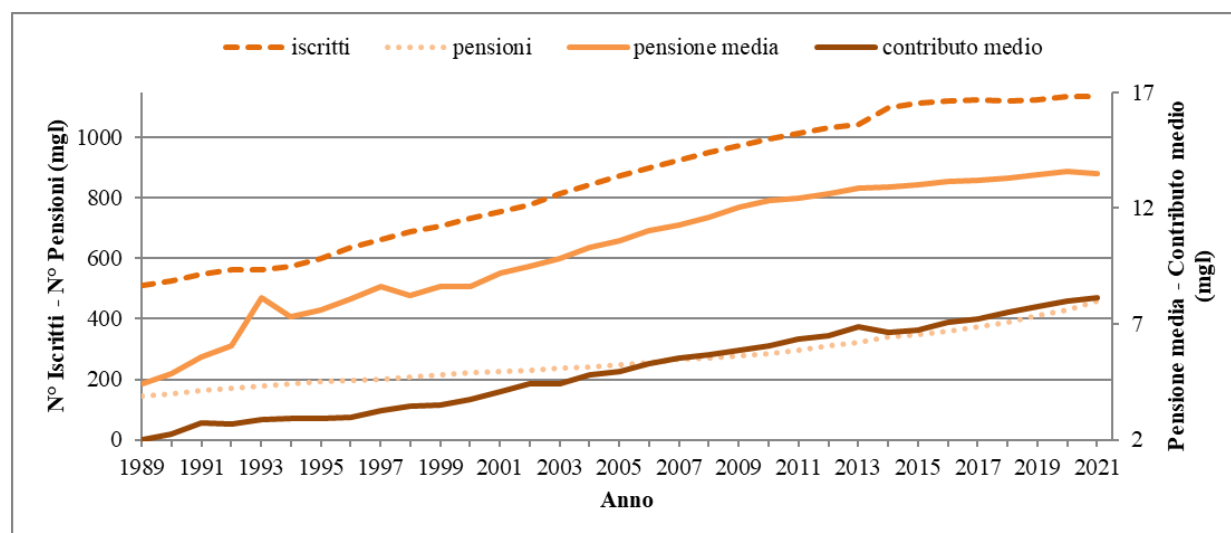
² The 103 schemes feature a lower net worth with respect to the total of their assets; this is due to the fact that these schemes do not enter the pension-related funds in the liabilities section of their accounts.

³ The differences between the figures in Chapter 3 and those in Table B33a are due to the fact that this table includes INPGI among 'other funds' for private-sector employees. Instead in Chapter 3, INPGI, the AGO substitute fund, is included among the 509 schemes.

⁴ See the previous note.

2021). For the 103 funds, it was equal to **3,123** euros with a 2.99 % growth compared to 2020, lower than the average contribution thus bringing the average pension/average contribution ratio from 1.24 in 2020 to 1.18. The very low average pension benefits provided by the 103 schemes are the result not only of low contributions but also of the fact that they account for only part of the total pension especially for older workers, since these subjects have become eligible to first pillar pensions also in other public funds. *(For these indicators, see Tables 4b, 4c, 4d, 5b, 5c, 5d, in the exhibits to the Report).* (See *Figures 3.1* for the 509 schemes and *3.2* for the 103 schemes).

Figure 3.1 – Indicators: number of members, number of pensions, average pension and average contribution in 1989-2021 for Schemes under Leg. Decree no. 509/1994

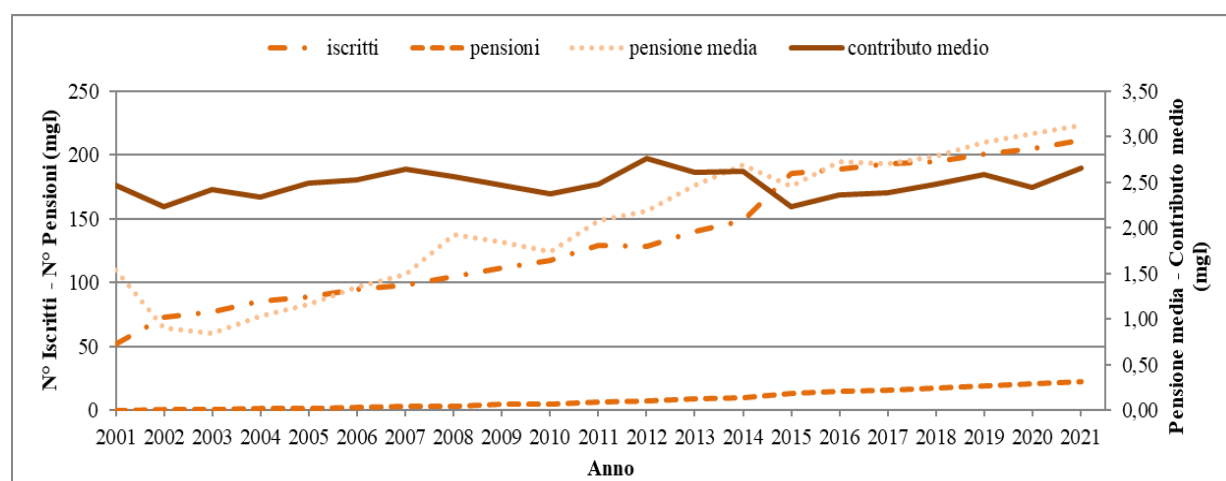


Members; pensions; average pension; average contributions; year; N. of members - n. of pensions (thousands); Average pension – Average Contributions (thousands)

Figure 3.1 shows the parameters mentioned above for the 509 schemes featuring a substantially linear membership growth up to 2014, followed by a flattening of the curve with an annual increase by some thousand members, while the pension benefits paid out continue to grow in the last five years from 3.97% in 2017 to 5.62% in 2019 and to 7.56% in 2021, due to longer life expectancy and to pension entitlements for more senior members (baby boomers).

For the 103 Funds (**Figure 3.2**), the number of pensions is always very low in relation to their membership, with a very favourable, albeit dwindling, ratio of active workers vs. pensioners (9.3 active workers per pensioner, 9.7 in 2020 and 10 in 2019); the average pension/average contribution ratio again showed a slight reduction in 2021.

Figure 3.2 - Indicators: number of members, number of pensions, average pension and average contribution in 2001-2021, for Schemes under Leg. Decree no. 103/1996



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

Ratio of the number of pensioners vs. the number of active workers: in all the schemes, this ratio was equal to **0.359** (i.e. slightly less than 3 active workers per pensioner), and steadily deteriorating over time: from 0.283 pensioners per active worker in 1989 to 0.335 in 2020 and up to the current figure. In detail, the ratio of pensioners vs. active workers for the 509 schemes was equal to **0.406** (almost 2.46 active workers per pensioner) and to **0.108** for the 103 funds (0.103 in 2020), equal to 9.26 active workers per pensioner against 9.74 in 2020. **Table 3.1.4** illustrates the trend of this ratio over time and its constant and physiological deterioration due to the aging of the population and to the more mature nature of these schemes; 0.0 means that there were no pensions in the year 2000. (See Tables 6b, 6c, 6d in the exhibits to the Report).

Table 3.1.4 – Ratio of the number of pensions vs. the number of active members paying contributions

RATIO OF THE N. OF PENSIONS vs. THE N. OF ACTIVE MEMBERS	2021	2020	2016	2011	1989 Var. for the 509 schemes and 2000 var. for the 103 schemes
509 Schemes	0.406	0.377	0.321	0.290	0.283
103 Schemes		0.103	0.078	0.046	0.000
Total	0.359	0.335	0.286	0.257	

Average pension/average contribution ratio: this ratio was about **1.793** in 2021, slightly down by 2.4% with respect to 2020, whereby the average pension rose from 1.87 times the average annual contribution amount in 2019 to 1.84 times in 2020 to the current 1.79. **Table 3.1.5** shows the trend of this ratio over time. The ratio for the 509 schemes reached 1.664 from 1.704 in 2020 and 1.742 in 2019 while for the 103 it amounted to 1.178, down from 1.241 in 2020 but up from 1.14 in 2019.

Table 3.1.5 – Average pension/average contribution ratio

AVERAGE PENSION/AVERAGE CONTRIBUTION RATIO	2021	2020	2016	2011	1989 Var. for the 509 schemes and 2000 Var. for the 103 schemes
509 Schemes	1.664	1.704	1.865	1.960	2.186
103 Schemes	1.178	1.241	1.151	0.873	0.000
Total	1.793	1.836	1.998	2.111	

The *average pension/average contribution ratio* deteriorated, albeit slightly, the economic sustainability of the system thus resulting in a pension annuity equal to 1.79 times the contributions paid; with around 37 years of contributions and between 67 and 70 years of age, this ratio cannot be further reduced since it would be socially unsustainable. (See *Tables 4b, 4c, 4d in the exhibits to the Report*).

Ratio of contribution revenues vs. pension expenditure: this ratio was equal to **1.554** in 2021, down by 4.50% than in 2020. For the 509 schemes, this ratio amounted to **1.482** as against 1.555 in 2020 and 1.581 in 2019; instead, for the 103 funds, it was equal to **7.848**, essentially stable compared to 7.847 in 2020, thus stopping its continuous reduction since 2008 (this ratio was 9.119 in 2019 and 9.856 in 2018). *Table 3.1.6* illustrates the trend of this ratio over time, highlighting a constant reduction for both groups as of 2011 (See *Tables 3b, 3c, 3d, in the exhibits to the Report*).

Table 3.1.6 – Ratio of contribution revenues vs pension expenditure

CONTRIBUTION REVENUES/PENSION EXPENDITURE RATIO	2021	2020	2016	2011	1989 Var. for the 509 schemes and 2000 Var. for the 103 schemes
509 Schemes	1,482	1,555	1,668	1,759	1,614
103 Schemes	7,848	7,847	11,090	24,643	2282,351
Total	1,554	1,624	1,747	1,840	

3.2 Analysis of each individual scheme and main indicators

Tables 3.2 and *3.4* show the sustainability indicators for each scheme in the medium and long term. **The first sustainability indicator** of expenditure in the medium and long term is the *pension balance*, i.e. the ratio of the revenues from subjective and supplementary contributions vs. the cost of pension benefits. The calculation of this indicator includes also revenues others than the ones mentioned above from contributions, in particular those related to recovered sums for contribution omissions, penalties and interests for late payments totalling 222 million euros as indicated in *Tables 3.3* for the 509 schemes and *3.5* and for the 103 funds and increasing with respect to 166 in 2020, (+48 million for the 509 schemes and +8.5 million from -5 in 2020 for the 103 funds). The significant increase in these revenues was boosted by the end of the COVID-19 restrictions and the return to business as usual after the lockdown, with renewed recovery activities and the payment of the charges deferred over time. In addition to the pension balance, the Tables also show the other two fundamental sustainability indicators for the whole system already discussed above: the demographic ratio of the number of pensioners vs. the number of active workers and the economic ratio of the average pensions vs. the average contributions, as well as the % 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*) of the 509 schemes still includes that related to INPGI (AGO substitute fund), which, as mentioned above, was integrated into INPS on July 1, 2022. The figure of 0.63 confirms the ongoing difficulties facing this Fund, with a slight deterioration in 2021 compared to 0.62 in 2020, due to the severe crisis in this sector. The funds for certified accountants, veterinary doctors and lawyers had a good expenditure/income ratio at around or above 2, with contribution revenues twice as high (2.78 times for CDC) compared to pension benefits; the other schemes showed a substantially stable, although slightly decreasing, balance due to the small increase in contributions caused by the effects of COVID-19 on the economy. In particular, the schemes for surveyors and chartered accountants suffered a reduction in pension contributions, -3.10% and -3.11% respectively, due to the drop in in the average income and average

business volume of its members, as a direct consequence of the depressive effects of the pandemic. As for the ratio of the number of pensioners vs. the number of active members, the best results were obtained by the scheme for lawyers (Cassa Forense) with only 12.51 pensioners for every 100 active members, followed by the scheme for chartered accountants (Cassa Dottori Commercialisti) with 13.74, Inarcassa (23.56) and the scheme veterinary doctors (28.25); a more problematic ratio is found for the scheme for notaries (Cassa del Notariato) equal to 52.96, for that of surveyors with 48.32 and for INPGI with 67.90 from 67.56. It should also be noted that no scheme managed to improve its ratio, even if only slightly, compared to 2020, due to the ageing of the population and to contingent situations such as general practitioners retiring from the National Health Service who were not adequately replaced; this caused a significant increase in this ratio from 65.97 to 73.29.

The *average pension/average contribution ratio* ranges from 1.42 for veterinary doctors to 4.23 for lawyers, (down from 4.13 in 2020 and 4.23 in 2019). The remaining schemes had lower ratios with very limited downward and upward trends. In addition, all these funds featured a lower ratio than in 2020 except for surveyors (from 1.96 to 2) and doctors (from 0.96 to 0.99). A particular situation is found in Enpam, the fund for free-lance doctors, such as family practitioners, and those employed by public and private health care companies whose basic pension position is managed by INPS (ex Inpdap); in fact, the contributions and pensions of free-lance doctors are managed by this scheme, , while employed doctors are registered because they belong to the certified roster of physicians but pay a lower contributions and receive lower benefits since their pension is complementary to the public one. In this case, considering the number of doctors receiving one or more pensions rather than the number of benefits, these two indices can be more easily compared to those of the other schemes where the number of pensions paid out matches the number of beneficiaries. More precisely, the ratio of the number of pensioners vs. the number of active members moved from 73.29 to 38.15 (up from 35.29 in 2020), while the average pension/contribution ratio went from 0.99 to 1.86, higher than the 1.72 of 2020.

Table 3.2 – Economic and demographic indicators of Schemes under Leg. D. 509/1994 in 2021
(millions of euros)

		ENPACL	ENPAV	ENPAF	CF	INARCASSA	CASSA GEOMETRI	CNPR	CDC	CNN	INPGI	ENPAM
Spesa per pensioni	2021 (mln €)	135,62	57,42	155,43	892,43	784,82	517,45	239,91	337,43	216,78	552,53	2.333,28
	var. % 20-21	2,58	10,13	0,47	2,17	5,12	1,40	1,22	7,50	0,70	0,99	14,47
	var. % 16-21	28,03	48,84	0,83	13,21	36,22	8,43	5,80	29,36	5,97	13,07	63,27
	var. % 11-21	88,68	87,05	-1,52	39,30	139,01	31,44	30,00	66,98	20,97	40,78	116,27
	var. % 1989-21	1.755,54	6.671,13	48,10	1.309,49	3.356,29	1.941,78	2.547,74	2.236,11	332,89	721,48	1.309,49
Entrate contributive per pensioni	2021 (mln €)	197,53	143,85	267,89	1.745,29	1.209,81	536,13	272,54	939,46	334,27	346,13	3.227,46
	var. % 20-21	8,58	8,86	0,85	0,20	2,36	-3,10	-3,11	5,68	25,05	1,62	0,27
	var. % 16-21	16,42	43,53	1,33	10,58	11,94	8,22	-7,01	24,01	14,80	-7,65	28,13
	var. % 11-21	71,93	96,77	4,61	33,38	64,95	30,81	9,02	33,38	33,38	33,38	51,31
	var. % 1989-21	1.312,26	4.633,31	159,18	1.669,55	1.274,83	667,30	1.113,65	1.669,55	1.669,55	1.669,55	667,99
Saldo pensionistico	2021 (mln €)	61,91	86,43	112,46	852,85	424,99	18,69	32,63	602,03	117,49	-206,41	894,18
	var. % 20-21	24,56	8,03	1,38	-1,77	-2,37	-56,55	-26,28	4,68	125,83	-0,04	-24,26
	var. % 16-21	-2,89	40,21	2,02	7,94	-15,77	2,82	-50,81	21,20	35,65	81,25	-17,96
	var. % 11-21	43,93	103,81	14,46	27,70	4,91	15,47	-50,13	58,97	571,26	1.772,99	-15,17
	var. % 1989-21	827,08	3.844,59	-7.177,31	2.315,12	550,93	-58,04	143,58	1.543,18	424,51	-836,01	528,52
Rapporto tra entrate contributive e spesa per pensioni	2021	1,46	2,51	1,72	1,96	1,54	1,04	1,14	2,78	1,54	0,63	1,38
	2020	1,38	2,53	1,72	1,99	1,58	1,08	1,19	2,83	1,24	0,62	1,58
	2016	1,60	2,60	1,72	2,00	1,88	1,04	1,29	2,90	1,42	0,77	1,76
	2011	1,60	2,38	1,62	2,04	2,23	1,04	1,35	2,87	1,10	0,97	1,98
	1989	1,91	3,58	0,98	1,56	3,88	2,76	2,48	3,54	1,45	1,42	1,51
Rapporto pensione pensionati/attivi*100	2021	44,34	28,25	26,15	12,51	23,56	48,32	43,63	13,74	52,96	68,01	73,29
	2020	43,95	26,19	25,39	12,15	22,91	47,16	40,94	12,73	51,49	67,56	65,97
	2016	37,85	22,38	27,47	11,74	17,76	38,90	30,74	10,94	54,27	59,42	54,74
	2011	35,64	22,72	33,86	14,97	9,05	28,40	24,61	10,55	54,54	40,88	45,98
	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	2021	1,55	1,41	2,22	4,09	2,75	2,00	2,02	2,61	1,22	2,35	0,99
	2020	1,65	1,51	2,29	4,13	2,76	1,96	2,06	2,77	1,56	2,38	0,96
	2016	1,65	1,72	2,12	4,26	3,00	2,48	2,52	3,15	1,29	2,19	1,04
	2011	1,76	1,85	1,82	3,27	4,95	3,38	3,00	3,30	1,67	2,52	1,10
	1989	3,41	0,78	2,25	2,01	0,97	2,65	4,17	1,04	1,33	1,85	2,29

Pension expenditure; Contribution revenues for pension benefits; Pension balance; Pension expenditure/Contribution revenues ratio; Pensioners/Active worker's ratio Average pension/Average contribution ratio

The recovery of omitted or unpaid contributions (**Table 3.3**) for the 509 Funds, started growing in 2019 (+28 million vs. 2018), continued in 2020 (+15 million vs. 2019) and even improved in 2021 (+48 million), even though in 2020, the members of these funds were granted temporary suspensions and deferrals in their payments due to the pandemic.

Table 3.3 - Recovered sums due to omissions, sanctions and interests for delayed payments by the 509 Schemes in 2021 and in 2020 (millions of euros)

	2021	ENPA CL	ENPA V	ENPA F	CF	INARCASSA	CNN	CASSA GEOMETRI	CNPR	CDC	INPGI	ENPAM	TOTALE 509
Contributi prestazioni pensionistiche		197,5	143,8	267,9	1.745,3	1.209,8	334,3	536,1	272,5	939,5	346,1	3.227,5	9.220,3
Recuperi per omissioni, sanzioni e interessi per ritardati versamenti		4,7	0,7	0,8	33,8	34,3	0,0	34,0	66,0	7,5	3,6	13,2	198,7
Percentuale		2,38%	0,47%	0,32%	1,94%	2,84%	0,00%	6,34%	24,23%	0,79%	1,05%	0,41%	2,15%
	2020												
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%

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 few, so the *expenditure/income ratio* is generally very positive, although slightly diminishing following the physiological aging and retirement of their older members. In fact, the ratio of pension expenditure vs. contribution revenues ranges from 4.60 for industrial experts (EPPI) to almost 14.55 for nurses (ENPAPI), to 11.24 for psychologists (ENPAP) and to 8.41 for biologists (ENPAB). The ratio equal to 6.83 for agricultural technical experts (ENPAIA AGR.) is very positive even if not very significant since this scheme started operating in 2018 and provided only 78 pensions (**Tables 4-103 in the exhibits**). It should be noted that this parameter is influenced by the calculation criteria of contribution revenues. In fact, the rates are applied to the member's income and turnover, which are only available in the autumn of the following year. Therefore, the contribution revenues posted in the accounts are estimated generally with great accuracy; but in 2020, given the lockdown and pandemic, more or less conservative criteria were adopted, which led to significant underestimation of this item in the 2021 accounts for all the funds, resulting in an increase of this ratio. For example, the scheme for biologists severely underestimated their 2020 revenues (-21.57%); its income statement showed that the effects of the COVID-19 pandemic on the income and turnover parameters were almost as nil as the effects on the number of registrations which remained stable. This explains the sharp growth in contributions in 2021 (+39.03%).

Table 3.4 - Economic and demographic indicators of Schemes under Leg. D. 103/1996 in 2021
(millions of euros)

		EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2
Spesa per pensioni	2021 (mln €)	22,49	15,18	6,09	7,58	0,08	1,68	11,52	6,77
	var. % 20-21	6,83	14,20	10,20	12,74	57,89	15,91	17,98	12,01
	var. % 16-21	63,63	108,03	94,95	137,55	324,28	91,83	84,71	16,99
	var. % 11-21	387,50	468,31	519,88	711,11	545,27	259,05	376,15	657,95
	var. % 2000-2021	0,00	0,00	0,00	0,00	0,00	1.749,48	0,00	242.007,77
Entrate contributive per pensioni	2021 (mln €)	103,42	170,67	88,55	63,75	4,83	9,69	67,30	52,00
	var. % 20-21	7,14	9,73	-4,53	39,03	20,48	17,67	18,95	24,07
	var. % 16-21	18,28	56,60	-4,58	32,51	88,88	17,28	21,62	20,63
	var. % 11-21	85,02	115,32	86,51	115,78	209,48	49,64	28,57	9,23
	var. % 2000-2021	149,83	519,71	837,77	268,94	622,97	117,09	-33,32	353,45
Saldo pensionistico	2021 (mln €)	80,93	155,49	82,46	56,16	4,75	8,01	55,79	45,23
	var. % 20-21	7,23	9,32	-5,46	43,54	20,02	18,05	19,16	26,10
	var. % 16-21	9,82	52,91	-8,04	25,05	87,21	8,46	13,61	21,20
	var. % 11-21	57,80	103,01	77,36	57,80	206,91	33,37	11,74	-3,17
	var. % 2000-2021	95,50	464,58	773,31	95,50	611,56	83,26	-44,73	294,53
Rapporto tra entrate contributive e spesa per pensioni	2021	4,60	11,24	14,55	8,41	63,33	5,78	5,84	7,68
	2020	4,58	11,70	16,79	6,82	83,00	5,70	5,80	6,94
	2016	6,36	14,93	29,72	15,07	142,26	9,46	8,88	7,45
	2011	12,12	29,67	48,35	31,60	132,05	13,87	21,64	53,32
	2000	0,00	0,00	0,00	0,00	0,00	49,26	0,00	4102,59
Rapporto pensionati/attivi*100	2021	41,16	7,81	8,10	12,24	3,51	23,00	11,14	6,22
	2020	38,08	7,61	7,43	12,01	2,34	21,21	10,41	5,88
	2016	26,91	6,23	4,81	8,03	1,52	16,21	8,30	4,92
	2011	9,04	4,23	2,90	3,29	0,65	8,46	4,51	3,84
	2000	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Rapporto pensione media/contributo medio	2021	0,53	1,14	0,85	0,97	0,45	0,75	1,54	2,09
	2020	0,57	1,12	0,80	1,22	0,51	0,83	1,66	2,45
	2016	0,58	1,08	0,70	0,83	0,46	0,65	1,36	2,73
	2011	0,91	0,80	0,71	0,96	1,17	0,85	1,02	0,49
	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*100; Average pension/average contribution ratio

Therefore, also the *ratio of the number of pensioners vs. the number of active workers* is clearly very positive; except for the two special ENPAIA funds that are very small, this ratio ranges from 6.22 pensioners per 100 active workers for the INPGI separate scheme to 7.81 for the fund psychologists and to 8.10 for nurses (ENPAPI) up to a maximum of 41.16 retirees per 100 active workers in the fund for industrial experts (EPPI); the other schemes have a ratio of about 8-10 pensioners per active workers and are slightly probably due to the increase in the number of pensioners due to COVID. Since these schemes are becoming more mature, their number of pensioners is bound to grow and so will this ratio.

Finally, the **average pension/average contribution ratio** shows that, except for the two Enpaia special funds, the average pension is higher than the average contributions by 2.09 times for journalists (the INPGI separate scheme), by 1.54 times for the multi-category fund (EPAP) and by 1.14 times for psychologists. The other schemes generally feature a good e ratio lower than 1 and slightly diminishing vs. 2020. In any case, all these funds featured a slightly higher ratio.

As regards the recovery of omitted or unpaid contributions (**Table 3.5**), these sums had a considerable growth for the 103 schemes (+8.5 million from 15 in 2020) probably related to temporary payment suspensions and deferrals granted to members in 2020 due to the pandemic.

Table 3.5 - Recovered sums due to omissions, sanctions and interests for delayed payments by 103/1996 funds in 2021 and 2020 (millions of euros)

2021	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE 103
Contributi prestazioni pensionistiche	103,4	170,7	88,6	63,7	4,8	9,7	67,3	52,0	560,2
Recuperi per omissioni, sanzioni e interessi per ritardati versamenti	3,5	4,8	12,1	0,0	0,1	0,3	1,0	1,7	23,5
Percentuale	3,34%	2,84%	13,65%	0,01%	2,68%	2,88%	1,56%	3,19%	4,20%
2020									
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%

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

3.3 Other sustainability indicators, operating costs and accounting data

The *second long-term sustainability indicator* is the *overall balance of all contribution and financial income and all the benefit and operating expenses*, which gives the most exhaustive picture of the economic situation of individual schemes. As of 2014, some additional parameters have been added to the data related to contribution revenues and pension expenditure, that is all the accounting items of these funds: other revenues (welfare contributions, asset management yields and extraordinary revenues) and other costs (welfare benefits, operating and extraordinary expenses). This makes it possible to obtain their **accounting balance**, that is their overall economic results and to monitor their performance over time⁵. In 2021, this balance improved for both categories of schemes with respect to the poor results the year before; it actually almost doubled for the 103 funds, thus overcoming the impact of the COVID epidemic. In detail, for the 509 funds, the total accounting balance increased by 1.19 billion euros, practically recovering the 1.36 billion shortfall of the previous year, despite the ongoing imbalance between contribution revenues and pension expenditure of INPGI. The asset management income practically offset the 1 billion lost the previous year. Even more pronounced was the increase in the balance for the 103 schemes, which rose from 89 million in 2020 to 173 million; as for the 509, this was generated by the growth in the asset management income (+114 million) and by the improvement in the ratio of contribution revenues vs. pension expenditure for the same reasons mentioned above for the 509. Last but not least, the Report also provides the ratio of operating costs vs. the *production value* (the sum of total revenues and expenditure). In 2021, this ratio continued to decrease for the 509 schemes from 2.61% to 2.88% in 2020 due to the increase in the production value (+9.6%) and the reduction in operating expenses. The 103 as a whole showed a strong increase in their asset management income which brought the ratio to 3.53% with respect the previous 5.62% despite the increase in expenses. **Tables 3.6** and **3.7** summarise the above-mentioned indicators for the 509 and 103 schemes respectively

⁵ Just for the record as to the projected sustainability of accounts at 50 years (Article 24, paragraph 24, Monti-Fornero Act no. 214/2011), we do not agree with the constraint (which is also questionable from a technical point of view) of an always positive pension balance without taking into account income from assets and without being able to use part of the same assets to make up for periods of temporary increase in pension expenditure, that are frequent during an economic crisis or employment changes. This raises the question about the rationale for assets, which are constantly increasing and posing serious problems in terms of profitability and maintenance of real values.

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

	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CASSA GEOMETRI	CNPR	CDC	CNN	INPGI	ENPAM	TOTALE
Contributi prestazioni pensionistiche	197,53	143,85	267,89	1.745,29	1.209,81	536,13	272,54	939,46	334,27	346,13	3.227,46	9.220,34
Contributi prestazioni assistenziali	26,41	2,40	3,84	91,00	12,90	29,48	15,84	8,43	1,89	23,51	16,40	232,09
Rendimenti gestione ed altre entrate	34,01	49,63	112,82	446,92	446,92	95,66	241,72	395,96	81,24	51,85	1.102,98	3.059,71
Totale ricavi	257,95	195,88	384,55	2.668,32	1.669,63	661,27	530,10	1.343,85	417,41	421,48	4.346,83	12.897,26
Spesa prestazioni pensionistiche	135,62	57,42	155,43	892,43	784,82	517,45	239,91	337,43	216,78	552,53	2.333,28	6.223,11
Spesa prestazioni assistenziali	6,84	6,40	10,50	92,71	31,43	13,03	7,31	27,75	42,89	10,42	35,24	284,50
Spese funzionamento altre uscite	26,82	46,89	34,95	92,68	92,68	94,17	165,11	181,54	54,96	59,70	836,95	1.686,44
Totale Costi	169,28	110,71	200,88	1.283,31	908,93	624,65	412,32	546,71	314,63	622,65	3.205,47	8.399,54
Saldo contabile	88,67	85,17	183,67	1.385,01	760,70	36,62	117,78	797,13	102,78	-201,17	1.141,36	4.497,72
Totale ricavi + prestazioni	400,41	259,69	550,48	3.653,46	2.485,88	1.191,74	777,32	1.709,02	677,07	984,43	6.715,35	19.404,86
Spese di funzionamento	16,06	16,03	14,51	178,23	36,26	87,04	19,50	22,56	22,61	33,60	59,55	505,95
Incidenza sul valore della produzione	4,01%	6,17%	2,64%	4,88%	1,46%	7,30%	2,51%	1,32%	3,34%	3,41%	0,89%	2,61%

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

To provide an overall picture of privatized schemes, it is worth to briefly analyse their membership in terms of its composition and total number of paying and non-paying members over the years. The latest available figures⁶ from 2020 show that the total number of members paying contributions picked up again (+0.47% compared to -0.30% in 2019) due to the consistent and significant increase in the number of pensioners still active (+10.01 in 2020 vs. + 4.16% in 2019) as well as the stable number of active members paying contributions (-0.07 in 2020 as against the 0.54% drop in 2019). This is a long-standing issue; in fact, since 2005, these schemes have experienced a growth both in their number of pensioners (131.92%) and in their number of active workers (24.97%). At the end of 2020, active pensioners accounted for 6.21% of the total number of members paying contributions. The possibility to pay contributions even after retirement is the result of recent reforms that have gradually increased the component of personal contributions in the calculation of pension benefits and of recurring economic and financial crises that lead people to continue in the profession in order to safeguard their standard of living. According to the demographic analysis of members divided into age groups of up to 30, 30-40, 40-50, 50-60, 60-70, and over 70, including retirees, shows that the largest age group is the 40-50 age group (27.5%), followed by the 50-60 age group (25%). In practice, more than 50% of the members of these schemes are between 40 and 60 years of age. Moreover, these funds are clearly very heterogeneous in terms of their members' age, with a very wide distribution in the different groups. For example, the 30-40 age group features a minimum of 3% and a maximum of around 37%. Moreover, the mean age ranges from a minimum of 42 to a maximum of 56 years.

⁶ Source: processed data from the 11th AdEPP report on private pension funds.

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
Contributions for pension benefits	103,42	170,67	88,55	63,75	4,83	9,69	67,30	52,00	560,22
Contributions for welfare benefit contributions	0,02	11,50	1,34	2,68	0,06	0,04	0,61	4,00	20,24
Revenues from assets under management and other sources	102,37	129,37	103,02	30,72	3,34	8,10	54,93	12,70	444,55
Total revenues	205,81	311,55	192,91	97,14	8,23	17,83	122,84	68,70	1.025,00
Pension benefit expenditure	22,49	15,18	6,09	7,58	0,08	1,68	11,52	6,77	71,38
Pension benefit expenditure	3,58	18,91	4,24	3,94	0,05	0,07	2,07	0,92	33,78
Operating costs and other expenses	120,47	199,61	246,82	60,54	7,39	14,54	82,49	14,54	746,41
Total Costs	146,54	233,70	257,15	72,06	7,52	16,29	96,08	22,23	851,58
Accounting balance	59,27	77,85	-64,24	25,08	0,70	1,54	26,75	46,47	173,42
Total revenues + benefits	231,88	345,64	203,23	108,67	8,36	19,58	136,42	76,39	1.130,17
Operating expenses	9,78	7,94	6,21	-3,10	0,53	1,29	5,17	12,03	39,85
Effect on the production value.	4,22%	2,30%	3,06%	-2,85%	6,30%	6,60%	3,79%	15,75%	3,53%

In the 2005-2020 period, the members of these schemes became older; the greatest changes occurred in the groups between 40 and 50 years of age (in 2005 they accounted for 31.2% of the total, in 2020 only for 27.5%), between 50 and 60 (from 18% of the total to 25.1%), and the under 40s, (from almost 41% in 2005 to 28.1%). These aging trends are mainly due to pension reform measures, such as more stringent retirement age requirements and the greater balance between pension benefits and contributions, but also to the members' desire to remain active and maintain their standard of living as much as possible. The number of women continued to grow from 40.6% in 2019 to over 41% in 2020 out of the total number of members, confirming an upward trend that in 14 years took women from 30% to the current figure, with a mean age of 44 vs. 50 for men. The analysis of the age brackets shows that, for professionals under 40 years of age, the number of women remained stable at 53% compared to 46% for men. The situation is obviously reversed in the older age groups, with women accounting for 45.6% between 40-50 years of age, for 34.7% between 50-60 years of age, for 27.8% between 60-70 years of age and for 14.4% over 70 years of age. Gender differences disappear for new members: women account for 51%, but with an age difference: 31 years for women and 34 for men.

As to the geographical distribution of membership, the average number of professionals per thousand inhabitants is equal to around 27 at national level and at regional level it ranges from a minimum of 22 in Trentino-Alto Adige to a maximum of 31 in Lazio. The regions with the highest number of professionals are Liguria (30) and those in central Italy: Marche with 28, Tuscany with 29, Umbria

and Abruzzo with 30 and Lazio with 31. 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 funds have introduced other benefits in addition to pensions, such as welfare benefits to support their members, their families and their profession so as to create more job opportunities and hence generate more contributions. The pandemic created further difficulties for professionals as for other categories and sectors and resulted in economic uncertainties. Therefore in the **emergency phase**, these schemes adopted specific measures to deal with the difficult situation in 2020 and 2021 in addition to the numerous provisions under the law: deferred contributions, specific contributions for hard-pressed members, financial support for borrowing purposes; many funds expanded health services and insurance coverage or offered remote medical or psychological counselling services, support to families to care for their elderly, look after children and pay school expenses. They also promoted active labour policies, which are almost absent in the public sector, with the aim to increase the efficiency of professionals and to enhance their personal knowledge and skills by fostering employment, training and soft skills and facilitating access to funding and contributions made available by the European Union.

The total amount of the benefits provided is clearly lower than that of pension benefits paid and they are mainly provided by the 509 schemes. It is worth mentioning 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**. The comparison with the 2020 data shows a significant increase in contributions (+ 34.2 million) for the 509 schemes against a moderate increase in benefits by 5.22 million. In fact, in 2021 only Enpacl, Cassa Forense, Cassa Geometri, Ragionieri and INPGI managed to pay benefits out of specific contributions.

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

2021	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CNN	CIPAG	CNPR	CDC	INPGI	ENPAM	TOTALE
Contributi prestazioni assistenziali	26,41	2,40	3,84	91,00	12,90	1,89	29,48	15,84	8,43	23,51	16,10	231,79
Spesa prestazioni assistenziali	6,84	6,40	10,50	92,71	31,43	42,89	13,03	7,31	27,75	10,42	35,24	284,50
2020	ENPACL	ENPAV	ENPAF	CF	INARCASSA	CNN	CIPAG	CNPR	CDC	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

Contributions for welfare benefits; Welfare benefit expenditure

The data for the 103 schemes show that welfare benefits were mainly provided by the fund for psychologists and that only the separate scheme for journalists was able to finance them through specific contributions. All these funds had a growth in contributions by 0.34 million euros.

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

2021	EPPI	ENPAP	ENPAPI	ENPAB	ENPAIA AGR	ENPAIA PA	EPAP	INPGI 2	TOTALE
Contributi prestazioni assistenziali	0,02	11,50	1,34	2,68	0,06	0,04	0,61	4,00	20,24
Spesa prestazioni assistenziali	3,58	18,91	4,24	3,94	0,05	0,07	2,07	0,92	33,78
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

Contributions for welfare benefits; Welfare benefit expenditure

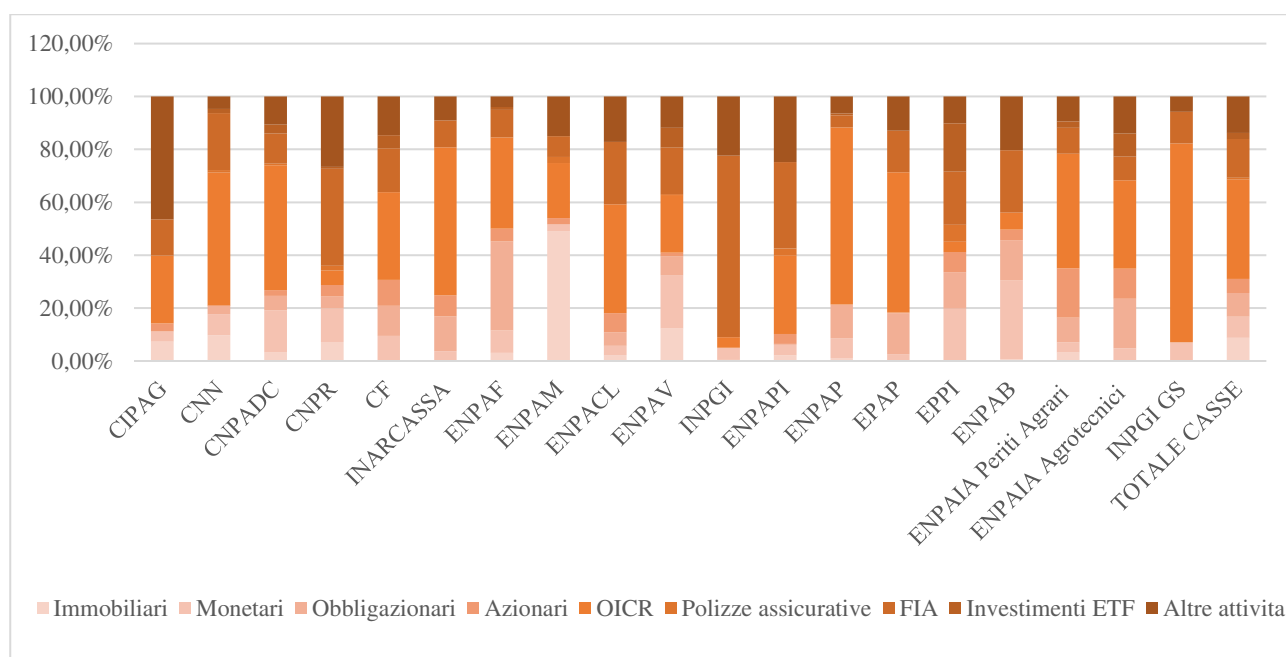
3.5 Assets of Privatized Schemes and their evolution⁷

On December 31, 2021, the assets of the privatised schemes amounted to **86.54 billion** euros. This means that the resources available to these institutional investors continued to show a considerable growth by approximately 5 billion euros in absolute terms (4.4 for the 509 schemes and 0.6 for the 103 schemes) and by 6.2% in percentage terms (6.03% for the 509 schemes and 7.82% for the 103 funds)⁸. These assets are managed directly through the acquisition of 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 the assets*, but the draft text under paragraph 3 of Article 14 of the aforementioned Legislative Decree 98/2011 is still pending. Its aim is to regulate financial investments of pension funds, conflicts of interest and custodian banks, also taking into account the principles set out in Articles 6 and 7 of Legislative Decree no. 252 of December 5, 2005 and in line with Legislative Decree no. 166 of September 2, 2014 concerning pension funds. The analysis of the 86.536 billion euros' worth of surplus of these schemes (78.37 for the 509 schemes and 8.17 for the 103 funds) clearly shows a preference for direct investments, accounting for 79.6% of the total (78.07% for the 509 schemes and 94.28% for the 103 funds). This is due to their highly professional human capital that allows them to operate as qualified institutional investors and to use complex financial instruments. In absolute terms, direct investments amounted to 68.881 billion euros (61,18 for the 509 funds and 7.70 for the 103 schemes), while indirect mandated investments amounted to 17.65 billion euros (slightly more than 16.82 in 2020 but lower than 17.65 of 2019) of which 17.19 for the 509 schemes and 0.467 for the 103 funds). **Table 3.10** shows for each fund in which asset classes (absolute and percentage figures) the 68.89 billion euros are invested directly; UCITs (37.2%) and AIFs (14.2%) are the most prominent forms of investment in the portfolios of these schemes and together they accounted for 51.4% of the assets invested directly. The 509 schemes invested more in UCITs (36.9% compared to 13.8% in AIFs) while the 103 funds invested more in UCITs and less in AIFs (40% and 17.3% respectively).

⁷ For the analysis of the assets of these Schemes and their evolution over time, please see the IXth Annual Report "Italian Institutional Investors: members, resources and management companies in 2021" on the www.itinerariprevidenziali.it website.

⁸ 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 are segregated assets, independent of those of the management companies and cannot be reallocated for other purposes or be seized by the creditors of these companies or by their representatives, nor can they be involved in insolvency procedures.

Table 3.10 - Investments of Privatized Schemes (%)



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 development in the professional sectors where these schemes operate. 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, amounted to **14.83 billion** euros, equal to **17.14%** of total assets; an increase by 0.77 billion over 2020 (+5.45%) which is very high compared to other investors, such as pension funds. It is necessary to also consider investments in government bonds, which provided a financial contribution to the national economy equal to 43.5 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 provides for 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 8, 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 years of COVID-19

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. The aim was to provide income support benefits to *private-sector employed workers* in case of unemployment, sickness and maternity, as well as family allowances (ANF)² 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 which were integrated 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 with some particular requirements:

- a) *NASPI benefits*³ 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;
- c) *Supplementary income benefits for workers in the industry and construction sectors*;
- d) *Wage subsidies for agricultural workers*;
- e) *Single fund for family and household allowances*;
- f) *Sickness and maternity benefits* and any other form of *temporary* benefits other than pensions.

Extraordinary COVID benefits: Following the COVID-19 health crisis, the Italian government enacted a series of measures in different segments of the labour market. These were mainly introduced

¹ Act no.88/89 which reformed INPS and re-organized the economic and financial structure of the main pension, welfare and income-support funds. It was the first attempt to separate the pension system from the welfare system.

² Article 10, Paragraph 3 of Legislative Decree No. 230 of December 29, 2021 established the *Single and Universal Allowance for Dependent Children* (AUUF), and provided that “only households with children and orphans, as of March 1 2022, will no longer be entitled to household allowances (Assegno per il nucleo familiare (ANF)) (Art. 2, Law Decree no. 69 of 13/3/1988, transposed by Act no. 153 of 13/5/1988, and art. 4 of the Framework Law of family allowances, approved by Presidential Decree n0. 797 of 30/5/1955,) and to family allowances (AF) related to , family with children and orphans, since they will be protected by the AUUF benefits.

³ NASpI (New Social Benefits for Employment), which replaces Aspi, 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 mobility allowance (benefit paid by GIAS) was abolished on 1/1/2017. For benefits see the INPS circular no. 94 of 12/5/15 as amended.

through law decrees⁴; since this was a transitional situation, most of the measures adopted - both in terms of benefits and state funding to cover costs - had the year 2020 as their reference period. However, a number of extensions that came into force later also had financial effects in 2021. In order to better understand the new regulatory framework, see the previous IX Report; this Report focuses on the following measures still operational in 2021:

- a) **Introduction of the ad-hoc COVID-19 entitlement** for enterprises to benefit from redundancy funds (CIGO and derogatory CIG) as of February 23, 2020, for a maximum of 54 weeks. Since then, some derogations have been applied to the law decrees listed in the footnote, gradually restricting the access to CIG until the Prime Minister's Decree of October 15, 2021, which extended until December 31 the COVID Fund with no charges for companies no longer eligible for the CIG measure available in October 2021.
- b) **Work-life balance measures** - Law Decree no.137/2020 extended the baby-sitting bonus as of November 9, 2020 up to December 3, only in the so-called red zones; this measure was later extended until April 30, 2021;
- c) **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 below 50,000 euros, with a decrease in their turnover of at least 33%.
- d) **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 April 30, 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 April 30, 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 were 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 were also provided for categories, such as frail or workers with major difficulties (immune-suppressed, disabled, with disabled children and others).
- e) **Other labour market measures and freeze on dismissals** - Under these provisions, fixed-term employment contracts in the private sector had to be renewed or extended, for a maximum period of 12 months and only once; moreover, if they were discontinued due to the emergency, they had to be extended by the whole inactivity period; 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

⁴ Law Decrees 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.

were 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 were to sign collective agreements to adjust working hours due to changed organisational needs and to promote outplacement paths.

- f) ***Extension and expiry provisions*** - As a result of the COVID-19 emergency, the government 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 were extended; instead the ones 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 were suspended.

The following is a summary of further regulatory interventions on GPT and GIAS, for the part related to income-support benefits in 2021:

1. 2021 Budget Law art.1 par. 345:
 - a) transfer of 92 million euros for termination of employment benefits for the Red Cross staff;
 - b) three-year contribution exemptions for hiring young people up to 35 years of age in 2021 and 2022;
 - c) extension of CIGS for business cessation in 2021 and 2022;
 - d) extension of CIGS for enterprises of strategic economic importance for 2021 and 2022;
 - e) contribution exemption for hiring women in 2021 and 2022;
 - f) extension of the so-called “decontribuzione sud” until 2029;
 - g) calculation of periods not worked in cyclical vertical part-time work for pension purposes;
 - h) establishment of an “employability guarantee for workers” and extension of the outplacement allowance to CIGO, NASpI and DIS-COLL workers;
 - i) 500-euro allowance to unemployed or single-income mothers and single-parent households with dependent disabled children in 2021-2023.
2. Law decree no. 03 of 20/07/2021: extension to December 31 of the exemption from the payment of termination of employment benefits for companies under bankruptcy proceedings or receivership that apply for CIGS.
3. Law Decree no. 73 of 25/05/2021: extension to December 31 of the exemption from social security contributions for private maritime companies and for maritime operators (Law Decree no. 121 of 10/09/2021) and protection for entertainment workers (sickness benefits, parental support, maximum daily wage recognised for welfare purposes).

4.1.1 Results of the Fund

The analysis of income-support benefits, even if targeted only to employed workers, is particularly relevant given the high number of these workers (more than half of the total), the economic costs involved, the amount of notional contributions and the 'citizenship income' provisions since 2018, 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 must be terminated if jobseekers refuse a third job offer (with very limited results so far) . Here follows an analysis of the situation in the light of the 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 14 fiscal years, from 2008 to 2021.

Table 4.1 – GPT accounts in 2008-2021. Summary of the economic situation (*)
(millions of euros)

Anno	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proventi e corrispettivi	18.832	17.999	18.782	18.833	18.912	19.743	19.994	20.208	20.805	21.719	22.514	23.545	20.932	23.531
Altri ricavi (**)	2.507	2.531	2.370	2.428	2.600	2.444	2.545	2.328	2.436	2.401	2.407	2.426	2.121	2.471
Totale Valore della produzione (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	26.002
Spese per prestazioni istituzionali	11.459	13.907	13.550	13.506	14.633	15.149	14.267	13.534	15.006	15.055	14.841	14.835	18.895	14.004
Altri oneri di gestione	4.472	7.117	6.934	6.394	7.901	6.654	6.616	6.644	4.960	5.026	5.141	5.542	7.944	5.013
Totale Costi della produzione (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	19.017
Differenza (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	6.985
(*) Al lordo di proventi e oneri finanziari e straordinari e imposte di esercizio														
(**) Somme per sanzioni civili e Trasferimenti dalla GIAS (copertura mancato gettito per esoneri o riduzioni di aliquote contributive, variazioni dell'imponibile contributivo e minor gettito contributivo per integrazioni salariali)														

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

In 2021, this scheme had a surplus amounting to 6.985 billion euros, the all-time high in the last 14 years after the heavy deficit in 2020 due to the pandemic (-3.8 billion). In detail, revenues went back to pre-pandemic values (26 billion) and expenditure decreased by around 7.8 billion down to 19 billion, mainly due to expenditure on institutional benefits.

In the period under review, **contribution revenues**, ("proceeds and expenses" in the production system) 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 per capita gross salaries. 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 contracts⁵. This growth was significant in 2019 with respect to the previous year, amounting to **4.6%** (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. In contrast, in 2021, revenues increased by 12.42%, the most significant annual growth since 2008. **Table 4.2** shows the contribution revenues produced by employers and members on the basis of the contribution rates reported in table 4.8 from 2008 up to 2021 and by single type of benefit; **Table 4.3**

⁵ 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.

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 2021: contributions paid by employers and members

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Trattamenti di famiglia	6.224	5.887	6.124	6.201	6.216	6.419	6.454	6.299	6.434	6.833	7.074	7.378	6.672	7.422
Trattamenti di integrazione salariale ordinaria	2.926	2.715	2.817	2.741	2.674	2.680	2.649	2.744	2.661	2.605	2.625	2.831	2.595	2.992
- edilizia	687	598	607	567	488	417	459	456	419	387	426	417	369	545
- lapidei industria	28	26	26	25	23	21	23	22	19	20	19	20	17	20
- lapidei artigianato	3	3	2	2	2	2	2	2	2	2	2	2	1	1
- industria	2.208	2.088	2.182	2.147	2.161	2.240	2.165	2.264	2.221	2.196	2.178	2.392	2.208	2.426
Cisao	37	34	38	37	40	38	40	44	41	45	46	50	46	50
Trattamenti di disoccupazione	3.784	3.802	3.948	3.947	4.042	128	135	160	157	150	150	155	155	165
Trattamenti di ASPI/NASpl						4.516	4.678	4.790	5.038	5.297	5.596	5.903	5.151	5.679
Trattamenti economici di malattia	4.214	3.962	4.197	4.247	4.223	4.243	4.351	4.468	4.745	4.968	5.179	5.402	4.605	5.318
Trattamenti economici di maternità	1.088	1.063	1.100	1.095	1.130	1.138	1.121	1.158	1.152	1.214	1.250	1.282	1.162	1.294
Trattamenti di fine rapporto e vari	580	554	582	582	606	599	601	610	646	664	686	709	648	706
Finanziamento fondo di garanzia per omessi o insufficienti contributi datoriali alla previdenza complementare	2	2	2	2	2	2	2	2	2	2	2	2	3	3
Totale	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	23.629

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

Table 4.3 - GPT accounts from 2008 to 2021: transfers from GIAS to GPT

(millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Trattamenti di famiglia	1.368	1.348	1.323	1.354	1.457	1.448	1.576	1.466	1.572	1.577	1.588	1.566	1.362	1.510
Trattamenti di integrazione salariale ordinaria	208	204	182	195	208	171	152	144	113	99	71	90	98	240
- edilizia	129	136	116	128	137	102	103	96	79	72	49	67	76	54
- lapidei industria	5	5	5	5	5	4	4	4	4	3	4	4	4	4
- lapidei artigianato	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- industria	74	63	61	62	66	65	45	44	30	24	18	19	18	182
Cisao	64	81	66	66	71	68	72	73	77	79	82	82	62	75
Trattamenti di disoccupazione	165	184	158	164	174	116	59	62	65	68	69	71	53	62
Trattamenti di ASPI/NASpl						49	81	52	43	34	15	22	23	19
Trattamenti economici di malattia														
Trattamenti economici di maternità	648	649	580	590	631	540	557	494	486	471	458	511	457	521
Trattamenti di fine rapporto e vari	22	25	21	22	24	20	17	13	13	10	6	7	7	8
Totale	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	2.435

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

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 contribution amounts in Table 4.2 are calculated before the corrective and compensatory current revenue items equal to 105 million euros in 2020 and differ from the amounts related to proceeds and expenses as the latter are net figures. The amounts related 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 was mostly related 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. In 2020, as a result of measures to mitigate the effects of the COVID-19 pandemic on the labour market, institutional pension benefit expenditure increased by almost 4 billion euros in absolute terms, while in 2021 it went back to the 2015 levels at around 14,000 million.

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 14,004 million in 2021, up by 22.2% mainly due to a higher number of unemployment and NASPI benefits. 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 and of NASpI. In 2021, these benefits went back to the 2015 levels, at 618 million euros (-85%), bringing the expenditure for institutional benefits down from 18,896 million in 2020 to 14,004 million. Compared to total institutional expenditure in 2021, the top three cost items were unemployment benefits, which accounted for about 43% of the total, sickness benefits (22.4%) and family allowances (19.3%).

Table 4.4 - GPT accounts from 2008 to 2021: institutional benefit expenditure Accruals (millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Trattamenti di famiglia	3.831	3.760	3.552	3.670	3.726	3.817	3.676	3.611	3.733	3.693	3.580	3.341	3.019	2.701
Trattamenti di integrazione salariale	365	1.755	1.141	769	1.044	1.146	747	680	519	411	346	312	4.152	618
Trattamenti di disoccupazione e 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	1.229
Trattamenti di Aspl						2.253	3.401	2.301	311	31	14	8	5	2
Trattamenti di NASpI*								1.300	4.907	5.488	5.775	5.966	6.269	4.756
Trattamenti economici di malattia	2.165	2.079	1.992	2.053	2.044	2.017	1.950	1.958	2.036	2.157	2.234	2.334	2.702	3.140
Trattamenti economici di maternità	2.038	2.124	2.088	2.216	2.284	2.292	2.186	1.990	1.878	1.729	1.606	1.542	1.545	1.514
Trattamenti di fine rapporto e vari	446	415	585	672	795	1.087	1.042	1.253	1.217	1.047	891	816	568	581
Totale (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	14.541
Recupero prestazioni e altro (B)	437	424	464	434	493	520	590	661	709	717	738	740	664	537
Totale spese per prestazioni (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	14.004

Description: Family allowances; Wage supplementary benefits; Unemployment benefits and Mini ASpI; ASpI benefits; NASpI (*) benefits; Sickness benefits, Maternity benefits; Termination of employment benefits and others; **Total (A)**; Recovered benefits and others (B); **Total benefit expenditure (A-B)**; * NASpI was launched on May 1 2015, under Art. 12 Leg. Decree no. 22/2015

Transfers from GPT to FPLD to finance *notional contributions*⁶ 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.

⁶ 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 absorbed by NASPI.

Table 4.5 - GPT accounts from 2008 to 2021: expenditure on notional contributions (millions of euros)

Descrizione	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Trattamenti di integrazione salariale:														
industria	139	1.091	622	344	565	583	278	342	297	229	77	119	2.370	552
edilizia	86	144	139	146	181	195	170	174	90	74	83	54	97	93
lapidei	4	7	7	8	9	10	9	8	5	5	4	2	11	4
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	2
Mini Aspi e agricoli						1.036	585	350	12	3	2	2	0	0
NASpI (Art. 12, D. Lgs. 22/2015)*								953	2.553	3.116	3.364	3.436	3.623	2.775
Altri trattamenti di disoccupazione						1.207	604	436	443	428	435	499	390	425
Totale	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	3.851

Description, Wage supplementary benefits: industry, construction, stone works; unemployment benefits, Aspi, Mini Aspi and farmers, NASpI (Art. 12, Leg. Decree no. 22/2015)*Other unemployment benefits; Total

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 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 supplementary wage benefits, mobility allowances (for cases starting before 1/1/2017)* and *safety net measures (derogatory)* 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 recognition of notional contributions of these periods. Unemployment benefits mainly include: the share of ordinary non-agricultural unemployment benefits, former ASPI, Mini-ASPI and now 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 2021 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 January 1, 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, 4.6⁷ sections A and B), net of their respective operating expenses, amounted to **36,618 million** euros against 51,197 million in 2020, with a drop by 28.5%.

Table 4.7 shows the contribution rates paid by employers: 0.30% for mobility allowances, 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 2021: wage support charges (millions of euros)

A) Prestazioni	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	3.787
<i>Aspl e mini Aspl</i>						1.586	2.921	1.299	195	21	9	5	2	1
<i>NASpl*</i>								770	3.033	3.363	3.568	3.742	3.877	3.199
<i>COVID - proroga NASpl</i>													524	0
<i>altri</i>						1.298	636	648	627	612	595	571	577	587
Indennità di mobilità	882	1.144	1.346	1.435	1.685	2.081	2.284	2.108	1.462	863	58	100	48	35
<i>ordinaria</i>	794	1.043	1.169	1.192	1.387	1.716	1.980	1.888	1.334	776	47	97	45	30
<i>in deroga</i>	88	101	177	243	298	365	304	220	128	87	11	3	3	5
Trattamenti CIGS	508	1.121	2.173	1.981	2.449	2.811	2.914	1.856	1.499	892	522	511	6.840	4.863
<i>ordinaria</i>	396	825	1.608	1.386	1.634	2.038	2.195	1.489	1.300	772	503	474	414	648
<i>in deroga</i>	112	296	565	595	815	773	719	367	199	120	19	37	48	55
<i>COVID - CIGO + ANF connesso</i>													665	95
<i>COVID - CIGS</i>													8	18
<i>COVID - CIG in deroga</i>													2.553	2.092
<i>COVID - Assegno ordinario FdS</i>													3.151	1.955
<i>COVID - Altre indennità</i>													1	0
Trattamenti diversi	1	3	1	9	5	11	1	32	44	84	360	544	7.364	5.052
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	13.737
B) Coperture figurative e IVS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Trattamenti di disoccupazione	83	316	188	197	271	142	92	67	34	23	12	1	0	0
Indennità di mobilità	679	815	951	1.039	1.219	1.391	1.462	1.412	1.107	701	194	40	14	11
<i>ordinaria</i>	617	742	830	896	948	1.088	1.228	1.249	1.013	637	186	38	12	7
<i>in deroga</i>	62	73	121	143	271	303	234	163	94	64	8	2	2	4
Trattamenti CIGS	387	894	1.750	1.729	1.935	2.082	2.034	1.608	1.315	676	481	428	4.155	3.282
<i>ordinaria</i>	302	686	1.228	1.146	1.244	1.550	1.540	1.358	1.182	595	468	422	370	414
<i>in deroga</i>	85	208	522	583	691	532	494	250	133	81	13	6	1	41
<i>COVID - CIGO</i>													439	83
<i>COVID CIGS</i>													1	12
<i>COVID - CIG in deroga</i>													1.580	1.325
<i>COVID - Assegno ordinario FdS</i>													1.764	1.407
Trattamenti NASpl				6	0	0	0	0	1.521	1.813	1.960	2.018	2.403	1.733
<i>ordinari</i>									1.521	1.813	1.960	2.018	2.099	1.733
<i>COVID - proroga</i>													304	0
Trattamenti diversi				6	0	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	5.026

(*) 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 (NASpl), in sostituzione delle indennità ASpl e Mni-ASpl introdotte dall'articolo 2 della legge n.92 del 2012.

Benefits; Unemployment benefits: Aspl and Mini Aspl, NaSpl*, Covid extension of NaSpl, others, **Mobility benefits:** ordinary benefits, “derogatory” benefits, CIGs benefits: ordinary benefits, “derogatory” benefits, Covid-Cigo + ANF, Covid-Cigs, Covid- “derogatory” CIG, Covid-ordinary FdS allowance; Covid- other benefits; Miscellaneous benefits; **Notional benefits and old-age, disability and survivors’ benefits; Unemployment benefits** Mobility benefits: ordinary, derogatory; CIGS benefits: ordinary, derogatory, Covid-Cogi, Covid CIGS, Covid derogatory CIG, Covid, FdS ordinary 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 (NASpl) to replace ASpl and mini ASpl benefits envisaged under Art. 2 of Act no. 92 of 2012.**

⁷ In part (a) benefits of Table 4.6, INPS changed the entry 'COVID one-off allowance' to 'COVID other allowances' with respect to 2020.

Table 4.7 - GPT accounts from 2008 to 2021: contributions paid by employers and workers (millions of euros)

Anni	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Indennità di mobilità	524	549	706	641	589	579	609	587	485	50	18	7	2	1
Trattamenti CIGS (*)	1.041	977	1.066	1.071	1.085	1.110	1.073	1.083	1.139	1.255	1.278	1.316	1.205	1.310
Trattamenti speciali edili	120	106	109	100	90	79	80	76	75	3	1	-	-	-
Totale	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	1.311

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

Table 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 2021
(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 guarantee, CUAF, ordinary Cig, extraordinary Cig, sickness benefits, maternity benefits Total; Sectors: Blue collars White collars; **Industry**: up to 15 employees, from 16 to 50 employees, above 50 employees; **Construction industry (***)** **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 under former Art. 25 of Act no. 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 Number of beneficiaries of income-support measures by number of hours and benefit amounts 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 measures⁸:

- **Mobility benefits**, provided until 2017 for a cost equal to 1,563.8 million euros in 2017 (251.7 million euros in 2018, 140.1 million in 2019 and 62.4 million in 2020) (including derogations and the notional sums to finance them), then replaced by Naspi, with 57% of beneficiaries

⁸ INPS source: Statistical observatory and 2017/2020 financial accounts

above 55 years of age in 2018; in 2020, ordinary and derogatory mobility benefits reached an average figure of 5,313 per month, falling to 3,775 in 2021.

- **Naspi** (a new measure to fight unemployment and promote mobility) with more than **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); in 2021, the number of beneficiaries was equal to 3,000,000 (estimated) for a total expenditure of 12,463,400 (the number of beneficiaries also includes persons who receive the benefits only for a few months). A more accurate assessment of the impact of NASpI on the labour market can be obtained by calculating the average monthly number of benefits paid, which were equal to 1,243,823 in 2020 and to 982,473 in 2021. As for DisColl, applied to collaborators (i.e. non-employed workers) in a manner similar to NASpI, the disbursements amounted to 7,892 in 2020 and to 6,301 in 2021.
- **Wage Guarantee Fund** (ordinary, extraordinary, derogatory 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. In 2020, the number of beneficiaries of various types of redundancy payments (ordinary, extraordinary, derogatory, solidarity funds) was **about 7 million**, the vast majority for COVID. The highest peak was reached in April, with 5,360,000 beneficiaries; in November, there were still about 2 million, after the steepest drop in September (976,000); about 45% of employed workers received CIG benefits. Benefit expenditure amounted to about 11 billion, plus 6.635 billion euros' worth of imputed contributions for a total cost of **17.5 billion**; in 2021, the total expenditure was 13.8 billion with 5,000,000 beneficiaries (estimate).
- The **benefits under Act no. 104/1992**, with a cost of **1.511 billion** euros (including notional contributions in 2020), targeted to about **500,000 people** (2018 updated figure), mostly older workers, 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 their family members. 2021 featured just over 500,000 beneficiaries (estimated) for an expenditure of 1.07 billion.
- 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 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, equal to 2,500,000 benefits. In this case, like in the previous one, these are net expenditure items, as there are no contributions to finance these expenses.

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

Table 4.9 - Beneficiaries and charges for safety net measures in 2018-2021. Accruals (millions of euros)

Tipo di ammortizzatore	anno 2019				anno 2020				anno 2021			
	Beneficiari	Prestazioni	Coperture figurative	Totale	Beneficiari	Prestazioni	Coperture figurative	Totale	Beneficiari	Prestazioni	Coperture figurative	Totale
CIG ordinaria		303,2	175,5	478,7		4.110,4	2.478,5	6.588,9		605,2	649,1	1.254,3
- edilizia		112,0	54,1	166,1		183,5	97,2	280,7		188,8	93,4	282,2
- lapidei industria		4,4	2,0	6,4		16,6	9,1	25,7		7,7	3,0	10,7
- lapidei artigianato		1,2	0,4	1,6		3,4	1,6	5,0		1,3	0,8	2,1
- industria		185,6	119,0	304,6		3.906,9	2.370,6	6.277,5		407,4	551,9	959,3
CIG straordinaria		521,9	480,8	938,9		6.839,9	4.155,0	10.994,9		9.389,4	3.281,4	12.670,8
- ordinaria		474,3	422,2	896,5		414,2	370,1	784,3		647,8	414,1	1.061,9
- deroga		36,9	5,5	42,4		48,1	1,4	49,5		55,0	40,5	95,5
- COVID - CIGO						665,0	438,6	1.103,6		95,3	82,9	178,2
- COVID - CIGS						8,0	1,4	9,4		17,8	12,0	29,8
- COVID - CIG in deroga						2.552,9	1.579,9	4.132,8		2.091,7	1.325,0	3.416,7
- COVID - Assegno ordinario FdS						3.150,4	1.763,6	4.914,0		1.955,2	1.406,9	3.362,1
- COVID - Indennità una tantum						0,0	0,0	0,0		0,0	0,0	0,0
- COVID - Altre indennità						1,3	0,0	1,3		4.526,6	0,0	4.526,6
Indennità di mobilità		57,6	194,1	140,1		48,7	13,7	62,4		34,8	10,6	45,4
- ordinaria		96,9	38,0	134,9		45,4	11,5	56,9		29,9	6,5	36,4
- deroga		3,1	2,1	5,2		3,3	2,2	5,5		4,9	4,1	9,0
Indennità NASpI (*)	2.933.400	9.708,5	5.453,3	15.161,8		10.670,4	6.026,6	16.697,0		7.955,5	4.507,9	12.463,4
- ordinaria						10.146,3	5.722,6	15.868,9		7.955,5	4.507,9	12.463,4
- COVID - proroga						524,1	304,0	828,1		0,0	0,0	0,0
Art. 33, C. 1, 2 E 3, L. 104/1992 E Art. 20, L. 53/2000 (*)		849,3	221,5	1.070,8		1.185,0	326,1	1.511,1		839,8	230,5	1.070,3
- ordinari		849,3	221,5	1.070,8		884,1	234,3	1.118,4		839,8	230,5	1.070,3
- COVID - prolungamento permessi						300,9	91,8	392,7		0,0	0,0	0,0
Indennità APE sociale (Art. 1, C 179 - 186, L. 232/2016)		523,9		523,9		516,7		516,7		510,0		510,0

(*) 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, derogatory benefits, Covid-Cigo, Covid-Cigs “derogatory” benefits, Covid-ordinary FdS allowance, Covid lump sum, Other benefits; **Mobility benefits**: ordinary benefits, “derogatory” benefits; **NASPI benefits***: ordinary benefits, Covid-extension; Art.33 par. 1, 2 and 3, Act no.104/1992 and Art. 20, Act no. 53/2000 (*): ordinary benefits, Covid-extension s; **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 2021 was just below 42 billion. In **2021, there were about 8 million CIG and NASpI beneficiaries for an expenditure of just over 27.2 billion, plus 500,000 beneficiaries under Act no. 124 for an expenditure of 1 billion.**

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

The *Scheme for welfare measures* (henceforth 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 welfare 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. Unlike all the other schemes administered by INPS, this fund must balance its annual "operating result" and its financial results. Under the current regulation, its *pension-related measures* set the stage for the complex issue of the *separation between pension benefits and welfare benefits*, thanks to its *detailed accounting data*; 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 the State budget*; in 2021, they reached 144,215 million euros (-0.4% vs 144,758 million in 2020). A relatively small share, equal to **1,311 million** (slightly up with respect to 1,207 million in 2020), comes from the proceeds from the contribution rates paid by employers and workers with the aim of financing wage-support allowances and benefits related to the reduction of social security charges. Finally, its members share some costs of their specific schemes for an amount of **155 million**. The accounts of this scheme show that in 2021, the "**value of production**", net of the corrective items of current revenues for **13,473 million**⁹ (related to rebates of contribution charges), amounted to **130,015 million** (138,096 million in 2020); the "cost of production" of 130,012 million is the same as the "value of production" (130,015 million) due to adjustments, extraordinary charges and operating taxes (-3 million).

State transfers (144,215 million) are designed to finance the following charges:

- **pension expenditure: 84,055 million euros**¹⁰, up by 1,060 million compared to 82,995 million in 2020, mainly allocated to finance the "100 quota" measure, the increase in social surcharges on pensions of 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: 17,978 million euros** (-6,508 million vs. 24,486 million euros in 2020); this reduction is also due to the higher State contributions needed to finance the support measures for enterprises related to deal with the COVID-19 emergency;
- **family support allowances: 8,231 million** (-16.45% vs. 9,852 million euros in 2020); this drop too can be related to the more limited access the household support measures following the COVID emergency;
- **benefits deriving from a reduction in contribution charges** (TBC and maternity leave): **482 million** (-2.8% vs. 496 million in 2020); this reduction is due to the lower contributions needed to finance these benefits;
- **contribution incentives and other rebates: 22,620 million euros** (+29.5% vs. 17,471 million in 2020). This increase is related to regulatory changes;
- **other measures: 2,416 million** (with respect to 2,467 million in 2020);

⁹ 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 **13,473 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.

¹⁰ The cost borne by GIAS in 2021 for the transfers to pension funds to finance their pension expenditure was equal to 84,055 million euros, subdivided as follows: **40,228 million** to pension funds (see Box 1 and Table 1 a), plus **14,099 million** of former INPDAP; **5,176 million** to finance social allowances, social pensions and their additional benefits, **18,204 million** for the fund for disabled civilians to finance disability benefits and caregivers' allowances; **4,693 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); shares of pension benefits provided individual schemes related to particular periods not covered by contributions or with reduced contributions, in order to favour their economic-financial balance; direct provision of some categories of benefits (pensions paid to CDCMs before 1989; benefits to employees of the suppressed ENPAO institute; invalidity pensions before Act no. 222/1984 and others).

- **citizenship income and pensions: 8,433 million** (with respect to 7,189 million in 2020), consistently growing in these first three years 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 2011-2021 period.

Pension benefit expenditure: it indicates 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 4.10 - Transfers from the State budget to GIAS (millions of euros)

	oneri pensionistici	mantenimento del salario	interventi a sostegno della famiglia	prestazioni economiche derivanti da riduzioni di oneri previdenziali	sgravi di oneri sociali e altre agevolazioni	interventi diversi	reddito di cittadinanza e pensione di cittadinanza	TOTALE TRASFERIMENTI DAL BILANCIO DELLO STATO
2011	58.271	6.360	3.411	688	14.031	1.141	-	83.902
2012	63.804	8.333	3.671	696	16.018	1.278	-	93.800
2013	67.982	9.592	3.992	677	15.488	1.338	-	99.069
2014	67.454	10.387	3.856	656	14.832	1.255	-	98.440
2015	72.172	8.794	4.033	622	15.897	2.155	-	103.673
2016	70.971	8.695	4.502	603	21.203	1.400	-	107.374
2017	72.699	8.067	5.485	583	21.014	2.302	-	110.150
2018	72.738	7.129	5.835	540	17.821	1.603	-	105.666
2019	78.428	7.106	6.012	528	15.759	2.558	3.879	114.270
2020	82.797	24.486	9.852	496	17.471	2.467	7.189	144.758
2021	84.055	17.978	8.231	482	22.620	2.416	8.433	144.215

Pension charges, Wage support measures, Household support measures, Benefits from social charge reduction, Rebates of social charges and other incentives, Other charges, Citizenship income and pensions, TOTAL STATE TRANSFERS

Table 4.11 shows the historical series of the institutional benefits provided in the 2011-2021 period broken down by type of measure.

Table 4.11 - Institutional benefits provided by GIAS
(millions of euros and rounded up with respect to the State budget)

	Pension charges (*)	Wage support measures	Household support measures	Benefits from social charge reduction	Other charges	Citizenship income and pensions	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
2021	61.290	13.663	6.498	423	371	8.872	91.117

(*)The total includes early retirement benefits

GIAS benefits: under Act no. 88/1989 and subsequent measures, GIAS was assigned many different tasks; these are the most relevant and economically viable interventions:

- *share of each pension benefit*¹¹ with a cost equal to **21,904 million**, compared with 21,730 million in 2020, net of the shares paid to retired civil servants under the former INPDAP for 2,549 million;
- *share of pension benefits* under Article 1, Act no. 59/1991 (*yearly pensions*), amounting to **390 million**, down from 448 million in 2020;
- *additional benefits* under Article 5 of Act no. 127/2007 (fourteenth month's pay) amounting to **1,530 million**, up from 1,526 million in 2020;
- *share of disability pensions* before Act no. 222/1984 for an amount of **5,570 million**, compared to 5,526 million in 2020;
- *early retirements*, the cost for the year 2021 rose to 9,130 million compared to 8,681 million in 2020. Of these, 3,141 million are related to ex-INPDAP pensions (2,951 million in 2020). The increase in expenditure compared to the previous year (+5.17%) was determined by the pension charges envisaged by Article 14 of Law Decree no. 4/2019 for the "100 Quota" measure, which cost approximately 4.9 billion in 2020 and 5.15 in 2021, plus those for the woman's option, early retirement with 42 years and 10 months (one year less for women) for 1.1 billion. In particular, ex-INPDAP pensions accounted for **1,902 million** of this aggregate, compared to 946 million in 2020.

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 **823 million** euros, a significant decrease compared to 977 million in 2020; *the pensions of the abolished ENPAO institute* 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, amounted to **40.228 billion** euros (*Table 1.a*).

¹¹ 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 of public-sector employed workers paid by former INPDAP. In reality, the income-based system calculation method does not provide for the addition of any additional 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 were 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 based on 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.

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 is required to provide for these schemes too for an amount of **14,099 million** with respect to 13,602 million in 2020.
- 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 2021, they entailed a cost of **4,860 million** euros (net of recovered benefits for 143 million), up with respect to 2020. As of 1 January 2022, the number of outstanding social pensions was equal to 15,811 (2,005 men and 13,806 women) with an average monthly amount of 473 euros, down from 21,262 benefits at the beginning of 2020. This group of subjects is steadily diminishing. On January 1, 2022, the number of social allowances which replaced social pensions following Act no. 335/1995, was equal to 792,294 (299,422 males and 492,872 females), with an increase by 1.3% (+10,115 allowances) compared to January 1, 2021. The figure includes the social allowances deriving from the transformation into allowances of pensions to disabled civilians, and to visually and hearing impaired individuals when they reach their statutory age requirements.
- 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 for disabled civilians and to hearing and visually impaired individuals to the "***Pension fund for disabled civilians and caregivers' allowances***". In 2021, the cost reached **18,204 million** with respect to 18,277 million in 2020¹². These funds were used to pay **3,517 million** euros' worth of pension benefits to disabled civilians, **330 million** to the visually impaired and **70 million** to the hearing impaired. These categories also received from this fund caregivers' benefits for a total amount of **14,226 million euros** (of which 13,300 million to disabled civilians, 787 million to the blind and 139 million to deaf-mute individuals). As of 1 January 2022, the total number of outstanding benefits (pensions and caregivers' allowances) amounted to 3,174,569, down with respect to 3,179,237 in 2021; the amount of ***undue benefits*** is significant in economic terms, which reached **523 million** euros, up with respect to 335 million accounted for the year before (+56.1%); The change is partly attributable to a return to a normal situation for inspections compared to the previous slowdown in the administrative activity due to COVID-19;
- 4) ***Veterans' pension benefits*** (direct and indirect) are financed by the Ministry of Economy and Finance; at the end of 2021, their number was equal to 122,630 (compared to 134,314 in 2020), for an annual cost of over **1,010 million** euros, down from 1,095 million in 2020. These sums derive from ad ad-hoc budget allocation of the Ministry of Economy and Finance.

GIAS transfers for the support of revenues of the INPS pension funds are classified under "***Miscellaneous operating expenses***"; in 2021, they amounted to **37,597 million** with respect to 38,246 million euros in 2020. In addition to the aforementioned transfer of **18,204 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 **6,542 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 for a total of **4,693 million** euros;

¹² These figures result from the GIAS accounts (p.161) and are slightly different from the those related to cost shown in Table 5.6, which is built on databases - stock data.

- c) Transfers of funds for disability, old-age and survivors' insurance related to wage-and household support benefits and allowances following the reduction of social security charges for an amount equal to **5,638 million euros**.

Box 1 shows “GIAS 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	2021		2017		2018		2019		2020		2021
	TOT.	TOT.	TOT.	TOT.	TOT.		GIAS	Altri Enti/ Gestioni/ Stato	GIAS	Altri Enti/ Gestioni/ Stato	GIAS	Altri Enti/ Gestioni/ Stato	GIAS	Altri Enti/ Gestioni/ Stato	GIAS
DIPENDENTI PRIVATI	27.295,88	27.376,42	28.787,50	30.305,46	31.523,24	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	10.051,16
Dipendenti Privati INPS	26.380,77	26.438,86	27.642,55	29.007,88	30.155,24	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	10.019,28
FPLD	25.939,16	26.073,16	27.222,52	28.495,60	29.627,26	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	5.251,95
TRASPORTI	47,89	42,36	46,45	48,95	48,72	TRASPORTI	118,23		117,66		116,18		118,26	0,00	121,99
TELEFONICI	89,08	67,29	51,16	44,37	38,33	TELEFONICI	1,67		1,60		1,61		1,61	0,00	1,48
ELETTRICI	65,95	51,66	48,34	45,55	44,28	ELETTRICI	1,44	5,13	1,44	2,28	1,44	3,26	1,44	0,03	1,01
VOLO	21,49	18,83	16,34	13,59	10,78	VOLO	42,58		11,30		4,29		0,80	0,00	0,29
IMPOSTE CONSUMO	4,70	4,07	3,74	3,16	2,87	IMPOSTE CONSUMO (3)	0,00		0,00		0,00		120,66	0,00	114,32
CREDITO*						CREDITO*									
FFSS	73,67	59,20	91,32	140,49	143,03	FFSS	1,86	30,04	1,86	19,80	1,86	18,98	4.458,03	0,00	4.522,82
INPDAl	138,84	122,28	162,68	216,16	239,98	INPDAl	5,61	0,56	5,61	0,55	5,52	0,58	5,46	0,00	5,42
Altri Fondi dipendenti privati	81,51	85,55	96,89	108,77	110,86	Altri Fondi dipendenti privati	21,52	0,00	20,19	0,00	19,98	2,74	19,69	0,00	19,84
ISTITUTO GIORNALISTI	0,00	0,00				ISTITUTO GIORNALISTI									
ENTE LAVORATORI SPETTACOLO**	81,51	85,55	96,89	108,77	110,86	ENTE LAVORATORI SPETTACOLO**	21,52		20,19		19,98	2,74	19,69	0,00	19,84
Fondi Ex Aziende Autonome	833,60	852,01	1.048,06	1.188,82	1.257,15	Fondi Ex Aziende Autonome	3,74		3,78		5,37		8,58	0,00	12,04
IPOST	833,60	852,01	1.048,06	1.188,82	1.257,15	IPOST	3,74		3,78		5,37		8,58	0,00	12,04
DIPENDENTI PUBBLICI	9.613,18	9.355,25	11.495,45	13.601,83	14.098,73	DIPENDENTI PUBBLICI	92,53	33,87	92,93	20,63	92,93	15,63	92,93	11,77	93,31
CPDEL	330,69	404,25	790,75	1.541,95	1.658,44	CPDEL	34,22	13,95	34,22	10,37	34,22	5,86	34,22	3,85	34,60
CPI	3,57	4,49	10,76	16,82	17,10	CPI	0,60	0,16	0,60	0,14	0,60	0,09	0,60	0,09	0,60
CPS	73,56	78,02	161,46	252,33	301,73	CPS	8,53	10,66	8,53	8,96	8,53	8,16	8,53	6,28	8,53
CPUG	1,02	1,08	1,64	3,02	3,41	CPUG	0,15	0,01	0,15	0,00	0,15	0,00	0,15	0,00	0,15
CTPS	9.204,34	8.867,42	10.530,84	11.787,71	12.118,05	CTPS	49,03	9,09	49,43	1,16	49,43	1,52	49,43	1,55	49,43
AUTONOMI E PROFESSIONISTI	8.137,16	8.282,28	9.019,96	9.526,58	8.537,54	AUTONOMI E PROFESSIONISTI	280,54	88,86	420,32	86,45	575,92	0,00	604,49	0,00	612,78
Autonomi INPS	8.137,16	8.282,28	9.019,96	9.526,58	8.537,54	Autonomi INPS	280,54	0,00	420,32	0,00	575,92	0,00	604,49	0,00	612,78
ARTIGIANI	2.564,04	2.748,92	3.351,72	3.640,15	3.377,49	ARTIGIANI	114,79		195,90		269,90		281,60	0,00	285,02
COMMERCianti	1.472,44	1.494,66	1.698,68	1.900,66	1.917,55	COMMERCianti	108,15		178,94		257,72		275,76	0,00	278,72
CDClM	4.100,68	4.038,70	3.969,56	3.985,76	3.242,50	CDClM	57,60		45,48		48,30		47,13	0,00	49,04
Liberi Professionisti	0,35	0,05		0,05	0,05	Liberi Professionisti	0,00	88,86	0,00	86,45	0,00	0,00	0,00	0,00	0,00
CASSE PRIV 509	0,35	0,05		0,05	0,05	CASSE PRIV 509		88,86		86,45				0,00	17,67
ESCLUSO ENPAM	0,00	0,00		0,00	0,00	ESCLUSO ENPAM									
ENPAM	0,00	0,00		0,00	0,00	ENPAM									
CASSE PRIV 103	0,00	0,00		0,00	0,00	CASSE PRIV 103									
FONDO CLERO	10,05	9,97	12,47	12,52	9,50	FONDO CLERO									0,00
GESTIONE PARASUBORDINATI	126,98	145,18	131,33	140,63	149,14	GESTIONE PARASUBORDINATI	134,07		317,86		395,68		402,36	0,00	409,36
INTEGRATIVI INPS	11,87	10,21	10,15	8,32	8,90	INTEGRATIVI INPS	0,04	81,48	0,04	76,72	0,06	72,41	40,16	68,82	38,03
miniere	5,73	5,59	5,57	5,58	5,33	miniere	0,04	11,19	0,04	11,00	0,05	10,45	0,04	9,87	0,04
gas	1,43	1,05	1,81	0,62	0,64	gas	0,00		0,00		0,00		0,00		0,00
esattoriali	1,49	1,43	1,36	1,45	1,31	esattoriali	0,00		0,00		0,00		0,00		0,00
portuali	1,18	0,80	0,55	0,31	0,22	portuali (1) (3)	0,00		0,00		0,00		40,12		37,99
enti disciolti	2,04	1,33	0,86	0,35	1,41	enti disciolti (2)		70,29		65,72		61,96		58,95	0,00
ENASARCO	0,00	0,00	0,00	0,00	0,00	ENASARCO									52,43
TOTALE	45.195,48	45.179,37	49.456,86	53.595,38	54.327,10	TOTALE	9.551,15	4.811,74	9.035,97	4.952,27	9.487,74	5.043,32	10.206,79	91,86	11.204,64
TOT. GIAS al netto dei DIP.PUBB.	35.582,30	35.824,12	37.961,41	39.993,55	40.228,37	TOTALE	14.362,88		13.988,25		14.531,05		10.298,65		11.496,21

*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, TRASPORTATION, TELEPHONY, ELECTRICITY, AVIATION, CONSUMER TAXES, CREDIT*, FFSS, INPDAl **Other funds** JOURNALISTS, SHOW BUSINESS ** **Funds for former autonomous entities;** IPOST **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 of Act no. 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, inter-professional and bilateral funds

The strong growth of bilateral bodies and their functions (*Table 4. 12*) requires a rationalization in order to create a true second social security pillar; this is especially relevant for the categories of individuals increasingly exposed to job losses due poor skills or health and family problems that could result in their early exit from the labour market, in particular for workers closer (maximum 5 years) to the statutory retirement age; this can be done in a less 'painful' and rational way by providing a mechanism to supplement and/or replace public interventions, starting from the already existing instruments such as **solidarity**, inter-professional and bilateral **funds**, essentially creating a '**second pillar**' of a private nature (similarly to pension and health funds).

Table 4.12 – Managing Bodies and Entities, Functions, Benefits and Financing

Entity\Body	Institutional objectives	Financial resources in 2021 ¹³
Fund for supplementary wage benefits ¹⁴	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 2,181 million euros, of which 971 million related to the credit fund and over 455 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 (the so-called Fondi Esubero).	Expenditure on ordinary benefits and related contributions: over 2,576 million euros, of which 1,435 million related to the credit fund and 1,005 million to the fund for supplementary wage benefits. In 2021 too, 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 particular, the credit, insurance, tax collection and railway sectors had 1,065 million euros' worth of extraordinary contribution revenues against 1,076 million euros' worth of extraordinary benefit expenditure.
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: 1069 million euros, of which 703 million paid to the funds for long-life learning.
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 1.3 million member companies: 1.1 million euros, for a population of more than 6.4 million workers.

¹³ The pandemic led to a massive recourse to ordinary benefits, dried up all the 2020-2021 resources of the fund for supplementary wage benefits and of other funds; so, the necessary resources came in part from the assets of these funds and in part from the State (3.6 billion euros).

¹⁴ As of 1 January 2022, Act no. 234\2021 (2022 Budget Law) expanded the social protection system against unedemployment or unemployment also to employees of micro enterprises; all employers, even with a single worker, who operate in sectors not envisaged under the legislation on wage supplementary benefits, will have to set up bilateral solidarity fund, through trade unions and employers' organisations, so as to provide wage supplementary benefits equal to the ordinary benefits provided for by Act no. 148\2015. The regular payment of ordinary contribution to all the bilateral solidarity funds is a condition to receive the DURC certificate; and, in the event of non-compliance, as of 1 January 2023, these employers will be integrated in the fund for wage supplementary benefits.

Rationalisation of existing bodies: Over time, numerous bodies have been set up by social partners, financed by the employers and in some cases also by the workers, with the aim of creating supplementary forms of protection with respect to public ones¹⁵. A special mention should be made of 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 Multicategory 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 derogatory redundancy funds to very small enterprises. However, due to the 'inertia' of social partners in the dissemination of solidarity funds, the legislator had to intervene, which, as mentioned in footnote 2, provided for the obligation to set up new solidarity funds also for employers with only one employed worker, who operate in sectors not covered by wage supplementary benefit legislation, and made this procedure conditional to receive the certificate of regular payment of contributions (DURC).

Table 4.13 - Final accounts, income and expenditure 2021

FONDI DI SOLIDARIETÀ BILATERALE EX ART. 3, COMMI 4 E SS. LEGGE 28 GIUGNO 2012, N. 92 E ART. 26 E SS D.LGS 148/2015 e FONDI TERRITORIALI INTERSETTORIALI DELLE PROVINCE AUTONOME DI TRENTO E BOLZANO EX ART. 40, D.LGS. 148 DEL 2015								
DENOMINAZIONE	Entrate per contributi ordinari e contributo addizionale	Spese per prestazioni ordinarie	Contribuzione correlata prestazioni ordinarie	Entrate per contributi straordinari	Spese per prestazioni straordinarie	Costi di gestione assegni straordinari	Spese di amministrazione totali (comprensivi dei costi di gestione assegni straordinari)	Patrimonio al 31/12/2021
Fondo di Integrazione Salariale	455.145.475,63	288.848.153,53	203.282.956,90				1.546.724,38	1.509.989.937,93
Gruppo Poste Italiane S.p.A.	17.943.057,14	414.679,45	-				922.897,52	149.516.770,36
Aziende di trasporto pubblico	17.311.712,37	2.200.637,64	29.088,26				467.046,79	89.095.289,68
Aziende del settore dell'industria armatoriale (SOLIMARE)	2.646.644,48	676.218,43	531.723,83				169.023,71	17.187.510,32
Aziende del settore ormeggiatori e barcaoli porti italiani	165.444,75	146.930,35	243.898,10				20.628,79	189.886,12
Fondo di solidarietà del Trentino	4.801.129,26	4.751.236,79	4.073.900,01				197.872,54	24.623.522,07
Fondo di solidarietà della provincia autonoma di Bolzano	6.472.538,37	4.433.679,49	4.145.223,73				231.745,57	27.991.312,35
Fondo di solidarietà servizi ambientali	25.401.822,88	-	-				427.571,80	26.501.096,49
Fondo di solidarietà attività professionali	37.935.117,37	-	-				27.714,23	40.746.908,12
Credito	31.691.863,92	36.635.414,42	22.113.068,53	941.756.105,52	944.020.190,79	3.585.849,09	4.431.198,34	93.667.416,19
Credito cooperativo	6.384.087,57	1.477.251,41	505.917,32	34.334.633,33	36.408.751,35	156.757,83	340.469,92	75.689.356,52
Imprese assicuratrici	7.340.599,95	3.203.329,83	1.378.369,73	78.630.778,80	77.678.830,50	335.589,00	439.550,10	45.664.547,89
Servizio della riscossione dei tributi erariali	1.195.457,10	39.424,27	32.355,97	51.449,30	2.773.293,66	25.693,23	441.312,65	7.754.881,97
Fondo di solidarietà delle Ferrovie	4.448.979,90	19.690.901,64	4.605.379,38	14.913.410,21	15.332.211,14	235.498,68	441.300,92	4.759.384,14
TOTALE	618.883.930,69	362.517.857,25	240.941.881,76	1.069.686.377,16	1.076.213.277,44	4.339.387,83	10.105.057,26	2.113.377.820,15
Fondo Trasporto Aereo	4.902.677,51	373.050.322,81	473.735,00	254.039.278,08			1.301.076,12	917.746.099,96
TOTALE	623.786.608,20	735.568.180,06	241.415.616,76	1.069.686.377,16	1.076.213.277,44	4.339.387,83	11.406.133,38	3.031.123.920,11

Solidarity Funds-; 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 and additional contributions, Ordinary benefit expenditure, Contribution correlated to ordinary benefits, extraordinary contribution revenues, extraordinary benefit expenditure; operating costs and extraordinary expenses, Total operating expenses including operating costs and extraordinary expenses Financial results on December 31, 2021; Fund for supplementary wage benefits; Gruppo Poste Italiane, Public transportation companies, Companies in the shipping industry, Companies in the port docking and boating sector, Solidarity fund of Trentino, Solidarity fund of the autonomous province of Bolzano; Solidarity fund for environmental services, Solidarity fund for professional activities, Credit, Cooperative credit, insurance companies, tax collection service, Solidarity fund of Ferrovie; Total; Fund for air transportation, Total

¹⁵ Act no. 662 of 1996 introduced, on an experimental basis, sectoral solidarity funds within INPS, on the basis of specific collective bargaining agreements between social partners and on a voluntary basis, with the aim of providing some specific benefits.

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' 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 more flexible retirement solutions. To this end, it would be desirable to adopt legislative initiatives and/or memoranda of understanding with social partners to create a **multifunctional structure for each economic macro sector** (agriculture, industry, retail, credit, insurance, etc.); this may 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. In addition to their training and retraining role to help people return to work, these entities should finally act as **redundancy funds** that have become increasingly popular (in particular those currently operating in banks and insurance companies). 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 requirements (until its end) to workers in their respective sectors; b) the introduction of expansion contracts¹⁶ under Act no. 58 of June 28, 2019, and Article 26 quater, that envisaged a five-year incentive for subjects working with companies with at least 1,000 employees which 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 Bis Decree (La Decree no 73 of 25.5.2021) extended and strengthened the possibilities offered by the expansion contracts, also with a gradual lowering of the access threshold down to 100 employees, so as to support companies in crisis due to the Covid 19 pandemic, further reduced to 50 employed workers under Act no. 234/2021. Art. 1 par. 215. These rules show that early retirements, APE, arduous jobs and similar measures are still mainly financed by **enterprises** except in particular cases of unemployed persons who can no longer be reintegrated into the production system. Therefore, solidarity funds/redundancy funds should really be expanded and more generally implemented with a specific regulation also in view of the revision of the entire system of bilateral funds (**Table 4.12 bis**).

¹⁶ The expansion contract makes it possible to initiate agreed redundancy plans for workers who are no more than 60 months away from becoming eligible for either an old age or early retirement pension. Employers pay a monthly 'redundancy allowance' commensurate with the gross pension accrued by the worker at the time of termination until the first useful retirement date. From this amount is deducted the amount of the NASpI benefits that would have been due to the worker for the period of unemployment. If the termination of employment is related to early retirement, employers also pay the social security contributions useful for this entitlement, reduced by the amount of the notional contributions, which, in any case, are calculated in full. Incidentally, the cost of expansion contracts to businesses is also significantly lower than the cost of isopensions.

Table 4.13 - Governing Bodies and Entities, Functions, Benefits and Financing

New subjects	Institutional purposes	Financing
Funds for training	Vocational training, including that currently provided by inter-professional funds	Part of the contributions currently paid by bilateral entities
Redundancy funds	<p>Income-support benefits</p> <p>Extraordinary allowance for early retirement, following the model already used for solidarity funds in the credit sector and others</p>	<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 3 million euros in December 2021, down by about 125 million in 2020; - Reinstatement of the former mobility contribution (0.30% of the total income) abolished in 2017 by Act no. 92/2012, with revenues of approximately 600 million euros per year; - funding currently allocated to interprofessional funds (0.30% of the total amount of wages under Acts no. 388/2000 and no. 30/2003), with 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.

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

Up to this point, the Report has analysed the data on pension and welfare benefits obtained from the financial statements of INPS and of other funds. In this Chapter, we analyse 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 the *INPS Central Registry of Pensioners and Pensions*. In this way, we can obtain a complete picture of the benefits provided, also including indemnity and welfare benefits; however, this picture does not include the pension benefits paid to retirees of constitutional bodies and entities and 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

Number of pensioners: as, already pointed out in previous the chapters, the pension reforms introduced more stringent retirement requirements with an all-time-low number of pensioners in 2018; however, the exceptions envisaged as of 2014 and the introduction in 2019 of the 100 quota measure in 2019 put a stop to the reduction in the number of pensioners in the Italian system, with a growth from 16,004,503 in 2018, to 16,035,165 in 2019, to 16,041,202 in 2020 and to 16,098,748 in 2021; of these, **51.8%** are women, who receive more than 87.1%¹ of all survivors' pensions (with benefits ranging from 60% to 30%, depending on their income). In 2021, there were 57,546 more pensioners than in 2020 with a **0.36%** growth; however, the number of women receiving a pension increased by 20,219 vs. 2020 (their number had dropped by 14,400 between 2019 and 2020), and the same for the number of men, +37,327 (with respect to +20,437 in 2020). (*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 benefits and of pension income on December 31, 2020 and 2021

Sesso/Anno	Numero pensionati		Tasso di pensionamento grezzo ⁽¹⁾		Importo complessivo (milioni di euro)		Numero pensioni		Numero pensioni per pensionato		Importo medio annuo pensioni		Importo medio annuo redditi pensionistici	
	2020	2021	2020	2021	2020 ⁽²⁾	2021 ⁽²⁾	2020	2021	2020	2021	2020	2021	2020	2021
Maschi	7.729.862	7.767.189	26,78%	27,02%	172.771	175.520	10.207.666	10.242.787	1,32	1,32	16.925,62	17.135,97	22.351,12	22.597,63
Femmine	8.311.340	8.331.559	27,35%	27,56%	134.919	137.483	12.509.454	12.516.010	1,51	1,50	10.785,33	10.984,54	16.233,08	16.501,42
Totale	16.041.202	16.098.748	27,07%	27,29%	307.690	313.003	22.717.120	22.758.797	1,42	1,41	13.544,40	13.753,04	19.181,21	19.442,67

Gender/year, no. of pensioners, raw retirement rate (1), overall amount (millions of euros), no. of pensions, no. of pensions per pensioner, average amount of benefits per year, average amount of pension-related income per year, Men, Women, Total; Source: *INPS Central Registry of Pensioners and Pensions*; the 2021 data are provisional; 1) no. of pensioners/resident population; 2) see Table 5.3 for the breakdown of figures

The significant drop in number of retired women in the past few years stopped, 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 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 **27.29%** of residents, i.e. **1 pensioner out of 3.66 residents**, far too high. In the whole period from

¹ As to survivors' pensions directly provided by INPS, on 1.1.2022, the number of survivors' benefits paid to women was equal to 3,697,907, that is 87% of the total out of a total of 4,249,339 pensions (INPS private-sector and public-sector pension-GDP funds).

2008 and 2021 (see **Table 5.2**), the number of pensioners decreased by a total of 680,807 individuals, i.e. - 4.40%.

Number of benefits: in 2021, the number of benefits increased compared to 2020, from 22,717,120 in 2020 to 22,758,797 in 2021 (+0.18%); in the 2008-2021 period, there was a drop in the number of benefits by 948,498 pensions (-4.00% in 14 years); this was due to a reduction in old-age, disability and survivors' benefits (IVS) (-4.87%) and in annuities (-30.64%), offset by the counter upward trend of welfare pensions, which grew by almost 249,944 (+6.05%) over the same period (**Table 5.2**). In 2021, IVS benefits featured a growth vs. 2020, while annuities continued to decrease (+1.14% and -2.68%, respectively), while welfare benefits picked up again (+0.79%)² after the administrative halt caused by the pandemic and the lockdown in 2020.

Table 5.2 - Number of outstanding pensioners and pensions by category, annual and overall percentage variation on December 31 from 2008 to 2021

	Anni														Variazioni ass. e % del periodo 2021/2008
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
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	16.098.748	-680.807
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	0,36%	-4,06%
Numero pensioni IVS (1)	18.626.737	18.600.174	18.620.674	18.569.652	18.469.661	18.230.958	18.089.748	17.962.816	17.795.577	17.757.896	17.698.960	17.695.435	17.694.155	17.719.800	-906.937
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	0,14%	-4,87%
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	659.759	-291.505
Variazione percentuale annua	-	-4,60	-3,02	-3,70	-2,39	-2,60	-2,45	-2,32	-2,52	-2,12	-2,24	-2,38	-3,04	-2,68%	-30,64%
Numero pensioni assistenziali (3)	4.129.294	4.216.007	4.147.165	4.135.541	4.138.303	4.132.262	4.166.498	4.195.364	4.242.824	4.316.520	4.370.538	4.411.128	4.345.048	4.379.238	249.944
Variazione percentuale annua	-	2,10	-1,63	-0,28	0,07	-0,15	0,83	0,69	1,13	1,74	1,25	0,93	-1,50	0,79%	6,05%
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	22.758.797	- 948.498
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	0,18%	-4,00%

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*; (2) *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*; Source: INPS Central Registry of Pensioners and Pensions, the 2021 data are provisional.

Types of pension, indemnity and welfare benefits: in 2021, the number of **pension benefits** paid amounted to **22,758,797**, of which **17,719,800 IVS benefits** (INPS private-sector and public-sector funds, schemes for professionals and complementary benefits), plus **4,379.238 INPS welfare benefits**, of which 3,439,828 for disabled civilians, 816,180 social pensions and allowances, 122,630 direct and indirect veterans' pensions from the Ministry of Economy and **659,759 INAIL indemnity benefits (Table 5.3)**. It is important to point out that there is a difference between the data in this Report ³ and those from the INPS/ISTAT Registry (**Table 5.3**) due to the different date of data extraction: December 31, 2021 from the INPS pension archive and July 2022 from the Registry. This may be the cause of discrepancies in the number and amounts of pension benefits. For example, some pensions starting as of December 1, 2021, may have been processed, calculated and settled late in March 2022; however, the Registry calculates them even if they are not included among the "outstanding pensions on 31/12/2021"; 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 484,000 IVS pension benefits of the schemes for professionals, pension benefits of sectoral and non-sectoral complementary funds,

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**, **B.31a-b** and **I.a**.

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 31/12/2021 was lower than that reported in the Registry by 870,242 benefits, with 265,259 benefits for disabled civilians and 8,675 social pensions and allowances.

Table 5.3 shows the total annual amount of IVS pensions, which was equal to **283.411 billion** euros (of which 57.3% was paid to 45% of IVS pensions for men and 42.7% of the aforesaid amount to 55.0% of IVS pensions for women). This amount is almost 4.9 billion euros higher than the 278,449 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 privatised schemes for professionals, outside the INPS world, (very limited) and of complementary pension funds (occupational, open-end and insurance funds).

Table 5.3 - Pension benefits and their total and average annual amount by type of pension in 2020 and 2021

Tipologia di pensione	2020						2021					
	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	17.694.155	77,9	278.469	90,5	15.738	116,2	17.719.800	77,9	283.411	90,5	15.994	116,3
Vecchiaia	12.012.541	52,9	221.920	72,1	18.474	136,4	12.122.122	53,3	227.277	72,6	18.749	136,3
Invalità	1.051.653	4,6	13.284	4,3	12.632	93,3	996.033	4,4	12.644	4,0	12.694	92,3
Superstiti	4.629.961	20,4	43.264	14,1	9.344	69,0	4.601.645	20,2	43.490	13,9	9.451	68,7
Indennitarie	677.917	3,0	4.022	1,3	5.933	43,8	659.759	2,9	4.061	1,3	6.156	44,8
Assistenziali	4.345.048	19,1	25.199	8,2	5.799	42,8	4.379.238	19,2	25.531	8,2	5.830	42,4
Invalità civile	3.402.372	15,0	19.276	6,3	5.666	41,8	3.439.828	15,1	19.574	6,3	5.691	41,4
Pensioni sociali	808.362	3,6	4.827	1,6	5.972	44,1	816.780	3,6	4.920	1,6	6.024	43,8
Guerra	134.314	0,6	1.095	0,4	8.155	60,2	122.630	0,5	1.037	0,3	8.453	61,5
Totale	22.717.120	100,0	307.690	100,0	13.544	100,0	22.758.797	100,0	313.003	100,0	13.753	100,0

Type of pension, No. of pensions, Overall amount, millions of euros, Average amount; IVS benefits: Old-age, Disability, Survivors' benefits, Indemnity benefits; Welfare benefits: Benefits for disabled civilians, Social pensions, Veterans' benefit, Total; Source: INPS Central Registry of Pensioners and Pensions, the 2021 data are provisional

Average pension benefits and per capita gross and net pension income: the amounts of pension benefits and of pension income are extensively studied and analysed; therefore, for sake of accuracy, it is important to stress that the gross average amount of pension benefits and the average per capita pension income before and after taxes are fundamental to evaluate the **social adequacy** of benefits. **Tables 5.4** and **5.5** below illustrate in detail the number of pensions and the number of pensioners and their related amounts with respect to minimum benefits, equal to 515.58 euros per month in 2021; in particular, **Table 5.4** shows **the number of benefits** reported in **Table 5.3** before taxes (personal income taxes, additional taxes and detractions and bonuses, if any); instead, **Table 5.5** shows the **number of pensioners** with **their gross and net pension income**⁴ and their related amounts.

1) The average amount of pension benefits, calculated on the total number of benefits (22,758,797), is equal to **13,754,04 euros per year before taxes** (1,058 per month for 13 months).

2) Since there are 16,098,748 pensioners receiving these benefits, the average per capita pension income⁵ is equal to **19,442.27 euros per year before taxes** (about 15,875 euros per year after taxes),

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 and of course the deductions and detractions finalized when drafting the personal-income-tax statement. 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 5.1**, i.e. **1.414** pensions for each pensioner.

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.

therefore **1,496 euros per month before taxes** (1,221 euros per month after taxes) always for 13 months. The latter figure is the more correct, even though the former is often improperly circulated, dividing the total value of pension expenditure (313.003 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 57.4 billion** out of 313.003 billion euros' worth of gross pension expenditure; this would result in **a total average tax rate of 18.4%** (17.6% in 2018 and 17.9% in 2019 and 18.1% in 2020), thus reducing net pension expenditure to about **255.565 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 (about 11.2 million) are not subject to IRPEF; not only, for low pensions, the IRPEF rate is reduced to around 3%/4% up to a gross annual amount of around 13,400 euros, considering both the '**no tax area**' (8,500 euros per year for pensioners) and the tax deductions and detractions from which they benefit. In fact, according to the results of the IRPEF survey on incomes for 2021⁶, 44.2% of all pensioners pay only 6.9% of personal income taxes, while 38.7% pay over 80.7%. This means that, in 2021, most of the tax burden, equal to 83.0% (82.3% in 2020 vs 81.8% in 2019), was borne by just over 6.206 million pensioners, that is 38.5%, namely those with a pension income 3 times as high as the minimum benefits, for a total taxable amount of about 202 billion euros out of 313 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 benefits) was equal to 1,044,139, 6.5% of the total, which coincides with the *average incomes* deriving from the salaries of the almost 608,000 managers, officials and executives currently working in the private sector, which confirms an adequate 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 7.409 million, but with 2,146,638 *pensioners*. The same applies to the next amount level (from 515.59 euros to 1,031.16 euros per month before taxes), with over 6.947 million pension benefits, out of 3.811 million pensioners. This is explained by the fact that pension income often includes, for the same individual (32.1% of pensioners), a medium or high pension and a second or third low pension (shares of international pensions, additional benefits, caregivers' allowances, supplementary or complementary pensions, survivors' pensions, etc.); when these 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 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 14.356 million benefits up to two times the minimum benefits (1,031.16 euros), equal to 63.1% of outstanding pensions, but there are about 5.957 million pensioners (37% of the total), 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 with the "benefits on top of Berlusconi's million" incentive⁷, which in 2021 reached 136.44 euros per month (an amount of 652.52 euros per month if added to the extra benefits). 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. Or these are supplementary old-age

⁶ See the Observatory on Public Expenditure and Revenues: "2021 Personal Income Tax Statements ", produced by the Itinerari Previdenziali Study and Research Centre available on the www.itinerariprevidenziali.it website.

⁷ Art. 38 of Act no. 488/2001.

pensions obtained after the age of 67 thanks to contributions paid before or after retirement in a fund other than the main one, if these contributions are not sufficient to establish an independent right to a pension. For example, in the INPS separate scheme, there are more than 400,000 supplementary old age pensions (second pensions), and these pensioners have a mean age of 75.2 years and receive average gross amount of 236.49 euros per month, determined on the basis of contribution-based method, and they are taxed at the marginal IRPEF rate. 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 always necessary 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 **1.414 pensions**, almost 1 and a half pension each. In 2021, **67.9%** of *pensioners* received **1 benefit**, **24.3%** 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 survivors' pensions which range from 30% to 60% of direct pension benefits related to their income and are sometimes shared with other family members (spouses and children)?

The same holds true for social pensions or social allowances (379.33 and 460.28 euros per month respectively in 2021), minimum supplementary benefits (515.58 euros), the so-called "one million per month" benefits (652.52 euros), the benefits for disabled civilians (287.09 euros per month), caregivers' benefits (522.10 euros for 12 months) or the INAIL indemnities for industrial accidents or for occupational diseases (on average 473.51 euros per month); why include them in the calculation of the average pension? Instead, these data should be separated. 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 5,957,322 pensioners (vs. about 7.3 million beneficiaries), the average pension income (financed by contributions) of the remaining 10.141 million pensioners would amount to **26,441.70** euros per year before taxes (vs. the official 19,442.67 euros before taxes) equal to about 19,902 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**; moreover, in calculating the means, it is important to remove approximately 611,000 pensioners under the age of 40 (96% of disabled civilians and then 2% of orphans with a 20% share of the survivors' pension, or young survivors).

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 **43.9%** of the total

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

amount of pension benefits before taxes: 175,520 million euros for men and 137,483 million euros for women. By adding up pension benefits, welfare benefits and annuities (a total of 22,758,797 pensions) and considering pensioners instead of the amount of each benefit, the annual pension income of women rises to **16,501 euros** and that of men to **22,598 euros**. *Retired women* have the highest number of *per capita* pensions: **1.50 pensions per capita on average** compared to **1.32** for men. In fact, women account for 58.5% of beneficiaries of 2 pensions, for 68.6% of beneficiaries of 3 pensions and for 70.2% of recipients of 4 + types of benefits. In 2021, the number of survivors' pensioners was equal to 4,629,961, about two thirds of whom (*about 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 83.2% of minimum benefits); women are also the main beneficiaries of additional benefits, additional social benefits (67.9%), the 14th month salary. 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 (49.4 vs. 67.1 for men in 2021), especially in the South (33 women vs. 56.8 men) and of career levels.

Table 5.4 - Number of pensions and overall gross annual ⁽¹⁾ benefits by monthly amounts ⁽²⁾- 2021

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	7.408.581	31.576.651.694	4.262,17
Da 1 a 2 volte il minimo	Da 515,59 a 1031,16	6.947.372	63.478.634.924	9.137,07
Da 2 a 3 volte il minimo	Da 1031,17 a 1546,74	3.458.471	57.808.807.000	16.715,13
Da 3 a 4 volte il minimo	Da 1546,75 a 2062,32	2.181.552	50.746.708.704	23.261,75
Da 4 a 5 volte il minimo	Da 2062,33 a 2577,90	1.376.746	41.127.644.696	29.873,08
Da 5 a 6 volte il minimo	Da 2577,91 a 3093,48	591.704	21.548.819.777	36.418,24
Da 6 a 7 volte il minimo	Da 3093,49 a 3609,06	282.459	12.187.651.653	43.148,39
Da 7 a 8 volte il minimo	Da 3609,07 a 4124,64	149.628	7.475.098.134	49.957,88
Da 8 a 9 volte il minimo	Da 4124,65 a 4640,22	94.609	5.374.499.493	56.807,49
Da 9 a 10 volte il minimo	Da 4640,23 a 5155,80	71.360	4.532.232.742	63.512,23
Da 10 a 11 volte il minimo	Da 5155,81 a 5671,38	58.753	4.128.859.209	70.274,87
Da 11 a 12 volte il minimo	Da 5671,39 a 6186,96	44.702	3.433.427.404	76.807,02
Da 12 a 13 volte il minimo	Da 6186,97 a 6702,54	27.832	2.326.325.902	83.584,58
Da 13 a 14 volte il minimo	Da 6702,55 a 7218,12	19.059	1.719.768.590	90.233,94
Da 14 a 15 volte il minimo	Da 7218,13 a 7733,70	13.919	1.350.614.307	97.033,86
Da 15 a 16 volte il minimo	Da 7733,71 a 8249,28	8.986	931.768.009	103.691,08
Da 16 a 17 volte il minimo	Da 8249,29 a 8764,86	5.456	602.164.677	110.367,43
Da 17 a 18 volte il minimo	Da 8764,87 a 9280,44	3.704	433.691.703	117.087,39
Da 18 a 19 volte il minimo	Da 9280,45 a 9796,02	2.491	308.411.063	123.810,14
Da 19 a 20 volte il minimo	Da 9796,03 a 10311,60	1.877	245.061.930	130.560,43
Da 20 a 21 volte il minimo	Da 10311,61 a 10827,18	1.529	209.919.165	137.291,80
Da 21 a 22 volte il minimo	Da 10827,19 a 11342,76	1.316	189.539.183	144.026,74
Da 22 a 23 volte il minimo	Da 11342,77 a 11858,34	1.174	176.930.227	150.707,18
Da 23 a 24 volte il minimo	Da 11858,35 a 12373,92	1.017	159.955.607	157.281,82
Da 24 a 25 volte il minimo	Da 12373,93 a 12889,5	750	123.031.403	164.041,87
Da 25 a 26 volte il minimo	Da 12889,51 a 13405,08	691	118.148.127	170.981,37
Da 26 a 27 volte il minimo	Da 13405,09 a 13920,66	673	119.396.571	177.409,47
Da 27 a 28 volte il minimo	Da 13920,67 a 14436,24	397	73.144.822	184.243,88
Da 28 a 29 volte il minimo	Da 14436,25 a 14951,82	354	67.503.108	190.686,75
Da 29 a 30 volte il minimo	Da 14951,83 a 15467,40	245	48.373.624	197.443,36
Da 30 a 31 volte il minimo	Da 15467,41 a 15982,98	204	41.645.178	204.143,03
Da 31 a 32 volte il minimo	Da 15982,99 a 16498,56	158	33.318.632	210.877,41
Da 32 a 33 volte il minimo	Da 16498,57 a 17014,14	124	26.981.418	217.592,08
Da 33 a 34 volte il minimo	Da 17014,15 a 17529,72	88	19.729.931	224.203,76
Da 34 a 35 volte il minimo	Da 17529,73 a 18045,30	81	18.716.702	231.070,40
Da 35 a 36 volte il minimo	Da 18045,31 a 18560,88	71	16.884.985	237.816,69
Da 36 a 37 volte il minimo	Da 18560,89 a 19076,46	55	13.449.356	244.533,75
Da 37 a 38 volte il minimo	Da 19076,47 a 19592,04	51	12.820.977	251.391,70
Da 38 a 39 volte il minimo	Da 19592,05 a 20107,62	46	11.856.402	257.747,87
Da 39 a 40 volte il minimo	Da 20107,63 a 20623,20	41	10.845.099	264.514,62
Da 40 a 41 volte il minimo	Da 20623,21 a 21138,78	38	10.306.177	271.215,19
Da 41 a 42 volte il minimo	Da 21138,79 a 21654,36	32	8.911.482	278.483,82
Da 42 a 43 volte il minimo	Da 21654,37 a 22169,94	25	7.124.172	284.966,86
Da 43 a 44 volte il minimo	Da 22169,95 a 22685,52	27	7.871.236	291.527,24
Da 44 a 45 volte il minimo	Da 22685,53 a 23201,10	26	7.746.602	297.946,23
Da 45 a 46 volte il minimo	Da 23201,11 a 23716,68	24	7.319.458	304.977,41
Da 46 a 47 volte il minimo	Da 23716,69 a 24232,26	16	4.974.537	310.908,59
Da 47 a 48 volte il minimo	Da 24232,27 a 24747,84	14	4.472.641	319.474,37
Da 48 a 49 volte il minimo	Da 24747,85 a 25263,42	16	5.209.565	325.597,84
Da 49 a 50 volte il minimo	Da 25263,43 a 25779,00	26	8.623.503	331.673,19
Oltre 50 volte il minimo	Oltre 25779,00	227	101.063.593	445.214,07
Totale		22.758.797	313.002.655.097	13.753,04

Monthly amounts (divided by 13), Number of pensions, Overall gross annual benefits, Average gross annual benefits; up to 1 time the minimum benefits, from....up to...times the minimum benefits.

Table 5.5 - Number of pensioners and overall annual ⁽¹⁾ gross and net pension income by gross monthly income levels ⁽²⁾ - 2021

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	2.146.638	8.194.138.984	3.817,20	8.194.138.984	3.817,20	0%
Da 1 a 2 volte il minimo	Da 515,59 a 1031,16	3.810.684	36.651.983.814	9.618,22	35.169.284.114	9.229,13	4,0%
Da 2 a 3 volte il minimo	Da 1031,17 a 1546,74	3.935.639	65.634.241.970	16.676,90	57.346.488.241	14.571,07	12,6%
Da 3 a 4 volte il minimo	Da 1546,75 a 2062,32	2.724.764	63.445.069.268	23.284,61	52.145.362.310	19.137,57	17,8%
Da 4 a 5 volte il minimo	Da 2062,33 a 2577,90	1.648.351	49.258.878.942	29.883,73	38.693.986.500	23.474,36	21,4%
Da 5 a 6 volte il minimo	Da 2577,91 a 3093,48	788.533	28.757.399.509	36.469,49	21.729.645.923	27.557,05	24,4%
Da 6 a 7 volte il minimo	Da 3093,49 a 3609,06	389.832	16.828.210.614	43.167,85	12.349.975.924	31.680,25	26,6%
Da 7 a 8 volte il minimo	Da 3609,07 a 4124,64	201.619	10.068.003.690	49.935,79	7.229.871.333	35.859,08	28,2%
Da 8 a 9 volte il minimo	Da 4124,65 a 4640,22	120.700	6.850.785.560	56.758,79	4.766.134.642	39.487,45	30,4%
Da 9 a 10 volte il minimo	Da 4640,23 a 5155,80	85.064	5.401.394.218	63.498,00	3.671.507.720	43.161,71	32,0%
Da 10 a 11 volte il minimo	Da 5155,81 a 5671,38	67.591	4.748.771.699	70.257,46	3.181.602.958	47.071,40	33,0%
Da 11 a 12 volte il minimo	Da 5671,39 a 6186,96	54.605	4.198.884.532	76.895,61	2.780.352.314	50.917,54	33,8%
Da 12 a 13 volte il minimo	Da 6186,97 a 6702,54	36.272	3.030.794.009	83.557,40	1.984.303.881	54.706,22	34,5%
Da 13 a 14 volte il minimo	Da 6702,55 a 7218,12	24.447	2.206.269.409	90.247,04	1.430.340.862	58.507,83	35,2%
Da 14 a 15 volte il minimo	Da 7218,13 a 7733,70	17.693	1.716.879.496	97.037,22	1.103.650.738	62.377,82	35,7%
Da 15 a 16 volte il minimo	Da 7733,71 a 8249,28	12.155	1.260.453.612	103.698,36	804.453.003	66.182,89	36,2%
Da 16 a 17 volte il minimo	Da 8249,29 a 8764,86	8.216	906.806.969	110.370,86	575.168.696	70.005,93	36,6%
Da 17 a 18 volte il minimo	Da 8764,87 a 9280,44	5.917	693.212.767	117.156,12	437.052.627	73.863,89	37,0%
Da 18 a 19 volte il minimo	Da 9280,45 a 9796,02	4.042	500.374.155	123.793,70	314.692.227	77.855,57	37,1%
Da 19 a 20 volte il minimo	Da 9796,03 a 10311,60	2.924	381.625.654	130.514,93	238.575.425	81.592,14	37,5%
Da 20 a 21 volte il minimo	Da 10311,61 a 10827,18	2.264	310.709.458	137.239,16	194.408.751	85.869,59	37,4%
Da 21 a 22 volte il minimo	Da 10827,19 a 11342,76	1.905	274.365.715	144.024,00	171.021.775	89.775,21	37,7%
Da 22 a 23 volte il minimo	Da 11342,77 a 11858,34	1.550	233.546.534	150.675,18	144.479.843	93.212,80	38,1%
Da 23 a 24 volte il minimo	Da 11858,35 a 12373,92	1.320	207.638.940	157.302,23	128.193.234	97.116,09	38,3%
Da 24 a 25 volte il minimo	Da 12373,93 a 12889,5	982	161.083.576	164.036,23	99.854.368	101.684,69	38,0%
Da 25 a 26 volte il minimo	Da 12889,51 a 13405,08	864	147.578.008	170.807,88	91.179.064	105.531,32	38,2%
Da 26 a 27 volte il minimo	Da 13405,09 a 13920,66	781	138.594.494	177.457,74	89.199.987	114.212,53	35,6%
Da 27 a 28 volte il minimo	Da 13920,67 a 14436,24	602	110.954.323	184.309,51	70.544.801	117.184,06	36,4%
Da 28 a 29 volte il minimo	Da 14436,25 a 14951,82	494	94.344.145	190.980,05	61.801.142	125.103,53	34,5%
Da 29 a 30 volte il minimo	Da 14951,83 a 15467,40	360	71.065.428	197.403,97	47.108.186	130.856,07	33,7%
Da 30 a 31 volte il minimo	Da 15467,41 a 15982,98	305	62.282.074	204.203,52	40.420.350	132.525,74	35,1%
Da 31 a 32 volte il minimo	Da 15982,99 a 16498,56	230	48.511.954	210.921,54	31.585.488	137.328,21	34,9%
Da 32 a 33 volte il minimo	Da 16498,57 a 17014,14	188	40.933.980	217.733,94	25.537.312	135.836,76	37,6%
Da 33 a 34 volte il minimo	Da 17014,15 a 17529,72	153	34.329.345	224.374,80	21.134.274	138.132,51	38,4%
Da 34 a 35 volte il minimo	Da 17529,73 a 18045,30	110	25.439.192	231.265,38	15.441.092	140.373,57	39,3%
Da 35 a 36 volte il minimo	Da 18045,31 a 18560,88	107	25.464.743	237.988,26	15.548.529	145.313,36	38,9%
Da 36 a 37 volte il minimo	Da 18560,89 a 19076,46	80	19.588.174	244.852,17	11.994.773	149.934,66	38,8%
Da 37 a 38 volte il minimo	Da 19076,47 a 19592,04	70	17.583.263	251.189,47	10.596.780	151.382,58	39,7%
Da 38 a 39 volte il minimo	Da 19592,05 a 20107,62	61	15.718.297	257.677,01	9.788.362	160.464,95	37,7%
Da 39 a 40 volte il minimo	Da 20107,63 a 20623,20	46	12.157.012	264.282,86	7.461.578	162.208,22	38,6%
Da 40 a 41 volte il minimo	Da 20623,21 a 21138,78	51	13.823.204	271.043,22	8.352.907	163.782,49	39,6%
Da 41 a 42 volte il minimo	Da 21138,79 a 21654,36	43	11.973.727	278.458,78	7.118.848	165.554,60	40,5%
Da 42 a 43 volte il minimo	Da 21654,37 a 22169,94	39	11.132.135	285.439,37	6.738.908	172.792,50	39,5%
Da 43 a 44 volte il minimo	Da 22169,95 a 22685,52	27	7.874.934	291.664,23	4.799.923	177.774,92	39,0%
Da 44 a 45 volte il minimo	Da 22685,53 a 23201,10	30	8.945.044	298.168,14	5.420.414	180.680,46	39,4%
Da 45 a 46 volte il minimo	Da 23201,11 a 23716,68	31	9.461.053	305.195,25	5.604.530	180.791,30	40,8%
Da 46 a 47 volte il minimo	Da 23716,69 a 24232,26	23	7.159.443	311.280,13	4.247.925	184.692,38	40,7%
Da 47 a 48 volte il minimo	Da 24232,27 a 24747,84	20	6.385.794	319.289,69	3.776.502	188.825,12	40,9%
Da 48 a 49 volte il minimo	Da 24747,85 a 25263,42	22	7.156.152	325.279,65	4.237.504	192.613,83	40,8%
Da 49 a 50 volte il minimo	Da 25263,43 a 25779,00	26	8.610.518	331.173,79	5.085.575	195.599,06	40,9%
Oltre 50 volte il minimo	Oltre 25779,00	278	124.065.567	446.279,02	75.350.487	271.044,92	39,3%
Totale		16.098.748	313.002.655.096	19.442,67	255.564.621.634	15.874,81	18,4%

Monthly pension income levels, (divided by 13), No. of pensioners, overall gross pension income, average gross pension income, overall net pension income (3), average net pension income (3), 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 2021 minimum benefits equal to 515.58 euros per month. **(3)** Estimated amounts. *Source: INPS - Central Registry of Pensioners 2021.*

5.1.1 Welfare benefits

Table 5.6 and D1 (web attachment) show that, in 2021, **4,106,597** benefits were provided with an *entirely welfare nature* (benefits for disabled civilians, caregivers' allowances, social and veterans' benefits) and another **7,047,365** with a typical welfare character (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 shares, very low contributions have been paid and for a few years. However, in order to determine the number of beneficiaries of benefits with an entire welfare nature, it is necessary to subtract the **401,029** dual benefits to those who simultaneously receive a disability pension and a caregiver's allowance; so, by adding **601,298 beneficiaries** of a disability pension to **1,771,213 recipients** of the allowance alone and to the **401,029** recipients of both benefits, the **total number of disabled civilians** is equal to **2,773,540**. To these must be added the recipients of social pensions or allowances (808,105) and veterans' pensions (122,630), for a total of **3,704,275 pensioners receiving benefits of a complete welfare nature**.

**Table 5.6 – Number of welfare benefits and their overall and average annual amount by type of benefit
Benefits on December 31 in 2020 and 2021**

Tipo di prestazione	Numero prestazioni assistenziali		Importo annuo (milioni di euro)		Importo medio annuo (euro)	
	2020	2021	2020	2021	2020	2021
Pensioni di invalidità civile	1.014.779	1.002.327	3.843,0	3.831,0	3.787	3.822
Indennità di accompagnamento	2.165.887	2.173.535	12.973,9	12.873,8	5.990	5.923
Pensioni e assegni sociali	803.441	808.105	3.975,6	4.013,9	4.948	4.967
Pensioni di guerra	134.314	122.630	1.066,0	1.009,5	7.937	8.232
<i>dirette</i>	<i>55.838</i>	<i>52.639</i>	<i>687,8</i>	<i>658,4</i>	<i>12.318</i>	<i>12.508</i>
<i>indirette</i>	<i>78.476</i>	<i>69.991</i>	<i>378,2</i>	<i>351,2</i>	<i>4.820</i>	<i>5.017</i>
Totale	4.118.421	4.106.597	21.858,6	21.728,3	5.308	5.291
Altre prestazioni assistenziali						
Integrazioni al minimo	2.648.508	2.512.039	7.030,1	6.505,6	2.654	2.590
<i>maggiorazioni e integrazioni (1)</i>						
Maggiorazioni sociali	1.148.731	1.133.945	2.665,0	2.692,4	2.320	2.374
Quattordicesima	2.893.782	2.940.607	1.402,9	1.420,5	485	483
Importo aggiuntivo	541.522	460.774	82,5	70,2	152	152
Altre prestazioni assistenziali	4.584.035	4.535.326	4.150,4	4.183,1	905	922
TOTALI	8.702.456	8.641.923	26.009,0	25.911,3		

(1) Maggiorazioni di cui alle leggi n. 140/1985 (art. 1 e 2), n. 544/1988 (art. 1 e 2), n. 388/2000 (art.69 e 70) e n. 488/2001 (art.38), il c.d. "milione di Berlusconi". Nel caso di erogazione allo stesso soggetto di più di una maggiorazione sociale, queste sono contate una sola volta. In tabella sono escluse le maggiorazioni agli ex combattenti; altre maggiorazioni assistenziali alle pensioni ordinarie, quelli per ciechi, sordomuti, invalidi totali Fonte: Archivio delle pensioni INPS e Casellario Centrale dei Pensionati (pensioni di guerra).

Type of benefits; Number of welfare benefits; Annual Amount (millions of euros); **Average amount per year** (euros); Pensions for disabled civilians; Caregivers' allowances; Social pensions and allowances; Veterans' pensions; Direct, Indirect; **Other welfare benefits, Total; (1)** Additional benefits under Acts no. 140/1985 (Art. 1 and 2) no. 388/2000 (Art. 69 and 70) and no. 488/2001 (Art. 38), the so-called "Berlusconi's million". If a beneficiary receives more than 1 additional social benefit, these benefits are counted just once. The Table does not include the additional benefits for veterans, other additional welfare benefits related to ordinary pensions, other additional benefits for the visually and hearing impaired and for subjects with 100% disability. Source: *INPS pension archive and Central Registry of pensioners (veterans' pensions)*.

If we sum the number of beneficiaries with benefits of a complete welfare nature and the number of IVS benefits that have a partial welfare nature (supplementary minimum benefits) that amount to **2,512,039** net of duplications (the fourteenth month's salary, additional social benefits and the additional amount paid to those who are unable to pay, equal to 152 euros per year), we can estimate a total number of pensioners receiving benefits with a total or partial welfare nature⁹ equal to

⁹ In order to avoid duplications, only the recipients of minimum and additional social benefits were included among the beneficiaries of benefits with a partial welfare nature; instead the following were excluded: a) social surcharges which, following regulatory changes, are always combined with another welfare benefit; b) the additional amount (460,774 paid to the "incomeless" subjects equal to 152 euros at the end of the year); c) the 2,940,607 pensioners receiving the 14th

6,216,314, out of a total of 16,098,748 pensioners who do not pay or marginally pay personal income taxes. Moreover, 44.2% of all the new pensions paid (1,315,171) by INPS in 2021 (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 from 2014 to 2021, except for their slight slump in 2016 and 2017; instead, in 2021, they experienced a sharp decrease by 18.1%, probably due to the administrative slowdown in the payment of pensions and in the visits of the medical commissions caused by the pandemic. The backlog was phased out in 2021 with a 20.8 per cent increase in the number of benefits compared to 2020.

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 5.7 illustrates the distribution of the different types of the 16,846,588 IVS pensions paid by INPS (seniority/early, old-age, disability and survivors' benefits), of which 16,474,539 at the regional level and 375,019 for residents abroad (INPS data as of 31 December 2021) ¹⁰. For each of the four IVS categories: seniority, old age, disability and survivors, we calculated the percentage distribution by regions in Italy and by residents abroad, with respect to the total for the category. IVS pensioners residing in Italy account for 97.8% and those residing abroad for 2.2%. **Table 5.9** shows the number of IVS pensioners by province, as a percentage of the total for each category; residents abroad are excluded.

Seniority or early retirement pensions are more widespread in the northern regions, with 59% of the total (excluding residents abroad), since those who live 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 (10.2%), 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, often with many periods of safety net support: 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 (both at 2.3%) 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** (69.6%) mainly paid to residents in the Central-Northern regions of Italy compared to all the pensions in this category (excluding residents abroad): Lombardy 17.0%, Latium 8.6%, Emilia-Romagna 8.0%, Piedmont and Veneto 7.6%, Tuscany 7.0%, while Campania stands out in the South with 7.4%, followed by Sicily with 6.5% of the total. Old age pensions paid throughout Italy account for 96.8% and abroad for 3.2%. Instead, the South of Italy (33.6% of the Italian population) features the highest number of **disability pensions** (44.8%), with respect to the total (excluding residents abroad); for every 100 disability benefits, 11.2 are paid in Campania, 10.2 in Apulia and 9.0 in Sicily. In the Centre, Latium prevails with 9.7%. In the North, Lombardy, with about 10 million residents (16.9% of the Italian population), accounts for 9.2% of all disability pensions. As to **survivors' pensions**, the highest numbers are found in Lombardy (16.2%), Latium (8.5%) and Piedmont (8.0%); the figures for Latium are related to the high number of civil

monthly payment (an average of 483 euros in July) because many of them also receive other welfare benefits such as supplementary minimum benefits; d) other welfare benefits such as the 166,395 citizenship pensions plus an additional benefit of 275.32 per month on average in 2021. However, since certain categories of pensioners may also be separately eligible for a welfare benefit due to their age and contribution requirements, it is possible to estimate that the number of recipients of benefits with a complete or partial welfare nature is equal to about 7 million.

¹⁰ 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.

servants. In general, out of 100 benefits paid in Italy and abroad to survivors, 46.9% are provided in the North, 19.5% in the Centre and 30.8% in the South; the remaining 2.8% of survivors reside abroad.

Table 5.7 - Number and % of IVS pensions ⁽¹⁾ paid by INPS by category and region of residence on 31/12/2021

Regioni	Anzianità	in % sul totale	Vecchiaia	in % sul totale	Invalidità	in % sul totale	Superstiti	in % sul totale	Totale	in % sul totale
Piemonte	647.167	9,9%	385.308	7,6%	46.911	4,7%	338.622	8,0%	1.418.008	8,4%
Valle d'Aosta/Vallée d'Aoste	17.256	0,3%	10.976	0,2%	2.560	0,3%	9.211	0,2%	40.003	0,2%
Lombardia	1.318.628	20,1%	857.536	17,0%	90.710	9,2%	686.390	16,2%	2.953.264	17,5%
Trentino-Alto Adige/Südtirol	148.638	2,3%	83.020	1,6%	12.183	1,2%	65.573	1,5%	309.414	1,8%
Veneto	667.297	10,2%	384.014	7,6%	47.898	4,8%	332.148	7,8%	1.431.357	8,5%
Friuli-Venezia Giulia	181.404	2,8%	110.359	2,2%	16.422	1,7%	98.045	2,3%	406.230	2,4%
Liguria	193.164	2,9%	162.184	3,2%	26.211	2,7%	134.395	3,2%	515.954	3,1%
Emilia-Romagna	651.383	9,9%	401.743	8,0%	67.979	6,9%	326.622	7,7%	1.447.727	8,6%
Toscana	473.224	7,2%	353.631	7,0%	49.919	5,1%	280.129	6,6%	1.156.903	6,9%
Umbria	106.666	1,6%	80.676	1,6%	27.190	2,8%	68.988	1,6%	283.520	1,7%
Marche	203.307	3,1%	137.564	2,7%	34.552	3,5%	118.376	2,8%	493.799	2,9%
Lazio	471.014	7,2%	435.412	8,6%	95.594	9,7%	361.588	8,5%	1.363.608	8,1%
Abruzzo	135.744	2,1%	106.988	2,1%	28.989	2,9%	97.978	2,3%	369.699	2,2%
Molise	31.259	0,5%	27.912	0,6%	7.416	0,8%	24.724	0,6%	91.311	0,5%
Campania	312.444	4,8%	371.365	7,4%	110.408	11,2%	331.858	7,8%	1.126.075	6,7%
Puglia	308.221	4,7%	308.873	6,1%	101.124	10,2%	254.844	6,0%	973.062	5,8%
Basilicata	44.519	0,7%	51.810	1,0%	16.469	1,7%	42.323	1,0%	155.121	0,9%
Calabria	124.052	1,9%	167.393	3,3%	59.229	6,0%	133.136	3,1%	483.810	2,9%
Sicilia	302.383	4,6%	326.905	6,5%	88.593	9,0%	310.711	7,3%	1.028.592	6,1%
Sardegna	147.876	2,3%	121.474	2,4%	44.456	4,5%	113.276	2,7%	427.082	2,5%
Italia	6.485.646	98,8%	4.885.143	96,8%	974.813	98,6%	4.128.937	97,2%	16.474.539	97,8%
Estero	77.074	1,2%	164.061	3,2%	13.482	1,4%	120.402	2,8%	375.019	2,2%
Totale	6.562.720	100,0%	5.049.204	100,0%	988.295	100,0%	4.249.339	100,0%	16.849.558	100,0%

Regions, Seniority pensions; as % of the total; Old-age pensions; Disability pensions; Survivors' pensions; As % of the total; Total; (1) Including the former INPDAD funds for public-sector employed workers and ex ENPALS funds, excluding the schemes for professionals and complementary pensions. *Source: INPS Pension Archive on December 31, 2021.*

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 (residents abroad are excluded). For the entire national territory, the total average IVS retirement rate is **27.9%**. **The raw seniority or early pension rate** increased also due to the effect of "100 Quota" in force from 2019 to 2021, from 10.0% in 2018, to 10.3% in 2019, to 10.7% in 2020 and to 11.0% in 2021; the **old-age retirement rate** decreased from 8.5% in 2018 and then stabilized at 8.3% from 2019 to 2021. This was due to the raising and the equalization to 2019 of the old-age retirement requirement up to 67 years, which is now the same 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 raw rate for "**IVS pensions**" vs. the "population" indicate that the first 10 provinces, those with more pensions than population, are all in the North: Biella (40.6%), Ferrara (38.2%), Vercelli (37.4%), Rovigo (36.1%), Alessandria (36.0%), Savona (35.9%), Trieste (35.2%), Ravenna (35.3%), Belluno (35.6%), Udine (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, Belluno and Trieste to 1.9% 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 increased with respect to 2019 and 2020, with a higher number of retirees vs. the resident population. The bottom 10 provinces are: Naples (17.3%), Catania (18.8%), Barletta-Andria-Trani (19.2%), Caserta (19.6%), Palermo (19.7%), Caltanissetta (21%), Ragusa (21.3%), Crotone (21.9%), Syracuse (21.5%) and Agrigento (22.8%). 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.

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, 2021

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

Provinces; Seniority; Old-age; Disability; Survivors', Total; (1) Including the GDP funds for public-sector employed workers and ex ENPALS (2) Excluding residents abroad and the schemes for professionals; *Source: INPS Pension Archive on December 31, 2021*

The highest *disability pension rates* with respect to the population are in the South: Lecce (4.3%), Reggio Calabria (4.2%), Potenza (4.1%), Nuoro (3.9%), Benevento (3.8%), Oristano (3.7%), Catanzaro (3.7%), L'Aquila (3.4%) and Sassari (3.2%) and in two provinces in the Centre: Terni (3.6%) and Pesaro-Urbino (3.1%). The three most virtuous provinces, with the lowest number of disability pensions vs. the resident population, are Milan (0.7%), Treviso and Lodi (0.8%), Bergamo, Brescia, Monza and Brianza, Padua and Prato (0.9%).

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, 2021

Province ⁽²⁾	Anzianità	%	Vecchiaia	%	Invaldità	%	Superstiti	%	Totale	%
Roma	328.342	5,1%	318.873	6,5%	66.824	6,9%	254.556	6,2%	968.595	5,9%
Milano	393.774	6,1%	293.354	6,0%	22.310	2,3%	213.409	5,2%	922.847	5,6%
Torino	314.513	4,8%	202.134	4,1%	22.558	2,3%	167.277	4,1%	706.482	4,3%
Napoli	142.072	2,2%	166.230	3,4%	47.595	4,9%	157.891	3,8%	513.788	3,1%
Brescia	158.890	2,4%	92.884	1,9%	11.160	1,1%	81.875	2,0%	344.809	2,1%
Bologna	154.610	2,4%	91.338	1,9%	15.474	1,6%	74.761	1,8%	336.183	2,0%
Bergamo	145.738	2,2%	86.696	1,8%	9.742	1,0%	72.387	1,8%	314.563	1,9%
Firenze	131.536	2,0%	99.326	2,0%	9.593	1,0%	72.343	1,8%	312.798	1,9%
Bari	102.350	1,6%	83.621	1,7%	24.104	2,5%	73.927	1,8%	284.002	1,7%
Genova	103.469	1,6%	90.208	1,8%	13.955	1,4%	73.331	1,8%	280.963	1,7%
Varese	124.515	1,9%	80.344	1,6%	8.451	0,9%	63.302	1,5%	276.612	1,7%
Verona	120.424	1,9%	74.337	1,5%	9.504	1,0%	60.204	1,5%	264.469	1,6%
Padova	122.895	1,9%	70.166	1,4%	8.700	0,9%	61.010	1,5%	262.771	1,6%
Monza e Brianza	114.874	1,8%	77.000	1,6%	7.842	0,8%	57.496	1,4%	257.212	1,6%
Salerno	69.451	1,1%	88.563	1,8%	24.047	2,5%	71.649	1,7%	253.710	1,5%
Vicenza	122.235	1,9%	65.901	1,3%	8.953	0,9%	56.585	1,4%	253.674	1,5%
Treviso	121.608	1,9%	68.456	1,4%	6.539	0,7%	56.518	1,4%	253.121	1,5%
Venezia	109.678	1,7%	64.573	1,3%	8.290	0,9%	61.382	1,5%	243.923	1,5%
Palermo	67.626	1,0%	79.631	1,6%	17.752	1,8%	71.197	1,7%	236.206	1,4%
Modena	104.335	1,6%	62.581	1,3%	9.846	1,0%	48.665	1,2%	225.427	1,4%
Lecce	55.488	0,9%	76.726	1,6%	33.210	3,4%	56.093	1,4%	221.517	1,3%
Perugia	81.000	1,2%	58.810	1,2%	19.425	2,0%	50.100	1,2%	209.335	1,3%
Catania	64.226	1,0%	63.386	1,3%	12.013	1,2%	61.687	1,5%	201.312	1,2%
Cuneo	96.204	1,5%	45.738	0,9%	5.672	0,6%	43.863	1,1%	191.477	1,2%
Como	80.411	1,2%	53.021	1,1%	7.964	0,8%	40.867	1,0%	182.263	1,1%
Udine	81.222	1,3%	48.286	1,0%	7.251	0,7%	43.554	1,1%	180.313	1,1%
Caserta	47.778	0,7%	58.332	1,2%	18.509	1,9%	51.742	1,3%	176.361	1,1%
Pavia	77.382	1,2%	47.140	1,0%	7.247	0,7%	44.474	1,1%	176.243	1,1%
Cosenza	43.955	0,7%	63.501	1,3%	16.181	1,7%	47.458	1,1%	171.095	1,0%
Messina	44.486	0,7%	53.818	1,1%	19.909	2,0%	45.202	1,1%	163.415	1,0%
Trento	77.097	1,2%	43.679	0,9%	6.541	0,7%	35.470	0,9%	162.787	1,0%
Reggio Emilia	71.728	1,1%	46.986	1,0%	7.611	0,8%	35.851	0,9%	162.176	1,0%
Ancona	67.889	1,0%	41.333	0,8%	7.743	0,8%	36.698	0,9%	153.663	0,9%
Alessandria	62.294	1,0%	40.640	0,8%	6.296	0,6%	37.454	0,9%	146.684	0,9%
Bolzano-Bozen	71.541	1,1%	39.341	0,8%	5.642	0,6%	30.103	0,7%	146.627	0,9%
Taranto	46.943	0,7%	47.938	1,0%	12.675	1,3%	38.298	0,9%	145.854	0,9%
Reggio Calabria	36.063	0,6%	47.980	1,0%	21.808	2,2%	39.460	1,0%	145.311	0,9%
Foggia	42.398	0,7%	44.420	0,9%	14.898	1,5%	39.116	0,9%	140.832	0,9%
Parma	59.993	0,9%	38.538	0,8%	6.666	0,7%	32.601	0,8%	137.798	0,8%
Latina	48.880	0,8%	40.297	0,8%	11.767	1,2%	36.036	0,9%	136.980	0,8%
Ravenna	62.310	1,0%	36.671	0,8%	7.128	0,7%	30.106	0,7%	136.215	0,8%
Ferrara	60.904	0,9%	33.112	0,7%	5.323	0,5%	30.820	0,7%	130.159	0,8%
Forlì-Cesena	59.002	0,9%	36.070	0,7%	6.156	0,6%	28.725	0,7%	129.953	0,8%
Mantova	60.693	0,9%	34.334	0,7%	3.889	0,4%	30.726	0,7%	129.642	0,8%
Pisa	50.357	0,8%	39.846	0,8%	5.376	0,6%	30.836	0,7%	126.415	0,8%
Sassari	40.583	0,6%	36.165	0,7%	15.117	1,6%	32.685	0,8%	124.550	0,8%
Frosinone	44.575	0,7%	36.606	0,7%	6.557	0,7%	35.028	0,8%	122.766	0,7%
Novara	54.633	0,8%	31.273	0,6%	3.885	0,4%	28.362	0,7%	118.153	0,7%
Lucca	47.378	0,7%	36.429	0,7%	4.384	0,4%	29.952	0,7%	118.143	0,7%
Cremona	55.459	0,9%	28.839	0,6%	3.795	0,4%	27.859	0,7%	115.952	0,7%
Arezzo	49.949	0,8%	31.930	0,7%	6.663	0,7%	25.969	0,6%	114.511	0,7%
Pesaro-Urbino	43.701	0,7%	31.788	0,7%	10.835	1,1%	26.094	0,6%	112.418	0,7%
Chieti	43.456	0,7%	30.953	0,6%	7.358	0,8%	29.605	0,7%	111.372	0,7%
Lecco	50.459	0,8%	32.751	0,7%	3.157	0,3%	23.578	0,6%	109.945	0,7%
Brindisi	36.409	0,6%	34.590	0,7%	8.902	0,9%	26.985	0,7%	106.886	0,6%
Macerata	44.476	0,7%	28.999	0,6%	6.572	0,7%	25.388	0,6%	105.435	0,6%
Avellino	30.063	0,5%	34.422	0,7%	10.786	1,1%	29.582	0,7%	104.853	0,6%
Potenza	26.913	0,4%	36.045	0,7%	13.391	1,4%	28.148	0,7%	104.497	0,6%
Livorno	37.967	0,6%	31.980	0,7%	4.999	0,5%	26.282	0,6%	101.228	0,6%
Cagliari	39.327	0,6%	26.539	0,5%	7.356	0,8%	26.018	0,6%	99.240	0,6%
Pordenone	45.834	0,7%	25.108	0,5%	4.253	0,4%	22.200	0,5%	97.395	0,6%
Savona	39.268	0,6%	29.032	0,6%	3.090	0,3%	24.624	0,6%	96.014	0,6%
Piacenza	41.476	0,6%	26.262	0,5%	4.737	0,5%	22.963	0,6%	95.438	0,6%
Trapani	27.353	0,4%	30.487	0,6%	8.411	0,9%	28.982	0,7%	95.233	0,6%
Rimini	37.025	0,6%	30.185	0,6%	5.038	0,5%	22.130	0,5%	94.378	0,6%
Agrigento	23.577	0,4%	29.581	0,6%	10.945	1,1%	29.803	0,7%	93.906	0,6%
Sud Sardegna	31.651	0,5%	26.390	0,5%	9.510	1,0%	25.961	0,6%	93.512	0,6%
Pistoia	37.810	0,6%	27.953	0,6%	4.268	0,4%	22.206	0,5%	92.237	0,6%
Catanzaro	23.891	0,4%	29.598	0,6%	12.052	1,2%	24.898	0,6%	90.439	0,5%
Siena	38.477	0,6%	25.507	0,5%	3.786	0,4%	21.128	0,5%	88.898	0,5%
Viterbo	31.766	0,5%	26.209	0,5%	7.022	0,7%	23.726	0,6%	88.723	0,5%
Teramo	32.877	0,5%	25.717	0,5%	6.746	0,7%	22.659	0,5%	87.999	0,5%
L'Aquila	28.685	0,4%	25.842	0,5%	9.329	1,0%	22.813	0,6%	86.669	0,5%
Pescara	30.726	0,5%	24.476	0,5%	5.556	0,6%	22.901	0,6%	83.659	0,5%
Rovigo	37.840	0,6%	21.578	0,4%	3.522	0,4%	19.858	0,5%	82.798	0,5%
Siracusa	27.247	0,4%	23.080	0,5%	7.283	0,7%	24.974	0,6%	82.584	0,5%
Trieste	33.259	0,5%	24.538	0,5%	2.764	0,3%	20.510	0,5%	81.071	0,5%
Benevento	23.080	0,4%	23.818	0,5%	9.471	1,0%	20.994	0,5%	77.363	0,5%
Terni	25.666	0,4%	21.866	0,4%	7.765	0,8%	18.888	0,5%	74.185	0,5%
Barletta-Andria-Trani	24.633	0,4%	21.578	0,4%	7.335	0,8%	20.425	0,5%	73.971	0,4%
Asti	33.607	0,5%	18.832	0,4%	2.121	0,2%	17.463	0,4%	72.023	0,4%
Grosseto	28.980	0,4%	20.055	0,4%	4.584	0,5%	18.321	0,4%	71.940	0,4%
Prato	29.063	0,4%	22.926	0,5%	2.458	0,3%	16.581	0,4%	71.028	0,4%
La Spezia	25.421	0,4%	20.344	0,4%	6.076	0,6%	19.101	0,5%	70.942	0,4%
Belluno	32.617	0,5%	19.003	0,4%	2.390	0,2%	16.591	0,4%	70.601	0,4%
Biella	34.307	0,5%	16.609	0,3%	2.152	0,2%	15.804	0,4%	68.872	0,4%
Imperia	25.006	0,4%	22.600	0,5%	3.090	0,3%	17.339	0,4%	68.035	0,4%
Ragusa	21.245	0,3%	21.039	0,4%	5.051	0,5%	19.645	0,5%	66.980	0,4%
Ascoli Piceno	25.212	0,4%	18.456	0,4%	5.411	0,6%	16.591	0,4%	65.670	0,4%
Campobasso	23.007	0,4%	19.179	0,4%	5.159	0,5%	17.719	0,4%	65.064	0,4%
Lodi	30.289	0,5%	16.724	0,3%	1.747	0,2%	15.971	0,4%	64.731	0,4%
Nuoro	20.340	0,3%	19.336	0,4%	7.279	0,7%	16.355	0,4%	63.310	0,4%
Vercelli	29.278	0,5%	14.989	0,3%	2.436	0,2%	15.244	0,4%	61.947	0,4%
Massa Carrara	21.707	0,3%	17.679	0,4%	3.808	0,4%	16.511	0,4%	59.705	0,4%
Sondrio	26.144	0,4%	14.449	0,3%	3.406	0,3%	14.446	0,3%	58.445	0,4%
Fermo	22.029	0,3%	16.988	0,3%	3.991	0,4%	13.605	0,3%	56.613	0,3%
Caltanissetta	16.073	0,2%	14.593	0,3%	4.406	0,5%	17.597	0,4%	52.669	0,3%
Verbania-Cusio-Ossola	22.331	0,3%	15.093	0,3%	1.791	0,2%	13.155	0,3%	52.370	0,3%
Matera	17.606	0,3%	15.765	0,3%	3.078	0,3%	14.175	0,3%	50.624	0,3%
Gorizia	21.089	0,3%	12.427	0,3%	2.154	0,2%	11.781	0,3%	47.451	0,3%
Rieti	17.451	0,3%	13.427	0,3%	3.424	0,4%	12.242	0,3%	46.544	0,3%
Oristano	15.975	0,2%	13.044	0,3%	5.194	0,5%	12.257	0,3%	46.470	0,3%
Vibo Valentia	11.309	0,2%	14.407	0,3%	4.981	0,5%	10.816	0,3%	41.513	0,3%
Aosta	17.256	0,3%	10.976	0,2%	2.560	0,3%	9.211	0,2%	40.003	0,2%
Enna	10.550	0,2%	11.290	0,2%	2.823	0,3%	11.624	0,3%	36.287	0,2%
Crotone	8.834	0,1%	11.907	0,2%	4.207	0,4%	10.504	0,3%	35.452	0,2%
Isernia	8.252	0,1%	8.733	0,2%	2.257	0,2%	7.005	0,2%	26.247	0,2%
Italia	6.485.646	100,0%	4.885.143	100,0%	974.813	100,0%	4.128.937	100,0%	16.474.539	100,0%

Table 5.9 shows the number and percentage distribution in the Italian provinces of the four categories of pensions (IVS), 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, Bergamo, Florence, Bari and Genoa, also considering their high number of inhabitants. 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 2021, the total number of pensioners living abroad was equal to 377,447 pensioners¹¹ (384,129 in 2020), 47.8% of men and 52.2% of women. They received 412,883 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 **Italy-born pensioners residing abroad** amounts to 285,920, 75.8% of the total (296,957 in 2020, -11,000) and that of **residents born abroad**, three quarters of whom are women, is equal to 91,527, that is 24.2% of all the pensioners residing abroad (87,172 in 2020).

The average gross pension income per month is very low, equal to 406.85 euros (408.38 euros per month for those born in Italy and 402.09 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 IVS pensions) **paid to residents abroad** are: Germany (52,163 pensions), Canada (45,949), Switzerland (44,401), Australia (38,648), France (35,765), USA (30,105), Argentina (13,489), Belgium (11,798), United Kingdom (10,710), Spain (9,225), Romania (7,222), Brazil (6,222) and Venezuela (5,321). These are pensions mainly under international aggregation system given their low amounts of around 200 per month.

The top thirteen countries with **the highest average gross INPS pensions paid per month to residents abroad** are: Cyprus (an average of 5,398 euros per month before taxes for 194 pensions), United Arab Emirates (an average of 3,379 euros per month for 86 pensions), Portugal, which until 2019 had the most favourable tax policy for European pensioners (an average of 2,931 euros per month for 4,790 pensions), Turkey (an average of 2,036 euros per month for 145 pensions), Malta (an average of 1,871 euros per month for 273 pensions), China (an average of 1,755 euros per month for 102 pensions), Thailand (an average of 1,511 euros per month for 678 pensions), Tunisia (an average of 1,393 euros per month for 1,132 pensions), Indonesia (an average of 1,388 euros per month for 63 pensions), Israel (an average of 1,279 euros per month for 226 pensions), Monaco (an average of 1,271 euros per month for 657 pensions), Japan (an average of 1,244 euros per month for 88 pensions), Hungary (an average of 1,168 euros per month for 463 pensions). Considering the gross monthly amounts of these pensions, (e.g. Cyprus, the Emirates and Portugal), it is possible to infer that these pensioners reside abroad for economic reasons.

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 81,527 euros' worth of average pension per year in 2021 (entirely financed by contributions), followed by journalists (55,761), members of the aviation fund (45,558), executives of public companies (44,758 euros), chartered accountants (34,073), lawyers

¹¹ Data are from the Central Registry of Pensioners on 31.12.2021; 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.

(29,509), telephony workers (26,968), state employees (26,222). 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).

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

CATEGORIE DI LAVORATORI	Pensione Media 2020 (1)	Pensione Media 2021 (1)	Reddito Medio 2020 (2)	Reddito Medio 2021 (2)	Rapporto tra PM e RM 2020 %	Rapporto tra PM e RM 2021 %
NOTAI	81.452	81.527	134.646	172.130	47,36	60,49
GIORNALISTI	55.018	55.761	65.541	68.277	81,67	83,94
Fondo VOLO	46.327	45.558	24.388	23.760	191,74	189,96
DIRIG AZIENDE EX INPDAI	44.890	44.758	162.218	159.292	28,10	27,67
COMMERCIALISTI	34.922	34.073	63.915	64.394	52,91	54,64
AVVOCATI	29.334	29.509	36.307	35.292	83,61	80,79
LAVORATORI TELEFONICI	26.962	26.968	39.409	40.905	65,93	68,42
DIPENDENTI STATALI	26.085	26.222	35.900	37.196	70,50	72,66
EX FERROVIE dello STATO	23.958	24.200	42.314	43.440	55,71	56,62
RAGIONIERI	23.478	22.773	60.647	61.361	37,11	38,71
LAVORATORI TRASPORTI	22.463	22.449	31.117	32.416	69,25	72,19
DIPENDENTI ENTI LOCALI	20.962	21.259	32.000	32.689	65,03	65,51
EX POSTE (IPOST)	19.254	19.504	30.201	31.737	61,46	63,75
INGEGNERI, ARCHITETTI	19.286	19.146	27.897	26.399	72,53	69,13
LAVORATORI SPETTACOLO	17.700	17.897	33.783	35.304	50,69	52,39
DIPENDENTI PRIVATI (FPLD)	16.786	17.142	22.667	24.248	70,69	74,05
GEOMETRI	13.703	13.717	23.509	22.367	61,33	58,29
CONSULENTI LAVORO	11.918	12.004	51.673	40.708	29,49	23,06
ARTIGIANI	8.820	8.772	21.959	21.941	39,98	40,17
MEDICI (3)	8.230	8.526	49.778	49.836	17,11	16,53
COMMERCianti	8.268	8.242	21.188	21.563	38,22	39,02
VETERINARI	6.837	7.070	20.800	22.595	31,29	32,87
FARMACISTI	6.234	6.000	28.893	28.783	20,85	21,58
AGRICOLI CDCM	5.666	5.607	11.676	11.692	47,96	48,53

CATEGORIES OF WORKERS, Average pension (1), Average income (2), 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, EX IPOST WORKERS, ENGINEERS, ARCHITECTS, SHOW-BUSINESS WORKERS, PRIVATE-SECTOR EMPLOYED WORKERS (FPLD), SURVEYORS, LABOUR CONSULTANTS, ARTISANS, DOCTORS (3), RETAILERS, 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 transfers. (2) The average income was calculated as the ratio of earnings to the number of members paying contributions in each category of workers (3) 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; if we refer only to the A Quote, the value of the average pension increases to 16,293 euros per year.

5.2 Mean retirement age and its evolution over time; the situation of pensions already paid out

One of the major problems of the Italian pension system, exacerbated by the recent provisions on the so-called "arduous work" (no evidence in the scientific medical literature), lies in a very large number of rules that have envisaged over time some exceptions to the statutory retirement age requirements for certain categories of workers; baby pensions (1969), early retirements during the many crisis periods even more than 10 years in advance with respect to the statutory requirements, safeguards for the so-called "esodati" and other categories from 2012 to 2019, the introduction of early retirement for early workers, for unemployed subjects, woman's option and finally the "100 Quota" measure in 2019, which allows workers to retire up to 5 years earlier, aptly replaced by the 102 Quota, which allows workers to retire up to 3 years in advance: These provisions extend the duration of pensions as will be illustrated in the next Section. **Table 5.12** and **figure 5.1** show, for the 1997-2021 period,

the *mean effective age at the start* of the new pensions by gender and category¹² 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 effective age at retirement was 63.5 years for men and 59.3 years for women¹³. From 1.1.2019 and at least until 31.12.2022, the statutory age for old age retirement which has become the same since 1.1.2018 for men, women, employees and self-employed, was equal to 67 years of age with a seniority of 20 years. On an experimental basis and for the three-year period from 2019 to 2021, Art. 14 of Law Decree no. 4/2019 has allowed workers to retire early with at least 62 years of age and 38 years of seniority (100 Quota), while Art. 15 has temporarily blocked any increase in life expectancy until December 31, 2026 for early retirement independently of age which remains at 42 years and 10 months for men and a year less for women.

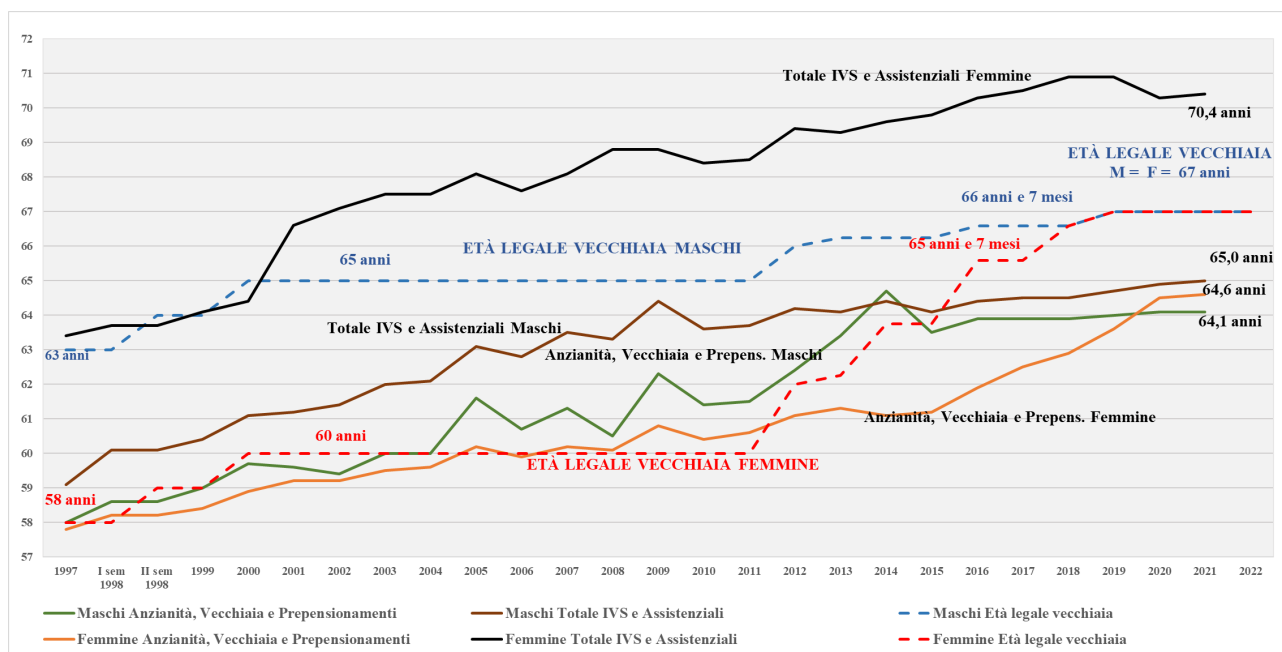
Figure 5.2 shows the 1997-2021 historical series of the mean *effective* age of entitlement for new pensions paid each year by INPS for private-sector workers (old age and early retirement, seniority/early retirement and disability), broken down by pension category and gender. In 2021, for *old-age pensions* alone, *the mean effective retirement age* was **67.4 years** for men, in line with that of 2019 and of 2020, while it rose again for women with respect to the previous three years: from 66.3 years in 2018 to 67 years in 2019 and to 67.2 years in 2020; then it reached 67.3 years in 2021, the same as men. On average, *the gender-weighted retirement age* of old-age pensions alone remained the same as in 2019 and in 2020 at **67.3** (67.4 for men and 67.3 for women), more than in line with the statutory age of 67. In 2021, the newly-paid old-age/early pensions (excluding early retirements) accounted for 60.6 % for men and only for 39.4% for women; in 1997, the gender ratio vs. the total for the same categories of pensions (old-age and seniority pensions) was 68.5% f for men and 31.5% for women.

In 1997, for *seniority pensions*, 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 life expectancy adjustments for the contribution requirements for *early pensions regardless of age*, establishing at least 42 years and 10 months of contributions for men and 41 years and 10 months for women, plus an additional 3 months to wait for the effective date (quarterly exit window).

¹² Data taken from INPS archives on 1.1.2022 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 outstanding ex Enpals pensions have been included only as of 1.1.2020.

¹³ Ages are expressed in years and tenths of a year. E.g.: 63.5 corresponds to 63 years and 6 months.

Figure 5.1 - Mean age at retirement of the new recipients of pensions paid by INPS (*) and statutory age for old age pensions by gender and category - 1997-2021

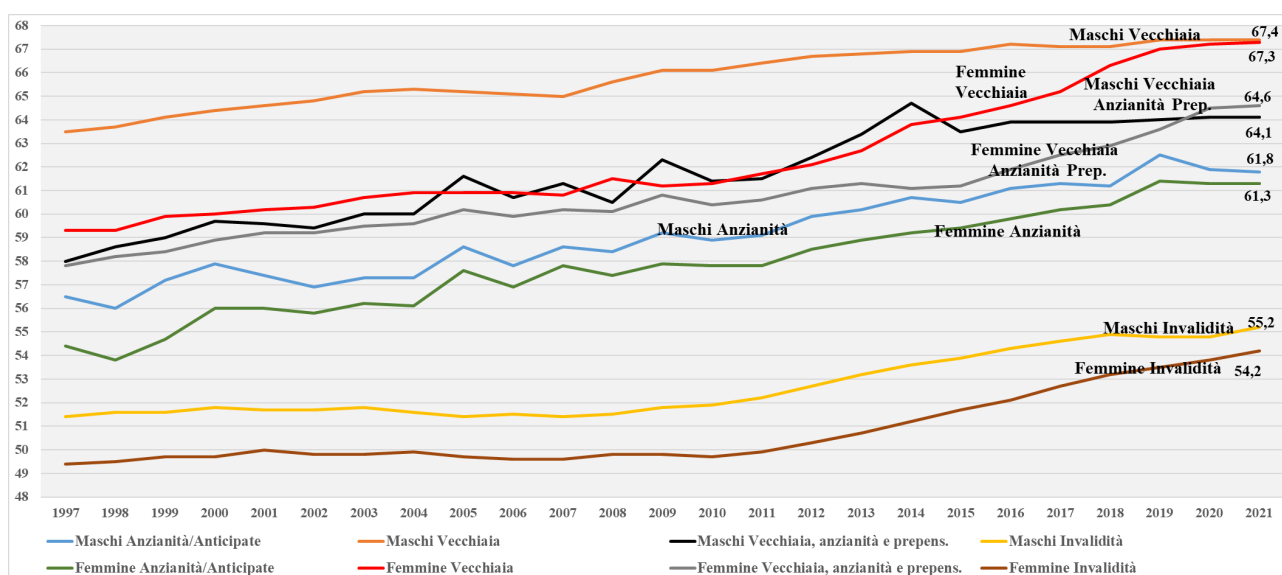


Men: seniority; old age and early retirement; Women: old age, seniority and early retirement; Total number of IVS pensions and welfare benefits for men; Total number of IVS pensions and welfare benefits for women; Statutory age for old-age pensions for men, Statutory age for old-age pensions for women;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

Also the **100 Quota** measure experimented from 2019 to 2021 (Art. 14 of Law Decree no. 4/2019), whose age requirements were at least 62 years of age (not adjusted to life expectancy) and 38 years of contributions, has fallen within the statistics of seniority/early pensions since April 1, 2019. However, for those who met its requirements by 2021, this option will remain in force until 2026; in 2022, another measure called 102 Quota was introduced with 64 years of age and 38 years of contributions. Another exit channel for early retirement in the contribution-based system is **"Woman's Option"**, created experimentally in 2004 and extended year by year, most recently by the 2021 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 2021, also due to the effects of all these exit channels for the **seniority/early pensions**, the average retirement age dropped even further to **61.8 years for men** (62.5 in 2019 and 61.9 in 2020) and to **61.3 years for women** (62.4 in 2019 and 61.3 in 2020); the mean age for both genders decreased to **61.6 years** vs. 62.2 years in 2019 and 61.7 in 2020; 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 2021, the effective average retirement age was **64.3 years**; in the calculation of the mean age by gender, **the retirement age of men** (accounting for 60.8%), which was equal to **64.1 years** weighs more than that of **women** (accounting for 39.2%) equal to **64.6 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 pension channel; this exit route has been mainly used by 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 for a longer period of time to meet the contribution requirements for early retirement.

Figure 5.2 – Mean effective retirement age of newly paid INPS* direct pensions by category and gender from 1997 to 2021



Men: seniority/early pension, old age; old age, seniority and early retirement; disability; Women: seniority/early pensions; old age; seniority, old age and early retirement; disability; * Excluding the funds for public-sector employed workers (GDP) (ex Enpals was included in 2019); *Source: INPS – Observatory on pensions*

ETÀ EFFETTIVA AL PENSIONAMENTO IVS DEL SETTORE PRIVATO				
Categoria delle pensioni IVS liquidate:	1997		2021	
	Maschi	Femmine	Maschi	Femmine
<i>Anzianità/anticipate</i>	56,5	54,4	61,8	61,3
<i>Vecchiaia</i>	63,5	59,3	67,4	67,3
<i>Prepensionamenti</i>	52,6	50,4	59,7	58,0
<i>Invalidità</i>	51,4	49,4	55,2	54,2
<i>Superstiti</i>	72,1	68,2	76,1	73,9
NUMERO DELLE PENSIONI IVS LIQUIDATE NEL SETTORE PRIVATO				
Totale pensioni IVS liquidate	1997		2021	
	Maschi	Femmine	Maschi	Femmine
	367.739	323.493	345.589	388.582

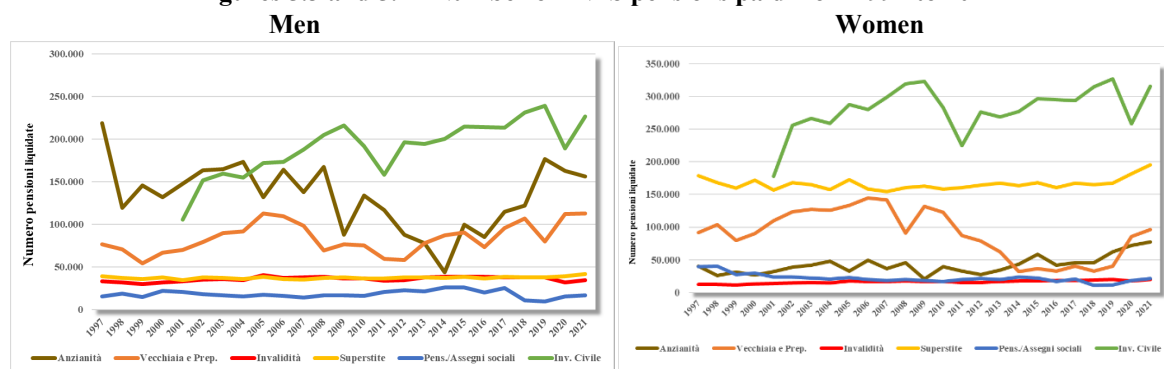
EFFECTIVE RETIREMENT AGE FOR IVS PENSIONS IN THE PRIVATE SECTOR; Category of IVS pensions paid out: seniority/early pension, Old-age, Early retirement, Disability, Survivors; Number of IVS pensions paid out in the private sector; Total IVS pensions paid out, Men, Women

If then we consider the mean effective age for *old-age* or *seniority/early pensions* together with that for *disability pensions*, i.e. the mean effective age for all *direct forms of retirement*, in 2021, this figure reached **63.1 years for men and 63.5 years for women**, with an average of the two genders of **63.3 years** for both genders (62.8 years in 2019 and 63.1 years in 2020 for men and 61.9 years in 2019 and 61.9 in 2020 for women with a total average of 62.6 years in 2019 and 63.3 in 2020). Finally, by analysing the weighted average of the effective age at the start of *all pension categories*, including survivors' pensions and welfare benefits, the mean age in 2021 was **68 years**; for *men, the mean effective age was 65 years* and for *women, it was 70.4 years* because they are the main beneficiaries of survivors' pensions and welfare benefits.

As to *pensions already paid out*, Table 5.12 shows the historical series of pensions paid by INPS private-sector funds and schemes for each pension and welfare benefit by inception category and by gender. The payment and management of benefits for disabled civilians was transferred to INPS by the Ministry of the Interior on September 3, 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 **2021**, the **number of pension and welfare benefits paid out** by private INPS funds **was equal to 1,315,171**, of which 725,928 to women (55.2%) with a mean age of 70.4 years and 589,243 to men (44.8%) with a mean age of 65 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 2021 in the private sector.

Figures 5.3 and 5.4 - Number of INPS pensions paid from 1997 to 2021



Source: INPS - Statistical Observatory of INPS pensions paid in the private sector

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 2021, 43.5% of all pensions was paid to women and 38.4% to men). In 2021, after the 2020 drop compared to 2019 due to the pandemic, the number of disability benefits paid out picked up again for both genders (in 2020, these pensions accounted for 40.8% of all pensions paid to women and 34.4% of all pensions paid to men). As shown in **Table 5.11**, in 2021, women featured a high number of survivor's pensions, accounting for 26.9% of all the pensions paid (7.1% for men out of all the pensions paid to men); instead, men featured a higher number of pensions in the seniority or early pension category, accounting for 26.6% of all the pensions they received, while this category for women accounted for 10.6% of all the pensions they received. Early retirements were used as social shock absorbers and these costs were charged as “pension expenditure” and not as “income-support” expenditure, as in many EU countries and for other types of safety net measures. Moreover, seniority pensions could be obtained before the age of 50 with 30 years of contributions, and until 1981, there were less stringent disability and inability pension requirements. It will still take years to reduce these anomalies that still weigh down on the pension system; mistakes that should be avoided in the future.

Table 5.11 - Percentage of pensions paid by the INPS private-sector funds in 2020 and in 2021 by category and gender

Year	Seniority/ Early pensions	Old-age pensions and early retirement	Invalidity	Survivors	Social Pensions and allowances	Benefits for Disabled civilians	Total no. Of pensions paid out in the private sector
MEN							
2020	29.6%	20.3%	5.8%	7.1%	2.8%	34.4%	100.0
2021	26.6%	19.1%	5.9%	7.1%	2.9%	38.4%	100.0
WOMEN							
2020	11.3%	13.5%	2.8%	28.7%	2.9%	40.8%	100.0
2021	10.6%	13.3%	2.7%	26.9%	3.0%	43.5%	100.0
TOTAL							
2020	19.8%	16.7%	4.2%	18.7%	2.9%	37.8%	100.0
2021	17.8%	15.9%	4.1%	18.0%	2.9%	41.2%	100.0

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

Table 5.12 - Historical series 1997-2021 of new INPS pensions (*) paid by year of inception, category, and gender, and of the mean effective retirement age

Anno di decorrenza della pensione	Sesso	Totale																										
		Assistiti / Anticipati			Vecchiaia			Prepensionamento			Assistiti/Assidati, Vecchiaia e Prepensionamento			Invalidità			Superdote			Pensioni/Anziani sociali			Invalidi civili			Totale		
		Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media	Numero pensioni	Importo medio mensile	Età media
1997	Maschi	218.607	1.024,54	56,5	67.980	520,17	63,5	8.478	1.461,34	52,6	295.065	920,89	58,0	33.583	563,57	51,4	39.091	272,59	72,1	15.209	221,33	65,7	-	-	-	382.948	795,60	59,1
	Femmine	40.347	773,56	54,4	91.293	389,69	59,3	481	1.403,62	50,4	132.121	510,61	57,8	12.637	391,43	49,4	178.735	390,08	68,2	39.342	196,71	65,5	-	-	-	362.835	413,05	63,4
	Totale	258.954	985,44	56,1	159.273	445,38	61,1	8.959	1.458,24	52,5	427.186	794,00	57,9	46.220	516,50	50,9	217.826	369,00	68,9	54.551	203,57	65,5	-	-	-	745.783	609,48	61,2
1998	Maschi	119.788	1.173,18	56,0	67.477	538,95	63,7	3.241	1.541,89	51,7	190.506	954,81	58,6	32.106	586,96	51,6	37.316	278,14	72,2	18.501	231,16	66,0	-	-	-	278.429	773,62	60,1
	Femmine	25.755	955,48	53,8	103.543	396,64	59,3	285	1.375,60	51,3	129.583	509,86	58,2	12.141	421,41	49,5	168.109	401,48	68,5	40.255	221,82	65,5	-	-	-	350.088	421,63	63,7
	Totale	145.543	1.134,66	55,6	171.020	452,79	61,0	3.526	1.528,45	51,6	320.089	774,68	58,4	44.247	541,53	51,1	205.425	379,07	69,2	58.756	224,76	65,6	-	-	-	628.517	577,56	62,1
1999	Maschi	145.904	1.120,42	57,2	53.333	524,05	64,1	1.063	1.667,20	53,1	200.300	964,53	59,0	29.988	607,48	51,6	35.652	282,20	72,6	14.968	248,40	66,9	-	-	-	280.818	801,72	60,4
	Femmine	31.104	898,57	54,7	79.095	399,77	59,9	251	1.482,10	51,3	110.450	542,70	58,4	11.802	430,40	49,7	159.550	414,36	68,7	27.568	216,30	65,9	-	-	-	309.370	443,44	64,1
	Totale	177.008	1.081,44	56,7	132.428	449,82	61,6	1.314	1.631,85	52,7	310.750	814,60	58,8	41.700	559,63	51,1	195.202	390,22	69,4	42.536	227,59	66,3	-	-	-	590.188	613,92	62,3
2000	Maschi	132.072	1.123,60	57,9	60.602	495,43	64,4	6.512	1.130,39	54,4	199.186	932,70	59,7	31.962	629,81	51,8	38.153	288,28	72,6	22.404	243,89	67,2	-	-	-	291.705	762,32	61,1
	Femmine	26.717	892,47	55,9	123.713	408,45	60,2	2.675	802,27	51,9	116.707	528,28	58,9	12.930	459,94	49,7	171.545	425,55	68,9	29.503	220,75	66,0	-	-	-	330.685	444,88	64,4
	Totale	158.789	1.084,71	57,6	147.917	444,08	61,8	9.187	1.034,85	53,6	315.893	783,29	59,4	44.892	580,88	51,2	209.698	405,57	69,6	51.907	210,74	66,5	-	-	-	622.390	593,66	62,9
2001	Maschi	147.992	1.226,22	57,4	67.735	516,62	64,6	2.268	1.479,75	52,6	217.995	1.008,37	59,6	33.168	660,26	51,7	34.692	298,66	72,5	20.951	247,26	67,4	103.410	347,11	62,7	412.216	713,40	61,2
	Femmine	32.237	954,58	56,1	109.555	412,00	60,2	517	1.246,52	52,1	142.309	553,34	59,2	13.643	497,20	50,0	164.714	480,38	69,1	23.302	229,86	66,5	178.003	362,65	71,6	513.731	438,96	66,6
	Totale	180.229	1.177,63	57,2	177.290	463,63	61,9	2.785	1.436,45	52,3	360.304	828,65	59,5	46.811	615,53	51,2	191.166	421,43	69,7	44.253	238,09	66,9	283.413	356,87	68,3	925.947	561,14	64,2
2002	Maschi	163.651	1.269,01	56,9	77.538	534,93	64,8	1.972	1.719,78	52,4	243.161	1.038,58	59,4	35.144	692,54	51,7	38.019	314,25	72,8	18.219	272,77	67,3	151.873	355,96	63,3	486.416	715,15	61,4
	Femmine	38.834	952,03	56,1	123.133	445,55	60,8	185	1.412,29	51,7	162.152	567,95	59,2	14.745	525,62	49,8	167.774	471,20	69,5	23.409	254,59	67,0	255.736	369,30	71,6	623.816	473,73	67,1
	Totale	202.485	1.208,22	56,7	200.671	480,08	62,0	2.157	1.693,41	52,3	405.313	850,30	59,3	49.889	643,20	51,1	205.793	442,20	70,1	41.628	262,55	67,1	407.609	364,33	68,5	1.110.232	564,89	64,6
2003	Maschi	164.867	1.297,27	57,3	86.799	543,88	65,2	3.006	1.114,42	54,3	254.672	1.038,33	60,0	35.756	699,81	51,8	37.051	316,17	73,1	16.843	288,55	67,0	159.629	361,90	64,4	503.951	721,88	62,0
	Femmine	42.064	980,89	56,2	125.823	461,41	60,7	1.102	685,95	52,2	168.989	592,18	59,5	15.440	513,76	49,8	164.714	480,38	69,8	22.113	254,33	66,7	266.266	375,33	72,1	637.522	459,11	67,5
	Totale	206.931	1.232,95	57,1	212.622	495,08	62,6	4.108	999,48	53,7	423.661	860,37	59,8	51.196	643,47	51,2	201.765	450,23	70,4	38.956	269,12	66,8	425.895	370,30	69,2	1.141.473	575,12	65,0
2004	Maschi	173.515	1.438,13	57,3	90.955	580,86	65,3	612	1.348,81	53,4	265.082	1.143,78	60,0	34.665	714,95	51,6	35.609	326,27	72,9	15.759	302,20	66,9	154.744	370,49	65,1	505.859	794,08	62,1
	Femmine	47.541	1.082,35	56,1	125.600	477,69	60,9	252	893,76	51,8	173.393	642,68	59,6	14.635	530,25	49,9	157.359	512,75	69,8	20.375	268,20	66,6	258.905	384,09	72,5	624.667	487,92	67,1
	Totale	221.056	1.361,61	57,0	216.555	519,90	62,7	864	1.216,08	52,9	438.475	945,62	59,8	49.300	660,12	51,1	192.968	478,33	70,4	36.134	283,03	66,8	413.649	379,00	69,7	1.130.526	624,91	65,1
2005	Maschi	131.969	1.397,12	58,6	112.275	553,71	65,2	325	1.863,60	53,2	244.769	1.011,25	61,0	40.462	697,50	51,4	38.391	333,46	73,1	17.399	315,41	66,8	171.883	376,90	65,5	513.084	699,58	63,1
	Femmine	32.913	994,16	57,6	132.973	480,60	60,9	285	1.537,56	52,4	166.171	584,13	60,2	17.517	531,37	49,7	172.807	518,58	70,1	22.986	278,20	66,6	287.197	389,23	72,6	666.678	471,25	68,1
	Totale	164.882	1.316,69	58,4	245.248	514,07	62,9	810	1.748,88	52,9	410.940	838,54	61,0	58.159	647,46	50,9	211.198	484,93	70,6	40.385	294,23	66,7	459.080	384,62	69,9	1.179.762	570,55	65,9
2006	Maschi	164.518	1.493,80	58,7	109.275	511,31	65,1	435	1.955,33	53,2	274.228	1.103,03	60,7	37.440	709,55	51,5	35.849	339,07	73,3	15.893	321,58	66,9	173.267	384,14	66,1	536.677	769,31	62,8
	Femmine	49.415	1.142,78	56,9	144.106	497,74	60,9	183	1.558,44	52,3	193.704	639,57	59,7	16.614	530,76	49,6	158.237	534,37	70,4	20.170	287,41	66,7	279.632	395,19	72,5	668.357	504,88	67,6
	Totale	219.933	1.412,72	57,6	253.381	500,75	62,7	618	1.837,80	53,0	467.932	919,46	60,4	54.054	634,60	50,9	194.086	498,30	71,0	36.063	302,47	66,8	452.899	390,96	70,0	1.205.034	622,65	65,5
2007	Maschi	138.051	1.506,46	58,6	98.011	552,00	65,0	411	2.049,64	53,3	216.473	1.118,11	61,3	37.907	726,55	51,4	35.335	347,99	73,5	14.121	330,41	67,0	187.768	394,32	66,5	511.804	745,45	63,5
	Femmine	36.300	1.132,88	57,1	141.600	513,53	60,8	93	1.682,49	52,2	177.993	644,68	60,2	17.179	541,69	49,6	154.656	553,33	70,6	18.041	296,60	66,9	298.950	405,55	72,6	666.819	503,25	68,1
	Totale	174.351	1.428,68	58,5	239.611	532,22	62,5	504	1.981,89	53,1	414.466	911,09	60,8	55.086	668,90	50,8	190.191	514,96	71,1	32.162	311,45	66,9	486.718	399,99	70,3	1.178.623	608,42	66,1
2008	Maschi	167.764	1.667,29	58,4	69.145	560,67	65,6	406	2.196,81	53,7	237.315	1.345,77	60,5	38.862	722,24	51,5	36.980	352,43	73,8	17.066	346,15	67,0	204.937	400,51	66,5	535.160	837,99	63,3
	Femmine	45.510	1.261,78	57,4	90.795	531,07	61,5	110	1.756,48	52,6	136.415	775,78	60,1	17.487	535,30	49,8	160.810	564,48	71,0	19.942	310,22	67,0	319.552	410,30	72,6	654.206	524,70	68,8
	Totale	212.274	1.580,76	58,2	159.940	543,82	63,3	516	2.102,94	53,5	373.730	1.137,72	60,4	56.349	664,22	51,0	197.790	524,83	71,5	37.008	326,78	67,1	524.489	406,48	70,2	1.189.366	665,67	66,3
2009</																												

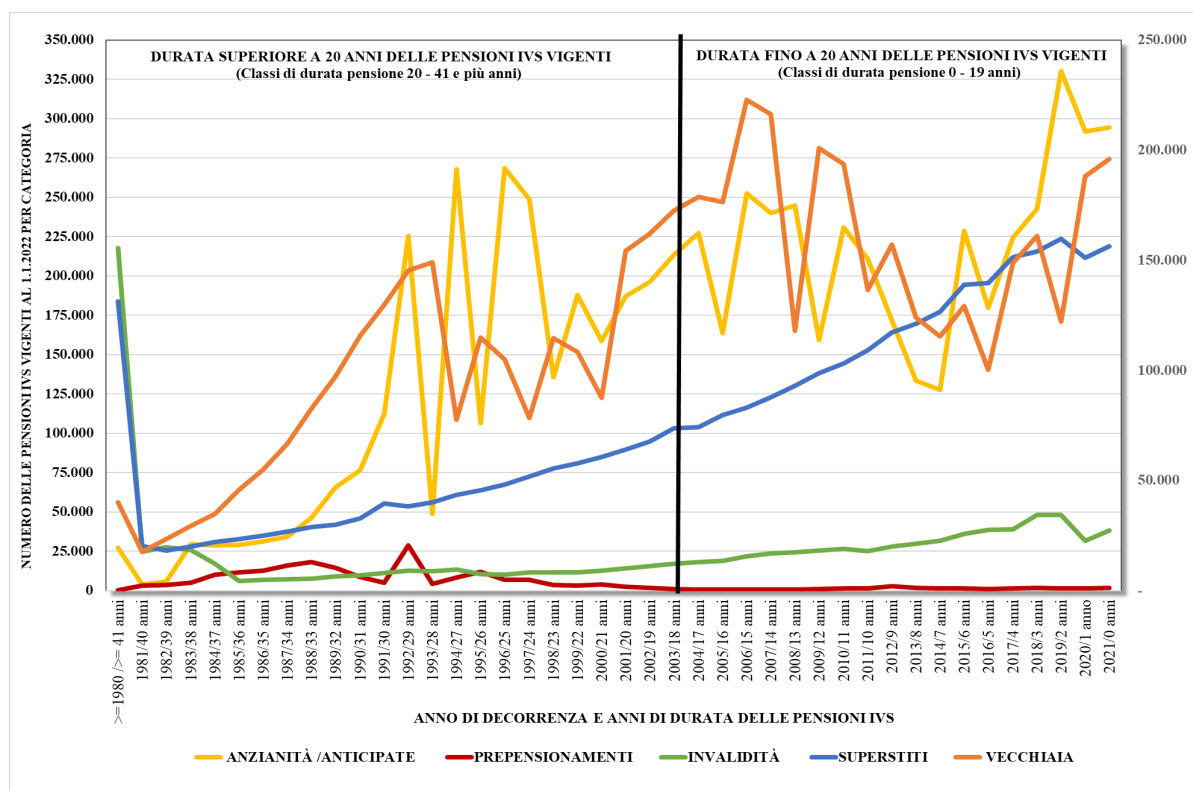
5.3 Number of outstanding pensions by inception, gender, average duration, type of benefits and by age; pensions eliminated

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' pensions still in force on 1/1/2022*, starting from the ones that were *paid out as of 1980 and even in previous years*, classified for each year until 2020; this makes it possible to analyse the duration of pensions from their inception until January 1, 2022. The result is 42 groups of former workers classified according to their retirement date for a *duration equal to 41 years or more* for pensions starting from “1980 and in previous years” up to a *duration of less than 1 year (0 years)*, for the ones starting from “2021” broken down 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 weighted age of the group of pensioners still alive today. 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 (young people in the lead) are financing the pensions for the current generation of pensioners with their contributions. If the retirement age is not correlated to life expectancy, there may be risks like the 40-year-long pensions provided many years ago, mainly for electoral reasons, which are still being paid today; many workers were allowed to retire young following the provisions enacted between 1965 and 1990, such as married women or with children working in the public sector who could 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 men working in the public sector who could retire after 19 years, 6 months and 1 day; employed workers of local authorities were allowed to retire after 25 years, with only 20-25 years of contributions (always including degree, maternity and military service redemptions).

Figure 5.5 shows the clear 'accordion-like' effects on seniority/early pensions and old age pensions resulting from the various reforms of the age and contribution requirements over the years, compared to the more regular trends of disability pensions after Act no. 222/1984 and of survivors' pensions, which instead follow the 'physiological' rhythms of human life dictated only by random events (invalidating event or death). The great exodus of workers due to the 'announcement effect' of the reforms of old age and seniority pensions carried out in 1992 (Amato Reform) or the subsequent 'stop and go waves' caused by the gradual retirement entitlement of entire generations of workers are very evident from 1991 onwards.

Figure 5.5 – IVS pensions on 1.1.2022 by inception, duration and category INPS private and public-sector funds



Duration of outstanding pensions beyond 20 years (20 to 41 years and beyond); Duration of outstanding pensions up to 20 years (from 0 to 19 years); No. of IVS pensions on January 1, 2022 by category; Date of inception and duration of IVS pensions; Seniority/Early pensions; Early retirement; Disability pensions; Survivors' pensions; Old-age pensions;

Source: INPS

All the pensions provided by the INPS pension funds and schemes and by former Enpals fund for workers in the entertainment and sports sector are illustrated below 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 substitute fund of Ferrovie dello Stato. On 1.1.2022, the INPS private-sector funds were paying **353,779 pensions with a duration of 41 years or more** (2.6% of the total of IVS private-sector pensions paid by INPS, equal to 13,766,604) to men and women who had retired in **1980 or even earlier**, with respect to **423,009** the previous year, with a decrease by 16.4% (with respect to January 1, 2021) equal to 69,230 eliminated benefits. More specifically, **353,779 IVS benefits** were paid to **private-sector** employees and self-employed workers (artisans, retailers, farmers), of which 288,563 (81.6%) to women and 65,216 (18.4%) to men. **Civil servants** received **45,907 pensions** lasting 41 years or more, 31,858 for women and 14,049 for men (69.4% and 30.6% of the total respectively), which accounted for 1.5% of all the IVS public-sector pensions paid by INPS, amounting to 3,082,954. The number of pensions with a duration of 41 years or more had reached **53,274** by 1.1.2021.

The mean retirement age identified by the INPS Statistical Observatories¹⁴ for the workers who have retired since 1980 and before, results from the weighed mean age of the generations of pensioners who are still alive, with long pension durations (40 years or more). In the **private sector (Figure 5.6)**,

¹⁴ It should be remembered that mean 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 an age of 87.4 expressed in tenths of a year is equal to 87 years, 5 months and 6 days.

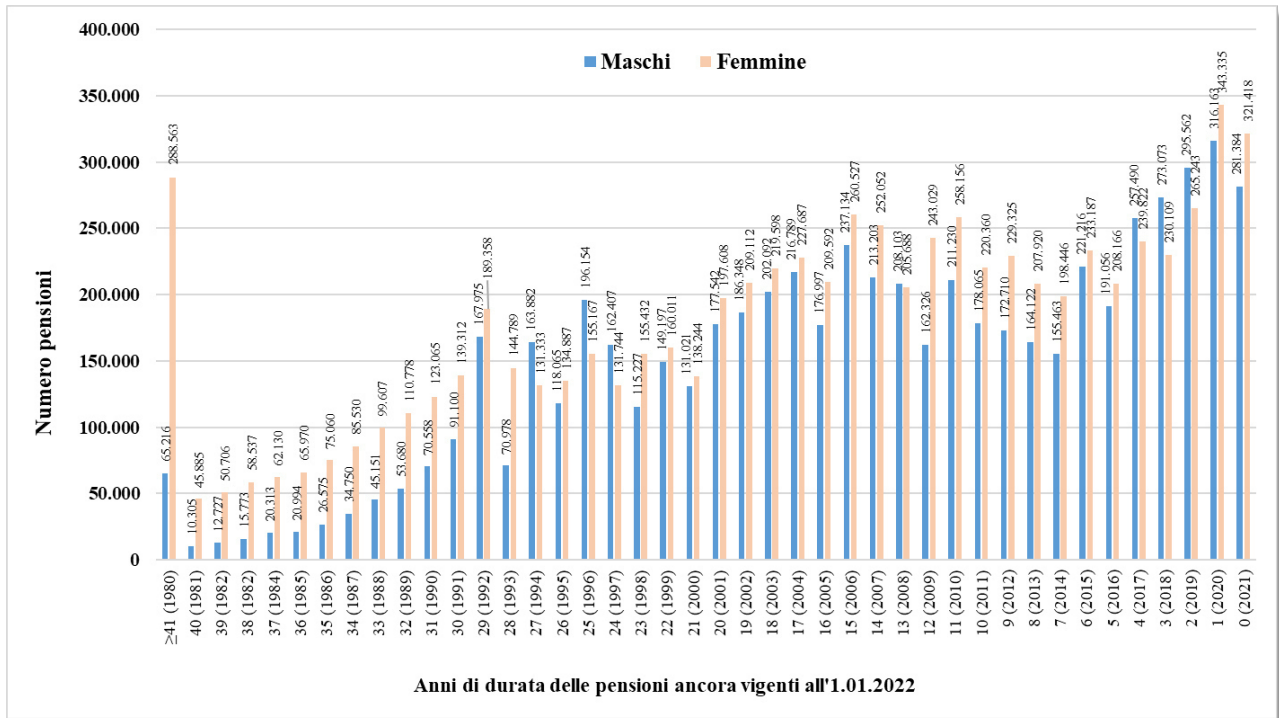
the mean retirement age for pensioners who continued to receive their benefits for 40 years or more was 40.9 years (38.6 years for men and 41.4 years for women), where the young retirement age for disability and survivors' benefits has a significant impact; in the **public sector (Figure 5.7)**, the mean age at retirement for pensions lasting 41 years or more was 40.5 years (38 for men and 41.6 for women). With regard to these low retirement ages, it should be pointed out that older workers who had retired 41 years ago or more and who have died are not included in the calculation of the mean age, this is why each year the age is lower; this is a snapshot of the mean age profiles in and before 1980 of the younger retirees who are still alive today. At present, the workers who retired in 2020 (0-year duration) were older and most of them were still alive on 1.1.2022; but above all, the retirement age requirements became more stringent after the different reforms. The analysis of the mean age in the private sector by AVPIS category [Seniority, Old Age, Early Retirement, Disability and Survivors] produced the following figures: 61.8 - 67.4 - 60.8 - 55.1 - 77.3 for men who retired in 2021, and 61.3 - 67.3 - 58.6 - 53.9 - 74.2 for women who retired in 2021.

The duration of the oldest pensions, those provided as of 1980 or earlier and still in force today, is about 46.9 years on average (the current mean age minus the average retirement age) in the private sector and 45.4 years in the public sector. There are currently **5,668,713 IVS benefits** being paid in the private and public sectors, with a duration of **20 years or more** (from 20 to 41 years or more) **accounting for 33.6%** of all IVS pensions paid by INPS (16,849,588). Women, who live longer, take the lion's share, with 80.2% of all IVS benefits (399,696) with a duration of 41 years or more and with 59.2% of those with a duration of over **20 years** out of the total by gender (5,668,713); 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, often with higher expenses. The analysis by AVPIS¹⁵ category (**Figure 5.6**) shows that on January 1, 2022, there were still **197,723 outstanding pensions** in the private sector due to **early retirement plans**, which allowed workers to retire even 8/10 years earlier than the statutory retirement age in force at the time; these plans were 'intensively' used up to 2002 (the peaks 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 as of 2009.

Early retirements have been charged as “pension expenditure” and not as 'income support' benefits, as is the case for other social safety net measures and as many EU countries do. The outstanding INPS invalidity pensions (including the subcategories of invalidity allowance, invalidity pension and incapacity pension) also have quite long durations (166,426 with a duration of 41 years and more, equal to 21.3% of the total). The outstanding survivors' pensions amount to 4,249,339 (including the subcategories “members' survivors” and “pensioners' survivors” for INPS and for the fund for public-sector employed workers), of which 162,313 with a duration of 41 years or more (3.8% of the total) and 819,182 with a duration of **more than 20 years** (19.2% of the total).

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

Figure 5.6 - Number of outstanding pensions on 1.1.2022 by year of inception - INPS private-sector funds

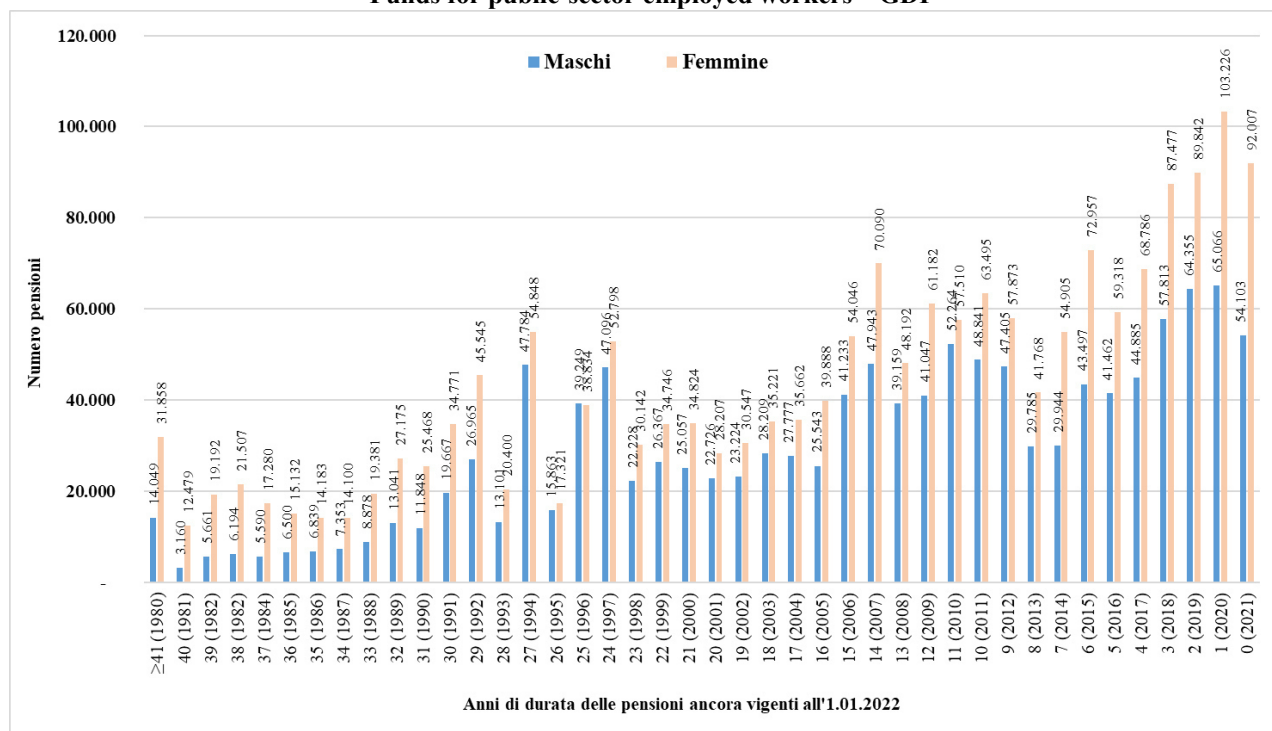


Men; Women No. of pensions; Duration of outstanding pensions on 01.01.2022

	1980	1981	1982		1983	1984		1985	1986	1987	1988	1989	1990	1991	1992	1993												
A	5.372	6.203	2.390	1.568	3.901	2.535	5.444	2.994	6.194	2.599	7.510	2.524	10.225	2.837	13.316	3.095	18.726	3.905	25.912	5.464	38.613	7.344	56.056	9.800	110.454	47.062	28.545	3.826
V	1.323	25.591	781	11.997	1.194	15.776	1.736	20.677	2.666	25.266	3.674	33.720	5.152	40.244	7.237	48.437	10.708	58.761	14.361	67.918	19.936	78.956	24.219	86.623	28.601	96.463	31.036	98.502
P	63	78	506	1.982	958	1.989	1.487	2.687	5.327	3.300	5.852	4.089	6.695	4.453	9.296	4.878	10.651	5.751	8.063	4.961	6.162	1.805	3.971	851	22.059	5.269	3.965	490
I	49.320	117.106	5.298	12.639	5.313	11.606	5.527	11.602	4.364	9.014	2.045	1.860	2.342	2.196	2.618	2.146	2.565	2.104	2.691	2.217	2.830	2.280	3.058	2.338	3.429	2.324	3.587	2.138
S	9.138	139.585	1.330	17.699	1.361	18.800	1.579	20.577	1.762	21.951	1.913	23.777	2.161	25.330	2.283	26.974	2.501	29.086	2.653	30.218	3.017	32.680	3.796	39.700	3.432	38.240	3.845	39.833
Tot	65.216	288.563	10.305	45.885	12.727	50.706	15.773	58.537	20.313	62.130	20.994	65.970	26.575	75.060	34.750	85.530	45.151	99.607	53.680	110.778	70.558	123.065	91.100	139.312	167.975	189.358	70.978	144.789
Tot. Gen.	353.779	56.190	63.433		74.310	82.443		86.964	101.635	120.280	144.758	164.458	193.623		230.412	357.333		230.412		357.333		215.767						
A	134.272	37.334	74.564	12.209	160.829	35.222	130.518	29.643	78.116	20.543	113.199	27.180	93.378	22.484	123.615	29.971	128.667	35.521	136.781	38.820	145.505	45.120	99.368	28.193	143.726	46.782	123.509	35.013
V	14.969	47.389	24.651	73.890	20.627	69.513	16.195	48.235	24.145	76.770	23.271	71.871	22.621	52.077	38.450	100.869	41.525	102.939	48.345	104.416	53.584	104.996	58.304	98.386	71.987	126.670	66.742	125.545
P	6.489	1.391	10.336	1.057	5.938	503	6.069	335	2.674	683	2.022	1.012	2.949	989	2.124	336	1.566	146	809	100	340	146	425	177	443	147	372	81
I	3.911	2.094	4.020	1.990	4.033	2.079	4.436	2.135	4.673	2.362	4.918	2.451	5.673	2.801	6.372	3.169	7.098	3.435	7.840	3.850	8.743	4.316	9.431	4.646	10.757	5.316	11.473	5.550
S	4.241	43.125	4.494	45.741	4.727	47.850	5.189	51.396	5.619	55.074	5.787	57.497	6.400	59.893	6.981	63.263	7.492	67.071	8.317	72.412	8.617	73.109	9.469	78.190	10.221	81.612	11.107	85.863
Tot	163.882	131.333	118.065	134.887	196.154	155.167	162.407	131.744	115.227	155.432	149.197	160.011	131.021	138.244	177.542	197.608	186.348	209.112	202.092	219.598	216.789	227.687	176.997	209.592	237.134	260.527	213.203	252.052
Tot. Gen.	295.215	252.952	351.321		294.151	270.659		309.208	269.265	375.150	395.460	421.690	444.476		386.589	497.661		465.255										
A	149.699	43.109	81.296	20.052	127.659	38.788	110.400	32.639	85.694	29.237	68.433	33.675	44.028	42.943	99.358	60.326	83.549	40.131	117.346	45.440	121.020	45.571	173.820	62.317	158.826	70.652	138.706	69.445
V	33.822	65.536	54.477	120.178	55.868	112.994	39.183	76.285	54.128	81.084	60.677	50.767	73.861	26.028	80.831	32.770	63.353	26.199	91.228	40.571	99.917	28.292	64.628	37.393	98.258	82.982	88.188	81.694
P	482	119	759	245	890	333	804	345	2.463	299	1.277	281	1.031	369	1.043	259	761	147	1.217	164	1.743	106	1.319	65	1.903	286	1.471	245
I	12.031	5.931	12.491	5.950	12.424	5.679	12.025	5.375	13.493	5.668	15.365	6.416	16.963	7.163	17.603	7.453	19.852	9.074	21.230	10.105	22.173	10.777	25.626	14.160	22.500	12.800	21.940	13.145
S	12.069	90.993	13.303	96.604	14.389	100.362	15.653	105.716	16.932	113.037	18.370	116.781	19.580	121.943	22.381	132.379	23.541	132.615	26.469	143.542	28.220	145.363	30.169	151.308	34.676	176.615	31.079	156.889
Tot	208.103	205.688	162.326	243.029	211.230	258.156	178.065	220.360	172.710	229.325	164.122	207.920	155.463	198.446	221.216	233.187	191.056	208.166	257.490	239.822	273.073	230.109	295.562	265.243	316.163	343.335	281.384	321.418
Tot. Gen.	413.791	405.355	469.386		398.425	402.035		372.042	353.909	454.403	399.222	497.312	503.182		560.805	659.498		602.802										

Source: INPS - Observatory of pensions, INPS funds on 1.1.2022

**Figure 5.7 - Number of outstanding pensions on 1.1.2022 by year of retirement
Funds for public-sector employed workers – GDP**



Men; Women No. of pensions; Duration of outstanding pensions on 01.01.2022

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
A	3.911	11.927	1.401	4.198	2.914	10.600	3.939	14.074	4.086	12.957	4.615	11.255	4.760	9.992
V	599	883	123	426	306	1.015	249	758	192	109	305	96	420	140
I	8.994	6.058	1.403	2.168	2.297	5.233	1.851	3.949	1.142	279	1.354	331	1.377	265
S	605	12.985	233	5.687	144	2.344	155	2.726	220	3.935	228	3.450	282	3.786
Tot	14.049	31.858	3.160	12.479	5.661	19.192	6.194	21.507	5.590	17.280	6.500	15.132	6.839	14.183
Tot. Ges.	45.907	15.639	24.853	27.701	22.870	21.632	21.022	21.453	28.259	40.216	37.316	54.438	72.510	33.501

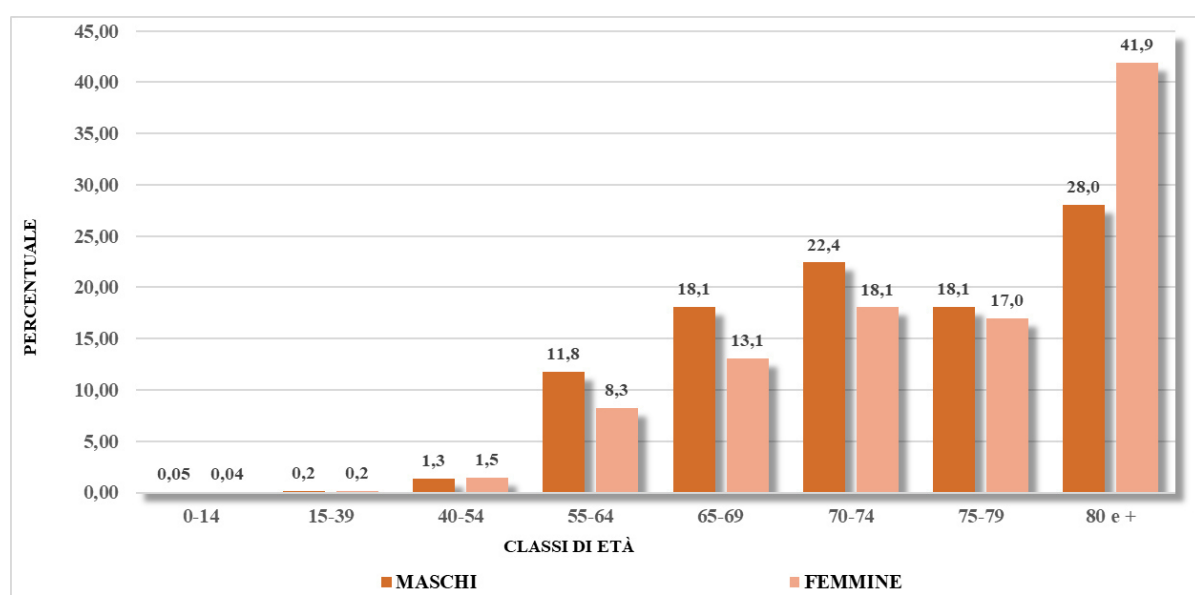
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
A	39.125	41.502	8.990	5.565	32.215	26.402	39.353	38.454	15.873	16.050	19.757	20.050	17.964	18.804
V	4.654	2.865	3.942	2.950	3.815	3.095	4.068	3.915	2.802	3.322	3.213	3.627	3.598	4.221
I	3.180	3.094	2.112	1.773	2.205	1.172	2.501	1.624	2.276	1.376	2.009	1.331	1.935	1.416
S	825	7.387	879	7.035	1.014	8.165	1.174	8.805	1.277	9.394	1.388	9.738	1.560	10.293
Tot	47.784	54.848	15.863	17.321	39.249	38.834	47.095	52.798	22.228	30.142	26.367	34.746	25.057	34.824
Tot. Ges.	102.632	33.184	78.083	99.994	52.370	61.113	59.881	50.833	53.771	63.430	63.439	66.431	95.279	118.033

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
A	26.961	21.200	26.134	29.410	35.834	25.585	35.650	29.489	33.139	21.675	16.927	12.881	15.568	23.957
V	5.855	9.534	8.370	13.236	8.504	12.097	5.025	13.583	4.881	14.163	3.599	6.669	5.059	7.944
I	3.397	2.005	3.305	2.294	4.466	2.654	4.149	2.287	5.000	2.457	4.500	2.078	4.122	2.204
S	2.946	15.453	3.238	16.242	3.460	17.174	4.017	18.136	4.385	19.578	4.759	20.140	5.195	20.800
Tot	39.159	48.192	41.047	61.182	52.264	57.510	48.841	69.495	47.405	57.873	29.785	41.768	39.944	54.905
Tot. Ges.	87.351	102.229	109.774	112.336	106.278	71.553	84.849	116.454	100.780	113.671	145.290	154.197	168.292	146.110

Source: INPS - Observatory of pensions for public-sector employed workers - GDP on 1.1.2022

The **age distribution of outstanding IVS pensions** on 1.1.2022 provided by private and public schemes is shown in **Figure 5.8**, with the percentage distribution by age group compared to the total for each gender. It is possible to see that the percentages of IVS pensions provided to men prevail over those provided to women in the age groups up to "75-79 years", although they increasingly decrease with aging. The trend reverses in the age group "80 and over" and 41.9% of the total age distribution for women is concentrated in the over 80 group, compared to 28% for men, out of all age groups. The marked difference between men and women over 80 derives from the different life expectancy between the two genders and from the resulting prevalence among INPS IVS pensions of survivors' pensions, a category generally received by women (87% of total INPS survivors' pensions).

Figure 5.8 - IVS pensions: percentage of outstanding pensions on 1.1.2022, broken down by age group and gender



Men, Women, Age groups; Source: Archives of the INPS private and public sector pension on 1.1.2022

Twenty-five years ago, the mean *effective* retirement age for IVS pensions was about **61 years** on the basis of the *income-based system*. Today, for a new **61-year-old retiree** entitled to a direct pension, the average expected duration of a *contribution-based* pension (current mean value of direct and survivors' pensions) is estimated to be **21.5 years**; while for a **65-year-old**, the average expected duration of a direct contribution-based pension, in case with survivors' benefits is estimated to be **just over 19 years**. In the penultimate revision of the 2019-2020 pension transformation coefficients, the divisor related to 65 years of age, the reciprocal of the transformation coefficient, is equal to 19.064, expressed in tenths of a year, or 19 years, 0 months and 23 days. In the latest 2021-2022 revision, the divisor related to 65 years of age is 19.157, i.e. 19 years, 1 month and 27 days. In 2021¹⁶, ISTAT noted that, after two years of pandemic, the *remaining life expectancy for men at 65 years of age* had decreased by 7 months and 18 days and was 18.6 years (19.4 years in 2019); so, on average, a 65-year-old hopes to live up to **83.6 years**; for *women aged 65*, the *remaining life expectancy* had decreased by 0.7 tenths of a year (8 months and 12 days) and had reached 21.9 years (22.6 years in 2019); so, on average, a 65-year-old woman hopes to live to **86.9 years**. Consequently, the *average remaining life expectancy at age 65 for both genders was equal to another 20.3 years, equal to 85.3 years*, down by **0.7 tenths of a year**, compared to 2019 (the average remaining life expectancy at age 65 for both men and women was 86 years).

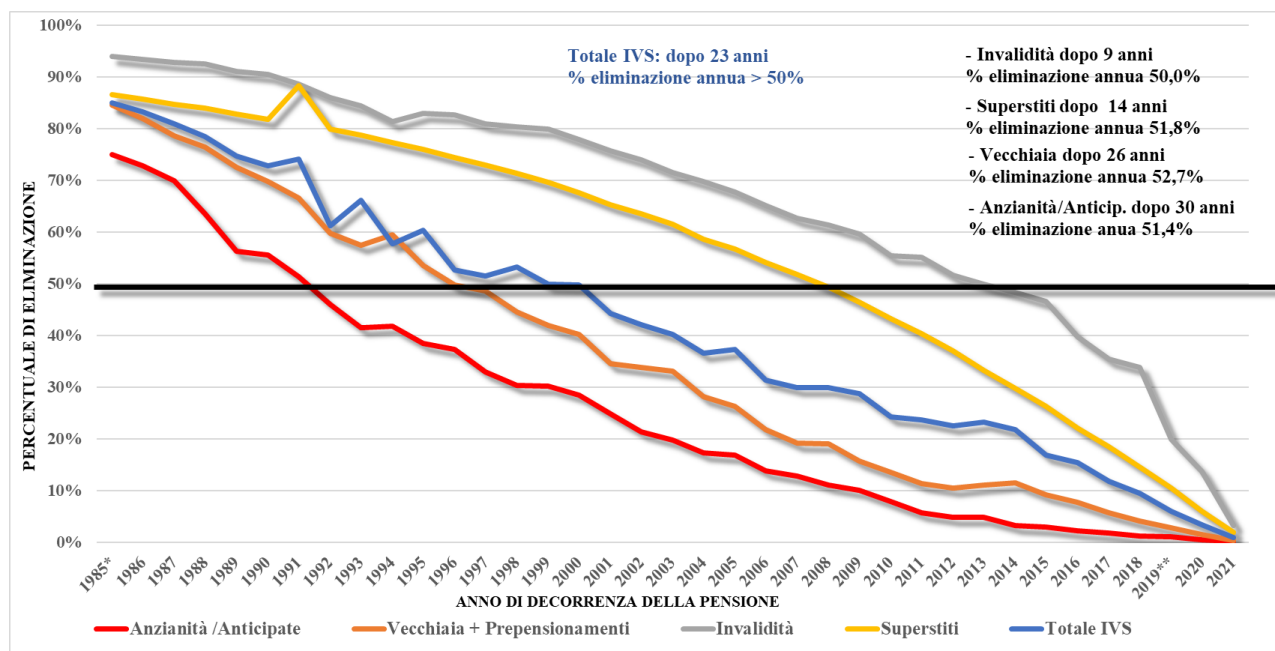
Eliminated Pensions - In addition to the duration of the outstanding pensions on January 1, 2022 examined above, it seemed important to look into the INPS archives also to see the rate at which *IVS pensions have been eliminated from their inception up to January 1, 2022* (due to death, new marriage, survivors' death, administrative cancellation). The data on the elimination of pensions by year of inception (**Figure 5.9**) are available for a 37-year period from 1985 to 2021 *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

¹⁶ Source ISTAT - Statistical Tables, Demographic Indicators in 2021 - File xls:
<https://demo.istat.it/tavole/?t=indicatori&l=it>

employed workers (GDP). Just over half (50.1%) of IVS pensions from 1996 onwards was eliminated during the year (they were provided for about 25 years).

More in general, over the 37-year interval observed, out of over 26.1 million IVS pensions paid out, 43.0% have been gradually eliminated, while 57% was still being provided on 1.1.2022. However, the 37-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, from the IX edition of the Report, we have also included the 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, the annual elimination rate reaches and then gradually exceeds 50% after only 9 years from their inception. At least half, 51.8%, of survivors' pensions are eliminated every year **14 years after their inception**. For seniority pensions, two thirds of which are provided to men with 35-3years of contributions, it is necessary to wait for **30 years after retirement** before more than half of them (51.4) is eliminated each year, starting from 1991. 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's until 2012 (60 and 65 respectively), it takes **26 years after retirement** for over half of them to be eliminated each year starting from 1995, first 52.7% and then gradually more. The annual elimination rate for all IVS pensions begins to exceed 50% after 22 years from their inception (1996) and reaches an annual elimination rate of 85.1% after 37 years (1985).

Figure 5.9 - IVS pensions: percentage of pensions eliminated from the year of their inception until 1.1.2022, with respect to pensions paid in the same year, broken down by category



Total IVS pensions after 23 years, annual elimination rate; Disability pensions after 9 years, annual elimination rate; Survivors' pensions after 14 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 pensions, Old-age and early retirement, Disability, Survivors, Total IVS pensions Source: INPS – Observatories on pensions on 1.1.2022 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)

The modern social protection system has been evolving from the welfare state back to a mixed public-private set-up, where individual and household complementary welfare expenditure is part of the overall national social security expenditure. In 2021, public s expenditure was estimated to reach **101 billion** euros with respect to 98.5 billion in 2020 (*Table 6.1*) to supplement their public pension, healthcare and welfare benefits, before the tax rebates granted by the law to these beneficiaries; the expenditure borne by the recipients of complementary welfare benefits was estimated at about **80.3 billion** euros (78.2 billion in 2020), equal to a net per capita expenditure of **1,350 euros** (*Table 6.2*). Out of the total gross expenditure, **46%** (**46.41 billion** euros) accounted for health-care expenditure of individuals and households, the so-called out-of-pocket (OOP) expenditure and the expenses intermediated by supplementary health-care and health insurance funds (**5.8 billion**); **33.78 billion** for supporting "non-self-sufficient" subjects at home or in residential care; **17.6 billion** for complementary pension benefits and **3.281 billion** for individual insurance policies (against occupational and non-occupational hazards).

Table 6.1 - Private complementary and supplementary welfare expenditure from 2015 to 2021 (millions of euros)

Years	2015	2016	2017	2018	2019	2020	2021		
Type							Private expenditure	as % of GDP	as % of public expenditure
Complementary pension benefits	13,500	14,256	14,873	16,269	16,134	16,531	17,602	0.99%	1.79%
OOP* expenditure	32,287	32,081	35,989	40,065	40,205	40,286	40,643	2.29%	4.12%
LTC** expenditure	8,900	8,900	10,700	33,982	33,982	33,380	33,777	1.90%	3.43%
Intermediated health-care expenditure ***	4,300	3,689	4,901	4,902	5,216	5,165	5,769	0.32%	0.59%
Individual welfare expenditure****	2,963	3,008	3,087	3,096	3,242	3,172	3,281	0.18%	0.33%
Total	61,950	61,934	69,550	98,314	98,779	98,534	101,072	5.69%	10.25%
* The 2021 data come from ISTAT, + 11.3 billion of undeclared items.									
** The 2015 data refer to home and residential care expenditure net of the caregivers' benefits provided by INPS; as of 2017, caregivers' costs also include the share of termination of employment benefits (TFR) for INPS-registered "domestic workers" with care and assistance duties; as of 2018, the overall cost is calculated net of public contributions to finance residential home expenditure (RSA) and the INPS benefits for disabled civilians . For further information, see the detailed focus on non-sufficient subjects.									
*** ***As of 2018, these data are no longer calculated on the basis of the share of intermediated health-care expenditure identified by the OECD, but by adding 2/3 of the revenues 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 processed by Itinerari Previdenziali coming from COVIP (Complementary pension system), ISTAT (OOP health expenditure), Ministry of Health and ANIA (Intermediated health expenditure), INPS (LTC health expenditure), MEF (Health-care and LTC expenditure), ANIA (Individual welfare expenditure).									

Total expenditure was higher than that of 2020 (+2.6%), and so were all its items, thus offsetting the slight decrease observed in the first year of the SARS-CoV-2, COVID-19 pandemic.

6.1 Methodology for calculating individual expenditure items

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

6.1.1 Private Out of Pocket Health 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, the so-called out of pocket health care expenditure (OOP), which is not intermediated by health funds or insurance companies. In the 8 years of this survey (2014-2021), expenditure increased from 30 to **40.643 billion** in **2021**, an increase by 35%, much higher than the inflation rate in the period examined (+ 4.40%). Our estimate of **40.643 billion** is higher than the 36.517 billion calculated by ISTAT; in fact, despite the changes in its survey methods since 2016, ISTAT still underestimates this type of expenditure because it does not consider the "undeclared" private expenses, which are common in some sectors (dentistry, physiotherapy, rehabilitation, home nursing and specialist services, etc.), and for the purchase of some goods and services. So, on the basis of the undeclared share for the Italian economy estimated by ISTAT (the latest data available date back to 2019), the conservative estimate is **11.3%**.

Since there is no other accurate information available, we have calculated the actual amount of net expenditure borne by households using the data provided by tax authorities¹ on all the medical expenses reported by the Italian population in their personal income tax statements for tax deduction and detraction purposes; the latest figure is from 2020 and it amounted to 18.863 billion euros, of which 1.099 billion euros' worth of deductions and about 16.764 billion euros' worth of detractions. So, the total tax savings for households are estimated to be equal to **3.5 billion** euros, of which 0.33 billion euros' worth of deductions, with a marginal personal income tax rate of 30% for eligible subjects and 3.18 billion euros' worth of detractions, 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, the 2021 net OOP health expenditure borne by individuals and households amounted to **37.129 billion** euros.

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 amounted to **5.769 billion** euros, with an increase by 41% in 2021 compared to 4.06 billion euros in 2014. This figure is obtained by adding **2/3** of the 3.147 billion euros' worth of premiums in 2021 in the *non-life/health insurance line of business* to the cost of contributions to the health funds registered at the Ministry of Health; a conservative figure to avoid duplications, since part of these items may be related to the contributions paid to health funds that are reinsured in whole or in part by insurance companies. The data on the revenues of health funds are not in the public domain; so, in order to make an estimate, we started from the sums reimbursed by health funds to their members (updated to 2021), by increasing them by 20% (this as a conservative difference between expenditure and contributions).

¹ Data from the 2021 tax statements for the 2020 fiscal year.

Having determined expenditure as described above, we have calculated the tax benefits to obtain the "net" expenditure borne by households and workers² on the basis of the following methodology: of the 5.7 billion of intermediated expenditure, **2.85 billion** are related to supplementary health funds that allow for the full deduction of these expenses for employed workers, while the remaining **2.85 billion** is partly related to health funds whose members are mainly self-employed workers (free-lancers, self-employed professionals or non-dependent family members) who are entitled only to a 19% detraction and partly to insurance (individual and group policies) that benefit from a **19% tax rebate**, when allowed. Obviously, this classification is not actually so rigid and many non-life policies cannot even be detracted from taxes. Therefore, the cost incurred by the Treasury for the tax benefits granted to members of some health funds amounts to **570 million**, considering an average personal income tax rate of 17% for 87% of beneficiaries and 40% for the remaining 13% out of 2.85 billion. As for the rest, if all the other members were to deduct 19% of these expenses, conservatively calculated on 80% of the 2.85 billion related to members of mutual aid societies or to insurance policy holders 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 **433 million euros**² worth of *tax revenues*, which, added to the previous figures, would lead to about **1 billion euros**² 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 was equal to **33.77 billion** euros and to **23.05 billion** net of the caregivers' and residential home benefits provided by the State, in line with that of previous years; it 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 pension expenditure

In 2021, the *complementary pension system* featured an increase in contributions paid by pension fund members (+6.1%), for a total of **17.6 billion** euros. In order to calculate net expenditure, the amount of contributions has been reduced by the maximum personal income tax rebate of **5,164.57** per year. According to the data provided by Tax Authorities, the total amount of deductions amounted to **4.62 billion** euros. As a result, the actual complementary expenditure was equal to **12.97 billion**.

6.1.5 Individual welfare expenditure (accident policies)

The premiums for accident policies, which we have classified as *individual welfare expenditure*, increased compared to 2020, reaching **3.2 billion** euros. In the absence of accurate data, it is possible to generously apply the tax benefits under the law (19% rate up to 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 was estimated at 2.6 billion euros.

² Tax benefits: contributions to *health funds* can be deducted for employed workers registered with bilateral contractual funds up to 3,615.20 euros per year, while members of mutual aid societies can detract a maximum of **19%** of their contributions up to **1,300** euros; for *health insurance policies* can be detracted up to 19% with different limits for disability (up to 530 euros) and LTC related to accidents (up to 1,291 euros).

Table 6.2 - Comparison between gross and net private expenditure on complementary and supplementary welfare in 2021 (millions of euros)

Type	2021	
	Gross private expenditure	Net private expenditure
Complementary pension system	17,602	12,977
OOP Health expenditure	40,643	37,129
LTC Expenditure	33,777	23,052
Intermediated healthcare expenditure	5,769	4,743
Individual welfare expenditure	3,281	2,658
Total expenditure	101,072	80,559

6.2 Supplementary health care

Total private *healthcare* expenditure amounted to **46.38 billion euros** vs. 45.45 billion in 2020, as the sum of 40.643 billion euros' worth of *OOP expenditure* (40.286 billion in 2020) and of 5.769 billion euros' worth of *healthcare expenditure intermediated* by healthcare funds, insurance companies, mutual societies and other entities (5.165 billion in 2020) (*Table 6.1*). Of the **5.769 billion euros**' worth of total expenditure, 3.059 billion is estimated to have been channelled towards the complementary health funds registered and supervised by the Ministry of Health; these funds play a fundamental role 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*).

Table 6.3 – Number of funds in the Register of Health Funds, number of members and overall amounts

Year **	Registered funds	Type A	Type B	Total no. of members	Overall amount	Partial amount (20%) *	Partial/Overall amount
2010	255	47	208	3,312,474	1,614,346,536	491,930,591	30.47%
2011	265	43	222	5,146,633	1,740,979,656	536,486,403	30.82%
2012	276	3	273	5,831,943	1,913,519,375	603,220,611	31.52%
2013	290	4	286	6,914,401	2,111,781,242	690,943,897	32.72%
2014	300	7	293	7,493,824	2,159,885,997	682,525,987	31.60%
2015	305	8	297	9,154,492	2,243,458,570	695,336,328	30.99%
2016	322	9	313	10,616,405	2,329,791,397	755,068,420	32.41%
2017	311	9	302	12,572,906	2,372,099,622	755,357,621	31.84%
2018	313	9	304	14,099,180	2,719,486,779	877,427,824	32.26%
2019	318	12	306	14,715,200	2,828,696,190	927,820,736	32.80%
2020	318	12	306	15,303,808	2,941,844,038	964,933,565	32.80%
2021	321	12	309	15,609,884	3,059,517,799	1,003,530,908	32.80%

Source: II Reporting System of the Health Fund Registry of the Ministry of Health; the data in green have been processed by Itinerari Previdenziali.

** 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 actual fiscal year, which data are referred to, that are generally extracted a year later following the tax statements of the funds (for example, the 2016 data are 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.

Table 6.3 shows in detail the health funds accredited in the Registry of the Ministry of Health; they are not obliged to be registered, even though they are required to do so for their members and employers to be allowed to deduct and detract their contributions from their taxes. The latest data were published in 2020, and the table was updated with respect to the previous Report editions.

The number of *beneficiaries* of these funds amounted to **15.6 million**, much more with respect to complementary pension funds (slightly below the 10 million threshold in 2021). Employed workers and their families accounted for 85% of all beneficiaries 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 outside of the collective bargaining scene (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, we have estimated that supplementary health funds (FSI) received more than **3.6 billion** euros' worth of *contributions* and provided **3.06 billion** euros' worth of *benefits*; of which 1 billion was allocated to LTC and/or to dentistry benefits. According to the latest data released by the Ministry, supplementary health care funds show interesting growth rates both in terms of number of operators, number of members and amounts of benefits provided; as a result, the overall assets of these new institutional investors are growing; the same holds true for the number of contracts with trade unions and employers on forms of health-care provision, which often not only supplement but also substitute for the NHS; in fact, due to the significant ageing of the population, the national health service requires a second pillar, which is also at the top of workers' preferences. Moreover, in 2020 and in 2021, the 'self-managed' funds and those that operate together with insurance companies introduced numerous support measures for their members related to specific COVID-19 benefits, such as test and swab reimbursements, per diems and allowances, which replaced ordinary benefits.

The legal status of most healthcare funds is that of non-recognized associations under former Art. 36 of the Civil Code; the remaining ones are mutual aid societies under former Act no. 3818/1886, associations recognized under former Art. 12 of the Civil Code (7) and foundations (5). However, it is still necessary to overcome tax benefit discrimination between employed and self-employed subjects. In fact, in order to be entitled to deduct these charges from taxes, the latter can only join type A health funds ("best in class") to be entitled to be refunded for the benefits not provided by the National Health Service. These figures do not seem to capture the attention of the Italian citizens, given also the difficulty of understanding the limits of the essential public health-care service levels to be supplemented, also because the healthcare system differs from region to region.

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 sound and conservative management and solvency rules, hence the risks for individuals and for the credibility of the entire system. In this regard, the second Report from the Registry of Health Funds shows that the 2019-2021 Health Pact agreed upon during the State-Regions Conference of December 18, 2019 envisages the establishment of a working group to draw up a proposal to modernise and revise the regulations on health funds pursuant to Article 9 of Legislative Decree no. 502/1992 and on the other welfare entities and funds; the aim is to provide appropriate welfare services in line with national regulations, to foster transparency in the sector, to strengthen the supervisory system, to increase the overall efficiency of the sector to the benefit of the entire population and to ensure an effective integration of the funds into the National Health Service.

6.3 Non-self-sufficiency and LTC

In Italy, apart from the LTC charges financed by the State for disability pensions and caregivers' allowances and their related health-care services (about 3% of GDP), 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 amounted to **529,000** workers, of whom 244,000 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 was 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 accounted for 60% of the total, about 50% of whom live alone and 29% with a partner, while 21.7% of men live alone and 68% with a partner.

In order to estimate the LTC figures and costs, the following model has been adopted: the number of non-self-sufficient subjects over 65 in Italy was about 2.5 million and that of subjects in residential facilities was about 312,000⁴ in 2018 or an estimated average cost for residential homes 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 2021 the number of domestic workers was equal to 961,358 against 961,722 in 2020 and 848,987 in 2019, an upward trend of +9.9% over 2019, back to the employment levels of 2014 for this category of workers⁶. Out the total number of domestic workers, the number of caregivers was equal to 451,371 and they accounted for 47% (almost the same as in 2020), 1.2% more than in 2020 (437,663); according to the latest estimates of 2020, the number of undeclared caregivers was around 600,000, 100,000 less with respect to 2019 for the above-mentioned reasons⁷. Therefore, the 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 **13.09 billion** euros;
- the second is related to the costs for full-time *caregivers* with *irregular work contracts*: (about 57% of the total according to Domina); assuming an annual salary of 22,000 euros (all inclusive,

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

⁴ ISTAT data - Statistics Report of December 31, 2018: *Social welfare and health benefits for residential facilities*. According to 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 2,000 euros per month as the average cost of residency for RSAs, even though, according to empirical research studies, this figure may reasonably be higher.

⁶ Source: INPS - Statistics in Brief: Domestic Workers, June 2022. 2020 data.

⁷ According to Domina's survey "*Size and economic impact of domestic work in Italy*", undeclared domestic workers account for around 57% of the total and this sector features the highest rate of undeclared work.

⁸ This amount is obtained by assuming a monthly salary of 1,500 euros including contributions and termination of employment benefits. INPS reports a figure 13,000 euros; according to us, it is underestimated and does not consider a possible mix of declared and undeclared salary.

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 residential homes and declared and undeclared *caregivers*, the total gross expenditure of individuals and households for home and residential care reaches **33.777 billion** euros. Instead, in order to calculate net expenditure, the following items must be subtracted:

- a) caregivers' allowances equal to 522.10 euros per month in 2021 for a total of 6,265.2 euros per year, granted to 1,082,121 non-self-sufficient elderly people⁹ for a total amount of **6.80 billion** euros; plus 5,110 euros' worth of pension benefits to 1,002,327 for disabled civilians, 50% of which are provided to non-self-sufficient individuals for an amount of **2,561 billion**;
- b) the regional support *voucher* to supplement the monthly fees for residential homes R equal to about 10,000 euros per year on average (for about half of the 312,000 elderly subjects in these facilities, as estimated above) for an amount of **1.56 billion**.

There are also other tax deductions and detractions 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 home expenditure	Cost for residential homes	7,488,000,000
Care expenditure	Cost for regular caregivers	13,089,759,000
Care expenditure	Cost for irregular caregivers	13,200,000,000
Total before taxes		33,777,759,000
Amounts to be subtracted		
Caregivers' allowance		6,804,765,289
Disability pension		2,561,000,000
Regional support for residential homes		1,560,000,000
Total public funds		10,925,765,289
Actual household expenditure		
Net of public contributions		22,851,993,711
LTC		
LTC and Dread Disease Branch IV		178,000,000
LTC non-life Branch II		22,533,000
Total net private LTC and care expenditure		23,052,526,711

In total, net expenditure amounted to **22.85 billion** euros, after deducting the benefits under the law estimated to be **10.92 billion**); this figure 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. This amount decreased slightly compared to 2020 due to the failure of INPS to update the data in relation to the social welfare measures and also to the adjustment of caregivers' allowances and disability pensions.

⁹ See Chapter 6; it has been assumed that out of 2,172,242 caregivers' allowances those allocated to the non-self-sufficient elderly subjects account for about 50%.

It is necessary to add the LTC and Dread Disease class IV premiums equal to **178 million** euros and the LTC class II non-life premiums equal to **22.533 million** euros ¹⁰ to net expenditure for a total net private healthcare and LTC expenditure of **23.05 billion** euros (*Table 6.4*). Instead, the number of IV class LTC policy premium dropped by 2.2% notwithstanding the increasing need for this type of insurance; in 2020, their number had grown by 21.2% compared to 2019.

6.4 Complementary pension funds

In 2021, complementary pension funds experienced a growth in their assets and membership. In detail, the number of members amounted to **9.733 million**, **8.771 million** without considering registration duplications (**8.150 million** in 2020), up with respect to the slight decrease in 2020. In particular, the number of members in occupational pension funds featured a growth by 6% vs. +3.2 in 2020, the same for open-ended funds (+ 6.6% vs. +4.9% in 2020) and for new generation PIPs (+ 2.7 vs. +2.7% in 2020). In December 2021, FONDINPS was removed from the Register of Pension Funds. the residual pension provision function for the tacit conferment of termination of employment benefits was assigned to the COMETA pension fund. In 2021, all the reasons for closing a social security position were also on the rise.

In general, members of complementary pension schemes are men of about 40 years of age, 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 (considering the number of members adjusted for double or triple registrations). The increase in the number of members of occupational pension funds is due to the so-called contractual membership that is automatically granted to newly-recruited workers and fully financed by their employer. 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 2021, these pension funds featured a total of **213 billion** euros' worth of assets, an increase by **7.8%** compared to 2020. Occupational pension funds ranked second, with most of their assets allocated to benefits (65.332 billion euros), while pre-existing funds exceeded 67.6 billion.

Italy is improving in the OECD ranking in terms of assets over GDP, even though there is still a long way to go. However, it is important to recall that some countries have introduced a compulsory complementary pension system and that public pensions often have particularly low substitution rates.

¹⁰ Source ANIA: for the LTC Branch IV component – the Italian insurance sector in 2021-2022.

Table 6.5 - Complementary pension funds from 2019 to 2021: number of members and resources allocated to benefits (% variations in 2020 and in 2021)

Years	No. of Members				Resources allocated to benefits			
Type of funds	2019	2020	2021	% var. 2020/21	2019	2020	2021	% var. 2020/21
Occupational pension funds	3,160,206	3,261,244	3,457,302	6.01%	56,136	60,368	65,322	8.21%
Open-ended pension funds	1,551,223	1,627,731	1,735,459	6.62%	22,844	25,373	28,966	14.16%
Pre-existing pension funds	650,054	646,934	648,370	0.22%	63,831	66,022	67,636	2.44%
New PIPs	3,419,170	3,510,617	3,613,307	2.93%	35,478	39,059	43,989	12.62%
Old PIPs	354,108	338,793	321,879	-4.99%	7,064	7,045	7,337	4.14%
Total*	9,116,469	9,341,137	9,733,947	4.21%	185,439	197,866	213,251	7.78%
* The data related to the total number of outstanding positions in 2020 were realigned to the historical series updated by COVIP in the 2021 Report.								
** The 2020 total no longer includes FONDINPS, which was cancelled.								

Some innovations have been introduced in the regulatory framework since the last edition of this Report. In 2021, COVIP continued to its regulatory work following the to the amendments to Legislative Decree no. 252/2005 by Legislative Decree no. 147/2018 transposing the IORP II Directive. In particular:

- in January 2021, the "Supervisory Instructions for companies managing open-ended pension funds" were issued as a result of a public consultation procedure and of the opinions rendered by the Bank of Italy, Consob and IVASS. These instructions are designed to ensure the homogeneous compliance with the new obligations introduced by Legislative Decree no. 147/2018 in terms of governance for occupational pension and pre-existing funds with legal entity status, in line with the sector regulations;
- In May 2021 after a public consultation, COVIP adopted the new standards related to the statutes of occupational pension funds, to the regulation of open-ended pension funds and of PIPs, replacing those adopted under the previous 2006 Resolution, which was repealed. All these funds were obliged to adopt these new standards by March 2022.

6.5 Corporate and territorial welfare

In order to provide a complete overview of the *second and third pillar complementary welfare system*, we have analysed the so-called "corporate welfare".

Regulatory framework: the *corporate welfare system* is mainly regulated by the 2017, 2018 and 2019 Budget Laws and targeted to employed workers, so self-employed workers and freelancers are excluded. The current regulation derives 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 work organization). On the other hand, the recent 2019, 2020 and 2021 Budget Laws did not provide for any major changes to corporate welfare. The only change is related to fringe benefits; in fact, under Article 12 of Law Decree no. 115/2022 (Decreto Aiuti Bis), the sums paid by employers to their employees, exempt from social security charges up to 258.23 euros under Article 51, paragraph 3, of the Consolidated Income Tax Act (TUIR), were raised to 600 euros in 2022, for water, electricity and gas bills.

Definition: 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”* provided thanks to the company's liberality (unilateral) or to local or national or collective agreements.

Of course, these sums and services reduce the so-called tax and contribution wedge for the employers and their workers as was the case for the 600 euros under Article 12 of Law Decree no. 115/2022 (Decreto Aiuti Bis); and the same for de performance bonuses in the form of well-being and welfare-related goods and services especially when workers are committed to the good performance of the company and to its productivity growth. The main goal of corporate welfare is to convert "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;
- access to goods and services for educational, recreational, social assistance, health care and worship purposes;
- sums for educational and training services;
- cost-sharing for the care of elderly and/or 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).
- more generous subsidies for surcharges related to gas, electricity, water bills under Article 51 of the TUIR (Decreto Aiuti Bis).

This list clearly shows that corporate welfare is closely linked to the supplementary, health care and LTC system, since these are the main elements of welfare policies in the world of labour; it also includes items that are not strictly related to welfare (such as the so-called "recreational" services) which should perhaps lead to rethinking this system and to fine-tuning its tax and social security incentives (designed to reduce taxes and social security charges for these services almost to zero, 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 employers, often together with their workers.

Limits of the Italian model: the process to obtain productivity bonuses and their tax benefits is very complex and requires the involvement of trade union and employer representatives, often absent in small and medium-sized enterprises, the majority in the Italian corporate world; this is a serious limit to the widespread use of this system compared to its actual potential, especially today, in view of a tax wedge reduction.

The other limitation is the ex-post verification by Tax Authorities designed to detect irregularities in the complex procedure or even the formal non-compliance with the numerous tax regulations; in fact, these authorities may require the refunding of these benefits from workers and from the company which may run the risk of facing criminal proceedings. The example of the aforementioned 'Aiuti bis' is the ideal solution thanks to its clear and incontrovertible rationale and its streamlined and very fast decision-making process; if it were also extended to include meal

vouchers and transport incentives, the tax and contribution wedge would be reduced without few State charges, and a great boost to corporate welfare and the number of workers and companies involved. Since Italy is characterised by a very high number of small and very small production and service enterprises, a simplified approach to the whole corporate welfare system requires aggregations on a local level. Corporate and community-based welfare, together with the complementary system described above, would help finalize a new social security model based on different levels of action and on a good public-private integration, also in view of the funds coming from the National Recovery and Resilience Plan (PNRR); this model is largely designed to support the communities 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 banking foundations, which have always been active in community-based welfare, and the schemes for professionals under Legislative Decrees no. 509/1994 and no. 103/1996. In particular, under this Plan, companies that adopt corporate welfare mechanisms and actions dedicated to work-life balance will be awarded higher scores. There are also welfare measures to protect women from choosing between maternity and their career. In addition, with the approval of Delegated Act no. 32 of April 7, 2022 (family support and valorisation, the so-called 'Family Act') the Government is required to issue the implementing parenthood support decrees including: *specific additional tax benefits for corporate welfare measures identified in the collective bargaining process to support the education and training of children and to protect their health, also by means of appropriate insurance instruments*' (Article 2, letter I, of the aforementioned Act no. 32/2022).

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 8000 collective agreements with productivity targets. Of these, 4,000 include corporate welfare measures (less than in the Report of May 14, 2021) for **1,578,222** workers for an average amount of 1,655 euros. According to the AIWA surveys, around 30% of workers opt for a welfare bonus instead of a monetary bonus, i.e. around **473,500 workers** who obtain welfare benefits from their productivity bonus; in addition to these, there are also workers whose employment relationship is regulated by national collective agreements that provide for mandatory welfare benefits managed by the company right from the first level. These benefits do not exceed 250 euros, and are usually in the form of shopping vouchers or fuel coupons. According to the INPS and CNEL data on the application of these national collective contracts, it is possible to estimate the involvement of just under 3 million workers and over 300,000 companies. Instead, as to the so-called on top welfare plans, (independent of and beyond the fixed and variable salary, as a free donation by the company or as a trade union agreement), the survey carried out by Secondo Welfare on AIWA members revealed that in 2019, the number of companies involved was equal to 4,600, for a total of over 600,000 workers who receive an average amount of around 900 euros. Based on this data and taking into account the fact that it is not possible to add up the number of workers involved since an individual employee may receive the three different welfare benefits, AIWA has estimated that the economic value of the corporate welfare (market), net of supplementary health care and complementary pension benefits managed by national contracts, is equal to **1.924 billion euros**¹¹.

According to the WELFARE INDEX SME report for 2021, the Coronavirus pandemic has led to an increase in the number of small and medium-sized enterprises from 9.7 per cent in 2016 to 21% in

¹¹ See "'Ragioni, finalità, ed evoluzione del *welfare* aziendale: spunti dalla esperienza" (Rationale, aims, and evolution of corporate welfare: insights from experience) by Emmanuele Massagli in "Welfare negoziale e nuovi bisogni. Tradizione ed emergenza" (Contractual welfare and new needs. Tradition and emergency), edited by Guido Canavesi and Edoardo Ales, published by Editoriale Scientifica in 2019.

2021 in six years; moreover, 54.8 per cent of the enterprises that have incorporated welfare into their corporate strategy have seen positive returns on productivity. This Report has highlighted the many corporate welfare initiatives adopted in the area of health care (diagnostic services for COVID-19, medical consultation services also remotely, telemedicine, new health insurance policies), of work-life balance (smart-working, flexible working hours, distance learning activities and help with child and elderly care) and a series of initiatives that are still going on in many enterprises.

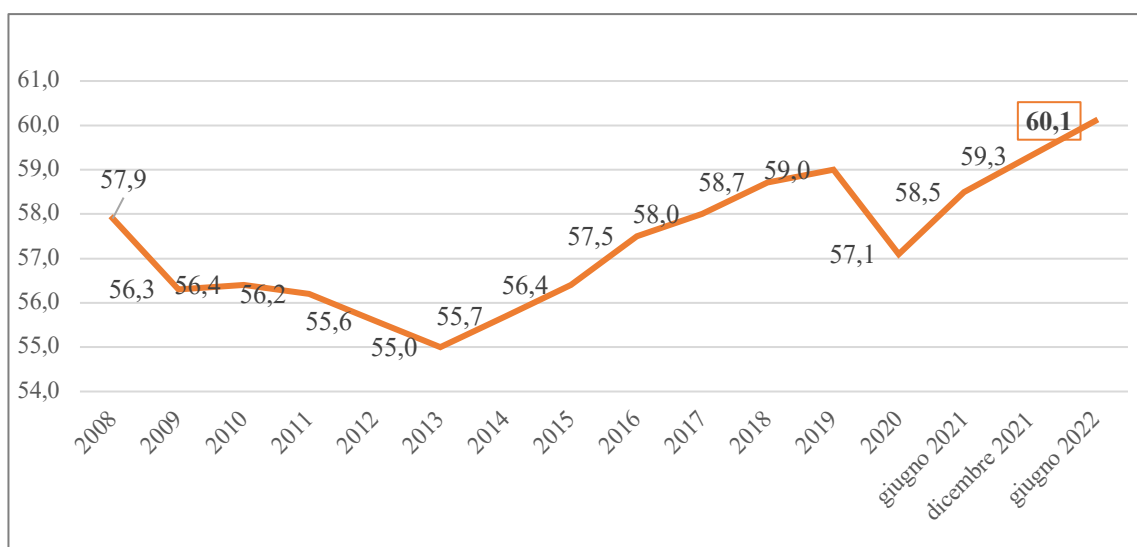
7. The generous Italian welfare system, difficult to finance

This aim of this “new” chapter is to briefly highlight the current and prospective difficulties in financing the 'generous' Italian welfare state which, accounts for 56% of the total State expenditure and 31% of GDP, as will be illustrated in detail in the next Chapter. The Eurostat ranking for 2019 and 2020 features Italy in the 5th position in terms of welfare expenditure with respect to GDP, which practically means that it is among the top 5 or 6 countries in the world for welfare state provision. In general, as will be indicated, pension expenditure is largely self-financed after taxes; instead, the whole welfare part *remains to be financed*, that is periodic annuities (i.e. all income-related benefits), pure welfare benefits (such as the citizenship income, the single allowance for children - AUUF - bonuses and other family, child and elderly support benefits) and health expenses also related to non-self-sufficiency, which cost about 145 and 124 billion euros respectively and which must be financed by general taxes since they do not have special purpose contributions (eliminated by the Visco reform of 2000).

Therefore, in order to maintain Italy's costly welfare system, with its welfare expenditure now equal to net pension expenditure, it will be necessary to resolve the problems that have hitherto limited the country's development, such as *low employment rates*, *low wages*, an over fragmented, obsolete and non-innovative *collective bargaining* with thousands of contracts, based on excessive protection and capped on low incomes, inefficient *matching of labour supply and demand*, low *productivity*, high *tax and contribution evasion* and *too many welfare measures*, i.e. the excessive use of passive policies and the absolute lack of active labour policies.

Low employment rates - In Italy, out of 36.5 million working age Italians, only 23 million are working, or 39% of the population compared to 51% and more of other competitors; France, which has the same population as ours, features 34 million active workers (more than 57% of the population); Germany, with 80 million inhabitants, features 41.5 million (52%) active workers, including mini-jobs. **Figure 7.1** shows the development of employment according to ISTAT.

Figure 7.1 - Employment rate (%)



The Italian record for employment was reached in July 2019 with more than 23.44 million before falling to 23.376 million in December 2019 and plummeting to 22.839 million in December 2020 (the pandemic year) and rising again in July 2022 to 23.3 million but with a possible slump due to the economic and energy crisis and to high inflation. Since the employment rate is the result of the ratio of the employed to the population, this growth is partly due to the decrease in the resident population. **Table 7.1** shows the employment rate ranking in the 27 EU countries, calculated by Eurostat for the second half of 2022. Compared to previous surveys and despite the complete silence of the media and politicians, Italy dropped from second to last in 2021 in the ranking for total employment rates between the ages of 15 and 64, to the last position and it is far behind the EU average and far behind the most advanced countries in all the rankings.

Table 7.1 - Employment rates of the population as a whole and for women

Tasso di occupazione totale popolazione M + F 2022-Q2			Tasso di occupazione popolazione femminile 2022-Q2		
Tasso di occupazione da 15 a 24 anni	Tasso di occupazione da 15 a 64 anni	Tasso di occupazione da 55 a 64 anni	Da 15 a 24 anni	Da 15 a 64 anni	Da 55 a 64 anni
76,1 Netherlands	81,9 Netherlands	76,8 Sweden	76 Netherlands	78,1 Netherlands	74,5 Sweden
55,5 Denmark	77,8 Malta	73,7 Germany	54,8 Denmark	75,4 Estonia	73,5 Estonia
53,1 Malta	77,6 Germany	73,2 Netherlands	52,6 Malta	74,8 Sweden	72,5 Finland
51,7 Austria	77,2 Sweden	72,9 Denmark	49,6 Ireland	74,4 Denmark	71,8 Lithuania
50,4 Germany	76,8 Denmark	72,5 Czechia	48,5 Austria	74,2 Finland	69,6 Germany
49,4 Ireland	76,2 Estonia	71,7 Estonia	47,9 Germany	73,8 Germany	69,2 Latvia
46,7 Finland	75,7 Czechia	70,6 Finland	47,2 Finland	73,6 Lithuania	68,2 Denmark
45 Sweden	74,5 Finland	69,9 Lithuania	44,2 Sweden	71,1 Malta	66,3 Czechia
36,3 Estonia	74,4 Hungary	69 Latvia	40,9 Estonia	70,3 Austria	66,2 Netherlands
34,9 EU27	74,3 Austria	67,2 Bulgaria	34,5 EU27	70 Latvia	62,8 Bulgaria
34,9 France	73,8 Ireland	66,8 Ireland	33,3 France	70 Slovenia	61,6 Portugal
34,6 Cyprus	73,6 Lithuania	65,8 Cyprus	32 Lithuania	69,9 Hungary	60,7 Slovakia
32 Latvia	73 Slovenia	65,5 Hungary	31,7 Cyprus	69,8 Portugal	59 Ireland
31,4 Lithuania	72,6 Cyprus	65,4 Portugal	31,2 Latvia	69,2 Ireland	57,2 EU27
30,8 Slovenia	71,6 Latvia	63,4 Slovakia	28 Slovenia	68,6 Czechia	55,4 France
30,1 Croatia	71,6 Portugal	62,2 EU27	27,7 Luxembourg	67,5 Slovakia	55,3 Cyprus
28,1 Poland	71,6 Slovakia	57,7 Spain	25,9 Belgium	66,9 Luxembourg	55,2 Hungary
27,1 Luxembourg	71,5 Poland	56,9 Poland	24,4 Hungary	66,8 Cyprus	51,4 Belgium
26,9 Hungary	70 EU27	56,8 France	23,2 Poland	66,4 Bulgaria	51,2 Spain
25,8 Belgium	70 Luxembourg	56,7 Austria	22,6 Croatia	65,4 France	51 Slovenia
25,6 Czechia	69,8 Bulgaria	55,8 Belgium	22,5 Spain	65,3 Poland	48,8 Austria
24 Portugal	68 France	54,8 Italy	22,2 Portugal	65 EU27	45 Italy
23,9 Spain	66,2 Belgium	54,6 Slovenia	21,3 Czechia	63 Belgium	44,9 Poland
22,2 Slovakia	64,8 Spain	52,9 Malta	16,7 Slovakia	60 Spain	44,3 Croatia
20,3 Italy	64,8 Croatia	51,2 Greece	16,6 Italy	59,8 Croatia	42,2 Malta
19,4 Romania	63,1 Romania	48,9 Croatia	16,1 Bulgaria	54,4 Romania	40,3 Luxembourg
19,2 Bulgaria	60,5 Greece	48 Luxembourg	13,9 Romania	51,3 Italy	39,5 Greece
16 Greece	60,3 Italy	46,2 Romania	13,5 Greece	51 Greece	35,2 Romania

Employment rate for the population as a whole M + F 2022-Q2; Employment rate of women 2022-Q2; Employment rate from/years of age to; Years of age; *Source: Eurostat*

Moreover, Italy has the highest number in Europe of NEETs, young people between the ages of 15 and 34 who are not studying, not working, and not engaged in training (3,047,000 people, that is 25.1% of young Italians); among our competitors, Spain features 18%, France 14%, and all the other countries are below 11%. Italy ranks last in terms of total employment rate, just beaten by Greece, which, however, has a GDP equal to 70% of that of Lombardy, with a 10% difference with respect to the European average (about 70%) and 15% from Northern European countries; female employment is 12% lower than the average and 20% lower than Northern European countries) and the youth employment rate (15/24 years) is 50% lower than the EU average and 1/3 lower than the Northern EU countries (**Table 7.2**).

Table 7.2 - European ranking of NEETs as percentage of the population aged 15-34

NEET ranking 2021			
Italy	24.4	Estonia	12.2
Romania	21.4	Hungary	12.1
Greece	20.5	Belgium	11.5
Bulgaria	18.3	Ireland	11.1
Croatia	16.2	Austria	10.7
Spain	15.6	Germany	10.6
Cyprus	15.1	Portugal	10.2
Slovakia	15	Finland	9.9
EU27	14.3	Malta	9.4
Czech Republic	14.1	Denmark	9.1
Latvia	13.8	Luxembourg	8.9
Poland	13.8	Slovenia	8.4
France	13.7	The Netherlands	6.6
Lithuania	12.8	Sweden	6.4

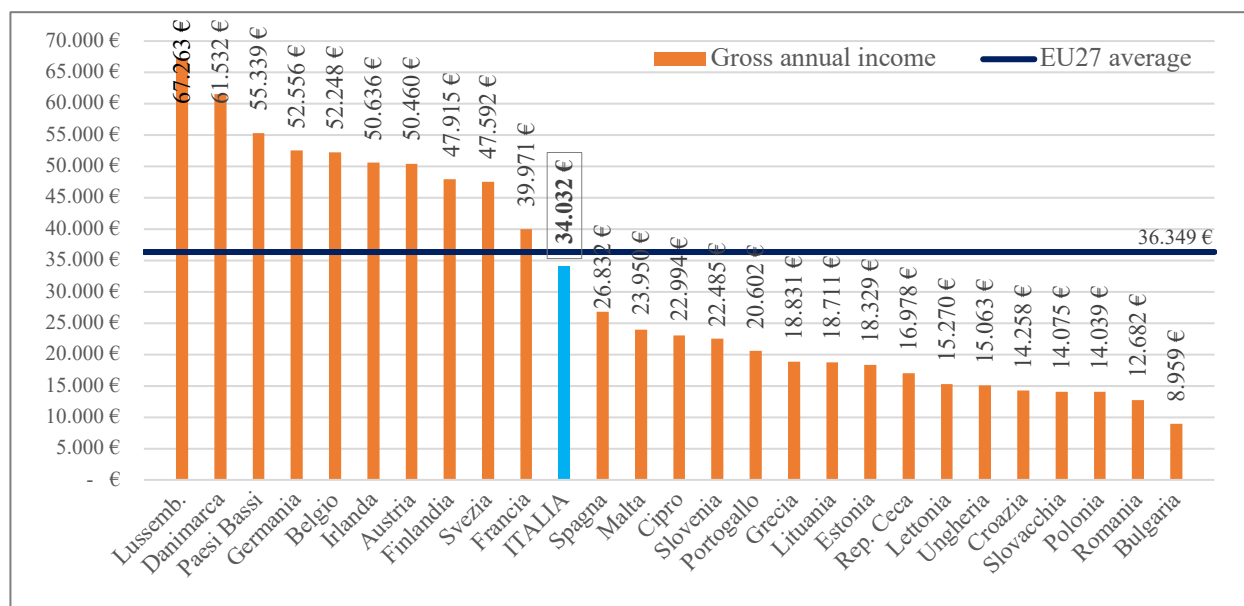
Number of hours worked and number days worked per year: Italy-Europe comparison. As to labour measured in terms of number of hours and days worked, Italy is at the 'low' end of the European average among the most developed economies: in 2020, the number of hours worked per week per employee was 37, against 37.5 in France, 35.1 in Germany, 36.8 in Sweden, and 30.6 in the Netherlands. It should be noted that the 2020 figure changed significantly thanks to the post-Covid recovery, and Italy is now performing very well: out of 100 hours per capita worked in 2021, this index was 103.5 in Q1 2022, just below Germany (103.9) but above France (103.3). The index of the total number of hours worked was even better: out of 100 hours in 2015, in Q2 2022 Italy featured 106, France 98.2, Germany 95.2. As to number of days worked per year, Italy is in the European average, with 234 days, like the Netherlands (Germany 236 and France 227). However, this abundant labour input contrasts with the productivity index, which relates GDP (or Added Value) to the number of hours worked which remains very low in Italy.

Low wages - Over the last 30 years, according to OECD analyses, Italy is the only country that has experienced a loss of 2.9%, in average real wages, far too much compared to Eastern European countries where wages for employed workers have almost doubled, in Sweden they have increased by 63%, in Denmark by 39%, in Finland by 32%, in Germany by 33%, in France by 31%, in Belgium and Austria by 25%, in Portugal by 14% and in Spain by 6%. But **are Italian wages really lower than European ones and why?** The trade union-political narrative of an Italian society that is progressively impoverished and where income inequalities are increasing mainly due to extremely low wages is a rather recent argument; in fact, until recently the narrative was that workers' protection was great thanks to the workers' statute and the national collective agreements (CCNL)!

According to data from Eurostat, the 2021 average gross hourly wage, expressed in Purchasing Power Parity, was 15.55 euros in Italy compared to 16.9 euros in the Eurozone, 19.66 euros in Germany and 18.01 euros in France; the gross monthly wage was 2.520 euros in Italy, 2.825 in the Eurozone, 3.349 in Germany and 2.895 in France; and the annual salary was 34,792 euros in Italy, 38,559 in the Eurozone, 44,933 in Germany and 37,956 in France. According to Job Pricing, which takes into account the OECD data, in 2020 the Italian wages occupied the 25th place out of 36 countries, equal to 80% of the OECD average wage, with differences between contractual wages and de facto low wages amounting to 2.3%. So, wages are low on average, but essentially due to the fact that the

difference between high and low wages is among the lowest in Europe: "low" wages i.e. those below 2/3 of the median wage are only 3.7% lower than the overall average, while "high" wages i.e. above the median by one and a half times are 19% lower, the lowest after Germany (18.7%); most wages are thus distributed fairly evenly in a low-middle range also because the wage difference with respect to educational levels is limited: in Italy, the difference between the lowest levels (primary and/or lower secondary) and the highest ones (tertiary and higher) ranges from 27,806 euros per year and 44,104 euros per year; in Germany from 27,005 to 68,144; in France from 28,115 to 47,696; in the euro area from 25,518 to 51,200. Once again, we find that 'low' wages are higher than the European average, but 'high' wages are lower; this explains why wages are on average low and have lost their purchasing power in 30 years, mainly because of the 'high' ones, since the 'low' ones perform well. The age distribution of Italian wages also shows a flatter curve than that of Germany and France: the growth of the wages of workers under 30 years of age and those over 50 is 52% in Italy, 58% in Germany and 59% in France. While as far as the gender gap is concerned, Italy is in the middle of the table, in good company with Norway and Finland with an index of 16%. It is also important to examine how wages change according to the production sector: with respect to the Eurostat data, the difference between wages in the process industry (normally the highest excluding financial services) and services, excluding the public administration, is 23.5% in Germany, 13% in France, **only 7% in Italy** and 14.5% in the Eurozone. This flattening of the Italian figure is essentially due to a relatively high remuneration levels in services (only -8.7% with respect to the Euro area, -7.5% with respect to France, -24% with respect to Germany) and rather low for the process industry (-17% with the Euro area, minus 43.8% with Germany, -14.7% with France).

Figure 7.2 - Gross annual salary: Italy and Europe 27 compared



Over fragmented, centralized and egalitarian trade union bargaining – Under the recent draft European directive on the 'minimum wage', the minimum wage should be applied in those countries where the level of wages defined by collective bargaining is less than 80%; in Italy this level is over 90%; according to CNEL, these contracts signed by CGIL-CISL-UIL mainly with Confindustria and other trade associations such as Confcommercio and Confartigianato cover 12,527,049 workers, i.e. 97.%; so, only 387,000 workers remain with the other contracts, including 'pirate contracts' that are otherwise of low statistical significance. According to the data on the UNIEMENS submitted to INPS, which must feature the code of the CCNL, out of 13,643,659 workers in the private sector,

UNIEMENS does not indicate the CCNL (2021 data) only in 729,544 cases; this means, probably exaggerating, that between 500,000 and 700,000 employed subjects work without a CCNL, i.e. between 3% and 5%; instead, these contracts protect at least 12,900,000 private employees, plus 3,200,000 public employees. This contractual framework does not include 950,000 agricultural workers and about 800,000 domestic workers; in fact, their contracts are very different from the traditional CCNLs, and are often applied less strictly.

In conclusion, collective bargaining in Italy is widely applied, almost at a 100 per cent; the data indicated well describe the trade union philosophy that inspires them: the protection of low-skilled workers and small enterprises at the cost of flattening wage levels as much as possible, supporting the lower band that is on average high compared to the European average; instead, high wages are less protected; as a result, average contractual wages are low compared to European levels, with little diversification by profession, qualification, age and sector: in short, an outdated contractual system, very centralised, targeted to weaker groups, too prone to egalitarianism, with little interest in productivity and second-level contracts that would enhance the specificities and productivity of companies, and always looking for tax breaks and bonuses but only for low and medium-low workers; and in fact 60% of workers pay no IRPEF at all (which is why the unions are calling for contribution rebates); instead, as will be illustrated, the 5 million taxpayers with a stated income of 35 thousand euro and above, pay 60% of all taxes, but are ignored by the unions and have no bonuses or incentives. In view of the data highlighted above, it is legitimate to ask whether the Italian bargaining system can continue as it is, given the 'inefficient' evolution of wages and the insufficient protection of workers' purchasing power. The second question is whether this approach to collective bargaining, which is markedly different from that of other European countries, can be the cause, or at least a concomitant cause of the low employment rate. The final question is whether the 'propensity to work' and the State budget have been negatively affected by the excessive union and welfare protections including the continuous proposals to lower the retirement age which, together with the 100 quota and the nine safeguard measures, in just 10 years have allowed about 900,000 workers to leave their jobs with lower age requirements than those provided for by the Fornero reform. According to the Di Vittorio Foundation, in the last 10 years the contracts filed with the CNEL have risen from 551 in 2012 to 992 in 2021; however, according to the CNEL, those actually implemented amount to 419 of which 162 signed by the three confederal unions. There is no doubt that there are too many of these contracts, that they generate an additional and useless bureaucratic burden and further constraints that may have negative effects on productivity; a few well-structured national contracts would suffice and leave the growth of labour income correlated to productivity and to the maturity of the companies to territorial or corporate bargaining; it is not good for workers to think and act as if we were all equal without considering labour productivity or believe in the "one is worth one" mantra. In addition to being too many, many contracts have also expired, some more than two years ago, and, because of their approach, they have almost blocked individual labour dynamics and stunted wage growth (even following the Ciampi agreements of 1993); the link between wages and productivity is almost non-existent. Instead, the 'benefits' part has been strengthened (13th, 14th monthly payments, severance pay, holidays, holidays, bank of hours, paid leave, supplementary fund, supplementary health care and others) even if they affect labour costs without increasing the spendable income. Assuming that the net payroll in Italy is 100, Italy features 207 (Centro Studi Confindustria 2017) against 199 of Germany and 192 of France. Moreover, labour cost differences would be smaller but in Italy, social security contributions amount to 33%, in France to 27.5%, in Germany to 18.7%, in Sweden and Switzerland just above 20% including for the latter the compulsory second pillar contributions. In the OECD area, in 2017, on average only 32% of workers were protected by collective bargaining

agreements, yet, wages grew. Finally, it is important to note that even on the "work organisation" level, Italian contracts are decades old and do not provide for career development according to the age and physical situation of the individuals: only a high demand for early retirement and meanwhile the over-65s continue to work on scaffolding or drive risky machines with unfortunate results. Excessive constraints and the almost total disregard for training paths related to the needs of the labour market also create the conditions for a stunted employment development.

Labour supply and demand matching: Italy does not have a culture of active labour policies but has privileged passive ones (income support measures, unemployment benefits). The matching of labour supply and demand has been reduced to a mere bureaucratic procedure; in fact, in Italy there is no project or a 'digitalised IT highway' for matching labour supply and demand; employment offices place less than 4 per cent of the total number of people hired, and the so-called 'navigators' employed by the Conte government have completely failed. At the same time, training is noticeably misaligned with demand, and it would be desirable to have a national project also using the resources of the National Recovery and Resilience Plan (PNRR). A useful starting point is the GOL programme, for lifelong learning and the planned strengthening of ITS, with greater business involvement. But the mere strengthening of public employment centres is not enough to match supply and demand; these centers must be supported by private employment agencies, which have the professional *know-how* and vast databases. It is also necessary to introduce labour and tax policies aimed at rewarding the subsidiary role of companies and social partners, thus facilitating corporate agreements to improve productivity and performance-based wages, enhancing corporate welfare and investing in workers' upskilling.

In the years from 2008 and 2022 characterised by two major economic crises, the Italian ***labour market*** experienced the ageing of the workforce, a reduction in the number of hours worked also due to a significant increase in part-time employment relationships, a drop in the number of self-employed workers offset by an increase in the number of employed workers, and a significant increase in low-skilled employment relationships; in addition, the share of the foreign population significantly increased (+800,000), offsetting a similar decrease in the native population and in particular the lack of workers willing to accept low-skilled jobs. As to the ageing of the population which will reach its peak around 2045 with the retirement of the baby boomer generation in the next 15/20 years, unlike many countries, Italy has a substantial 'reserve industrial army' that can compensate for the contraction of the young working age population. However, the issue of matching supply and demand remains unresolved. According to the Excelsior survey (ANPAL-Unioncamere) on employment forecasts for 2022-2026, which takes into account the impact of the PNRR investments, for at least one third of 4.1 million workers required (2.8 for turnover and 1.3 to be added) there are serious problems of availability, particularly high for technical-scientific profiles (up to peaks of 70%) and for career path specialists (over 50%); there are also significant difficulties for low-skilled jobs (20% but constantly growing). These figures confirm the failure of labour policies in terms of regulation of labour relations, training investments on human resources and of active policies aimed at promoting guidance and of labour supply and demand matching services. Unfortunately, we note that notwithstanding these problems, no real measures are being taken to improve school education, to strengthen vocational schools and employment services, and increase the 'dowry' of active labour policies by involving private structures and bilateral bodies; instead, we continue with the same failed policies implemented over the last decade to counter the so-called precarious work by limiting the use of fixed-term contracts, expanding income-support incentives, lowering the retirement age and introducing hiring incentives (costly and unsuccessful rebates of social charges) for the so-called disadvantaged categories and areas of the country. In order to finance the hiring of unemployed

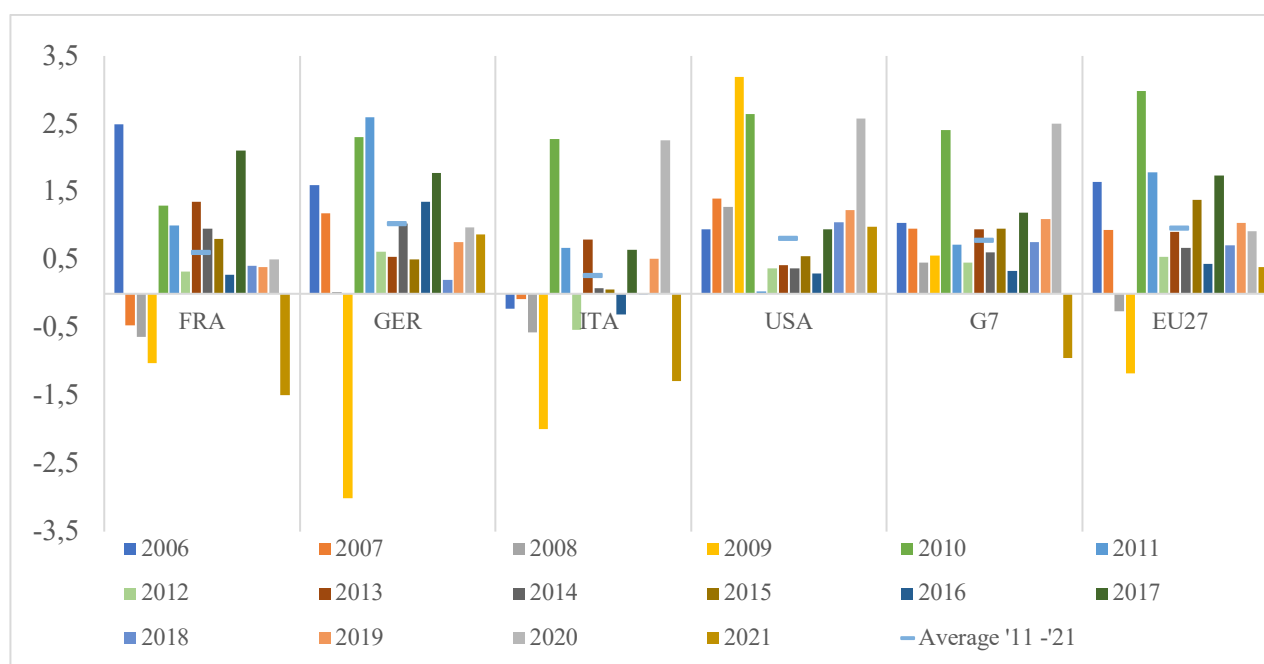
subjects, young people, and women, mostly with long-term contracts, some 200 billion euro were spent in the decade before the Covid crisis, with opposite results with respect to the planned objective. The share of fixed-term contracts has grown despite the regulations to reduce the number of these employment relationships. The employment rate of young people under 35 fell by about three points. The slight increase in that of women is essentially due to the growth of foreign domestic helpers and caregivers in employment relationships that do not benefit from contribution reliefs for newly-hired workers. The gap between employment rates increased significantly.

In the meantime, a large proportion of working age young workers is not willing to accept job offers that require flexibility in terms of time and number of hours worked, including holidays; this is largely offset by the archipelago of undeclared work populated by the undeclared work services provided by employed workers, self-employed workers, pensioners, income-support recipients, students and housewives. A negative trend, which is, however, incredibly justified by a large number of politicians, trade unionists and supposedly labour market experts; they think they can solve these critical issues with an overload of new entries such as low-skilled immigrants. The high incidence of temporary jobs, the low remuneration of foreign workers and the very significant share of undeclared work can explain the underdeveloped model of the Italian labour market characterised by a significant share of foreign people who live in absolute poverty (31%).

This underdeveloped labour market is incompatible with the new requirements in terms of innovation of production systems, of productivity and of human resource qualification necessary to attract investments, including foreign investment, and of highly-skilled workers. So, it would be necessary to change migration policies and make them more selective and anchored to market needs and to provide incentives to workers and enterprises for retraining paths; at the same time, it is important to reduce the too many welfare measures that randomly distribute resources to finance subsidies and often useless training courses; it is crucial to provide incentives, including tax incentives, to increase productivity and step up the fight against undeclared work through vouchers to remunerate occasional work, or the tax deduction of the household expenses on domestic helpers and caregivers and home and community-based care services for the care of minors and non-self-sufficient elderly people.

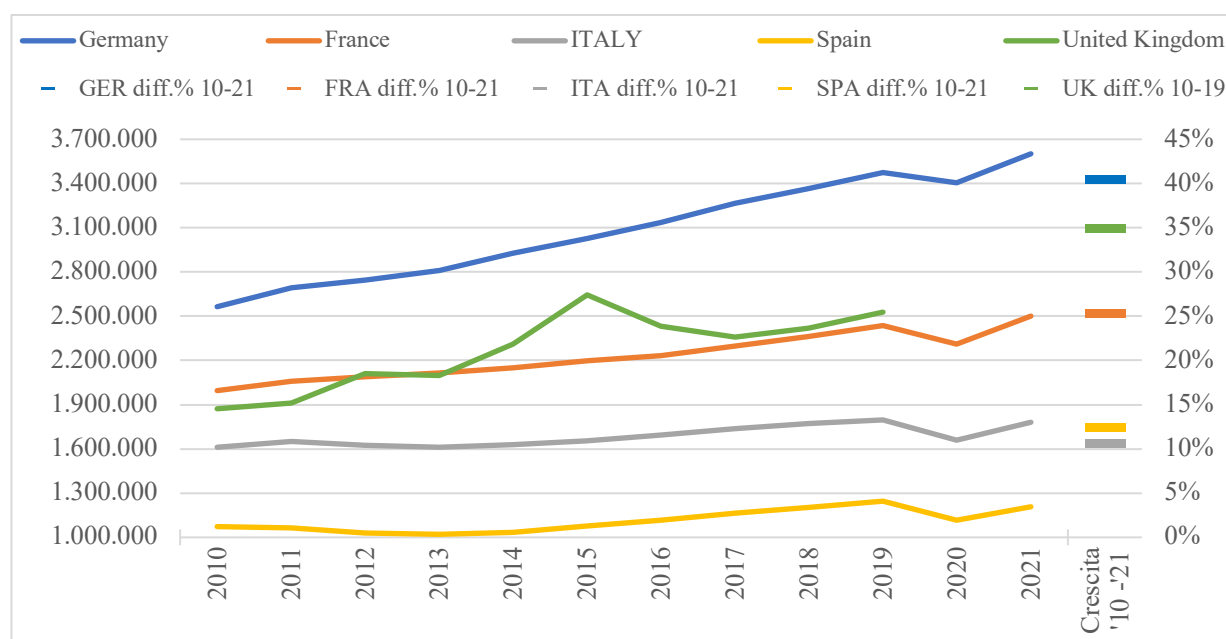
Productivity and growth - In addition to employment, productivity is another Achilles heel of the Italian economy; in fact, the combined effect of these two important variables (employment and productivity) determines Italy's low growth rate and high growth in public debt, also due to an excessive welfare system (***Figures 7.3 and 7.4***).

Figure 7.3 - Real growth rate of labour productivity



	FRA	GER	ITA	USA	G7	EU 27
Average '11 - '21	0.605	1.024	0.262	0.808	0.787	0.959

Figure 7.4 - GDP trend from 2010 to 2021 and growth rate



Source: Eurostat

Figure 7.3 shows that in 11 years, productivity has grown by 6.655 in France, 11.264 in Germany, 10.56% in the EU on average, 8.65 in the G 7 on average, 8.9% in the USA and only 2.88% in Italy; if we still had the old Lira, we would continue with competitive devaluations. **Figure 7.4** shows the

Italy's GDP¹ and its growth trend over the last 11 years only 10.6% precisely due to the combined effect of low productivity and low employment rate, which produces a 30% difference with respect to Germany, over 25% to the UK, 24% to the EU average and almost 15% to France; even Spain does better than Italy. All this results in a poor labour market, low wages and a strong informal economy.

7.1 Financing of social expenditure through general taxes

All the problems highlighted so far already make it very difficult to finance social expenditure, and in particular welfare and health expenditure; in fact, this type of expenditure is not financed by specific contributions but by general taxes, unlike pension and social security expenses financed by INPS, and the GPT separate scheme (temporary benefits) through special purpose contributions that allow for a substantial balance. And here lies one of Italy's main problems: the low tax revenues due to the low number of workers out of the total number of the working age population, low wages, but above all to skyrocketing welfare expenditure and rampant tax evasion. To illustrate the extent of the problem with numbers, let us examine below the tax returns generated in 2020 by Italians and the level of redistribution.

The 2020 personal income tax returns of Italians² show that 57% of them, i.e. about 14,535,000 households out of a total surveyed by Istat of 25.7 million, live on average with less than 10,000 euros per year before taxes. In detail, out of 41,181,000 people who filed tax returns, 10,283,000 citizens (10 million in 2019) reported incomes ranging from negative figures to a maximum of 7,500 euros per year in one year. Since Italy featured approximately 59.641 million inhabitants in 2020, each subject filing his or her tax statement corresponds to approximately 1.45 inhabitants who generally represent their dependents. Therefore, this first group corresponds to 14.89 million citizens who, according to their 'tax returns', live for a whole year on 3,750 euros per year on average and before taxes (arithmetic mean between zero and 7,500) equal to 312 euro per month to be divided by 1.45, less than social or supplementary minimum benefits. Another group of 8,053,000 taxpayers declare incomes between 7,500 and 15,000 euros and accounting for 11.66 million inhabitants who, on the basis of what they report to the tax authorities, live on 11,250 euros per year on average and before taxes, equal to 938 euros per month, which must be enough to support 1.45 people, so a nominal per capita amount of 651 euros per month, less than the citizenship income benefits (780 euros). Then there are another 5,570,000 Italians who declare incomes between 15,000 and 20,000 euros per year before taxes and account for 8.068 million inhabitants living on an average of 17,500 euros per year before taxes to be divided by 1.45. To sum up, the first two income brackets (up to 7,500 and from 7,500 to 15,000 euros) feature 18,335,755 tax payers, or 44.52% of the total number of subjects filing tax returns, including 5.824 million pensioners (out of a total of 6.8 million) who have evidently paid little or no contributions in 67 years of life. In total, these tax payers pay only 1.92% of all IRPEF taxes, i.e. about 3.2 billion and account for 26.555 million inhabitants. Considering that in 2020, healthcare expenditure amounted to 122.721 billion and thus per capita expenditure was **2,058** euros, they cost other citizens **51.45 billion** for the healthcare alone, from which they benefit free of charge; then there are all the other services provided by the state, regions, municipalities, mountain

¹ The GDP figures do not exactly match those reported in the rest of the Report due to the different data source (Eurostat vs Istat/MEF). In addition, the data for Great Britain are available until 2019; therefore, the growth rate too has also been calculated for the 2010-2019 period.

² The data have been taken from the 2022 edition of the Observatory on Public Expenditure and Revenues and are related to the 8th survey on *"2020 IRPEF tax returns and the analysis of direct and indirect taxes by amount, type of taxpayer and geographical distribution over the last 13 years"* carried out by the *Study and Research Centre of Itinerari Previdenziali* in October 2022, which processed again a series of indicators on the basis of the data released in May 2022 by MEF on the 2020 income tax returns filed in 2021. www.itinerariprevidenziali.it

communities, etc., of which they evidently take little notice. In total, these first 3 brackets account for 34.6 million inhabitants, just over 58%, and pay 13.5 billion euros' worth of personal income taxes equal to 8.19% of the total. Is this a credible figure? It is difficult to imagine that the citizens of a G7 member country live like those in a developing country. A case in point is the number of mobile phone contracts (mobile phones) in Italy, which is equal to more than 77.71 million, i.e. 125% of the population, with 97% of Italians reportedly having at least one smartphone but many have two or more (2021 data). Not to mention gambling, which, according to the surveys, is more important than health or other primary expenses for many Italians; in fact, according to data from the Monopoly Agency, in 2019 Italians invested over 125 billion euros on regular and irregular gambling, i.e. more than healthcare expenditure; in 2020, the Covid restrictions and lock-downs reduced these revenues to 88.38 billion (1,760 euros per capita)³, to which we should add at least another 20 billion euros' worth of illegal gambling⁴. According to ACI (Italian Automobile Club), the circulating fleet in Italy in 2020 amounted to 52,750,339 vehicles, of which 39,717,874 cars; only Luxembourg has more cars than Italy in the EU, even though 56% of these cars are between 5 and 20 years old and so their maintenance costs are higher with respect to new cars; and their number increased by 0.67% compared to 2019 (1.4% in 2019 over 2018); then 7,003,618 motorbikes, up by more than 100,000 units despite the pandemic, and 5,843,373 commercial and industrial vehicles. And we could go on⁵. Only 12.99% do report annual earnings of 35,000 euros and above (13.22% in 2019), i.e. 5.3 million (- 200,000 than in 2019), that is only 8.89% of the population but they pay 59.95% of all IRPEF taxes (58.86% in 2019) and are not entitled to any rebates, bonuses, incentives; only building bonuses, complementary pension benefits and little else. ***If we sum up the incomes from 29,000 to 35,000 euros, it turns out that 72.43% of all personal income taxes are paid only by 20.8%.*** Those reporting stated gross incomes above 100,000 euros (about 52,000 after taxes) only account for 1.21%, that is 498,173 taxpayers (501,840 in 2019; - 4,600 with respect to 2018) who nevertheless pay 19.56% of IRPEF taxes (19.80 in 2018).

The data examined so far confirms that a significant part of the Italian labour market's problems also depend on the high level of redistribution; we can try to calculate it on the basis of the 2020 incomes for health, welfare and school education, which in practice are totally free, especially for citizens with incomes below 35,000 euros, who even under the virtuous Draghi government have been excluded from the various benefits of the 'aid decrees'; more or less the same is happening for the AUUF (universal single child allowance, which is a half salary).

The top 3 brackets with incomes up to 20,000 euros per year before taxes, that is 34.6 million inhabitants or 58.05% who pay 13.47 billion euros' worth of personal income taxes, need **57.7 billion** for their ***healthcare*** services, which are paid mainly by **12.99%** of the population with incomes of 35,000 and above; the remaining 28.96% (29.72% in 2019) are self-sufficient for healthcare that costs **2.984.1** euros, including the share of dependent family members, against an average tax of 4,391 euros net of the bonus.

In 2020, ***healthcare expenditure*** financed by general taxes jumped from 114.27 billion in 2019 to **144.758** billion or to **2,427 euros per capita** (1,910.34 euros per capita in 2019 and 1.750.51 in 2018);

³ The book by Giulia Migneco and Claudio Forleo, "La pandemia da azzardo. Il gioco ai tempi del Covid: rischi, pericoli e proposte di riforma" "The gambling pandemic. Gambling at the time of Covid; risks, hazards and reform proposals" published for Altraeconomia, analyses gambling compared with other European countries; in Italy, gambling has increased by 800% in 20 years, reaching over 110 billion euros in 2019 alone; a growth that has no equal in Europe.

⁴ The figures related to illegal gambling run by mafias are still unknown. The National Anti-Mafia Prosecutor Federico Cafiero de Raho talks about more or less 20 billion euros' worth of illegal gambling every year.

⁵ For more on this topic, see the book by Alberto Brambilla, "Le scomode verità", Solferino 2020 and by the same author "Il consenso a tutti i costi" Guerini e Associati 2022.

as mentioned, this is a theoretical per capita figure that is greatly underestimated as taxpayers with incomes above 35,000 are not entitled to it and it is used to provide health care to households, those without income, pensioners entitled to welfare benefits (almost 49% out of 16 million pensioners), the unemployed and disabled individuals entitled to bonuses, subsidies and citizenship income; **83.97 billion euros** are needed to finance the share of expenditure not financed by 58.05% of Italians (34.623 million) with incomes up to 20,000 euros, who paid 13.47 billion euros' worth of IRPEF totally allocated to finance healthcare; if we also add the 21.15% of taxpayers (8.7 million accounting for 12.6 million inhabitants) with incomes between 20,000 and 29,000 euros who pay an average per capita tax of 2,525 euros and therefore less than 4,485 (i.e. 2,058 for healthcare + 2,427 for welfare), another **24.58 billion** are needed; if this figure is added to the previous one equal to **24.58 billion**, we reach the staggering figure of **108.55 billion** to be paid by those with incomes over 35,000 (5.349 million taxpayers, equal to 7.747,231 citizens), since those with incomes between 29,000 and 35,000 euros (4.659 million) are barely self-sufficient with an average per capita tax of 4,403 euros (a shortfall of 82 euros per person for a total of 382 million euros).

We could go on, but we will stop at *education*, with an expenditure accounting for about 3.9% of GDP in 2020, that is about **65 billion** with a per capita cost of 1,083, this time borne by 12.99% of the population for a redistribution of **56.2 billion** (51,894,257 x 1,083).

For these three expensive functions alone, the *total redistribution is equal to 222.45 billion* out of 555.67 billion euros' worth of revenues, net of social security contributions (2022 DEF data), of which 250.7 billion in direct taxes; in practice, *as much as 88.73% of all direct taxes are redistributed*, mostly to the benefit of 58.05% of the population. We can calculate this parameter with respect to total public expenditure equal to 944.42 billion in 2020, with an all-time deficit achieved of 159 billion (2022 DEF data); so considering a per capita expenditure of **15,835 euros**, net of 13,168 euros' worth of deficit, *only 4.58% of citizens (2.72 million) pay from 14.855 euros to 171,987 euros of personal income taxes and so would be more than self-sufficient*; if we consider that the remaining direct taxes (IRES, IRAP and ISOST) are mainly borne by just over 13% of taxpayers and that indirect taxes are proportional to stated incomes, the redistribution goes up even more. But the redistribution does not only occur among citizens but also across geographical areas; just as an example, the 2019 VAT revenues of Lombardy with around 10 million inhabitants amounted to 42.56 billion, much more than the entire South of Italy (8 regions and over 20.19 million inhabitants), which paid out 12.46 billion; does this mean that the South consumes 7 times less than Lombardy? In the light of these figures, it would be better to step up controls instead of distributing money by the handful, and to 'take care' of needy citizens and assist them in order to lift them out of poverty, which is all too often 'educational and social poverty' that is widespread among the population.

7.2 It is difficult to finance Italy's generous welfare state

Table 7.3 shows the total and consolidated tax revenues of the State in 2020 and in 2021, as well as the estimates for 2022, taken from the data indicated in the Document of Economy and Finance (DEF) and based on our annual survey of tax returns. The table also shows public expenditure on health and welfare benefits also at the local government level.

Table 7.3 - State revenues (millions of euros)

Tipologia Entrate/anni	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	159.281	184.000	188.000
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	147.382	170.000	172.000
Ires	30.000	31.107	32.486	33.332	34.125	34.100	34.352	34.355	33.564	31.864	38.022
Imposta sostitutiva (Isost) (3.1)	9.227	10.747	10.083	10.000	9.022	8.541	8.161	8.281	8.245	10.535	10.918
TERRITORIALI (3)											
Addizionale regionale (1)	10.730	11.178	11.383	11.847	11.948	11.944	12.310	12.311	12.047	12.223	12.465
Addizionale comunale (1)	3.234	4.372	4.483	4.709	4.749	4.790	4.963	5.072	4.992	4.781	4.837
Irapp	34.342	31.278	30.468	27.656	22.773	23.618	24.121	25.168	19.939	24.069	25.000
TOTALE IMPOSTE DIRETTE (4)	239.803	240.920	234.011	233.738	229.296	230.960	238.257	240.367	226.169	253.472	263.242
IMPOSTE INDIRECTE TOTALI (3)	246.110	238.675	248.207	250.202	242.016	248.384	254.428	257.568	227.060	258.308	272.618
altre Entrate correnti (2)	70.024	77.139	76.120	76.085	75.820	79.965	80.676	85.285	77.860	87.161	107.429
Entrate totali (4)	555.937	556.734	558.338	560.025	547.132	559.309	573.361	583.220	531.089	598.941	643.289
Per memoria Entrate totali nel DEF al netto contributi sociali (4.1)		556.734	562.258	569.542	567.181	578.782	583.993	600.993	555.666	612.609	650.456
Spesa sanitaria		110.044	111.028	111.224	112.504	113.611	114.423	115.661	122.721	127.834	131.710
Spesa assistenziale (5)	89.000	92.700	98.440	103.674	107.374	110.150	105.666	114.270	144.758	144.215	145.000
Welfare enti locali (6)	9.690	9.656	9.696	9.818	9.900	10.919	11.000	11.300	11.300	11.300	11.300
Spesa sanitaria, assistenziale e welfare Enti Locali (7)		212.400	219.164	224.716	229.778	234.680	231.089	241.231	278.779	283.349	288.010
Differenza imposte dirette e spesa sociale		28.520	14.847	9.022	-482	-3.720	7.168	-864	-52.610	-29.877	-24.768
(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)											
(3) Tutti i dati sono desunti dai DEF e NADEF (documento economia finanza e nota aggiornamento) degli anni dal 2013 a settembre 2022; (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											
(4) Rispetto al DEF il totale imposte dirette utilizzato in tabella è al netto del bonus da 80 € e successivi aumenti del bonus sull'IRPEF ordinaria, poiché sono calcolate 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) è 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) (1) IRES, Substitutive tax (ISOST) 3.1, LOCAL taxes (3), Additional regional taxes (1), Additional municipal taxes (1), IRAP, TOTAL DIRECT TAXES (4), TOTAL INDIRECT taxes (3), Other current revenues (2), Total revenues (4), Total revenues in the DEF net of contributions (4), Health expenditure (with MEF corrections to DEF), Welfare expenditure (5), Welfare expenditure by local authorities (6), 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 DEF). 3) Data from DEF and NADEF (Economic and Financial Document and its updated Note) for the years from 2013 to April 2020, 2019 data are in green and have been calculated on the basis of GDP growth, verified by MEF and Mostacci.it; (3.1) As of 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 DEF, 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; (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 contributions; (6) Estimate on the basis of the RGS and regional data; (7) It does not include housing benefits that are equal to 0.6% of GDP according to some estimates but zero for ISTAT.

In order to finance the 122.721 billion euros' worth of in healthcare expenditure, the 144.758 billion euros' worth of welfare expenditure financed by general taxes and the 11.3 billion euros' worth of local government welfare benefits (278.78 billion in total), all direct taxes and over 52.6 billion euros' worth of indirect taxes are needed for the year 2022 (23% of the entire VAT, excise and other tax revenues). In the past, having spent all direct taxes on these three functions, indirect taxes were used with a negative peak of 3.7 billion euros in 2017 but never in the entire economic history of Italy the as bad as in 2020; it is also true that this was the year of the COVID-19 pandemic but it is equally true that since mid-2018 the Conte 1 and 2 Governments were very lax in their fiscal policies and the measures enacted until the swearing in of the Draghi Government on February 13, 2021 have and will also have negative repercussions on the accounts of 2021 until 2025 and beyond. Suffice it to say that the 2019 budget deficit was 27.6 billion, that of 2020 reached the staggering figure of 159 billion and 128.3 in 2021. All sums that inflated Italy's already stratospheric public debt.

It is obvious that this situation characterised by the lowest employment rates in the OECD area, low wages for skilled workers, technicians, executives and managers, and by an enormous tax evasion encouraged by politicians (the less you declare, the more money you receive from the State), is unsustainable in the medium term due to the excessive burden of welfare expenditure, which has significantly increased in the last 15 years, as will be discussed in the next Chapter; but above all the level of tax and social security evasion and avoidance is far too high and no government has ever thought of reversing this trend by limiting subsidies and increasing the 'clash of interests' between households and individuals who buy and supply direct non-intermediated services.

8. The 2021 social security accounts and short-term forecasts: summary and conclusions

In summarising the trends for 2021, we can say that Italy is still faced with the problems related to the labour market and to the financing of its welfare system highlighted in the previous chapter and that the pension system remains strong, while welfare expenditure financed by general taxation continues to rise; this is the main cause of public debt growth, and is often unnecessary since it leads to doubling the number of poor people and reducing the labour force, but it will have a heavy impact on the levels of social protection. Just as a memento, let's look at its trend: the public debt at the end of **2019**, before the pandemic, had reached **2,409.9 billion** euros (134.7% of GDP) compared to 1,632 billion in 2008 (102% of GDP); a period in which all parties and trade unions have railed and fomented people against an alleged austerity imposed by "stepmotherly" Europe: in just 11 years, they have managed to accumulate no less than **777 billion** of *new debt* with an increase by 47% vs. 2008; what would they have done without these feeble European "constraints"? A trillion? The policies launched in 2018/19 by the Conte 1 government (the citizenship income and 100 Quota measure first and foremost) were compounded by the SARS-CoV-2 epidemic; as a result, at the end of **2020**, the Italian debt reached 2,573.5 billion (+163.6 billion, 157% of GDP) in a single year: an absolute record for the Conte government. Considering the debt volume, the GDP loss (8.9%), the deficit/GDP ratio of 9.6%, and the number of COVID-related deaths, Italy was the third worst country in the world in 2020 in the international rankings on the capacity to deal with the pandemic crisis. At the same time, 724,000 jobs were lost due to the pandemic. At the end of **2021**, despite a GDP growth of **7.2%** and an increase in employment by 550,000 (new calculation method), the debt reached **2. 678.4 billion** with an increase by about **104.9 billion** in 12 months equal to 150.8% of GDP on December 31, 2021, according to the Bank of Italy and ISTAT, i.e. 5 % less than in 2020 but with a deficit of 6.6%; at the end of June 2022, the public debt had exceeded 2,766 billion euro (+ another 87.6 billion) despite the Draghi government that took office in February 2021. Finally, the 2022 DEF (Economic and Financial Document) forecasts a further debt of 73.3 billion for 2023 (4.07% of GDP), 65 in 2024 and about 58 in 2025. It will take a robust growth in the economy to absorb so much debt considering that the ECB will greatly reduce its purchases of government bonds, interest rates will rise due to inflation reaching 8%, and the stability pact may be reintroduced by 2024.

8.1 Key system indicators in 2021 and their evolution

In 2021, pension expenditure, including minimum supplementary benefits and GIAS transfers to funds for public-sector employed workers (*Table 1 in the Appendix*), was equal to **238.271 billion** euros, + 4 billion vs. 2020 (+1.7% - the inflation rate of 1.9%). We must add the **40.228 billion** euros' worth of transfers from GIAS (examined in Chapter 4) to finance IVS benefits for a total of **278.499 billion**¹.

Ratio of the number of active workers versus the number of pensioners – this is a fundamental ratio for the Italian pension system which is a *pay as you go system*; in 2021, it reached 1.4215,

¹ The accounting data in Table 1 a, (278.499 billion) differ, as specified in Chapter 5, from those taken from the Central Registry and indicated in Table 5.3, by approximately -4.912 billion (283.411 in 2021; 278.469 billion, 3.74 billion more in 2020 and 4.6 more in 2019), due to the different timing and calculation adjustments with respect to the budget data as of 31/12/2021. In fact, the INPS/Istat Registry includes indemnity pensions and welfare pensions for a total expenditure of 313.003 billion (Table 5.3); adding the amounts in Table 1a to the indemnity benefits provided by INAIL and INPS ex Inpdap (4.061 billion) and those in Table 5.6 including additional social benefits and excluding supplementary minimum benefits (27.166 billion), the total is 309.726, so, very similar figures that correctly show the costs of pension and welfare expenditure.

thus offsetting the Covid- related loss of employment. However, beware, because as of 2021 the ISTAT labour force survey methodology has changed (see Note 2 in **Table 8.1**). In particular, after the loss because of the pandemic, in 2021, the number of **employed workers** grew to reach 22,884,000 (no longer counting redundant workers or inactive subjects for more than 3 months), with a total employment rate of 59% (67.6% for men and 50.5% for women) compared to 57.1% in 2020 and 59% in 2019. At the end of June 2022, employment rose to 23,070,000 with an employment rate of 60.1% (69.1 for men and 51% for women), exceeding the 2019 record (ratio of the old to the new method). A total of 2,821,165,153 hours was authorised in 2021, 35% less than in 2020 related to over 7.4 million workers (see Chapter 4). The number of ***pensioners*** too increased in 2021 from 16.041 million in 2020 to 16.0987 million, (+ 57.547) mainly due to the effects of the 100 Quota 100 and Social APE measures in the three-year period from 2019 to 2021, the year in which 100 Quota ended and was replaced by the 102 Quota measure; all the early retirement measures (highlighted in Chapter 2) still remain, thus exacerbating the situation already characterised by the significant ageing of the workforce² and exceed the number of Covid-related deaths and the cancellation of long-standing s pensions³ (often more than 35 years old).

Number of benefits for each pensioner - In 2021, due to the numerous early pension opportunities and the citizenship income, the number of outstanding **benefits**⁴ increased by 41,677 up to 22,758,797 compared to **22,717,120** in 2020 (the lowest level since 2002) but down with respect to 22,805,765 in 2019. Therefore, the ratio of the number of pensioners vs. the number of benefits indicates that each pensioner (each head) received an average of 1.413 benefits, the lowest level since 2007 (see Chapter 5 for further details).

Ratio of number of benefits vs. the population - In 2021, considering the downsizing of the resident population (-274,878), one benefit was paid out of every 2.592 ***inhabitants***, down with respect to previous years. The citizenship income must be added to these benefits, together with the subsidies provided by municipalities, provinces and regions which are not available due to the lack of a welfare database; the estimate is one benefit per 2.1 inhabitants.

Average pension amounts - 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 2021, this ratio reached 13,753.04 per year, up by 1.543% with respect to 2020 (+ 2.65% in 2020 and +2.48% in 2019); 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 pensioners, considering that, on average, as already indicated, each pensioner (per capita) receives **1.413** benefits; in 2021, the ***actual average amount of pension income*** increased from 19,181 euros per year to 19,442.67 euros per year, with a growth by 1.36% (+ 2.22% vs. + 2.28% in previous years), much more than inflation and equal to 1,496 euros per month for 13 months, more 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.

² See the considerations in Chapter 7 of the IXth Report of 2021.

³ 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 2021, 1,168,000 pensions of 35 years or more were still being paid (of which about 200,000 for public-sector workers); of these, 400,000 are over 40 years old (see Chapter 5) to be updated with the Mundo data.

⁴ 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 8.1 – Main indicators of the social security system

Years	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total cost of benefits (1)	122.948	122.818	128.463	132.039	138.128	144.249	151.080	158.035	164.722	170.457
Total contribution revenues (1)	104.335	109.384	116.276	120.501	129.759	132.201	139.078	148.730	152.440	161.404
Balance	-18.613	-13.434	-12.187	-11.538	-8.369	-12.048	-12.002	-9.305	-12.282	-9.053
Total expenditure/GDP ratio	11.28	10.82	10.96	10.65	10.63	10.72	10.86	10.91	11.06	11.00
No. of employed workers (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
No. of pensioners (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
No. of benefits (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
No. of residents in Italy (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
No. of workers per pensioner	1,287	1,296	1,299	1,318	1,335	1,360	1,359	1,350	1,353	1,365
No. of benefits per pensioner	1,335	1,330	1,318	1,320	1,349	1,386	1,395	1,398	1,404	1,410
Ratio of inhabitants vs. pensions	2,631	2,634	2,637	2,634	2,568	2,531	2,536	2,526	2,526	2,515
Average pension amount per year (3)	7.189	7.436	7.874	7.888	8.073	8.357	8.633	8.985	9.239	9.511
Adjusted per-capita amount (3)	9.583	9.979	10.380	10.609	10.995	11.581	12.039	12.558	12.975	13.414
GDP (4) at current prices in millions	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
Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total cost of benefits (1)	177.540	185.035	192.590	198.662	204.343	211.086	214.567	216.107	217.895	218.504
Total contribution revenues (1)	170.524	183.011	183.280	185.656	187.954	190.345	189.207	189.595	191.330	196.522
Balance	-7.016	-2.024	-9.310	-13.006	-16.389	-20.741	-25.360	-26.512	-26.565	-21.982
Total expenditure/GDP ratio	11.03	11.34	12.24	12.38	12.48	13.08	13.37	13.28	13.16	12.89
No. of employed workers (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
No. of pensioners (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
No. of benefits (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
No. of residents in Italy (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
No. of workers per pensioner	1,365	1,376	1,357	1,348	1,356	1,360	1,354	1,370	1,388	1,417
No. of benefits per pensioner	1,414	1,419	1,424	1,422	1,420	1,420	1,422	1,427	1,427	1,430
Ratio of inhabitants vs. pensions	2,513	2,522	2,531	2,551	2,510	2,532	2,607	2,621	2,627	2,638
Average pension amount per year (3)	9.822	10.187	10.640	11.229	11.410	11.563	11.695	11.943	12.136	12.297
Adjusted per-capita amount (3)	13.891	14.454	15.156	15.832	15.957	16.359	16.638	17.040	17.323	17.580
GDP (4) at current prices in millions	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
Years	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total cost of benefits (1)	220.842	225.599	230.255	234.736	238.271	243.535	260.000	272.000		
Total contribution revenues (1)	199.842	204.750	209.399	195.400	208.264	220.000	235.000	245.000		
Balance	-21.000	-20.849	-20.856	-39.336	-30.007	-23.535	-25.000	-27.000		
Total expenditure/GDP ratio	12.72	12.78	12.82	14.27	13.42	12.94	13.22	13.35		
No. of employed workers (2)	23.022.959	22.900.000	23.026.000	22.210.000	22.884.000	23.200.000	23.400.000	23.500.000		
No. of pensioners (3)	16.041.852	16.004.503	16.035.165	16.041.202	16.098.748	16.090.000	16.080.000	16.060.000		
No. of benefits (3)	22.994.698	22.785.711	22.805.765	22.717.120	22.758.797	22.700.000	22.650.000	22.600.000		
No. of residents in Italy (2)	60.483.973	59.816.673	59.641.488	59.236.213	59.030.133	58.800.000	58.600.000	58.400.000		
No. of workers per pensioner	1,435	1,4308	1,4360	1,3846	1,4215	1,4419	1,4552	1,4633		
No. of benefits per pensioner	1,433	1,4237	1,4222	1,4162	1,4137	1,4108	1,4086	1,4072		
Ratio of inhabitants vs. pensions	2,630	2,625	2,615	2,608	2,594	2,590	2,587	2,584		
Average pension amount per year (3)	12.478	12.874	13.194	13.544,00	13.753,04					
Adjusted per-capita amount (3)	17.887	18.329	18.765	19.181,21	19.442,67					
GDP (4) at current prices in millions	1.736.602	1.765.421	1.796.634	1.656.961	1.775.436	1.882.720	1.966.210	2.037.629	2.105.664	

(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, the blue ones are the worst; Forecast 2022 - Benefits: Substitution effect of +0.3%; 102 Quota (64 years and 38 years of contributions), Social APE, Arduous jobs, TFS and other incentives: cost equal to 6.5 billion, inflation +1.7% (actual rate equal to 1.9%) – 1 billion; Contributions revenues: individual salary growth +3% including inflation, + 490,000 newly-hired people average salary 25,000 euros, average contribution rate 30%; Forecasts 2023- Benefits: inflation + 0.2%, residual effect of 2021 + 7.2% of 2022; substitution effect of +0.3%; various early retirement measures +4 billion; Revenues: growth +4.5% employment +1.44 billion; inflation +4%, growth +3%

(2) ISTAT: Work force data (updated to the end of 2019) with the method before the introduction of the EU regulation; As of 2021, the EU Regulation 2019/2021 came into force, which changed the method of calculating the number of employed persons; the regulation does not consider as employed workers those who have been supported by the redundancy fund (CIG) for more than 3 months and self-employed workers who have not worked for over 3 months; instead it considers as employed workers those on parental leave even if they have been absent from work for more than 3 months, with a salary of less than 50%. Therefore, from 2020 the number of employed persons is lower; in particular, in 2020 their number dropped from 22.839 million to 22.20 million and in 2021 from 23.3 to 22.75 million. Since according to ISTAT, the number of employed persons in December 2021 was 2.4% higher than in December 2020, (+540,000), the estimate of 23.3 million provided in the IXth Report can be confirmed. The table shows the number of employed people according to the new EU directive and based on the 2020 data. The differential between the two methodologies is around 500/550,000. At the end of July 2022, under this new methodology, the number of employed persons reached 23.205 (the equivalent of 23.750)

(3) INPS, casellario dei pensionati; (4) Istat Popolazione: 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. Nel 2021 la popolazione si è ridotta di 253.091 unità rispetto all'anno precedente

(5) GDP: GDP from 2019 to 2025 taken from the 2022 DEF

Average pension/average income ratio – Table 6.a shows this ratio in detail, in particular that of the average pension before GIAS transfers (welfare interventions to finance pension benefits that often already have a welfare nature, as illustrated in Table 4.a) with respect to the average income stated for tax and social security purposes (derived from the ratio of INPS-estimated earnings and payment rates; see Table 33 a and b). If we use this ratio before GIAS transfers, which is the actual sum received by the pensioner generated by the contributions paid and by welfare benefits, if any, for private-sector and public-sector employed workers, the average pension is equal to 72.89% and to 67.84% of income respectively, which is an excellent substitution rate. The web tables⁵ (historical series from 1989 to 2005) and those in this Reports (33 years) show that, despite all the reforms that

⁵ To consult this historical series of tables, see web address in index; www.itinerariprevidenziali.it

have tried to make benefits more consistent with the contributions actually paid, there has been an improvement for all categories, even if with some slight annual reductions like in 2021.

8.2 The social security accounts (pension, health and welfare benefits) in the national accounts in 2021 and in previous years

In 2021, *social security expenditure* (pension, health and welfare benefits) amounted to **517.753 billion** compared to 510.258 billion in 2020 (488.336 billion in 2019) with an increase by 7.495 billion equal to + 1.4% (21.9 billion between 2020 and 2019, + 4.5 %) and it accounted for 52.51 of total public expenditure in Italy (*Table 8.2*).

In 2021, *total public expenditure*, including debt interests, which rose by almost 5.4 billion, and capital expenditure, which grew from 62 billion in 2019 to 88.58 in 2020 and to 106.83 in 2021, amounted to **985.961 billion** compared to 944.420 billion in 2020 (rectified by the 2022 DEF) and to **871** in 2019 (+ 41.5 billion over 2020 and + 116.74 billion over 2019, or + 4.39% and + 13.4%, respectively). Welfare expenditure decreased by about 1.5% with respect to the total points mainly due to higher capital and interest expenditure.

Total revenues were equal to 857.634 billion, thus fully offsetting the losses caused by the pandemic in 2020 (789.36 billion) and were slightly higher than those in 2019, as *Table 8.2* clearly shows.

The 2021 *deficit* reached the staggering figure of 128.327 billion which adds to the 157 billion in 2020, thus interrupting the virtuous deficit reduction path of the last five years, with a dangerous increase in public debt by almost 286 billion in just two years. The items in the “*accounts of the social security system*” for *pensions* can be found in *Table 1a* of this Report; the amount of *health-care expenditure* has been taken from the Economy and Finance Document (DEF) of April 2022, while the *INAIL* data and the items concerning *welfare measures* and *temporary benefits* centrally managed by INPS have been 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 related to the remaining expenditure items have been derived from the 2022 DEF. Operating expenses and those for public-sector employed workers, have been re-aggregated on the basis of the distribution of said costs, as indicated in the Notes 5 and 6 in *Table 8.2*. Some considerations can be drawn 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 in the top 10 among EU countries and also on a global level, despite its huge public debt⁶. **(b) Compared to 2012**, welfare expenditure had a structural growth by **85.49 billion** (19.8%) mainly due to the growth of welfare expenditure financed by tax revenues by **50.4 billion** or + 54%; instead, in the 2012-2021 period, GDP increased by 10% and inflation by 9% and pensions only by 27 billion (12.8%) more due to the renewal effect than to inflation adjustment, an increase far greater than gross pension expenditure⁷.

⁶ According to Eurostat estimates for 2020, social security expenditure was higher in France (36% of GDP), Austria (34%) and Italy (33%), while it was lower in Ireland (15%), Latvia, Hungary and Lithuania (all 18%).

⁷ As illustrated later, pensions are significantly taxed while welfare expenditure is not.

Table 8.2 – Pension accounts in the national accounts

Expenditure items (millions)	Year 2012	2012 as % of the total	Year 2014	2014 as % of the total	Year 2016	2016 as % of the total	Year 2018	2018 as % of the total	Year 2019	2019 as % of the total	Year 2020	2020 as % of the total	Year 2021	2021s % of the total
Pensions table 1° (0)	211.088	25,74%	216.112	26,18%	218.504	26,37%	225.599	26,31%	230.255	26,44%	234.736	24,86%	238.271	24,17%
Health care (01)	110.422	13,47%	110.961	13,44%	112.504	13,58%	115.410	13,46%	115.448	13,25%	122.721	12,99%	127.834	12,97%
health care + 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	10,10%	102.344	10,38%
Temporary benefits (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%	19.017	1,93%
INAIL benefits (3)	10.409	1,27%	9.927	1,20%	9.379	1,13%	8.778	1,02%	8.400	0,96%	7.812	0,83%	8.061	0,82%
Welfare from Local Authorities (4)	9.690	1,18%	9.696	1,17%	9.900	1,19%	11.000	1,28%	11.300	1,30%	11.300	1,20%	11.500	1,17%
Welfare operating charges (A)	11.292	1,38%	9.764	1,18%	10.173	1,23%	10.592	1,29%	10.726	1,27%	10.726	1,14%	10.726	1,09%
Remuneration of Civil servants (5)	124.954	15,24%	123.254	14,93%	124.103	14,98%	131.665	15,36%	131.087	15,05%	153.882	16,29%	158.662	16,09%
Operating expenses (6)	114.205	13,93%	119.996	14,54%	121.783	14,70%	127.592	14,88%	129.918	14,92%	133.748	14,16%	139.851	14,18%
Capital expenditure	64.532	7,87%	60.290	7,30%	57.521	6,94%	58.954	6,88%	62.036	7,12%	88.581	9,38%	106.832	10,84%
Interests	84.086	10,25%	74.377	9,01%	66.440	8,02%	64.621	7,54%	60.351	6,93%	57.317	6,07%	62.863	6,38%
Total social welfare benefit expenditure	432.264	52,71%	447.617	54,22%	458.854	55,37%	474.481	55,35%	487.932	56,02%	509.505	53,95%	517.753	52,51%
Total final expenses	820.041	100%	825.534	100%	828.676	100%	857.307	100%	871.003	100%	944.420	100%	985.961	100%
Total revenues	771.731		776.596		786.020		818.463		843.102		785.398		857.634	60,37%
Negative balance and as % of GDP	48.310	3,0%	48.938	3,01%	42.656	2,52%	38.844	2,20%	-27.901	-1,55%	159.022	9,60%	128.327	7,23%
GDP SEC 2010 series/incidence	1.613.265	26,79%	1.627.406	27,50%	1.695.590	27,06%	1.765.421	26,88%	1.796.634	27,16%	1.656.961	30,75%	1.775.436	29,16%
The data on national accounts (GDP and deficit) are derived from the Economic and Financial Document approved by the Cabinet on April 7, 2022; the data in the table differ from those published in previous years because they take into account the changes indicated by subsequent DEFs														
(0) The item "Pensions" reported in Table 1a, includes: GIAS transfers to the funds for public employees (equal to 14,099 million euros in 2021); the supplementary minimum benefits for private-sector workers paid by their employers were equal to 7,024 million (Table 5.6); 8,231 million for family support measures (generally household allowances) financed by GIAS (Table 4.10)														
(01) The item health includes 37,206 billions euros' worth of personnel costs in 2020 and 38.188 billion in 2021 and 84.951 billion (86.268 billion in 2020) of "intermediate consumption and expenses on social benefits in kind, corresponding to goods and services bought on the market + operating expenses that are deducted from the charges illustrated in Notes 5 and 6; expenses, which are separated from the charges in the footnotes 5 and 6														
(2) For 2021, this item includes: the total GIAS transfers reported in Table 1a, equal to 40.228.4 million; welfare expenditure on social pensions and allowances, disability and caregivers' allowances, veterans' pensions (23,989 million); the 14th month, additional amounts and additional social benefits (4,176 million) excluding supplementary minimum benefits (see Table 5.6); citizenship income and pension equal to 8,433 million, of which 421 million for citizenship pensions (7,189 in 2020 and 3,879 million in 2019); other charges for social contribution rebates and other measures amounting to 25,518 million (20,434 million in 2020)														
(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 and financed by the contributions paid by enterprises and partly by GIAS for mobility allowances, redundancy fund and notional benefits for unemployment, mobility, Cigs and derogatory Cigs (not included in the GIAS figures in table 1a) Table 4.1														
(3) INAIL benefits have been taken from the final accounts by adding up Sections 025, 020, 026,017,099 (total recurring revenues equal to 9.020 billion in 2021)														
(4) Estimate based on the ISTAT data on the expenditure by municipalities alone, which in 2020 amounted to 7.3 billion; it is necessary to add to this expenditure that of regions, provinces and mountain communities for benefits to families and minors; disabled; addicted and elderly subjects, immigrants and nomads; poor and distressed adults; multi-utilities; finally, it is also necessary to add the costs of personnel and materials. Housing benefits are excluded; estimated total of 11.5 billion in 2021.														
(5) In the remuneration of employed workers, the cost of salaries related to health personnel (see the specific table in the chapter) is included in health expenditure and therefore subtracted from the total salaries of public-sector employees; the same for staff in item A and Note 01.														
(6) Temporary benefit expenditure includes: family allowances, wage subsidies, unemployment benefits, Aspi, NASpi, sickness and maternity benefits and termination of employment benefits paid by GPT (Gestione Prestazioni Temporanee INPS) and financed by contributions and in part by GIAS for mobility allowances, Cigs and notional unemployment benefits and derogatory Cigs (sums not included in the GIAS amounts in Table 1a) Table A2.U234.1.														
NOTE 1: The differences in the figures 5 and 6 with respect to the DEF ones 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 (privatized pension schemes), 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 fund of public - sector workers (see table 1.a, Note 2)														

c) Welfare expenditure financed by tax revenues is very significant if compared to approximately 70 billion euros for schools, universities and research and to the increased figure of 106.8 billion euros' worth capital investments; 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.

d) if we correlate social expenditure to the actual contribution and tax revenues, the incidence is 60.36, a burden that will be unsustainable in the years to come considering the significant ageing of the population. Individual expenditure items are examined in detail below.

8.2.1 Health expenditure

In 2021, health expenditure increased from 122.721 billion euros to **127.834 billion**, an increase by 12 billion over 2019, much of it as a result of the COVID-19 pandemic and against a reduction in the resident population of 658,000 (not counting non-EU illegal aliens who nevertheless weigh heavily on the health budget); so, per capita expenditure grew from 1,936 euros in 2019 to 2,167 euros despite the population drop by 383,000 people. The aging of the population requires and will require more health and welfare expenditure, especially for LTC. From 2013 to 2020, this type of expenditure rose by 16.62% against an inflation rate of 6% even though public health is commonly believed to have experienced major cuts. The evolution of the 4 main components of expenditure are shown in **Table 8.3**. Healthcare expenditure is bound to increase even more given the current shortage of general practitioners, specialists, anaesthesiologists and nurses who are getting older

and about to retire in the next few years, leaving many positions vacant, and some regions exposed, such as Piedmont and Lombardy, that need to have more "community healthcare" centres so as to avoid the serious problems hospitals had to face during the Covid19 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 a 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 8.3 – Health expenditure from 2013 to 2021 and its composition

Expenditure items (millions)	Year 2013	2013 As % of the total	Year 2015	2015 As % of the total	Year 2017	2017 As % of the total	Year 2018	2018 As % of the total	Year 2019	2019 As % of the total	Year 2020	2020 As % of the total	Year 2021	2021 As % of the total
Staff expenditure	35.735	32,47%	35.158	31,28%	34.917	31,12%	35.540	31,21%	36.852	31,92%	37.206	30,32%	38.188	29,87%
Intermediate consumption expenditure	28.544	25,94%	30.969	27,55%	32.823	29,26%	33.533	29,45%	34.886	30,22%	38.981	31,76%	43.146	33,75%
Expenditure on services bought from producers and on the market (1)	39.365	35,77%	39.744	35,36%	39.565	35,27%	40.345	35,43%	40.584	35,15%	41.611	33,91%	41.805	32,70%
Other expenditure items	6.400	5,81%	6.537	5,82%	6.298	5,61%	5.992	5,26%	3.126	2,71%	4.923	4,01%	4.695	3,67%
Total health expenditure	109.614		111.240		112.185		113.869		115.448		122.721	100,00%	127.834	100,00%
as a % of total public expenditure	818.986	13,42%	826.429	13,46%	839.599	13,36%	853.618	13,34%	870.888	13,26%	944.420	12,99%	985.961	12,97%
as a % of GDP	1.604.478	6,83%	1.655.355	6,72%	1.736.602	6,46%	1.765.421	6,45%	1.796.634	6,43%	1.656.961	7,41%	1.775.436	7,20%

NOTE: Updated Data from DEF of April 7, 2022 that slightly changed some data and GDP as of 2019 with respect to previous DEFs; (1) This item includes: 7,311 million for subsidized pharmaceutical expenditure; 7,501 million for general practitioners; 26,799 million to buy from private accredited operators for hospital, specialized, rehabilitation, supplementary care and other benefits. The item "other expenditure items" 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 subsequent DEFs.

8.2.2 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 allocate welfare expenditure under pension expenditure. In reality, the aggregate data in *Table 1.a*⁸ show that, the overall '*pension expenditure*' for *social security benefits*, that is those financed by contributions even if somehow insufficient, is perfectly in line with that in Europe; in 2021, it was equal to **278.499 billion** against 274.729 billion in 2020 with **238.276 billion** euros' worth of *pension benefits* and **40.228 billion** euros' worth of *GLAS transfers* for welfare benefits to pension funds.

Pension benefit expenditure including **IVS** benefits (disability, old age and survivors) amounted to **238.276 billion** in 2021 against 234.736 billion in 2020 (230.255 billion in 2019), that is **13.42%** of GDP, down from 14.20% in 2020, the year of the pandemic, and with an increase by 1.5%, 0.4% lower than inflation.

Contribution revenues almost recovered the loss caused by the pandemic crisis, and reached 207.986 billion, slightly less than 1.5 billion compared to 2019 and 12.6 billion more than in 2020 (+6.45%). Contribution revenues do not include *the additional contribution of 10.8 billion euros* paid by the State, as provided for under Act no. 335/1995, to finance CTPS, (Pension Fund for Civil Servants).

The *negative balance* between revenues and expenditure was equal to **30.285 billion** against 39.336 billion in 202. This deficit was largely caused by the fund for public employees, with more than 37 billion euros' worth of deficit; instead, the fund for private-sector employed workers returned to have a surplus and the fund for atypical workers featured an increase in its assets (+7.7 billion) (*Table 1.a*).

⁸ The figures are the result of a detailed analysis of the financial statements of all pension funds.

Table 8.4 - Pension expenditure as percentage of GDP

Accounts related to pension benefits (millions of euros)	2015	Inc % su PIL	2016	Inc % su PIL	2017	Inc % su PIL	2018	Inc % su PIL	2019	Inc % su PIL	2020	Inc % su PIL	2021	Inc % su PIL
IVS pension expenditure (net of GIAS)	217.897	13,19	218.504	13,00%	220.843	12,72%	225.599	12,78%	230.255	12,82%	234.736	14,17%	238.270	13,42%
GIAS transfers for civil servants, supplementary minimum benefits and additional social benefits for employed workers in the private sector (since 2019)	19.915		19.167		19.281		18.618		20.364		23.259		23.257	
pension expenditure net of welfare expenditure and before personal income taxes,	197.982	11,96	199.337	11,76%	201.562	11,61%	206.981	11,72%	209.891	11,68%	211.477	12,76%	215.013	12,11%
Pension taxes	49.394		49.773		50.508		51.500		54.198		56.194		62.100	
Pension expenditure net of welfare expenditure and IRPEF	148.588	8,98	149.564	8,82	151.054	8,70%	155.481	8,81%	155.693	8,67%	155.283	9,37%	152.913	8,61%
Contribution revenues	191.333		196.552		199.842		204.710		209.399		195.400		208.264	
GIAS and GPT shares of contribution revenues	15.032		15.276		14.363		13.988		14.531		10.304		11.218	
Revenues net of GIAS and GPT transfers	176.301		181.276		185.479		190.722		194.868		185.096		197.046	
Balance between net revenues and expenses, before Irpef	-21.681		-18.061		-16.083		-16.259		-15.023		-26.381		-17.967	
Balance between revenues and expenses net of taxes	27.713		31.712		34.425		35.241		39.175		29.813		44.133	
GDP	1.655.355		1.695.590		1.736.602		1.765.421		1.796.634		1.656.961		1.775.436	
EUROSTAT: Pension expenditure (old age only + early pensions + survivors) EU28 average		12,60%		12,40%		12,20%		12,70%						
EUROSTAT: Pension expenditure (old age only + early pensions + survivors) Italy		16,60%		16,40%		16,20%		15,80%						
2015: supplementary minimum benefits 9.345 bn., GIAS transfers for public employees 9.170 bn. Tot. 17.903 bn; Tot. 17.221 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 = 20.626; 2021: GIAS transfers for public employees 14.099; supplementary minimum benefits 6.535 bn														
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 2018 and are highlighted in yellow														

Reclassification of pension expenditure – Pension expenditure includes supplementary minimum benefits (6.353 billion), additional social benefits (2.686 billion) and GIAS transfers to funds for public-sector employed workers (14.099 billion); however, it does not include 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 (4.061 billion) and the benefits and annuities paid by constitutional bodies and Regions (estimated to be about 1.6 billion in the absence of official data); so, in order to calculate pension expenditure in 2021 and in previous years (*Table 8.4*), we have transparently *subtracted* from **238.276** billion the **23.257 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. Therefore, there is more than one reason to consider these expenses as welfare expenses that should be between family support and social exclusion in the Eurostat expenditure by function). Governments change pension rules for electoral purposes and promise to increase minimum pensions, social surcharges, the 14th month salary, and the many contribution rebates and they do not even consider introducing rules to understand how come millions of workers are unknown to tax authorities and INPS and then at 67 are entitled to welfare pensions; moreover, even INPS classifies these expenses as welfare expenditure.

The result is a net expenditure of **215,013 billion** euros equal to **12.11%** 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 (mainly for notional contributions) from contribution revenues, equal to 11.218 billion in 2021; so, the contributions actually paid by workers and enterprises amounted to about 197 billion; therefore, the deficit related to benefits calculated in this way *before personal income taxes* on pensions was equal to -17.967 billion euros. If we subtract taxes from pension expenditure net of the welfare component, which were worth **62.1 billion** in 2021, the real State expenditure for social security pensions falls to **152.913 billion** with an incidence on GDP of **8.61%**, while the balance *net of IRPEF* is positive by 44.133 billion. 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. 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 and the and personal income tax revenues and expenditure are mere clearing entries, so with no disbursements by the State. However, even considering the first ratio in Table 8.4 related to Italy's pension expenditure equal to 12.11% of GDP, this figure remains inexplicably very far from the Eurostat calculations (which receives data from ISTAT); in fact, they show that in 2018 (the latest available data), the Italian pension expenditure only for the *old-age, early and survivors* benefits, accounted for 16.20% of GDP against an EU average of 12.70% (12.20 in 2017). In this connection, it is extremely important to deal with this issue on a political level to avoid providing wrong information to the other European partners⁹. 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 problem in Italy is the boom of welfare benefits charged as pension benefits. Moreover, pension expenditure net of welfare, experienced an average increase by 1.7% per year from 2010 to 2021, 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 pensions provided 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 suggest a hypothetical 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 8.4.

8.2.3 Expenditure financed by tax revenues and welfare benefits

The Italian pension system is financed by "*social contributions*", a purpose tax rate of 33% levied on the gross annual wages of public and private employed workers (See *Table A7* in the Appendix). Over the years, in addition to the pension benefits financed by contributions, the social security system has introduced a series of social benefits which were added and stacked in the law without any rationalization or effective controls, with a considerable increase in expenditure. In 2005, a proposal was put forward to set up a "*welfare registry*" similar to the well-functioning *registry for pensions* and *pensioners* that is currently working very well even though it became operational only in June 2022; given the numerous and continuous irregularities detected by INPS and by Financial Police (Guardia di Finanza) related to the citizenship income and other non-entitled welfare benefits, it would ensure more equity and savings; however, it is crucial to review the ISEE (means testing instrument) and to increase the economic requirements below which it is possible to become entitled to these benefits. 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 8.5* 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).

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

Expenditure financed by general taxes (millions of euros)	2014	2015	2016	2017	2018	2019	2020	2021
GIAS share (Table 1a)	33.356,00	36.045,00	35.228,00	35.582,00	35.824,10	37.779,00	39.994,00	40.228,40
GIAS share of ex INPDAP funds (Table 1a note 3)	7.553,00	9.169,60	8.967,25	9.613,18	9.355,25	11.495,45	13.602,00	14.099,00
Welfare benefits (1)	23.233,00	23.532,00	24.022,40	25.133,80	25.312,90	25.772,00	27.996,00	27.166,00
Early-retirement, "esodati" and others	3.312,00	3.426,00	2.753,35	2.370,11	2.245,75	3.381,75	1.205,00	2.562,00
Total measures for pension/welfare charges	67.454,00	72.172,60	70.971,00	72.699,09	72.738,00	78.428,20	82.797,00	84.055,00
Contribution rebates and other contribution incentives paid by GIAS to support funds + other measures	16.087,00	18.052,00	22.603,00	23.315,91	19.424,00	18.317,00	19.938,00	25.036,00
Wage support charges paid by GIAS for non-active subjects	10.387,00	8.794,00	8.695,00	8.067,00	7.129,00	7.106,00	24.486,00	17.978,00
Family allowances	3.856,00	4.033,00	4.502,00	5.485,00	5.835,00	6.012,00	9.852,00	8.231,00
Charges to pay former pension contributions (tbc)	656,00	622,00	603	583	540	528	496	482
Citizenship income and pension						3.879	7.189	8.433
Total borne by general taxes	98.440,00	103.673,60	107.374,00	110.150,00	105.666,00	114.270,20	144.758,00	144.215,00
Ratio of welfare expenditure vs. pure pension expenditure (net of taxes)	56,8%	59,89%	63,64	65,19	60,70	64,90	81,23	80,93
Pension expenditure net of taxes but before GIAS transfers to funds for public employees and minimum supplementary benefits	173.207,00	173.113,00	168.731,00	168.957,00	174.093,00	176.061,00	178.199,00	178.207,00
State contributions to funds for public employees	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00	10.800,00

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 8.5* is related to *measures to finance pension and welfare charges* such as: **a)** GIAS transfers amounting to for 40.228 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 the funds for self-employed workers, the CDCM fund before 1989, former entities such as Enpao for midwives, disability benefits before Act no. 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 provided 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 public-sector employed workers (Table 1.a, Note 3); **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 almost **25 billion euros** per year (1.4% of GDP) weigh heavily on the State budget in addition to 3.851 billion disbursed by *GPT* (see *Table 4.5*) and 10.8 billion euros provided by the State to finance the shortfall of 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 they are undermining its medium-long term sustainability; so, it is crucial to carefully consider this problem threat* especially in view of the announcement during the 2022 election campaign to reduce contributions in the South for the first 2 years for all young people, to reduce the so-called contribution wedge and so on; these measures would destabilize an already unstable system. 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 **144.215 billion** euros in 2021, in line with 2020 and against **114,27 billion** in 2019 and **105.66** in 2018¹⁰. As shown in *Table 8.5*, the expenses paid through taxation increased from **73 billion**¹¹ in

¹⁰ 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.

2008 to 144.215 billion, with an increase by 71.2 billion in 14 years, equal to 97.75% (without considering 10.8 billion from the State), with an annual growth rate of over 6%, well above inflation, GDP and even almost 3 times more than the growth of pension expenditure. If we compare pension expenditure net of welfare and of taxes that, it must be specified, are not levied on welfare benefits at all (144.215 billion euros poured by the State onto the market tax-free, “cash in hand”), equal to 157.57 billion to be financed by tax revenues, we realize that pensions cost only 13.35 billion more; by now this type of expenditure accounts for 8.12% of GDP and exceeds *health expenditure*. The growth of expenditure financed by taxes had an overall cost of about **406 billion** between 2008 and 2021, a huge amount that could have been better spent on training, research and development. However, this enormous "redistribution" was supposed to greatly reduced poverty in real and absolute terms; but ISTAT data show the opposite: the number of people in absolute poverty was 2,113 million in 2008 and grew up to 5.6 million in 2021 (1.9 million households); instead, the number of people in relative poverty rose from 6.5 million to 8.8 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 benefits to households should be added to these figures; in fact, these benefits are not included in welfare expenditure due to national accounting issues; however, on the basis of the RGS data (*Table 8.2*), the sums directly provided to households amount to over 11 billion, excluding tax reliefs (the Renzi 80 euro bonus alone, increased to 100 euros, is worth more than 10 billion euros of lost IRPEF revenues each year), deductions, other tax incentives and AUUF (the single universal allowance for children with an estimated cost of 7 billion per year).

As proof of how enormous and unsustainable Italy's welfare policy is, one of the main causes of the low employment rate, *Table 8.6* shows the number of social security and welfare benefits paid by INPS each year; the totals exclude all the benefits provided by the privatised pension schemes (see Chapter 3) and the funds for public-sector workers. First of all, the number of benefits provided is enormous, equal to 1,315,171, i.e. 1 benefit for every 25 inhabitants every year excluding pensioners and minors; as many as 44% of these are of a purely welfare nature, typical of a country by now accustomed to State support.

Table 8.6 - Number of welfare benefits provided per year

Number of benefits provided	2014	2015	2016	2017	2018	2019	2020	2021
Total no. of benefits	990,744	1,107,098	1,034,664	1,112,163	1,135,294	1,210,483	1,182,971	1,315,171
Pension benefits	463,018 (46.7%)	547,540 (49.5%)	488,431 (47.2%)	559,058 (50.3%)	567,360 (50.0%)	623,027 (51.5%)	701,938 (59.3%)	734,171 (55.8%)
Benefits with a total welfare nature	527,726 (53.3%)	559,558 (50.5%)	546,233 (52.8%)	553,105 (49.7%)	567,934 (50.0%)	587,456 (48.5%)	481,033 (40.7%)	581,000 (44.2%)
Welfare benefits MEN	42.99%	43.00%	42.94%	43.24%	42.65%	42.39%	42.56%	41.94%
Welfare benefits WOMEN	57.01%	57.00%	57.06%	56.76%	57.35%	57.61%	57.44%	58.06%
The data in the table refer to INPS benefits with the exclusion of the ex Inpdap and ex Enpals funds;								

Evidence of the above is found in *Table 8.6.1* that shows the number of pensioners receiving the benefits with a complete welfare nature detailed in *Tables 5.6* and *D1* (*historical series 2011-2021 on the website*) from 2014 to 2021; they include the benefits for disabled civilians,

¹¹ See the IXth Report and Table 7.6 for poverty figures and previous figures on www.itinerariprevidenziali.it.

caregivers' allowances¹², social pensions and allowances and veterans' pensions, totally financed by tax revenues, which, net of duplications, amounted to **3,704,275**¹³ in 2021, with a total annual cost of **21.728 billion**, steadily increasing over the last 9 years, with the only exception of veterans' pensions (which also include indemnities under Act no. 210/92 as of 2014) that are physiologically and constantly declining.

Table 8.6.1 - Number of welfare benefits and retired welfare recipients

Number of welfare benefits	2014	2015	2016	2017	2018	2019	2020	2021
Number of welfare benefits	3,694,183	4,040,626	4,104,413	3,790,876	3,723,945	3,768,149	3,709,993	3,704,275
Other welfare benefits	4,740,463	4,774,000	4,224,760	4,035,448	3,836,191	3,639,204	3,976,508	3,295,725
<i>Of which supplementary minimum benefits</i>	<i>3,469,254</i>	<i>3,318,021</i>	<i>3,181,525</i>	<i>3,038,113</i>	<i>2,909,366</i>	<i>2,778,509</i>	<i>2,648,653</i>	<i>2,512,039</i>
Total no. of pensioners receiving welfare benefits (Net of duplications)	8,434,646	8,814,626	8,329,173	7,826,324	7,560,136	7,407,353	7,686,501	7,000,000
as % of the total no. of pensioners	51.88%	54.48%	51.85%	48.79%	47.24%	46.19%	47.92%	43.48%
Total no. of pensioners	16,259,491	16,179,377	16,064,508	16,041,852	16,004,503	16,035,165	16,041,202	16,098,748
The other welfare benefits include: supplementary minimum benefits, social surcharges and the additional amount; they do not include the 14th month salary								

The ***other welfare benefits*** financed by tax revenues (in addition to supplementary minimum benefits that are welfare benefits but are provided by pension funds) are: **a) the *additional social benefits*** provided to 1,133,945 people (including the former “one million lire per month” introduced by the Berlusconi Government in 2002) range from 25.83 euros to 124.44 euros per month, depending on the pensioners age between 60 and over 70, and are paid in full or partially depending on the beneficiary's income that should not exceed, 6,816.55 euros if single and about 12,902 if married; about 70% of beneficiaries are women, and again they are provided in combination with benefits for disabled civilians, social pensions/allowances, supplementary minimum benefits and the fourteenth month's salary; **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, a limit raised as of 2017 to 2 times the FPLD minimum benefits; in 2021, an average amount of 483 per year was paid to 2,940,607 pensioners, (excluding members of Credit Institutions funds), with up to 1.5 or 2 times the minimum benefits; **c) the *additional pension benefits*** provided for under the 2001 Budget Law (Act no. 388 of December 23, 2000); these benefits are granted to **460,774 pensioners**, whose pensions do not exceed the FPLD minimum benefits, excluding welfare benefits (social pensions and allowances,

¹² Just to recall, INPS provides other disability benefits to 996,000 people, plus another 660,000 Inail indemnity pensions, that is a total of about 4.43 million people who are unable to work and disabled pensioners, or about 28% of the total number of pensioners.

¹³ 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 to the benefit of low income earners but also of pensioners with incomes above the minimum. The cross-checks on welfare benefits revealed a plurality of rules that allow many pensioners to receive several welfare benefits at the same time, none of them subject to IRPEF taxation; for example, there are people who receive as many as 7 welfare benefits out of a total of 8 classified types (e.g.: supplementary minimum benefits + additional amount + 14th monthly salary + benefits for disabled civilians + veterans' pension + caregivers' allowance).

benefits for disabled civilians), pensions of Credit Institutions' employed workers, executives and non-pension related benefits.

The **social additional benefits** can be provided to beneficiaries of supplementary minimum benefits, social allowances and pensions, totally disabled civilians, severely hearing and visually impaired subjects aged over 70 (except in exceptional cases) and with incomes below 8,476.26 euros and below 14,459.9 euros if married with a family; instead, the **additional amount**, equal to 152 euros in 2021, cannot be added to social benefits but only to pensions not exceeding the minimum benefits; therefore, the number of beneficiaries of benefits with a partial welfare nature can be estimated at **3,295,725** pensioners in 2021. Adding up the recipients of benefits with a total and partial welfare nature, net of duplications and not considering the 14th monthly salary, the total is **7 million** pensioners or about 44% out of the total, i.e. **16,098,748 pensioners**. To these should be added at least one third of the 166,395 **citizenship pensions**¹⁴ provided to **188,542** citizens for an average amount of **275.32** euros per month.

It is objectively strange for a country that belongs to the G7 like Italy to have **7 million** pensioners who are totally or partially subsidized, people who in 65/67 years of life have not even been able to pay not even 15 years of regular contributions, with a cost of **26 billion**, in addition to **2,361,562** citizenship income and pension recipients (INPS data, August 2022) and 1.66 million INPS and INAIL invalids, excluding disabled civilians and before possible duplications. Moreover, in 2021, 2,821.2 million hours of CIG were authorised (35% less than in 2020, the pandemic year) corresponding to about 1.41 million full-time workers for a year; while the number of workers who received Naspi was almost 2 million; considering an average of 4 months, this is the equivalent of over 500,000 full-time workers for a year. In practice, in 2021 Italy supported about **12 million** pensioners and active workers, a situation that has unsustainable costs and severely limits the country's development.

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 2021, amounted to **18.08 billion**. If we also add health-care expenditure in the strict sense, the public LTC expenditure increased up to **1.9%** of GDP in 2021, 73.6% of which provided to subjects over 65 years of age. The health component and caregivers' allowances together account for 84.2% of total LTC expenditure (41.6% and 42.6% respectively). Other welfare benefits¹⁵ account for the remaining 15.8%. We have to also add 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.

8.3 The situation in 2022 and short-term projections

In 2021, both the employment and accounting situation improved compared to 2020 (**Table 8.1**), notwithstanding the problems linked to the pandemic, the inflation which started to rise in the last four months of 2021, and to commodity and energy prices remain. The **2022/24 forecasts** have been

¹⁴ 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 to 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.

¹⁵ Based on RGS data (medium- to long-term trends of the pension, health and welfare system; Report no. 23/2022).

drawn up on the basis of data from the April 2022 DEF and the Update Note to DEF (NADEF 2022), approved by the Council of Ministers on September 28, 2022, which analyses the current trends and forecasts for the Italian economy and public finance under the current legislation, as shown in the last part of *Table 8.1*.

In **2022**, the estimated GDP growth rose to 3.3% according to NadeF, while inflation reached 9.1% due to energy and food prices in August according to the harmonised consumer price index in both the euro area and Italy, thus bringing core inflation (net of energy and fresh food) to 5.5 per cent in August in the euro area and 4.9 per cent in Italy; according to NadeF, it is estimated to reach an average of 7.4%. All this will lead to a revaluation of the stock of outstanding pensions in 2023. Instead, in 2022, the stock of outstanding pensions of about 307 billion euros had a 1.7% adjustment compared to the 2021 inflation rate of 1.9% (0.2% will be recovered in 2023).

In our forecasts, the number of pensioners was expected to remain stable at the 2021 levels because of the end of the 100 Quota measure in December 2021, because the newly-introduced 102 Quota option (64 years of age and 38 of contributions) received less than 10,000 applications (data as of November 2022), the early pension measures and the Woman's Option are in line with previous the years and the retirement requirements under the current regulations are not expected to change; in particular, no increases are expected for early pensions until December 31, 2026 as the increases in life expectancy are blocked at 41 years and 10 months for women and 42 years and 10 months for men; 41 years for early workers who have to for three months to start receiving their pension (Law Decree no. 4 of 29.01.2019, transposed by Act no. 26 of 28.03.2019). The 67-year age requirement for the old-age pension is not expected to increase either until December 31, 2024; in fact, the ISTAT surveys have not found an extension of life expectancy; the only change is the updating of the transformation coefficients for the 2021/2022 period under the Interministerial Decree of June 1, 2020, based on the mortality tables for previous years (see Appendix). In addition, the early retirements of the three-year 2019/21 period and previous periods will be felt in 2022 and beyond, as well as the physiological reduction in the number of pensions with a duration of 40 years or more. All this is expected to bring the ratio of pension expenditure, net of welfare benefits, to GDP back to 12.94%, despite the fact that the capitalisation rate of contribution-based pensions (the GDP five-year average) rose from + 0.06%¹⁶ to over 1.1% in 200 and in 2023. The adjustment of pensions to inflation is expected to be more than offset by income growth and the increase in employment, which reached record levels for total and female employment rates, thus improving the inflow of contributions, and hence reducing the annual deficit. The investments envisaged between 2022 and 2026 by the National Recovery and Resilience Plan (PNRR) are expected to have a positive effect on employment and economic trends, provided that the tensions related to the mad war unleashed by Russia do not make the situation even worse.

In **2023**, according to the NadeF, GDP growth is instead expected to slow down from 2.4 % to 0.6% (from 1.9 % to 0.9 %, according to the EU Commission) while inflation is expected to reach 3.4 % on average. In contrast, GDP growth forecasts for 2024 and 2025 remain unchanged at 1.8% and

¹⁶ The adjustment of the contribution amount following the 2020 GDP collapse of -8.9%, brought the five-year GDP average to 0.06%, with a negative impact on the adjustment of the contribution amount for *those who will retire in 2023* with contributions paid until 2021 (Article 5 of Law decree no. 65 of 2015, which amended Article 1, paragraph 9 of Act no. 335 of August 8, 1995 which established that the revaluation rate can never be negative, except for recovering what has been neutralised in subsequent years); in real terms, the impact of the lack of adjustment will be almost irrelevant since inflation in 2020 was - 0.2%. On the other hand, those who retired in 2021 had an adjustment of their contribution amount credited on December 31, 2019, by 1.019199%, (mean of the previous five-year period from 2015 to 2019 and a 2019 inflation = 0.60%); no revaluation of contributions paid in 2020, and of those possibly paid in 2021 up to the time of retirement.

1.5%. Although the number of pensioners is estimated to remain stable even with the extension of the APE, Woman's Option and the 102 Quota measures, the balance between revenues and benefit expenditure is expected to deteriorate due to the adjustment of pensions to inflation at around 7% plus, the 0.2% adjustment for 2021, which is bound to increase pension expenditure by more than 20.5 billion. The further projected increase in employment will clearly depend on the trend of energy prices, which may lead to the temporary closure of energy-intensive and 'gas-guzzling' companies, with a negative impact on accounting balances also compounded by a broader recourse to redundancy fund and income-support measures. The developments in the economic situation may lead to an increase in early retirement rates. In this scenario, the amounts of early pensions should be reduced and welfare expenditure should be rationalized, especially the citizenship income. In 2023, it would be desirable for the new Government to review the critical points of the Fornero reform (see previous Reports) by reintroducing the so-called 'superbonus' for those who voluntarily wish to work until the age of 71, by retargeting Social APE only to unemployed subjects who cannot be reintegrated into the labour market, by raising the Woman's Option age requirement at least up to 60 years of age, always with 35 years of contributions, by reviewing the calculation of contributions with the pro rata system, which means to leave the income-based years, if any; it would be necessary to adjust the so-called strenuous jobs and avoid forms of early pensions or early retirement as has occurred so far; but, as already happens in many advanced countries, this can be obtained through an organisation of work and trades that allows for the extension of working life, by protecting older workers from heavy and dangerous jobs such as those on scaffoldings, near ovens, on heavy vehicles and so on, providing them with jobs more in keeping with their age; it is active ageing that will be crucial for Italy to ensure employment and growth in the future. The use of *expansion contracts* and *solidarity funds* for all people who are no longer employable instead of the Social APE, arduous job and safeguard measures would avoid passing these costs on to the community; as illustrated in Chapter 4, these funds have worked very well for postal and transport workers and for banks and insurance companies; there are 13 of these funds plus more than 105 bilateral funds for training (often useless); so, the government and social partners should use this *private third pillar of income support* which allows workers to retire five years in advance but with the requirement to carry out some socially useful work to prevent them from ending up in the undeclared job market. As to early retirement, in addition to maintaining the 102 Quota measure, with its pretty good balance, it would be necessary to eliminate the indexation to life expectancy after 2026, leaving 42 years and 10 months for men and one year less for women. It would be desirable to equalise the rules on the contribution-based system and the mixed system by amending the Fornero Law accordingly. In the previous Reports, we had called for the creation of an 'welfare database' accompanied by the a 'general registry of active workers', indispensable for monitoring welfare expenditure may also go down, which, given the countless cancellations due to abuse, and for implementing active labour policies¹⁷. The Draghi government launched plans to implement and digitalise these two fundamental tools. Moreover, since the Italian welfare system is difficult to finance and Italy already features exceptionally high levels of social security contributions, it would be useful to introduce the so-called 'clash of interests' for households direct expenses (see previous Reports), following the example of building bonuses (excluding the deleterious 110% bonus); this would make it possible to significantly reduce the large tax and contribution evasion and redistribute the tax burden that is today is mainly on the shoulders of employed workers. In order to reduce of labour costs, it would be useful to continue in the wake of the "Aiuti bis Decree" issued by the Draghi government and replace the very costly contribution exemptions (costing over 24

¹⁷ 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.

billion each year), including that for the South that has never worked¹⁸, with tax credits, corporate welfare benefits and increases under Article 51 of Tuir (Framework Law on Personal Income Taxes).

All regulatory changes up to the end of 2022 can be found in Appendix 1, with comments and insights.

¹⁸ The contribution exemption for the South is provided for under the so-called 'August decree', which, adopted the same parameters used by the Commission for the provision 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 social security contributions due by workers and companies, excluding Inail premiums. The regions concerned are: Abruzzo, Molise, Campania, Basilicata, Sicily, Apulia, Calabria and Sardinia, which will benefit from these rebates from the October-December quarter of 2020 until the end of 2022, as approved by the European Commission with Decision C (2022) 4499 of June 24, 2022, which authorised the granting of these incentives until December 31, 2022. For the future, we are still waiting for the approval by the EU authorities; INPS issued the Circular no. 90 on 27 July 2022. The government had envisaged to apply these rebates until 2025, then reduce them to 20% until 2027, and finally to 10% until 2029. The projected cost is 4 billion for 2022 and the subsequent years are to be financed also by the Recovery Plan. The insufficient level of development in some areas of the country, particularly in the eight southern regions, has often been counterbalanced by welfare policies that, however, have had the opposite effect of slowing down growth even further; in these regions, total exemptions from social security contributions have been in force for almost 25 years, but, based on employment statistics, they have not produced new employment or development. Not only have these reliefs not produced any competitive advantages, but they have delayed the development of the southern regions in exactly the same way as the provision of disability benefits (granted in some areas of the country only for economic reasons) and other subsidies, especially in the field of agriculture; however, the development of the South of Italy is an absolute priority country, without which the entire country is destined to remain marginal and at the bottom of the rankings in terms of development and employment. This is why we have proposed the Special Social Economic Zones (ZESS).

BOX 2 - Reclassification of pension and welfare expenditure

Total pension and welfare expenditure - Year 2021					
Descrizione	By item (millions of euro)	Total welfare pensions (millions of euro)	Grand total (milioni di euro)	Notes	As % of GDP
A) Total basic and complementary pension expenditure (Registry)			313.003	From the 31.12.2021 registry (INPS +INAIL + professional schemes and complementary schemes, excluding family allowances, citizenship pensions)	17,63
B) Inail indemnity expenditure (Registry)			4.061	Registry 31.12.2021 (annuities are not welfare benefits, they are based on contributions, but have been removed from pension expenditure)	0,23
C) Complementary IVS private pensions expenditure under the 2nd pillar (it does not include supplementary funds managed by Inps and schemes for professionals)			2.201	Registry 31.12.2021 Complementary pensions, 2 Pillar, private, sectoral and insurance funds were separated from pension expenditure	0,12
D) Total pension and welfare expenditure, net of expenditure under B, and C (Registry)			306.741	Registry 31.12.2021. Net of INAIL annuities sub B) and of complementary pensions, 2nd pillar sub C)	17,28
<i>1) Classified INPS welfare and veterans' benefit expenditure of which:</i>		24.148		2021 Report and veterans' pensions from the Registry	1,36
<i>1.1 Pension benefits for disabled civilians and caregivers' allowances</i>	18.204			Rendiconto 2021. Trasferimento GIAS a copertura dei disavanzi di gestione del Fondo (GIAS All. 18)	1,03
<i>1.2 Incentives and bonuses for foreign disabled civilians, hearing and impaired subjects and disabled civilians with disability over 74%</i>	727			Report 2021 (GIAS all. 13A economic data)	0,04
<i>1.3) Veterans' pensions</i>	1.037			Registry 31.12.2021.	0,06
<i>1.4) Social pensions and allowances including EU and non EU citizens</i>	4.180			Report 2021 (GIAS all. 13A economic data)	0,24
E) Social security expenditure in the Registry sub			282.593		15,92
2) Other welfare expenditure to be deducted from social security expenditure E), of which		67.010		welfare items in the pensions, in point E of the Registry, separated from the figure in the 2021 Report (for further details, see GIAS economic data Annex 13A); Welfare benefits provided by pension funds; 2021 Report (GIAS Annex 13 A economic data)	3,77
<i>2.1) Supplementary minimum benefits</i>	6.585			Assistance provided by the pension administrations	0,37
<i>2.2) Additional sum (fourteen's month salary- Act no. 127/2007)</i>	1.471			Report 2021 (GIAS all. 13A economic data)	0,08
<i>2.3) Additional social benefits and additional social benefits to veterans, Act no. 140/1985</i>	385			Report 2021 (GIAS all. 13A economic data)	0,02
<i>2.4) Additional social allowances to minimum benefits and extension to disabled civilians above 18 years of age</i>	1.606			Report 2021 (GIAS all. 13A economic data)	0,09
<i>2.5) Pensions of Farmers, Tenant farmers and Sharecroppers before 1989 and additional benefits,</i>	823			Report 2021 (GIAS all. 13A economic data)	0,05
<i>2.6) FF.SS fund, Customs agents, GE and TS Ports (GIAS share)</i>	4.693			2021 Report: GIAS transfers to finance the funds' operating deficit (Annex 18)	0,26
<i>2.7) IPOST fund (GIAS share Act. no. 71/1994)</i>	940			Report 2021 (GIAS all. 13A economic data)	0,05
<i>2.8) Share of disability before Act no. 222/1984</i>	5.570			Report 2021 (GIAS all. 13A economic data)	0,31
<i>2.9) Early pensions (early workers, safeguards, woman's option, arduous jobs, asbestos, Art 51 LD 4/2019), freeze until the end of the 2026, more stringent age requirements and the 100 Quota)</i>	5.989			Report GIAS Annex 13A, economic data; 2021 Report (Exhibit 13A). It includes the share for each pension, L. 903/1965, early retirement charges for 3,141 m euros (of which the 100 Quota art. 14 and art. 15 Act no. 4/2019 with an impact of 2.228m),	0,34
<i>2.10) Share of pensions under former Act no 903 of July 21, 1965 to reform and improve pension benefits</i>	21.904			Rendiconto 2021 (GIAS all. 13A dato economico)	1,23
<i>2.11) GIAS transfers for funds of civil servants</i>	14.099			Rendiconto 2021 (All. 13A). Comprende Quota parte ciascuna pensione, L. 903/1965, Oneri prepensionamenti per 3.141 mln (di cui Quota 100 art.14 e art. 15 L. 4/2019 incidono per 2.228 mln di euro), Magg. Ex combattenti, Totalizz. periodi ass.vi, 14ma mensilità, Importo aggiuntivo, Perequaz. L. 65/2016, Cumulo periodi ass.vi, Aboliz. penalizzazioni accesso pensionamento, Quota GIAS pensioni ex Inpdap L.n. 183/2011.	0,80
<i>2.12) Aggregation of insurance periods Legislative Decree no. 42/2006</i>	457			Report 2021 (GIAS all. 13A economic data)	0,03
<i>2.13) Cumulated insurance periods Act no. 228/2012</i>	332			Report 2021 (GIAS all. 13A economic data)	0,02
<i>2.14) Equalization of the Const. Court Act no. 70/2018 and Act no. 127/2007</i>	332			Report 2021 (GIAS all. 13A economic data)	0,02
<i>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 their year of inception</i>	390			2021 INPS Report and Statistical	0,02
<i>2.16) Other charges borne by GIAS</i>	1.434			2021 Report (GIAS Exhibit 13A Economic Data), including the additional amount of 70.5 million euros and net of undue benefits recovered (GIAS All. 9) of 354 million	0,08
F) Social security expenditure in the registry sub		91.158	215.583		12,14
3) GIAS welfare expenditure not included in the Registry, but included in the PT fund - family support: to be added to welfare		817		Additional amount, Equalization Act no. 65/2016, Cumulation of insured periods, Abolition of penalties for access to retirement, GIAS share of ex Inpdap pensions Act no. 183/2011	0,05
<i>3.1) Expenditure on household allowances to employed and self-employed pensioners in the private sector (2020)</i>	361			Report 2021 (GIAS all. 11A economic data)	0,020
<i>3.2) Expenditure on family allowances to self-employed pensioners (2020)</i>	24			Observatory family allowances in 2020. Welfare items not present in the registry of pensioners:	0,001
<i>3.3) Citizenship pensions</i>	432			2021 Report: GPT (Annex13F, economic data)	0,024
Total welfare and pension expenditure (net of welfare, INAIL annuities and Complementary Pensions Pillar 2)	% GDP	Assistant expenditure	Social security expenditure		In % del PIL
	5,18	91.975	215.583		12,14

(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); Source: 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	2021
1. Lavoratori dipendenti privati (a)																
- contributi	96.960,3	102.908,4	111.085,9	111.098,9	112.369,0	115.205,8	117.037,3	116.418,9	115.880,9	117.099,2	121.193,0	123.792,0	126.622,4	130.113,1	116.240,9	126.899,0
- prestazioni	99.417,2	102.837,0	106.766,9	110.359,8	112.541,2	114.881,1	117.771,7	119.259,1	119.494,1	118.976,0	118.973,9	120.123,9	122.172,2	123.772,5	124.904,6	125.044,1
- saldi	-2.456,9	71,4	4.319,0	739,2	-172,1	324,7	-734,4	-2.840,2	-3.613,3	-1.876,8	2.219,1	3.668,1	4.450,2	6.340,6	-8.663,7	1.854,9
2. Lavoratori dipendenti pubblici																
- contributi (2)	39.769,1	38.610,9	41.713,2	41.533,0	41.522,3	40.773,8	39.251,4	38.246,4	38.164,1	37.890,8	38.277,2	38.283,4	40.113,6	39.886,7	40.141,8	41.102,0
- prestazioni (3)	48.107,1	50.636,4	53.079,0	55.938,3	58.401,9	60.631,4	63.015,0	64.304,1	65.039,4	66.871,3	67.620,8	68.700,4	70.691,4	73.533,0	76.569,2	78.580,8
- saldi	-8.338,0	-12.025,5	-11.365,8	-14.405,3	-16.879,6	-19.857,6	-23.763,6	-26.057,7	-26.875,3	-28.980,5	-29.343,5	-30.417,0	-30.577,8	-33.646,2	-36.427,4	-37.478,7
3. Lavoratori autonomi																
3.1. Artigiani																
- contributi	6.450,2	7.722,0	7.975,7	7.918,4	7.386,6	7.619,7	8.094,8	8.089,9	8.198,2	8.203,3	8.442,5	8.495,1	8.241,3	8.468,8	8.319,1	8.119,7
- prestazioni	8.534,6	9.109,2	9.659,5	10.235,0	10.655,9	11.050,0	11.298,6	11.709,7	11.739,4	11.849,3	11.732,6	11.708,3	11.940,1	11.673,1	11.717,4	12.062,3
- saldi	-2.084,3	-1.387,2	-1.683,8	-2.316,7	-3.269,3	-3.430,3	-3.203,8	-3.619,8	-3.541,2	-3.646,1	-3.290,1	-3.213,1	-3.698,8	-3.204,3	-3.398,3	-3.942,6
3.2. Commerciali																
- contributi	7.092,9	8.188,5	8.480,6	8.648,6	8.480,0	9.128,7	9.677,1	9.908,8	10.147,0	10.311,7	10.726,9	10.905,9	10.588,2	10.884,5	10.679,9	10.764,4
- prestazioni	7.005,4	7.472,0	7.867,8	8.295,9	8.602,0	9.128,7	9.312,7	9.528,8	9.626,0	9.712,8	9.696,7	9.688,6	9.936,0	10.004,8	10.072,7	10.110,8
- saldi	87,5	716,5	612,8	352,8	-122,1	199,2	364,5	380,1	521,0	599,0	1.030,2	1.217,2	652,2	879,7	607,2	653,6
3.2. Coltiv. diretti, coloni e mezzadri																
- contributi	1.025,0	1.006,3	1.012,7	1.036,5	1.054,0	1.067,1	1.129,4	1.161,7	1.212,8	1.222,5	1.248,5	1.272,2	1.307,8	1.322,4	1.315,0	1.319,9
- prestazioni	3.380,0	3.511,0	3.475,5	3.335,8	3.834,5	3.965,7	4.532,9	4.272,2	4.359,2	4.355,5	4.060,9	3.969,2	3.826,1	3.702,5	3.445,1	3.869,4
- saldi	-2.355,1	-2.504,6	-2.462,8	-2.299,4	-2.780,6	-2.898,6	-3.403,4	-3.115,5	-3.146,4	-3.132,9	-2.812,4	-2.697,0	-2.518,4	-2.380,0	-2.130,0	-2.549,4
4. Liberi professionisti (b)																
- contributi	4.665,1	4.980,5	5.275,3	5.590,5	5.916,7	6.376,6	6.697,4	7.155,4	7.317,6	7.557,3	7.996,2	8.236,1	8.542,0	8.883,7	9.214,5	9.434,4
- prestazioni	2.544,0	2.691,3	2.841,8	2.998,8	3.138,3	3.280,8	3.515,4	3.753,2	3.961,6	4.121,1	4.301,8	4.475,4	4.702,7	5.036,9	5.337,8	5.740,2
- saldi	2.121,1	2.289,2	2.433,5	2.591,7	2.778,5	3.095,8	3.182,0	3.402,2	3.356,1	3.436,3	3.694,3	3.760,7	3.839,3	3.846,8	3.876,7	3.692,5
5. Fondo clero																
- contributi	29,70	31,01	30,94	31,77	32,48	31,40	32,60	33,15	32,88	31,23	30,83	30,64	30,37	31,15	31,03	31,19
- prestazioni (h)	88,83	93,20	95,86	99,22	98,85	99,07	99,78	103,16	102,16	101,60	99,75	96,50	95,43	90,62	73,86	71,11
- saldi	-59,13	-62,20	-64,92	-67,45	-66,37	-67,67	-67,17	-70,01	-69,28	-70,36	-68,92	-65,86	-65,06	-59,46	-42,83	-39,92
6. Gestione lavoratori parav subordinati (c)																
- contributi	4.559,4	6.214,7	6.569,8	6.588,9	8.117,1	6.922,5	7.550,5	7.327,1	7.568,3	7.908,4	7.445,4	7.654,2	8.090,4	8.572,1	8.167,4	9.217,0
- prestazioni	116,4	174,0	235,8	302,5	384,9	456,8	467,0	553,9	625,0	711,2	806,0	865,8	1.003,8	1.180,8	1.348,3	1.517,3
- saldi	4.443,0	6.040,7	6.334,0	6.286,4	7.732,3	6.465,7	7.083,4	6.773,2	6.943,3	7.197,2	6.639,4	6.788,5	7.086,6	7.391,3	6.819,2	7.699,7
7. Tot. Integrativi (d)																
- contributi	859,1	861,2	868,3	836,5	891,7	892,1	936,9	1.022,1	1.069,1	1.110,3	1.161,9	1.172,2	1.214,0	1.235,9	1.290,0	1.376,6
- prestazioni	1.016,4	1.016,3	1.012,7	1.024,9	1.027,2	1.084,9	1.104,4	1.137,0	1.165,1	1.198,2	1.211,1	1.214,5	1.231,2	1.260,6	1.266,6	1.273,0
- saldi	-157,3	-155,1	-144,4	-188,4	-135,5	-192,8	-167,4	-114,9	-96,0	-87,9	-49,2	-42,3	-17,2	-24,7	23,4	103,5
TOTALE GESTIONI PENSIONISTICHE																
- contributi	161.410,9	170.523,5	183.012,4	183.283,0	185.770,0	188.017,7	190.407,5	189.363,4	189.591,0	191.334,9	196.522,4	199.841,7	204.750,1	209.398,4	195.399,7	208.264,3
- prestazioni	170.210,1	177.540,4	185.034,8	192.590,2	198.684,7	204.379,3	211.117,4	214.626,1	216.112,0	217.896,9	218.503,6	220.842,5	225.599,1	230.254,8	234.735,5	238.270,6
- saldi	-8.799,2	-7.016,9	-2.022,4	-9.307,2	-12.914,8	-16.361,6	-20.709,9	-25.262,7	-26.521,0	-26.562,0	-21.981,2	-21.000,9	-20.849,0	-20.856,4	-39.335,8	-30.006,4
Quota Gias per le gestioni pensionistiche (4) (5)																
SPESA PENSIONISTICA																
- al lordo Gias	30.912,5	31.766,1	32.626,0	32.782,0	33.576,8	33.704,9	31.779,9	33.292,1	33.356,0	36.044,8	35.227,7	35.582,6	35.824,1	37.779,4	39.993,6	40.228,4
- al netto Gias	201.122,6	209.306,5	217.660,9	225.372,2	232.261,5	238.084,2	242.897,4	247.918,2	249.468,0	253.941,7	253.731,3	256.425,1	261.423,2	268.034,2	274.729,1	278.499,0
Spesa pensionistica in % del PIL																
- 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	14,92	16,58	15,69
- 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	12,82	14,17	13,42

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, 13,988,25 million for 2018 (see text), 14,531,05 million for 2019, 10,304,36 million for 2020 and 11,496,22 for 2021. 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, 2017, 2018, 2019, 2020 and 2021. (3) In 2021, the benefits provided to public employees amount to 78,851 million of which 14,900 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 2021 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 64,482 million euros. (4) The total GIAS benefit transfers (40,228.12 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	2021
<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	1,48
<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	-47,69
<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	-32,69
<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	6,46
<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	-65,89
<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	64,31
<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	-56,13
<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	507,48
<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	8,13
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	-12,59

(1) Vedasi note in tab.1.a

1. Private sector employees 2. Public sector employees 3.1. Artisans and Retailers 3.2. Farmers, tenant farmers and sharecroppers 4. Professionals 5. Clergy fund 6. Atypical workers 7. Total supplementary benefits. Total (1) *See note in Table 1a*

Table 3a - Contribution revenues/pension expenditure ratios (%) (1)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<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	101,48
<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	52,31
<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	67,31
<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	106,46
<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	34,11
<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	164,31
<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	43,87
<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	607,48
<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	108,13
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	87,41

(1) Vedasi note in tab.1.a

1. Private sector employees 2. Public sector employees 3.1. Artisans and Retailers 3.2. Farmers, tenant farmers and sharecroppers 4. Professionals 5. Clergy fund 6. Atypical workers 7. Total supplementary benefits. Total (1) *See note in Table 1a*

Table 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	2021
NUMERO CONTRIBUENTI (mgl)																
<i>Lavoratori dipendenti privati (1)</i>	13.070,3	13.307,8	13.443,0	13.289,8	13.101,5	13.678,6	13.671,0	13.460,0	13.436,7	14.169,1	13.798,6	14.260,9	14.265,7	14.551,2	14.213,5	14.650,2
<i>Lavoratori dipendenti pubblici</i>	3.412,0	3.384,0	3.360,0	3.333,8	3.292,1	3.233,5	3.104,0	3.039,5	3.225,6	3.252,3	3.305,0	3.272,2	3.337,5	3.301,0	3.305,8	3.318,0
<i>Artigiani</i>	1.881,5	1.893,7	1.902,0	1.889,7	1.856,0	1.849,8	1.817,9	1.772,7	1.736,1	1.688,7	1.661,6	1.631,9	1.590,1	1.552,8	1.530,1	1.522,2
<i>Commercianti</i>	1.992,3	2.023,3	2.044,2	2.085,6	2.081,1	2.156,7	2.178,3	2.193,1	2.172,8	2.160,1	2.151,2	2.131,9	2.089,7	2.044,0	2.020,0	2.022,0
<i>Coltiv.diretti, coloni e mezzadri</i>	519,1	500,3	486,5	477,0	469,9	463,3	459,8	457,3	453,1	448,4	446,9	445,3	451,2	444,9	434,2	436,2
<i>Liberi professionisti (2)</i>	996,1	1.025,6	1.058,8	1.089,8	1.124,1	1.145,1	1.169,3	1.199,4	1.262,1	1.285,9	1.295,7	1.303,9	1.306,7	1.318,2	1.326,0	1.333,1
<i>di cui Medici (b)</i>	332,8	337,8	342,3	346,3	348,8	353,2	354,6	355,0	356,4	360,8	362,4	363,7	366,1	371,5	375,4	373,4
<i>Fondo clero</i>	19,6	19,9	20,0	19,7	20,0	19,5	19,6	19,4	18,9	18,0	17,9	17,9	17,9	17,9	17,8	17,8
<i>Lavoratori Parasubordinati</i>	1.789,0	1.808,0	1.821,0	1.730,0	1.709,0	1.741,0	1.707,0	1.563,0	1.526,0	1.441,0	1.249,0	1.247,0	1.303,0	1.330,0	1.326,0	1.408,0
<i>Totale Integrativi</i>	295,7	293,6	288,8	279,6	315,8	310,9	305,4	337,2	340,8	327,0	322,9	319,3	321,8	313,2	303,0	305,8
NUMERO PENSIONI (mgl) (8)																
<i>Lavoratori dipendenti privati</i>	10.573,1	10.521,1	10.449,0	10.337,2	10.221,8	10.085,7	9.894,9	9.707,7	9.563,0	9.399,9	9.226,7	9.094,0	8.946,9	8.842,0	8.735,2	8.646,1
<i>Lavoratori dipendenti pubblici</i>	2.539,5	2.612,1	2.648,1	2.690,5	2.738,6	2.784,8	2.812,8	2.812,6	2.838,8	2.863,7	2.890,9	2.875,4	2.917,1	2.998,8	3.056,5	3.105,2
<i>Artigiani</i>	1.459,9	1.512,8	1.541,1	1.568,6	1.597,2	1.618,3	1.624,4	1.639,5	1.645,9	1.661,2	1.666,2	1.686,5	1.707,2	1.726,5	1.741,2	1.760,1
<i>Commercianti</i>	1.269,3	1.312,2	1.330,7	1.344,7	1.374,8	1.378,1	1.381,3	1.389,7	1.389,4	1.393,3	1.389,8	1.400,9	1.413,6	1.433,2	1.448,2	1.459,4
<i>Coltiv.diretti, coloni e mezzadri</i>	1.905,4	1.890,9	1.848,4	1.805,0	1.772,3	1.728,8	1.677,8	1.633,0	1.586,6	1.536,4	1.487,7	1.441,4	1.398,9	1.356,3	1.311,5	1.268,5
<i>Liberi professionisti (2)</i>	253,5	262,8	269,5	275,9	282,8	294,7	311,4	325,4	342,6	353,5	366,4	381,5	397,1	420,4	439,7	473,9
<i>di cui Medici (a)</i>	141,4	146,5	148,8	152,3	156,1	162,4	173,4	179,3	185,1	191,5	198,4	209,1	218,4	234,8	247,6	273,7
<i>Fondo clero</i>	14,7	14,8	14,6	14,6	14,5	14,3	14,1	13,9	13,8	13,5	13,2	12,9	12,6	12,2	11,9	11,4
<i>Lavoratori Parasubordinati</i>	120,1	157,9	184,5	208,3	232,2	256,4	275,9	301,8	331,1	361,2	386,5	419,4	449,0	472,4	498,1	526,0
<i>Totale Integrativi</i>	154,4	153,7	152,3	151,5	150,4	138,5	140,2	157,5	159,1	161,0	162,0	159,5	160,4	160,5	160,0	162,5
CONTRIBUZIONE MEDIA (€) (3)																
<i>Lavoratori dipendenti privati</i>	6.559,4	6.946,1	7.402,5	7.202,2	7.405,7	7.313,3	7.272,2	7.417,2	7.419,1	7.250,4	7.763,3	7.725,5	7.968,6	8.024,0	7.539,5	7.975,0
<i>Lavoratori dipendenti pubblici</i>	11.655,7	11.409,8	12.414,7	12.458,1	12.612,7	12.609,6	12.645,3	12.583,0	11.831,5	11.650,5	11.581,6	11.699,6	12.019,1	12.083,2	12.111,2	12.350,0
<i>Artigiani</i>	3.406,1	4.055,5	4.169,9	4.166,7	3.955,4	4.080,5	4.408,0	4.517,1	4.676,8	4.770,7	4.996,1	5.135,4	5.059,7	5.280,2	5.252,8	5.146,8
<i>Commercianti</i>	3.551,2	4.038,2	4.138,2	4.137,3	4.065,3	4.209,8	4.412,5	4.489,1	4.641,3	4.714,5	4.929,4	5.064,8	4.981,2	5.199,0	5.150,6	5.102,9
<i>Coltiv.diretti, coloni e mezzadri</i>	1.769,5	1.823,8	1.858,3	1.941,7	2.005,4	2.049,8	2.202,1	2.312,8	2.472,5	2.542,4	2.637,0	2.727,5	2.797,8	2.864,1	2.920,0	2.913,5
<i>Liberi professionisti (2)</i>	4.566,7	4.750,5	4.880,7	5.030,3	5.166,7	5.477,3	5.644,4	5.888,5	5.725,9	5.805,9	6.102,1	6.248,6	6.471,1	6.731,9	6.945,1	7.063,8
<i>di cui Medici</i>	4.910,6	5.194,4	5.339,8	5.660,7	5.888,3	6.039,5	5.066,7	6.066,7	6.066,7	6.066,7	8.066,7	9.066,7	7.970,0	7.995,9	8.575,0	8.643,3
<i>Fondo clero</i>	1.513,1	1.557,5	1.549,9	1.610,0	1.575,5	1.609,4	1.664,3	1.707,0	1.739,9	1.735,5	1.722,4	1.716,6	1.696,6	1.740,4	1.743,2	1.757,4
<i>Lavoratori Parasubordinati</i>	2.548,6	3.437,3	3.607,8	3.808,6	4.749,6	3.960,3	4.404,6	4.670,7	4.942,2	5.469,8	5.907,2	6.030,6	5.965,1	6.147,7	5.856,0	6.255,4
<i>Totale Integrativi</i>	2.757,8	2.782,7	2.850,6	2.830,4	2.684,4	2.828,6	3.026,0	2.994,2	3.100,5	3.357,9	3.561,6	3.636,4	3.738,6	3.913,1	3.898,1	4.174,4
PENSIONE MEDIA (€) (4)																
<i>Lavoratori dipendenti privati</i>	10.832,8	11.203,1	11.567,6	12.116,5	12.359,6	12.666,1	12.887,3	13.399,8	13.686,1	13.993,4	14.463,7	14.742,0	15.140,9	17.234,2	17.768,3	18.108,4
<i>Lavoratori dipendenti pubblici</i>	18.695,6	19.357,3	19.844,2	20.786,4	21.309,4	21.848,8	22.364,8	22.680,4	24.051,6	23.374,2	23.552,3	24.168,3	24.457,7	24.520,5	25.051,6	25.306,4
<i>Artigiani</i>	8.661,4	9.019,7	9.374,9	9.797,2	10.031,8	10.407,1	10.687,4	11.056,3	11.264,3	11.462,7	11.608,8	11.820,3	12.078,1	8.702,6	8.820,3	8.772,1
<i>Commercianti</i>	7.817,2	8.171,1	8.504,3	8.932,5	9.142,6	9.534,8	9.796,5	10.147,9	10.362,2	10.568,0	10.730,6	10.937,9	11.264,1	8.165,9	8.268,0	8.241,9
<i>Coltiv.diretti, coloni e mezzadri</i>	6.151,2	6.339,6	6.520,5	6.790,2	6.909,9	7.031,8	7.155,8	7.580,5	7.730,7	7.844,1	7.937,8	8.038,4	8.221,3	5.651,9	5.665,7	5.606,5
<i>Liberi professionisti (2)</i>	9.758,3	9.986,3	10.357,3	10.707,4	10.377,5	10.888,5	11.056,9	11.435,7	11.483,9	11.519,5	11.578,5	11.523,6	11.628,8	11.981,7	12.139,4	12.116,2
<i>di cui Medici</i>	6.319,4	6.305,3	6.527,9	6.628,3	5.653,2	6.649,6	6.700,9	6.936,3	6.980,1	7.010,0	7.140,3	7.214,3	7.515,7	7.815,6	8.230,4	8.525,7
<i>Fondo clero</i>	6.720,4	7.025,6	7.145,6	7.399,4	7.446,4	7.570,6	7.784,2	8.018,0	8.093,6	8.097,8	8.115,0	8.135,5	8.212,5	8.424,5	7.260,1	7.069,6
<i>Lavoratori Parasubordinati</i>	955,2	1.071,9	1.278,2	1.417,8	1.563,6	1.683,6	1.832,6	1.977,5	2.074,2	2.159,3	2.264,9	2.396,2	2.573,8	2.777,4	2.989,4	3.168,2
<i>Totale Integrativi</i>	6.455,3	6.524,8	6.592,9	7.506,7	6.731,8	6.315,9	6.510,4	6.846,1	7.076,1	7.208,7	7.296,7	7.396,0	7.442,8	7.913,6	7.969,1	7.890,9

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	2021
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	119,89
<i>Lavoratori dipendenti pubblici</i>	100,09	99,27	98,56	97,79	96,57	94,85	91,05	89,16	94,62	95,40	96,95	95,99	97,90	96,83	96,97	97,33
<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	81,53
<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	124,43
<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	36,17
<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	265,18
<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	149,84
<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	69,23
<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	167,82
<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	109,47
<i>Totale contribuenti</i>	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	118,35
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	85,82
<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	202,51
<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	252,53
<i>Commercianti</i>	188,60	194,98	197,73	199,81	204,28	204,76	205,24	206,49	206,51	207,03	206,51	208,16	210,04	212,96	215,18	216,85
<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	71,59
<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	334,91
<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	380,05
<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	81,54
<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	10.606,57
<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	171,63
<i>Totale pensioni</i>	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	116,09
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	325,61
<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	351,06
<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	500,43
<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	493,17
<i>Coltiv.diretti, coloni e mezzadri</i>	467,96	482,34	491,46	513,52	530,37	542,11	582,38	611,66	653,90	672,38	697,41	721,34	739,93	757,47	772,24	770,54
<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	403,85
<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	512,53
<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	313,53
<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	522,90
<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	340,19
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	392,72
<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	294,39
<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	310,64
<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	308,36
<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	184,86
<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	354,56
<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	333,38
<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	195,53
<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	632,71
<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	242,78

(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	2021
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	59,02
<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	93,59
<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	115,63
<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	72,18
<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	290,81
<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	35,55
<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	73,29
<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	64,24
<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	37,36
<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	53,12
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	58,21
<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	67,84
<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	31,23
<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	32,13
<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	26,09
<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	33,16	34,84
<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	17,32
<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	13,06
<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	29,06
<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	53,53	52,21
<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	138,3	134,9
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	72,89
<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	67,84
<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	39,98
<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	38,22
<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	47,95
<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	32,86	34,84
<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	16,43	17,32
<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	14,34
<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	29,26

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	2021
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	2.068
% 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%	-2,7%
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	1.183
% 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%	15,6%
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	- 884,5
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	2.613
% 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%	-0,3%
Entrate Previdenziali (mln)	636	588	715	612	609	650	573	566	550	508	614	474	449	437	412	390
% 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%	-4,6%
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	- 2.222,3
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	1.940
% 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%	-0,1%
Entrate Previdenziali (mln)	802	791	746	739	736	688	684	567	606	590	593	565	604	588	540	565
% 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%	5,7%
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	- 1.374,5
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	5.578
% 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%	-0,8%
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	1.180
% 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%	-10,0%
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	- 4.398,5
(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; INPDAI: benefit expenditure (millions), % variation; Except for the Transportation Fund, for all the other special funds, since the merger into FPLD (INPDAI 2002, other 1997) the contributions of newly hired people have been included in the FPLD accounts, while benefits are still reported in the funds' accounts, which deteriorates their deficit situation

B.31.a - Benefits and contributions of the compulsory pension system

Anno 2020	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)
	<i>mgl</i>	<i>mln €</i>	<i>mln €</i>	<i>mln €</i>	<i>mgl €</i>	<i>mgl €</i>	<i>mgl €</i>	<i>mln €</i>	<i>mln €</i>	<i>mgl €</i>	<i>mgl €</i>	<i>mgl €</i>	<i>mln €</i>
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
<i>Dipendenti privati INPS</i>	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)	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
<i>Altri Fondi Dip. Privati</i>	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
<i>Fondi ex Aziende Autonome</i>	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
<i>Autonomi INPS</i>	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 Commercialisti	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
<i>Liberi Professionisti</i>	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
Totali e medie del sistema obbligatorio	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

Year 2020 - 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, 1.311,153 includes 179.807 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
Totali e medie del sistema obbligatorio	140,60	120,13	126,82	38,09	71,10	197,75	53,58

(1) Data in Table 1a and B.32.A

(2) The equilibrium rate is the result of the ratio between pension expenditure net of the GIAS and the estimated wages in table B.32.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.

Ratio between average pension net of the GIAS (Table B.32.A) and average income resulting from the ratio between wages and the number of taxpayers of each category of workers

Table B.33.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 prestazioni 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)
	<i>mgli</i>	<i>mln €</i>	<i>mln €</i>	<i>mln €</i>	<i>mgli €</i>	<i>mgli €</i>	<i>mgli €</i>	<i>mln €</i>	<i>mln €</i>	<i>mgli €</i>	<i>mgli €</i>	<i>mgli €</i>	<i>mln €</i>
Dipendenti Privati	8.646,12	156.567,34	31.523,24	125.044,10	18,11	14,46	14.650,21	126.899,03	10.064,07	116.834,96	8,66	7,97	363.983,80
<i>Dipendenti privati INPS</i>	8.411,70	151.732,40	30.155,24	121.577,17	18,04	14,45	14.375,34	124.010,17	10.032,19	113.977,98	8,63	7,93	354.236,00
Fondo Pensioni Lavoratori Dip. (7)	7.797,70	133.669,97	29.627,26	104.042,71	17,14	13,34	14.158,00	115.590,60	5.264,83	110.325,77	8,16	7,79	343.300,00
Fondo Trasporti	94,29	2.116,69	48,72	2.067,97	22,45	21,93	95,60	1.183,47	121,99	1.061,48	12,38	11,10	3.099,00
Fondo Telefonici	73,35	1.978,06	38,33	1.939,73	26,97	26,45	40,90	565,21	1,48	563,73	13,82	13,78	1.673,00
Fondo Elettrici	94,62	2.657,06	44,28	2.612,79	28,08	27,61	20,80	390,49	1,01	389,48	18,77	18,72	1.154,00
Fondo Volo	7,51	341,96	10,78	331,17	45,56	44,12	10,99	104,03	0,29	103,74	9,47	9,44	261,00
Fondo Imposte di consumo	6,23	116,28	2,87	113,41	18,66	18,20	0,00	114,32	114,32	0,00	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	208,02	5.034,08	143,03	4.891,06	24,20	23,51	26,45	4.882,24	4.522,85	359,39	184,58	13,59	1.149,00
Istituto Dirigenti di Azienda	130,00	5.818,30	239,98	5.578,33	44,76	42,91	22,60	1.179,81	5,42	1.174,39	52,20	51,96	3.600,00
<i>Altri Fondi Dip. Privati</i>	69,84	1.625,04	110,86	1.514,18	23,27	21,68	152,43	1.595,76	19,84	1.575,93	10,47	10,34	5.861,80
Istituto Giornalisti	9,91	552,53	0,00	552,53	55,76	55,76	14,57	346,13	0,00	346,13	23,76	23,76	994,80
Ente Lavoratori Spettacolo	59,93	1.072,50	110,86	961,65	17,90	16,05	137,86	1.249,64	19,84	1.229,80	9,06	8,92	4.867,00
<i>Fondi ex Aziende Autonome</i>	164,58	3.209,90	1.257,15	1.952,75	19,50	11,87	122,44	1.293,09	12,04	1.281,05	10,56	10,46	3.886,00
Dipendenti delle Poste e Tel.	164,58	3.209,90	1.257,15	1.952,75	19,50	11,87	122,44	1.293,09	12,04	1.281,05	10,56	10,46	3.886,00
Dipendenti Pubblici (5)	3.105,18	78.580,75	0,00	78.580,75	25,31	25,31	3.318,00	41.102,04	124,72	40.977,32	12,39	12,35	123.768,85
Cassa Dipendenti Enti Locali	1.181,70	25.121,53	0,00	25.121,53	21,26	21,26	1.175,00	12.703,75	55,20	12.648,55	10,81	10,76	38.409,00
Cassa Insegnanti di Asilo	16,91	322,24	0,00	322,24	19,06	19,06	23,30	194,23	0,76	193,48	8,34	8,30	594,49
Cassa Sanitari	88,03	5.468,01	0,00	5.468,01	62,12	62,12	118,00	3.473,79	15,96	3.457,83	29,44	29,30	10.331,00
Cassa Ufficiali Giudiziari	3,30	69,80	0,00	69,80	21,13	21,13	3,70	38,60	0,16	38,44	10,43	10,39	117,36
Dipendenti dello Stato	1.815,24	47.599,17	0,00	47.599,17	26,22	26,22	1.998,00	24.691,66	52,65	24.639,02	12,36	12,33	74.317,00
Autonomi e Professionisti	4.961,93	40.321,95	8.537,59	31.784,37	8,13	6,41	5.313,56	29.638,45	798,15	28.840,30	5,58	5,43	128.466,16
<i>Autonomi INPS</i>	4.488,02	34.579,96	8.537,54	26.042,42	7,70	5,80	3.980,45	20.204,02	780,48	19.423,54	5,08	4,88	82.100,00
Fondo Artigiani	1.760,10	15.439,76	3.377,49	12.062,28	8,77	6,85	1.522,25	8.119,68	285,02	7.834,66	5,33	5,15	33.400,00
Fondo Commercianti	1.459,41	12.028,31	1.917,55	10.110,76	8,24	6,93	2.022,00	10.764,41	446,42	10.317,99	5,32	5,10	43.600,00
Fondo CDCM (3)	1.268,50	7.111,88	3.242,50	3.869,38	5,61	3,05	436,20	1.319,93	49,04	1.270,89	3,03	2,91	5.100,00
<i>Liberi Professionisti</i>	473,91	5.742,00	0,05	5.741,95	12,12	12,12	1.333,11	9.434,43	17,67	9.416,76	7,08	7,06	46.366,16
Casse priv. 509 (escluso ENPAM)	177,38	3.337,34	0,05	3.337,29	18,81	18,81	748,39	5.646,76	17,67	5.629,09	7,55	7,52	24.916,37
ENPAM (a) (b)	273,68	2.333,28	0,00	2.333,28	8,53	8,53	373,41	3.227,46	0,00	3.227,46	8,64	8,64	18.384,72
Casse priv. 103	22,85	71,38	0,00	71,38	3,12	3,12	211,31	560,22	0,00	560,22	2,65	2,65	3.065,07
Fondo Clero	11,40	80,61	9,50	71,11	7,07	6,24	17,75	31,19	0,00	31,19	1,76	1,76	0,00
Gestione Parasubordinati	525,98	1.666,40	149,14	1.517,26	3,17	2,88	1.408,00	9.216,99	409,36	8.807,62	6,55	6,26	31.100,00
Totale Integrativi	162,46	1.281,93	8,90	1.273,04	7,89	7,84	305,83	1.376,57	99,92	1.276,65	4,50	4,17	8.248,25
Totale e medie del sistema obbligatorio	17.413,07	278.498,99	40.228,37	238.270,63	15,99	13,68	25.013,35	208.264,27	11.496,22	196.768,04	8,33	7,87	655.567,06

(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, 1.268,50 sono comprese 145.145 pensioni ante 1/1/1989 in carico alla GIAS, mentre nell'importo di 3.869,38 milioni non sono compresi 823,86 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.

(7) La voce 'lavoratori dipendenti privati' comprende le seguenti gestioni: Fondo Pensioni Lavoratori Dipendenti (FPLD), Fondo Trasporti, Fondo Telefonici, Fondo Elettrici, Volo, Fondo Imposte consumo, Fondo Enti Pubblici Creditizi, Dipendenti delle FFSS, Istituto Dirigenti di Azienda (Inpdai), Istituto Giornalisti Inpgi per la sola gestione sostitutiva, Enpals, Ipost, al lordo delle duplicazioni; vedi in capitolo 2. Per dettaglio vedasi Tab. B32a e tab. B33a.

(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, 1,268,50 includes 145.145 pensions before 1/1/1989 in the hands of GIAS, while the amount of 3,869,38 million does not include 823,86 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.33.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)
2021							
Dipendenti Privati	123,38	98,54	107,03	34,35	59,02	209,06	58,21
<i>Dipendenti privati INPS</i>	122,35	98,04	106,67	34,32	58,51	209,10	58,65
Fondo Pensioni Lavoratori Dip.	115,64	90,01	94,30	30,31	55,08	209,97	55,03
Fondo Trasporti	178,86	174,74	194,82	66,73	98,63	181,35	67,66
Fondo Telefonici (3)	349,97	343,19	344,09	115,94	179,33	195,15	64,65
Fondo Elettrici (3)	680,45	669,11	670,85	226,41	454,90	149,58	49,77
Fondo Volo (3)	328,71	318,34	319,23	126,89	68,33	481,06	185,70
Fondo Imposte di consumo (3)	101,71	99,20	2.594.835,65	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)	103,11	100,18	1.360,94	425,68	786,46	13,11	54,13
Istituto Dirigenti di Azienda (3)	493,16	472,82	475,00	154,95	575,20	85,74	26,94
<i>Altri Fondi Dip. Privati</i>	101,83	94,89	96,08	25,83	45,82	222,27	56,38
Istituto Giornalisti	159,63	159,63	159,63	55,54	68,01	234,72	81,67
Ente Lavoratori Spettacolo	85,83	76,95	78,20	19,76	43,47	197,43	45,45
<i>Fondi ex Aziende Autonome</i>	248,23	151,01	152,43	50,25	134,41	184,68	37,39
Dipendenti delle Poste e Tel.	248,23	151,01	152,43	50,25	134,41	184,68	37,39
Dipendenti Pubblici	191,18	191,18	191,77	63,49	93,59	204,29	67,84
Cassa Dipendenti Enti Locali	197,75	197,75	198,61	65,41	100,57	196,63	65,03
Cassa Insegnanti di Asilo	165,90	165,90	166,55	54,20	72,56	228,65	74,71
Cassa Sanitari	157,41	157,41	158,13	52,93	74,60	211,00	70,95
Cassa Ufficiali Giudiziari	180,82	180,82	181,55	59,47	89,27	202,56	66,62
Dipendenti dello Stato	192,77	192,77	193,19	64,05	90,85	212,18	70,50
Autonomi e Professionisti	136,05	107,24	110,21	24,74	93,38	145,69	26,49
<i>Autonomi INPS</i>	171,15	128,90	134,08	31,72	112,75	151,80	28,13
Fondo Artigiani	190,15	148,56	153,96	36,11	115,63	164,46	31,23
Fondo Commercianti	111,74	93,93	97,99	23,19	72,18	154,82	32,13
Fondo CDCM	538,81	293,15	304,46	75,87	290,81	185,28	26,09
<i>Liberi Professionisti</i>	60,86	60,86	60,98	12,38	35,55	171,20	34,84
Casse priv. 509 (escluso ENPAM)	59,10	59,10	59,29	13,39	23,70	249,35	56,51
ENPAM	72,29	72,29	72,29	12,69	73,29	98,64	17,32
Casse priv. 103	12,74	12,74	12,74	2,33	10,82	117,81	21,53
Fondo Clero	258,41	227,96	227,96	0,00	64,24	402,28	0,00
Gestione Parasubordinati	18,08	16,46	17,23	4,88	37,36	48,40	13,06
Totale Integrativi	93,13	92,48	99,72	15,43	53,12	175,31	29,06
Totali e medie del sistema obbligatorio	133,72	114,41	121,09	36,35	69,62	192,09	52,21

(1) Dati in Tabella 1a e B33 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 B33 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 B33 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 B.33.b

(2) The equilibrium rate is the result of the ratio between pension expenditure net of the GIAS and the estimated wages in table B.33.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 B.33.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	2021
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	197,53
- 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	135,62
- 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	61,91
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	143,85
- 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	57,52
- 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	86,33
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	267,89
- 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	155,43
- 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	112,46
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	1.745,29
- 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	892,43
- 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	852,85
5. Incassati																
- 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	1.209,81
- 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	784,82
- 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	424,99
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	536,13
- 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	517,45
- 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	18,69
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	272,54
- 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	239,91
- 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	32,63
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	939,46
- 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	337,43
- 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	602,03
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	334,27
- 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	216,78
- 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	117,49
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	346,13
- 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	552,53
- 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	-206,41
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	3.227,46
- 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	2.333,28
- 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	894,18
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	9.220,34
- 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	6.223,21
- 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	2.997,14
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%	0,350%

(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.itinerariaprevidenziali.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	2021
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	103,42
- 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	22,49
- 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	80,93
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	170,67
- 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	15,18
- 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	155,49
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	88,55
- 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	6,09
- 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	82,46
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	63,75
- 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	7,58
- 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	56,16
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	4,83
- 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	0,08
- 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	4,75
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	9,69
- 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	1,68
- 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	8,01
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	67,30
- 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	11,52
- 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	55,79
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	52,00
- 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	6,77
- 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	45,23
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	560,22
- 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	71,38
- 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	488,84
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%	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.itinerariiprevidenziali.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	2021
<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	45,65
<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	150,08
<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	72,35
<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	95,56
<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	54,15
<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	3,61
<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	13,60
<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	178,42
<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	54,20
<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	-37,36
<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	38,32
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	48,16

(1) A titolo esemplificativo per i consulenti del lavoro, nel 2021, il saldo è pari al 45,65% 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	2021
<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	359,80
<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	1.024,08
<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	1.354,79
<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	740,76
<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	6.233,06
<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	478,16
<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	484,43
<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	668,39
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	684,83

(1) A titolo esemplificativo per i periti industriali, nel 2020, il saldo è pari al 359,80% 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	2021
<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	145,65
<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	250,08
<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	172,35
<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	195,56
<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	154,15
<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	103,61
<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	113,60
<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	278,42
<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	154,20
<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	62,64
<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	138,32
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	148,16

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	2021
<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	459,80
<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	1.124,08
<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	1.454,79
<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	840,76
<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	6.333,06
<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	578,16
<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	584,43
<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	768,39
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	784,83

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	2021
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	25.478
<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	28.753
<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	99.077
<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	241.830
<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	173.957
<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	78.069
<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	24.146
<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	72.061
<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	5.021
<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	14.594
<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	373.407
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	1.136.393
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	11.298
<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	8.122
<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	25.906
<i>Avvocati</i>	23.374	23.800	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	30.243
<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	40.992
<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	37.726
<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	10.535
<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	9.903
<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	2.659
<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	9.909
<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	273.675
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	460.968
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	7.753
<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	5.003
<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	2.704
<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	7.217
<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	6.955
<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	6.867
<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	11.287
<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	13.037
<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	66.574
<i>Giornalisti - Gest. Sostitutiva</i>	19.701	20.700	21.695	21.117	21.400	21.355	22.600	23.077	22.641	22.719	24.148	24.041	24.637	24.468	23.141	23.717
<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	8.643
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	8.114
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	12.004
<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	7.082
<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	6.000
<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	29.509
<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	19.146
<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	13.716
<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	22.773
<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	34.073
<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	81.527
<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	55.761
<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	8.526
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	13.500

(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.itinerariprevidenziali.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.itinerariprevidenziali.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	2021
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	13.296
<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	72.640
<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	43.295
<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	17.152
<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	2.222
<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	3.317
<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	31.890
<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	27.496
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	211.308
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	5.472
<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	5.672
<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	3.506
<i>Biologi</i>	115	169	219	296	376	442	736	712	825	969	1.163	1.326	1.530	1.678	1.944	2.099
<i>Agrotecnici</i>	0	0	2	6	6	8	8	16	18	21	26	26	48	42	51	78
<i>Periti Agrari</i>	211	247	277	313	337	361	372	412	444	480	534	564	720	664	696	763
<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	3.554
<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	1.709
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	22.853
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	7.779
<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	2.350
<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	2.045
<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	3.717
<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	2.174
<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	2.921
<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	2.110
<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	1.891
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	2.651
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	4.111
<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	2.677
<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	1.736
<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	3.612
<i>Agrotecnici</i>			2.190	4.934	471	1.477	2.658	956	849	822	691	734	455	707	947	978
<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	2.196
<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	3.240
<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	3.959
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	3.123

(1) Importi delle pensioni in pagamento a fine anno

Exhibit no. 1

Summary of the main revision and reform measures of the pension system from 1992 to 2021 and the 2022 Budget Law

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: 1) 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); 2) 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 "; 3) 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; 4) 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; 5) 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 has 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 has enhanced the contribution system introduced by the 1995 reform by applying as of 2010 the new transformation coefficients established in 2005 to be but updated every three years as of 2013 and no longer every ten years, thus following 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 78/2010 and intervened on:

- ***effective dates*** which were made more stringent for workers fulfilling the minimum retirement requirements as of 1 January 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 n. 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*** - (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*** - 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 3 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 three times lower than the minimum pension, which have a 70% indexation rate.

m) Act no. 148/2011 which amended Law Decree n. 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 n. 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 must 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 remains in force until 2015 for women who opt 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, the adjustment of all the requirements of the pension system is 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 no. 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 three times the minimum benefits **introduced by the Monti-Fornero reform**, has 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% (40% of the INPS index) above 3 and up to 4 times the 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;
- ***Woman's option*** - The extension of the Woman's 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 (Act no. 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 premorture. 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 from May 1, 2017 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 an old-age pension, that is until they receive the early 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. It is an instrument targeted to the subjects entitled to the general compulsory insurance for employed workers, to exclusive or substitute funds, to the funds for self-employed workers and to the INPS separate scheme. So, it is designed for employed workers (in the private and the public sector) and for self-employed and atypical workers, except for free-lancers belonging to associations or professional organizations. This special allowance (which unlike the now ceased 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***; from January 1, 2018, workers who become unemployed due to the end of a fixed-term contract are also included, provided they have had periods of employed work for at least 18 months in the three years preceding the end of the working relationship;
- 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)

- A. Miners, construction and building maintenance workers
 - B. Construction crane or mobile vehicle drive
 - C. Hide and fur tanners
 - D. Train conductors and travelling personnel
 - E. Truck and heavy vehicle drivers
 - F. Health care workers, hospital nurses and midwives working in shifts
 - G. Care workers for not self-sufficient subjects
 - H. Kindergarten and nursery school teachers and staff
 - I. Porters, handlers and similar workers;
 - L. Non skilled staff for cleaning services;
 - M. Garbage collectors and other waste collectors and separators.
- Additional categories as of January 2018:**
- N. Workers in the agricultural, animal husbandry and fishing sectors;
 - O. Employed workers or members of cooperatives in the coastal, inland and offshore fishing sector;
 - P. First and second smelting steel and glass blowing workers exposed to high temperatures;
 - Q. Maritime workers on board and travelling personnel in the maritime and inland transportation sector;

NOTE - In our opinion, the 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.

APE for 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 in FPLD, in the fund for public-sector employed workers as well as in the funds for self-employed workers before the age of 19; as of 01/05/2017 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 that are in line with the provisions under Law Decree no. 76 Art. 1, par. 1, 2 and 3 of April 21, 2011 (see the category strenuous jobs) ; 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); i and then again the 2021 Budget Law provided an extension for the same year 2021 and the Budget Law for 2022 the extension until 31/12/2022). 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 and 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. a period must pass. The benefit of the so-called Ape for early workers does not apply to these workers in the pure contribution-based system, i.e. those without contributions on 31.12.1995. The only facilitation provided for these workers is granted under Article 1, paragraph 7 of Act no. 335/1995 (Dini Reform), which provides for a 50% increase of the contributions paid for periods worked at a young age.

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 - Employed workers in the private or public sector 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. It is worth reiterating that the legislation on arduous work provides for higher social security benefits than for heavy work and therefore the two categories are ontologically distinct. 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 (19th 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 (MD of May 19, 1999 and Law Decree no 67 of April 21 2011):

Table of arduous types of work: workers engaged in the following particularly arduous task

- 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 structures;
- 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		Lavori notturni		
	Età anagrafica minima	Somma età anagrafica e anzianità contributiva	Numero di notti in ogni anno	Età anagrafica minima	Somma età anagrafica e anzianità contributiva
2012	60	96	da 64 a 71	62	98
			da 72 a 77	61	97
2013-2015	61 e 3 mesi	97,3	da 64 a 71	63 e 3 mesi	99,3
			da 72 a 77	62 e 3 mesi	98,3
2016	61 e 7 mesi	97,6	da 64 a 71	63 e 7 mesi	99,6
			da 72 a 77	62 e 7 mesi	98,6
2017-2026	61 e 7 mesi	97,6	da 64 a 71	63 e 7 mesi	99,6
			da 72 a 77	62 e 7 mesi	98,6

Arduous work, Night work, Year, Minimum age, Age plus contribution seniority, Number of night shifts per year

The Eighth Safeguard Measure - It was introduced by the 2017 Budget Law no. 232/2016 (under Prime Minister Renzi, and the Minister of Economy and Finance Padoa-Schioppa), 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-Fornaro 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 monthly payment - 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 Woman'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 no. 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 obtained through the Woman's Option 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***.

v) 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 measures (already discussed), 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 FPLD 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.

Early Pension (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. 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).

z) 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 Woman's Option - The possibility to retire early with Social APE was confirmed for 2020 too, with the same conditions. The Woman'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).

(Aa) 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 COVID 19 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:

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 COVID 19 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 (RdC), 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 for 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.

Ab) 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 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 INPS minimum benefits (about 715 euros in 2021).

Extension of the Woman's Option 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 2021**. 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.

Expansion contract - This type of contract is a form of early retirement introduced, on an experimental basis for the two year 2019-2020 period, by Art. 26-quater of Law Decree no. 34 of April, 30 2019 (Decreto Crescita), definitively transposed 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 adheres to this agreement receives 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: it 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-Padoa-Schioppa 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 provided 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.

Ac) New provisions under the 2022 Budget Law (Draghi-Franco Government)

The 2022 Budget Law, Act no. 234 of December 2021 (Draghi Government) is 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 expired at the end of 2021 and replaced only for 2022 by a flexible exit option with 64 years of age adjusted to life expectancy and 38 years of contributions, the so-called "102 Quota". Of these 38 years of contributions, at least 35 years must

be of actual contributions, thus excluding periods of sickness and unemployment, but including periods accrued abroad, in EU countries or countries with agreements with Italy. Moreover, it is possible to include the contributions paid to the various INPS funds, including the separate scheme, which have not given rise to a pension; instead, the free aggregation is not applicable for the contributions paid to privatised funds by members belonging to a roster or to a professional association, but only an onerous reconciliation under Act no. 45/1990. As was already the case for 100 Quota, the 102 Quota measure does not allow for the aggregation with the employment and self-employment income until the statutory old-age pension requirements (67 years until 2024 under the current legislation), except for occasional self-employment earnings up to 5,000 euros per year. The rules already in force for the 100 Quota measure remain in force: a 3-month moving window for private-sector employed workers and a 6-month window for those working in the public sector; those who meet the age and contribution requirements for the 102 Quota measure by the end of 2022 are entitled to a pension even after the year has expired.

The **Woman's Option** was renewed for 2022, for women who meet the requirements (58 years of age for employed workers, 59 for the self-employed, and 35 years of contributions) by December 31 2021. Article 1, paragraph 94 of the Budget Law has further extended to 2022 this channel of access to early retirement for women only, with a moving window of 12 months for employed workers and 18 months for the self-employed. For this option, the pension is calculated only on the basis of the contribution method, which is normally less favourable compared to the mixed method that was used for women paying their contributions before 1996.

This early retirement option remains until 2026 with 42 years and 10 months 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 for both genders.

There is the intention to expand **Social APE** and extend it for a further year. The workers entitled to substitutive and exclusive forms of AGO and registered in the funds for the self-employed and in the separate scheme, can be entitled to Social APE if authorised by INPS when they reach 63 years of age (without exceeding the 67-year requirement for the old age pension and without having obtained an early pension, e.g. 100 Quota or other benefits); they can receive these benefits for a period ranging from the date of access to the benefits to the statutory age for the old age pension. This allowance is equal to the amount of the monthly pension instalment calculated at the time of access to the benefit and cannot be adjusted or exceed a maximum amount of 1,500 euros per month. While receiving this allowance, the worker cannot have an income from employment or atypical work exceeding 8,000 euro, which drops to 4,800 euro for the self-employed. Workers can be granted this allowance only if they are in the following conditions:

- a) in a state of unemployment following the end of the employment relationship, also due to collective dismissal, or the resignation for just cause or consensual termination; as of 2018, in a state of unemployment due to the end of a fixed-term contract, if employed for at least 18 months in the 36 months preceding the end of the working relationship; they must have also completed their unemployment benefit period (but, beware!, no longer 'for at least 3 months' as in original version of Social APE introduced in 2017, due to an ad-hoc amendment envisaged in the 2022 Budget Law) made by the Dini Law), where the 2022 budget) and must have a contribution period of at least 30 years, with the reduction for women by 12 months for each child up to a maximum of 2 years.
- 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 prior to the application; or, as of January 2018, caring for a severely disabled second-degree relative living with them if his or her parent or spouse is at least 70 years of age or suffers from disabling diseases or has died; a contribution period of at least 30 years is also required, with a reduction for women by 12 months for each child up to a maximum of two years;
- 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, with a reduction for women by 12 months for each child up to a maximum of two years;

d) in a state of employment who, on the application submission date, have carried out one of the "arduous" jobs referred to in Table - Annex 3 of Act no. 234/2021 (below), for at least 7 years in the last 10 years, or for at least 6 years in the last 7 years, with at least 36 years of contributions, reduced to 32 years for certain categories (construction workers, etc.), with an additional reduction for women by 12 months for each child up to a maximum of 2 years.

For 2022, **early workers** (so-called **Ape for early workers**), that is workers with a minimum, even if not continuous, period of contributions of 12 months before 19 years of age, can continue to retire with 41 years of contribution and a three-month moving window. These workers must have one of the following conditions: 1) in a state of unemployment following dismissal and three months after the end of the provision of unemployment benefits (*unlike Social APE which, as of 2022, has eliminated the 3-month waiting period to be entitled to unemployment benefits*); 2) caring, for at least 6 months, for a severely-disabled spouse or first/second-degree relative living with them; 3) working capacity reduction by at least 74%; 4) having carried out one of the 11 heavy-duty jobs referred to in the original table of the 2017 Social APE, then supplemented with another 4 job categories from 2018, for at least 6 years in the last 7, or at least 7 years in the last 10, or having been employed in heavy-duty tasks or night shifts and meeting the conditions of Art. 1, paragraphs 1 to 3 of Legislative Decree no. 67 of 21 April 2011.

Following Law Decree no. 4/2019, the contribution requirements for the so-called early workers do not envisage the adjustment to ISTAT life expectancy for the 2019-2026 period, like the early pension. Therefore, during this time period, the contribution requirements remain equal to 41 years of contributions, offset by a deferral in the payment of the first pension instalment of three months after reaching the statutory contribution requirement (moving window).

Annex 3 – act no. 234/2021: types of jobs entitled to social ape based on the istat classification
Istat code - at least 36 years of contribution

2.6.4 - Primary school, nursery school and similar professions
3.2.1 - Health technicians
4.3.1.2 - Warehouse operators and related occupations
5.3.1.1 - Health and social skilled workers
5.4.3 - Beauticians
5.4.4 - Skilled workers in personal service and related professions
6 - Artisans, skilled workers and farmers
7.1.1 - Plant and machine operators for mining and primary processing of minerals
7.1.2 - Plant operators for metal processing and hot working
7.1.3 - Furnace and other equipment operators for the processing of glass, ceramics and assimilated materials
7.1.4 - Wood and paper processing plant operators
7.1.5 - Plant and machinery operators for gas and oil refining, for basic and fine chemicals and for the manufacturing of chemical products
7.1.6 - Plant operators for the production of thermal energy and steam, for waste recovery and for water treatment and distribution
7.1.8.1 - Mill and pulp mill operators
7.1.8.2 - Operators of furnaces and similar installations for the hot processing of minerals
7.2 - Semi-skilled operators of mass-production fixed machines and assembly workers
7.3 - Operators of fixed machines in the agriculture and food industry
7.4 - Drivers of vehicles, machines and lifting devices
8.1.3 - Unskilled workers for the handling and delivery of goods
8.1.4 - Unskilled workers for office, hotel, ship, restaurant, public area and vehicle cleaning
8.1.5.2 - Porters and similar professions
8.3 - Unskilled jobs in agriculture, green maintenance, animal husbandry, forestry and fishing
8.4 - Unskilled occupations in manufacturing, mining and construction

It should be noted that as of 2022, the heavy-duty jobs (particularly difficult and risky) to be entitled to Social APE are different from the heavy-duty ones required to be entitled to APE for early workers.

In fact, in order to be entitled to Social Ape as of January 1, 2022, in addition to the 11 heavy-duty occupations initially envisaged by the 2017 Budget Law, plus another 4 introduced from January 1, 2018 by the Budget Law for the same year, there are another 23 heavy-duty occupations (from "Primary school teachers" to "Unskilled professions in manufacturing") +3 ("Construction workers", "Ceramists" and "Plant operators") attached to the above table referred under Act no. 134/2021, the 2022 Budget Law. Instead, for the access to benefits for early workers, only the first 11+4 heavy-duty occupations of 2017/2018 apply, in addition to all arduous jobs.

To complete the picture, it is important to stress that, also in 2022, the categories of employed workers with **arduous jobs and night shifts** are entitled to the early pension: **a)** if they have performed a strenuous job, as defined by Ministerial Decree of May 19, 1999 and by Legislative Decree no. 67 of 21 April 2011, for at least 7 years in the last 10 years of work or for at least half of their total working life, with at least 35 years of contributions (excluding sickness, unemployment and accidents) with 61 years and 7 months of age and a 97.6 quota (the required sum of age and contributions) for particularly heavy tasks (work in tunnels, mines, quarries, etc.), up to the of age 63 and 7 months with a 99.6 quota for 64/71 night shifts per year. For employed workers who also have contributions from self-employment, the age is raised by one year and the quota by one unit; **b)** if they have actually worked for at least 12 months before the age of 19 according to the conditions provided for APE for early workers) after 41 years of contributions, regardless of their age. As of January 1, 2017, the mobile windows, i.e. the deferred start of the pension (12/18 months) after reaching the statutory requirements, do not apply to those who become entitled to this form of retirement. Moreover, as of January 1, 2019 and until December 31, 2026, adjustments to life expectancy do not apply either. Instead, ***those employed in arduous occupations do not have the right to receive Social APE under Act no. 232/2016.***

The 2022 Budget Law extends the **expansion contract** for ***another two years*** (2022/2023) for companies with at least 50 employees (until the year before, the minimum was 100 employees) operating in any sector that hires one worker out of every three who leave their job.

This type of contract provides for a retirement option only for workers registered with the FPLD fund and within the framework of the substitutive and exclusive forms of the General Compulsory Insurance managed by INPS under the following conditions: **a)** no more than 5 years away from becoming eligible for an early pension; **b)** or, alternatively, no more than 5 years away from attaining the right to an old age pension with the minimum requirement of 20 years of contributions. INPS calculates the amount of this benefit. In general, an agreement between employers and trade unions is required with the Labour Inspectorate under which employers may also propose to provide incentives for dismissal. If the first right attainable is that to an early pension, employers are obliged to pay to INPS the monthly allowance due to the workers when their work relationship is over and possibly including Naspi, but also to pay, always to INPS, the contributions to become entitled to the pension. If these benefits are to be provided for an old-age pension, employers are not required to pay these contributions. In this second case, the future pension benefits will be lower than those workers would receive if they had continued to work. When the workers reach the early or old-age pension requirements, INPS calculates, and then provides the final benefits.

By decree it is stipulated that in the two-year 2023-2024 period, pension requirements may not be adjusted to life expectancy. In 2022 too, it is possible to retire early with the **Isopension** measure (see the special Section on this form of early retirement). It was introduced by the Fornero reform and can only be used by companies with an average of more than 15 employees under an agreement between the company, INPS and trade unions. The mechanism allows workers to retire up to a maximum of four years earlier with respect to the Fornero regulations on condition that their company bears the

cost of an allowance equivalent to the pension for the entire period. This four-year advance was temporarily extended, from January 1 2018 to December 31, 2023, to seven years under Act no.205/2017 (2018 Budget Law as amended by the 2021 Budget Law. In addition to the allowance, the company must also have to pay the contributions (correlated contribution), so as to protect workers until they obtain their final pension benefits. This measure cannot be used to become entitled to a 102 Quota pension. It should be noted that the contribution requirement cannot be reached by aggregating the contributions from several schemes: in this case, it is possible to use the onerous reconciliation provided for under ex Act no. 29/79, or ex Act no. 45/90 for contribution periods in schemes for professionals. At present, the reduced contribution period by 7 years compared to 42 years and 10 months (1 year less for women) to become entitled to this early exit measure, allows workers to retire with 35 years and 10 months of contributions (34 years and 10 months for women) with no age limit, less with respect to the 38 years of contribution seniority of the 102 measure (moreover, with the minimum age limit of 64 years).

Citizenship Income (and pension) – RdC: it was confirmed for 2022, even with an additional allocation of 1 billion euros.

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 3 billion-euro reform of social shock absorbers is linked to active labour and training policies and 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.

Ad) Novelties of the 2023 Budget Law (Meloni government; Minister of Economy and Finance Giancarlo Giorgetti):

The draft 2023 Budget Law passed on November 21, 2022 by the Cabinet, provides for the following novelties for the pension system:

- 1) Replacement of the **102 Quota** measure - retirement option for those who reach the requirements of 64 years of age and 38 years of contributions by December 2022 - with the **103 Quota**, i.e. 62 years of age and 41 years of contributions. The 103 Quota provides for an allowance not higher than 5 times the minimum benefits (about 2,627 euros) until the age of 67 and only afterwards the pension is paid in full. Once the right has been accrued by December 2023, it is possible to apply for the pension also in the following years (as for the 100 and the 102 Quota measures); before reaching 67 years of age, working is not permitted nor is it possible to combine the income with pension benefits; there is a moving window: 3 months for private-sector workers and 6 months for public-sector workers. For those who opt for the 103 Quota measure, the amount of contributions, now over 70% of total seniority, will be calculated with a lower transformation coefficient (at 67 the coefficient is 5.575%, at 62 it is 4.770%) and consequently the pension benefits will be permanently lower.
- 2) **Woman's Option:** the change envisages that only women who fulfil the typical Social APE conditions can retire, namely: a) women who have cared for a severely-disabled spouse or first degree relative living with them for at least 6 months; b) with a 74% civil disability; c) dismissed or employed by companies in crisis. The new requirements are: 60 years of age (instead of 58/59) and 35 of contributions; the age is reduced to 59 with one child and to 58 with two or more children, while the window of 12 months for employed workers and 18 for self-employed workers may be harmonized to 12 months (rules pending approval on December 12). The allowance is calculated with the contribution-based system: the lower the age, the lower the amount.
- 3) **Extension of Social APE:** it allows for retirement with 63 years of age and at least 30 years of contributions (for unemployed subjects, disabled civilians with a degree of disability greater than 74% and caregivers) or 36 years for workers with 'heavy-duty' jobs (32 years for some 'heavy-duty' categories). For women who are unemployed or have a 'heavy' job, the contribution requirements are reduced by 1 year for each child, for a maximum of 2 years. (see previous Budget Laws);
- 4) **Bonus for those who continue to work even if they reach the 103 Quota requirements** with a contribution rebate by 9.19% and the same amount of salary increase. This measure was designed in the wake of Act no. 243/2004, which allowed workers to receive their full

pay exempted from contributions. The bonus was a success and entailed cost savings for INPS: it came into force in November 2004 and was abolished on December 31 2007; subsequent decrees determined whether or not the bonus had to be taxed.

- 5) The age requirement for the **old-age pension is blocked at 67 years** of age until 2024 and the same for the life expectancy adjustment until 2026 for the early pension with **42 years and 10 months** for men (one year less for women) and with 41 years for the early workers. The **expansion contracts** for companies with 50 or more employees and the **Isopension** remain in place until 2023.
- 6) **Adjustment of pensions to inflation:** The Draghi government had planned for 2022 to implement the 1996/98 legislation, totally disregarded by the previous governments; this legislation provided for the 100% adjustment from January 2023 of pensions up to 4 times the minimum benefits (12.7 million pensioners, 79% of the total), 90% from 4 to 5 times the minimum benefits (1.6 million pensioners) and 75% for amounts 5 times above the minimum benefits (1.8 million pensioners). The Budget Law distorted Draghi's rule, and instead established a 100% adjustment in 2023-2024 for social pensions and allowances and minimum benefits further increased by 1.5% of the average annual inflation index (7.3%), provisionally established by the Ministry of Economy and Finance for 2022, and by 2.7% for 2024; a 100% adjustment for pensions up to 4 times the minimum benefits (2,627 euros) and a lower adjustment for all the pensions over 4 times the minimum benefits (see table below). Moreover, the equalisation for 2023 will take place in terms of levels of minimum benefits in 2022 and not in terms of brackets; this means for example that the entire pension of 4,203 is fully revalued at 2.92%. Starting from the minimum pension for 2022, equal to 525.38, the figures for 2023 are as follows:

	Year 2022	Increase	2023
Social Pension/month	386.54 €	(100% di 7.3%)+1.5%	420.56 €
Social allowance/month	469.03 €	(100% di 7.3%)+1.5%	510.30 €
Minimum pension/month	525.38 €	(100% di 7.3%)+1.5%	571.61 €
EQUALIZATION LEVELS			
Equalisation: up to 4 times the 2022 minimum benefits	= 100% of 7.3%		from 1,000 to 2,101.52
Equalisation: from 4 to 5 times the minimum benefits "	= 80% of 7.3%= 5.84%		fom 2,101.53 to 2,626.90
Equalisation: from 5 to 6 times the minimum benefits "	= 55% of 7.3%= 4.01%		from 2,626.91 to 3,152.28
Equalisation: from 6 to 8 times the minimum benefits "	= 50% of 7.3%= 3.65%		from 3,152.29 to 4,203.04
Equalisation: from 8 to 10 times the minimum benefits "	= 40% of 7.3%= 2.92%		from 4,203.05 to 5,253.80
Equalisation: above 10 times the minimum benefits "	= 35% of 7.3%= 2.55%		from 5,253.81

In fact, the budget law rewards those who have worked little, paid few contributions and taxes, and have been dependent on the community during their entire working life, and also during their retirement. In 2021, social pensions and supplementary minimum benefits cost over 12 billion plus 3 billion of additional social benefits and over 1.5 billion for the 14th monthly payment and the additional amount. The increase in minimum benefits is a gift for as many as 6 million beneficiaries, including the underprivileged (few), tax dodgers, illegal workers and crooks (many); but it affects instead 1.5 million pensioners with gross benefits ranging 2,600 euros and 5,200 (5 to 10 times the

minimum benefits) and 230,000 pensioners who get more than 5,200 euros per month before taxes (10 times the minimum) who already pay an exorbitant amount of taxes.

6) The **tax wedge cut of up to 3% for employed workers with low incomes** with a 2% contribution exemption for incomes up to 35,000 euros and 3% for incomes up to 20,000 euros. The wedge reduction is all for the benefit of workers. More than 4 billion euros have been allocated for this measure. An additional cut in the tax and contribution wedge was introduced with the “Aiuti quater” Decree, amended by the Meloni government and presented by the Minister of Economy and Finance.

Focus no.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 private-sector and public-sector employed workers, the employment relationship must be discontinued; instead, while atypical workers and members of the fund for artisans are not obliged to stop working in order to retire.

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 in the two subsequent years. 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 the age requirement of 67 years and 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 A.5***). 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

¹ The adjustment of requirements as of 2013, in line with the law (Art.12, p. 12-bis, Law Decree no.78/2010, converted into Act no. 122/2010), was adopted at least 12 months before the start of this adjustment under a Decree of 06/12/2011, published in the OJ on 13/12/2011. This adjustment is equal to 3 months, as provided for under p. 12-ter, Law Decree no. 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).

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.*

Table A.1 – Seniority 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 i misti		Assicurati post 31/12/1995 (3)	
2012	42 anni e 1 mese (41 anni 1 mese le donne)		63 anni (3.1)	
2013	42 anni e 5 mesi (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; 2015 63 a + 7m	
2016-2017/18	42 anni e 10 mesi (41 anni 10 mesi le donne)		63 anni e 7 mesi; 2028 63a + 11m	
2019-2020 (4)	vedasi nota 4			
	42 anni e 10 mesi (41 anni e 10 mesi donne)		63 anni e 11 mesi (3.2); 2020 64a + 2m	
2021	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 anni + 2m;	
2022/2023- 2024/25/2026	42 anni e 10 mesi (41 anni e 10 mesi donne)		64 a + 5 m; (64 a + 8 m) (64 a + 11m)	
2027/2028 (5);	44 a + 2 m (-1 x F);		64 anni e 11 mesi)	
2029/2030	44 anni e 4 mesi (43 anni 2 mesi le donne)		65 a + 1 m;	
2031/2032; 2033/2034	44 a + 6 m F -1; (43 anni 4 m x F); 44 a + 8 m		65 anni e 3 mese; 65 anni e 5 mesi	
2035/36; 2037/38	44 anni e 10 mesi (43 a + 10 m x F); 45 anni		65 anni e 7 mesi; 65 a + 9m	
2039/2040 (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 ed un giorno) per i dipendenti dello Stato e 25 anni (24 anni sei mesi ed un giorno) per i dipendenti degli enti locali e AsL. In entrambi i casi era prevista una riduzione di 5 anni a favore delle donne coniugate e/o con prole a carico.				
(3) Lavoratori neoassinti dal 1 gennaio 1996, cosiddetti "contributivi puri"; (3.1) 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. (3.2) 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 stati aumentati di 5 mesi, per il biennio 2019-2020, a seguito della nuova previsione ISTAT di 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.

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>	<i>Contributivi puri (M e F)</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	70 anni
2013	66 e 3 mesi uomini 62 e 3 mesi donne	66 e 3 mesi uomini e donne	66 e 3 mesi uomini e 63 e 9 mesi donne	70 a + 3 m
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	70 a + 3 m
2016-2017	66 e 7 mesi uomini e	66 e 7 mesi uomini e donne	66 e 7 mesi uomini e	70 a + 7 m
	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	70 a + 7 m
2019-2020-2021- 2022 (2)	67 anni per uomini e donne	67 anni per uomini e donne	67 anni per uomini e donne	71
2023-2024 (2)	67 anni per uomini e donne	67 anni per uomini e donne	67 anni per uomini e donne	71
2025/26 (3); 2027/28	67 e 8 mesi M e F; (67 +2) (67 + 3)	67 e 8 mesi uomini e donne	67 e 8 mesi uomini e donne	71 a; 71 a + 2 m
2029/30; 2031/32	68 e 1 mese M e F; (67 + 5); (67 + 8)	68 e 1 mese uomini e donne	68 e 1 mese uomini e donne	71 + 5; (71 + 8)
2033/34; 2035/36; 2037/38	68 e 7 m M e F; (67 + 11) (68 + 2) (68 + 4)	68 e 7 mesi uomini e donne	68 e 7 mesi uomini e donne	71 + 11; (72+2)(72+4)
2039/40; 2041/42; 2043/44	68 e 11 m M e F; (68 + 6); (68+ 8); (68 + 10)	68 e 11 mesi uomini e donne	68 e 11 mesi uomini e donne	72+6; (72+8) (72+10)
2045/46; 2047/48	69 e 3 m M e F; (69); (69 + 2)	69 e 3 mesi uomini e donne	69 e 3 mesi uomini e donne	73 a; 73 + 2
2049/50	69 e 9 mesi M e F; (69 + 4)	69 e 9 mesi uomini e donne	69 e 9 mesi uomini e donne	73 + 4
(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 e 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. I dati fra parentesi in nero sono relativi alle nuove proiezioni 2022 dell RGS e valgono per le tre categorie. SEMPRE 5 MESI IN MENO PER MANSIONI GRAVOSI O USURANTI				

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. The data in parentheses are related to the new 2022 pensions provided by RGS and they apply to all three categories. ALWAYS 5 MONTHS LESS FOR HEAVY-DUTY OR ARDUOUS JOBS.

Note to Tables A1 and A2: until 31/12/2011, it was possible to retire with 61 years of age and 35 years of contributions (or 60 with 36); alternatively, with at least 40 years of contributions regardless of age. In 2010, the so-called "12-month windows" for employed workers and "18-month windows for the self-employed were introduced, which in part increased the requirements by one year (62 years of age and with 35 years of contributions or 61 with 36 and 41 years of seniority for employed workers; +6 months the self-employed). Under the Monti-Fornero law, the minimum age for seniority and old age pensions increased to 66 years (+6 years), while it increased to 42 and 1 month for early retirement for seniority pensions.

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;

**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

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.

(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 total pension amounts*** as provided for under the 2018 law. As of January 1, 2022, the automatic adjustment index of pensions, equal to 1.7%, is 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 2022: pensions up ***8 times the minimum benefits*** lost about one year in terms of purchasing power, that is a loss of 14%, i.e. about 2 monthly salaries; slightly less for pensions below 8 times, much more for those above this limit. Assuming a life expectancy of at least 10 years and an inflation of 2% (in 2022 it exceeded 11.9% and as seen in the budget law under Ad, these pensions lost even more) the previous insufficient adjustment is expected to lead to a cumulative loss of 18%, which increases enormously by applying the Conte and now the Meloni adjustment method (see below). In order to counter the negative effects of inflation in 2022 and support the purchasing power of pension benefits, Law Decree no. 115 of August 9, 2022 (the so-called Aiuti bis), transposed into Act no. 142 of September 21, 2022, established, on an exceptional basis, to adjust pensions later in the last quarter of this year. In detail, Article 21 of the decree provided for two distinct measures: on the one hand, a revaluation of 0.2% for all pensioners, to recover the loss due to inflation in 2021; on the other hand, an increase by a further 2% for October, November and December 2022, only for pensions up to 2,692 euros per month before taxes. The first measure envisages bringing forward to November 1, 2022 the adjustment to calculate the pension equalisation for 2021; this is a 0.2% 'recovery' measure implemented 2 months earlier with respect to the ordinary deadline on January 1 of each year: this percentage is equal to the difference between the estimated inflation for 2021 applied for the adjustment in January 2022 (1.7%), and the actual inflation in 2021 (1.9%), and it is applied to all pension benefits with the payment of arrears accrued in the first 10 months of the year. The second measure envisages a 2% increase for the months of October, November and December 2022 only (including the 13th monthly payment) for pensions that are equal to or lower than 2,692 per month; if the amount of the benefit is higher than this figure and lower

than this limit plus the increase (i.e. between 2,692 euros and 2,745 euros), the benefits granted can reach up to the aforementioned increased limit. The rule specifies that the 2% increase is deducted from the total pension benefits, and clarifies that the increase thus obtained does not contribute to determining if the income limit for the calculation of income-related benefits have been exceeded.

Table A.3 – Adjustment of pensions to inflation from 1996 to 2023

Governments / Pension amount levels	Basic law	1996 Prodi	1997-1998 Prodi - D'Alema	1999 - June 2001 Amato	June 2001 - May 2006 Berlusconi	May 2006 - May 2008 Prodi	May 2008 - November 2011 Berlusconi	2011	November 2011 - April 2013 Monti	April 2013 - February 2014 Letta	2014	February 2014 - December 2016 Renzi	2016	December 2016 - June 2018 Gentiloni	June 2018 - September 2019 Conte	September 2019 - February 2021 Conte Bis	February 2021 - October 2022 Draghi (5)	October 2022 Meloni
Regulatory reference	legge n. 388/2000		L. 449/97 - 448/98	L. 449/97 - 448/98	L. 388/2000 che richiama L. 448/98		L. 247/2007 e D.L. 81/2008	L. 388/2000	D.L. 201/2011		L. 147/2013	L. 147/2013 e L. 208/2015	D.L. 65/2015 in L. 109/2015	L. 147/2013 e L. 208/2015	L. 145/2018	L. 160/2019	L. 160/2019 (art.34 L.448/1998)	
Up to 2 times the minimum benefits (1)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
From 2 to 3 times the minimum benefits	100%	90%	90%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
From 3 to 4 times the minimum benefits	90%	75%	75%	75%	90%	100%	90%	90%	0% (4) 40%		90%	8%	20%	95%	97%	100%	100%	100%
From 4 to 5 times the minimum benefits	90%	75%	75%	75%	90%	100%	90%	90%	0% (4) 20%		75%	4%	10%	75%	77%	77%	90%	80%
From 5 to 6 times the minimum benefits	75%	75%	75% (2)	30%	75%	75%	75%	75%	0% (4) 10%		50%	2%	5%	50%	52%	52%	75%	55%
From 6 to 8 times the minimum benefits	75%	75%	75% (2)	30%	75%	75%	75%	75%	0%		17,84 fisso	0%	0%	45%	47%	47%	75%	50%
From 8 to 9 times the minimum benefits	75%	75%	75% (2)	0%	75% (3)	75%	75%	75%	0%		17,84 fisso	0%	0%	45%	45%	45%	75%	40%
From 9 to 10 times the minimum benefits	75%	75%	75% (2)	0%	75% (3)	75%	75%	75%	0%		17,84 fisso	0%	0%	45%	40%	40%	75%	40%
Over 10 times the minimum benefits	75%	75%	75% (2)	100%	75% (3)	75%	75%	75%	0%		17,84 fisso	0%	0%	45%	40%	40%	75%	35%
inflation 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 %	2022 7,3%	

(1) TM means "Minimum Benefit "; in 2020 and 2021, the minimum benefit was equal to 515.58 euros before taxes for 13 monthly payments and in 2022 to 524.34 euros before taxes for 13 monthly payments

(2) According to Article 59 of Act no. 449/97, for fiscal reasons in 1998, the adjustment of pensions exceeding five times the minimum benefits was set at zero

(3) Under Article 1(19) of Act no. 247/2007 (Damiano Law), the adjustment of pensions exceeding 8 times the minimum benefits was set at zero only for 2008;

(4) Following the Constitutional Court ruling, under the so-called Poletti Decree (Act no. 65/2015), these 3 amount levels were adjusted by 40% between 3 and 4 times the minimum benefits, by 20% from 4 to 5 times the minimum benefits and by 10% between 5 and 6 times the minimum benefits; which was increased by 20% for 2014/2015 and by 50% from 2016 onwards, in addition to the 2014 equalisation increase under Act no. 147, which was paid from August 2015 onwards

(5) Act no. 160 of December 27, 2019 (2020 Budget Law), Article 1, paragraph 478, reads: "The automatic pension revaluation index shall be applied as of January 1, 2022.

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. It was originally envisaged for five years by the Conte Government under Article 1, paragraphs 260, 261, 262, 263, 264, 265, 266, 267 and 268 of Act no. 145 of December 30, 2018, then it was reduced to three years by the Constitutional Court, in its ruling no. 234³ of November 9 2020, and therefore ended in 2021. **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.

³ The Constitutional Court examined the constitutional legitimacy the measures to contain social security spending raised by the Court of Milan and the jurisdictional sections of the Court of Auditors of Friuli-Venezia Giulia, Lazio, Sardinia and Tuscany; the 2019 Budget Law introduced these cuts to high pensions and reduced the inflation adjustment in 2019-2021 of pensions exceeding 5 times the minimum benefits and established the so-called solidarity contribution, that is a percentage reduction for five years of pensions exceeding 100,000 euros per year before taxes. In essence, the Court confirmed the legitimacy of the 'cooling of equalisation', (as it calls it) considering it as reasonable and proportionate, but it limited its applicability to three years, until the end of 2021; in fact, the Court considered the five-year period too long with respect to the State three-year budgeting period.

Table A.4 - Reduction of pensions over 100,000 euros before taxes

No of pensioners *	Amount of pension benefits per year before taxes	Maximum amount of the exceeding share by income brackets	Marginal rate of reduction	Reduction of pension benefits	Gross revenues for the State from 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
<i>The cuts to high pensions (*estimates on the basis of the data from the central pension registry; in euros)</i>					
<i>Data processed by the Research and Study Center of Itinerari Previdenziali</i>					

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 years⁴. 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 cuts⁵. Table A.5 shows the monthly amounts of minimum and welfare benefits from 2014 to 2023.

⁴ For further details on the adjustment of pensions to inflation and on the recalculation of high pensions, please see the references provided on the website www.itinerariprevidenziali.it and the articles published on the blog *ilPunto* (www.ilpuntopensionielavoro.it)

⁵ 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).

Table A.5 – Social allowances

<i>Benefit</i>	2014	2015	2016 - 17	2018	2019	2020	2021	2022	2023
Minimum benefits	500,88	502,39	501,89	507,42	513,01	515,58	515,58	525,38	571,61
Social benefits	447,17	448,52	447,62	453,00	457,99	460,28	460,28	469,03	510,30
Social pension	368,52	369,63	368,89	373,33	377,44	379,33	379,33	386,54	420,56
Ex million per month	637,32	638,83	637,82	643,86	648,05	651,51	651,51	662,59	710,29
Pension for disabled civilians	278,91	279,75	279,47	282,54	285,66	286,81	287,09	291,97	312,99
carers 'allowance	504,07	508,55	508,83	514,14	519,71	520,29	522,10	528,94	567,02
14th month salary per year*					655,00	655,00	655,00	655,00	655,00
social card (per year)**					480,00	480,00	480,00	480,00	480,00
citizenship pension***					492,18	530,75	546,75	550,00	589,60

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, unless there would be an equalization balance the following year. By circular No. 15 of 28 January 2022, INPS announced that the final percentage change for the purposes of equalisation of pensions, calculated by ISTAT was equal to 1.9%. Decree Law No. 115 of 9 August 2022 (so-called Aiuti bis) transposed into Act no.142 of September 21 2022 established, on an exceptional basis, an advance recovery by 2 months with respect to the ordinary deadline, normally set on January 1 of each year, of 0.2%: a percentage equal to the difference between the estimated inflation for 2021, and applied in January 2022 (1.7%), and the actual 2021 inflation rate (1.9%). For 2023, under the MEF Decree of November 10, 2022, the increase in benefits was defined by applying the definitive rate of 1.9% for 2021 (effectively applied from October 2022) and the provisional index of 7.3% for 2022, to be then adjusted at the time of revaluation for 2024. The draft of the Budget Law 2023, arranged for the parliamentary approval process, provides for increases of 100 per cent only for pensions/social allowances and minimum pensions, further increased by 1.5 per cent, and decreasing percentages as the of pensions from 4 times the 2022 minimum of 525.38 euros (without taking into account the further increase of 1.5 per cent). *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. The 2023 draft Budget Law envisages significant corrective measures.

Focus no. 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.

Private-sector employed workers – In 2022, the rate allocated to the pension fund remained set at 33% of taxable income, 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 4,023 euros, equal to an annual amount of 48,279 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 2022 was equal to 105,014 euros). Beyond this income limit, no contributions are due and pension benefits are therefore capped at the maximum contribution limit.

Public-sector employed workers - In 2022, the rate for the fund for public-sector employed workers -CTPS was set at 33% of the taxable salary, of which 24.80% borne by the State and 8.80% by workers (9.80% for the monthly salary bracket exceeding 4,023.00 euros, equal to an 48,279.00 euros per year. The rate for the local government pension fund (Cassa Pensioni Enti Locali-CPDL), the fund for teachers (Cassa Pensioni Insegnanti-CPI), the fund for judicial officers (Cassa Pensioni Ufficiali Giudiziari-CPUG) and the fund for health-care professionals (Cassa Pensioni Sanitari) was set at 32.65% of the taxable salary, of which 23.80% borne by the State and 8.85% by workers (9.85% for the monthly salary bracket exceeding 4,023.00 euros, equal to 48,279.00 euros per year. An annual ceiling to the contribution and pensionable base was established for civil servants without contribution seniority on December 31, 1995 who joined the public (compulsory) pension schemes as of January 1, 1996. This ceiling was set at 132 million lire for 1996, and is annually adjusted on the basis of the ISTAT consumer price index for blue- and white-collar households (the limit was 105,014.00 euros in 2022). Above this income limit, no contributions are paid and pension benefits are then capped at the 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 2022, artisans who joined the scheme before 1996 paid a contribution rate of 24% out of their business income up to 48,279 euros and 25% on the share of income between 48,279 and 80,465 euros, that was the taxable ceiling for 2022. While for retailers registered with the scheme before 1996, the contribution rate rose by 0.09% in 2022 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 48,279 euros and 25.09% on the amount between 48,279 and 80,465 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 105,014 euros in 2022. 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 48,279.00 euros and 25.00% on the share of income between 48,279.00 and 105,014 euros (equal to 56,735 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 48,279 euros and 25.09% on the share of income between 48,279 euros and 105,014 euros. In 2022, the minimum taxable income for calculating the contribution rate was equal to 16,243 euros, so the minimum contribution (including maternity allowance) to be paid by artisans was 3,905.76 euros, while that of retailers was 3,983.73 euros (see INPS circular no. 22/2022).

Table A.6 - Historical series of IVS contribution rates and of per capita contributions

Years	Historical series of IVS contribution rates and per-capita contributions						Historical series of remuneration/income		
	F.P.L.D. (a)		Artisan		Retailers (b)		F.P.L.D. (d)	Artisan (e)	Retailers (e)
	Total	Total paid by the workers	fixed annual contribution (euros)	% annual contribution ©	fixed annual contribution (euros)	% annual contribution (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) 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.

Atypical workers - In 2022, 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 2021. 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 2022. Instead, the contribution rate for short-term contract workers and free-lancers already insured or retired remained at 24%. In 2022, the maximum taxable income for contribution purposes for members of the separate scheme was equal to 105,014 euros per year and the minimum to 16,243 euros (see INPS circular no. 25/2022).

Table A.7 - Contribution rates and upper limits

Subjects	Contribution rate 2019	Contribution rate 2020	Contribution rate 2021	Contribution rate 2022
Private-sector employed workers (1)	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 48.279 euro 10,19% da 48.279 euro
- Pension fund for civil servants (CTPS)	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 48.279 euro 9,80% da 48.279 euro
- Pension fund for employed workers of Local Authorities (CPDEL), - Pension Fund for Teachers (CPI)	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 48.279 euro
- Pension Fund for Bailiffs (CPUG) - Pension Fund for health workers (CPS)	9,85% da 47.143 euro	9,85% da 47.379 euro	9,85% da 47.379 euro	9,85% da 48.279 euro
Artisans (3)	24,62% sino a 47.143 euro 25,62% da 47.143 a 78.572 euro	24,62% sino a 47.379 euro 25,62% da 47.379 a 78.965 euro	24,62% sino a 47.379 euro 25,62% da 47.379 a 78.965 euro	24,62% sino a 48.279 euro 25,62% da 48.184 a euro 80.465
Retailers (4)	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 48.279 euro 25,71% da 48.184 a euro 80.465
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 (9)	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 105.014 euro (6)
Professionals and free-lancers with a VAT number, registered with the separate scheme, not members of other funds and not retired (9)	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 105.014 euro (8)
Atypical workers and professionals with a VAT number, registered with other funds or retired (10)	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 105.014 euro (9)

(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 105,014 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 105,014 euros in 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 (TFR) 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 (TFS) 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

(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 105,014 euros in 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 105,014 euros 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% in 2021 and of 0.51% in 2022.

(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.

Focus no. 4: The contribution-based calculation method and the use of coefficients

The calculation of pensions with the contribution-based method, i.e. the transformation of the amount of contributions into an annuity, is performed through the **transformation coefficients** introduced under Act no. 335/1995 (the so-called Dini Law). These coefficients started to be applied to contributions from January 1, 1996 and should have been revised and updated every 10 years following the trend of life expectancy calculated by ISTAT; so, the first revision should have taken place in 2006, but, even though they had been calculated by Nusvap and made available to the Government, they were applied only in 2010 under Act no. 247/2007, Article 1, paragraph 14, which also provided for their redetermination every three years until 2018 and every two years starting from 2019.

The Ministerial Decree 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 dropped 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 A.8**). Later, the Ministerial Decree of 2018 presented a coefficient also 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 coefficients for the years 2023/24 were to be released around May-June 2022, but when this report was ready to be published they are not yet available; the coefficients would have been improved, with higher percentage amounts for all age groups and hence with higher pension benefits in view of the deteriorated 2020/2021 mortality tables.

How it works⁶ - Under the 1995 Dini Reform, the amount of pension benefits calculated with the contribution-based method is closely linked to the contributions paid throughout the working life and no longer to the final salary as was the case under the income-based system, and to retirement age; so, the later the retirement, the higher the pension, and vice versa, also because the coefficients are linked to life expectancy at the time of retirement; therefore, in order to have the same substitution rate, it is necessary to postpone retirement. A typical example (see **Table A8** below): in order to obtain the same coefficient at 65 years of age envisaged under the original Dini Law, in the three-year period from 2016 to 2018, it was necessary to work for another 4 years, up to the age of 69; however, life expectancy rose by more than 5 years and so pensioners receive their benefits for another 5 years; on the other hand, in the two-year period from 2019 to 2021, the same coefficient was obtained between 69 and 70 years of age; so, it was necessary to work for about 4-5 years longer than envisaged in the Dini Law. The coefficients for the years 2023/24 were to be announced in the spring of 2022. The contributions paid are adjusted to a rate equal to the five-year average of nominal GDP, so the more Italy grows, the higher the benefits. The contribution-based calculation method also differs from the income-based one on another fundamental point: there is a contribution ceiling above which contributions are not due and the pension is calculated up to this ceiling that is annually revalued on the basis of the ISTAT consumer price index; the value 2022 was 105,014 euros (for the calculation formula see Exhibit 3 in this Report).

⁶ 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 Exhibit are available on the Pensioni&Lavoro website: www.pensionielavoro.it.

Table A.8 – Coefficients for the transformation of the pool of benefits into annuities

Età de correzz a pensione	1996 - 2009 (Tabella A della Legge n.335/1995)	2010 - 2012 (Allegato 2, Tabella A della Legge n. 247/2007)	% riduzione rispetto ai precedenti coefficienti	2013 - 2015 (Decreto Interministeriale 15 maggio 2012)	% riduzione rispetto ai precedenti coefficienti	2016 - 2018 (Decreto Interministeriale 22 giugno 2015)	% riduzione rispetto ai precedenti coefficienti	2019 - 2020 (Decreto Interministeriale 15 maggio 2018)	% riduzione rispetto ai precedenti coefficienti	2021-2022 (Decreto Interministeriale 1 giugno 2020)	% 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	-1,40%	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	-1,54%	4,532	-1,24%	4,515	-0,38%	-12,55%
61	5,334	4,940	-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%	4,940	-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	-2,10%	5,419	-1,58%	5,391	-0,52%	-12,14%
67	6,136	5,620		5,826		5,700	-2,16%	5,604	-1,68%	5,575	-0,52%	-9,14%
68	6,136	5,620		6,046		5,910	-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	-2,49%	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 percentuale; esempio: supponendo che un lavoratore abbia maturato (attraverso il versamento dei contributi 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 all'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 as %; 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 no.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.10 – Outstanding pensions on January 1, 2022

Outstanding pensions on January 1, 2022				Total outstanding pensions on 1/1/2021
	INPS funds for private-sector employed workers ^(*)	INPS funds for public-sector employed workers - GDP	Total INPS funds	
Old-age pensions				Old-age pensions
Men	1.636.459	194.508	1.830.967	1.835.892
Women	2.775.270	245.244	3.020.514	3.061.624
Total	4.411.729	439.752	4.851.481	4.897.516
Seniority/early retirement pensions				seniority/early retirement pensions
Men	3.578.539	826.380	4.404.919	4.361.342
Women	1.180.116	977.685	2.157.801	2.064.619
Total	4.758.655	1.804.065	6.562.720	6.425.961
disability pensions				disability pensions
Men	434.081	122.714	556.795	576.933
Women	347.460	84.040	431.500	460.987
Total	781.541	206.754	988.295	1.037.920
survivors' pensions				survivors' pensions
Men	446.263	105.169	551.432	549.648
Women	3.170.693	527.214	3.697.907	3.724.678
Total	3.616.956	632.383	4.249.339	4.274.326
early retirement				early retirement
Men	144.774	-	144.774	154.825
Women	52.949	-	52.949	55.874
Total	197.723	-	197.723	210.699
welfare benefits				welfare benefits
Men	1.613.989	-	1.613.989	1.608.066
Women	2.368.685	-	2.368.685	2.374.612
Total	3.982.674	-	3.982.674	3.982.678
Total				Total
Men	7.854.105	1.248.771	9.102.876	9.086.706
Women	9.895.173	1.834.183	11.729.356	11.742.394
Total	17.749.278	3.082.954	20.832.232	20.829.100

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.9 - Historical Series 2023-2020 (payment years) of the number of IVS pensions paid out and of retirement flows in the first three 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	349.143
	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	676.622
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	335.356
	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	345.387
	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	680.743
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	323.802
	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	356.495
	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	680.297
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	347.517
	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	368.555
	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	716.072
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	309.915
	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	349.828
	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	659.743
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	313.157
	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	314.712
	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	627.869
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	290.053
	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	407.828
	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	697.881
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	344.249
	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	408.596
	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	752.845
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	304.028
	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	372.720
	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	676.748
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	274.604
	Femmine	76.654	15.181	93.835	27.372	24.337	51.709	15.637	3.582	19.219	164.580	29.897	194.477	359.240
	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	633.844
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	268.313
	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	331.487
	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	599.800
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	241.870
	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	319.929
	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	561.799
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	311.820
	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	355.498
	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	667.318
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	280.601
	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	322.663
	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	603.264
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	338.691
	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	344.831
	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	683.522
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	363.836
	Femmine	32.972	17.217	50.189	45.376	41.470	86.846	18.770	2.791	21.761	164.987	29.646	194.633	353.429
	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	717.265
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	403.549
	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	384.805
	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	788.354
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	416.262
	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	464.906
	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	881.168
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	358.882
	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	403.055
	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	761.937

(1) Le pensioni liquidate nelle Gestioni Sport e Spettacolo dell'ex Enpals dall'anno 2019 sono rimosse 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 Parassubordinati). 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.11 - List of safeguard measures

Description	Total no. of applications approved	Total number expected no. of esodati	Certified cost (millions of euros)
Safeguards and reference laws			
I Safeguard Certification applications Act no. 135/2012	64,364	66,000	5,107.00
II Safeguard Certification applications Act no. 135/2012	19,741	35,000	1,840.30
III Safeguard Certification applications Act no. 228/2012	7,186	16,130	312,7
IV Safeguard Certification applications Act no. 124/2013	3,427	5,000	214,7
V Safeguard Certification applications Act no. 147/2013	3,527	17,000	192,9
VI Safeguard Certification applications Act no. 147/2014	16,500	32,100	784,2
VII Safeguard Certification applications Act no. 208/2015	13,071	26,300	1,006
VIII Safeguard Certification applications Act no. 232/2016	13,074	30,700	912.9
IX Safeguard (*)	1,226	2,400	349
Grand Total	143,303	230,630	10,359.70
(*) The ninth safeguard was provided for under the 2021 Budget Law (Act no. 178 of December 30, 2020). The planned allocation is approximately 35 million for 2021 and slightly less for 2022, with a further 27 million for 2023 and 20 until 2026			

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.*

Exhibit no. 2 - Definition of pension expenditure in this Report and other definitions

There are several definitions of *pension expenditure* produced by a variety of institutions. Each of them provides specific information but is also conditioned, in some cases, by the availability of the data. What follows is a list of the currently used definitions and the explanation of the differences of the various *expenditure aggregates*.

A) Istat Statistics⁷

Benefits included in the aggregate

IVS pensions: disability, old age and survivors' pensions paid out when workers reach their statutory retirement age and contribution requirements (direct disability, old age and seniority pensions). In the event of death of the active worker or pensioner, these benefits may be paid to survivors (indirect pensions).

Indemnity pensions: pensions for accidents at work and occupational diseases and veterans' pensions including gold medal allowances. The characteristic of these pensions is that they compensate workers for an impairment, depending on the level of the impairment, or for death (in which case the benefits are paid to their survivors) resulting from an event occurring while working. The entitlement and amount of the benefits are not related to the years of contribution, but they depend on their injury and their salary.

Welfare pensions: benefits consisting of veterans' pensions, pensions for visually and hearing impaired and disabled civilians, and social pensions or allowances to citizens over 65 years of age, with no or insufficient income. The main aim of these pensions is to guarantee a minimum income to persons unable to obtain it because of congenital or supervening impairments or simply because of old age. In any case, these benefits not linked to any contribution system. This aggregate also includes caregivers' allowances (which, however, are not pensions) designed to support subjects who are not self-sufficient in their age-related daily life.

Honorary pensions: life allowances to veterans awarded with the Order of Vittorio Veneto and with a War Medal and Cross. In any case, these pensions are not linked to any contribution system.

Pensions paid by Private Institutions: these do not include capital benefits, as they do not fall within the definition of 'pension'⁸.

Figures reported: the number of outstanding pensions on December 31 of each year and the amount of expenditure expressed as the sum of the amounts of pension benefits in December, multiplied by the number of months for which the benefits are paid (so-called 'expenditure at the end of the year'). The monthly amount on December 31 includes: the basic amount, the increase linked to the cost-of-living index and to wage trends, the share of family allowances and any other benefits and arrears.

B) Aggregate "Pensions and annuities" shown in the analysis of Social Protection Accounts by type of benefit⁹

Benefits included in the aggregate

The *item "Pensions and annuities"* includes IVS pensions, net of capital benefits, and accident annuities (INAIL, ex-IPSEMA, so-called tables for military conscripts, etc.). Among IVS benefits, it

⁷ The data analysed come from the INPS administrative archive - (Central Pension Registry), which features the data on the pension benefits paid by all Italian social security institutions, both public and private. The data processed by ISTAT from the year 2004 onwards are disaggregated by type of fund and are different from those published in previous years, since they were processed according to a different classification that is more closely in line with the criteria dictated by SEC.

⁸ Periodic and continuous cash benefits individually paid by public administrations and public and private organizations.

⁹ This aggregate is indicated separately both with reference to the funds as a whole and with reference to public institutions only: here we examine the latter.

includes provisional pensions paid to military personnel directly by the State, and pensions paid by Constitutional Bodies and Regions (in particular the Sicily Region) to their former employees. It does not include veterans' pensions, welfare pensions (social s pensions and allowances and pensions and allowances to disabled civilians) and honorary pensions.

Figures reported: expenditure as the sum of instalments actually paid net of family allowances, of recovered benefits and proceeds from the aggregation ban.

C) Eurostat - Pension Expenditure

Benefits included in the aggregate

This aggregate is largely equivalent to that of the ISTAT Statistical definition, except for caregivers' allowances paid to disabled civilians.

Old age and survivors' functions; (sometimes improperly used as a pension expenditure indicator): Benefits included in the aggregate

This aggregate is often considered in international comparative analyses and it includes the sum of benefits that Eurostat classifies in terms of old-age and survivors' functions. The old age function includes not only direct IVS pension expenditure (excluding disability pensions below the statutory retirement age and the share of early retirements classified in the unemployment function) but also: the termination of employment benefits paid every year by private and public employers, limited to the share ascribed to the old-age function (these benefits are not pensions but capital benefits not necessarily related to the old-age function but rather to the termination of employment¹⁰), some expenses for services provided to protect the old-age function, and supplementary pensions provided by private pension funds. The survivors' function includes not only indirect IVS pensions, but also indirect veterans' pensions and indirect accident pensions.

Figures reported: expenditure as the sum of the instalments (or benefits) actually paid, net of family allowances, recovered benefits and proceeds from the aggregation ban.

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

This aggregate is often considered in international comparative analyses and consists of the sum of benefits that Eurostat classifies in terms of old -age, survivors' and the disability functions. The old age function includes not only direct IVS pension expenditure (excluding disability pensions below the statutory retirement age and the share of early retirements classified in the 'unemployment' function, as indicated above), but also: the termination of employment benefits paid every year by private and public employers, limited to the share ascribed to the old-age function (these benefits are not pensions but capital benefits not necessarily related to the old-age function but rather to the termination of employment as already mentioned above), some expenses for services provided to protect the old-age function, and supplementary pensions provided by private pension funds¹¹. The survivors' function includes not only indirect IVS pensions but also indirect veterans' pensions and indirect accident pensions. The disability function includes IVS disability and inability pensions below the statutory retirement age, but also accident annuities, benefits for disabled civilians (including caregivers' allowances).

Figures reported: expenditure as the sum of the instalments (or benefits) actually paid, net of family allowances, recovered benefits and proceeds from the aggregation ban.

D) The definition in this Report is identical to that used in the Reports up to 2012 (analysis of 2009-2010) by the Pension Expenditure Evaluation Unit (NVSP) ¹²:

¹⁰ In the private sector, for example, the average time spent in the same company can be estimated at around 7-8 years. Overall, also considering the public sector, this figure with respect to GDP is about 1.3%.

¹¹ The *survivors* and *disability* functions too include shares of pensions provided by private organizations.

¹² Extract from the 1998 Report of Nucleo di Valutazione della spesa previdenza (Pension expenditure evaluation unit): "The data collected and analysed refer to the 1989-97 period and to all the compulsory IVS funds. There is a total of 37

Benefits included in the aggregate

This Report analyses the structural and financial elements of the mandatory IVS pension system. The definition of pension expenditure includes the provisional pensions paid to military personnel directly by the State, but not those paid by Constitutional Bodies and Regions (in particular the Sicily Region) to their former employees. It also includes the capital benefits provided by some INPS special funds, such as Enpam and Enasarco.

Figures reported: expenditure as the sum of the instalments (or benefits) actually paid, net of family allowances, recovered benefits and proceeds from the aggregation ban. Pension expenditure is indicated before the share borne by the State budget (GIAS and the State contribution to the fund for public-sector employed workers within former INPDAP) and also net of this share.

E) Department of the General Accounting Office (RGS)

Benefits included in the aggregate

The short- and medium/long-term projections of the ratio of pension expenditure to GDP prepared by the State General Accounting office adopt a definition of pension expenditure that includes IVS pensions, net of capital benefits, paid by public institutions (therefore including the expenditure on provisional pensions paid to military personnel directly by the State, by Constitutional Bodies and by Regions - in particular the Sicily Region - to their former employees) and social pensions (social allowances since '95). The latter component has been added because it is directly related to the population ageing. The same aggregate is adopted in the accounting forecasts of the PA published annually in the official public finance documents, with the breakdown of 'social benefits' into 'pension expenditure and 'expenditure on other social benefits'.

Figures reported: expenditure as the sum of the instalments (or benefits) actually paid, net of family allowances, recovered benefits and proceeds from the aggregation ban.

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%
2019	16,7%	15,3%	15,9%	16,5%	18,1%	14,9%	12,8%	15,3%

Nota: dati aggiornati a marzo 2022. * I dati dal 2011 al 2019 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.

Years, ISTAT Statistics: pension benefits, ISTAT Social Security Accounts: Analysis by benefit, Net of welfare benefits, Net of the State contribution; Note: data updated to March 2022; * The data from 2011 to 2019 refer to the Report on the Italian pension system which inherited the definition and the calculation method used by NVSP until 2010.

funds, belonging to 19 different entities, some of which were created during the period under review (e.g. INPDAP), while others (INPS Transport Fund and Customs Agents Fund) were abolished. This evaluation unit did not include in its monitoring of social security expenditure, that is in its survey: *indemnity, welfare and honorary pensions, in particular, the social pensions provided by INPS, those for the hearing and visually impaired subjects and for disabled civilians granted by the Ministry of the Interior, pensions for accidents at work granted by INAIL, ENPAIA and IPSEMA, and veterans' pensions granted by the Treasury.*

Exhibit no. 3 – Calculation formula with the contribution-based method

$$TC_x = \frac{1}{\Delta_x}$$

$$\Delta_x = \frac{\sum_{s=m,f} a_{x,s}^{v(t)} + A_{x,s}^{v(t)}}{2} - k$$

Current average value of a 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 a survivors' pension:

$$A_{x,s}^{v(t)} = \sum_{t=0}^{w-x} \frac{l_{x+t,s}}{l_{x,s}} q_{x+t,s} \left(\frac{1+r}{1+\sigma} \right)^{-t} \Theta_{x+t,s} \eta \delta_s \sum_{\tau=1}^{w-x-t+\varepsilon_s} \frac{l_{x+t+\tau-\varepsilon_s,s}^{ved}}{l_{x+t+1-\varepsilon_s,s}^{ved}} \left(\frac{1+r}{1+\sigma} \right)^{-\tau}$$

dove:

TC = transformation coefficient

Δ = divisor

s = gender (m=men, f=women)

$\frac{l_{x+t,s}}{l_{x,s}}$ = probability to survive between age x and age $x+t$

x = retirement age

w = maximum age

$q_{x+t,s}$ = probability to die between the age $x+t$ and the age $x+t+1$

$\Theta_{x+t,s}$ = probability to leave the family for a subject aged $x+t$

$l_{x+t,s}^{ved}$ = probability for the survivor to be eliminated due to death or a new marriage

k = correction to account for the ways in which pensions are provided (1 month in advance, 2 months in advance, 1 year in advance and so on and so forth)

ε_s = difference between the age of the deceased and that of the spouse

η = survivors' rate

δ_s = percentage reduction of the survivors' rate due to income requirements

r = internal rate of return

σ = percentage adjustment

$\left(\frac{1+r}{1+\sigma} - 1 \right) =$ discount rate

It is interesting to see that $r = \sigma$ e $k = 0.5$, $a_{x,s}^{v(t)} - k$ coincides with the pensioner's life expectancy at the retirement age. Moreover, it indicates the number of annual pension instalments received by the pensioner.